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THE LOCAL SKILLS IMPROVEMENT PLAN FOR LONDON: FINAL REPORT

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This Local Skills Improvement Plan has been approved by the Secretary of State in line with the approval criteria set out in the [Skills and Post-16 Education Act 2022](#), and in accordance with the [LSIP statutory guidance](#).

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FOREWORD - JOHN DICKIE, CHIEF EXECUTIVE, BUSINESSLDN

London is a beacon for talent and opportunity. Home to nearly nine million, its population rises considerably during the working day.ⁱ However, underneath its successes in attracting and retaining talent lies a complex labour market with multiple inequalities and distributional challenges.

Qualifications are higher in London than in any other UK region, or indeed any major world city, yet the in-work poverty rate is one of the UK's highest;ⁱⁱ there are more jobs in the capital than ever before while economic inactivity is higher than in other regions; and employers face acute labour shortages while unemployment is high compared other UK regions.ⁱⁱⁱ London's skills challenges have intensified post pandemic, with almost 7 in 10 businesses reporting at least one skills shortage in Q3 2022,^{iv} despite existing spending by firms of around £8 billion a year on training.^v

BusinessLDN is proud to lead the development of the London Local Skills Improvement Plan (LSIP) in partnership with the Federation of Small Business London (FSB London), London Chamber of Commerce (LCCI) and CBI London. It represents the biggest data deep-dive on skills that the capital has seen, based on a wide-ranging consultation and engagement programme. Turning this analysis and its priority actions and roadmap into an implementable plan that will have impact is critical – getting more people into jobs, thus tackling poverty and improving social mobility, and driving economic growth.

Some of the ideas set out below are new. Most are not. Success requires action – from London government, business and training providers – and phase two of this LSIP will build on this initial work and seek to put in place the practical routes to effective, funded delivery.

I would like to extend my personal thanks to all the employers, Employer Representative Bodies (ERBs), training providers, experts and stakeholders who have given so generously of their time in this initial phase. In particular, I am grateful to the capital's Sub Regional Partnerships (SRPs)¹ for sharing their detailed, geographical insights; to the Greater London Authority (GLA) for its work quantifying the challenges faced by the London labour market; to our Stakeholder Advisory Group for its counsel; and to all those who took part in our consultation.

We know what needs to be done: now we must work together to implement the changes the capital needs to continue to thrive for the benefit of the whole UK economy.

¹ Organisations representing partnerships of boroughs across London, bridging the space between local authorities and regional government.

EXECUTIVE SUMMARY

Phase 1 of the London LSIP maps a route to getting more Londoners into jobs, by better matching training provision to employer demand. A major data deep dive and comprehensive consultation process has identified a key set of priorities that create a roadmap to guide action from London government, training providers and businesses. This spans priorities to be delivered in the short, medium and long-term to close the capital's skills gaps and create a more inclusive workforce. Phase 2 will work to act on these priorities and implement the roadmap. The other part of the jigsaw in shifting the dial on skills in London is the role of national skills policy. That is out of scope for this London LSIP and where our stakeholder engagement has identified system issues that pertain to the national level, we will pick this up and potential actions that could be taken to address them, separately with the Department for Education.

The LSIP will be delivered against the backdrop of a complex London labour market and short-term economic uncertainty. While London's workforce has the highest levels of qualification in the country, labour shortage challenges are nonetheless exacerbated by significant skills gaps. London also has work to do to boost labour market inclusion, in a city where a one-size-fits-all approach cannot work, given its complex layers of diversity. The LSIP sets out what needs to change in the provision of London government support, training and employer support to help the city's diverse population into better, higher-paying jobs.

The LSIP explores the challenges and changes needed from London government, providers, and businesses across the London labour market focusing on four priority sectors² – construction, creative, health and social care, and hospitality – and four cross-cutting themes: digital skills, green skills, transferable skills and labour market inclusion. During the wide-ranging engagement and consultation programme, we heard repeatedly that strengthened support for employers is required to help them navigate the complex and fragmented skills system, which in turn will help them deliver better employment outcomes for Londoners. As such, building on important lessons of success from organisations such as the London Progression Collaboration (LPC), which helps employers make best use of the Apprenticeship Levy, the LSIP proposes the introduction of a 'London Recruitment & Skills Support Hub' to offer better support for employers through Information, Advice and Guidance (IAG), especially SMEs.

The programme of research undertaken for the LSIP showed the vital work being done by providers, employers, GLA, boroughs and others to address the identified skills gaps. The LSIP concludes that this could be strengthened by being better streamlined and coordinated, with local actors empowered to respond in a more agile way to emerging skills needs. This includes preserving and expanding locally determined flexible funding sources, such as the Adult Education Budget (AEB). The LSIP proposes a number of priority actions that aim to deliver this. The research also makes clear that London's labour market does not work for people from all backgrounds. To build a more inclusive workforce, the LSIP sets out a range of actions from a new one-stop-shop bringing together employment support, careers advice and skills support, through to ensuring that existing initiatives coordinate more consistently to support disadvantaged Londoners to develop their skills. Businesses have a vital role to play in delivering this, such as by working closely to co-design new provision and support services, and by signing up to the Mayor's Good Work Standard.

² The LSIP's priority sectors and cross-cutting themes closely align to the priority sectors identified by the Mayor.

Much of the LSIP analysis focuses on the priority sectors, where we have identified a range of skill needs. But beyond these, it is critical that cross-cutting transferable, green and digital skills are more embedded in how we educate new entrants into the workforce, and in upskilling existing staff. This LSIP contains detailed actions for achieving this, which - if implemented effectively through the next phase - can help significantly to shift the dial. However, many of our sectors face wider systemic problems, ranging from inflation through to issues of pay and conditions, which can only be addressed by interventions which fall out of the scope of this LSIP.

As the lead employer representative body in developing the LSIP, in partnership with the Federation of Small Business London (FSB London), London Chamber of Commerce (LCCI) and CBI London, BusinessLDN has worked closely with business, sector bodies, training providers, local and national government, and the capital's SRPs to create an inclusive partnership-based approach. The engagement behind the LSIP has drawn on: a Survey survey commissioned by BusinessLDN of 1,016 London businesses; 15 events at the pan-London level; expert interviews; sub-regional insights; an evidence base from the GLA; analysis from WPI Economics; and a widely publicised public consultation on the draft priorities, which received 50 detailed written responses.

As a result of this great data and insight, this LSIP highlights skills gaps at the occupation level identified to four-digit Standard Occupational Classification (SOC) codes. It concludes with a roadmap to a system where supply and demand more closely align, recognising that businesses will be able to move quickly on some of the actions, whereas providers will need more time where redesign or new funding sources are needed, and that changes from London government will need to go through the policy-making process.

1. APPROACH TO DEFINING THE LSIP PRIORITIES

FOCUS AND CENTRAL OBJECTIVE OF THE LSIP

The LSIP is a statutory employer-led and data-driven plan for understanding current and future skills needs. Its purpose is to better match training provision to employer demand, to boost pay and productivity across the capital. The actions in this LSIP set out a roadmap to meeting current and future employer skills needs, so that businesses, educators and training providers can respond. LSIPs emerged as one of the Government's priorities in its *Skills for Jobs White Paper*^{vi} and subsequent Skills and Post-16 Education Bill, building on the Government's aspiration to put employers at the heart of the skills system.

WIDER OBJECTIVES OF THE LSIP

The aim and central objective of the LSIP is supported by a wide-ranging and inclusive collaborative effort across the capital bringing together employers, training providers, local, regional and central government, NGOs and wider stakeholders, to hear how they believe the capital's skills needs can be met. The LSIP has started a process, which will be built on in phase two, which supports:

- The development of stronger relationships between educators and employers so that information about skills needs can be shared and acted on quickly and efficiently
- Increased awareness of existing skills programmes and good practice to drive better outcomes and increase the scale of training provision, and
- The identification of systemic barriers affecting labour market inclusion, employers and providers, and the actions needed to overcome them.

APPROACH TO ENGAGEMENT

BusinessLDN is proud to lead this LSIP, working in partnership with business and local and national government, including the GLA and SRPs across London (Central London Forward, Local London, South London Partnership and West London Alliance). Business representatives are included from West London Business, the LCCI, FSB London and CBI London. The LSIP's activities have been steered by its Stakeholder Advisory Group, composed of representatives from industry and education.

Since August 2022, BusinessLDN and its partners have undertaken extensive engagement to understand skills demand in London, current provision and the gaps to be filled. This has included:

- Conducting a survey with Survation of 1,016 business leaders and HR managers in London
- 15 events at the pan-London level across several phases, engaging with a wide range of employers and providers as well as interviewing experts and seeking wider insights
- Taking a strong focus on labour market inclusion in every conversation, utilising partners' channels to reach charities, community organisations and local education services, who have significant experience in reaching disadvantaged communities
- Gaining insight from the four SRPs across London, deepening understanding of the skills requirements specific to these sub-regions
- Analysing the extensive insights from this engagement and research, with the support of WPI Economics, and assessing its implications for future skills provision in the capital
- Leveraging the evidence base developed by the GLA, setting out the main characteristics of the London labour market and skills landscape at the pan-London and sub-regional levels
- 50 detailed written responses to the widely publicised public consultation from employers, representative groups, providers, boroughs, and members of the public.

Developing the LSIP has been inclusive and iterative in nature. The timescale for this activity has been challenging, with year one of the LSIP earmarked as a transitional year given a lack of time for providers to respond to priorities within the existing skill system. Despite this, we have identified areas where action can begin sooner rather than later, splitting our roadmap actions between short-, medium- and long-term goals. We will develop these further throughout stage two.

Our overarching framework for setting out the plan in this LSIP report is as follows:

- In Section Two, we identify the **actionable priorities** for meeting London's skills needs, for the priority sectors and cross-cutting themes. This includes occupational priorities for recruitment by SOC code, but also other skills needs including employability and upskilling for existing and prospective staff, identifying the education and skills provision which can address these.
- Also in Section Two, we identify the **skill system issues** that prevent the system from effectively delivering against our actionable priorities.
- In Section Three, we share the **roadmap** for addressing these issues, including the main priority actions for delivery that London actors can take. We also include timelines for delivery and assigned responsible actors. Where most needed, we have set out how the delivery of these will be measured by KPIs. Finally, we outline the **barriers** to delivering this roadmap.

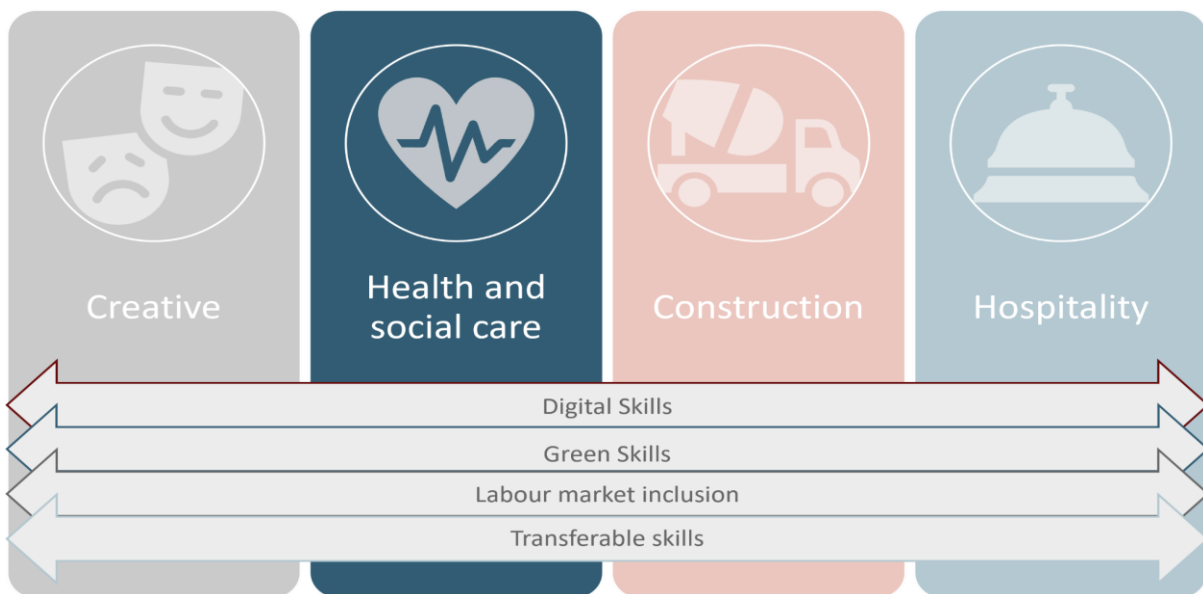
LONDON LSIP GEOGRAPHY

It is also important to capture insights into regional differences across the capital, work that has been led by the four sub-regional partnerships, which have produced four regional annexes to this LSIP with oversight by BusinessLDN: these are summarised in Section Two. This two-tier approach to the LSIP is unique to London, taking into account the scale of the city and its complexities.

LONDON'S PRIORITY SECTORS

There are four key sectors and four cross-cutting themes: the construction, creative, health and social care and hospitality sectors, and themes of digital, green and transferable skills and labour market inclusion. The LSIP's priority sectors and cross-cutting themes closely align to the priority sectors identified by the Mayor as part of the London Recovery Programme's Helping Londoners into Good Work mission.^{vii} These sectors:

- Had a substantial and/or growing number of vacancies, with employers reporting acute skills challenges that were inhibiting their recovery and growth
- Had identified skills needs at Level 3 and below (therefore corresponding to the Adult Education Budget provision)
- Had potential to improve diversity and representation - for those who were disproportionately affected by the pandemic and faced pre-existing barriers to learning and work.



The key themes and priority sectors focus efforts where they will make the most impact. Labour market inclusion is a key priority, and business has long been focused on both digital and transferable skills, which is why they were key themes in the BusinessLDN Skills Commission.^{viii} It is worth noting that the GLA treats two of the LSIP themes (green and digital) as sectors in their own right.

THE LONDON LABOUR AND SKILLS MARKETS' CONTEXT

The GLA has provided labour market context, which helps to set the scene for the deep dives into key sectors and cross-cutting themes, as well as the resulting recommendations.^{ix}

THE LONDON LABOUR MARKET

London's labour market is complex. There are 6.3 million jobs, close to the pre-pandemic peak, and job vacancies remain high, although recruitment demand is showing some signs of slowing down. Despite this, there remain more vacancies in London than available people to fill them. This mirrors the national situation, with demand outrunning supply of labour.^x

The employment rate has increased sharply in London over the last decade, rising from 70.5% in 2008 to 75.3% in 2022, higher than the UK as a whole.^{xi} 45% of the net increase in jobs since 2010 has been led by knowledge-intensive sectors such as finance, professional services and information and communication. These are areas where London has considerable strengths, with jobs within these sectors mostly concentrated within central London, attracting workers from across the city and beyond. However, employment within the pan-London priority sectors is more widely distributed, and

these sectors include a large proportion of mid-skilled and entry-level roles that provide employment opportunities locally. There has also been progress in reducing inequalities in headline rates of economic participation in London. For example, across the period 2010-2021, there have been large reductions in unemployment among female Londoners and Londoners from Black, Asian and minority ethnic backgrounds, although this remains higher than for white Londoners.^{xii}

However, London's unemployment is around one percent higher than the national average,^{xiii} and 21.9% of the labour market was economically inactive^{xiv} for the three months ending January 2023, in line with the national average. GLA Economics estimates from the ONS Labour Force Survey and ILO unemployment measure suggest that there were 226,000 Londoners classified as unemployed in the three months to January 2023, including 64,000 Londoners aged 16 to 24. Although the short-term picture remains mixed, longer-term projections by both GLA Economics and the Department for Education suggest that employment growth will resume over the coming decades, with an expected increase in jobs of around 35-38,000 jobs a year with especially strong growth in the pan-London sectors of construction, hospitality and health and social care (in addition to professional services).^{xv}

THE LONDON SKILLS MARKET

Across England, London has the highest percentage of pupils entering sustained education destinations after both Key Stage 4 and 16-18 study.^{xvi} The capital is home to around 30 FE colleges, over 40 universities – including four ranked among the world's top 40 – and many other skills providers. The proportion of London's population with at least a Level 4 qualification has been increasing and over half (58%) of young Londoners now enter Higher Education by the age of 19. While there has been uncertainty around the extent of the 'graduate premium' in the UK, there is evidence of continued demand for workers with degree-level qualifications in London.^{xvii}

This high rate of university and highest education enrolment is offset - and in part a reason behind - the lower rate of adults starting on apprenticeships, particularly for younger age groups. GLA Economics found that apprenticeship starts for Londoners aged under 25 declined by 22% from 2016/17 to 2021/22, with the biggest fall among those under 19 (-49%).^{xviii} London has fewer employers offering apprenticeships than in other parts of the country; partially due to what GLA Economics has termed as London having a higher number of jobs in 'low apprenticeship-employing sectors'. However, the rate of apprenticeship starts remains low when looking at sectors like construction, despite a stronger historic culture of employing apprentices.^{xix}

Despite London's workforce having the highest levels of qualification in the country,^{xx} labour shortage challenges are still being exacerbated by significant skills gaps. While the pandemic has worsened the gaps, this unmet demand already existed. In 2019, 15% of employers in London reported a skills gap or skills shortage. Historically, recruitment of non-UK nationals has been a response to hard-to-fill vacancies, which has created some unique challenges for functional skills needs (see [P17]), whilst providing some much-needed supply to fill the demand gap.

Skills challenges in London intensified post pandemic, with 69% of London businesses reporting at least one skills shortage in Q3 2022 compared to 58% in July 2021.^{xxi} A third (32%) of small businesses in London cited "appropriately skilled staff" as the greatest perceived barrier to growth over the coming year.^{xxii} These shortages have been exacerbated in London by the decision of many workers from the European Union not to return to the capital after the pandemic and Brexit. EU employment fell 10% in London June 2019-2021, with the hospitality sector particularly hard hit, seeing a 30% decline.^{xxiii} GLA Economics analysis of payroll data shows that London saw the largest decrease in payrolled EU employment 2019-2022 of all regions in England (-79,300).^{xxiv}

A number of wider trends have also been reflected in the analysis and engagement process:

- Measures to combat climate change, and the fast pace of development in technology are driving demand for new skill sets, as well as updates to existing skill sets. However, the complexity and

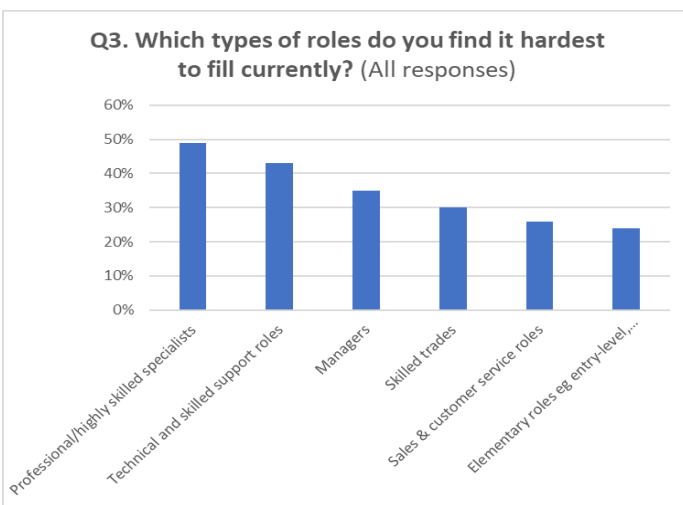
uncertainty around the pace and scale of these changes makes it challenging for providers and employers to match supply and demand for training.

- Investment in skills fell from both the public and private sector following the financial crisis in 2008, with workplace training subsequently hit by the pandemic. These combined impacts have seen training for those in work decline, with employers spending per employee on training in 2019 28% lower than in 2005 in real terms.^{xxv} Higher business costs driven by inflation are now contributing to this picture.
- Inequality persists, with employment rates and access to training impacted for some groups. Labour market inclusion is an area that needs improvement, which is discussed in more detail in the cross-sector challenges section of this LSIP.

BUSINESSLDN SURVATION SURVEY KEY FINDINGS

Alongside the GLA evidence and qualitative engagement, BusinessLDN appointed Suration to independently survey over 1,000 London business leaders and HR managers.^{xxvi} The survey reported that:

- Three-quarters of firms (77%) have open vacancies and of those two-thirds (65%) are struggling to fill them.
- While two-thirds of firms (66%) say their existing workforce has the right skills and capabilities to meet their business’s needs, the remainder report gaps. Some roles are considerably harder to fill than others, see figure 1.
- 57% could not fill gaps due to a low number of suitable applicants. 62% cited a lack of experience for the role, with almost half reported to lack the right qualifications (47%).



Wider discussions raised the importance of, and gaps within, softer skills, with the BusinessLDN Suration survey highlighting the particular importance of attitude, motivation and personality. The BusinessLDN Suration survey respondents preferred modular / online training channels over more traditional forms of training, especially given the significantly reduced time and cost barriers for employers to invest in their staff training.

Further insight from the BusinessLDN Suration survey can be found in Annex L.

2. OUTLINING THE LSIP PRIORITIES

Extensive engagement, combined with analysis of quantitative data from the GLA evidence base and the BusinessLDN Suration survey, and wider sources, underpins the analysis below of the key actionable priorities and skills system issues that need to be tackled, across our priority sectors and cross-cutting themes.

CROSS-SECTOR CHALLENGES FOR EMPLOYERS

The GLA evidence base captures the impacts of Brexit and the pandemic on the supply of labour in the capital. Combined with chronic skills shortages, productivity has been impacted. Shortages affect the efficiency of the existing workforce, which may be overstretched or insufficiently skilled for the

task at hand. A lack of resources also translates to a **lack of capacity for upskilling junior staff**. Many employers want apprenticeships but can struggle to accommodate the 20% off-the-job requirement.

A common theme across our sectors is the prevalence of freelancers and short-term employment, raising significant challenges for skills development. Not only is it more challenging to match up employees with the right training and to incentivise employers to invest in training those who may not be with them for the long term, but it is also more difficult for the industry to gather a shared understanding of skills needs and to co-create training with providers. In lower margin, fragmented and high-churn sectors with significant labour shortages, employers can struggle to train at all - a systemic challenge which requires intervention.

The LSIP stakeholder engagement programme uncovered common themes to the skill challenges employers reported across sectors. Those mentioned in most key sessions are explored below:

- Employers reported **challenges in accessing training** - due to a lack of effective mapping, communication and awareness of available provision, and in some cases, a lack of local availability, including in more modular, flexible courses. This was one of the many reasons co-designing training with employers was seen as essential to effective provision - not only providing the right skills, but also in the right places.
- Employers reported **difficulties navigating the fragmented and confusing skills system** and highlighted the need for greater clarity and mapping of skills provision. It was proposed that a brokerage or support hub could provide this. Small and Medium sized Enterprises (SMEs) are particularly affected given they are less likely to have dedicated HR and recruitment resources.
- Most of the priority sectors reported negative **perception issues** from new entrants as a barrier to recruiting and training. This is increasingly linked to lifestyle and working patterns (e.g., a lack of flexibility putting young employees off) as well as pay. A shift is needed to build a stronger entry-level pipeline with clearer progression pathways and greater flexibility.
- **Inclusion** was also a key consideration for employers. Only half (50%) of companies are confident their workforce reflects the diversity of their communities, according to the BusinessLDN Survey of London businesses.

CROSS-SECTOR CHALLENGES FOR PROVIDERS

Providers also reported a range of challenges common across sectors, ranging from the perception of courses and roles, to funding models and staffing issues. Overall, the current skills system was seen as acting as a drag on training delivery, and a barrier to increasing labour market inclusion. "Rigid funding and training models" in particular were highlighted by providers as a challenge - noting the time it takes to develop new qualifications, how funding is attached to established accredited courses and hard to access for agile responses to employer needs, and that classroom-based traditional methods of teaching do not account for post pandemic demands for increased flexibility. There were calls for more collaboration between employers and providers to deliver more flexible training, with a focus on timing, with more on-site visits and online or blended learning, broken into manageable bite-sized modules, in order to train more people at pace and scale.

Other challenges providers reported include:

- A **lack of understanding of the breadth of roles available** for potential new entrants. Most providers agreed that effective communication of the variety of roles would boost pipelines.

- **Staff recruitment and retention** in further education emerged as a major issue in developing the supply side response to skills gaps. With labour shortages across the education sector, providers reported struggling to recruit enough qualified staff to meet demand.
- That training and education are often **too theoretical**, dissuading uptake, and needs to be made more practical and applicable. This was particularly the case for digital skills.
- The possibility of **co-creating courses and a workforce exchange programme** leveraging the expertise of already-qualified employees was identified as a potential solution.

EXPLORING EMERGING SKILLS THEMES

The four cross-cutting themes - digital, green and transferable skills, and labour market inclusion - have different implications within sectors, but there are some issues that can only be corrected on a cross-sectoral basis. The sections below detail these in turn, highlighting the biggest skills gaps and where in the system these issues arise e.g., in the skills system, in employability or for existing staff.

From the detailed map of skills needs, we have outlined key actionable priorities against both cross-cutting skills needs themes and the needs of key target sectors. We have identified each need alongside the relevant SOC codes, as well as **provisionally** the potential courses and funding sources which could be scaled up to respond, something that will be explored further in stage two of the LSIP. As with the actions laid out in the final section of the report, these priorities aim to be simple to understand, measurable and therefore discrete tasks, which together make up a roadmap.

DIGITAL SKILLS

Employer demand for digital skills^{xxvii} is particularly high in London. According to a 2021 survey conducted by the LCCI, upskilling digital skills is the main priority for workforce development.^{xxviii} A recent survey by the Learning & Work Institute found over half (56%) of respondents felt that their business would need more advanced digital skills over the next two to five years while a third (33%) felt that more basic digital skills would be required. Compared to other parts of the UK, businesses in London report more challenges in meeting their digital skills needs.^{xxix} However, the broad focus of and demand for digital skills can obscure important differences across skills levels:

- There are entry-level skills, such as Essential Digital Skills, which are required for most desk-based jobs
- There are also basic skills needed for specific job roles such as web design, digital marketing, basic cloud, and
- Finally, there are advanced digital skills, which are mostly cross-sector, such as AI, robotics, data analytics, advanced cloud, advanced coding. However, they also include sector specific skills such as AutoCAD and BIM in construction, for example.

In the 2019 Employer Skills Survey, basic and advanced IT skills identified that the main digital skills gaps included basic and advanced Microsoft Office skills and communicating via email.^{xxx} This aligns with data from the BusinessLDN Suration survey with a third (33%) of businesses reporting that candidates lack basic digital skills, with high demand for both basic and advanced digital skills echoed in wider engagement. At an advanced level, there is likely to be an increased demand for social, creative, and logical reasoning abilities and software development skills.

Actionable priorities - Occupations

Both employers and providers reported a need for Broader Essential Digital Skills (EDS), as defined by Future.Now,^{xxxi} for new recruits across a range of sectors.^{xxxii} A need for learners to have meaningful employer encounters was also reported, to support transferable skills and labour market inclusion. This tallies with the Gatsby Benchmarks for world-class careers provision in education.^{xxxiii} Workplace placements as part of digital skills training was suggested as one potential solution.

Specific cross-sector digital occupational skills were identified by employers as strongly needed: these are translated into actionable priorities for the LSIP roadmap, aligned to relevant SOC codes.

| Skill need | SOC Code | Provisional course priority and possible funding source |
|--|----------|---|
| Web design professionals, including software developers (Level 3, 4 & 6) | 2141 | Sector-Based Work Academies (SWAPs) at entry level, Apprenticeship, Full-Time (FT) FE 16 to 19 (e.g., T-levels and other courses), degree apprenticeship, skills bootcamps, FT Higher Education (HE). |
| Information technology professionals n.e.c. | 2139 | SWAPs at entry level, Apprenticeship, FE 16 to 19, Higher Technical Qualifications (HTQs), Degree apprenticeship, FT HE. |
| Data analyst roles | 3544 | Apprenticeships, FE 16 to 19 19, HTQs, degree apprenticeships, skills bootcamps |
| Particular needs identified around specific coding languages, such as Python Software development technician (Level 3 & 4) | 2134 | Apprenticeships & skills bootcamps |

Skill system issues:

- London was perceived as having a distinct lack of digital education provision below Level 2, with what is available seen as too theoretical. Employer and provider stakeholders called for practical, employer-led digital training at these lower skill levels.
- Provider stakeholders noted the **difficulties in engaging employers** with digital skills training (particularly SMEs) due to the lack of time and resources to support learners, particularly younger learners with greater pastoral needs.
- Providers reported that the **lack of a digital module in apprenticeship standards** was missing an opportunity to instil digital skills early in career development.

Actionable priorities - employability issues:

- **London's challenges around digital poverty and digital inclusion** make meeting this future demand for digital skills more difficult. The Lloyds Bank Essential Digital Skills report of 2021 estimated that 16% of adults in London did not have entry-level digital skills, with certain groups having a higher probability of being digitally excluded, such as older people, low-income families, ethnic communities, the unemployed, and people with disabilities or other vulnerabilities.^{xxxiv} A lack of digital access limits general employability as well as the number of pursuable sectors and careers.

Existing staff:

- **Existing staff were reported to face significant digital skills gaps.** Survey research conducted by Ipsos for the Future.Now and Lloyds Banking Groups UK Essential Digital Skills

for Work report found that only 48% of London’s workforce could complete all 20 essential digital work tasks listed under the Essential Digital Skills Framework.^{xxxv}

- There is a **lack of diversity** reported across most of the sectors which employ the majority of those with digital skill sets (e.g., technology sectors). This leads to learners from minoritised communities feeling this sector is not “for” them.

GREEN SKILLS

There were an estimated 234,000 jobs in green priority sectors (i.e. those that have an important role to play in meeting net zero and environmental goals) in London in 2020, with the number of jobs in these sectors expected to grow to 505,000 by 2030 (in a central scenario).^{xxxvi} Job growth is expected to be particularly strong in green finance, homes and buildings, power, and low-carbon transport.^{xxxvii} Difficulties in defining green skills, and in employers understanding them and their respective demand for them, exacerbate the challenges of meeting demand for this fast evolving skill set.

To meet the projected expansion in green priority sectors in the coming decade, there is a growing need to increase education provision in relevant subjects and courses. There is also a need to support those already in the labour market in retraining and upskilling, so that they can acquire the skills they need. However, evidence suggests that the proportion of workers currently in receipt of training in the occupations most affected by greening is relatively low.^{xxxviii}

The implications are wide-ranging. There are likely to be increased requirements for general construction workers and electricians (including higher level technical skills) – areas with already significant skills shortages. At the same time, science, technology, engineering, and mathematics (STEM) related skills, and project management or marketing skills will also be needed for a range of ‘white collar’ or head office roles in green companies and sectors. Digital technology is also seen by employers as a vital tool for reducing carbon emissions.^{xxxix}

Actionable priorities - Occupations

Employer and provider stakeholders identified a broad range of specific occupational skills that would be needed based on this assessment of future green skills demand. These are mapped onto SOC codes and translated into actionable priorities for the LSIP roadmap below:

| Skill needs | SOC Code | Provisional course priority and possible funding source |
|---|----------|---|
| Across sectors, companies are increasingly looking to recruit Carbon and Sustainability managers who bring core carbon literacy skills | 2152 | HE, including Sustainability business specialist integrated degrees & Carbon Management MSc (FT/PT). Degree apprenticeships Upskilling via short courses (AEB innovation funded & SWAPs). |
| Specific skills needed for developing green technology including: <ul style="list-style-type: none"> • Electric vehicle charging point installer | 5241 | Apprenticeships, FE 16 to 19, HTQs Upskilling funded via short courses (AEB). |

| | | |
|---|------|---|
| Heat pump engineers and installers | 5315 | Apprenticeships, HTQs Upskilling via short courses including bootcamps and AEB. |
| Electrical engineers are needed more broadly as a green skill set for a whole range of applications | 2123 | Apprenticeships, FE 16 to 19, Degree Apprenticeships, HE (esp. BEng/MEng). Upskilling via short courses including bootcamps and AEB. |
| Broader skilled trades roles related to heritage retrofit including Electricians and electrical fitters | 5241 | Apprenticeships, Degree Apprenticeships, Upskilling for retrofit via bootcamps and AEB. |
| Plumbers, heating and ventilating installers | 5315 | Apprenticeships, FE 16 to 19, HTQs Upskilling via short courses (skills bootcamps and AEB) |
| Carpenters and joiners | 5316 | Apprenticeships, FE 16 to 19 Upskilling via short courses (including AEB and skills bootcamps). |
| Scaffolders | 8151 | Apprenticeships Upskilling via short courses (including AEB) |

Skill system issues:

- The priority identified for training providers was offering a good basis and grounding in green skills and competencies at Levels 3-5. One provider suggested that where specialist green skills courses are offered, these should be delivered according to place-based demand (tailoring to the specific needs of local areas) and the best use of available resources.
- It was said that the **bolting on of green skills modules to existing courses** will need to do significant heavy lifting to fill skills gaps short term, while IfATE standards are updated. For example, existing training for plumbing and electricians can be adapted to include training for heat pump engineering and Electric Vehicle (EV) charging installation, respectively.
- There were calls for **clarity on future green skills demand from central government** to allow for the investment necessary for the development of a skills pipeline to meet that demand. For key green policy areas such as retrofit, lack of government policy dampens ultimate employer demand, which acts as a barrier to developing the skills supply side.
- The **Strategic Development Fund (SDF)^{xl}** was reported to have been helpful for colleges across London to map green skills courses.
- **Green ‘jargon’** can be a barrier to understanding which core competencies are required, and to employee perception of the applicability of the skill to their role. In many cases, carrying out green jobs actually means the application of existing skill sets to green tasks, e.g., financial

analysts and green financial analysts – this should be more clearly communicated and built into the structure of green skills’ training.

Actionable priorities - employability issues

- Provider and employer stakeholders reported a lack of awareness around green skills. In particular, there is a **need to communicate ‘green’ opportunities to those with a suitable technical background** who may be unaware of the ‘green’ application of their skillset, and so do not apply for these roles.

Actionable priorities - Existing staff:

- **Green and carbon literacy and numeracy skills** are required for a broad range of business roles. This suggests that these should be embedded into in-work progression, training and onboarding in the same way as areas such as Health and Safety training is.
- The **slow development of the green market** in certain sectors provides little incentive to reskill, especially for older workers with the most technical experience who believe there is a time and monetary cost to retraining that will not be repaid before they retire.

LABOUR MARKET INCLUSION

London has unique challenges in addressing skills issues around labour market inclusion. The breadth of diversity in the capital is significant, as is its intersectionality, which means that a one-size-fits all approach will not work. Our engagement and consultation indicated ongoing challenges in accessing employment and training for minoritised groups, younger workers, those with disabilities, people living in poverty, mothers, young adults leaving care, those with health issues and carers, but this is not an exhaustive list.

The GLA evidence base reflects that headline labour market outcomes **conceal several labour market inequalities for Londoners from Black, Asian and minority ethnic backgrounds.**³ Analysis by GLA Intelligence found an 11.5% gap in the 2020 employment rate between white Londoners and Londoners from Black, Asian and minority ethnic backgrounds.^{xli} Economic inactivity was more prevalent amongst certain groups: for example, for those from a Bangladeshi background, 36% of the working age population was economically inactive.^{xlii}

The GLA evidence base found that **disabled Londoners have below-average employment rates**, at 56% compared to the average of 75%. The unemployment rate was also higher at 9%, double the London average of 4.5%. Previous GLA research has also found that training options present a variety of challenges for some disabled Londoners.^{xliii} For young people leaving care, 41% **aged 19-21 were not in education, employment or training (NEET), more than three times higher than all young people at the same age.** The Pan London Compact for Care Leavers is one solution seeking to help provide employment offers for care leavers in London.^{xliiv}

Although in 2019/20 disadvantaged pupils in London (those eligible for pupil premium) had a higher participation rate than the national average in a sustained education, apprenticeship, or employment destination in the year after completing key stage 4 (91.5% compared to 88.2%),^{xliv} it remains to be seen whether these rates will translate into better labour market outcomes in the future. Recent labour market data has shown an increase in both inactivity and young people who are NEET due to ill health. GLA Economics’ analysis of the DfE’s Further Education and Skills data shows that overall participation in FE and skills in the 2021/22 academic year was still below 2018/19 levels. And those from disadvantaged backgrounds often face multiple and interrelated barriers to learning.^{xlvi}

While this gives an indication of some of the issues that need to be tackled, more must be done to understand at a more granular level how barriers to better labour market outcomes vary between

³ We use the term Black, Asian and Minority Ethnic in this section to align with the GLA Evidence Base.

different groups and intersectionalities - this will be a focus of phase two of the LSIP. Section Three contains actions to address this as the LSIP evolves, such as driving a transition from traditional qualifications-led recruitment practices to a skills-led approach to establish a robust pipeline of diverse talent. Some current barriers and existing support needs raised in the engagement programme are captured below.

Barriers to work and study:

- **Travel acts as a major barrier to increasing participation** in training from under-represented groups. Stakeholders believe travel bursaries need to be better promoted. A compounding issue is travel confidence to leave their neighbourhood or postcode.
- **Rigid funding models and inaccessibility of provision** due to a lack of flexibility in delivery were reported to act as a barrier. Flexibility, though, is not always achieved by switching to a fully online or hybrid/blended model of learning as the issue of **digital poverty**, highlighted by provider stakeholders, can exacerbate labour market inclusion challenges.^{xlvii}
- Engaging with schools is critical to **breaking down perceptions and generating interest for a future talent pipeline**. Despite the Baker Clause requiring that all schools give employers and training providers access to students to promote non-academic routes, it is still too difficult and bureaucratic for them to gain access to schools. Bite-sized videos featuring e.g., successful apprentices were seen as a potential way to raise interest among pupils.
- Showcasing opportunities for all demographics to **train in sectors which visibly lack diversity is critical**, so that the pool of talent entering those professions diversifies over time.
- Employees often need **greater support from employers past the end of the probation three-month mark**, particularly junior employees from disadvantaged backgrounds who may have less experience of the world of work. It was suggested that increased use of mentorship schemes would allow employers to better understand individual needs and ways to address any complex personal circumstances.

Targeted support:

- **Targeted community outreach** is vital, especially given London's breadth of diversity. Employers, providers and other key stakeholders need to collaborate to get more adults without qualifications access to training, which often requires an **initial step of improved outreach to break down barriers and stigma to entering education for the first time**.
- English for Speakers of Other Languages (ESOL) should not be seen as a one size fits all course, as **people from different backgrounds and levels of experience require different approaches**. ESOL provision is currently a key priority of the Adult Education Budget (AEB) and a cross-section of stakeholders suggested this should remain a priority through the LSIP period.

Considerable work is underway to provide support, notably the GLA Skills and Employment programmes. Some of the key programmes at a city-wide level include: **Adult Education Budget (AEB) support for under-represented groups**, extending thresholds and providing funding to expand access to support; the **No Wrong Door programme** supporting collaboration and integration between employment and skills funders and providers; the **UK Shared Prosperity Fund (UKSPF)** London allocation, managed in the majority by the GLA, is targeting a careers programme, NEET programmes, employment support for unemployed and economically inactive adults and the Work and Health Programme; **the GLA's Skills bootcamps** help under-represented Londoners into higher skilled roles; and the **London Careers Programme** offers support for school leavers, with an aim to promote economic and social mobility for young people. **Skills London**^{xlviii} - a BusinessLDN initiative

- is the UK's biggest jobs and careers event for 14–24-year-olds, helping to showcase work and FE opportunities, supported by a travel bursary to ensure there are no financial barriers to participation.

More detail on each of these is included in Annex O of this report and initial actions to be taken forward are in the Section Three roadmap. As noted above, further work will be part of phase two.

TRANSFERABLE SKILLS

Discussions with employers, providers and other expert stakeholders suggest that there is a high proportion of adult Londoners with lower proficiency in 'basic skills' (numeracy, literacy, and English language skills) compared to the national average. These findings are further supported by the BusinessLDN Survey survey, where 23% responded that candidates are lacking basic maths skills and 21% English skills.^{xlix} These functional skills are key to developing further transferable skills, which OECD research suggests is key if workers are to become resilient to future shocks and/or crises.^l The Skills Builder Universal Framework provides a clear outline of the essential transferable skills required - this brings much needed clarity to the often confusing and fragmented debate about transferable skills.^{li} It also aligns employers and providers in their approach to building these skills.

Essential transferable skills were even more likely to be reported to need developing in the existing workforce, such as complex problem-solving skills (42%), adapting to new equipment or materials (40%) and knowledge of how your organisation works (34%).^{lii} Other transferable skills were also identified in the stakeholder engagement sessions as being of growing importance, and facing shortages, especially communication, resilience and leadership. Transferable skills are relevant to all ages, but currently the **adult education budget only supports their delivery at a rudimentary level**. Plus, they are not integrated into the national curriculum. Providers report having to improvise in their approach often without an allocated sustainable funding line available.

- **A lack of engagement, understanding and interest in functional literacy and numeracy skills** was reported by provider stakeholders from learners who do not see the connection between these and the job they are training for.
- **Training using functional skill sets within the context of a specific sector** could be made more practical, applicable and transferable to maintain the interest of learners.

Actionable priorities - Employability issues:

- There is a **need for improved dialogue between employers and schools, including on requirements of English and Maths skills** required for a wide range of careers. This is challenging in part due to the complexity of school systems, the lack of a dedicated, funded careers lead in schools, the lack of time businesses have to engage or indeed to work out how best to engage. The new employer standards being developed by the Careers Enterprise Company are crucial to achieving progress in this space.^{liii}
- Meaningful work experience can support the development of transferable skills. As a result, **more opportunities need to be opened up to younger people in particular**, to utilise and develop transferable skills in a workplace environment. Delivering this means more support for employers to engage with and resource placements for younger and entry level staff.

Actionable priorities - Existing staff:

- Employers have a key role in supporting new recruits and existing employees including apprentices to gain core competencies and experience of utilising transferable skills in a workplace environment, to support their career progression and the productivity of the business. Indeed, stakeholders reported that young job seekers are more likely to be attracted to employers who offer a compelling learning and development programme.

SECTOR PRIORITIES

In the BusinessLDN Suration survey, 58% of respondents identified sector-specific skills gaps in the capital, higher than any other category including transferable skills. This section focuses on those gaps and identifies actionable priorities that need to be addressed in the LSIP's roadmap.

BUILT ENVIRONMENT

New technologies, materials and the circular economy are all leading to a radical shift in how the construction industry develops and builds, and in turn this is shifting the demand for skills. The workforce is ageing, with 29% of the workforce over 50 years old in 2022, compared to 23% in 2010.^{liv} This compounds existing skills shortages, as the fragmented nature of a sector dominated by microbusinesses and the self-employed.

London buildings contribute three quarters (76%) of the capital's emissions, so the sector will be significantly affected by efforts to reach net zero over the coming decade.^{lv} By 2050, 10% of all jobs in London are forecasted to be green jobs in construction for both homes and buildings.^{lvi} One of the biggest barriers is the lack of skilled workers needed to address the transition to sustainability. Despite this, only a third of respondents to a survey for the Skills for a Sustainable Skyline Taskforce responded positively to having invested in green skills training (34.8%) in the prior two years^{lvii}.

Poor public image is a major barrier to progress for the sector, preventing it from attracting diverse talent and from poaching experienced hires from other sectors. Part of this requires reforming the rigid culture where long hours with no flexibility are the norm, and addressing the real or perceived lack of focus on providing mental health support. Businesses across the sector need to make concerted efforts to promote workforce diversity.

Skills system issues

- Thousands of **additional built environment workers will need updated skill sets**. For example, in 2022 there were a total of 506 TrustMark retrofit co-coordinators accredited across the UK, out of the 30,000 required to reach the 2030 government target.^{lviii} It has already been identified that over the next six years, 2,000-3,000 heat pump engineers will need to be trained annually.
- **Digital skills** are needed to meet the technological needs of detailed building information modelling (BIM), sensor technology, increasingly complex design software, robotics and AI. The BusinessLDN Suration survey found that digital skills were a top priority for the construction sector. Nearly half of respondents in construction identified gaps in digital skills (compared to 33% cross-sector).^{lix}
- **Inflexibility of section 106** - employers who are asked to recruit locally as part of s106 agreements for development projects expressed a desire to be able to hire from any London borough, not just the home borough. This would make it easier to meet labour requirements for projects and would help to move apprentices between sites in different boroughs.⁴

Actionable priorities - Employability issues

- **Placements for T-levels** - many providers which took on learners in the first wave of T-levels reported that they are struggling to get them industry placements, which they believe could make T-levels unappealing to workers and employers alike.

⁴ Noting that Section 106 may be replaced by the forthcoming Community Infrastructure levy, subject to consultation.

Actionable priorities - Existing staff

- Geographic challenges** - due to the nature of trades work, where individual contractors will usually be hired by an agency and brought in from all over the country to work on large scale London projects, most people in construction who work in London do not live there and are not trained there either. The industry funded jobs and skills portal “Go Construct” was reported as not having visibility within London - it was suggested by employer stakeholders that there is a wider issue with national level initiatives such as this not being administered locally. This problem has read across to retrofit (see green skills section).

Actionable priorities - Occupations

Based on these key elements of discussion and direct assessments of need in the consultation sessions, we have identified some actionable priorities of skills needs and their associated SOC codes. These are translated into actions for the LSIP roadmap below:

| Skills needs | SOC Code | Provisional course priority & possible funding source |
|---|----------|--|
| Electricians and electrical fitter (e.g., including Installation Electrician and Maintenance Electricians Level 3). ^{ix} | 5241 | Apprenticeships, FE 16 to 19. Upskilling via short courses including bootcamps and AEB. |
| Construction project managers and related professionals | 2455 | Restart Programme & SWAPs at entry-level. Apprenticeships, FE 16 to 19, Degree Apprenticeships, HE. Upskilling via short courses. |
| Civil engineers (e.g., civil engineer degree level) | 2121 | Apprenticeships, FE 16 to 19, Degree Apprenticeships, HE (esp. BEng/MEng). Upskilling via short courses including bootcamps and AEB. |
| Mechanical engineers | 2122 | Apprenticeships, FE 16 to 19, Degree Apprenticeships, HE (esp. BEng/MEng). Upskilling via short courses including bootcamps and AEB. |
| Electrical engineers | 2123 | Apprenticeships, FE 16 to 19, Degree Apprenticeships, HE (esp. BEng/MEng). Upskilling via short courses including bootcamps and AEB. |
| Plumbers, heating & ventilating installers | 5315 | Restart Programme & SWAPs at entry-level. Apprenticeships, FE 16 to 19, HTQs Upskilling via short courses (skills bootcamps and AEB) |
| Carpenters and joiners | 5316 | Restart Programme & SWAPs at entry level. Apprenticeships, FE 16 to 19 |

| | | |
|---|------|---|
| | | Upskilling via short courses (including AEB and skills bootcamps). |
| Scaffolders | 8151 | Apprenticeships Short courses |
| Plasterers | 5321 | Apprenticeships |
| Production Managers and Directors in Construction | 1122 | Degree apprenticeship, FE & PT HE |
| Architects | 2451 | FT HE, Degree Apprenticeships Upskilling via short courses, including funding via AEB. |

CREATIVE

With many SMEs and few larger employers to invest in sector-wide skills discussion forums, sector coordination on recruitment and outreach is challenging. In addition, unpaid work placements and internships can potentially make the sector less accessible to those from low-income backgrounds, which has knock-on impacts for labour market inclusion. Many of the issues reported during the stakeholder engagement sessions were centred around the challenges the structure of the sector poses. Ultimately, many of these challenges would only be addressed by wider sectoral and policy interventions, which are beyond the scope of the LSIP. Those captured here are those raised that do fall in the LSIP's scope.

Skills system issues:

- The issue of **how to engage freelancers with training** was raised, given the limited resources they tend to have to invest time or money into their own training, or to coordinate with the rest of the sector on training needs. Flexi apprenticeships were reported to show promise as a model but were also considered hard to navigate.
- Similarly to other sectors, creative stakeholders reported a **perception issue on the breadth of opportunities available**, for example in backstage roles, and the lack of awareness of the cross-fertilisation between creative and other sectors/occupations (e.g., carpenters in the construction and creative sectors). Skilled craft roles for film and theatre production were highlighted as areas where improved communication of opportunities could result in better uptake by qualified candidates from other sectors.
- The lack of coordination of skills demand means there has been some mismatch in skills availability versus what is actually demanded by suppliers. The **holistic creative skill sets noted as key were at Level 3 and below** for example through art and design, or media production BTECs. This was identified as preferable to earlier specialisation. It was further suggested that these could then be built up to sector specialisation at the graduate level.

Actionable priorities - Employability issues:

- The BusinessLDN Suration survey also reported that **sector-specific skills are relatively less in demand** in the creative sector today but will become more of a priority as they increase in importance over the medium term.

- Cross-cutting **transferable skills** were identified in the BusinessLDN Suration survey as the most lacking by respondents in the creative sector (50%). The low number of suitable applicants with the required skills was reported as the biggest driver of recruitment challenges by 44%.
- In terms of diversity, **a wide range of useful sector initiatives** (e.g., Film London’s Equal Access Network) were identified to match supply and demand for skills and encourage those from a range of backgrounds into the sector. However, stakeholders highlighted that the system is fragmented and requires mapping and joining up through the LSIP.

Actionable priorities - Existing staff:

- The fragmented and temporary nature of work (i.e., short term contracts on specific productions/performances) means it can be **hard for people to find repeat work based on their skill sets**, and therefore there is a lack of personal incentive to invest in training. Some kind of intermediary to match skills with needs was highlighted as a potential solution, but this could be challenging within the context of a sector made up of many micro-SMEs.

Actionable priorities - Occupations

Based on these key elements of discussion and direct assessments of need in the consultation sessions, we have identified some actionable priorities for skills needs and mapped them onto their relevant SOC codes. These are translated into actions for the LSIP roadmap below.

| Skill needs | SOC Code | Provisional course priority and possible funding source |
|--|----------|---|
| Significant opportunity for backstage roles in the sector, e.g. Live Event Technicians and Creative venue technician | 8151 | Apprenticeships Short courses funded via AEB |
| Photographers, audio-visual and broadcasting equipment operators | 3417 | Apprenticeships, FE 16 to 19, FT/PT HE. Short courses including skills bootcamps and funded via AEB. |
| There are a range of broader skilled trades occupations with potential in the sector (e.g., Carpenters and Joiners) – need to consider how these occupations in other sectors can be drawn upon to fill gaps | 5316 | Restart Programme & SWAPs at entry level. Apprenticeships, FE 16 to 19 Upskilling via short courses (including AEB and skills bootcamps). |
| Programmers for games development are needed as a major growth sector, and a useful route into the industry from a broad range of backgrounds. | 2134 | Apprenticeships, Degree & Higher Apprenticeships, FT/PT HE. Short courses (explore funding via AEB) |
| Arts officers, producers and directors | 3416 | Degree apprenticeships, FT HE |
| Information technology professionals n.e.c. | 2139 | Apprenticeships, Degree Apprenticeships, FE 16 to 19, FT/PT HE. |

| | | |
|--|------|-----------------------------|
| | | Short courses via AEB. |
| Newspaper and periodical broadcast journalists and reporters | 2492 | FE 16 to 19, HTQs, FT/PT HE |

HEALTH AND SOCIAL CARE

The skills and labour shortages in the health and social care sectors are well publicised, and London is certainly no exception to this. While there are differences between them - with health largely publicly funded and care largely private - there are commonalities in many of the skills issues faced.

Often there is a lack of awareness of many available roles - many are only aware of doctors and nurses and their existing training routes - and the sector suffers from significant shortages in back-office roles as well as in nursing and life sciences. Less competitive pay offers compared to similar private sector roles were seen to be shaping this picture.

Most of the issues raised by stakeholders - which included NHS Trusts, care provider associations and sectoral skills bodies such as Skills for Care - centred around the challenges of both operating and providing ongoing training within a severely understaffed system. There were a record number of vacancies during the third quarter of last year (43,619).^{lxix} In addition, the average turnover for care workers with less than one year's experience in the sector is 43.7%.^{lxxii}

Skills system issues:

- It is worth noting that in many cases, the issues in these sectors centre on **labour shortages rather than skills shortages**. As a result, stakeholders reported that interventions such as skills bootcamps may end up having a limited impact without a significant increase in recruitment numbers into the industry through a promotional campaign, recruitment drive or opening up recruitment from abroad further.
- Labour and skills **shortages are limiting employers' ability to release staff for training**, or invest significant resources in improving existing staff's skills. With nearly a third of registered nurse roles vacant and the number of FTEs in social care shrinking for the first-time last year, employers find they don't have enough staff to cover for an employee's training.
- Employers report **a lack of availability of digital, technician, data analysis and administrative skills to fill roles**. Given the lack of existing training provision to respond to this unmet demand the potential need for the creation of a Level 2 business administration course to support these roles was raised.
- **Actionable priorities - Employability issues:**
- Ongoing recruitment challenges were strongly linked to a **lack of entry level applicants**, who were unlikely to enter the sector due to concerns around low pay and a limited awareness of career progression and development opportunities.
- A significant proportion of employees in the health and social care sectors are not native English speakers, underlining the need for and importance of providing **sufficient training in language skills**. A number of SRPs raised that, through their consultation process, a lack of English and Maths skills were referenced as a significant barrier to future career progression.
- Some stakeholders raised the question of whether the social care sector would benefit from **more applicants in the 35-55 age bracket**. Some suggested that if they could be attracted, this demographic may be more suited to work in the sector due to their transferable skills, maturity, and exposure to the importance of the care sector. In addition, it was noted that more could be done to attract male nurses.

- The Careers and Enterprise Company was perceived by some to have a limited presence in London promoting the sector and stakeholders suggested improved matching of demand and supply for skills could be achieved through expanding this kind of model of collaboration.

Actionable priorities - Existing Staff:

- 40% of the health and social care respondents to the BusinessLDN Survey reported **some gaps in skills and capacity for the existing workforce**, a significantly higher percentage than across other sectors, indicative of the impact shortages have on upskilling.
- Within the care sector, a substantial need was identified to support the **development of staff into treating more complex needs**, such as dementia and learning disabilities which will increasingly be a feature of these roles, not just because of an ageing population but also because of increasing recognition of learning difficulties and the accommodations necessary.
- An **ageing workforce with older managers retiring without a pipeline in place to replace them** is adding to the skills crunch in the sector.

Actionable priorities - Occupations

Based on these key elements of discussion and direct assessments of need in the consultation sessions, we have identified some actionable priorities for skills needs and mapped them against their associated SOC codes. While much focus has been on the shortages of nurses at all levels (and these are acute), there are widespread recruitment challenges. These are translated into actions for the LSIP roadmap below:

| Skill needs | SOC Code | Provisional course priority & possible funding source |
|--|------------------|---|
| Across the breadth of the nursing profession | 2231-2237 | Apprenticeships, FE 16 to 19, Access to HE Diplomas, Degrees (especially Adult Nursing, Child Nursing, Mental Health Nursing, Learning Disability, Midwifery) |
| Paramedics e.g., Paramedic (integrated degree) | 2255 | Access to HE Diplomas, Degree apprenticeships, BScs |
| Medical radiographers e.g., Diagnostic radiographer and Sonographer (both integrated degree) | 2254 | Access to HE Diplomas, Degree Apprenticeships |
| Care workers in childcare, adult care & health & social care, including at senior level. | 6131, 6135, 6136 | Restart Programme & SWAPs at entry level. Apprenticeships, FE 16 to 19, Higher & degree apprenticeships. Bridging provision to support progression to HE via AEB. |
| A wide range of back-office roles including those across IT Technicians | 3131-3133 | Apprenticeship, FE 16 to 19, HTQs |

| | | |
|---------------|------|--|
| Data Analysts | 3549 | Apprenticeships, HTQs, degree apprenticeships, skills bootcamps. |
|---------------|------|--|

HOSPITALITY

Analysis by GLA Economics of ONS Workforce Jobs data suggests that hospitality has yet to fully recover from the pandemic, with a 7% decrease in the number of hospitality jobs between December 2019 and December 2022.^{lxiii} The sector has continued to face additional post-pandemic pressures through worker shortages, as well as high inflation driven by energy costs. The sector is more likely to employ young people and those with lower-level qualifications, and so there is a risk of widening employment disparities in London's labour market without a wider recovery. The BusinessLDN Suration survey showed that 91% of hospitality companies were struggling to fill vacancies, much higher than across other sectors, and carried a bigger skills gap than that identified by any of the other priority sectors.

Skills system issues:

- Skills gaps within the sector are closely linked to the **reputational challenges the sector faces** – occupations with skills shortages (chefs, bartenders) are not perceived as being 'careers' by young people and are often seen as requiring anti-social hours with low pay, as confirmed by research from Umbrella Training and BusinessLDN.^{lxiv} In some cases, employer stakeholders noted these perceptions are borne out by negative experiences.
- Employer stakeholders reported that **some menu and hotel services are being deskilled to match the skills levels of existing staff**. This shows a level of acceptance of the inevitability of shortages, which risks becoming a self-fulfilling prophecy if not resolved.
- **Chefs were highlighted as particularly struggling with managing apprenticeships**, as to them it means losing a worker for a day. The relevance of functional skills content for this sector's apprenticeships was also raised.
- Provider and employer stakeholders highlighted the need to **ensure adequate technical qualifications at Level 1 and Level 2** (e.g., food safety and food hygiene) in order to maintain a talent pipeline from education into the sector. Tied in with this was a reported need for a more coherent set of standards for entry level qualifications.
- Employer stakeholders report that the labour shortages across the whole sector mean all employers are short staffed, and it is **very hard for experienced staff to justify and get permission to devote time and resources to training and upskilling themselves or junior colleagues**. This labour shortage is also impacting the providers of training, limiting the availability of training options.

Actionable priorities - Employability issues:

- It was noted by some employers and providers that **experience and versatility are critical**, and skills training needs to reflect the importance of this on-the-job learning more than it often currently does.
- Young people were seen by stakeholders as **lacking the required transferable skills**. However, there is a growing interest in the sector amongst older adults (25-49), many equipped with good transferable skills.
- Despite a desire to engage older workers with more experience, employer stakeholders reported **difficulty in attracting staff aged 50+ into the sector**, as these workers often have other choices at a higher rate of pay, with better working hours and/or more flexibility.

- **Chefs are increasingly seen to be only training in one area**, and therefore they are specialising in one skillset. As such, although they may have several years of experience, the narrow focus does not meet the multifaceted nature of many London kitchens and is exacerbating existing shortages in chef skills across the capital.

Actionable priorities - Existing staff:

- There were also conversations around the **lack of the necessary leadership and management skills in certain areas of the sector**. In particular, senior chefs were identified as lacking the necessary leadership and management skills needed to upskill staff to effectively respond to the needs of the business.

Actionable priorities - Occupations

Some of the key reoccurring occupations with significant labour and skills shortages are considered below, with relevant SOC codes mapped against them. These are translated into actionable priorities for the LSIP roadmap below:

| Skill needs | SOC Code | Provisional course priority & possible funding source |
|---|----------|---|
| Chefs, especially chef de partie and sous chefs (e.g. Chef de Partie Level 3) | 5434 | Restart Programme & SWAPs at entry level. Apprenticeships, FE 16 to 19s AEB funded provision including short courses. |
| Bar and catering supervisors | 9261 | Apprenticeships Skills bootcamp |
| Bar staff, especially bartender skilled as cocktail makers | 9265 | Restart Programme & SWAPs at entry level. Apprenticeship Sector-based work academy |
| Baristas | 9266 | Industry led training, FE 16-19s |
| Sommeliers | 9264 | Industry led training |

KEY FINDINGS FROM THE SUB-REGIONAL PARTNERS LSIP REPORTS

Additional insights into priority skills needs in the capital were provided by four SRP reports, which can be read in full in Annexes D, E, F and G. These reports provide full information on the SRPs evidence base, actionable priorities and delivery roadmaps. Here an overview is provided of the skills needs within the priority sectors identified by each of the sub-regions.

Central London Forward

| Sector | Priority skills needs |
|---|---|
| Professional and financial services sectors | There is strong demand for management consultants, business analysts, and taxation experts. Skills in demand include client management, communication, data analysis and, increasingly, an understanding of sustainability and ESG as green finance grows. The skills system is seen as overly complex, and providing industry placements and recruiting teachers with industry expertise are major challenges. |
| Information and communication | There is high demand for programmers and developers, data analysis, and web designers. Technical skills including programming and coding, cyber security, and soft skills are most in demand. Skills system challenges identified include provider/employer engagement and keeping with the pace of technological change. |
| Arts, entertainment and recreation | Occupations in demand include video game designers, production staff, technicians and backstage skilled trades. Skills most in demand include creativity, communication skills, and digital skills. Several skills system issues were highlighted, including supporting training in a sector dominated by SMEs and self-employment. |
| Health and social care | There are significant shortages of care workers, nurses and doctors. Alongside health skills, employers are looking for empathy, and communication skills. There are skills gaps in digital and ESOL, and increasing demand from life sciences, a key growth sector for central London. |
| Hospitality and retail | The sectors face significant recruitment issues related to the prevalence of low pay. There are shortages across a wide range of roles, including chefs and managers. Skills required include chef skills, customer service, leadership, and foreign language skills. Perceived skills system issues include the attractiveness of the sector, a shortage of tutors with industry expertise, and releasing workers for off-site learning. |

Local London

| Sector | Priority skills needs |
|------------------------------|---|
| Construction and engineering | Employers in construction were more likely than those in other sectors to report difficulty filling vacancies for skilled trades roles and managerial roles. Vacancies at entry level were most acute, such as groundworkers. There are growing skill needs for green skills in construction – both for retrofitting older properties and for installing and maintaining new technologies such as heat pumps. Challenges exist whereby the older existing workforce did not want to upskill for new technologies. |
| Health and social care | There are challenges getting the quantity of qualified staff in the health sector, as vacancy rates are running at 10-12% at NHS trusts in the Local London area. Growing the qualified nursing workforce is difficult as health care assistants and support workers often lack the basic levels of maths and English that are needed to progress. |
| Digital and Creative | While there is a large demand for creative technical roles, there are also vacancies across a wide range of roles that are not immediately associated with film and TV industries, such as hair and make-up, carpenters for set building and production accountants. These skills could be easily transferred with extra knowledge or training. |

| | |
|----------------------------|---|
| Manufacturing | Skill needs were most commonly around the higher technical skills needed in manufacturing, particularly the vehicle and engineering sectors. However, there were also needs for semi-skilled staff in food and drink manufacturing and textiles manufacturing, both of which are more seasonal in nature. |
| Distribution and logistics | There were particular gaps identified in project management skills, public transport drivers and HGV drivers. The recent development of the Hydrogen Route in the Thames Estuary will create new skills needs in relation to the use of hydrogen, and hydrogen storage/transportation. |

South London Partnership

| Sector | Priority Skills needs |
|--|--|
| Health and Social Care | There were skills shortages across all roles including administration, management and healthcare roles. In social care, the issues were around entry level recruitment. There were also skills gaps in the existing workforce, primarily related to basic digital skills lacking amongst older workers, in addition to business management skills in social care particularly. |
| Construction and the Built Environment | There were notable gaps in scaffolding, ground working and labouring to meet local demand. Growing demand for green skills (such as heat pumps, EV installation and retrofit) will require existing workers to gain new competencies and for entry level courses to encompass green technologies. There was also a need for training for entry level roles to prioritise core employability skills – good work ethic, good communication skills – with employers often favoured more than technical skills for elementary roles. |
| Hospitality and Retail | The sector faces a labour shortage issue with high competition from other sectors for workers to perform entry level roles. As such, there were widespread gaps in roles such as sales and retail assistants, kitchen and catering assistants, managers in retail and catering, chefs, customer service supervisors, delivery drivers and couriers, bar and waiting staff and business, research and administrative professionals. The key skills gaps in the sector were transferable skills, especially functional skills and work readiness. Employers struggled to find workers with the English language, numeracy and basic digital skills needed for roles. |
| Information and Communication | In addition to current skills needs for professional and technical roles (such as programmers, software developers, and business analysts) the development of AI will create new demand for roles developing and supporting AI systems. However, AI is also likely to create a need to reskill staff that have been displaced by automation or develop them into new roles. |
| Education | Employers were struggling to fill vacancies across early years, primary and secondary education including nursery nurses, teaching assistants and teachers. In addition, support staff roles (such as special educational needs professionals, school secretaries and kitchen staff) were also facing recruitment challenges. Providers reported that they struggled to find tutors for new and emerging technologies including high level digital skills, AI, automation, and green skills. |

West London Alliance

| Sector | Priority skills needs |
|--------------------------|--|
| Health and Social Care | High level of vacancies in West London's health and social care sector include: care workers, home carers, nurses, nannies, au pairs and fitness/wellbeing instructors. There are significant financial and accessibility barriers regarding the upskilling and retention of staff. |
| Creative, Media and Film | Creative vacancies were concentrated in the following occupations: officers, producers and directors, programmers and software development professionals, journalists, newspaper and periodical editors, and photographers, audio-visual and broadcasting equipment operators and marketing associate professionals. Employers in the creative sector were more likely than other sectors to report difficulties recruiting professional and highly skilled specialist roles. |
| Hospitality | Over 90% of hospitality businesses in West London reported struggling to fill vacancies, which included: chefs, kitchen and catering assistants, cleaners, waiters and waitresses, and business, research and administrative professionals. Food skills were the most commonly requested skill in hospitality vacancies in WLA. |
| Transport and Logistics | The sector has an ageing workforce and is carrying some significant vacancies with: delivery drivers, vehicle technicians, mechanics and electricians, IT managers and engineering technicians. The sector's reputation and low awareness of career pathways were seen as a major barrier to recruitment. |
| Retail | Concentrations of vacancies in sales and retail assistants, managers and directors in retail and wholesale, delivery drivers and couriers, sales supervisors - retail and wholesale, Vehicle technicians, mechanics and electricians, and business, research and administrative professionals. Underlying challenges included a lack of clear career progression and training pathways in the retail industry, lack of English and effective communication skills, costs of training (including time off and staff cover) making upskilling challenging and existing courses not seen as 'job-relevant'. |
| Manufacturing | The most common occupations among manufacturing vacancies in WLA were financial project managers, business sales executives, metalworking production and maintenance fitters and marketing associate professionals. |

LONDON LSIP COURSE OPEN DATA PROJECT

To help to improve visibility of gaps in skills provision across the capital, as part of the LSIP, West London Business and BusinessLDN worked with the Open Data Institute supported by Rocket Science and Cetus LLP to develop an open data standard for course information with an FE College Cluster. Data is a core part of any effective modern ecosystem, but at present FE course data aggregated nationally by DfE does not include potential occupational outcomes information or data on actual/potential learner volumes. Today, this makes it difficult to identify gaps in provision, but implementing the data standard will enable:

- **For policy-makers:** Future versions of tools such as RocketScience's WLA skills supply/demand tool being more automated/real-time drawing on open data feeds
- **For applicants:** New course finder websites to be developed as real-time resources that draw on open data feeds for course information/content
- **For employers:** Clearer information about how their needs for skilled employees are being addressed by FE course provision, and

- **For FE Colleges:** Improved marketing of course provision and future course planning, as well as reduced effort in data provision.

The next steps (detailed in Annexes I, J and K) are to: Develop an open dataset that maps SOC to qualification reference identifiers; Establish a working group to define and test the qualification to four-digit SOC data mapping; Extend the course data that DfE aggregate from colleges and make available in real-time; Identify the governance or stewarding process; Test the aggregation of data from multiple sources using the new course data standard; and, investigate how to improve efficiency and impact of learner destinations tracking

These actions will form part of the second phase of this project, which will be focused on piloting and implementation. Stage two is planned to be included as part of the London LSIP phase two process.

3. A ROADMAP TO DELIVERING THE LSIP PRIORITIES.

This section sets out a roadmap for delivering against the actionable priorities identified through the LSIP process. The actions have been organised around five major areas which identify what key actors (such as employers, providers, and London government) should be doing to support the LSIP in:

- Meeting London's skills needs
- Supporting and galvanising business action
- Delivering a skills system that is fit-for-purpose
- Building an inclusive London workforce
- Tackling sector specific priorities

We have pulled out key actions across these themes derived from the stakeholder engagement process. These actions aim to be simple to understand, measurable and therefore actionable discrete tasks which together make up a roadmap for a better skills future for London.

The actions in each category are also ordered according to the level of investment of effort and resources required by providers to achieve them, and so also give a rough indication of whether they are short-, medium- or long-term actions to draw out a clear roadmap. As part of LSIP phase two, we will work to monitor and track the delivery of our actions, including by setting KPIs. For certain actions below, we have already set out our initial thoughts about how progress will be measured. Within the first four sections (all the sections apart from the sector specific recommendations), **the top three actions are the ones which are critical to shifting the dial on skills in London**, but all actions have an important role to play.

The roadmap categories are defined by the time we believe they will take to implement, based on their complexity, the resource needed, and the extent to which they require system change:

- **Short term (1-2 years)** – the action is achievable within the existing system
- **Medium (2- 4 years)** – the action is achievable within the existing system, but requires more resource allocated to it in order to be achieved
- **Long term (4+ years)** – the action requires system change in order to be achieved

By categorising our actions according to the efforts required, we can ensure that the provider, London government and skills system capability to implement them are all accounted for in the LSIP plans. Many of the aims of these priorities are already being delivered at a local level - this section will also detail some of these success stories.

The DfE has acknowledged this year one of the LSIP is a transitional year and that this is a learning process for all participants. **We do not expect that providers will be able to respond to all the priority skills needs in the short term** and we expect to work with them, employers, the DfE and the GLA and others into phase two of the LSIP to firm up on the potential funding sources and delivery plan. We've identified several system issues that act as barriers to delivery through our evidence gathering, and these are highlighted in our roadmap below.

DELIVERING THE ROADMAP AND EXPECTED BENEFITS

The actions outlined in this LSIP do not seek to replicate or replace existing provision and good practice. Rather, the aim of our roadmap is to **strengthen, streamline and amplify** the work that is already being done by providers, GLA, Boroughs, employers and others to support better employment outcomes for Londoners, and create opportunities for London's businesses to grow and prosper. Initiatives such as No Wrong Door and Skills London are summarised earlier in this report. Two others it is worth singling out are the:

- **London Progression Collaboration**, which has had demonstrable success in delivering higher paid good work for low paid Londoners; and the
- **Employer standards for careers education** - Careers Enterprise Company - supporting employers to benchmark their engagement with schools, colleges and careers hubs.

Building on these existing good practices, the LSIP will deliver the roadmap detailed below over the short, medium and long term.

BENEFITS OF THE ROADMAP

We have identified a broad series of potential benefits from delivering this roadmap, and securing a better match between employer needs and skills provision in London. Beyond those already outlined, addressing skills gaps and improving skills utilisation is key to delivering a series of wider objectives for London and the UK. Some key benefits include:

- **Delivering net zero and environmental objectives** - previous work by WPI Economics and IES has highlighted the need to address skills shortages, particularly in skilled craft occupations, to deliver net zero goals such as housing retrofit and a circular economy.^{lxv}
- **Keeping London competitive** - many of the sectors identified are key to London's distinct offer as a global city, including creative and hospitality.
- **Improving labour market inclusion** - a diverse range of Londoners are not currently fully included in the London labour market. Successfully delivering the roadmap actions would help to make the benefits of good work available to more Londoners.
- **Futureproofing London's infrastructure** - a more modern and efficient construction sector is essential to delivering and maintaining the housing, transport, and digital infrastructure critical to London's future success.

MEETING LONDON'S SKILLS NEEDS

We expect that training providers will respond to the skills needs identified in all the priority sectors and themes including via Accountability Agreements and the Local Skills Improvement Fund (LSIF).

The below is a set of actions for how the skills system needs to change and barriers can be removed to meet these needs. Where possible it has been identified whether this is an action for businesses, training providers, the GLA, or whether it should be driven by a combination of actors. Commitment and action from businesses and their representatives, training providers and London government will be critical to action these priorities and deliver for London.

| Action area | Detail | Action for | Timeframe |
|---------------------------------|--|---|-----------|
| Transferable skills | Embed transferable skills as a core part of training provision funded by London's Adult Education Budget and associated programmes. | GLA | Short |
| Digital and transferable skills | Embed Essential Digital Skills (EDS) across training provision funded by London's Adult Education Budget and associated programmes, especially in more modular provision, supported by organisations including Future Dot Now , the Good Things Foundation , and Skills Builder Partnership. | GLA, sector bodies | Short |
| Green skills | Include a form of 'carbon literacy' or green skills training in training courses funded by London's Adult Education Budget and associated programmes as standard, similar to British Values ⁵ <i>Measurement: successful integration of training provision</i> | GLA | Medium |
| Transferable skills | Support the scaling up of the Skills Builder Framework ^{lxvi} in London so that it becomes the primary route for education and business to help build transferable skills in Londoners, and standard across apprenticeships nationally. <i>Measurement: data collection of numbers of employers and providers working with Skills Builder Partnership</i> | ERBs, training providers and the GLA | Short |
| Employer supported training | The business community and educators to jointly develop a fresh model for 'training the trainer', to ensure teachers keep pace with changing employer skills requirements, including focusing on the main skills gaps and identifying ways to 'programmatised' existing examples of good practice. Model to include workforce exchange programmes and co-design of training. | ERBs, training providers, sector bodies | Short |
| Digital skills | Galvanise more employer/ educator co-design of provision, including embedding industry-standard curricula and certification in FE and HE courses, especially in areas with fast-changing cutting-edge technology. Support employer engagement through establishing a London Digital Skills Partnership based on the model ^{lxvii} used | GLA, ERBs, training providers | Medium |

⁵ Democracy, individual liberty, the rule of law and mutual respect and tolerance. See here: <https://www.gov.uk/government/publications/education-inspection-framework/education-inspection-framework>

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| | elsewhere in England. This would build on the Mayoral Digital Academy Hub. <i>Measurement: Ongoing monitoring with employers and providers</i> | | |
| Employer demand coordination and management | Drive better borough collaboration on vacancies, recruitment and apprenticeships. This is to include joint promotional campaigns and support programmes, working together on local labour agreements through the Section 106 process, and sharing resources to expand reach. <i>Measurement: evidence of joint working and demonstrable impact in jobs and training data</i> | GLA, London boroughs, SRPs, London Councils | Long |
| Green skills | Convene sector bodies, funders, and educators to build a plan that drives up the delivery and uptake of electrical engineering courses in London, particularly through employer partnered provision like apprenticeships. <i>Measurement: Sector body e.g., Electrical Contractors' Association, analysis of number of courses on offer, starts and completions over time, reporting into BusinessLDN and GLA</i> | GLA, London Councils, training providers, Sector Bodies, CEC | Short |
| Barriers to delivery: | | | |
| Ensuring that the skills system is equipped with the tools to respond to employer skills needs. Crucial to this is ongoing and meaningful employer/provider collaboration, as well as business engagement with the GLA. | | | |

SUPPORTING AND GALVANISING BUSINESS ACTION

While many businesses are already doing a lot to support training, stakeholder feedback suggests that getting more employers more engaged with the skills system, and ensuring they have a better understanding of how to navigate it, should be a big priority for the LSIP. The below is a draft set of actions for how businesses can work with training providers and London government to drive their engagement with the skills system:

| Action area | Detail | Action for | Timeframe |
|-------------|--|------------|-----------|
| SME Support | Introduce a 'London Recruitment & Skills Support Hub' including an IAG function, to help employers especially SMEs navigate the employment and skills systems including support with apprenticeship access. This would build on the success of organisations such as the London Progression Collaboration (LPC) and work with the emerging 'Wayfinder' service being developed by London & Partners and the GLA. | GLA | Medium |

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| | <i>Measurement: Hub established, number of interactions with Hub, feedback on service</i> | | |
| Recruitment/ Labour Market Inclusion | <p>Drive a transition from traditional qualifications-led recruitment practices to a skills-led approach to establish a robust pipeline of diverse talent. Stage one will be a deep dive data analysis to better understand the diversity of the workforce in the priority sectors. Stage two will draw on national and global employer good practice, with a view to piloting a skills-led recruitment approach in a priority sector where workforce diversity is below average. Stage 3 will use the learnings to develop a digital toolkit to support employers to move to a skills-led approach.</p> <p><i>Measurement: change in workforce profile by diversity metrics</i></p> | BusinessLDN, ERBs, sector bodies | Medium to Long |
| Employer attractiveness | <p>Support more employers to sign-up to the Mayor's Good Work Standard, which includes a commitment to lifelong learning and paying the London Living Wage.</p> <p><i>Measurement: Number of employer sign ups</i></p> | GLA, ERBs | Short |
| Employer attractiveness | <p>Streamline and improve co-ordination between the various important sectoral initiatives and campaigns designed to improve the attractiveness of the London LSIP priority sectors to Londoners of all ages and backgrounds.</p> <p><i>Measurement: long term demographic data for priority sectors</i></p> | Sector Bodies, ERBs, GLA | Medium |
| Employer attractiveness | <p>Showcase businesses who are excelling in working with training providers and running robust quality training programmes through a new digital guide. This should include employers who are successfully engaging young people through marketing & social media campaigns, and at events such as BusinessLDN's Skills London job and careers fair.</p> | ERBs, Sector Trade Associations, GLA | Short |
| Employer educator relationship | <p>Build an employer-led network to support ongoing engagement between HR advisors/teams and college/career advisors and career hubs.</p> <p><i>Measurement: programme established, number of sessions and attendees</i></p> | BusinessLDN, training providers, GLA, ERBs | Short |

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| SME support | Create a programme that enables large employers to help supply chain SMEs with community outreach and training, with lessons to be learned from the Construction sector. | GLA, London Councils, sector bodies, ERBs | Medium |
| Learner employer interactions | Build a programme that enables the GLA to act as a coordinating body for work placement opportunities for young Londoners. | GLA, ERBs | Long |
| <p>Barriers to delivery:</p> <p>Aligning employers enlightened self-interest to engaging meaningfully and consistently with education providers.</p> <p>Wider headwinds for employers around 'cost of business' crisis, economic uncertainty, which can squeeze resources.</p> | | | |

DELIVERING A SKILLS SYSTEM THAT IS FIT-FOR-PURPOSE

The LSIP process has identified many issues with the current skills system, including the constraints of current funding rules; the slow speed of developing new qualifications; a lack of bandwidth/capacity within FE; and, a lack of joined-up careers provision, all of which put a drag on employer and provider collaboration. These actions aim to tackle many of these structural challenges, while seeking to draw on examples of good practice in the current system, to help unlock business engagement with London's quality FE sector.

| Action area | Detail | Action for | Timeframe |
|------------------------|---|------------|-----------|
| Modular training | Continue to grow a more modular, flexible approach to the delivery of existing training, through AEB funded programmes and skills bootcamps. <i>Measurement: ongoing research into how provision is changing</i> | GLA | Medium |
| Adult Education Budget | Retain and expand the 10% London Recovery Flexibility in the Adult Education Budget to support the delivery of more locally relevant and bespoke skills programmes to help more Londoners into work. <i>Measurement: data on how this Flexibility has supported LSIP priority skills needs</i> | GLA | Short |
| Funding strategy | Move skills funding towards more sustainable multi-year funding settlements as opposed to short-term piecemeal funding pots. | GLA | Long |
| Mapping the landscape | Deliver a clear map of London's skills system through the London Recruitment and Skills Support Hub, that provides accessible | GLA | Short |

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| | <p>information on all the relevant training programmes, their target audiences, a guide to the main actors, and dynamic information on careers that could be linked to different courses.</p> <p>Measurement: map produced, positive feedback from system users</p> | | |
| 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 | Short |
| Apprenticeships | Review the success of previous employer incentives in driving up apprenticeship numbers in London to determine how they might be reintroduced specifically to increase hiring of young apprentices and those from diverse backgrounds. Feed this intelligence into national Government. | GLA | Short |
| Careers advice | <p>Drive more sustainable engagement between business and schools/colleges, working closely with the Careers & Enterprise Company to ensure schools are promoting the priority sectors in each sub region.</p> <p><i>Measurement: collect data on employer - school/provider engagement</i></p> | GLA, CEC, ERBs | Short |
| Skills Academies Hubs | Grow the Mayor's Skills Academies Hubs, including by committing to their long-term funding, introducing a clearer operating model and aligning with the LSIP. | GLA | Medium |
| London LSIP Course Open Data Project | Take forward this project into LSIP Stage 2, acting on our recommendations to improve accessibility of FE course provision data and how it links to occupation outcomes and learner volumes. | ERBs/SRPs/ training providers | Short |
| <p>Barriers to delivery:</p> <p>Aligning national policy and delivery to London's skills priorities</p> <p>Ensuring there is effective collaboration and dialogue within a highly complex skills system</p> | | | |

BUILDING AN INCLUSIVE LONDON WORKFORCE

The partners behind the LSIP are committed to harnessing it as a vehicle for boosting labour market inclusion in the capital. Many of the recommendations from other sections, particularly moving to a skills led rather than qualifications led approach to recruitment, can help to shift the dial on inclusion

in London's labour market and are designed with this in mind. The draft actionable priorities below are practical steps designed to build on these to alleviate many of the longstanding issues around access to training and employment for Londoners furthest from the labour market.

| Action area | Detail | Action for | Timeframe |
|-----------------------------------|---|--|-----------|
| Employment support | Create a one-stop-shop model to support job seekers that brings together the co-location of employment support (Job Centre Plus), careers advice (National Careers Service) and skills support (training providers) modernised through private sector expertise. | GLA, London Boroughs, SRPs, London Councils, ERBs | Medium |
| Programme alignment | Ensure that the GLA's programmes and funding (including the AEB, Jobs and Skills for Londoners Fund, No Wrong Door programme, UKSPF funding, Mayoral Skills Academies, Bootcamps and Careers programme) work together to deliver the priority skills needs and employment support identified in the LSIP for under-represented and disadvantaged Londoners, utilising the support and engagement of London's employers. <i>Measurement: trend data on programme users and evidence of LSIP alignment</i> | GLA, London Boroughs, SRPs, London Councils, ERBs | Short |
| Digital Poverty | Work with the London Office of Technology & Innovation (LOTI) to support and amplify its 'Get London Online' campaign to help disadvantaged Londoners gain access to devices, connectivity, and learn digital skills. <i>Measurement: number of disadvantaged Londoners (standard definition tba) in digital cold spots in London who are supported</i> | GLA, Boroughs, ERBs | Short |
| Employment support | Test marketing and communication strategies and tactics to hone key messaging that can reach and engage those furthest from the labour market. | GLA, London Boroughs, SRPs | Short |
| Black and minoritised communities | Support employers to deliver more training, apprenticeships and jobs to minoritised groups including black and disabled Londoners and care leavers, through a plan that includes: building relationships between employers, training providers, charities and intermediary organisations, sharing best practice, and identifying solutions for overcoming common barriers. <i>Measurement: (i) number of Londoners in these groups securing training, apprenticeships and jobs. (ii) Impact of Government's 'Get the Jump:</i> | GLA, Third sector, ERBs, training providers, London Boroughs | Short |

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| | <i>Skills for Life' communications campaign in London. (iii) Impact of Mayor's Anchors Institutions Charter.</i> | | |
| Barriers to engagement | Use LSIP Stage 2 to undertake deep dive analysis of specific barriers faced by different ethnically diverse and minoritised groups when accessing the skills system and London labour market. | ERBs, GLA, London Councils, Inclusion groups | Short |
| 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, and build confidence in young people to travel beyond their borough. <i>Measurement: user awareness data through surveys</i> | GLA, boroughs | Short |
| Community Learning | Work with training providers and community groups to explore options for increasing the availability and accessibility of local community learning spaces for all. <i>Measurement: number of community learning spaces, number of people engaged, user feedback</i> | GLA, Boroughs, Training providers | Medium |
| Employment support | Commission research to understand learner appetite and motivation in the LSIP priority skills need areas, and how learner demand might be increased where it is weak | Training providers, GLA, BusinessLDN, ERBs | Short |
| Barriers to delivery | | | |
| Understanding the needs and perspectives of all the groups we are targeting in this space, always avoiding a one size fits all approach. | | | |

TACKLING SECTOR SPECIFIC PRIORITIES

Whilst most of the actions of this LSIP roadmap are cross-cutting and apply to all sectors, there are also some key insights which came out of the stakeholder engagement sessions and led to some sector specific priorities. These are collated below.

| Action area | Detail | Action for | Timeframe |
|--------------|--|--|-----------|
| Construction | Deliver a London policy to scale retrofit, which supports work at the national level and draws on the work of the Energy Efficiency Taskforce, establishing robust local delivery plans. | GLA, City of London Corporation/ Skills for a Sustainable | Medium |

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| | | Skyline Taskforce, London Boroughs | |
| Creative | Create a skills-broker model to co-ordinate and streamline training across jobs, giving more certainty for freelancers' skills development for specific events or productions. With the short-term nature of most work/projects, this will help address the difficulty for those employees trying to train on the job as they move between projects. | GLA, London Boroughs | Medium |
| Creative | Providers give space and facilities for freelancers to support their businesses in return for learning opportunities for their learners (e.g., mentoring by freelancers), learning from good practice e.g., Big Creative education | Providers, freelancers | Medium |
| Creative | Set up a new programme through the Mayoral Academy Hub for sharing of resources and best practice for delivering pastoral support, particularly for younger employees, to more rapidly upskill new entrants to the industry. | Employers | Short |
| Health and Social Care | Review the need for a Level 2 business administration course for administrative and back-office roles | Providers | Medium |

SECTOR SPECIFIC CHALLENGES AND BARRIERS TO IMPLEMENTATION OF SKILLS INITIATIVES

| Sector | Challenges |
|---------------------|---|
| Construction | The fragmented nature of the construction sector, the bulk of which consists of many micro-SMEs, makes effective targeting of any policy challenging. Where there is expectation on employers to invest resources, time, or knowledge to achieve their skills needs, micro-SMEs will continue to struggle to deliver, due to the very limited resources available to them. The design of any policies or actions aimed at the sector must take account of this and be designed in such a way to spread the burden of effort between employers, engaging the micro-SMEs without over-burdening them. |
| Creative | Dominated by freelancing, the creative sector faces some unique challenges in matching employees with the right training. At the same time, with freelancers frequently moving around between projects, it is harder to incentivise employers to invest in training an employee. Additionally, the creative sector is also fragmented with many SMEs and few larger employers to invest in sector wide skills coordination. Policies aimed at the sector need to minimise the cost of training falling on any one company and share the burden across the many SMEs, whilst accounting for the challenge of coordinating freelancer's training. |
| Hospitality | Hospitality has been particularly strongly impacted by the pandemic and the end of Freedom of Movement, resulting in significant labour shortages not just for employers |

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| | but also for providers. High inflation continues to erode already narrow margins of employers, reducing their capacity to make significant investment in training, or even recruitment. Policies for this sector must consider the shortage of resources (both labour and capital) that both employers and providers are currently facing and seek to minimise the investment required of them. |
| Health and Social Care | The health and social care sectors are both facing significant labour shortages, with the pandemic impacts adding to existing shortages. Additionally, high turnover in both sectors, but particularly in the care sector, are impacting the ability to train people fast enough to meet skills demand. Challenges centre around the difficulty of operating and providing ongoing training within a severely understaffed system. Policies should therefore seek to make improvements without any additional requirements made on labour demand. |

A BLUEPRINT FOR IMPROVING EMPLOYER-PROVIDER RELATIONSHIPS

This plan sets out a roadmap to addressing London’s skills needs, built around extensive stakeholder engagement with employers, providers, and others. Equally important to this output has been the process for bringing employers and providers together to exchange evidence and perspectives on addressing the priorities and challenges we have identified. We see the LSIP approach as a starting point for **a new blueprint for strengthening employer-provider partnerships**, as it is vital that the links and engagement built during the project are preserved. The blueprint we propose is built around the five following principles:

- **Co-design** - design of courses and qualifications should be built on the combined expertise and understanding of providers and employers, where possible.
- **A data led approach** - high-quality data on demand from employers/learners needs to drive discussions around course provision across London.
- **Continuous and open engagement** - a self-reinforcing feedback loop between the parties – where providers build trust in employers that they will effectively deliver their skills needs and at the same time employers reliably provide data on those needs and feedback on training design on a timely basis – will help to better match supply and demand and build stronger relationships.
- **Commercial realities** - training opportunities have to suit the commercial needs of employers to be successful in producing positive long term employment outcomes.
- **Responsible businesses** - companies’ approach to training and job opportunities should be built around taking their social responsibilities as a business seriously.

This blueprint will be developed by BusinessLDN over the medium term in partnership with ERBs, employers and providers. This will showcase businesses who are already excelling in building the partnerships to deliver the skills coordination that London needs.

THE FUTURE OF THE LSIP

BusinessLDN looks forward to phase two of the LSIP, where, in partnership with FSB London, LCCI and CBI London, we will focus on the delivery and implementation of the pan-London actionable skills needs priorities, and roadmap, and track their progress. Alongside this, BusinessLDN will also oversee and monitor the delivery of the four sub regional roadmaps set out in the annexes, to ensure effective execution and joined-up impact at multiple levels of London’s skills system. The central governance structure that was put in place in phase one to coordinate pan-London and sub regional activity, and which will be rolled over into phase two, is set out in Annexe B.

We will engage in a range of activities outlined in the Stage 2 guidance, including to support employer engagement, skills system changes and provider response. This will include an endorsement of Local Skills Improvement Fund (LSIF) bids.^{lxviii}

We will work with the GLA and support it in its commissioning role to ensure the AEB and other programmes:

- play their part in the move to net-zero by driving up green skills
- support communities who lack advantage to access training and jobs
- help to meet the priority skills needs of London's employers, including transferable and digital skills.

Our ambition is to embed the LSIP into London's skills system, aligned to the Mayor of London's Skills for Londoners Roadmap. BusinessLDN will act as a galvanising force unilaterally and in partnership with the ERBs and SRPs, continuing to bring together employers, providers and others to use the LSIP as a springboard to shift the dial in the London skills system, to ensure employers have the skills they need and Londoners from all backgrounds are able to access the jobs available.

End Notes

ⁱ <https://data.london.gov.uk/dataset/londons-population>

ⁱⁱ SMF (2022) Working lives, available [here](#), accessed at 30/05/2023

ⁱⁱⁱ See Annex A: Local Strategic Context - GLA Evidence Base: GLA Economics have provided extensive additional detail on the London labour market

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^{vii} GLA, *Helping Londoners into Good Work*, available [here](#) accessed at 29/05/23

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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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