



Draft London Skills and Employment Strategy

Equalities Impact Assessment

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Report to the London Skills & Employment Board

Equalities Impact Assessment of the Draft London Skills & Employment Strategy

October 2007

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Achieving an end goal is always a collective endeavour and the contribution of all stakeholders whom we have named in the Appendix, was absolutely fundamental to informing this report and shaping its recommendations. The authors would therefore like to extend a special word of thanks to all of you.

Executive Summary

Context and background

In August 2007, the London Skills and Employment Board commissioned Poorman–Skyers Research and Consulting to undertake an initial independent equality impact assessment (EqIA) on the emerging London Skills and Employment Strategy which falls under its auspices. As part of their legal duty to promote equality, all public bodies are required to assess the likely impact of new policies and strategies on groups that are disadvantaged in terms of race, gender and disability. As part of its drive towards moving beyond the application of minimum standards, to a more comprehensive approach to addressing inequalities in London, the Board, which is the first of its kind in the UK, has widened the scope of the EqIA process. To ensure that the Strategy will be poised to take account of the changing and diverse needs of London's communities, the EqIA includes a specific focus on the risks and opportunities in relation to groups that experience disadvantage and exclusion in employment and skills on all of the following equality dimensions. Not only those that fall within the framework of the positive equality duties:

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

The Board is chaired by the Mayor of London and has the close involvement of businesses which are also represented on it, alongside the London Learning and Skills Council (LSC), JobCentrePlus (JCP) and the London Development Agency (LDA) The Board is responsible for setting strategic direction over adult skills provision in London, within the general framework and targets set by central government. It is also responsible for setting priorities for public investment of over £500 million per annum in skills, backed up by an annual plan. The Strategy is premised on the particular needs of the London region, and ensuring that its continuing success as a World City is supported by a highly skilled, competitive and productive workforce that can continue to play a starring role on the global stage. When the Further Education and Training Bill currently before Parliament becomes law, the Board will also have a statutory basis.

Skills and Employment Strategy for tackling inequalities in London

Whilst London is the most prosperous UK region, and leads the world in business and financial services, certain communities face profound economic barriers. These include inequality in access to employment and opportunities for skill training. Indeed, although London has increased its GVA and has enhanced status as a world city, there is still a higher level of wage inequality in London which spans a range of equality groups. For example, the level of wage inequality between men and women

in London is higher than other regions of the UK. Furthermore, there is a significant under representation of Londoners across a range of equality dimensions in high paying economic growth sectors of the economy and an over-representation in areas of the economy that tend to be low paid. The enormous potential of the region is therefore held back by these inequities.

The LDA, working on behalf of the Board, has a legal obligation to ensure that the Strategy meets exacting equality standards. The Strategy is embedded in the Mayor's vision for an inclusive and cohesive London. Given that the Strategy is still in the process of being developed, our approach, which mirrors the current stage in the Strategy's development, has been to conduct the EqIA at a high level of generality, anticipating the *likely* impact that the Strategy will have on equality groups in London. A more detailed and in depth assessment will be undertaken on a series of emerging themes when the full draft Strategy is available for wider consultation and engagement. This more detailed assessment will be part of a seamless process and in that sense it will build upon the foundations laid by this EqIA.

Method

To assess whether the emerging Strategy will potentially have a positive or adverse impact on London's equality groups, the EqIA has been structured around the following assessment criteria which are set out below. The key considerations are the extent to which the Strategy:

- Has a positive or negative impact on learners and potential learners affected by the Strategy across London's equality groups
- Has a positive or negative impact on existing and potential members of the London workforce whose position is affected by the Strategy
- Has a positive or negative impact on all employers in London who are involved in or affected by the Strategy
- Promotes positive attitudes towards London's equality groups and promotes good relations
- Reduces the degree and/or extent of disadvantage across and between London's equality groups

To strengthen the process of conducting the EqIA, we have also drawn on a wider body of knowledge and organised our research strategy around the following:

- Screening the available elements of the Skills and Employment Strategy to determine its relevance
- Desk research and documentary reviews of various strategies and programmes and research commissioned by the GLA, LDA and Board

- A wider body of academic and policy literature that enables broad implications to be drawn about particular equality groups that have relevance for Londoners
- Interviews with key stakeholders including employers, infrastructure organisations, trades unions, and government bodies

A list of the key stakeholders that we conducted interviews with is included in *Appendix 1* to this report and a topic guide which sets out the key themes that were explored forms *Appendix 2*. As already stated above, this is an initial EqIA on the anticipated impact of the emerging Strategy which will be issued for wider consultation. When the full draft Strategy is available, the Board will solicit the views and involvement of a wider group of stakeholders across the region, and importantly, the views of the intended beneficiaries of the Strategy living and working at the neighbourhood level. This will ensure that the Strategy is anchored firmly in the lived experiences of London's community in all its diversity.

Recommendations

The following provides a summary of the key recommendations emerging from the equality impact assessment:

Confidence, motivation and objectives

Recommendations

- a) The Board should use the engagement opportunity outlined in the Strategy to raise the profile of the skills and employment agenda across all sectors as well as the mutual benefits of investing in a shared vision for London.
- b) The engagement opportunity should be used to address negative connotations associated with employing equality groups and ensure that the Strategy is correctly positioned.

Conceptual framework for equality and skills policy

Recommendations

- a) The Board should ensure that the Strategy critically examines the existing narrative and taken for granted assumptions which entrench inequalities by unwittingly placing a low social valuation on jobs in which certain equality groups are over-represented.
- b) Work closely with equality and diversity specialists to develop a policy language that more closely reflects the experience of London's diverse communities who are excluded from economic opportunities.
- c) As part of an approach to developing and promoting learning opportunities, or as a foundation for learning among low income workers, the Board, through funding and delivery agencies such as the LSC, could provide incentives to

learning by ensuring that active steps are taken to explore accreditation of the skills of existing Londoners in the workforce with few or no qualifications whose skills are unaccredited.

Equality targets and measures

Recommendations

- a) The Strategy should make a clear commitment to using equality measures to assess all its activities and priorities. This should be informed by relevant regional and sub regional strategies that focus on skills and employment as well as equality groups, to avoid duplication and to determine where the Board could have the most impact.
- b) Throughout the lifecycle of the Strategy, the Board should ensure that equality impact assessments are undertaken on the work of delivery agencies, as well as on the wider activities it seeks to commission.
- c) The Strategy should link directly with the framework for targets that is driving Local Area Agreements.

Knowledge management and best practice

Recommendations

- a) The Board should develop a catalogue of best practice examples of work being undertaken with equality groups in London.
- b) The Board should undertake a mapping of partnership structures at the regional, sub regional and local level that are directly or indirectly skills and employment related to determine which structures and decision processes it should seek to influence and align with.

Labour market polarisation

Recommendations

- a) The Board needs to ensure that the issue of a living wage for Londoners who are currently low paid, but who provide services that are vital to the functioning of the economy, is placed high on the employment and skills agenda.
- b) The Board could begin to align its priorities with equality campaigns on low pay to address wider social inclusion issues for example poverty and community cohesion.

ESOL

Recommendations

- a) There should be collaboration between all partners on the Board including JCP and the LSC, to ensure that there is close alignment with regional strategies and plans in relation to addressing gaps in ESOL provision and skills development, identified as part of this EqIA, and other research

- b) The Board and its partners including providers and businesses could explore whether the current content of ESOL can be more effectively linked to employability for new migrant communities, as well as assisting migrant communities in overcoming access to a range of training opportunities.
- c) The Board could explore new arrangements with employers to use public subsidy to support approaches to ESOL that builds upon what works.
- d) The Board could influence the commissioning frameworks of its partners to ensure that ESOL provision continues to be funded and ESOL services begin to be customised to the particular needs of different migrant communities.

Commissioning and procurement

Recommendations

- a) The Board should consider the commissioning processes used to implement the Strategy to determine how providers from equality groups can be encouraged to deliver specialist services.
- b) The Board through its strategic direction of the LCS's budget and influence over the spending priorities of other key agencies such as JCP and the LDA, should ensure that providers establish robust standards for equality and diversity and that these are promoted through supplier chains.
- c) The Board could encourage providers to use equality impact processes to review standards of inspection, accountability, and accreditation as well as improve engagement with learners and partners.
- d) The Board could set targets on developing a more diverse provider base which would address the disparity between existing and potential providers. This should include initiatives targeted at voluntary sector providers who offer high quality and specialist employment services to equality groups.
- e) The Board should think creatively about how it can pioneer new knowledge share opportunities which could be an opportunity to bring together the issues facing equality groups, sector based knowledge of demand, and the priorities of the Strategy.

Widening participation

Recommendations

- a) The Strategy's implementation plan should identify the particular barriers to access for different equality groups and the interventions most suited to addressing these.

- b) The Board should encourage key funders and delivery partners to minimise and where possible remove barriers to learning as well as create more holistic and flexible offer to learners.
- c) The Board could raise awareness of traditional occupational divisions across sectors based on race, gender, disability and its impact on access and progression routes for many equality groups, as well as pay gaps. Opportunities to challenge attitudes of employers as well as to influence the development of new sectors should be prioritised.

Employer-led Skills and Employment Strategy

Recommendations

- a) Develop an aspirational statement on a joint Strategy between employers, providers and London's communities and develop equality principles that underpin all of the Strategy's objectives.
- b) The Board should invest in developing the capacity and confidence of employers who serve on the Board on processes and structures of decision making and partnership working and how to improve the offer to employers and learners.

The Board and delivery structure

Recommendations

- a) Board members should be encouraged to be Equality Champions and work within their sectors and networks to ensure that equality issues are at the centre of delivering the objectives of the Strategy.
- b) The Board should seek to develop a representative cohort of members that bring expertise and experience across all sectors and major employers.
- c) The Board should consider its structures and processes of governance and accountability and within this ensure that equality issues remain central to the development and implementation of the Strategy.

Partnership infrastructure

Recommendations

- a) In order to strengthen the skills and employment infrastructure, the Board should seek to align its strategic priorities with that of its key partners and develop a joint investment plan with key funders.
- b) The Board should seek to develop best practice tools and techniques on engaging with employers across all sectors.
- c) The Board should work collaboratively to develop a rich mix of learning opportunities for diverse groups of individuals.

- d) The Board should lay down requirements for all delivery agencies to adopt robust equality standards and monitor services by undertaking equality impact assessments.

VCS and volunteering

Recommendation

- a) The Board should seek to promote volunteering opportunities within the voluntary sector and across all sectors as a gateway to developing marketable skills.

Consultative processes

Recommendations

- a) The Board should develop an engagement and participation framework to underpin the implementation of the Strategy as well as encourage delivery agencies to undertake consultation with equality groups.
- b) The Board should ensure that delivery agencies use the EqIA process to monitor how well the Strategy is being implemented on the ground and report on what impact it is making on the lives of equality groups.

Role of London Development Agency

Recommendations

- a) The LDA should invest sufficient resources to assist the Board in its early stages of development to build capacity and deliver the aspirations of the Strategy.
- b) The LDA should seek to align its strategies, policies, strategic partnerships, and business investment opportunities in ways that complement the objectives outlined in the Skills and Employment Strategy.
- c) The LDA should review the activities of Diversity Works to determine how it can assist the Board in engaging with employers and developing attractive offers to potential investors in the London skills agenda.
- d) The LDA should seek to develop its own recruitment and retention practices by reviewing and making public how diverse equality groups are represented in its staff composition at senior levels within the organisation and the roles they play.

1. Context and background

Context for this commission

1.1 Globalisation offers numerous opportunities for technological advances and increases in GVA, particularly in the London region. However, economic growth and development in London has, paradoxically, been accompanied by increasing social and spatial polarisation. The growth in business, professional, and knowledge industries has not been accompanied by the necessary increase in the skill levels of people living in the region. Indeed, London has only been able to address its skills shortages because inward migration from other parts of the UK, as well as internationally, has filled what could have potentially become a skills vacuum. In recent years however, London has experienced a decline in international migration and this clearly signals that the region may not always be able to depend on migration to support its future skill requirements. This potentially becomes more of an issue as other EU countries lift transitional arrangements. Importantly though, a lack of requisite skills attuned to London's employment growth sectors and the inability of a significant proportion of Londoners to benefit from the tremendous economic and social advantages on offer is unacceptable and runs counter to the key principles which underpin a cohesive and a competitive economy. Added to this, existing publicly funded training does not always take account of the needs of the modern workplace of the future, or respond to the particular needs of those disadvantaged groups at whom the various employment and training initiatives are targeted. These are therefore issues that the London Skills and Employment Board and its partners will need to develop concerted responses to as part of the development of the Employment and Skills Strategy for London.

1.2 In August 2007, the London Skills and Employment Board commissioned Poorman–Skyers Research and Consulting to undertake an initial independent equality impact assessment (EqIA) on the emerging London Skills and Employment Strategy, which falls under its auspices. As part of their legal duty to promote equality, all public bodies are required to assess the likely impact of new policies and strategies on groups that are disadvantaged in terms of race, gender and disability. As part of its drive towards moving beyond the application of minimum standards, to a more comprehensive approach to addressing inequalities in London, the Board, which is the first of its kind in the UK, has widened the scope of the EqIA process. To ensure that the Strategy will be poised to take account of the changing and diverse needs of London's communities, the EqIA includes a specific focus on the risks and opportunities in relation to groups that experience disadvantage and exclusion in employment and skills on all of the following equality dimensions and not just those that fall within the framework of the positive duties:

- Race
- Gender

- Disability
- Sexual orientation
- Religion or belief
- Age

1.3 The Board is chaired by the Mayor of London and has the close involvement of businesses which are also represented on it, alongside the London Learning and Skills Council (LSC), JobCentrePlus (JCP) and the London Development Agency (LDA). The Board is responsible for setting strategic direction over adult skills provision in London, within the general framework and targets set by central government. It is also responsible for setting priorities for public investment of over £500 million per annum in skills, backed up by an annual plan. The Strategy is premised on the particular needs of the London region, and ensuring that its continuing success as a World City is supported by a highly skilled, competitive and productive workforce that can continue to play a starring role on the global stage. When the Further Education and Training Bill currently before Parliament becomes law, the Board will also have a statutory basis.

1.4 Whilst London is the most prosperous UK region, and leads the world in business and financial services, certain communities face profound economic barriers. These include inequality in access to employment and opportunities for skill training. The LDA, working on behalf of the Board, has a legal obligation to ensure that the Strategy meets exacting equality standards. The Strategy is embedded in the Mayor's vision for London and this vision is comprised of the following three interrelated elements:

- a) Strong and diverse economic growth
- b) Social inclusivity to allow all Londoners to share in London's future success
- c) Fundamental improvements in environmental management and use of resources

1.5 An EqIA is a way of making a systematic and comprehensive assessment of the effect that a proposed strategy or policy is likely to have on people and on communities. This is in relation to a whole constellation of factors including age, gender, race, ethnicity, religion or belief, sexual orientation, and/or any other form of collective difference. Given that the Strategy is still in the process of being developed, our approach, which mirrors the current stage in the Strategy's development, has been to conduct the EqIA at a high level of generality, anticipating the *likely* impact that the Strategy will have on equality groups in London. A more detailed and in depth assessment will be undertaken on a series of emerging themes when the full draft Strategy is available for wider consultation and engagement. This

more detailed assessment will be part of a seamless process and in that sense it will build upon the foundations laid by this EqIA.

Methodology and methodological constraints

1.6 To assess whether the emerging Strategy will potentially have a positive or adverse impact on London's equality groups, the EqIA has been structured around the following assessment criteria which are set out below. The key considerations are the extent to which the Strategy:

- Has a positive or negative impact on learners and potential learners affected by the Strategy across London's equality groups
- Has a positive or negative impact on existing and potential members of the London workforce whose position is affected by the Strategy
- Has a positive or negative impact on all employers in London who are involved in or affected by the Strategy
- Promotes positive attitudes towards London's equality groups and promotes good relations
- Reduces the degree and/or extent of disadvantage across and between London's equality groups

1.7 To strengthen the process of conducting the EqIA, we have also drawn on a wider body of knowledge and organised our research strategy around the following:

- Screening the available elements of the Skills and Employment Strategy to determine its relevance
- Desk research and documentary reviews of various strategies, programmes, and research commissioned by the GLA, LDA and the Board
- A wider body of academic and policy literature that enables broad implications to be drawn about particular equality groups that have relevance for Londoners
- Interviews with key stakeholders including employers, infrastructure organisations, trades unions, and government bodies

1.8 A list of the key stakeholders that we conducted interviews with is included in *Appendix 1* to this report and a topic guide which sets out the key themes that were explored forms *Appendix 2*. As already stated above, this is an initial EqIA on the anticipated impact of the emerging Strategy which will be issued for wider consultation. When the full draft Strategy is available, the Board will solicit the views

and involvement of a wider group of stakeholders across the region, and importantly, the views of the intended beneficiaries of the Strategy living and working at the neighbourhood level. This will ensure that the Strategy is anchored firmly in the lived experiences of London's community in all its diversity.

The background to skills and employment London

1.9 London is a burgeoning economy and as a city, it offers a mirror image of a highly successful and contemporaneous global economy. This is one in which significant economic growth is being fuelled by London's advantage as a strategic location for high wage competitive businesses in the financial service sector which is a key growth sector in Europe. In London, business and financial services are the two largest single categories of service exports from the UK and together accounted for 50% of total service exports in 2005 compared with 39% some ten years earlier. Indeed, London is one of three largest centres of finance and business services in the world, alongside New York and Tokyo. Of the top 500 global companies, 28 have their headquarters in London and 33% of the European headquarters of the Fortune 500 companies are also in London. This is significantly ahead of the second most popular location which is Paris, which has 9%. Furthermore London is witness to a major increase in managerial, professional, and associated professional and technical occupations which are also economic growth areas in London and has a growing creative sector which is also an important source of economic growth for the region as a whole. In proportional terms, 40% of total employment in London is found within financial, business and other services.

1.10 Importantly, economic growth in the above sectors has also brought with it, new opportunities for employment in personal and security services and an increase in retail. There has been an expansion in the need for care services which is a reflection of an increased life expectancy, and an increased need for care services for children of working parents. These personal service related areas of employment, unlike the financial, managerial, and professional occupations, do however tend to be lower paid (GLA, Economics 2007).¹ Indeed, although London has increased its GVA and has enhanced status as a world city, its economic rewards are not shared by all Londoners. There is a higher level of wage inequality in London than in other parts of the UK which spans a range of equality groups. For example, the level of wage inequality between men and women in London is higher than other UK regions (GLA, 2005).² One explanation for these disparities is the significant under representation of equality groups in high paying economic growth sectors, and their over-representation in areas of the economy that tend to be low paid (Strategy Unit, 2003; DfES, 2005; Women and Work Commission, 2006).³ The enormous potential of the region is therefore held back by these inequities.

¹GLA Economics (2007) Adult Skills and Employment Strategy – Evidence Base

² GLA (2005) Women in London's Economy

³ Strategy Unit (2003) Ethnic Minorities and the Labour Market
DfES (2005) The Gateways to the Professions Report
Women and Work Commission (2006) Shaping a Fairer Future

1.11 There is an increasing level of competition from the emerging economies of China, India, and Eastern Europe into the world economy. The emergence of these economies which have grown at twice the rate of the more established ones, represent 25% of world GDP. This is creating increased competition for London in terms of workforce investment, at the same time as bringing about increased economic growth opportunities as global demand for goods and services increases.⁴ The changing nature of London's economy has impacted upon the skills required by London's workforce in that the skills of some Londoners have become obsolete. This is the result of a contraction in manufacturing and unskilled occupations and the emergence of new sectors which require a highly skilled workforce with Level 4 or 5 qualifications.

1.12 A number of policy initiatives have been developed over the last decade, which have attempted to address critical issues in relation to the needs of the global economy and inextricably linked to this, addressing disadvantage through employment and skill training.⁵ This is seen as one of the principal routes out of poverty and social exclusion. The initiatives have been designed to address skills obsolescence, skills gaps, skills shortages, structural unemployment, and underemployment. They set the scene for a radical transformation of the adult skills system in London so that it will be poised to deliver adult training that is firmly anchored in the needs of employers, and individuals, and in which London will be among the world class exemplars in skills and employment. The government's first Skills White Paper published in 2003 which was followed by a second White Paper in March 2005, accents skills as being among the key drivers of economic and social integration.⁶ Moreover, the government's Regional Economic Performance Public Service Agreement (PSA) Targets, including target 6, focuses on the promotion of jobs as well as enterprise. This has been accompanied by a range of other policy initiatives including the various New Deal programmes, and proposals outlined in the Government's Green Paper on Welfare Reform. These are designed to operate in tandem with active labour market policies to reduce the numbers of claimants on incapacity benefit; to support disabled people, lone parents and older people into work, and to deliver full employment within a generation.⁷

1.13 The accent on employment and skills has also been accompanied by an increased emphasis on the implementation of regional strategies to support EU and UK targets to expand the provision of accessible and affordable childcare as a means of addressing one of the principal barriers to employment. These include, tax

⁴ Oxford Economics (2007) Globalisation and the demand for skills in London, Final Draft

⁵ GLE, Mayor of Lond and Association of London Government (2005) Local Strategic Partnerships: Tackling Worklessness

⁶ DfES (2003) 21st Century Skills: Realising our Potential
DfES (2005) Skills: getting on in business, getting on at work, White Paper

⁷ Reducing dependency, increasing opportunity: options for the future of welfare to work: An independent report to the Department for Work and Pensions

credits; JobCentrePlus initiatives; the Neighbourhood Nurseries Initiative; Sure Start, and Wraparound Integrated Provision. London also contains a number of areas that have been given Worklessness Pathfinder status to pilot new partnership approaches to tackling unemployment. They bring together key public sector agencies in their sub regions with the aim of developing a strategic approach to skills, training, and employment that will replicate good practice, tackle barriers to employment and get more people into jobs. The recent Leitch Review sets out a vision for developing skills to maximise economic prosperity and productivity by 2020.⁸ As well as being a choice location for business, London also has a rich array of adult skills delivery agents and intermediaries including the LSC, JCP, and the Sector Skills Councils. In addition London has internationally acclaimed universities and established centres for further education. Over the last few years the government has introduced a number of White Papers on further education that seek to strengthen the role of colleges and training providers in the Higher Education Sector in the delivery of academic and community education.

1.14 At a regional level, the London Economic Development Strategy⁹ sets out ambitious plans to achieve a regional employment rate of 80% of people of working age by 2020 in line with the government's national target. This is also reflected in the emerging London Skills and Employment Strategy which seeks to develop ambitious plans for regional employment and investment in skills to eliminate major sub-regional variations, and to target key client groups that traditionally face exclusion. In terms of qualifications, the Mayors ambition is for 90% of Londoners to be qualified to at least Level 2 by 2020 and this fits well with London's skill requirements and the recommendations of the Leitch Review. However, in terms of the expansion of intermediate skills envisaged by Leitch for the UK, this does not chime with the needs of London's economy. London requires a greater concentration of degree level skills, reflecting the increased proportion of high skill jobs relative to the rest of the UK which the Strategy must take account of. Forecasts reveal that this trend is set to continue and by 2020, half of all London jobs will require a degree level qualification of Level 4 or above. By comparison, jobs designated as low skilled will continue to decrease as a proportion of overall employment comprising 14%, that is Level 1 or below. The importance of the Strategy is therefore also in ensuring that Londoners have the high level of skills needed to meet demands of the economy in the future. However, the requirements of the labour market do need to be balanced against the important social and civic role played by skills development which may not necessarily have an immediate labour market connection.

⁸ Leitch Review of Skills, Prosperity for all in the global economy, Final Report, 2006

⁹ GLA (2007) Reducing Health Inequalities: Issues for London and Priorities for Action
GLA (2007) London Enriched: The Mayor's Draft Strategy for Refugee Integration in London
GLA (2007) Learning for Living and Working in London: A Strategy for Learners with Learning Difficulties
LDA (2005) Sustaining Success: Developing London's Economy

1.15 The draft Strategy is firmly embedded in other related strategies which are, in turn, inextricably linked with the employment and skills agenda. These include the draft Health Inequalities Strategy and the recently produced draft Strategy for Refugee Integration in London, both of which are out for consultation; the Child Poverty Strategy, the Learning for Living and Working in London Strategy, and the London Economic Development Strategy.¹⁰ The sound business case for equalities has been amply demonstrated by the Mayor of London. Thus, assessing the impact of the Strategy as it emerges is critical to ensuring that all Londoners are the beneficiaries of sustainable labour market outcomes, and that existing businesses, new businesses and growing employment sectors actually benefit from the diversity and untapped pool of talent that the capital has to offer. The Board does however recognise that the London Skills and Employment Strategy is not a panacea for all issues that relate to maintaining and enhancing London's global economic competitiveness. It is here that the links with other Mayoral strategies and plans are important to ensuring competitive advantage through transport links, good infrastructure, sustainable communities, environmental sustainability, healthy workplaces and a healthy workforce.

The current landscape for equalities and community cohesion

Equality Legislation

1.16 The legislative landscape for equalities is a complex and rapidly changing one. Within this wider legislative framework for equalities, employment and skills within a burgeoning global economy forms the axis of the approach of the Board to tackling inequalities. This is by building a sustainable social and economic base; responding to London's requirement for a high skill economy, and improving social justice by maximising the economic prosperity of all Londoners. In pursuit of equalities, the Strategy recognises the need for new models of learning and for ways of engaging with employers, and providers. This EqIA centres on the broad strategic issues in relation to equalities, along the dimensions of the six key areas that are currently being tackled by the government. These are known as the six equality strands:

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

1.17 The responsibility for enforcing equalities across these key strands is in the process of passing to the newly created Commission for Equality and Human Rights (CEHR). The changes in relation to race, gender, disability, religion and belief, sexual orientation, and age, vest public bodies and providers of public services such

¹⁰ GLA (2007) GLA (2007) London Enriched: The Mayor's Draft Strategy for Refugee Integration in London

as the Board and the LDA, with a more explicit role in the promotion of equality and diversity.¹¹ The specific pieces of legislation which support these equality areas are however at different stages of development with the most advanced being the legislation in respect of *race, gender and disability*. The first three strands fall within the framework of what is known as the *positive duty*, which is broadly similar in all of the legislation, and which, has the objective of promoting long-term cultural change within organisations. The *positive duty* is a requirement that now forms part of the law to ensure that active steps are taken to prohibit discrimination.¹² The most important principle underpinning the revised legislative framework is that it represents a fundamental move beyond the traditional focus on individual acts of discrimination, towards a focus on the delivery of equality and diversity in a *proactive and pre-emptive* way, rather than in a *reactive and retrospective* way. The key tenets of the positive duty in respect of race, gender and disability are similar in many respects although there are some specific guiding principles in relation to disabled people.

1.18 The key tenets underpinning all three areas are as follows:

- Eliminate discrimination and harassment
- Tackle disadvantage
- Promote equality of opportunity
- Promote good relations between various groups
- Promote positive attitudes towards disabled people
- Encourage the participation of disabled people in public life
- Treat disabled people more favourably to achieve equality

1.19 The remaining three equality strands, *age, religion and belief, and sexual orientation*, do not fall within the framework of the positive duties at the present time. However, mirroring the move towards a single CEHR, the government is currently undertaking a Discrimination Law Review which will underpin a Single Equality Act and will bring the separate equality strands into parity. As part of its response to the Discrimination Law Review, the GLA is urging its various groups and partners to mainstream the principle of the positive duty in all of the equality strands. As well as the requirements of current legislation, the Board and the LDA, as part of the GLA group, work within the framework of the GLA Act to promote equality. This sets the landscape for becoming exemplars among public bodies, by moving beyond the legal minimum standards of *compliance*, towards a culture of *commitment* to equality of opportunity which anticipates and addresses discriminatory structures, processes and practices in all areas and functions.

¹¹ The Legislation in relation to the provision of public services in relation to age is being looked at.

¹² The principle was first established under the provisions of the Race Relations (Amendment) Act, 2000. This was the first equality strand to be overhauled and followed the publication of the McPherson report into the death of Stephen Lawrence. Since that time, gender and disability have followed suit.

Community Cohesion

1.20 The development of approaches to ensuring that communities are cohesive is a policy imperative of the current government and a key policy objective for the Mayor of London. In 2001 in the UK, following disturbances in the north of England the term community cohesion, although not a new concept, became the centrepiece of policy making. Indeed, the Home Office report of the Ministerial Group on Public Order and Community Cohesion (also known as the Denham Report) published in December 2001, highlighted community tensions. Other reports published at the same time, specifically, the report of the Community Cohesion Review Team (also known as the Cattle Report) and the findings of Lord Clarke, David Ritchie, and Lord Ousley, broadly concurred on many of the underlying social and economic issues that contributed to the disturbances. The reports also identified the need to look holistically at communities and to develop and harness the existing economic and social capital to counteract fragmentation and division. This is seen as the cornerstone of successful urban and civic renewal, and ultimately to the creation of more cohesive communities.

1.21 The importance of fostering community cohesion is reflected in the Mayor of London's policies for neighbourhood renewal, and in the associated strategies and plans that have already been cited above. The Mayor of London has also clearly articulated what is meant by community cohesion in the London context, defining it as;

"...celebrating diversity, promoting equality and tackling disadvantage and exclusion. It involves actively encouraging interaction between communities and building up the capacity of all communities to take part in public life"¹³.

1.22 There is a considerable body of research evidence which highlights the potential tensions that lie within and between communities living in areas that are in receipt of compensatory programmes. This is essentially a competition between the *have-nots* where there are high levels of economic deprivation. It is therefore critical that potential tensions are carefully and sensitively managed. The role of the Board is pivotal in this and community cohesion is thus an integral component of the challenges that the Strategy will need to address.

2. An EqIA of equality groups

The current position of equality groups in London and implications for the Strategy

2.1 As one of the starring players on the global economic stage, London has the highest output per capita of any UK region, a highly skilled and diverse workforce, and thus immense opportunities for sustainable economic growth and development.

¹³ Mayor of London (2004) West London Alliance, Strengthening our Communities: Community Cohesion in West London

London has the distinction of being the premier location for business and financial services which is an important growth sector for Europe, and has a thriving business, managerial, professional, associated professional, and technical occupational sector. London also has a burgeoning creative sector. However, despite London's premier status as a business location, its employment rate, which currently stands at 70%, is almost five percent lower than the national employment rate. This is also well below the governments full employment target of 80%. When these data are disaggregated, they also reveal that the overall employment rate for London actually masks stark differences which are strongly delineated by race, ethnicity, gender, disability, and so forth. Indeed, this is as true for rates of employment across these categories, as it is for the industry and occupational segregation of these groups.

2.2 These social and economic disparities in London take on a spatial dimension where London, as well as having the distinction of being a premier location for business, also bears the hallmark of being the most socially and economically polarised city in Europe. These are not merely abstract statistics but have real resonance with the lives of Londoners where the most intense poverty and deprivation is often less than 3 miles from areas of extreme affluence. This has a major impact on the opportunities and choices of individuals, families and entire communities. As a further vivid illustration, a third of London's working age population is currently workless, which is a higher proportion than the rest of the UK. Almost 20% of Londoners who are of working age (19.6%) lack skills in basic literacy, 48.3% lack sufficient numeracy skills and 25.6% have English as a second language which inhibits labour market attachment, earnings and progression. There is a strong link between qualifications and employment and 87% of residents with qualifications at Level 4 and above are employed compared with a 44% employment rate for those with no qualifications.¹⁴ This is the context in which the Strategy has set challenging goals in relation to employment and skills in London.

2.3 One of the key questions that this commission seeks to answer relates directly to the existing position of equality groups in London, and how the Strategy can respond to this. As stated above, the Strategy has been emerging alongside this EqIA and for that reason, as previously stated, we have focused on the impact the Strategy is likely to have at a high level of generality. Where the available evidence permits, we have looked at the six equality strands, race, gender, disability, religion and belief, sexual orientation and age. However, we have also tried to illustrate the intersections between them as this is critical in terms of the Strategy's development. Whilst the equality legislation deals with specific categories, individuals do not live their lives according to given categories but have complex, multiple, and often overlapping needs. As the LDA's research has shown, people often experience discrimination and exclusion on more than one dimension, have different experiences at a variety of institutional sites, and this has the effect of compounding disadvantage.¹⁵ It is addressing these social and spatial inequities and forms of

¹⁴ London Skills and Employment Board (2007) Globalisation, Skills and Employment, The London Story

¹⁵ Ibid

discrimination that is critical to the future economic success of London and to its future cohesion and competitiveness.

2.4 The next section brings together the existing data, where it is available, on the position of the key equality groups in the London region in relation to adult employment and skills. There is insufficient evidence in relation to some of the equality categories for an assessment to be made with the high level of confidence that we would wish. Indeed, there is a risk that in the absence of more sophisticated data, inequalities will not be identified, measured or reduced for people who experience multiple disadvantages. Whilst some of the data gives a broad picture, it is not sufficiently nuanced enough to capture the fine-grained distinctions that disguise very different experiences for particular groups and it is therefore necessary to guard against the risk of over simplification. Moreover, some of the issues are so historically deep rooted that it would be over ambitious and indeed overstating the case to claim that they are amenable solely to skills and employment solutions. Rather, they need to be embedded in other related policy agendas that can address the issues holistically within the Strategy.

i) Black Asian and minority ethnic groups in London

2.5 The London region has an estimated population of 7.52 million and in addition to being the most highly skilled region in the UK it is also the most ethnically diverse city in the UK and Europe. As a truly international city, the people who live in London are its most prized assets. Indeed, almost half, that is, 45% of the total BAME population in the UK live in the London region, comprising 29% of the country's BAME population and representing some 1,502 countries. This proportion is expected to increase significantly by 2011 to almost a third. Taking account of the overall working population which is constantly changing through national and international in and out migration, and bearing in mind their younger age profile, 80% of the projected growth in the working age population to 2010 will be from BAME groups. As further testimony to the diversity of London, some 300 languages are spoken across the city and some 14 different faiths are represented. The reason for the higher proportion of BAME groups in London compared with other UK regions is because London has traditionally been the main destination for international migrants seeking work. Currently, migrants born outside of the UK comprise 38% of London's working age population. Whilst London currently attracts 180,000 international migrants per year and the city has witnessed a sharp increase in migrants from the A8 accession states since 2004, the proportion of migrants choosing to come to London is lower than was previously the case as they now also gravitate to other parts of the UK and EU countries.

2.6 BAME groups make a major contribution to London's dynamic economy and fill major skill shortages. Indeed, London has a more highly skilled workforce than other UK regions precisely because, as well as attracting high skilled people from other parts of the UK, it also attracts international migrants to supplement those entering the workforce. Without this, London would face a far more acute skills shortage. However, the employment rate for BAME groups living in London is lower

than the national rate at 56.6% and 59% respectively, and the earnings of BAME groups are lower than their White counterparts. Moreover, worklessness in London has a more pronounced ethnic dimension than the rest of the UK in that 50% of the workless population in London is BAME and 58% of children in workless households are from BAME groups. Londoners with few or no qualifications are also less likely to be in employment than those with qualifications and as an illustration, Black Caribbean, Black British, and Bangladeshi groups are much less likely than other BAME groups to have achieved qualifications of Level 4 and above. Indeed, 74% of Bangladeshi people of working age in London have no qualifications. This is in a context in which London is likely to continue needing increasing numbers of high skilled workers and this is based on estimates which suggest that in 2020, 50% of employees in London will need to be at skill Level 4 or above. The under representation of BAME groups in the labour market and their comparative lack of high level qualifications is a critical issue for the Board to tackle through targeted investment in training and employer led positive action measures centred on addressing systemic disadvantage. This is critical in order to ensure that disadvantage is not transmitted to successive generations, thus undermining both the spirit and the intent of the Strategy.

2.7 Although London attracts highly skilled migrants and refugees with qualifications and experience that synchronise with the demands of the new economy, they are likely to face greater exclusion from opportunities in the economy in comparison with any other group.¹⁶ Moreover, accreditation of overseas qualifications is also often a key barrier for new migrants to surmount, as is the inability to speak English. A DfES Skills for Life Survey in 2002/2003 estimated that 21% of the London population did not have English as their first language which is significantly higher than the other English regions. Furthermore, the same survey found that 47% of all people in England who did not have English as their first language were resident in London. The inability to speak English restricts employment and training opportunities as it impacts on functional literacy and numeracy skills.

2.8 The increasing feminisation of migration to London also has important implications for the economy and for the focus of the Strategy. The migration of women to London is part of a global trend where women migrate to the Capital to join their families, as well as for economic reasons. However, In terms of policy initiatives and local interventions, migrant women tend to be a hidden group. Research conducted by the London Borough of Ealing as part of an EU economic cohesion and competitiveness programme illustrates that policy initiatives have been traditionally targeted towards migrant men as heads of households. This reflects a tendency among policy makers to see migration as male dominated. As with other more established BAME groups and other equality groups, migrant women are a diverse group and their experiences vary in relation to marital status, social class, level of

¹⁶ GLA (2007) London Enriched: The Mayor's Draft Strategy for Refugee Integration in London

education, previous work history, age, disability, race and ethnicity, and so on.¹⁷ Many are highly qualified with skills highly attuned to the demands of the London labour market but due to a range of structural, personal and family barriers, are in low paid employment.¹⁸ A number of studies have also found that inflexibility in ESOL provision and the lack of a relevant and employment centred content to ESOL programmes is a barrier to vocational training, labour market attachment and labour market progression. The Board thus has a major role to play in ensuring that there is close alignment between the Strategy and plans at the sub-regional level to inform skills spend on ESOL provision.

ii) Gender and its significance in London

2.9 Women comprise almost half the labour force in the UK but in London, the proportion is significantly lower at 45%. Moreover, lone parents in Inner and Outer London, the majority of whom are women, have very low employment rates compared to lone parents in the rest of the UK that is 39%, 47% and 58% respectively. This can be attributed to a number of factors including a lack of part time work and models of working that fit in with the rhythms of family life and the prohibitive cost of childcare, which when coupled with higher London housing costs often cancels out the economic advantage of working.

2.10 In London, earnings are above the UK average but have a very wide dispersion. There is also a higher level of wage inequality in London between men and women, compared with other UK regions. This disparity in earnings is a reflection of the fact that high paid workers in London are more likely to be men than women, but are more likely to be non-disabled men and non-disabled women. In London the gender pay gap currently stands at 24% compared with 18% for the rest of the UK. These general figures however also mask important differences in that disabled women in London have a lower employment rate than disabled men at 54.6% and 65.5% respectively, a proportion which falls to 34% for disabled women living in inner London. There is also an over-representation of women as a whole (and with significant variations among various equality groups), in low paid employment, and an under representation of women in particular employment sectors. These sectors include financial, business, managerial, professional, and technical occupations which are highly paid, and of which, London has a higher proportion. According to recent figures, 650,000 children in London live in women headed households and experience poverty due to high housing costs, low incomes and benefit dependency. The rate represents the highest level of child poverty in Great Britain and has major implications for the perpetuation of disadvantage unless effective interventions can break this cycle.¹⁹ A significant proportion of these women are also of BAME origin.

¹⁷ City 2 City Project (2007) Migrant Women in Ealing: Barriers to Training and Employment

¹⁸ GLA (2002) Missed Opportunities: A skills audit of refugee women in London from teaching, nursing and medical professions

¹⁹ London Child Poverty Commission, 2007

2.11 This EqIA has tried to put across the view that in terms of “lived” experiences, Londoners, and indeed people generally, do not live their lives along a single dimension. For this reason, grand narratives are disconnected from the reality of people’s experiences and are therefore unhelpful to policy makers. This complexity is difficult to capture analytically, particularly where there is a lack of information and informed debate. However, this EqIA recognises the need to address complexity. At a sub-regional level, research, already cited above which was conducted in Ealing, has begun to explore the relationship between barriers to training provision and employment within new and emerging communities. The research has revealed structural and personal barriers to employment and training which inhibit migrant women, many of whom are highly qualified and who have skills required by high paid sectors of the economy. However, because of these barriers, many migrant women find themselves confined to employment in low paid sectors with little or no prospect of progression.

2.12 GLA projections to 2016 are that there will be 558,000 new jobs created in London and 69% of these jobs will be filled by women. In terms of the distribution of employment across sectors, finance and business services will witness the largest increase, and other services, creative industries, leisure, retail, catering, and tourism will account for the remainder. The diversity of experience among women living in London including different patterns of occupational segregation and employment across intersecting equality categories must be embedded in the Strategy. This must be through wider stakeholder engagement so that the Strategy can be informed by actual experience, not stereotypical assumptions and associations or by failing to identify needs.

iii) Disabled Londoners and their experiences

2.13 Our research to underpin this initial EqIA has revealed major gaps in knowledge and information about the nature of London’s diverse disabled community. The discourse on race equality and ethnicity is starting to become more subtly nuanced to take account of difference within as well as between communities and potentially this can lead to more effective interventions. There is still however, a tendency to see disabled people as a single constituency of interests and concerns. Whilst passing reference is sometimes made in the policy literature to links with other equality strands, there does remain a tendency among agencies to proselytise about disabled people in stereotypical ways, and as if they were part of a uniform group. This is a position that has to some extent become ingrained, in the absence of the collection of meaningful and comparative data on a range of key dimensions. This includes representation in employment sectors including self employment; conditions of service; type of contractual arrangements; comparative rates of pay, and so forth. Indeed, the approach to examining issues that relate to disabled people is often based on views and assumptions that are devoid of any real discussion about how

Women and Work Commission (2006) Shaping a Fairer Future
DFES (2006) Gateways to the Professions Report
Strategy Unit (2003) Ethnic Minorities in the Labour Market

disability intersects with race, ethnicity, age, gender, and sexual orientation, except as footnotes within a meta-narrative. In order for the Strategy to be effective, there is a need to adopt more subtlety in the collection and the analysis of data, and the formulation of responses. In terms of household composition in London, 20% of households have a disabled person and approximately one fifth of the working age population of London has a disability. These figures cut across all of the equality strands. Thus, recognising and building in approaches that embrace disability as a multifaceted issue within a broader framework for equalities, and which gives diverse disabled communities a voice in the development of the Strategy must be a cardinal concern for the Board and pivotal to informing its future investment decisions.

2.14 A significantly lower proportion of disabled people are in work or self employment compared with non-disabled people. Moreover, according to evidence from the Shaw Trust based on an analysis of the results of the Labour Force Survey, employment rates vary considerably among disabled people, depending on the nature of the disability. For instance, people with mental health problems have the lowest employment rates of all disabled people and the lowest earning potential. Furthermore, disabled people are more likely to be less qualified than non-disabled people in London although those with high level qualifications have a relatively high rate of economic activity at 75% compared with disabled people without qualifications where the proportion is 28%.²⁰ According to figures provided by the GLA for 2003, of 800,000 people of working age in London who regarded themselves as having a disability, 43.1% were employed. This proportion is in marked contrast to the employment rate for London as a whole for the same period which was 69.4%.

2.15 The available research for London also reveals disparities in terms of gender and race among economically active disabled residents. The latest figures are for 2002 and illustrate that the rate of economic activity among disabled women is significantly lower than the proportion of disabled men at 46% and 54% respectively. The overall proportion for disabled residents actually in employment is also strongly delineated by gender in that figures for the same period reveal the employment rate for disabled women in London was 54.6% in comparison with 65.5% for non-disabled women. What is even more alarming is that, as already stated above, this rate falls to 34% for disabled women living in inner London. The economic activity rate for disabled people from BAME groups for the same period was also 10% lower than non BAME groups at 43% and 53% respectively although further disaggregated BAME data are not currently available.

2.16 As we have seen, the global economy offers new opportunities for economic growth in managerial, professional, and high skilled occupations in London, and opportunities for different and more flexible styles of working. The Board can work with employers and representatives of disability organisations to raise awareness about offering flexible ways of working as part of reasonable adjustments under the DDA, 2005. This would help to shift current ways of thinking about reasonable

²⁰ Based on Labour Force Survey figures for 2002

adjustments from being focused solely on discrete changes to the physical work environment, towards a process of ensuring that disabled people are able to enter the workforce and sustain their employment through different working styles. This will become increasingly important as the population ages as an increase in age is also associated with the onset of a disability, or an increase in caring responsibilities. Put simply, nationally, only 10% of adults aged 16-24 are disabled whereas a third of people between the ages of 50 and retirement age are disabled. Furthermore, it is projected that by 2020, 58% of people over the age of 50 will have a long term health conditions which has important implications for London's communities and for the Strategy.

2.17 Another important issue for the Board to consider is that whilst it is possible to establish a picture about the experiences of disabled people in terms of economic activity and inactivity; level of earnings, and occupational distribution, very little is known about the career trajectories of disabled people in London who are already in employment or training in terms of their social and occupational mobility.²¹ This is a critical consideration for the Board, in terms of measuring the impact of the Strategy, along with taking account of the heterogeneity of people within London's disabled community.

iv) Sexual orientation and its importance for Londoners

2.18 As with the paucity of data in relation to disabled people, there is a paucity of data on lesbian, gay and bisexual people (LGB) in London, particularly quantitative data. This is partly because the 2001 Census did not include a specific question about sexual orientation. In common with some of the other equality strands, the diversity within the LGB community is not always properly represented. However, the GLA has estimated that the LGB community in London is in the region of 10% of the population. Far from being a mono-cultural community as popular perceptions and stereotypes would have us believe, the LGB community is comprised of BAME communities, disabled people, older people, and people of various faiths and beliefs. We also know that this gives rise to interrelated and complex forms of discrimination that are often difficult to disentangle. Moreover, evidence from both Stonewall and the GLA point to fears within the LGB community about their sexuality being discovered, and having to hide their sexuality in the workplace.²² This may also impact adversely on prospects for progression and promotion in the workplace, and the confidence to take up training if the feeling is one of having to remain "closeted".

2.19 The LGB community in all its diversity comprises one of London's key assets. As part of the Strategy's objectives of supporting Londoners into work, and helping

²¹ John Rigg (2005) Centre for Analysis of Social Exclusion has conducted a UK wide longitudinal study of disabled people, looking at progression of disabled people in employment and has found that it lags behind non-disabled people and this is particularly the case for men

London Skills and Employment Board (2007) Third Draft - Strategy for Improving Learning and Employment Opportunities for Londoners

²² GLA (2005) Women in London's Economy
Stonewall (2006) Bullying, Preventing the Bullying and Harassment of Gay Employees

them to progress by enabling them to acquire economically valuable skills, the Strategy must be oriented toward ensuring that the offer to employers and providers responds to the needs of LGB Londoners. Given the lack of meaningful data on the needs, barriers and aspirations of the LGB community on which to frame policy and strategy, the consultation stage and the more detailed EqIA that follows will need to take full account of this.

v) Religion and belief groups in London

2.20 The 2001 Census reveals that 15.7% of Londoners identify themselves as having no religion or belief whilst the overwhelmingly majority of Londoners, 75%, do identify themselves as belonging to a religious group. Although the Census identified only six main religions and belief groups, Christianity, Buddhism, Hinduism, Judaism, Islam, and Sikhism, there are many others in London including Agnosticism, Atheism, Bahai, Confucianism, Humanism, Jainism, Paganism, Rastafarianism, Hintoism, Toaism, and Zoroastrianism. In proportional terms, Christians are the largest religious group in London and Muslims are the second largest group. Moreover, 39% of all Muslims in the UK live in London and span a range of countries including Somali, Iraq, Pakistan, and Bangladesh. There are differences in terms of dispersion within the region and as with the dispersion of the BAME population this illustrates that spatial issues are likely to be significant for the Board. The largest Sikh community in London for example is in Ealing where it is approaching 26,000.

2.21 One of the challenges for the Board, and for informing the development of the Strategy is that there are no regional data on economic or employment activity rates in relation to religion or belief. In the absence of any data, it will therefore be impossible to demonstrate in any robust sense, whether the Strategy is addressing this issue. It will however be possible to partially offset this difficulty by using proxy indicators as there is a strong association between religion, race, and ethnicity. These proxy indicators reveal stark differentials between communities in terms of high level qualifications in comparison with the London average. As an illustration, the Indian population, which is comprised of Sikhs and Hindus for example, has high qualification levels whilst the Pakistani and Bangladeshi community who are predominately Muslim face significant barriers to the attainment of qualifications, and this is also deeply entrenched along gender lines. The likelihood of worklessness and income poverty leading to social exclusion is thus increased.

2.22 Since 9/11 and 7/7, religion or belief has become more explicitly acknowledged as the key to understanding London's diversity and the different experiences of Londoners. The importance of religion and belief in understanding the experiences of Londoners means that failing to adequately take account of this dimension is not an option for the Board and data monitoring to assess the impact of the Strategy on London's diverse religious and belief groups will be needed. Data gaps can be filled by imaginative and meaningful stakeholder engagement, including outreach, and more effective sharing of information with partners, including the voluntary and community sector. The GLA's approach to developing the Health Inequalities Strategy offers a valuable model for the Board in terms of engaging

organisations that may not see the data that they collect, routinely or otherwise as valuable in a broader sense, but which, as a result of its richness, will be invaluable in informing the development of a grounded Skills and Employment Strategy for London.

vi) Age and its significance for Londoners

2.23 In recent years, there has been a marked decline in the proportion of workers over the age of 50 taking early retirement. In addition, new regulations have established a mandatory retirement age of 65 for men and women unless a lower age can be objectively justified. The regulations also prohibit discrimination in access to vocational training and employment related services. The impetus behind this has been because of a shift in policy orientation towards the recognition that older workers have an armoury of flexible skills, and are a vast repository of experience tailored to the needs of a global economy which is set to face acute future skill shortages. The other key driver includes a concern about the revolving system of payments required to meet future pension commitments, and the stark social and economic implications of this.

2.24 Over 15% of London's population, that is almost 1.2 million, are aged 60 or over and GLA projections indicate that this figure will increase by 9% between 2001 and 2021. There is some evidence to demonstrate that older workers who are more advantaged are more likely to have high quality options for flexible for employment on leaving the workforce including self employment, temporary contracts, and part time employment.²³ Conversely, older workers with low skill levels who have been displaced from traditional industries face the greatest challenge in terms of job quality. This includes lower paid casual and agency work, and having to work as a result of economic imperatives, rather than from choice and continued skill development. As the propensity towards having some form of disability increases over the age of 50, many members of London's older community face the double disadvantage of being discriminated against on the basis of age, which is then compounded by discrimination on the basis of having a disability. Indeed, research evidence also shows that both male and female older workers are more likely to exit the workforce for health reasons. This offers some support for the view that embedding proactive labour market policies in the Strategy that target disabled Londoners who are actually in the labour market, or seeking to enter or re-enter the labour market can also potentially have positive spin-offs for older workers, working in concert with approaches to address age discrimination.

2.25 As well as an increase in the onset of disability with increasing years, older people are more likely to be in a caring role. The Strategy will therefore need to reflect and respond to the changing social patterns of older people, and in this context, consider the increasing importance of new and flexible forms of work organisation, as well as flexible forms of offering training. Considerable caution should be adopted, in our view, in developing specific programmes for older workers

²³ JRF (2003) Findings: The role of flexible employment for older workers

as these could have the unintended consequence of entrenching popular assumptions and prejudices about older people, whilst paradoxically, attempting to develop ways in which older workers can surmount age barriers to employment. The composition of older Londoners will change dramatically over the coming years and current GLA projections are that more than two fifths of the workforce will be over the age of 50 by 2015. The Strategy will however, also need to consider that whilst the dominant narrative on age discrimination focuses on people over the age of 50, this demarcation is somewhat artificial in that age discrimination is not only experienced by people aged 50 and over. It is also experienced by people in their 40's who also face discrimination in what has been styled more dynamic and fast changing sectors of the economy, witness former adverts stating *over 40's need not apply*. The GLA has estimated that by 2010, 40% of the workforce will be over the age of 45 thus highlighting the importance of a broader perspective on age for the Strategy.

2.26 The Strategy in focusing on adult skills will also need to encompass the needs of younger adults under the age of 25, who also face age discrimination. The Strategy should consider that age is an issue that spans all of the equality groups and all socio-economic categories, and reflect the diversity of that experience. The Strategy could propose setting targets on the number of adults taking part in training and re-skilling for example, particularly to support change and transition in early, middle and later life, as well as monitoring the workforce in terms of age to look at trends and develop responses. The Board, in conjunction with the LSC, JCP, the trades unions and the various employer forums on age have an important role to play in this regard.

3. Cross cutting themes from the EqIA

3.1 This section explores the cross cutting themes that arose from an examination of the emerging Strategy; the research commissioned to underpin its development, and the in depth interviews undertaken with stakeholders (See methodology and methodological constraints in Part 1 above). The aim of this section is to ensure that new areas of work or changes outlined in the Strategy are equality assessed for their impact on different groups and communities. Where the Strategy is silent on specific measures for individual equality groups, we suggest that this be open to further investigation and research in order to determine what the probable impact might be.

i) **Confidence, motivation and objectives**

3.2 The Strategy aims to raise awareness and build the confidence of employers, learners, delivery agencies and partners through a concerted and large-scale engagement campaign. The focus of the campaign will be on the positive benefits of an investment in skills for the London economy. The exercise could thus be critical in addressing the lack of awareness about initiatives such as Train to Gain, which are designed to encourage employer engagement in skills development. Furthermore, a concerted engagement campaign could considerably assist in challenging negative stereotypes and stereotypical assumptions about people who face multiple barriers to employment. This could be directly linked to the business case for and the benefits of a mixed and diverse workforce, and training provider base. The enormous potential for a positive impact can also be harnessed through the strategic leadership of the Mayor of London and this will be significant in bringing public attention to the investment that is needed to ensure that all Londoners have equal access to skills development.

3.3 There are however potential negative impacts, one of which could be a failure to maintain the momentum and to embrace the challenges inherent in the radical cultural change that is needed to the way training is designed, delivered and funded. The objectives set out in the Strategy do point in the right direction and raising awareness through a concerted marketing campaign will, as a corollary, bring with it an expectation that meeting the objectives will move from *rhetoric* to *reality*.

Recommendations

- a) The Board should use the engagement opportunity outlined in the Strategy to raise the profile of the skills and employment agenda across all sectors as well as the mutual benefits of investing in a shared vision for London.
- b) The engagement opportunity should be used to address negative connotations associated with employing equality groups and ensure that the Strategy is correctly positioned.

ii) **Conceptual framework for equality and skills policy**

3.4 The development of the Strategy has been informed by a robust evidence base which has a strong focus on equality groups. The development of the Strategy presents an important opportunity to challenge a number of assumptions and myths that are held about groups such as migrants and refugees. These groups are often castigated by the media but in actual fact make a significant contribution to London's economy and to the growth and development of employment sectors. A concerted effort to challenge negative attitudes about employing people from diverse backgrounds should be one of the Strategy's key objectives as this would deal directly with some of the principal barriers to economic integration, namely, *employment, earnings and progression*. Whilst the Strategy places the needs of low paid and low skilled workers at the heart of addressing inequalities in London, the process of conducting this EqIA has revealed the tendency to use the terms *low pay* and *low skill* interchangeably. This reflects the values of a society in which certain types of work, predominantly those occupied by individuals in the key equality groups, are poorly rewarded and as a consequence are designated as low skilled. Moreover, as the equality groups identified above predominantly occupy positions that are rooted in relationships that place a lesser value on those that do them, this directly contributes to the reproduction of negative views about particular occupations.

3.5 There have been some attempts to critically examine the factors that result in the low attendant social and monetary valuation placed on jobs routinely carried out by equality groups, and which result in the jobs that they do being subject to value laden terms such as *elementary, marginal, peripheral, and low-skilled*. In this, monetary rewards can thus be seen as a result of the associations that go with groups that are employed in certain jobs, and not always something that is intrinsically related to job content or to its complexity. As an example, carers in London help to sustain individuals in employment and the development of communities in a myriad of ways, yet their skills are undervalued in monetary terms. The LDA's commissioned research to support the development of the Strategy shows that the majority of workers engaged in work who do not have a Level 2 qualification are actually doing jobs that require Level 3 skills. This was one of the groups identified by the Leitch Review as being of particular concern. On that basis, although the possession of qualifications is evidence that someone has reached a particular level of proficiency, the fact that an employee or volunteer doing a particular job does not formally have particular skills does not always mean that they are low skilled, but that their skills have not been externally recognised or validated. At the same time, individuals who are least likely to engage in learning are those with few or no qualifications and low incomes and this is a serious issue for London.²⁴

²⁴ Meadows, Pamela (2007) Improving the skills of low-skilled individuals: Literature review of what works, Synergy Research and Consulting
London Skills and Employment Board (2007) Third Draft - Strategy for Improving Learning and Employment Opportunities for Londoners

3.6 The Strategy repeatedly refers to *pathways to employment*, or an *employment escalator* and this is linked to notions of success. However, the flexibility in the new economy now means that individuals do not necessarily follow a linear career trajectory with a clearly articulated sense of direction and intention. Rather, given the diversity of the population in London, and London's polarised labour market structure, the careers and experience of individuals in terms of learning the skills and capabilities to succeed in life, in the workplace, and in business, actually begins from a variety of entry points. As an example, volunteering or work within the VCS is the point at which some migrant communities and BAME communities often begin their entry into employment. These experiences are invaluable in shaping aspirations and attitudes to training, to work, and to business.

3.7 The Board could develop initiatives to promote the value of lower paid jobs that are an inextricable part of the new economy, and flexible opportunities for work experience. The Board can also promote new perceptions of learning among highly skilled unaccredited workers by accrediting existing skills, thus providing lower paid workers with the confidence and incentive to progress to higher training levels and to advance in employment.

Recommendations

- a) The Board should ensure that the Strategy critically examines the existing narrative and taken for granted assumptions which entrench inequalities by unwittingly placing a low social valuation on jobs in which certain equality groups are over-represented.
- b) The Board should work closely with equality and diversity specialists to develop a policy language that more closely reflects the experience of London's diverse communities who are excluded from economic opportunities.
- c) As part of an approach to developing and promoting learning opportunities, or as a foundation for learning among low income workers, the Board, through funding and delivery agencies such as the LSC, could provide incentives to learning by ensuring that active steps are taken to explore accreditation of the skills of existing Londoners in the workforce with few or no qualifications whose existing skills are unaccredited.

iii) Equality targets and measures

3.8 The Strategy is an ambitious attempt to create world class premier skills and through this, to achieve maximum benefit for Londoners and the London economy. The approach adopted through the Strategy will, of necessity, need to be accompanied by premier world class targets and measures that are grounded in lessons of the past. The challenge is in ensuring that as the Strategy moves from the *general* to the *specific*, that the commitment to equality is clearly spelt out, and continues to remain central. The development of *fit-for-purpose* targets and outcome

measures will thus need to form a core element in the next phase on the Strategy's development, and reflect the complex customer journey of for example, women returning to training or employment following career breaks, women migrants, and older people. These measures need to be based on an awareness of the different barriers that various groups face, and their complex and multiple needs and experiences.

3.9 The aspirations of the Strategy to setting challenging targets has the potential to ensure its impact is positive by ensuring that the services of funders and delivery agencies are rigorously impact assessed, and that they are held firmly to account. There has been a proliferation of employment and training performance targets, most of which are divorced from market needs and indeed, from the needs of learners. In addition, targets that are centrally prescribed by government sometimes conflict with other national targets, are often locally irrelevant, and promote destructive competition between agencies rather than partnership and co-operation. The Strategy has true potential to begin to move delivery agencies away from services that may align to national targets, but which are disconnected from the particular needs of the London economy and the needs of its diverse constituents. In order to be meaningful, the services of providers need to be linked to the wider strategic objectives of the Strategy and to clear equality targets that are built around tangible on the ground improvements to local services rather than a "*skimming effect*". A useful starting point for addressing this is through equality targets on skills and employment that are already set by other regional strategies²⁵. This will yield positive benefits in terms of changing the balance of provision so that it becomes more responsive and appropriate to the requirements of learners. It does need to be borne in mind however that targeting particular groups can have an adverse impact on community cohesion, and can serve to reinforce stereotypical views. This is particularly the case where policy and the action which follows is not informed by robust evidence based on the experiences of the groups and communities targeted. As an example, increased community tensions can occur where initiatives are not carefully managed and are seen to be targeting particular groups as a rule of thumb, rather than responding to a clear and identified need.

3.10 In order to realise the aspirations of the Strategy, there is considerable work to be done with the Board and with funding and delivery agencies and providers to establish meaningful and relevant targets that also link with the framework for Local Area Agreements. In addition, further exploration is needed on how to manage the alignment of delivery agencies with the Strategy and potential conflicts with national targets. At this stage in the Strategy's development, a commitment to this approach would be welcomed and should be supported by all stakeholders and partners.

Recommendations

- a) The Strategy should make a clear commitment to using equality measures to assess all its activities and priorities. This should be informed by relevant

²⁵ London Equalities Commission The State of Equality in London, January 2007

regional and sub regional strategies that focus on skills and employment as well as equality groups to avoid duplication, and to determine where the Board could have the most impact.

- b) Throughout the lifecycle of the Strategy, the Board should ensure that equality impact assessments are undertaken on the work of delivery agencies, as well as on the wider activities it seeks to commission.
- c) The Strategy should link directly with the framework for targets that is driving Local Area Agreements.

iv) Knowledge management and best practice

3.11 As outlined above, the Strategy has the potential to weave together relevant strategies that have a direct as well as an indirect impact on equality groups and skills and employment. It can begin to immediately add value by bringing together key activities that are reflected in various strategies across the region. There are numerous pockets of best practice of work with diverse equality groups, as well as diverse small and medium enterprises. The learning from this could inform the next stage of the consultation and the development of an Implementation Plan for the Strategy.²⁶ This approach will also ensure that any negative impact such as duplication of resources and partnership arrangements will be kept to a minimum. There are numerous benefits to strengthening processes, structures and approaches to working with equality groups that already exist where this has been shown to make a positive impact.

Recommendations

- a) The Board should develop a catalogue of best practice examples of work being undertaken with equality groups in London.
- b) The Board should undertake a mapping of partnership structures at the regional, sub regional and local level that are directly or indirectly skills and employment related to determine which structures and decision processes it should seek to influence and to align with.

v) Labour market polarisation

3.12 The uneven impact of positive economic growth has resulted in London being the most polarised city in Europe. As already stated above, this is manifest in for example, the wide dispersion between very highly paid knowledge workers, and lower paid workers in personal and protective services. Economic restructuring has caused a hollowing out of the labour market and this structural imbalance is particularly pronounced in London and has resulted in increased income inequality. The economic and spatial polarisation takes place along the deeply entrenched lines

²⁶ See for example GLE and London Councils (2006) The future of community regeneration: analysing the local impact of community regeneration funding on employment, skills and enterprise

of disability, gender, and race, and vertical and horizontal labour market segregation, and this has major implications for the orientation of the Strategy.

3.13 The focus of the Strategy on up-skilling members of the London labour force so that they are poised to take advantage of opportunities for highly skilled and highly paid employment has the potential to make a significant and positive impact in London. This is particularly the case given the projected increase in high paid employment. However, where the Strategy could be strengthened is in addressing the impact of the expansion in business, financial, and professional employment in London as this has fuelled an expansion in lower paid service related employment, as well as employment that is classified as unskilled. Whilst the GLA forecasts are that the demand for labour designated as low skilled will continue to contract and high skilled jobs will continue to expand, low paid jobs will nevertheless still continue to exist as a proportion of all jobs. For this reason, higher education and up-skilling, although key to the future economic growth of London will not necessarily be the universal solution of the future. London as indeed other economies will continue to require traditional care, catering and protective services for example, that currently require little in the way of formal academic achievement.²⁷ In this context it is therefore critical that the Board responds to the issue of low pay. If this issue is not addressed, the current labour market structure in London, coupled with active labour market policies at a national level through welfare reform, may actually serve to confine a high proportion of Londoners to low income employment. This would severely compromise or even undermine the Mayor's vision for London, the broader community cohesion agenda and social inclusion agenda, the Skills and Employment Strategy, and other related strategies that seek equality for all Londoners.

Recommendations

- a) The Board needs to ensure that the issue of a living wage for Londoners who are currently low paid, but who provide services that are vital to the functioning of the economy, is placed high on the employment and skills agenda.
- b) The Board could begin to align its priorities with equality campaigns on low pay to address wider social inclusion issues for example poverty and community cohesion.

vi) ESOL

3.14 The London Skills Commission has estimated that there are some 600,000 people in the region of working age with varying levels of ESOL need, against 125,000 Londoners who are currently accessing ESOL learning.²⁸ For many migrants whose first language is not English, ESOL provides an important chance to learn, integrate, and socialise with others who share similar as well as different experiences, and to ensure employability. There is a wealth of indubitable evidence

²⁷ Oxford Economics (2007) Globalisation and the demand for skills in London, Final Draft

²⁸ London Skills Commission (2006) Three Year Strategic Action Plan for ESOL in London

which points to the lack of proficiency in the English language as being a key barrier to economic integration. Indeed, proficiency in English is the *gateway* skill to further learning and employment and as a consequence, Londoners who are not proficient find themselves severely hampered in their employment and training choices, as well as wider lifestyle choices. This has particular salience for migrant communities who are often very highly qualified and have skills that are required in the London economy but who because of language barriers, are confined to lower paid employment sectors. Research conducted by the National Research and Development Centre for Adult Literacy and Numeracy²⁹ and research that underpinned the production of the London Skills Commission's three year Strategy and Action Plan for ESOL found that provision, although important, often does not respond in a way that is flexible enough to meet the heterogeneous needs and aspirations of learners; fails to differentiate between different competence levels and to target diversified provision, and lacks sufficient employment centred content.

3.15 The removal of universal entitlement to free ESOL training up to Level 2 has had a knock on effect which has meant that unless employers are willing to make a contribution, the cost burden will shift from public funding to some of the most marginalised individuals and low paid workers. The changes also have a potentially negative impact on the health and safety needs of workers with ESOL needs. A potential positive equality benefit of the Strategy and that the Board can bring is in the influential role it will play in the way ESOL is funded, and the encouragement the Board can give to employers to take a more active role. For example, ESOL equality targets could be linked to financial incentives for employers. As part of its drive towards increasing skill levels, the Board can also play a central role in influencing partners such as the LSC to ensure that appropriate and culturally competent ESOL services are commissioned which recognise the diversity within migrant communities. Given the changes in ESOL funding and the potential negative impact, the LSC could also play a role in the development of guidance that encourages providers to work locally with government agencies and to support learners in evidencing their entitlement to fee remission.

Recommendations

- a) There should be collaboration between all partners on the Board including JCP and the LSC, to ensure that there is close alignment with regional strategies and plans in relation to addressing gaps in ESOL provision and skills development, identified as part of this EqIA, and other research
- b) The Board and its partners including providers and businesses could explore whether the current content of ESOL can be more effectively linked to employability for new migrant communities, as well as assisting migrant communities in overcoming access to a range of training opportunities.

²⁹ NRDC (2004) English speakers of other languages ESOL – case studies of provision, learners needs and resources

- c) The Board could explore new arrangements with employers to use public subsidy to support approaches to ESOL that builds upon what works.
- d) The Board could influence the commissioning frameworks of its partners to ensure that ESOL provision continues to be funded and ESOL services begin to be customised to the particular needs of different migrant communities.

vii) Commissioning and procurement

3.16 To sharpen the focus on equality and to achieve sufficient bend towards employer needs, the Strategy should review the commissioning and procurement processes used to administer public funds. The intention of the Strategy to seek a greater mix of funding streams to invest in skills rather than to place reliance solely on public funds is welcomed. Within this a mixed provider market from equality groups should be encouraged which includes social enterprises, the VCS, and the private sector. An open and more flexible market would potentially also have benefits in encouraging the entry of more specialist providers into the market with experience working with particular equality groups, and who can develop and deliver a diverse range of specialist training products that can be shared across sectors and built upon.

3.17 Integral to strengthening the commissioning process is moving beyond the reproduction of standard equality statements of intentions and traditional silo equality categories, to the specific actions and measures that relate directly to the Strategy's intended outcomes. This process will be reliant on sharing specialist knowledge of what works on the ground, both in terms of engaging equality groups, and in terms of securing the support and commitment of delivery partners and other key stakeholders. A new funding and investment framework for skills in London requires an alignment of existing skills programmes and resources. The influence of the Mayor of London and employers represented on the Board should ensure that the needs of equality groups are a priority in commissioning and implementation plans as well as other commissioning plans and relevant strategies on the employment and skills agenda. Equality impact assessments should be made a requirement of all delivery agencies including the LSC, Job Centre Plus and the LDA.

Recommendations

- a) The Board should consider the commissioning processes used to implement the Strategy to determine how providers from equality groups can be encouraged to deliver specialist services.
- b) The Board through its strategic direction of the LCS's budget and influence over the spending priorities of other key agencies such as JCP and the LDA, to ensure that providers establish robust standards for equality and diversity and that these are promoted through supplier chains.

- c) The Board could encourage providers to use equality impact processes to review standards of inspection, accountability, and accreditation as well as improve engagement with learners and partners.
- d) The Board could set targets on developing a more diverse provider base which would address the disparity between existing and potential providers. This should include initiatives targeted at voluntary sector providers who offer high quality and specialist employment services to equality groups.
- e) The Board should think creatively about how it can pioneer new knowledge share opportunities which could be an opportunity to bring together the issues facing equality groups, sector based knowledge of demand, and the priorities of the Strategy.

viii) Widening participation

3.18 As an explicit reflection of the government's widening participation agenda, the Strategy recognises that more could be done to increase access and participation in the further and higher education sector for those groups and individuals who are excluded on a range of equality dimensions. The policy intention is: to widen access to higher and further education for people of disadvantaged socio-economic background; to provide greater equality of opportunity and equity of treatment for students from disadvantaged backgrounds, and to increase participation, promote lifelong learning and enhance the skill base of the economy.

3.19 The Strategy does appreciate the centrality of the effects of labour market exclusion, and restricted access to training, within its broad goals. This is important as those groups that are furthest from the labour market potentially stand to benefit from a more targeted use of investment. However, whilst the Strategy makes a commitment to removing barriers to participation, it does so at a very high level of generality and does not convincingly articulate how those barriers, some of which are rooted in structural constraints, will be removed. The Strategy also makes provision, at a minimum for free access to ESOL, up to Level 2. There are however potential risks to subsidised training opportunities up to Level 2 as this begins to replicate inflexible and outmoded forms of learning that have given rise to the demise of many subsidised training initiatives, and a significant reduction in the numbers of adult learners in education. Widening participation requires a sophisticated understanding of the needs of different learners and whilst the Strategy, rightly, does not isolate equality groups by their experiences, more attention could be given to how multiple barriers to access continue to deny opportunities for particular disadvantaged groups.

3.20 Employers require a range of learning options and levers that are more suited to their business needs, as well as to the flexible working and learning patterns of their staff. If workers with limited skills are the ones most in need of learning, attention needs to be given to removing barriers to learning including the high minimum hours threshold, requirements that all courses lead directly to a qualification, and barriers resulting from the levying of fees which may be prohibitive

for those on low incomes. These potential negative impacts should be minimised by working closely with funding agencies such as the LDA, LSC and JCP to develop new and flexible funding and delivery models.

3.21 Widening access also refers to challenging gender segregated occupations in traditional sectors where pay differentials and restricted access to senior positions impact more on people from certain equality backgrounds regardless of skills set and experience. The Strategy can begin to challenge policy, attitudes of employers, including that of public sector authorities, raise awareness of barriers to accessing employment opportunities and support the development of positive action initiatives to create a more diverse workforce, at senior levels. The Strategy also has the potential to change attitudes to gender segregated roles in non-traditional sectors such as the developing environmental market where a range of opportunities exist to encourage equality groups to access a range of employment options.

Recommendations

- a) The Strategy's implementation plan should identify the particular barriers to access for different equality groups and the interventions most suited to addressing these.
- b) The Board should encourage key funders and delivery partners to minimise and where possible remove barriers to learning as well as create more holistic and flexible offer to learners.
- c) The Board could raise awareness of traditional occupational divisions across sectors based on race, gender, disability and its impact on access and progression routes for many equality groups, as well as pay gaps. Opportunities to challenge attitudes of employers as well as to influence the development of new sectors should be prioritised.

ix) Employer-led Skills and Employment Strategy

3.22 There are potential positive and negative equality implications that flow from an employer-led regional Strategy of this significance. A positive impact is the confidence that will accrue among employers from having more control over learning and skills. In addition, the solutions developed by employers to address future skills gaps would be more closely aligned with market and business needs. This is a welcome approach and has the potential, in the long term, to radically alter the way employers view their responsibilities to existing and potential employees, and the wider community as well as to increase the level investment in the skills agenda. At the same time however, there is little evidence that improvements for equality groups would necessarily flow from an exclusively employer-led approach, or that employers would be able to unlock the complex and fragmented supply of learning in ways that are attenuated to the needs of learners such as women returnees, people from various BAME communities, and disabled people. Indeed, some of the stakeholders that we spoke with as part of this exercise have argued strongly that the confidence placed in an employer-led approach may be misguided and misplaced. A recurring

theme among those we spoke with was that to realise its objectives, the Strategy must of necessity be *employer and employee led*, and anchored in relationships where the ownership of development opportunities across different roles within organisations are more evenly balanced.

3.23 The infrastructure for engaging employers at a regional, sub-regional and local level has not yet been presented in the Strategy, yet many of the objectives are dependent on this. The willingness of employers to influence regional strategies and to understand the complex education and skills system, as well as the experiences of groups across London who suffer multiple forms of disadvantage, has yet to be evidenced. Indeed, an employer-led approach could disadvantage certain groups such as women, disabled people, and people from BAME groups whose needs may continue to go unmet. As a potential vivid illustration, in-work training opportunities are currently skewed to those that already have skills and qualifications, and this currently excludes individuals from equality groups who have limited or no qualifications. Similarly, access to training via Train to Gain requires employer involvement and whilst some employers have engaged in the programme to up-skill staff, many still have not. Therefore demand driven employer needs must be balanced against the supply side needs of employees, the unemployed and the under-employed.

3.24 Where employers will undoubtedly add significant value is in their ability to provide expert insight into sector specific trends that can inform the future skill needs of London. Indeed, a closer alignment with industry needs is potentially positive for all equality groups. However, employers who are not familiar with the bureaucratic machinery which underpins the delivery of training services may become frustrated with the time cycle for getting things done, alongside a system that is inflexible and disjointed. The regional skills agenda that the Strategy envisages employers engaging with is complex. The existing employment and skills infrastructure is difficult to understand and navigate given the plethora of agencies and partnerships specialising in skills and employment, and the raft of inter-related strategies, initiatives, and funding streams with complementary objectives to those set out in the Strategy. The two City Pilots in East and West London provide an important illustration of the complexities of practically articulating broad objectives. Both pilots are built around a holistic package of support that may not start out initially with a focus on skills. It will take a period of initiation, capacity building, and strategic leadership to identify where employers can add the most value to what is already a crowded policy development market. Where time and financial resources are in short supply, many businesses may desire to be engaged in the Strategy but might not consider it an immediate priority.

Recommendations

- a) Develop an aspirational statement on a joint Strategy between employers, providers and London's communities and develop equality principles that underpin all of the Strategy's objectives.

- b) The Board should invest in developing the capacity and confidence of employers who serve on the Board on processes and structures of decision making and partnership working and how to improve the offer to employers and learners.

x) The Board and delivery structure

3.25 The London Skills and Employment Board will be a key vehicle for employer engagement, providing the initial infrastructure for employer investment in the skills system to be realised. This will need to be a central part of the Board's common purpose and drive and should include the ability to maximise opportunities to promote the equality concerns that have been referred to throughout this EqIA, and which have been well documented in the evidence supporting the Strategy. The role of the Mayor as Chair of the Board will provide one of many safeguards necessary to ensure that equality issues are taken seriously. At the same time, Board members have a major role to play in acting as equality champions within their respective organisations, among their peers, and within their respective networks.

3.26 One of the key strengths of the Board will be its ability to represent employers in London, and to look at its own representation in terms of equality groups. Currently the VCS is not represented on the Board and neither are local authority representatives although this is in the process of being addressed. The focus of the Board in its early stage of development will be on delivery for London and on governance and accountability to ensure that it works effectively. Sub groups of the Board could be established to monitor and equality assure the Strategy as it goes through its various stages of development and implementation. An annual reporting system could be introduced to ensure the Board's achievements are made widely available to the public. There could also be listening events where the Board begins to gauge the perceptions of diverse Londoners on its implementation plan. An ongoing consultation process could also be introduced to ensure that the loudest voices are not the only ones that are heard.

Recommendations

- a) Board members should be encouraged to be Equality Champions and work within their sectors and networks to ensure that equality issues are at the centre of delivering the objectives of the Strategy.
- b) The Board should seek to develop a representative cohort of members that bring expertise and experience across all sectors and major employers.
- c) The Board should consider its structures and processes of governance and accountability and within this ensure that equality issues remain central to the development and implementation of the Strategy.

xi) Partnership infrastructure

3.27 The Strategy is dependent on a range of partners working together to deliver a shared vision for skills and employment in London. At the regional level, the Board

is the vehicle for achieving this. Within this, its role is to ensure that the Strategy for the supply of skills and business support is planned, managed and delivered in a coherent and collaborative way, reflecting the priorities set out in the London Regional Economic Development Strategy. This brings together the LSC, JCP, the LDA, Business Link and a range of others including the VCS, higher and further educational institutes, and so forth.

3.28 Developing genuine partnership arrangements with funders and deliverers at the regional, sub-regional, inter-borough, borough and neighbourhood level, is a key challenge for the Strategy. Managing the interface with local and regional business organisations can be thwarted by misunderstandings based on different ways of working and understandings of market needs. The alignment of strategic priorities, partnerships, funding and intelligence on disadvantaged communities must be an integral part of strengthening the skills and employment infrastructure. The objectives of the Strategy should be underpinned by a radical whole systems approach to delivery, focused on a simple offer to employers and learners, coupled with a joint investment plan. In order for this to be effective, existing equality targets employed by the LSC and JCP will need to be revised to take account of the priorities agreed in the Strategy, as well as reviewing approaches to working with local businesses and providers. The potential to make a difference could be short-lived if there is no common approach to assessing equality impacts that are shared by funders and understood by those at the frontline in the delivery of training. The Strategy acknowledges the need to strengthen the infrastructure of the supply of skills, however a key risk to the achievement of the Strategy is how the process of a more integrated framework for doing so will be managed. The Mayor's role as Chair of the Board has enormous potential to minimise this risk and the potentially negative impact arising from organisations that are unwilling to bend their priorities, targets and performance measures to more closely align with the needs of London's most disadvantaged groups.

3.29 The Strategy presents a unique opportunity to strengthen the equality and diversity remit of the LSC through Sector Skills Agreements. The LSC could be held to account for developing concrete initiatives for improving training opportunities for women, BAME communities, disabled people, and older people, with clearly prescribed targets and outcomes. This will include many hard to reach potential learners who are likely to have a very poor experience of learning and will be in need of support and encouragement in order to return to learning. The Board will have a role in overseeing how this is implemented, for instance, ensuring that barriers in the form of fees, high minimum hour thresholds, or other requirements are minimised. This role could also include developing shared equality outcomes that all funders can ensure are interwoven into their strategies for delivery.

3.30 Supporting higher educational institutions to increase the flexibility of their offer to both individuals and businesses holds significant potential to addressing equality issues. Encouraging a diverse mix of providers adds to London's learning assets and is also part of the challenge of developing an infrastructure for delivery

that is responsive to market needs and inclusive of London's diverse communities. The potential impact that funding organisations can begin to make to ensuring that the delivery structure is geared to meeting the needs of the most disadvantaged and excluded communities in London cannot be underestimated. They provide monitoring and quality standard checks and can ensure that delivery agencies undertake their own equality impact assessments on the services they offer.

Recommendations

- a) In order to strengthen the skills and employment infrastructure, the Board should seek to align its strategic priorities with that of its key partners and develop a joint investment plan with key funders.
- b) The Board should seek to develop best practice tools and techniques on engaging with employers across all sectors.
- c) The Board should work collaboratively to develop a rich mix of learning opportunities for diverse groups of individuals.
- d) The Board should lay down requirements for all delivery agencies to adopt robust equality standards and monitor services by undertaking equality impact assessments.

xii) VCS and volunteering

3.31 As stated briefly above, the VCS plays an important role in skills development and career progression for individuals living in some of the most disadvantaged areas of London. For many individuals with limited skills and work experience, the VCS has been able to offer a range of employment and volunteering opportunities that are in limited supply in other sectors. In particular, VCS organisations working at the neighbourhood level are in close proximity to the diverse social and economic needs of London's residents, and many of those organisations, including those that are new and emerging, are dependent on the volunteering of highly skilled staff. As the VCS works in close proximity to needs on the ground, it is uniquely placed to understand and address barriers to employment and skills in a way that other sectors are currently unable to do. The Strategy seeks to encourage a wide range of accessible and affordable learning opportunities and it is here that the VCS can add real value and play a pivotal role. This is in terms of providing an important stepping stone for equality groups seeking to gain work experiences and training opportunities that will enable them to enter or re enter employment. The sector itself can also thrive and develop by taking advantage of opportunities to provide customised and relevant training opportunities as part of a mixed economy of skills providers in the London region.

Recommendation

- a) The Board should seek to promote volunteering opportunities within the voluntary sector and across all sectors as a gateway to developing marketable skills.

xiii) Consultative processes

3.32 The development of a Strategy of such significance for London's economy must be reflected in the commitment and allocation of time and resources for consultation. The benefits of the Strategy potentially have reverberations on every dimension of economic, social, and civic life. As already outlined in our statement of methodology above, the high level meta-analysis of the skills and employment landscape conducted for this EqIA has been informed by a small group of stakeholders and supported by a wider body of policy and academic research. The next stage of the consultation is scheduled to take place from October to January 2007, and the intention is to engage a wider constituency of interests, cross sector stakeholders and equality groups. It was justifiable to narrow the engagement of stakeholders as the Strategy was emerging and to undertake this initial EqIA in tandem with it. However, as the Strategy develops, we suggest a continuum of engagement opportunities be developed, as opposed to a one-off brief encounter, as the Strategy will require market soundings from different parts of the demand and supply chain if it is to respond effectively to the challenges of implementation.

Recommendations

- a) The Board should develop an engagement and participation framework to underpin the implementation of the Strategy as well as encourage delivery agencies to undertake consultation with equality groups.
- b) The Board should ensure that delivery agencies use the EqIA process to monitor how well the Strategy is being implemented on the ground and report on what impact it is making on the lives of equality groups.

xiv) Role of London Development Agency

3.33 The LDA provides a reliable infrastructure to support the development of the Strategy through the next phase of wider consultation. The LDA's role will also be to facilitate the development of the Board in its early stages. A number of the stakeholders that we spoke with suggested that this role should be extended to aligning the LDA's related strategies and policies to the intention of the Skills and Employment Strategy. In particular, building on the equality initiatives such as Diversity Works and the work that is already taking place engaging employers across a range of policy strands, and providing grants, specialist advice and business support. The funding priorities of the LDA on business development and support should thus include skills development. Equally important are the commissioning and procurement processes used to administer public funds. There are opportunities here to bring closer alignment of complimentary strategies, and to develop a more integrated approach to match funding and funding across policy streams where there are shared outcomes. A number of the stakeholders that we spoke with pointed out that public sector authorities who have legal duties under the equalities legislation, and in particular large regional sub regional and local authorities, provide important employment opportunities for Londoners. One stakeholder put it in this way: *"they should lead by example as they are employers too"*.

Recommendations

- a) The LDA should invest sufficient resources to assist the Board in its early stages of development to build capacity and deliver the aspirations of the Strategy.
- b) The LDA should seek to align its strategies, policies, strategic partnerships, and business investment opportunities in ways that complement the objectives outlined in the Skills and Employment Strategy.
- c) The LDA should review the activities of Diversity Works to determine how it can assist the Board in engaging with employers and developing attractive offers to potential investors in the London skills agenda.
- d) The LDA should seek to develop its own recruitment and retention practices by reviewing and making public how diverse equality groups are represented in its staff composition at senior levels within the organisation and the roles they play.

Appendix 1

List of Stakeholders

1.	Kate Green	Commissioner, London Child Poverty Commission	kkgreen@cpag.org.uk
2.	Sue Johnson	London Equalities Commission	Sue.johnson@lda.gov.uk
3.	Jon Williams	Policy Manager, LORECA	jonwilliams@lda.gov.uk
4.	Dianna Neal	London Councils	Catherine.ford@londoncouncils.gov.uk
5.	Peter Lambert	Business in the Community	juliet.austin@bitc.org.uk
6.	Muge Dindjer	GLA, Social Inclusion	muge.dindjer@london.gov.uk
7.	Philippa Langton	LSC	Phillippa.langton@lsc.gov.uk
8.	Darren Woolfenden	JCP	darren.woolfenden@jobcentreplus.gsi.gov.uk
9.	Barry Francis	TUC	bfrancis@tuc.org.uk
10.	Audrey Young	Head of Equality and Diversity, GLA	Audrey.young@london.gov.uk
11.	Elizabeth Belgobin	VCS Contact	Elizabeth@lvsc.org.uk
12.	Joe Billington	London LSC	Joes.billington@lsc.gov.uk

Poorman-Skyers Research and Consulting

Topic Guide

Poorman-Skyers Research and Consulting has been commissioned by the London Skills & Employment Board to undertake an initial Equalities Impact Assessment on their emerging Strategy to inform its development and recommendations. The London Skills and Employment Strategy is employer led and its principal objectives are:

1. To ensure that employers have the right skills that they need among their workforce to support the success of their enterprises, thus contributing to economic growth
2. To ensure that Londoners have the skills that they require to be employable to be able to make informed choices about their employment prospects
3. To ensure that London maintains and increases its competitive leadership advantage in the global economy, and is the repository of first class skills.

To inform the shape the development of the Strategy, and to ensure that it is grounded in the needs of all equality groups and the intersections between them, we are conducting initial interviews with key stakeholders and have a series of questions/issues that we would like to explore with you:

- The Strategy will be important in setting the strategic priorities for spend in London. What role can the Strategy/Board play in addressing inequality in London and its sub-regions? Can you give examples of what this would look like?
- Could you tell us any other ways in which you think the Strategy should be positioned to benefit equality communities? Can you give us evidence to support this?
- Is there any evidence to suggest that certain equality groups are more likely to benefit from particular interventions than others? If so can you provide us with the reasons for this?
- What could be done to strengthen accountability for the delivery of the Strategy to ensure that it prioritises the needs of equality groups?
- The Strategy is employer led. Could you tell us what are the positive impacts in terms of equality groups that flow from this? Could you tell us whether there are any negative impacts that flow from this?
- What can the London Skills and Employment Board do, in your view, to encourage those responsible for delivering the Strategy to address equality issues
- How can the Strategy be linked to clear equality targets?

- What evidence should be collated to ensure that progress is monitored against delivery of the Strategy?
- What should be in place to minimise negative impacts in the future and what positive action can be taken to target the most disadvantaged?
- Are there any other issues that we should consider in relation the impact of equality groups on the Strategy that we have not already covered in the foregoing questions?