

MAYOR OF LONDON

The Mayor's European Social Fund (ESF) 2019-2023 Programme

Round 3

Project Requirements: Creative Sector Skills



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CONTENTS

1. Project Requirements: Creative Sector Skills	2
1.1 Project Overview	2
1.2 Background	3
1.3 Objectives	5
1.4 Project Specific Eligibility and Target Groups	5
1.5 Geography	7
1.6 Project Specific Partnership Working	8
2. Service Requirements	10
2.1 Project Deliverables – Expected Stages	10
3. Budget and Payments	17
3.1 Overall budget framework and parameters	17
3.2 The Payment Model	17

1. Project Requirements: Creative Sector

Skills¹

1.1 Project Overview

Creative Sector Skills² will enable NEET (Not in Employment, Education or Training) young people and unemployed, and economically inactive adults to gain industry relevant qualifications, experience and pre-apprenticeship skills and progress into sustainable employment, education or training opportunities – including self-employment and business start-up. It will also address current challenges facing the creative sector, such as; increasing skills demand, particularly in digital creative skills, and a lack of suitably trained candidates. In addition to addressing skills and labour shortages it will look to increase the participation of under-represented groups within the creative sector.

This Project will run from Autumn 2020 to June 2023.

- Key activities: Participant engagement, personalised support (including identification of employment and personal goals), support towards employment (such as qualifications, vocational training, access to basic skills and work placements), job brokerage, and employer engagement. Support to sustain Education, Employment or Training Results, including self-employment or business start-up.
- Eligibility: Young people who are NEET, aged 16 to 24, and Adults who are unemployed, or economically inactive and living in London.
- Funding: £2m
- Number of Projects supported: One grant will be awarded.
- Geographical focus: pan-London, with a strategic link to London's Creative Enterprise Zones³ (CEZ's).
- Primary Result: A minimum of 282 Participants sustain education, training or employment for 26 weeks (out of 32 weeks)

¹ To be read in conjunction with the Mayor's ESF 2019-23 Programme (round 3) Prospectus

² This is one of six projects comprising the Sector Skills programme. Three contracts within this programme were awarded through Round 1 of the Mayor's ESF 2019-23 Programme Procurement. These were for Sub-Lot 1a) Health and Social Care, Sub-Lot 1b) Infrastructure and Construction and Sub-Lot 1f) 'Other'. Three grants will be awarded through this Round 3 Grant Award Process for Creative, STEM and Early Years Sector Skills.

³ <https://www.london.gov.uk/what-we-do/arts-and-culture/culture-and-good-growth/creative-enterprise-zones>

1.2 Background

London is the global capital for arts and culture. Artists and creative industries make a huge contribution to London's reputation as an open, creative, diverse city. Culture and the creative industries have been identified by the Mayor of London as a core priority. The Mayor has set out a bold new initiative to develop Creative Enterprise Zones (CEZs) across London. He has also set priorities to invest in increasing creative workforce diversity⁴.

The creative industries are the UK's biggest growth sector. London's creative industries constitute a significant element of the capital's economy, as well as a substantive share of the sector in the UK as a whole.⁵ 'In 2016, the GVA of the creative industries in the capital was estimated at £47.0 billion in nominal (inflation unadjusted) prices; accounting for 11.5% of total GVA in London and for just over half (52.2%) of the Great Britain total for the sector.'⁶ The creative industries grew by nearly 40% between 2009-2014 compared to 30% across the rest of the economy.⁷

One in six jobs in the capital is in the creative economy. There were approximately 882,900 creative jobs in the capital in 2016, up by almost a quarter (24.2%) since 2012⁸. The increase of creative jobs is outpacing the rest of the London's economic sectors. With 87% of creative jobs at low risk of automation, creative jobs represent huge potential for both Londoners and the London economy as a whole, in the future.

There is untapped talent amongst this project's target groups that could contribute significantly to the creative sector. The number of jobs in London's creative economy held by people from BAME groups was 206,500 or 23.4% of creative economy jobs in 2016. This remains below the proportion of jobs in the non-creative economy (32.9%), despite strong growth in jobs filled by BAME workers in recent years.⁹

The prevalence of networks and a culture whereby contacts are important in securing employment in the creative industries can be a significant barrier to entry and progression among those from under-represented groups and those without a foothold in the creative sector.¹⁰ Guidance on entry routes and career progression remains inconsistent, and many talented individuals are unable to use their skills to full potential in terms of gaining access to, or progressing within, the sector¹¹.

⁴ Mayor's Culture Strategy, Culture for All Londoners, December 2018

https://www.london.gov.uk/sites/default/files/2018_culture_strategy_final_0.pdf

⁵ Rocks, C. (2017) London's creative industries – 2017 update, GLA Economics, Greater London Authority

https://www.london.gov.uk/sites/default/files/working_paper_89-creative-industries-2017.pdf

⁶ GLA Economics (2018), Gross Value Added (GVA) is calculated in current prices (i.e. not adjusted for inflation). Based on GVA balanced measure – this is currently designated as an experimental statistic, so should be treated with caution.

⁷ Rocks, C. (2017) London's creative industries – 2017 update, GLA Economics, Greater London Authority

https://www.london.gov.uk/sites/default/files/working_paper_89-creative-industries-2017.pdf

⁸ Ibid

⁹ Ibid

¹⁰ Oakley, K. (2016) Whose creative economy? Inequality and the need for international approaches

¹¹ http://creativeskillset.org/latest/blogs/4603_upskilling_the_uks_creative_industries

London Councils' and Impetus' 2020 report, The Employment Gap in London¹², highlights that while London is the best-performing region in the country at GCSE level and disadvantaged youngsters are twice as likely to get into higher education than anywhere else in the country, too many of the capital's young people do not continue their education or find work. London's apprenticeship take-up is low. Young people from poorer backgrounds are facing barriers that prevent them from succeeding, even when they have good qualifications. The report provides a range of data (including at borough level) on school performance and the transition into further study or employment for thousands of young Londoners.

London suffers from skills shortages across the creative and cultural industries. Management skills shortages are particularly prevalent as are technical production and digital skills; particularly sector specific digital skills.

Creative sector employers report a gap between their skill needs and the training provided by further education institutions and formal training providers. There is, therefore, a strong requirement to support collaboration between training providers, schools, further education colleges, and employers to ensure that curriculum and learning provision is responsive to labour market need and directly addresses the skills gaps articulated by employers¹³.

British companies already face strong global competition for the skilled people they need to help to maintain their creative competitive edge. If there are strict immigration controls on EU nationals, this would exacerbate this challenge. Nearly one third of London's creative workforce is international and creative businesses value a staff of varying nationalities to address global briefs.¹⁴ For example, over 33% of employees in Visual Effects (VFX) industries alone are EU nationals¹⁵.

The creative sector provides a significant opportunity to strengthen London's economic base by contributing to higher wages, inward investment, and the range of employment opportunities; from entry-level to skilled, specialist roles. The creative industries also contribute positively and significantly to improving community wellbeing, a sense of place, and they attract visitors to the city. This Project will support a more diverse and appropriately skilled workforce. It will strategically align and demonstrate strategic links with the aims and principles of the Creative Enterprise Zones programme.

All creative sub-sectors are eligible. These are:

- Advertising and marketing
- Architecture
- Crafts
- Product design, graphic design and fashion design

¹² The Employment Gap in London: https://impetus.org.uk/assets/publications/Research-Briefing-8-Report_AW_online-FINAL.pdf

¹³ https://www.london.gov.uk/sites/default/files/sfl_strategy_final_june_20186.pdf

¹⁴ Office for National Statistics,

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/006945break-down-of-the-creative-economy-in-london-2012-to-2016>

¹⁵ <http://www.ukscreenalliance.co.uk/news/article/5298>

- Film, TV, video games, radio and photography
- IT, software and computer services
- Museums, galleries and libraries
- Music, performing arts, visual arts and cultural education

The Project will specifically address skills gaps in digital creative, media technologies and wider applications like virtual reality and augmented reality.

1.3 Objectives

The overall aim of this Project is to:

Enable NEET young people and unemployed, and economically inactive adults to gain industry relevant skills and progress into sustainable employment, education or training opportunities in the Creative sector.

The objectives are to:

- Support a minimum of 282 Participants into sustained employment, education or training.
- Support Participants to gain an understanding of the world of work and to rise effectively to the challenge to meet the particular aptitudes, skills and occupational requirements of the Creative sector.
- Create high quality, mutually productive connections between delivery providers and sector employers and networks in order to better predict and meet labour and skills shortages within the Creative sector, particularly digital creative skills
- Embed into delivery wrap-around support that will enable all eligible Participants to overcome barriers to employment, education and training.
- Support the creation of a new cohort of entrepreneurs, who will become self-employed or start businesses within the sector.
- Address the underrepresentation of women, BAME, and disabled people within the Creative sector.

1.4 Project Specific Eligibility and Target Groups¹⁶

Specific eligibility criteria for this Project are as follows:

Young Londoners aged 16 to 24 who are NEET and living in London

and

¹⁶ Please also see the requirements outlined in section 1 of the Prospectus and relevant sections of the Evidence Handbook

Adults aged 25 and over who are unemployed, or economically inactive, and living in London

Additionally, participants can fall into one or more of the categories¹⁷ below:

- Women;
- Parents and carers with childcare requirements;
- Disabled people, including those with learning difficulties and health conditions;
- Refugees and recent migrants¹⁸ with the right to work;
- People facing complex barriers to work;
- People aged 50+.

A minimum of 30% of all Participants will not have achieved a level 2 qualification.

The GLA anticipate that 33% of Participant starters should be Young Londoners aged 16-24 who are NEET¹⁹.

Exclusions:

- Asylum seekers or migrants who do not have permission to work and are not in care.
- Young people who are receiving support through the Work and Health Programme.
- Young people under 18 and in mainstream education who are currently excluded from school (they will be eligible for support via the ESF Continuing Participation and Gangs Prevention Projects).

Equalities Targets

The Project should aim to recruit, as a minimum, proportions of Participants from the Equality Groups set out below.

Equality Groups	Project Target (%)	
	Adults, aged 25+	Young People aged 16 – 24
Participants from ethnic minorities	50%	50%
Female Participants	45%	45%
Disabled participants and participants with health conditions	22%	9%

¹⁷ Please refer to the Evidence Handbook for further detail.

¹⁸ For the purposes of this programme a 'recent migrant' is defined as a non-UK national who has arrived in the UK within the 12 months prior to starting on the project.

¹⁹ The GLA may, at its discretion, agree to vary these proportions during the course of delivery.

Participants who live in a single adult household with dependent children	16%	5%
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Bidders must describe how they will identify, recruit and support eligible Participants from these groups, taking into account any particular barriers to participation.

1.5 Geography²⁰

Any eligible London resident should be able to access the project but bidders may choose to focus their participant recruitment and employer engagement in particular geographies. All project delivery must take place within London.

Bidders must provide a clear rationale for their chosen geography, taking into account business needs, local demographics and opportunity areas'. They should also ensure that education, training and employment outcomes²¹ are based in a range of localities and consider Participants travel needs.

This Project will strategically link to the Creative Enterprise Zones (CEZs)²² in London²³. The CEZs are:

- Brixton, Lambeth
- Croydon Town Centre
- Great West Creatives, Hounslow
- Tottenham, Haringey
- Hackney Wick Fish Island, Hackney and Tower Hamlets
- New Cross and Deptford, Lewisham.

Bidders must demonstrate how they will work with the CEZs to align with their strategic focuses and support a pipeline of participants into creative businesses within the CEZs.

A number of these zones will also be running skills and employment projects (some focused on people in work and some out of work). The successful ESF Provider should work with the CEZ leads²⁴ to ensure their project adds value, and doesn't duplicate, activity within the CEZs.

²⁰ Please also see the requirements outlined in section 1 of the Prospectus

²¹ Please note EET outcomes can be outside of London so long as they meet with the career aspirations and travel needs of participants.

²² See Mayor's draft Culture Strategy: Culture for All Londoners for more information on the Creative Enterprise Zone programme. https://www.london.gov.uk/sites/default/files/2017_draft_strategies_culture_2.0.pdf

²³ A map of the CEZs can be found using the [Cultural Infrastructure Map](#).

²⁴ The GLA will facilitate introductions between the successful ESF Provider for this grant award process and those for the CEZs, and the CEZ borough leads as appropriate. Further CEZ specific Skills and Employment Projects are due to be published for Grant Award in Summer 2020.

1.6 Project Specific Partnership Working²⁵

The Project will be underpinned by strategic partnerships. ESF Providers will be required to establish links with local stakeholders, have an understanding of their needs, and develop strong connections with them.

These connections will be key not only to identifying and engaging marginalised individuals, but to helping Participants to access provision and/or re-engage with education and training; and facilitate ease of access to provision more generally through the use of local venues. They will also ensure a comprehensive wrap-around service which addresses any additional barriers that Participants may have to engaging fully and productively with the Project

ESF Providers will also need to develop and embed excellent relationships with employers and employer networks in order to create productive pathways for Participants into the Creative sector. They will also need to build and embed strong local and grassroots partnerships across sub-regions in order to enable effective targeting of actions on employers and residents. This will increase access to the best talent and achieve a more diverse workforce for the sector.

ESF Providers should be mindful of other Creative Enterprise Zone skills programming and add value to these existing activities. Efforts to ensure a joined up and complementary approach will help avoid duplication and create stronger pathways into the creative occupations linking into the opportunities of the Zones.

The success of this project will be dependent on strong relationships with both employers and the target participants we want to reach. Therefore, we envisage a partnership approach will be required to deliver this project and strongly encourage potential bidders to ensure their sub-contracting partnership arrangements include organisations who have these relationships / experience.

This Project will add value to the work of Jobcentre Plus for Schools advisers who work predominantly with schools and colleges. ESF Providers will ensure that there is specialist, sector-based and wrap around support for young people and adults who want to enter into self-employment in the target sector.

This Project will complement and link with the expansion of the London Enterprise Advisor Network (LEAN) which supports employer engagement with state secondary schools, Pupil Referral Units, and Further Education Colleges in every London borough. The Project will add value to the LEAN by providing more sector-specific wrap around support for young people. Providers should also expand upon, and complement, activity under the

²⁵ Please also see Section 2 of the Prospectus.

Mayor's Digital Talent Programme²⁶ as appropriate. Projects running under this programme are due to end March 2021.

There is an expectation that the Project will be responsive to ongoing analysis and issues raised by any Mayoral advisory boards (such as the Skills for Londoners Business Partnership, Skills for Londoners Board or the LEAP). Providers may be asked to present their work, from time to time, thus creating opportunities for this Project to link into expert board members and sub regional partnerships as a mechanism for sharing knowledge and experience.

²⁶ The GLA will facilitate introductions between the successful bidder for this project and the providers of the Digital Talent Scheme as relevant.
<https://www.london.gov.uk/what-we-do/skills-and-employment/skills-londoners/digital-talent-programme>

2. Service Requirements

2.1 Project Deliverables – Expected Stages

The GLA considers successful delivery will incorporate the stages and activities outlined within the table below.

Bidders must demonstrate how they will meet specific criteria. However, there is an expectation that bidders will choose how they deliver their Project, bringing their expertise and a unique approach to delivery.

Stage	Activity
Identify and recruit suitable Participants	<p>ESF Providers should work with other organisations to identify and recruit Project Participants who meet the criteria set out in section 1.4. This will include specialist outreach to engage specific target groups and marginalised individuals. Engagement activity must be captured within a clear outreach plan.</p> <p>ESF Providers will be expected to utilise trusted points of entry which could include, but not be limited to:</p> <ul style="list-style-type: none"> • Universal services delivered locally (the support framework for people transferring onto Universal Credit) as this is rolled out across London • Local authority employment support services and other teams • Voluntary and Community Sector (VCS) organisations working with migrants and refugees • Adult and Community Learning Services • Family learning services • Schools and colleges • Children's centres • Health providers • Jobcentre Plus • Other ESF Projects • Self-referrals • Social landlords • Community centres/hubs and locally-based organisations

Stage	Activity
	<p>ESF Providers will be expected to develop marketing activities in order to promote sectors that are not, commonly, viewed as providing attractive career options.</p>
<p>Needs assessment and Bespoke Training Plan</p>	<p>ESF Providers must complete a Bespoke Training Plan (BTP) for all Participants as part of their enrolment on the Project. For each Participant, an initial face-to-face assessment must be undertaken to:</p> <ul style="list-style-type: none"> • establish the Participant's work-related aspirations, capabilities and learning needs, including a skills audit/review; • identify any barriers to accessing the services provided through the Project (such as childcare or travel costs) and offer support to overcome these barriers; and • identify any barriers to work and support Participants to recognise, address and overcome these barriers. <p>ESF Providers will be required to assess the Basic Skills requirements of Participants who do not hold Entry Level or above (or equivalent) qualifications in Maths and/or English (including ESOL) on enrolment. Where necessary, Participants should be referred to an organisation which can provide an appropriate certified qualification in Maths and/or English (including ESOL) at Entry Level, Level 1 or Level 2. Bidders will be required to estimate the volume of Participants achieving Basic Skills, and ESF Providers will be required to inform the GLA via a periodic narrative of the volume of Participants who have been referred and the volume of Participants who have achieved. Successful achievement will be required to be verified by Participant self-declaration as a minimum.</p> <p>Regular opportunities for Participant progress and target reviews will need to be built into the Project.</p> <p>Where relevant, ESF Providers should consider directing potential Participants to the GLA's ESF parental employment programme, which is not sector focused, but aims to support families with young children to enter, or re-enter, the workplace.</p>
<p>On-Project support</p>	<p>Coaching and mentoring: Both of these delivery methods could be incorporated into delivery.</p> <p>Individually tailored careers advice and sector-specific information: Participants will be provided with accurate and clear information with regard to the relevant sector. This will include occupations within the sector, its societal and economic importance, progression routes and salary expectations. Taster days, career talks and work experience</p>

Stage	Activity
	<p>should be incorporated in order to raise Participant aspirations and confidence as well as insights and direct experience of the sector.</p> <p>Training: Sector-specific and other training should be delivered that enhances the employability of Participants in the target sectors and is pertinent to their individual needs. This must boost Participants' confidence to pursue opportunities within the sectors and support them to move into sustainable employment, training or education opportunities or self-employment within them. Bidders should note that funding will be provided for education or training at Level 2 and/or a minimum of two units towards a level 3 qualification. Full qualifications at level 3 will not be funded.</p> <p>External specialists with sector-specific knowledge may need to be identified and engaged to ensure the training meets sector requirements.</p> <p>Digital skills: Digital skills support should be embedded into training and learning and used for blended learning e.g. mixing traditional teaching methods with online formats.</p> <p>Self-employment, support for starting up businesses and social enterprises: These alternatives to traditional employment routes into employment can be supported. Comprehensive self-employment and business start-up advice would need to be provided for those Participants for whom these options have been identified as potential routes during the initial needs assessment stage. Where self-employment or business start-up options are pursued, Participants must be supported to set in place processes to carry out market testing of business ideas and concepts and develop business plans in order to guide the achievement of Participants' business ambitions.</p> <p>Supporting recognition of international qualifications: The Project will need to incorporate approaches for enabling international qualifications and international skills and expertise to be recognised, with opportunities for Participants to top-up these qualifications or re-skill where necessary.</p>

Stage	Activity
	<p>Bidders will be required to demonstrate the specific approaches they will adopt in supporting 16 to 17 year olds, where results must be RPA compliant.²⁷</p>
<p>Wrap-around support</p>	<p>ESF Providers must establish appropriate wrap-around support to address the specific barriers Participants may face and enable them to engage in and sustain their involvement in the Project.</p> <p>A clear wrap-around support plan must be created for each Participant. This may include access to childcare, meeting travel costs or advising on benefits.</p> <p>Other delivery flexibilities should be incorporated in order to optimise the sustained engagement of Participants.</p>
<p>Employability support</p>	<p>Pre-employment and employability support will need to be provided in accordance with Participant needs. It will also need to be relevant to the key sectors or occupations identified and will include an introduction to the workplace and employer expectations.</p>
<p>Creative Job and Training Brokerage</p>	<p>The Project should be tailored to effectively tackle challenges that the creative industries currently face in recruiting a diverse workforce. Creative specialisms and associated skills shortages in the project delivery areas should be identified as well as the capacity and potential of the local population to take up creative careers. There is limited awareness of job opportunities in the creative sector and how to access them, particularly among young people. This would include apprenticeships and work placements.</p> <p>The Project should engage with local populations and creative businesses to increase their knowledge of available job pathways. Support will be needed to link individuals to training, education and employment opportunities that are right for them. Support should consider both present and future opportunities within the sector, including emerging skills gaps and those which will become increasingly acute and important in the future.</p> <p>The Project should be mindful of other Creative Enterprise Zone skills programming and must add value to these existing activities. Efforts to ensure a joined up and complementary approach will help avoid</p>

²⁷

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/561546/Participation-of-young-people-in-education-employment-or-training.pdf

Stage	Activity
	<p>duplication and create stronger pathways into the creative occupations in and around the Zone.</p>
<p>Employer Engagement and support</p>	<p>Work with employers should involve encouragement to open up their recruitment practices to expand the range of candidates they would consider in order to enable the achievement of social mobility and inclusion objectives.</p> <p>Work with employers will also inform innovative approaches to shaping and demonstrating Participants' employability skills support and presenting Participants' potential in unusual, but effective ways so that employers recognise capabilities and potential from within target groups that are under-represented in their sector. This could include:</p> <ul style="list-style-type: none"> • A greater focus on competencies than experience. • Recruiting candidates who meet 80% rather than 100% of the skills specification, but demonstrate potential to meet the full specification with additional training, qualifications (or units thereof) or experience, e.g. the delivery partner could secure an in-principle employment offer from the employer and then work with both the employer and the Participant to agree and deliver a short course of training to develop Participant skills in readiness for the role. • Establishing a guaranteed interview scheme for Participants who complete employability and/or technical training through the Project. • Support candidates to move between sectors and take up occupations that match their skills and aspirations, but within a different sector. <p>ESF Providers will be expected to identify and tap into employer networks in order to market the Project, support delivery and identify progression routes and sustainable results for Participants.</p> <p>ESF Providers will be expected to incorporate an appropriate degree of 'local provision' to minimise travel requirements for Participants where possible.</p> <p>ESF providers need to be mindful of the need to minimize, or alleviate, the administration burden of employment Projects on small and micro-creative business in particular in order to ensure and maximise their buy-in to the Project and are therefore encouraged not to increase the administrative requirements over and above those detailed in the Evidence Handbook.</p>

Stage	Activity
<p>Moving into and sustaining employment, education or training or business start-up options</p>	<p>A full range of support must be provided to help Participants to access relevant and appropriate employment, education or job opportunities. Excellent connections with employers will be crucial here. ESF Providers will also be required to support Participants to sustain their EET results.</p>
<p>Exploiting opportunities to transfer specialist knowledge and skill sets into the creative sector:</p>	<p>ESF providers should aim to raise aspirations within communities – including those who are NEET - to take up positions within the creative sector by raising awareness of the wide range of creative job opportunities that require skill sets that would usually be associated with other industry sectors.</p> <p>For example, many of the jobs in film are behind the scenes; carpenters building sets, electricians rigging lighting and laying cable on location and seamstresses making costumes for productions.</p> <p>Similarly, digital skills and knowledge gained in preparation for, or through working within, other sectors have equal relevance to the creative sector and may, therefore, be transferred to digital media and other creative environments.</p> <p>Associated actions might include campaigning and raising awareness of creative jobs that require ‘non-creative’ skillsets; working with JCP and employment support providers to redeploy clients into new creative fields; and delivering training to local careers services to support awareness of creative jobs. This work will also support convergence across sectors as skill-sets are blended and networks widened.</p>
<p>Addressing target skill-sets.</p>	<p>It is expected that bidders will have regard to the following in shaping the Project:</p> <ul style="list-style-type: none"> • Establishing local sub-sectoral need • Freelance and self-employment opportunities • Opportunities within digital creative, media technologies and digital immersive technologies. • Exploiting opportunities presented for Participants to move into the creative sector, through transfer of existing skill-sets and convergent skill-sets.

Stage	Activity
	Delivery providers should ensure that people aiming to secure digital jobs in the creative sector should embark on units of a Level 3 learning that address the skills required for digital media technologies.

3. Budget and Payments

3.1 Overall budget framework and parameters

The budget allocated for the work described is **£2m**. One grant will be awarded.

Available budget	Primary results
£2m	<p>For young people aged 16 to 24, 94 Participants will sustain an EET²⁸ destination, where:</p> <ul style="list-style-type: none"> • a maximum of 20% should sustain Education or Training; and • a minimum of 80% should sustain an Apprenticeship or Employment. <p>and for Adults aged 25+, 188 Participants will sustain an EET destination, where;</p> <ul style="list-style-type: none"> • a maximum of 20% should sustain Education or Training; and • a minimum of 80% should sustain Employment

3.2 The Payment Model

Payments will be made on the achievement of results set for each Participant who progresses through the key stages of the Project. All payments are based on a model which reflects the payment stages indicated in the table below.

Anticipated Proportions of Funding for Trigger Payment Activities	
Input/Output/Results	% of payment
Advance payment (to be reclaimed from Participants entry into EET)	15%
Participants starting on the Project	20%

²⁸ Employment outcomes for 16- and 17-year olds need to be Raising the Participation Age (RPA) compliant. Once participants have reached their 18th birthday their employment destination no longer needs to be RPA-Compliant.

Qualifications achieved (Level 2 and/or two Level 3 units – a maximum of one of each per Participant) ²⁹	20%
Participants achieving entry into employment, education or training (EET)	30%
Minimum of 282 Participants sustaining employment, education or training for 26 weeks (out of 32)³⁰	30%

By completing the Payment Trigger Calculator (PTC), bidders will be able to determine the value that they are paid for each individual output by selecting the volume of participants whom they think will engage at each paid stage of delivery.

²⁹ Bidders should note that funding will be provided for education or training at Level 2 and/or a minimum of two units towards a level 3 qualification. Full qualifications at level 3 will not be funded.

Appendix A: Additional information on the need to invest in Sector Skills in London³¹.

Diversity across London's industries and within sectors is an important indicator of the success of the Mayor's interventions to secure inclusive growth for the Capital. There are clear rationales for focusing this Project upon specific target groups who are under-represented in London's workforce.

Young people, disabled adults, Black, Asian, and minority ethnic (BAME) groups and women are disproportionately under-represented in the labour market, especially in higher-skilled, better-paid jobs.

In London the cost and availability of childcare is a real obstacle to parents with childcare requirements – particularly women – accessing education and employment opportunities. London's maternal employment is the lowest of any region in the UK with 40% of unemployed mothers pointing to childcare as a key barrier to getting a job³²). The cost of childcare in Inner London is 70% higher than in Yorkshire and Humber³³). The cost of childcare is so high in the Capital that it can outweigh the financial gain from entering employment. On average, single parents in London spend around half their disposable income on childcare³⁴).

The government offers a range of support with childcare costs to families in England. However, there still is a gap in provision for parents entering work, particularly with up-front costs of childcare. Evidence³⁵ shows that half of single parents surveyed in London had to borrow money from friends, family or banks to cover childcare costs. Wraparound support is needed, and can help, to free up parents struggling to take up employment or training due to caring responsibilities.

The employment rate for disabled Londoners was 52% in 2016; 22 percentage points below the rate for all Londoners between the ages of 16 to 64³⁶.

The employment rates of BAME groups in London are below average and black and mixed ethnic groups are more likely to have lower level qualifications. The highest level of qualification of 43% of black Londoners and 41% of mixed ethnicity Londoners is NVQ Level 2 or below, compared to 37% for all Londoners³⁷.

Although the proportion of young people in London who are Not in Education, Employment or Training (NEET) has fallen, it is still the case that nearly one in ten (83,000) 16 to 24 year olds in London are not in education, employment or training. In London, the youth

³¹ This information was provided in the 'Sector Skills' Round 1 procurement documents (of the Mayor's ESF 2019-23 Programme) and has been provided here as additional background for bidders if required.

³² <https://www.ippr.org/publications/the-future-of-childcare-in-london>

³³ <https://www.familyandchildcaretrust.org/childcare-survey-2018>

³⁴ <https://www.gingerbread.org.uk/policy-campaigns/publications-index/front-childcare-deposit-guarantee/>

³⁵ <https://www.gingerbread.org.uk/policy-campaigns/publications-index/front-childcare-deposit-guarantee/>

³⁶ Skills for Londoners, evidence base: https://www.london.gov.uk/sites/default/files/appendix_c_-_sfl_evidence_base_exec_summary_may_2018.pdf

³⁷ Skills for Londoners, evidence base. <https://www.london.gov.uk/sites/default/files/skills-strategy-evidence-base.pdf>

unemployment rate is 28% among 16 to 19 year olds and 11% among 20 to 24 year-olds, against a London-wide average of 6%³⁸.

Certain groups have significantly higher levels of NEET. 31% of 18-year-old care leavers are NEET; 32% of young black men aged 16 to 24 years old are unemployed; more than half (59%) of young people who have misused substances are NEET; and surveys amongst single homeless people have consistently found that between 80 and 90% are unemployed³⁹.

Apprenticeships can deliver an alternative to academic qualifications for Participants by providing more direct routes into employment in London's key sectors and real-world experience that provides employability skills early in careers. In London 2,326 Intermediate Level apprenticeships were registered on 25th May 2018. Relatively few young people in London go on to take up apprenticeships straight after GCSEs; 3% in outer London and 2% in Inner London compared to 6% in England.

Many London students are dropping out of their studies post-16. Studies carried out on behalf of London Councils have highlighted high dropout rates at age 17. They found that just under 25% of students beginning Level 3 qualifications dropped out of their sixth form before the age of 18; this is particularly prevalent in relation to vocational courses.

Many Londoners from the target groups identified face significant challenges to self-employment and free-lancing – options available through this Project – and without the right support can find themselves devastated by failing business experiences and poverty from poor financial return. Other business support initiatives, such as the work of the LEAP⁴⁰ tend to focus on outcomes for the economy. This Project builds upon and complements those efforts by addressing the societal, economic, and learning needs of entrepreneurs in sectors where there is high demand and under-representation.

There is significant jobs growth in digital technology and in the wider economy. Consequently, employer demand for digital technology skills is increasing. As more investment in enterprise emerges, technology will start to permeate every business as part of an overall drive to improve productivity and efficiency and this will evolve new forms of work and occupations. Also, non-digital technology companies are becoming more reliant on digital technology workers. Without a grasp of basic digital skills many occupations will be beyond the reach of those farthest away from the labour market.

There is clear evidence that digital and employability skills need to be embedded in all learning. In the UK, a report by the House of Commons Science and Technology Select Committee⁴¹ revealed that almost 90% of new jobs require digital skills to some degree, with 72% of employers stating they are unwilling to interview candidates who do not have

³⁸ Skills for Londoners, evidence base. <https://www.london.gov.uk/sites/default/files/skills-strategy-evidence-base.pdf>

³⁹ https://england.shelter.org.uk/__data/assets/pdf_file/0009/48627/Factsheet_Young_People_and_Homelessness_Nov_2005.pdf

⁴⁰ https://lep.london/content_page/london-business-growth-hub

⁴¹ Digital Skills Crisis - <https://publications.parliament.uk/pa/cm201617/cmselect/cmsctech/270/270.pdf>

basic IT skills. Research by Lloyds Bank in 2018⁴² revealed that 6% of Londoners do not have any basic digital skills and 11% of the working population in the capital do not have full basic digital skills. Basic digital skills include being able to communicate via email or social media, create and edit digital documents, search for information or protect personal information online.

Brexit will impact upon the prevalence and nature of skills shortages. The Centre for London⁴³ highlights that 'reduced access to European labour following Brexit could pose a particular challenge in a city where 15% of workers come from other European countries. There is increasing pressure on wages resulting from national policy and rising costs within London may be amplified by labour shortages, creating more pressure for automation.'

Sectors likely to be heavily impacted by any restrictive migration policy post Brexit - including Health and Social Care, Construction, Creative, Retail, Hospitality and Early Years - have raised concerns regarding their ability to recruit and retain the talent they need. The Citizens, Government and business⁴⁴ report by Deloitte highlights the risks and opportunities posed by potential changes to the UK immigration system post-Brexit combined with the disruptive impact of automation. The report recommends investment to upskill current and future workers. The Deloitte report suggests that 64% of London's young, high-skilled EU nationals are already considering leaving the UK in the next five years compared to 42% in the rest of the UK. This is of particular concern for those sectors in London that rely most on migrants from the European Union. In absolute terms, migrants from the European Union also make up a large number of workers in Professional, Scientific and Technical activities (75,000 jobs), Human Health and Social Work (61,000 jobs), and Education (58,000 jobs). Some of these sectors are also said to offer relatively low pay and often have comparatively informal recruitment processes and, consequently, may find it more difficult to adapt to new work permits and migration rules that may emerge. This, in turn, may strengthen the case for investment in automation unless London's labour market is able to respond to backfilling of EU labour and deliver the skills demanded by occupations at high risk of automation.

Deloitte concludes that 'cognitive, collaborative and creative skills will be the most marketable in the UK's jobs market in the coming years' and recommends that policymakers, business and educators continue working together to adapt the current education and training systems to meet these needs.

Within this context, supporting Londoners into key sectors at risk will be essential. The impact of challenges to London's labour market, like Brexit and Automation, will be monitored and tackled as part of this Project as they emerge.

⁴² UK Consumer Digital Index 2018 - https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/CDI-regional-factsheet-london.pdf

⁴³ https://www.centreforlondon.org/wp-content/uploads/2018/04/Centre-for-London_Human-Capital-Digital-Report.pdf

⁴⁴ <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/public-sector/deloitte-uk-the-state-of-the-state-report-2017.pdf>

Bidders should also review and take into consideration the Mayor's policies and strategies for ensuring a healthy London economy and competitive labour market. These include the Skills for Londoners Strategy, Economic Development Strategy, Culture Strategy and Sports Strategy.⁴⁵

⁴⁵ <https://www.london.gov.uk/get-involved/mayor-london-draft-strategies-and-consultations>

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