

Executive Summary

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This Skills and Employment Strategy for London seeks to:

- work with employers to better support them in providing more job and skills opportunities to Londoners, to the benefit of their businesses and to keep London's economy competitive
- support Londoners to improve their skills, job and advancement prospects through integrated employment support and training opportunities
- create a fully integrated, customer-focused skills and employment system.

This is the London Skills and Employment Board's first Skills and Employment Strategy for London. It sets out a blueprint for the changes required to improve employment and skills outcomes for Londoners and London employers over the next five years.

Our ambition is to develop a skills and employment system which supports London's globally competitive labour market by increasing the skill levels of Londoners and improving the productivity of employers. To secure this, our objectives over the life of the Strategy are: to raise the current London employment rate of 70.5% to 72%¹; to raise skill levels of Londoners so they have the skills to compete in London's increasingly high skilled labour market; to help improve London business productivity; to close the gap for individuals and communities who experience low participation and success rates; and to provide young adult Londoners who have been failed by our education system a second chance to prevent them from gravitating towards gang-related violent crime.

To deliver these outcomes we need to change the way in which employment and skills services are delivered. We know that major Government initiatives have not had the impact in the capital they have had elsewhere because they have failed to address the complexity, bureaucracy and lack of coherence that pulls against effective delivery. The skills and employment landscape in London is far too congested. We need to rationalise it by moving faster and further than in other parts of the country to integrate the delivery and funding of skills and employment services. The aim is to create much better links between welfare, work and skills development so that Londoners can access the support they need throughout their working lives.

The establishment of the London Skills and Employment Board provides, for the first time, the opportunity for employers to shape the delivery of public services in London, and garner greater employer engagement, in a way that will improve economic and social outcomes.

Why change is needed

London is one of the world's most successful, dynamic and diverse cities. However, London's success is marred by the persistence of deep inequalities and a poverty of aspiration.

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London has an unacceptably high rate of worklessness – almost 30% – with significant social and economic consequences. Some groups, such as lone parents, disabled people, those from Black, Asian and Minority Ethnic communities and other specific groups (e.g. ex-offenders), suffer particular disadvantage. These inequalities and high rates of worklessness also result in child poverty – one in two children in Inner London grows up in poverty, potentially damaging their life chances.

As a Board we believe that a key cause of the capital's high rates of worklessness is that many Londoners do not have the skills and motivation needed to succeed in London's vibrant labour market. This is compounded by poor access to flexible childcare, health problems and the high costs of living in the capital.² There are significant numbers of Londoners without basic skills including functional literacy and numeracy (fewer than 50% of Londoners have the numeracy skills expected of those who have completed primary school, and over 600,000 adults have no qualifications at all). Furthermore the currency of the skills of those in work must keep pace with London's rapidly changing and increasingly high skilled labour market: by 2020 we expect around 50% of jobs to require degree level qualifications.³ The gap between where we are now and where we need to be is significant. We also know that in comparison with residents of other parts of the UK, Londoners who are out of work face multiple barriers – so the need for integrated services and support arrangements is absolutely critical to improving outcomes.

In this Strategy we set out the key changes that need to be made to London's skills and employment system, and make the case for action by a number of agencies: Government, skills and employment funding and delivery agencies, service providers, London employers and Londoners themselves. We have a real opportunity to make a difference now – both to London's skills and employment outcomes and to broader measures of social and economic well-being such as improved health and reductions in crime and disorder. To realise these ambitions we need to cut through the bureaucracy to align the public, private and the voluntary sectors behind a substantial and coherent programme of action. This is not just about doing more, but rather about working differently: shifting the focus to be responsive to the needs of individuals and employers, and curtailing provision that is not effective. We need all parts of the skills and employment system to listen to Londoners and London employers, and to act on what they tell us.

However, we recognise that it is not possible to make all the changes we would like to see overnight. We are not starting with a blank sheet of paper and there are many good locally based services which we would not want to lose. Furthermore, the publicly funded parts of the landscape – particularly the Learning and Skills Council and Jobcentre Plus – are part of national arrangements which themselves are being reformed. The Board sees these changes as opportunities to assist Government and thereby shape national policy and so develop arrangements that deliver the big prize for London – fully integrated employment and skills services that deliver the services London needs.

The Board's Strategy

The Board's Strategy sets out three strategic aims to realise its ambition.

Strategic Aim 1: Working with employers to better support them in providing more job and skills opportunities to Londoners, to the benefit of their businesses and to keep London's economy competitive.

We want to see a significant increase in the numbers of employers who provide opportunities for workless Londoners to gain sustainable employment and who invest in the skills of their workforce.

We also want to create more employer-led skills provision. To achieve this aim we need to:

- **create a London 'employer to employer' sales force** whose own experience as employers would give them the credibility to sell to fellow employers the business benefits of opening up opportunities to local people and of developing their workforce.
- **make it much easier for London employers to work with public and other agencies through the new integrated London Employer Accord** and to commit to:
 - providing work placements and other support to help workless people get a job;
 - opening up their recruitment and skills training approaches (including where possible taking on more Apprentices); and
 - undertaking more development of their workforces.

- In return, **the public agencies will deliver a simplified, seamless offer** so that public funding flows flexibly to support these commitments and employment, skills and business support brokerage services are joined up and coherent. This support must help employers (small and large) to improve their productivity and competitiveness.
- **give a stronger voice to employers in the shaping of current and future skills provision in London** so that it is tailored to their needs and improves productivity, including ensuring that Sector Skills Councils have a clear London focus in articulating and promoting their sectors' skills needs.

Strategic Aim 2: Supporting Londoners to improve their skills, job and advancement prospects through integrated employment support and training opportunities.

The Board's ambition is to help more Londoners get into work and progress. We need to raise aspirations, help people make choices, and make the support they need more accessible. The Board's Strategy involves:

- **raising aspirations and awareness.** Ensuring that all Londoners are made aware of the jobs and skills opportunities available. This will include a London-focused awareness campaign that will improve Londoner's motivations to learn and gain skills (with community-based actions to reach out to people furthest from the labour market).

To do this effectively we want to create a single umbrella brand for promoting skills training and providing skills and employment advice in London. This will become the trademark for adult skills in London.

- **better information.** Ensuring that coherent information on jobs and skills opportunities and on the changing shape of the London labour market is available, via a **new London Skills and Employment Observatory**.
- **helping all Londoners navigate the system.** Making it easier for Londoners to access the help they need to move into work and progress, through a **new ‘one stop shop’ London adult advancement and careers service** which would be promoted using the new London adult skills brand.
- **training and employability support that helps people secure a job and improve their skills – from basic skills support to higher end skills.** This requires employment and skills provision which has a much stronger focus on helping people to gain the skills needed to succeed in London’s increasingly high skilled labour market and progress; which integrates skills and employment services so that they are much more responsive to individual and employer needs; which empowers Londoners to take responsibility for improving their skills and employment opportunities; and which improves productivity and competitiveness.

Strategic Aim 3: To create a fully integrated, customer-focused skills and employment system.

All parts of the system – Government, the funding agencies, and the service providers – need to be working together to deliver services designed around the requirements of individual Londoners and London employers. We need new joint commissioning mechanisms – which bring together the funding for adult skills and employment into a ‘single purse’; which build regular customer feedback arrangements into all parts of the delivery chain; and which achieve better collaboration across the capital – between local government, regional bodies and national government.

The Board’s view is that to have a real impact on improving outcomes, we should focus on a small number of actions that can drive forward demonstrable change. We recognise that central Government has announced a number of major reforms to skills and employment services – we need to adapt these as appropriate and implement them to meet the very real challenges London faces.

Making it happen

The Board is a strategic body and relies on its partners to deliver the Strategy. Public agencies such as the Learning and Skills Council in London, the London Development Agency, Jobcentre Plus/the Department for Work and Pensions and local authorities will be expected to lead and coordinate activity. The Board will monitor and review implementation, taking the necessary steps to move this agenda forward. Londoners and London employers will be consulted and their views will shape implementation and delivery.

The success of this Strategy will depend on the collective action of all stakeholders across London including employers, local authorities, education and skills providers, trade unions and the third sector. We will want to build on successful partnerships that are already in place and extend these arrangements across the city where it is appropriate to do so.

Implementation plans accompanying this Strategy set out how the key actions will be delivered.

London has real employment and skills challenges, but it also has major opportunities. The Board is committed to working with all stakeholders to deliver on its ambitions.

Notes

¹ This employment rate target is challenging because London has: a greater concentration of groups who face lower employment rates wherever they are located; a high proportion of students; and a constantly changing labour force due to domestic and international migration flows

² *London Skills and Employment Board and GLA Economics (October 2007) Globalisation, Skills and Employment: The London Story*

³ Ibid