

Skills for Londoners Board

AGENDA

Meeting Higher Level Skills Advisory Group

Date 4 December 2019

Time 10.00am

**Place Room E, 169 Union Street,
London SE1 0LL**

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Meetings are not held in public and are only open to those invited to attend by the Chair.

The agenda reports and minutes of this meeting will be published after the UK Parliamentary election on 12 December 2019, apart from those marked as reserved from publication.

Members:

George Johnston (Chair)
Nichola Hay (Deputy Chair)
David Hillier
Katie Bell
Prof. Martin Doel
Mary Vine-Morris
Simon Ashworth
Dr Graeme Atherton
Yolande Burgess

Dr Philippa Lloyd
Yvonne Kelly
Pat Carvalho
Ruben Hale
Rebecca Plant
Dr Bob Gilworth
Caroline Roberts

Contact Officer: Laura Marshall, Senior Board Officer, Skills & Employment

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1 Introductions and apologies

2 Declarations of Interest

Members to declare any disclosable pecuniary interests which they have in any of the items set out on the agenda and, where applicable, consider if they should withdraw from the discussion or the meeting.

3 Minutes of the Previous Meeting (Pages 3 – 6)

4 Actions Arising (Pages 7 – 8)

To be presented by Laura Marshall, Senior Board Officer, Skills & Employment.

5 Higher Level Apprenticeship Policy (Pages 9 – 14)

To be presented by Megan Dunn, Senior Policy Officer, Skills & Employment.

6 Higher Level Skills (Level 4/5) Research Update (Pages 15 – 28)

To be presented by representatives from RCU.

7 GLA Update (Oral Update)

To be presented by Beth Wheaton, Senior Policy Officer, Skills & Employment.

8 Date of next meeting

The next meeting of the Higher Level Skills Advisory Group is to be confirmed.

9 Any Other Business the Chair Considers Urgent

Skills for Londoners Board

MINUTES

Meeting: Higher Level Skills Advisory Group

Date: 13 June 2019

Time: 10.00am

Place: Room F, 169 Union Street,
London SE1 0LL

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Present:**Members:**

George Johnston, Skills for Londoners Business Partnership member (Chair)
Simon Ashworth, Association of Employment and Learning Providers
Katie Bell, Middlesex University
Pat Carvalho, Harrow College Uxbridge College
Professor Martin Doel, University College London
Ruben Hale, University of Arts Awarding Body
David Hillier, South Thames College Group
Yvonne Kelly, Barking & Dagenham College
David Lee, Queen Mary University London
Mary Vine-Morris, Association of Colleges

GLA Officers:

Forogh Rahmani, Senior Manager – Strategy, Policy and Relationships, Skills and Employment
James Lee, Principal Policy Officer, Skills and Employment
Beth Wheaton, Senior Policy Officer, Skills and Employment (clerk)
Matt Bailey, Senior Policy Officer, Skills and Employment

1 Introduction and apologies

- 1.1 The Chair welcomed members to the inaugural meeting of the Advisory Group and led a round of introductions.
- 1.2 Apologies for absence were received from Nichola Hay, Yolande Burgess, Graeme Atherton, Dr Bob Gilworth, Rebecca Plant and Philippa Lloyd (David Lee attended in Philippa's absence).

2 Declarations of Interest

- 2.1 There were no declarations of interest.

3 Terms of reference

- 3.1 The Advisory Group received the terms of reference for the Group, which were approved by its parent body, the Skills for Londoners Board, on 10 April 2019.
- 3.2 **RESOLVED:**
 - (a) **The terms of reference for the Higher Level Skills Advisory Group were noted; and**
 - (b) **It was noted that George Johnston, Member of the Skills for Londoners (SfL) Business Partnership has been appointed to Chair the Group; and Nichola Hay (Member of the SfL Board) has been appointed as Deputy Chair.**

4 Government's agenda and the Mayor's role

- 4.1 Officers delivered a presentation to Members, outlining the current state of higher level skills in London and led a discussion on the Post-18 Review of Education and Funding.
- 4.2 Members offered their comments on the findings of the review, including: the importance of quality of Level 4-5 provision and its social value rather than a narrow focus on number of starts; the value of skills rather than qualifications; the importance of linking any future analysis to the Local Industrial Strategy and taking a sector-based approach; the importance for Level 4 and 5 of the pipeline of learners from Level 2 and 3.

4.3 RESOLVED:

The presentation and subsequent discussion were noted.

5 Skills for Londoners Framework consultation – feedback on higher level skills

5.1 Officers presented an initial analysis of the responses to the Skills for Londoners Framework consultation related to higher level skills. The Mayor has consulted on proposed changes to the AEB in Year 2, as well as areas for further development, as part of the Skills for Londoners consultation. A final report will be published later this year.

5.2 It was noted that any potential follow-up or pilot work should include a range of provider types.

5.3 RESOLVED:

The presentation and subsequent discussion were noted.

6 Higher Level Digital Skills & European Social Fund (ESF) programme

6.1 This agenda item was addressed under item 4.

7 Higher level skills research specification

7.1 For the remainder of the meeting, members discussed the proposed approach to a GLA research project on Higher Level Skills, which the GLA will commission an external partner to undertake. Members offered their feedback on the proposed scope and focus of the research.

7.2 Members raised a number of points, including the importance of understanding what is distinctive about London's higher-level skills system and the drivers of demand for higher level provision both now and in the future. This includes the Mayor's role in driving this demand. In addition, it was noted that taking a sectoral approach to any analysis could be beneficial.

7.3 The interim findings from the research will be discussed at the next meeting of the Advisory Group.

7.4 RESOLVED:

- (a) The proposed aims of the higher level skills research the GLA intends to commission were endorsed.**
- (b) The comments provided during the meeting will be incorporated into the specification for the research consultancy and circulated to the Advisory Group for comment.**
- (c) Members to notify the clerk if they/their organisation has any intention to bid for this research to ensure the draft specification is not circulated to those intending to bid.**

8 Date of next meeting

- 8.1 The date of the next meeting is to be confirmed and is expected to take place in November 2019. It was noted that 19 – 23 November should be avoided due to a number of events taking place in the sector.

9 Any Other Business the Chair Considers Urgent

- 9.1 There was no urgent business.

10 Close of Meeting

- 10.1 The meeting closed at midday.

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**Skills for Londoners Board
Higher Level Skills Advisory Group**

Date of meeting: **4 December 2019**

Title of report: **Actions Arising from previous meetings**

To be presented by: **Laura Marshall, Senior Board Officer, Skills & Employment and Beth Wheaton, Senior Policy Officer, Skills & Employment**

Cleared by: **Michelle Cuomo Boorer, Assistant Director – Skills & Employment**

Classification **Public**

1 Executive Summary

- 1.1 This report updates the Higher Level Skills Advisory Group on actions arising from the previous meeting.

2 Recommendation

- 2.1 The Higher Level Skills Advisory Group is asked to **note** the update on actions arising from the previous meeting.

3 Actions arising from the meeting of 13 June 2019

Agenda Item	Action	Status
7. Presentation on proposed GLA higher level skills research	That the comments provided during the meeting will be incorporated into the specification for the research consultancy and circulated to the Advisory Group for comment.	<p>Complete.</p> <p>The research specification was revised, to include analysis of the higher level skills systems operating in five Mayoral priority sectors.</p> <p>Procurement has since taken place for this research, and the contract was awarded to RCU in consortia with a field research team.</p> <p>RCU will present a progress update at this</p>

		meeting.
	That Members notify the clerk if they/their organisation has any intention to bid for this research to ensure the draft specification is not circulated to those intending to bid.	Complete.

4 Next Steps

4.1 Outlined elsewhere within this report.

Appendices:

- **None.**

GREATER **LONDON** AUTHORITY

Skills for Londoners Board Higher Level Skills Advisory Group

Date of meeting: **4 December 2019**

Title of report: **Higher Level Apprenticeship Policy**

To be presented by: **Megan Dunn, Senior Policy Officer, Skills & Employment Unit**

Cleared by: **Michelle Cuomo Boorer, Assistant Director – Skills & Employment**

Classification: **Public**

1 Executive Summary

- 1.1 Since the introduction of the apprenticeship levy in April 2017, there has been a rise in the number of higher level (L4-5) and degree (L6-7) starts in London. However, at the same time there has been a decline in lower and intermediate level apprenticeships (L2-3).
- 1.2 The growth in higher level and degree apprenticeships is welcome and reflects the demand for higher level skills in the capital. However, it is now reported that the levy will soon be overspent, due to increased expenditure on apprenticeships at higher levels. A number of suggested approaches to dealing with this overspend have been put forward by organisations working on apprenticeships policy. The GLA is seeking the views of the Higher Level Skills Advisory Group on these approaches, and on ways to improve diversity in and progression to higher level apprenticeships.

2 Recommendation

- 2.1 The Higher Level Skills Advisory Group is asked to:
 - 2.1.1 **Note** the content of this report, with particular consideration to the questions outlined in section 4 on higher level apprenticeship policy and funding.

3 Introduction and Background

- 3.1 The apprenticeship levy was introduced in 2017. Employers pay a levy of 0.5% of their payroll above £3 million each year. This is topped up by a 10% public contribution in England and placed in an online account for the employer to spend on apprenticeship training.
- 3.2 For those organisations that do not have a payroll of £3 million per year, the government contributes 95% of training costs through the apprenticeship training provider, which is known as the 'non-levy allocation'. Some providers

have reported shortages in this funding, and some employers report difficulty in locating training providers that have non-levy allocation remaining.

- 3.3 London has had historically low levels of apprenticeships compared with the national level. Since the introduction of the apprenticeship levy, the number of apprenticeship starts in London has declined by 14% (21% nationally). The number of apprenticeship starts in London remains lower than the national average - at 6.1 per 1,000 people in the working age population. In the North East, the area with the highest participation, there are 13.6 starts per 1,000 people in the working age population.
- 3.4 At the same time, nationally there has been a rise in higher and degree level apprenticeships. The capital has a larger share of higher and degree level apprenticeship starts than the rest of England. This reflects reported and forecast growth in demand for higher level skills needs in the capital. Key growth sectors for higher level apprenticeships in London are business, healthcare and ICT.
- 3.5 According to Department for Education (DfE) data, overall London's apprenticeship diversity is broadly in line with its demography. For example, in 2017/18, around 51% of apprentices were female; 42% were male (43% in London's population overall). Older age groups account for the largest share of higher level apprenticeship starts.
- 3.6 The overall numbers of female and Black, Asian and minority ethnic (BAME) apprentices are broadly in line with London's population. However, men are more likely to be in higher level apprenticeships than women. Similarly, BAME apprentices are underrepresented at higher levels, compared with their white counterparts and this gap appears to be widening.
- 3.7 The shift towards higher level apprenticeships, which have higher associated costs, means it is now widely expected the levy will soon be overspent. There are conflicting views across the sector as to how apprenticeship funding and policy could adapt to address this issue.
- 3.8 The Learning & Work Institute¹ and a range of organisations working on apprenticeships policy have set out approaches to addressing the potential overspend in the apprenticeships budget. These include:
 - 3.8.1 Increasing the levy beyond 0.5% or broadening its scope (effectively reducing the payroll threshold below £3 million);
 - 3.8.2 Restricting use of the levy by level of study, prior attainment, age of learner or salary of prospective learners;
 - 3.8.3 Additional public investment; and
 - 3.8.4 Ending the 10% top up in public funding that levy payers receive, and using this public funding to support small and medium-sized enterprises (SMEs) instead.

¹ Learning & Work Institute (2019) *Bridging the Gap: Next steps for the apprenticeship levy* Available at: <https://www.learningandwork.org.uk/resource/bridging-the-gap-next-steps-for-the-apprenticeship-levy/>

4 Issues for consideration

4.1 The Group are asked to consider the following questions:

- 4.1.1 To what extent do you agree that the current mix of lower, intermediate and higher level apprenticeship provision reflects the needs of London's employers and economy?
- 4.1.2 To what extent do you agree or disagree with the options for addressing the overspend of the apprenticeship levy set out in Paragraph 3.9? To what extent, if at all, should policymakers intervene to prioritise the use of levy funds?
- 4.1.3 How can we ensure that the welcome growth in higher level apprenticeships in London is sustained, and how should that be funded?
- 4.1.4 How can we support progression routes into and from higher level apprenticeships?
- 4.1.5 How can we improve diversity in London's higher level apprenticeship take-up?

5 Equality comments

5.1 Under Section 149 of the Equality Act 2010, as a public authority, the GLA must have 'due regard' to the need to:

- Eliminate unlawful discrimination, harassment and victimisation; and
- Advance equality of opportunity and foster good relations between people who have a relevant protected characteristic and those who do not.

5.2 Considerations of equality and diversity should be central to any consideration of policy change. Through this discussion, the GLA is seeking to understand how diversity in London's higher level apprenticeship take up can be improved. In developing the Mayor's position, we will seek to capture the impact any policy change could have on people with relevant protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation).

6 Risks arising / mitigation

6.1 Not applicable.

7 Legal Comments

7.1 Not applicable.

8 Financial Comments of the Executive Director Resources

8.1 There is no direct financial implication to the GLA arising from this report.

9 Next steps

- 9.1 Stakeholder views from this group and other forums will be used to inform and develop the Mayor's policy position on higher level apprenticeships. The Group will be updated on progress at the next meeting.

Appendices:

- **Appendix A** – The Mayor's Apprenticeship Policies and Programmes

The Mayor's Apprenticeship Policies and Programmes

- 1.1 The Mayor is investing **£1.235 million** to create **nearly 2,000** apprenticeships over the next three years, through the London Progression Collaboration (LPC) and the Apprenticeships for Londoners pilots.
- 1.2 The LPC and Apprenticeships for Londoners will ensure levy funds are better utilised to create apprenticeships, making full use of the levy transfer facility within sectors to meet the skills needs of the employer, and provide sustainable talent pipelines within industries through apprenticeships of all levels.

London Progression Collaboration

- 1.3 The LPC began activity in late September 2019 and will deliver **1098** new apprenticeship starts by September 2021.
- 1.4 The GLA established a collaboration with the Institute for Public Policy Research (IPPR) in 2018 to engage employers to make maximum use of the apprenticeship levy. The LPC will be delivered by a joint IPPR and GLA team. The team is working closely with employers to develop new ways to leverage levy funds and support them to create new apprenticeship opportunities and increase in-work progression.
- 1.5 The goals of the LPC are to improve social mobility for low skilled and low paid Londoners, to raise the productivity of London's businesses in key sectors and test and showcase ways in which the levy could be adapted to maximise its impact through sector-wide interventions and initiatives across supply-chains.

Apprenticeships for Londoners

- 1.6 This project will deliver over 700 apprenticeship starts by early 2023. The prospectus was circulated to the Higher Level Skills Advisory Group, and the deadline for applications was 29 November 2019.
- 1.7 Through this programme, the GLA is seeking to fund the establishment of two projects to engage employers and support them to create quality apprenticeships and utilise London's apprenticeship levy funds.
- 1.8 The key aim of this programme is to increase the quantity and quality of apprenticeships in London by maximising the use of the apprenticeship levy.
- 1.9 The projects will be specific to one of the following priority sectors (as set out in the Mayor's [Economic Development Strategy](#)):
 - Advanced urban services;
 - Cultural and creative industries;
 - Financial and Business Services;
 - Life Sciences;
 - Low carbon and environmental goods and services;

- Tech and digital; and
- Tourism.

5 Cities Project

- 1.10 The Apprenticeships and Skills Minister launched the '5 Cities' project in February 2018 to improve apprenticeship take-up among under-represented groups in England, particularly BAME learners.
- 1.11 It has support from Mayors in five English cities: London, Greater Manchester, Bristol, Birmingham and Leicester. Each city has developed an action plan, with support from the National Apprenticeship Service.
- 1.12 London's action plan aims to increase the number of BAME Londoners undertaking apprenticeships and increase the total number of apprenticeship starts in the capital. There will also be a specific focus on improving representation in London's key sectors, such as construction and digital, and amongst younger age groups.
- 1.13 The GLA have committed to holding a series of business engagement events to share best practice on supporting diversity in apprenticeships, with a particular focus on the retention and success of BAME apprentices. A scoping event was held with high performing employers and providers in July 2019, and further events will take place in 2020.

Skills for Londoners Board Higher Level Skills Advisory Group

Date of meeting: **4 December 2019**

Title of report: **Higher level skills (Level 4/5) research update**

To be presented by: **Beth Wheaton, Senior Policy Officer, Skills & Employment**

Cleared by: **Michelle Cuomo-Boorer, Assistant Director – Skills and Employment**

Classification: **Public** with Appendix A reserved from publication as it contains information intended for publication at a later date

1 Executive Summary

- 1.1 The GLA has commissioned RCU, in consortia with a field research team, to conduct an independent analysis of the provision of, participation in and demand for education and skills at Levels 4 and 5 in London.
- 1.2 Interim findings from this project will be presented to the Higher Level Skills Advisory Group at the meeting for discussion and comment, and a summary of findings is attached at Appendix A to this report.

2 Recommendation

- 2.1 The Higher Level Skills Advisory Group is asked to:
 - 2.1.1 **Note** the content of RCU and the research team's presentation and interim findings.

3 Introduction and Background

- 3.1 At the last meeting of the Higher Level Skills Advisory Group (13 June 2019), GLA officers presented plans for a research project on higher level skills in London, with a focus on provision of, participation in and demand for education and skills at Levels 4 and 5.
- 3.2 Following discussion at the meeting, a draft specification for this research was circulated to the Group for comment. Feedback from the Group was incorporated, including a decision to focus on five Mayoral priority sectors (the final specification can be found in Appendix A). The specification was put out to tender in July 2019.
- 3.3 RCU, working in consortia with a team of field researchers, was procured to deliver this work, starting in September 2019 and scheduled to conclude in April 2020.

- 3.4 All forms of Level 4 and 5 provision will be investigated through this study, including courses and apprenticeships. These encompass undergraduate, professional and occupational qualifications at levels below the bachelor's degree as well as non-accredited programmes.
- 3.5 Quantitative, qualitative and documentary data will be collected and analysed in order to:
1. comprehend the full and changing landscape of Level 4 and 5 education and skills in London;
 2. ascertain educational and employer activity at these levels;
 3. consider past, present and future patterns of demand as they relate to Mayoral priority sectors; and
 4. assess the contribution of different types of qualifications and programmes to employers, workers, students and providers.
- 3.6 RCU will analyse data from the Individualised Learner Records (ILR), Higher Education Statistics Agency (HESA), Longitudinal Educational Outcomes (LEO) and other datasets. The fieldwork will comprise 40 semi-structured interviews with education providers, partner employers and other organisations in five priority sectors: tech and digital; culture and creative industries; advanced urban services; health and social care; and low carbon and environmental goods and services. Members of the Advisory Group have also been invited to take part in these interviews.
- 3.7 At this meeting, the research team will present an interim update on this project for discussion, including top line findings to date and intended next steps (headlines can be found in Appendix A).

4 Issues for consideration

- 4.1 The Group is asked to consider the content of RCU's presentation and interim findings and to advise on potential areas for further exploration. This may include organisations/individuals the research team should speak to in completing their research.

5 Equality comments

- 5.1 RCU's final report will include analysis on the demographic characteristics of learners at Levels 4 and 5 in London. Further consideration will be given to any inequalities that arise from this analysis, when developing the GLA's policy response and next steps at future meetings of the Group.

6 Risks arising / mitigation

- 6.1 Key risks for this project include gaining access to a sufficient range of participants for the field research component of the project. As part of this session, the Group will be asked to contribute ideas on organisations or individuals who they feel the research team would benefit from speaking to.

7 Legal Comments

7.1 Not applicable.

8 Financial Comments of the Executive Director Resources

8.1 There is no direct financial implication to the GLA arising from this report.

9 Next steps

9.1 A written Interim Report will be circulated to the Group in January 2020 for further comment.

9.2 RCU's final report is due in April 2020, which coincides with the pre-election period for Mayoral elections in 2020. During this period, officers will keep members up to date regarding the progress of the research.

9.3 A meeting will be held after the election at the start of the next Mayoral term, to discuss the findings of the report in detail. At this and subsequent meetings, the GLA will set out its intended next steps based on the findings of the research, for advice and comment from the Group.

Appendices:

- **Appendix A** – RCU Interim findings update (*reserved from publication*)
- **Appendix B** – Higher level skills research specification

NOT FOR PUBLICATION

This paper is reserved from publication as it is considered that it may be exempt from disclosure under the Freedom of Information Act.

Document is Restricted.

Higher Level Skills in London

1. INTRODUCTION

- 1.1 The Greater London Authority (GLA) is inviting proposals for a mixed methods research project to establish a stronger evidence-base on the value of higher level skills provision to the capital and identify opportunities to grow future demand to meet London's need for a high skilled economy.
- 1.2 Through this research, the GLA is seeking to understand what is distinctive about London's level 4 and 5 provision, including what is working well and driving demand. In addition, the research should investigate the opportunities to increase the demand amongst learners and employers for higher level skills at sub-degree level. This will include an in-depth analysis of 5 Mayoral priority sectors, listed below (1.3.2). The research should take a long-term view, anticipating some of the potential changes to London's labour market and economy.
- 1.3 The research will include three key aspects:
 - 1.3.1 Mapping of level 4-5 provision in London, to better understand what's distinct about London's higher level skills sector. This includes understanding where Level 4 and 5 qualifications are valuable in their own right as standalone qualifications, and where they support entry into degree level study.
 - 1.3.2 Analysis of the higher level skills ecosystems operating within 5 Mayoral priority sectors; Tech & Digital, Culture & Creative Industries, Advanced Urban Services, Health & Social Care, Low Carbon & Environmental Goods and Services. This analysis will help us to better understand what's working well amongst employers in these sectors, and where there are opportunities to boost the demand and provision of higher level skills in the capital.
 - 1.3.3 Next steps and recommendations for action, alongside an ambitious vision for higher level skills in London. This research will help to inform the GLA's policy position on higher level skills, including potential future use of the Adult Education Budget (AEB) and further devolution, to support higher level skills progression and promotion of the Advanced Learner Loan (ALL).

About the Greater London Authority

- 1.4 The Greater London Authority (GLA) was established by the GLA Act 1999. The GLA is a unique form of strategic citywide government for London. It is made up of a directly elected Mayor—the Mayor of London—and a separately elected Assembly—the London Assembly. The Mayor has an executive role, making decisions on behalf of the GLA, and the Assembly has a scrutiny role. The GLA is based at City Hall, The Queen's Walk, London, SE1 2AA.

2. BACKGROUND

- 2.1 London has a high skilled economy and a growing number of higher paid, highly skilled jobs.¹ There is both an employment and earnings premium associated with having higher level qualifications (Level 4+). London also has the highest rate (in

¹ For the purposes of the research, these are Standard Occupation Classification Major Groups 1-3: 1. Managers, Directors and Senior Officials; 2. Professional Occupations; 3. Associate Professional and Technical Occupations.

England) of people going to university by the age of 30 – 63% (2016/17).² Its student population is also more diverse - around 47% are Black, Asian and Minority Ethnic (BAME), over twice the UK percentage (approximately 22%). Higher level Apprenticeships (Level 4+) in London, as a proportion of total starts, is also above the England rate.

2.2 Looking ahead, the Government has recently announced that three of twelve new Institutes of Technology (IoTs) will be based in London.³ IoTs have been established to deliver specialist higher level technical provision. Each IoT will involve a partnership between an FE College and University and will have an industry specialism, working in partnership with employers.

2.3 IoTs are part of a range of recent reforms which are likely to have an impact on routes of progression to Level 4 and 5 courses now and in the future, including the introduction of T Levels and the Apprenticeship Levy. In addition, the Department for Education are currently undertaking separate reviews of Level 3 and below qualifications and Level 4-5 qualifications, consulting on rebranding qualifications at this level to 'Higher Technical Qualifications'.⁴ In addition, the Post-18 review of education and funding independent panel report has recently been published. Final decisions as a result of this independent panel report will be announced at the next Spending Review.

2.4 Despite these strengths and opportunities, more broadly, the London labour market faces challenges in the short and long term. These include the impact of changes in the UK's relationship with the EU, automation, a growing population and underachievement in basic skills among certain groups throughout the education system, such as those from disadvantaged backgrounds and increasing in-work poverty.

2.5 London's skills system must adapt to meet these challenges and ensure that Londoners have the opportunities they need to retrain and upskill throughout their working lives, particularly into high skilled and higher paid occupations. London, and England, has seen a decline in level 4-5 provision that supports this type of flexible higher level learning over the past decade.⁵ There has also been a decline in mature and part-time learners taking higher education qualifications over the same period. This was recently emphasised in the Post-18 review of education and funding independent panel report ("Augar review").⁶

² Department for Education, *Participation rates in Higher Education 2006-17 dataset*. Data available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/744087/Main_text_participation_rates_in_higher_education_2006_to_2017.pdf

³ The lead applicants for each of London's IoTs are Queen Mary University London, Barking and Dagenham College and Harrow College Uxbridge College.

⁴ Higher Technical Education: Government Consultation (2019) https://consult.education.gov.uk/higher-technical-level-4-5-review-team/higher-technical-education/supporting_documents/Improving_higher_technical_education%20pdf.pdf

⁵ Level 4+ (sub-degree) qualifications eligible for student loan funding, including Higher National Certificates/Diplomas and Certificates/Diplomas in Higher Education. See Smith, Sharon, Joslin, Hugh and Jameson, Jill (2017) *Progression of College Students in London to Higher Education 2011-2014*. Project Report. Linking London, London

⁶ Independent Panel report: Post-18 review of education and funding (2019) <https://www.gov.uk/government/publications/post-18-review-of-education-and-funding-independent-panel-report>

2.6 At present, level 4-5 qualifications are delivered by a range of providers, including further education colleges (FECs), higher education institutions (HEIs) and independent training providers (ITPs). There are concerns that the fall in level 4-5 provision means London could face a shortfall in skilled workers, including in technician and related occupations.⁷ Other reports have noted the importance of level 4+ for widening participation in higher level learning.⁸

2.7 In an attempt to address the decline in level 4+ learning, eligibility for the Advanced Learner Loan (ALL) was extended in 2016/17 to include all learners aged 19+ studying at level 3-6 (sub-degree).⁹ However, at present, the majority of ALL funded learning is at level 3 and delivered by FECs and ITPs. A number of learners in London using the loan to fund a level 3 already have an equivalent or higher qualification. There is limited data available on the impact of this provision on learner progression into and within work and higher education.

2.8 Despite the decline in formal Level 4-5 provision, the GLA believes there is growing provision of non-accredited qualifications and shorter courses associated with tasks/occupations (e.g. coding, data visualisation, film editing). The funding options for non-accredited provision is more limited and there is a lack of data or research in this area.

3 RESEARCH OBJECTIVES

3.1 Given the decline in uptake of level 4 and 5 courses and the increasing demand for higher level skills in the capital outlined in paragraph 2, the aim of this research is to establish a stronger evidence-base on current higher level skills provision, how this operates within key mayoral priority sectors and the opportunities to grow future demand to meet London's need for a high skilled economy.

3.2 The overarching objectives of the research are to better understand:

- Existing level 4-5 provision in London and to what extent this reflects the capital's economy and society.
- Drivers of demand for level 4-5 in London's priority sectors, now and in the future
- How the Mayor and other key partners can strengthen and incentivise the capital's higher level skills provision, with a focus on priority sectors for London

4 RESEARCH REQUIREMENTS

The successful bidder will be required, but not be limited, to undertake the following analysis to achieve the research objectives set out in Section 3.

4.1 Mapping of level 4-5 skills provision in London

- Conduct quantitative analysis to identify current and historic participation (from 2015/16 – 18/19) by Londoners in level 4-5 provision. This data should also include the types of providers delivering the provision and sector subject areas or

⁷ For example, *London 2030 and beyond – report on the King's Commission on London* (March 2018)

⁸ For example, Smith, Sharon, Joslin, Hugh and Jameson, Jill (2017) *Progression of College Students in London to Higher Education 2011-2014*. Project Report. Linking London, London. At a national level, the Department for Education's *Review of Level 4 and 5 Education- Interim Evidence Overview* (August 2018) notes that learners taking these qualifications are likely to be over 25 (60% of learners), and many study part time and come from diverse educational backgrounds.

⁹ The ALL was introduced in 2013/14 for learners aged 24+ at level 3 and 4.

occupations/sectors which the qualifications relate to. This analysis should use the ILR and other datasets to show:

- learner characteristics: gender; age; ethnicity; employment Status on first day of learning (FDL); Learners with Learning Difficulties and Disabilities (LLDD); prior attainment level (PAL); nationality; first language; length of time in the UK; socio-economic status; earnings; part-time/full-time mode of study; travel distance between learner and provider
- course characteristics: provider type, length of course, fee, delivery; London-based/region/international; sector/occupation; prescribed/non-prescribed; requirement to practice
- employer characteristics where available, if an employer is identified as delivering or funding provision: Standard Industrial Classification, size (e.g. SME), sector.
- funding source: Advanced Learner Loan, student higher education loan, private (individual), employer or sponsor
- Private return on investment for learners who obtain level 4-5 qualifications compared to counterfactual, analysing learner progression in to work or further study and impact on earnings (if LEO data is available)
- The analysis should include a brief comparison with the national picture, to help us understand what's distinct about London's higher level skills provision.

4.2 Sector-based analysis of Level 4-5 provision in London

- An in-depth analysis of the following 5 Mayoral Priority areas: **Technology & Digital, Culture & Creative Industries, Advanced Urban Services, Health & Social Care, Low Carbon & Environmental Goods and Services.**
- The analysis for each sector should aim to:
 - Identify the factors that drive or inhibit the supply and demand for higher level skills, amongst a diverse range of learners, employers and providers, using quantitative and qualitative research methods. This analysis should reflect on the features that are distinctive to London and include the role of funding structures such as the Advanced Learner Loan.
 - Identify good practice amongst employers and providers which successfully supports higher level progression within each sector and the benefits to learners and employers.
 - The analysis should look at the full range of provision available at levels 4 and 5 in each sector and a diverse range of London's employer and provider types.
 - Where relevant, the analysis should also assess the significance of non-accredited courses and qualifications – for example, vendor qualifications, short-courses delivered by higher level providers – to labour market progression, both now and in the future.

4.3 Unlocking demand: recommendations and next steps

- Informed by the evidence gathered above, Mayoral strategies and other relevant sources, including the Government's Post-18 Funding Review and review of level 4 and 5 qualifications (Higher Technical Education), identify clear and ambitious recommendations for developing London's higher level skills system.
- This should include an assessment of the role of non-accredited provision and its future significance for London's labour market and skills system.
- Suggest practical steps that can be taken by the Mayor and key stakeholders, to strengthen and promote higher level skills provision in London with clear links between policies, funding and their intended outcomes. This might include

additional resource required by the Mayor as well as recommendations around the funding mechanisms for Level 4+, incentivising employer and learners, the use of AEB to support L4+ progression and potential areas for further devolution.

- There should be a particular focus on the 5 Mayoral priority sectors analysed above, as well as any wider lessons for the capital.

5 SCOPE

5.1 The research should be based on qualitative and quantitative approaches that cover:

- 19-year-old and above learners domiciled in London. The priority is London domiciled learners accessing Level 4-5 provision, either in London or outside of London. We would be interested in data on non-London domiciled learners accessing London Level 4-5 provision but this is not a requirement and should be separately costed
- Provision of level 4-5 accredited qualifications identified within SOC Major Groups 1-9, either physically or remotely, that are accessed by London residents
- Non-accredited provision aligned to higher skilled occupations/roles and progression. Examples would include, but not be limited to: Microsoft Certified; Makers Academy; University of the Arts short courses

5.2 Eligible qualifications include Foundation Years or 'Year 0' courses. Level 4 qualifications include, but are not limited to:

- certificate of higher education (CertHE)
- higher level apprenticeships
- higher national certificate (HNC)
- level 4 award
- level 4 certificate
- level 4 diploma
- level 4 NVQ

Level 5 qualifications include, but are not limited to:

- diploma of higher education (DipHE)
- foundation degree
- higher level apprenticeships
- higher national diploma (HND)
- level 5 award
- level 5 certificate
- level 5 diploma
- level 5 NVQ

6 TIMEFRAME

6.1 The proposed timeframe for this work is as follows:

Activity	Due
Contract award	August
Initial project meeting	August
Interim review	November
Present interim report to Skills for Londoners Higher Level Skills advisory group	November

Final draft submission:	March 2020
Final submission	March 2020
Present final report to Skills for Londoners Board and Higher Levels Skills advisory group	2020

7 REPORTING AND MANAGEMENT

- 7.1 The contractor will be managed by the Senior Policy Officer, Skills and Employment Policy).
- 7.2 The supplier will appoint a project manager through whom all enquiries pertaining to the project's delivery will be filtered and who will be responsible for reporting on progress against objectives and deliverables and who will manage risks.
- 7.3 The project will be carried out in accordance with the GLA Group's responsible procurement policy.

8 PAYMENT MODEL

- 8.1 25% on completion of the interim report
- 50% on completion of the final report
- 25% on delivery of a final presentation to the Skills for Londoners Board.