

**MAYOR OF LONDON**

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# **Local Skills Report**

LONDON

February 2022

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# Foreword

Since London's first Local Skills Report was published in March 2021, the capital's education and training providers have continued to work hard to meet the needs of learners and employers alike in very difficult circumstances.

Operating within the challenging confines of COVID-19 lockdowns and faced with an unprecedented economic crisis, providers and their learners have accessed a number of City Hall support programmes, in addition to national programmes.

These have included the £32 million Good Work for All Fund, as well as £10 million of capital investment which has supported ninety providers to offer online and remote learning and create COVID-19 safe physical learning environments.

The challenge is far from over. Whilst ONS estimates for the three months to October 2021 show employment in London nearing pre-pandemic levels, young Londoners remain among those hardest hit by the pandemic's impact, with the unemployment rate for 16-24-year-olds in the 12 months to September 2021 being 20.2%, compared with 13.7% average across the rest of the country.

This report sets out a number of programmes from the London Recovery Board's *Helping Londoners into Good Work* mission that will help to tackle this challenge as well as commitments in the Skills Roadmap for London to ensure adult education in the capital is locally relevant, makes a positive impact and is accessible to Londoners. Given the scale of the recovery challenge we face it is more important than ever that programmes and services are joined up and aligned to other important programmes coming forward centrally, such as Bootcamps and Multiply.

Now is, in fact, the right time for all such programmes to be led by mayors and local leaders, as part of a single fund. Such a step would ensure less fragmentation and build upon the success of the delegation of adult skills funding, by enabling local priorities to be met with the efficiency and responsiveness that our communities need and deserve.



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DEPUTY MAYOR  
PLANNING, REGENERATION & SKILLS



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LEADER  
LONDON BOROUGH OF  
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# Chapter 1 – Introduction

*London's Skills Advisory Panel was established in 2019. This chapter sets out the role of Skills Advisory Panels (SAPs) and how London's SAP is constituted.*

## Skills Advisory Panels: the national context

Since 2018, Skills Advisory Panels (SAPs) have been bringing together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. SAPs are part of the Greater London Authority, Mayoral Combined Authorities and Local Enterprise Partnerships, and there are 36 in total across England. The Department for Education (DfE) has supported SAPs with grant funding primarily to produce high-quality analysis of local labour markets and publish Local Skills Reports, which set out local skills strengths and needs and how each SAP proposes its area addresses its key priorities.

This second iteration of SAPs' Local Skills Reports comes at a time when DfE is Trailblazing new Local Skills Improvement Plans (LSIPs) in eight areas of the country. Developed by Employer Representative Bodies, LSIPs are part of a suite of reforms launched in DfE's "Skills for Jobs" White Paper that aim to put employers more firmly at the heart of the skills system. An evaluation of the eight Trailblazers will inform the national roll out of the programme. In the meantime, and before LSIPs are rolled out across the country, it is DfE's intention that Skills Advisory Panels and this year's Local Skills Report should continue to influence the behaviour of local partners and feed intelligence to central government, including to sectoral focussed skills teams and the national-level Skills and Productivity Board (SPB).

## The Skills for Londoners Board

The Skills for Londoners (SfL) Board acts as the SAP for London. The SfL Board was established by the Mayor of London in July 2018 and is a non-incorporated consultative and advisory body established under sections 30 and 34 of the Greater London Authority (GLA) Act 1999.

The [SfL Board Constitution](#) which includes its terms of reference, is available on the GLA website<sup>1</sup>. The SAP responsibilities were written into the constitution and endorsed by the SfL Board in April 2019.

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<sup>1</sup> Available at: <https://www.london.gov.uk/what-we-do/skills-and-employment/skills-londoners/governance-and-decision-making/skills-londoners-board>

The purpose of the Board is to advise on actions to support the Mayor's Skills for Londoners Strategy and his skills and employment programmes including, but not limited to, the Adult Education Budget (AEB). Its responsibilities as London's SAP include working to identify local skills priorities and recommending how these will be met through local education and training provision, both in the immediate future and looking ahead to the next decade.

An appendix to the Constitution provides additional detail on the SfL Board's roles and responsibilities as the SAP for London. In summary, this includes supporting development of the people element of the Local Industrial Strategy; utilising the Board's membership and networks to build an understanding of the wider skills dependencies in the local area; using its coordination role to work with other areas of the GLA (including [LEAP<sup>2</sup>](#) and the [SfL Business Partnership](#)) and partners to raise the profile of apprenticeships and improve access to quality careers information and guidance; sharing learning and fostering cooperation with providers; and sharing analysis and best practice with central government and key stakeholders and partners. London's SAP covers all 32 boroughs plus the City of London.

The SfL Board is co-Chaired by the Deputy Mayor for Planning, Regeneration and Skills, and London Councils' Executive Member for Skills and Employment.

The remaining membership comprises:

- four members from the London boroughs as nominated by London Councils and representing London's sub-regional skills and employment boards
- five members from provider representative bodies
- and five employer/business representatives, including nominees from other Mayoral bodies including LEAP and the Mayor's Business Advisory Board.

Full details of the current membership of the Board is available on the GLA [website](#).

There are a number of subordinate bodies to the SfL Board. These include representatives across a range of stakeholders including Association of Colleges, Association of Employment & Learning Providers, HOLEX, London Councils and the London Economic Action Partnership (London's Local Enterprise Partnership).

There have been several changes to the membership of the SfL Business Partnership since the Mayoral election in May 2021, partly due to job role changes, retirement or other work commitments, which has left several vacancies on the Partnership. Members of the SfL Business Partnership are recruited using an open recruitment process. Recruitment for new members went live before Christmas 2021 targeting the following five sectors aligned with priorities of the London Recovery Programme: social care; green; hospitality; logistics and aviation.

An announcement on the updated membership and Constitution of the Partnership is expected in spring 2022.

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<sup>2</sup> LEAP (the London Economic Action Partnership) is the Local Enterprise Partnership for London.

## Contact Information

Please email the following email address if you wish to find out more about the SfL Board, the Skills Advisory Panel for London: [SfL@london.gov.uk](mailto:SfL@london.gov.uk). The SfL Board website can be found [here](#).

### London's sub-regional partnerships

There are four non-statutory sub-regional partnerships<sup>3</sup> in London, which bring together the capital's 33 local authority areas to collaborate around inclusive economic growth and promote the interests of their areas. They are also responsible for major employment programmes such as the Work and Health Programme and the Job Entry Targeted Support (JETS) programme supporting those impacted by the Covid-19 pandemic. All four sub-regional partnerships are represented on the SfL Board.

Each sub-regional partnership is led by a board made up of Leaders and Chief Executives from member authorities and each of the four has a Skills and Employment Board to both develop and deliver the skills strategy relevant to its respective boroughs. These plans were developed to reflect and complement the work of the Mayor and Skills for Londoners Strategy priorities, and to feed the issues facing London's sub-regions into London-level skills policy and commissioning.

The impact of the pandemic on the different sub-regions will be reflected in future Local Skills Reports and sub-regional plans but in order to understand the emphasis and work of the sub-regions, links to their strategies and plans are set out below.

The four sub-regional partnerships in London are: the West London Alliance (WLA), South London Partnership (SLP), Central London Forward (CLF) and Local London (LL).

The **West London Skills and Employment Board** is chaired by Cllr Steve Curran, Leader of the London Borough of Hounslow. The board brings together key players in the skills and employment system across the seven West London boroughs covered by the West London Alliance. Its priorities are set out in the agreed [Skills and Productivity Strategy 2018-23](#) and also in the [Build and Recover plan for economic recovery](#). The board has recently commissioned two reports: [How the Coronavirus has affected the West London economy](#), and [Improving understanding of the demand for and supply of skills in the West London labour market](#).

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<sup>3</sup> **Central London Forward:** Camden, Islington, Hackney, Kensington & Chelsea, Westminster, City of London, Tower Hamlets, Wandsworth, Lambeth, Southwark and Lewisham. **Local London:** Barking and Dagenham, Bexley, Enfield, Greenwich, Havering, Newham, Redbridge and Waltham Forest. **South London Partnership:** Croydon, Kingston upon Thames, Merton, Richmond upon Thames and Sutton. **West London Alliance:** Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow.

The **South London Skills and Employment Board** is chaired by Cllr Gareth Roberts, Leader of Richmond upon Thames Council. The board is made up of local businesses, training providers, third sector, GLA and council representatives, working collaboratively to provide leadership and strategic oversight on skills and employment in south London. In light of Covid-19, the board is reviewing its [Skills for South London Strategy](#), and remains committed to securing a skills system that will equip its residents with relevant skills to support growth and productivity in south London.

**Central London Forward's (CLF) Employment and Skills Board** is chaired by John Biggs, Mayor of Tower Hamlets and brings together the twelve CLF boroughs plus stakeholders including GLA, London Councils and representatives from the employment, training and skills sector. The board aims to engage a wide range of stakeholders to provide strategic direction on CLF's employment and skills work. The board's priorities are outlined in its [Skills Strategy](#).

The **Local London Skills and Employment Board** is chaired by Cllr Nesil Caliskan, Leader, London Borough of Enfield and is made up of political and organisational representatives across the eight member authorities. A focus on the work of Local London, its skills and employment priorities and a response to the government's levelling up agenda can be found in Chapter 2.



## Chapter 2 – Skills strengths & needs

*This chapter sets out some of the key characteristics of London’s labour market and skills landscape, and includes a number of early considerations of the economic impact of the COVID-19 pandemic on the capital.*

### **Summary of key skills strengths:**

- London has comparative economic strengths in areas including finance, digital and creative industries – potential growth sectors post-COVID-19, where clustering of activity in the capital has created fertile ground for innovation and expansion.
- A high share of the capital’s labour force is employed in higher paying and skilled industries and occupations, and London is one of the most productive regions in Europe.
- A high and growing share of London residents have higher level qualifications, and London has the highest rate of progression to higher education of any region in England.
- London has highly rated further education and skills providers and several world-leading universities, including four universities ranked among the world’s top 40.
- The capital has seen strong working age population growth over recent decades – drawing in workers and graduates from across the UK and beyond.
- London saw significant improvements in headline labour market indicators up to 2019, with employment rates improving significantly in the decade before the coronavirus pandemic.

### **Summary of key skills challenges:**

- London faces persistent inequalities in skills and labour market outcomes, with some groups – e.g. Black Londoners, disabled Londoners and those with lower qualifications – facing greater challenges finding jobs and progressing in work.
- These challenges have been highlighted and, in some cases, exacerbated by the economic impacts of the pandemic, with (for example) the steepest rise in the claimant rate in the capital’s most deprived neighbourhoods.
- There are also signs of an increase in low-quality work, with a rise in low-pay and insecure employment.
- There is also variation in education outcomes between London boroughs, low take up of apprenticeships relative to population, and a declining rate of participation in job-related training or education by employees.

- There are continued challenges meeting employer skills requirements, with increasing recruitment difficulties and risks to labour supply in relation to COVID-19 and EU exit.

**Summary of key skills needs:**

- Employers have significant requirements for higher-level skills to maintain London's position as a high-skilled economy and labour market.
- The capital has changing skills requirements due to technological change, including automation, and economic changes related to COVID-19.
- Given the need to meet net-zero commitments, there is an urgent need to increase education provision in areas that are relevant for green jobs, as well as a need to retrain and upskill those in work.
- There is also a need to support Londoners, including those from disadvantaged groups, to access jobs and apprenticeships in priority sectors to address employment gaps and support recovery.

An updated Annex: [Core Indicators and Additional Data](#)<sup>4</sup> has been published alongside this Local Skills Report. This chapter draws out key contextual issues relating to skills strengths, challenges, and priorities. Supporting evidence is also drawn from the Skills for Londoners Strategy: [Evidence Base](#)<sup>5</sup> and the [Evidence Base](#)<sup>6</sup> for London's Local Industrial Strategy, among other sources.

### Key skills strengths

London is a large and productive city, with a dynamic economy and a highly skilled workforce. The capital is home to 16% of England's population but generates around 28% of Gross Value Added. Evidence from different sources point to it as being one of the most productive regions or metropolitan areas in Europe.<sup>7</sup>

London's population increased significantly before the coronavirus pandemic, boosting the supply of labour available to employers. Its residents are younger and more ethnically diverse than in the rest of England, including other city regions.<sup>8</sup> The population has also become more highly qualified over time: nearly 6 in 10 working age residents (59%) held an NVQ4+ qualification in 2020, up from 41% in 2010.

These trends partly reflect London's attraction to graduates and workers from other parts of the country. They also reflect migration trends, with large numbers of international

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<sup>4</sup> [Our Datasets – London Datastore](#)

<sup>5</sup> GLA Economics (2018) [Skills strategy for Londoners: Evidence Base](#)

<sup>6</sup> GLA Economics (2020) [The Evidence Base for London's Local Industrial Strategy–Final report](#)

<sup>7</sup> e.g. ONS (2018) [Regional and subregional productivity comparisons, UK and selected EU countries: 2014](#)

<sup>8</sup> The median age in London is 35.8 years, compared to 40.2 in the UK overall. According to the ONS, those identifying as White British accounted for only 43% of London's population in 2019 compared with 78% for England overall.

migrants having moved to London over recent decades.<sup>9</sup> While international migration is partly offset by internal out-migration among residents aged 30 and over, many workers also commute into the capital from the surrounding area.

London saw significant jobs growth in the lead up to the pandemic. The total number of jobs in the capital increased by 1.1m between 2010 and 2019 – a rise of 25%. The economy features concentrations of jobs in higher-paid, knowledge-intensive service activities, such as finance (including green finance), digital and the creative industries. But the composition of the economy varies across the capital, and London also has large numbers of jobs in a range of other sectors, including retail, hospitality and health and care.

For those who know how and where to access them, the capital offers access to a wide range of work and learning opportunities.

Many young Londoners are well-positioned to benefit from these opportunities. The capital has the highest percentage of pupils going into sustained education destinations after key stage 4 of any region in England, and the highest progression rate to higher education by age 19, boosted by strong outcomes for those from disadvantaged backgrounds.<sup>10</sup> London is also home to highly rated further education and skills providers and several world-leading universities, including four universities which are ranked among the world's top 40.<sup>11</sup>

Even with strong population growth, headline labour market indicators improved in recent years. The employment rate in London had been rising in the lead up to the coronavirus pandemic, and unemployment falling. For the three months to February 2020, London's working age employment rate was over 6 percentage points higher than its pre-financial crisis peak, having converged with the UK average (76.7% vs. 76.6%).

These positives are only part of the picture, however. London's economy and labour market face significant challenges too. Many of these have been highlighted and, in some cases, exacerbated by the pandemic.

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<sup>9</sup> Workers born outside of the UK accounted for 70% of (net) jobs growth in London between 2010 and 2020.

<sup>10</sup> For example, for state-funded mainstream schools in 2019/20, 91.5% of disadvantaged pupils (i.e. those eligible for pupil premium) in London were in a sustained education, apprenticeship or employment destination in the year after completing key stage 4 study (after year 11), compared to only 88.2% nationally.

<sup>11</sup> Times Higher Education (2021) [Times Higher Education World University Rankings 2021](#)

## Impacts of COVID-19

London's labour market has (so far) been comparatively hard hit by the coronavirus pandemic and the measures to contain it. For example:

- The number of pay rolled employees living in London was only 0.1% higher in November 2021 than in February 2020 – the slowest recovery of any UK region or country (employee numbers were up 1.5% in England overall).
- The [unemployment rate](#) among Londoners was estimated at 5.4% in the three months to November 2021 – still up by 0.9 percentage points on its pre-pandemic level and second highest among UK regions and countries.
- As outlined by the [Institute for Fiscal Studies](#), Londoners also 'suffered from higher rates of redundancy, lower rates of re-employment after redundancy and lower growth in vacancies' during the pandemic.

In December 2021 four of the ten UK local authorities with the highest claimant rates were in London: Haringey, Newham, Barking and Dagenham and Brent. Within the capital, the pandemic is also likely to have exacerbated labour market inequalities, with the steepest rise in the claimant rate in the capital's most deprived neighbourhoods.

And while a labour market recovery had been underway in recent months, prior to the emergence of the Omicron variant, the recovery in the capital had generally trailed the rest of the country and had been uneven between sectors and groups of Londoners.

See the 'Note on Impacts of Covid-19' in the [Annex](#)<sup>12</sup> document for more information.

## Skills challenges for Londoners

### *Barriers to work*

Headline labour market outcomes conceal substantial inequalities. Many Londoners face significant barriers to work (including cost of and access to housing, education, childcare and transport), leaving some unable to benefit fully from the opportunities in their own city.

Young Londoners face particular challenges, partly as a result of the pandemic. The employment rate for 16-24-year-olds was 1.9 percentage points lower in the three months to September 2021 than for the same period in 2019, while there were still 5% fewer pay rolled employees aged 16-24 in September 2021 than in February 2020. Even before the pandemic, youth unemployment in London was higher than the national average. But that gap has widened recently, with 20.2% or 95,000 young Londoners unemployed in the 12 months to September 2021 – around 24,000 higher than pre-pandemic (2019) levels.<sup>13</sup>

<sup>12</sup> [Our Datasets – London Datastore](#)

<sup>13</sup> According to the ONS Annual Population Survey around 94,700 young Londoners were unemployed in the 12 months to September 2021. The unemployment rate for 16-24-year-olds was 20.2% during this period, compared with 13.7% for England on average. This difference (6.5 percentage points) equates to an extra 30,400 unemployed Londoners aged 16-24. Before the pandemic, in the 12 months to December 2019, the youth unemployment rate in London had fallen to 14.6% - this was still above the England average, although the gap (2.9 percentage points) had narrowed considerably.

In addition to challenges facing young people, employment rates in London are below the national average for disabled Londoners as well as for (female) parents.<sup>14</sup> There are also persistent inequalities in outcomes for residents from different ethnic backgrounds<sup>15</sup>, large variations in employment rates for people living in different parts of the capital, and income and employment challenges facing London's self-employed and part-time workers.

London residents with low or no qualifications are also less likely to be in employment than their counterparts elsewhere. Although the proportion of Londoners in this group has fallen over time, many Londoners still lack higher-level qualifications.<sup>16</sup> This is of particular concern given that Londoners with lower-level qualifications have been hit particularly hard by the pandemic and may find it more difficult to bounce back into employment.<sup>17</sup>

### *Low pay and quality of work*

While there have been improvements in employment rates in London in the last decade, there have also been growing concerns about the quality of work on offer in the capital.

A growing share of employment in London can be characterised as insecure, with a quarter (24%) of 'gig economy' workers residing in the capital.<sup>18,19</sup> The proportion of jobs paid below the London Living Wage also increased over the last decade, particularly among Londoners without higher-level qualifications.<sup>20</sup> More recently, 15% of employed Londoners surveyed in mid-October 2021 said that their pay or hours had been reduced due to the pandemic, rising to 26% for Londoners who had previously been on furlough.<sup>21</sup>

Insecure work can have negative impacts on productivity and wellbeing. Workers in insecure employment generally have fewer opportunities for training and progression and tend to be lower paid.<sup>22</sup> In some cases, being in poor quality work can be just as detrimental to an individual's health and wellbeing as not being in work.<sup>23</sup> There are also growing concerns around the impact of rising living costs on low-income households, and how those Londoners that are being paid less than the London Living Wage will meet these increased outgoings.<sup>24</sup>

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<sup>14</sup> When compared to the average rate of employment for all working age Londoners in 2020 (75%), employment rates were relatively low among women (71%), disabled Londoners (52%), and Londoners without formal qualifications (40%).

<sup>15</sup> GLA Intelligence (2021) [Economic Fairness - Employment Gaps](#)

<sup>16</sup> There were 691,000 residents aged 16-64 without qualifications at NVQ2 or higher in 2020, including 318,400 Londoners who have no qualification at all. Source: ONS Annual Population Survey.

<sup>17</sup> ONS (2021) [Which groups find it hardest to find a job following a period out of work?](#)

<sup>18</sup> Learning and Work Institute (2021) [Better Work Audit: Job quality in London over the last decade](#)

<sup>19</sup> Department for Business, Energy & Industrial Strategy (2018) [The Characteristics of those in the Gig Economy](#)

<sup>20</sup> Around 17% of employee jobs in London paid below the London Living Wage in 2021, up from 13% in 2010. The incidence of low pay has declined in the last few years, particularly in 2021. However, this is partly down to the distorting effects of the pandemic and furlough. Source: Trust for London (2021) [Low-paid jobs in London](#)

<sup>21</sup> YouGov / Mayor of London Survey. Sample Size: 1176 London Adults; Fieldwork: 15th - 19th October 2021.

<sup>22</sup> Living Wage Foundation (2021) [The insecurity complex: low paid workers and the growth of insecure work](#)

<sup>23</sup> Chandola, T. and Zhang, N. (2017) [Re-employment, job quality, health and allostatic load biomarkers: prospective evidence from the UK Household Longitudinal Study](#)

<sup>24</sup> e.g. Joseph Rowntree Foundation (2022) [UK Poverty 2022: The essential guide to understanding poverty in the UK.](#)

### *Wider educational context*

Although school performance has increased significantly over the past 15 years, low levels of education and skills continue to hold back many young people and adults.

The increase in progression to higher education among young people growing up in London is a major success. However, progression rates still vary between different parts of the capital, with around two-thirds of young people growing up in Westminster and Harrow going to university by age 19 compared to less than 40% in Havering.<sup>25</sup> Students from disadvantaged backgrounds (e.g. those who received free school meals) also continue to be less likely to attend university by age 19 than their wealthier peers, while non-continuation rates at London universities are higher than the national average.<sup>26</sup>

### *Apprenticeships*

The overall volume of apprenticeship starts in London is high in absolute terms and increasingly geared towards higher levels. But while participation has increased over the last decade, the number of starts relative to the population remains low. London accounted for just 12% of apprenticeship starts in England in 2020/21, with only 6 starts per 1,000 residents aged 16-64, compared to 9 starts per 1,000 across England as a whole.

This is partly explained by higher progression rates to university or higher education, and partly because jobs in London are weighted towards 'low-apprenticeship employing' sectors.<sup>27</sup> Yet over 1 in 10 London employers also lack awareness and/or good knowledge about what is involved in an apprenticeship (8% nationally), suggesting that more could be done to promote take-up among employers. There are also comparatively few apprenticeships in areas like construction, planning and the built environment (3% of achievements in London in 2020/21), indicating potential opportunities for growth.<sup>28</sup>

### *Employer provided training*

The overall profile of employer training provision in London is similar to the national picture. However, there are signs that the level of workplace training is not being maintained over time: only 17% of working age Londoners were in receipt of job-related training in the last 13 weeks in the 12 months to June 2021, down from 20% in 2004 and 18% before the pandemic. There is also variation between different parts of the capital.<sup>29</sup>

There is an important inequality dimension to training at work: more qualified Londoners are disproportionately likely to benefit, while cost and lack of time are barriers to others for taking on learning opportunities. This inequality contributes to a widening skills gap,

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<sup>25</sup> Department for Education (2021) [Widening participation in higher education](#)

<sup>26</sup> Social Market Foundation (2019) [Building on success: Increasing higher education retention in London](#)

<sup>27</sup> A greater proportion of employment in London is in service sectors that tend to employ fewer apprentices.

<sup>28</sup> Two sector subject areas – business, administration, and law (37%) and health, public services and care (21%) – accounted for almost three in five apprenticeships achievements in London in 2020/21.

<sup>29</sup> The percentage of Londoners in receipt of job-related training varies widely at a sub-regional level. For the 12 months to June 2021, this ranges from 25% in Wandsworth to only 8% in Waltham Forest. See section 2 in Annex A.



despite evidence that those in mid-skilled roles receive a higher wage boost from training.<sup>30</sup>

### **Skills challenges for London employers**

London's economy faces significant headwinds in relation to the UK's exit from the EU and the coronavirus pandemic. Looking ahead, employers could face challenges in accessing labour and skills which risk undermining London's success and future growth.

#### *Migrant workers*

Migrant workers play a vital role in London's labour market and economy. The proportion of jobs held by workers born overseas is far higher than in the rest of England – 41% of jobs in London were held by workers born outside of the UK in 2020, including 14% of jobs which were held by European Economic Area (EEA) born workers. It also varies considerably between sectors: almost two thirds (65%) of London hospitality jobs were held by workers born overseas in 2020.

It is still too early to reliably quantify population change since the start of the pandemic.<sup>31</sup> However, the far higher proportion of migrant workers in the capital's labour market means that a bigger-than-expected fall in international migration – because of changes to the immigration regime and/or COVID-19 – would have a major impact on London's potential supply of labour. Some London employers are already facing challenges when filling roles, particularly those with a reliance on EEA workers. This includes employers recruiting for workers in construction, hospitality and health related positions (among others).

#### *Skills shortages/mismatches*

The most recent Employer Skills Survey found that 15% of London employers had either a skills gap or skills shortage vacancy in 2019. At that time, London had more skills shortages vacancies than in any other UK region: an estimated 38,000 vacancies were proving hard-to-fill due to skill-related issues. The construction sector had the highest incidence of skill shortage vacancies in 2019, followed by health and social work.

More recently, the London Business 1000 survey suggests that there was an increase in the proportion of London businesses facing skills-related challenges last year. Only 40% of decision-makers said that their business did not face any skills challenges in July to September 2021, down from 49% in 2020.<sup>32</sup> This is consistent with local intelligence, which indicates that a wide range of sectors and occupations are facing issues, partly due to workers leaving jobs in certain sectors (such as adult social care and construction).

This increase in skills-related challenges – most pronounced in relation to skilled manual/technical roles – is attributed to a range of factors. In line with the evidence above, Brexit was identified by businesses as the main prospective skills and labour market challenge

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<sup>30</sup> ONS (2019) [Characteristics and benefits of training at work, UK: 2017](#)

<sup>31</sup> GLA City Intelligence (2021) [Population change in London during the COVID-19 pandemic](#)

<sup>32</sup> London Chamber of Commerce and Industry / London Councils (2021) [London Business 1000 \(year 5\)](#)

over the next 12 months in the London Business 1000 Survey (identified by 34% of businesses), while over a fifth (21%) cited skills shortages among job applicants. A faster-than-expected recovery in demand in sectors hardest hit by the pandemic could also be a factor in some cases.<sup>33</sup>

Evidence of recruitment difficulties, despite unemployment remaining above its pre-pandemic level, suggests that there are frictions in matching available workers with job vacancies.<sup>34</sup> While there are signs that sectoral mismatch has reduced in recent months<sup>35</sup>, more granular mismatches, at the level of skills or within regions, may remain an issue.

### **Future skills needs**

While London's short-and medium-term economic outlook remains unclear, COVID-19, alongside wider forces such as automation, ageing and climate change, are likely to have significant implications for the employment and skill system in the coming years.

#### *Demand for higher-level skills*

Although London has one of the most qualified workforces in the country, evidence suggests that there will be an ongoing requirement for higher-level skills in the coming years. According to the Employer Skills Survey 2019, a comparatively high proportion – over two-thirds – of London employers anticipated the requirement to develop the skills of their workforce in the coming year. According to the latest Working Futures forecasts, produced prior to COVID-19, the percentage of employed people holding at least a first degree as their highest qualification was also expected to increase from 52% in 2017 to 64% in 2027.

#### **Priority sectors**

Priority sectors for the Mayor's Academies Programme have been identified as:

- Digital
- Health and social care
- Green
- Creative industries
- Hospitality

These sectors have current and long-term economic growth and job creation potential or, in the case of health and social care, are playing an important social and economic role in supporting London's recovery. For a description of the priority sectors, including sectors identified by the Department for Education, see Annex B.

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<sup>33</sup> Note: workforce jobs numbers rose across most sectors in 2021, with 45,000 more jobs in consumer-facing sectors in London in September 2021 relative to December 2020 (albeit this was still 42,000 lower than pre-pandemic).

<sup>34</sup> The pandemic has had uneven sectoral impacts in London, more so than elsewhere. These uneven impacts – with (for example) job losses focused on contact-intensive sectors – may have contributed to an increase in sectoral mismatch.

<sup>35</sup> e.g. see: Bank of England (2021) [Monetary Policy Report November 2021](#)



### *Changing economic needs*

London's economy has proven resilient to previous economic shocks.<sup>36</sup> But the potential for structural shifts related to the pandemic could generate further labour market mismatches. If working from home remains prevalent in future, and depending on the recovery in tourism, a significant number of central London jobs in retail, hospitality and arts & recreation could be at risk of being lost or relocated.<sup>37</sup> These sectors are more likely to employ young people and those with fewer qualifications, so there is a risk of widening the disparities in London's labour market. According to OECD analysis developing 'transversal skills' is key if workers are to become resilient to future shocks.<sup>38</sup>

### *Automation/digitalisation*

Because of the distinct sectoral and occupational composition of London's economy, the probability of jobs in the capital being automated is generally lower than elsewhere. Nonetheless, tasks in almost every job are likely to change as interaction with technology increases.<sup>39</sup> There is expected to be increased demand for social, creative, and logical reasoning abilities, especially at more advanced levels.<sup>40</sup> There is also expected to be significant increases in demand for digital skills. Upskilling employees' digital skills is already the highest priority for London businesses in training their workforce<sup>41</sup>, with signs that digital skills will be in even greater demand due to remote working.<sup>42</sup>

### *Transition to a greener economy*

Overall, the transition to a greener economy will have an impact across a wide range of jobs and sectors. There were an estimated 234,000 jobs in green priority sectors (i.e. those that have an important role to play in meeting net zero and environmental goals) in London in 2020, with the number of jobs in these sectors expected to grow to 505,000 by 2030 (in a central scenario).<sup>43</sup> Jobs growth will be particularly strong in:

- Green finance (137,600 jobs in 2030, up from 50,700 in 2020)
- Homes and Buildings (117,600 jobs in 2030, up from 58,200)
- Power (126,600 jobs in 2030, up from 82,900)
- Low Carbon Transport (69,200 jobs in 2030, up from 13,700)

Although jobs are also expected to be lost in the transition to net zero, the overall net impact on jobs in London is expected to be positive. To meet the projected expansion in green priority sectors in the coming decade, there is an urgent need to increase education provision in subjects and courses that are relevant for green jobs. There is also a need to

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<sup>36</sup> e.g. Martin, R., & Gardiner, B. (2019) [The resilience of cities to economic shocks](#)

<sup>37</sup> Arup (2021) [The Economic Future of the Central Activity Zone \(CAZ\)](#)

<sup>38</sup> OECD (2021) [OECD Skills Outlook 2021](#)

<sup>39</sup> In a 2018 survey, 65% of London businesses expected automation to change their skills needs by 2025, compared to 61% for the UK. Source: London First (2018) [Employment and Skills Action Plan for London](#)

<sup>40</sup> Deloitte (2014) [Agiletown: The Relentless march of Technology and London's Response](#)

<sup>41</sup> London Chamber of Commerce and Industry / London Councils (2021) [London Business 1000 \(year 5\)](#)

<sup>42</sup> London Chamber of Commerce and Industry (2021) [Q3 2021 Quarterly Skills Survey](#)

<sup>43</sup> WPI Economics (2021) [Green Jobs and Skills in London: cross-London report](#)

support those already in the labour market to retrain and upskill to acquire the skills that they need. However, evidence suggests that the proportion of workers in receipt of training is relatively low in the occupations most affected by greening.<sup>44</sup>

The transition to a greener economy will have wide-ranging and variable impacts on skills and training requirements. There are likely to be increased requirements for general construction workers and electricians, areas where London employers already report skills shortages. At the same time, enabling STEM skills and generic project management and customer service skills will also be needed. In line with the digital section above, digital technology is also seen by employers as a vital tool for reducing carbon emissions.<sup>45</sup>

## Sub-regional partnerships

Each year's Local Skills Report will feature a profile of one of London's four Sub-Regional Partnership areas, providing a closer look at areas of the capital's labour market. This year's report features Local London.

### ***Focus on Local London***

Local London is one of London's four sub-regional partnerships and covers the London boroughs of Barking and Dagenham, Bexley, Enfield, Greenwich, Havering, Newham, Redbridge and Waltham Forest.

Whilst its most recent skills strategy (published in 2018) is currently being updated, the sub-region has recently [commissioned a report](#) by Localis, which sets out the role of east and north east London in local, regional and national growth as part of the government's levelling up agenda.

The report's main points include:

- The Local London area lags the rest of the capital on skills, limiting the opportunities of residents and reducing the desirability of the sub-region as a location for business.
- Raising the skill level locally is commensurate with the goal of levelling up the sub-region in general.
- Emerging sectors have potential to broaden the local skills base, but also to enable construction for development and regeneration.
- Realising these benefits requires a well-funded skills strategy aligned with the wider vision for London, but still responsive to the challenges faced by Local London residents.

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<sup>44</sup> GLA Economics (2022) [Identifying Green Occupations in London](#)

<sup>45</sup> RCU Ltd (2022) [Green Skills Adult Education Provision in London](#)

- The pandemic's impact marginalised many vulnerable residents causing further strain on already struggling public services.
- The proportion of Local London workers furloughed, and those who lost their job entirely, is higher than the national - and in some cases the London – average.
- The wage gap between the top and bottom earners is pronounced in Local London, with the bottom 25% of Enfield residents earning on average £545 less a week than the top 25% of earners.
- The high concentration of people with precarious working conditions has been put forward as the driving factor behind the high infection rates in the boroughs of Redbridge, Barking & Dagenham and Newham.
- The decline of key industries in the second half of the 20th century caused a 'locking out' of the labour market for some communities, resulting in generational unemployment.
- Programmes to increase labour market engagement and boost economic activity have the potential to alleviate income inequality and boost the overall contribution to the national economy.

**Local London – labour market characteristics:**

- Population projections show that the highest levels of projected growth in London are in Local London boroughs.
- Future skills and adult education funding needs to take account of this to ensure residents have access to training to increase their skills, gain qualifications, and secure good work.
- Local London is still experiencing the economic impact of the pandemic, with Universal Credit claims still above the London average in most boroughs.
- Five of the eight boroughs have claimant rates that have reduced less than the London average compared to the peak of claims in February 2021.
- Skills shortages are reported in health and social care, with a lack of qualified candidates making vacancies for care and childcare difficult to fill. Employers want to recruit Level 3 qualified carers and childcare staff.
- Local London's employment support programmes are able to meet employer needs in other sectors with high demand - including construction, security and catering - by paying for 'job ready' requirements such as licences to practice.

## Chapter 3 – London’s Recovery Missions

*This chapter provides an overview of the activity now underway as part of **Helping Londoners into Good Work**, one of the nine missions established by the London Recovery Board in 2020 in response to the COVID-19 coronavirus pandemic.*

In the previous Local Skills Report published in March 2021, we described the work of the Skills for Londoners Board and the Skills for Londoners Strategy, which set out priorities across three key overarching themes:

- **Priority 1:** Empower all Londoners to access the education and skills to participate in society and progress in education and work
- **Priority 2:** Meet the needs of London’s economy and employers, now and in the Future
- **Priority 3:** Deliver a strategic city-wide technical skills and adult education offer

Whilst the principles underpinning these priorities remain unchanged as we respond to the impact of the coronavirus pandemic, our focus on how these will be achieved is now articulated across the nine **Recovery Missions** established by the London Recovery Board (LRB) in late 2020, following extensive stakeholder consultation and working in partnership with London Councils and the boroughs.

Since the Mayor was re-elected to a second term of office in the spring of 2021, the LRB’s missions have provided the framework for how all of City Hall’s performance against its targets will be measured.

For the purposes of this report, we will focus on the outputs that will be achieved through the **Helping Londoners into Good Work** mission, in which the main skills and employment activities sit that will address some of the challenges that we now face in the priority sectors of London’s economy. We will use the **London Economic Recovery Framework** – in particular the Jobs pillar – to monitor our progress on a number of programmes now underway, further details of which are set out below and elsewhere in the report.

### **Helping Londoners into Good Work Mission.**

The Mission will contribute to London’s wider recovery in a number of ways:

- By **supporting Londoners hardest hit by the pandemic** including young people, newly unemployed, people with caring responsibilities and people at risk of redundancy into good work, while ensuring that Londoners with the most complex needs are not left behind.
- By coordinating skills, careers and employment support so there is ‘**no wrong door**’ for Londoners; and ensuring that employment and enterprise provide a secure route out of poverty.
- By establishing **sector specific London 'Academies'** to support Londoners to gain relevant skills and move into good work in digital; health and social care; green economy, and creative and cultural industries.
- By close working with employers and job creation initiatives such as green recovery to **promote good work**.

### **Mayor’s Academies Programme**

The Mayor’s Academies Programme (MAP) aims to support Londoners hardest hit by the pandemic into good work in sectors key to London’s recovery and long-term economic growth, as part of the London Recovery Programme. It will do this by providing financial support for the coordination and quality marking of training in London (including adult education) and the provision of bespoke support to help newly skilled people into work in our priority sectors.

The programme design builds on the learning of the Mayor’s Construction Academy (MCA) which sought to address skills gaps facing the construction sector, creating more opportunities for Londoners to benefit from good work opportunities. It also builds on the work of the Mayor’s Workforce Integration Network (WIN), which was established to address the structural barriers that prevent underrepresented groups from accessing high-quality work opportunities across the different sectors in London. The MAP will build on the first phase, which has focused on supporting young Black men aged 16-24 into quality employment in the digital, tech and construction sectors.

The sectors that have been identified to form part of this work are as follows:

- Creative
- Digital
- Green
- Health & care
- Hospitality

These sectors include some or all of the following features: high vacancy rates; skills shortages; provision that does not consistently meet employer need or is not accessible; lack of workforce diversity/barriers to entry for specific groups; and ‘Image’ of the sector or lack of awareness amongst potential applicants.

The programme work strands include:

- **hubs** – revenue funding to support the development of partnerships between employers, training providers and others, and AEB funding for job outcome incentive payments to training providers
- a **Quality Mark** awarded by the GLA to training providers who deliver high-quality provision which responds to the needs of the key sectors
- **bespoke support for excluded groups**, to help those facing structural barriers to accessing employment in the key sectors
- a **communications campaign** to champion adult education and careers in the key sectors to London learners
- **capital funding**– supporting the FE sector to deliver effective and relevant provision.

For further information on expected outputs and outcomes for the programme hubs, please see the next chapter.

### **No Wrong Door**

The No Wrong Door (NWD) initiative responds to a set of long-standing challenges related to fragmentation of services, entrenched silos and a lack of join-up and local responsiveness in the skills and employment system.

The GLA and London Councils have worked with key stakeholders across London – including DWP and the borough sub-regional partnerships, to produce working definitions of NWD that set out a clear vision of how the system could look different:

- for Londoners, NWD will mean that no matter what their starting point or which service they access first, they will be connected to the right type of support, at the right time, to help them on their journey to good work
- for service organisations and providers, NWD will mean a clear and shared understanding by all partners of the pathways to good work in their area, including coordinating the services available to support this, which will allow Londoners, delivery partners and other stakeholders to be referred to and access services that are right for them, or the individuals they are supporting
- NWD will support multi-agency, person-centred models of practical support that put the needs of service users and job seekers at the heart of service planning and provision
- while the most immediate priority is to improve integration between skills and employment related organisations, NWD is also about building strong partnerships and pathways with other vital services in sectors that are critical to residents'

journeys to and through work, including health services, housing, childcare, and Voluntary and Community Sector (VCS) support.

## Chapter 4 – Assessment of progress

*In this chapter we present a summary of progress made across our wider skills portfolio, including two of the new programmes forming part of the Helping Londoners into Good Work Mission.*

In the previous Local Skills Report we set out the full list of measures that the Mayor undertook in direct response to the economic impact of the pandemic, culminating in the repurposing of £25 million of AEB funds to support London’s recovery.

Since then, and as shown in the preceding chapter, a range of new programmes to support the wider adult provision offer in London has been developed.

Here, we set out progress with our ongoing programmes of work and introduce what we will achieve with the new programmes, that build on support we have made available to date and which shall soon be underway.

### Ongoing programmes

#### Adult Education Budget (AEB)

The largest programme supporting the priorities set out in the SfL Strategy is the **Adult Education Budget**, which amounts to circa £318m per year.

The AEB funds the delivery of education and training for learners aged 19+. Around 80% is awarded through a grant process to providers including FE colleges and local authorities and 10% is awarded via a competitive tender.

In 2021, 39 organisations commenced delivery of the £32m AEB funded Good Work for All Grant Programme. The programme will deliver until the end of the 2022/23 academic year. This also includes funding which is part of Government’s National Skills Fund covering the new Level 3 offer.



## AEB Summary Statistics<sup>46</sup>:

The latest data shows the AEB continued to make a significant contribution to the London Recovery Board missions despite a drop in participation levels from the previous academic year. The data showed positive impacts for the policy changes introduced by the Mayor to support recovery; Nearly 20,000 Londoners utilised the Mayor's low-wage flexibility which helps people earning less than the London Living Wage upskill through the AEB. Nine hundred and thirty adults upskilled through Level 3 qualifications introduced by the Mayor to help people impacted by the pandemic. While the Mayor's Covid-19 Skills Recovery Package supported 10,740 learners that enrolled in 16,020 qualifications.

### Learner participation

- From August 2020 to July 2021, there were 199,000 GLA-funded learners in London.
- Total learner participation decreased by 7% compared to 213,480 in the same period in 2019/20, which is in line with the national picture.
- The drop in adult (19+) participation is mostly driven by Community Learning. In London, Adult Skills participation increased by 5% (education and training participation decreased by around 1% nationally); and Community Learning participation decreased by 29% (decreased by around 32% nationally).
- Amongst learners participating in the AEB programme:
  - 69% were female;
  - 56% were from a Black or Minority Ethnic background (including Mixed, Asian, Black and Other Ethnic Group learners);
  - The majority were aged 24-49 (64%);
  - 13% consider themselves to have a learning difficulty and/or disability and/or health problem;
  - In Adult Skills learning, 49% of learner participation were eligible for the disadvantage uplift funding;
  - 6% of the total number of learners received learner support to enrol in 12,290 courses.

The background characteristics of learners in 2020/21 and 2019/20 are largely similar.

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<sup>46</sup> See [London Datastore](#)

Statistics relating to specific Mayoral policy changes<sup>47</sup>

- There were 34,130 learners taking 51,180 ‘entitlement’ learning courses<sup>48</sup> (aims enrolments decreased by around 10% compared to 2019/20);
- In AEB learning, there were 19,990 learners in receipt of low wage that participated in the Adult Skills stream of the AEB programme. They enrolled in 38,060 aims ranging from Entry Level to Level 3. These learner numbers remained stable - despite lockdown restrictions - when compared to the same period in the previous year, with aims enrolments increased by around 10% compared to 2019/20).
- In the context of the Covid-19 pandemic, 40 learners enrolled in British Sign Language courses (which the Mayor fully funds) and 70 learners were funded through the SEND funding flexibility.
- The Level 3 flexibility supported 930 adult learners taking Level 3 qualifications.
- In September 2020, the Mayor approved a series of measures to support Londoners as part of the COVID-19 Skills Recovery Package. This includes three strands of delivery, comprising high value courses for learners aged 19 and over, sector-based work academy programmes and London Recovery Programmes. By 31 July 2021, the COVID-19 Skills Recovery Package supported 10,740 learners that enrolled in 16,020 qualifications.

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<sup>47</sup> Policy interventions introduced for the 2021-21 academic year included:

- Increasing funding for English and maths legal entitlement qualifications at Levels 1 and 2, for fully funded learners
- Flexibility within AEB grant-funded provider allocations to fully fund certain categories of learning that upskill eligible teaching and learning support staff to deliver improved provision for learners with special educational needs and disabilities (SEND).

In recognition of the impact of COVID-19, and to support the ability of providers to continue to deliver learning throughout the pandemic, particular during periods of public health mandated classroom closure, the Mayor introduced additional policies during the 2020-21 academic year:

- Approving additional flexibility for the 2020-21 academic year for all grant providers to use up to 10 per cent of their existing formula funded adult skills allocation to deliver non-formula funded provision
- Providing greater flexibility to both grants and procured providers to access full funding for use to meet costs of full Level 3 qualifications, if learners are unemployed or earning below the London Living Wage.
- A revised performance tolerance of 90 per cent, in recognition of the ongoing impact of Covid-19 restrictions concerning AEB classroom delivery.

<sup>48</sup> Entitlement learning is learning taken as part of the legal entitlements to full funding for eligible adult learners for English and Maths, Digital, and Level 2 and Level 3 learning. See the Greater London Authority's Adult Education Budget funding rules for further information on entitlements (<https://www.london.gov.uk/what-we-do/skills-and-employment/skills-londoners/adult-education-budget/information-gla-aeb-providers>)

- In academic year 2020/21, providers were able to apply for additional funding through the SfL Innovation Fund, to support additional activity and develop provision, aligned to the Mayor's priorities for education and skills, which demonstrated innovation and delivered tangible outcomes. During the reporting period, 3,150 learners participated in 4,860 courses funded through the Innovation Fund.

### **European Social Fund (ESF)**

Over £62m of European Social Fund (ESF) has been awarded via the **Mayor's ESF 2019-23** programme across 38 contracts. The programme comprises a mixture of youth and adult skills and employment projects. As part of the Mayor's commitment to 'develop a coherent and accessible all-age careers information, advice and guidance offer' nine Careers Clusters were launched in 2020 and 2021. All are now in delivery – see below. There are currently 11 live projects delivering under the **Mayor's ESF 2014-20** programme. The programme is planned to reach over 20,000 learners and it has supported 6,000 so far.

### **Mayor's Construction Academy (MCA)**

This programme addresses the Mayor's commitment to establish a 'programme with the homebuilding industry to address the construction skills shortage and increase London's capacity to build new homes to tackle London's housing crisis'. Twenty-five providers have been awarded with a Quality Mark recognising their high-quality construction skills training. Four MCA hubs have completed delivery and the remaining hubs will continue to deliver until the programme formally closes in June 2022. To the end of September 2021, more than 24,500 construction learners have completed construction training across the hub areas, which is well above expectations, given the disruption seen to face-to-face learning. In the same period, the hubs supported over 4,000 learners to undertake work placements and 6,000 learners into an apprenticeship or employment.

The programme model has been used to successfully support development of and inform the Mayor's Academies Programme.

### **Digital Talent Programme**

The **Digital Talent Programme** is a multi-stranded programme which offers opportunities for 18–24-year-olds to gain digital skills and careers advice. Delivery of all strands ended in December 2021 and final claims are currently being reviewed and an evaluation of the programme is taking place. The programme has supported over 800 educators to deliver digital skills learning and qualifications, over 500 learners to gain new skills and work experience, 200 start-ups and SMEs to access higher-level skills and 1,200 young

Londoners to access new, industry-approved learning opportunities. The programme has awarded over £1.5m in capital funding which providers have used to purchase equipment such as laptops to support training delivery. Learning from the programme has been used to support and inform the Mayor's Academies Programme.

## **Careers**

Devolution of funding and powers to enable the creation of an All-Age Careers offer for London remains a key priority for London government.

The No Wrong Door initiative (see above) will respond to a set of long-standing challenges related to fragmentation of services, entrenched silos and a lack of join-up and local responsiveness in the skills and employment system.

Other London-led and funded activities underway to support our vision for an improved careers offer include:

### Careers Clusters

Nine clusters are supporting at least ten schools and colleges, being either geographically placed or having a wider remit with a sector focus on construction or hospitality. The careers clusters deliver activities including:

- Employer-led projects developing relationships and delivering employer/school activities that are sustained over at least 26 weeks
- Work placements for students that last at least five days in the workplace
- Labour market information training for teachers

### Careers Hubs

The Mayor launched the Careers Hubs programme in December 2021, to give young Londoners a head start in finding great jobs and planning their futures.

The £11.5m investment, jointly funded by the Mayor, European Social Fund (ESF), and Careers and Enterprise Company, will see four hubs offering support to all secondary schools, FE colleges, Alternative Provision and Special schools across the capital to develop high-quality careers education.

The programme will connect schools with employers, training providers and further education colleges to develop pathways for young Londoners leaving school.

The Mayor is committed to providing young people in London with access to high-quality careers education, to ensure a great start in life and a successful future. The careers hubs will build on the London Enterprise Advisor Network (LEAN), which has so far connected

more than 650 business volunteers with over 600 London schools and colleges, helping them build comprehensive careers programmes that reflect the real world of work.

## **Capital**

The COVID-19 Emergency Recovery Support Fund (ERSF) was launched in July 2020 with eligible providers able to bid for grants ranging from £25,000 to £200,000.

Ninety successful applicants were awarded a share of £10m. There is a wide range of delivery partners located in all 32 boroughs and the City of London, including general further education colleges, private skills providers, charities, local authorities and Institutes for Adult Learning.

The funding has supported London's skills providers in meeting the costs associated with online learning (such as purchasing and installation of IT equipment) and creating COVID-19 safe physical learning environments. This programme of support is part of the Mayor's Skills for Londoners Capital Fund, which is allocated through LEAP.

## **Key new work strands from the *Helping Londoners into Good Work* mission**

### **Mayor's Academies Programme (MAP)**

In January 2022, twenty-three hubs were approved by the Mayor to deliver the MAP.

The objectives and programme delivery approach for the MAP are:

- to help fill vacancies in priority sectors with skilled people
- to raise the profile of these sectors for potential applicants
- to get Londoners into good work (direct employment, apprenticeships, traineeships or self-employment/freelance work) in the sectors identified
- to support the FE sector to deliver industry-relevant provision
- to gain insights into the priority sectors and to support specific groups of Londoners, including young black men, to overcome barriers to entry into the sectors identified
- to support employers and FE colleges to address structural barriers to engagement, recruitment, retention and progression for under-represented groups in their industry/workforce, as outlined in the Workforce Integration Network (WIN) toolkit.

### Hub outputs and outcomes targets

The hubs were asked to submit baseline data based on existing delivery where relevant, as part of their application process. In addition, there are a number of output targets directly linked to new activity which will result from hub partnership activity. The expected outputs and outcomes to be measured are as follows:

1	NEW employers engaged from Academy sectors as a result of Hub activity
2	Employers committing to undertaking work to improve their organisation's diversity and inclusion through use of WIN toolkits and other resources
3.1	Londoners participating in training and education relating to Academy Sectors
3.2	...of which Londoners participating in NEW training and education, as a result of Hub activity, relating to Academy Sectors
4.1	Londoners into work experience placements in Academy sectors
4.2	...of which are work experience placements with NEW employers engaged as a result of Hub activity
5.1	Londoners with relevant skills entering employment, apprenticeships or paid work placements in Academy sectors as a result of Hub activity*
5.2	... of which are entering apprenticeships
6.1	Londoners from underrepresented groups entering into employment, apprenticeships or paid work placements in Academy sectors as a result of Hub activity*
6.2	...of which are entering apprenticeships

The hubs will go live in the first quarter of 2022/23, and a progress report on the achievement of hub targets and other workstreams - as set out above - will be provided in the next edition of the Local Skills Report.

### No Wrong Door (NWD)

The NWD initiative will deliver three strands of activity to meet the objectives set out:

- Integration Hubs: grant funding will be provided to the four sub-regional partnerships to establish and deliver one 'Integration Hub' each to help coordinate skills and employment services within their localities (planned to start in spring 2022).
- A research, innovation and marketing programme to identify ways to better connect Londoners to skills and job support opportunities, including production of a minimal viable product for this, and promotional activity (planned to start in early 2022).

- Pilot funding to help places design, prototype and develop pilots for new models to promote NWD in practice (planned for 2022/23).

The GLA will also commission an independent evaluation to assess the effectiveness of the NWD approach and inform future activities.

The NWD hubs will go live in the first quarter of 2022/23, and a progress report on the achievements made by each of the four integration hubs will be provided in the next edition of the Local Skills Report.

## **Progress to date in addressing key skills needs**

### **AEB & ESF provision supporting disadvantaged Londoners**

Having no or low-level skills presents greater challenges for disadvantaged Londoners in finding jobs, increasing earnings and / or progressing in work. This challenge has been further compounded by the economic impacts of the pandemic. Last year through our AEB and ESF funded programmes, we've supported thousands of adult London learners with no or low levels skills to improve entry and basic level skills in order to enter and progress within London's labour market.

### **Higher-level skills**

The Higher-Level Skills Advisory Group was created as a subordinate body of the Skills for Londoners Board to steer and support the development of City Hall's approach to promoting and supporting progression to higher level skills (Levels 4-7, non-degree) provision and qualifications, including apprenticeships and Advanced Learner Loan funded qualifications.

The Group considers and makes recommendations to the Mayor on the promotion of higher-level skills provision, with a focus on supporting London's recovery from Covid-19, including learners in low-paid occupations.

London's three Institutes of Technology and the forthcoming Bootcamps programme will be important in tackling some of London's higher-level skills needs. The sectors they will support include<sup>49</sup>:

Construction  
Creative

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<sup>49</sup> In the prospectus that the GLA will use for commissioning Bootcamps, applicants will have the opportunity to apply for 'other sectors' provided they have strong evidence of demand.



Digital  
Engineering & Manufacturing  
Finance  
Green  
Health & Social Care  
Hospitality

The latest data from the National Apprenticeship Service shows that both national and London starts are increasingly at higher levels. In 2020/21, 41% of apprenticeship starts in London were at higher level, compared to 31% nationally. The London Progression Collaboration - which City Hall supports and which works with businesses in London to create more apprenticeships using the apprenticeship levy - reports that 16% of its c900 starts delivered to date are higher-level apprenticeships.

### **Responding to technological changes**

A recent survey carried out by London Councils<sup>50</sup> found that improving employees' digital skills is the highest priority for London businesses in training their own workforces.

This shows strong indications of permanent changes associated with remote working going forward, but also further highlights the existing digital skills shortages among the workforce.

Alongside the work we're doing to develop digital skills via the Mayor's Academies Programme, Good Work for All Fund and other programmes, we will continue to encourage the providers that we fund (including with capital investments) to work closely with employers and to demonstrate how they are achieving this as part of their delivery plans, including how they are responding to technological change and the impacts of Covid-19.

### **Green skills**

As part of the Mayor's Academies Programme, the new Green Academy hubs will bring together training providers and employers to ensure provision responds to the skills demands for the green sector. Building on the priorities set out in the Green New Deal recovery mission, the Academies programme will also have a capital element (to launch later this year) which will support providers to ensure they have facilities and equipment to deliver the relevant provision.

The Programme will also introduce a Quality Mark that sets a high bar for green skills training in London that responds to the needs of sectors key to London's recovery. It will only be awarded to training providers who deliver high-quality, industry-relevant provision that gets Londoners into jobs.

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<sup>50</sup> [Business 1000 - 2021 Survey DEC.pdf \(londoncouncils.gov.uk\)](#)



## **Apprenticeships**

Building on the Mayor's commitment to champion apprenticeships, we will continue to promote the work of the London Progression Collaboration - a joint venture between The Institute for Public Policy Research, the GLA and JP Morgan Foundation - which is supporting employers to create apprenticeships through levy transfers. We will continue to lobby for the devolution of the National Apprenticeship Service in London in order to improve employer engagement with the system and to better meet London's skills needs, especially in emerging and growth sectors.

## Chapter 5 – Case studies

*This chapter provides two case studies featuring two of London's leading skills providers.*

***New City College** is a large east London college group with strong employer links now offering the new T-level in construction*

***Morley College London** is one of the capital's oldest Institutes for Adult Learning, which is committed to meeting the educational needs of students and its diverse local communities*

### **Innovation and new specialist facilities at New City College, meeting the skills needs of the construction industry in the capital**

A new specialist training centre for the construction and engineering industry opened in East London in September 2021. Part of New City College, the new campus at Rainham was designed and built with the needs of industry firmly at the fore. The £15m investment into new, innovative facilities - part-funded by the Mayor of London's Further Education Capital Investment Fund - has been welcomed by students, apprentices and employers across the region.

The expert tutors and industry-standard environment and equipment have created the ideal centre of excellence to train the construction workforce of the future. It also provides continuing professional development for skilled tradespeople, many of whom are working in the local area, which is a hive of regeneration and development. Employers representing a vast range of skills and trades work closely with the college to provide work experience and apprenticeships, and to share industry insights.

Courses and training at the Rainham Construction and Engineering campus range from school leaver programmes to higher education and higher-level apprenticeships. Hundreds of adults also attend in the evening to update their qualifications. In total, the college supports around 1,000 learners at this campus each year; their skill level is evenly split with half on programmes at Entry Level to Level 2 and the other half on programmes at Level 3 and above.

Ashe, the contractor who built the new facilities, has built a firm relationship with the college. Throughout the build period, Ashe provided work experience placements for New City College students, which have since led to permanent job offers and funding for university study.



The Rainham Construction and Engineering campus at New City College opened in September 2021  
Photo credit: New City College

The new facilities were an essential precondition for New City College to be able to start offering T Levels in the Construction and Engineering industries from September 2022 onwards. The close relationships developed with employers during the build phase provided a helpful platform on which to build the T Level work placement offer for students. The new campus has received the Mayor of London’s Construction Academy scheme accreditation (quality mark), provided to high quality centres which promote collaboration between the industry and skills providers to meet the economy’s needs.

New City College is one of the largest general further education colleges in England, based in east London and south Essex. It has nine campuses and supports around 30,000 students to achieve each year. Its large size and defined geographic reach have allowed the College to introduce specialist centres of excellence in key industries, and the Rainham Construction and Engineering campus is a strong example of how NCC is achieving this.

### **A community curriculum in response to the Covid-19 pandemic**

Morley College London was founded in 1889 to promote the positive social value of education and provide learning opportunities for all.

Spread across three central London sites following a recent merger, Morley's curriculum is designed around the very different communities that each college now serves at Waterloo, North Kensington (including those communities directly affected by the Grenfell Tower fire in 2017) and Chelsea. The curriculum is focused on:

- support and wellbeing
- tackling unemployment
- skills gaps
- upskilling
- reskilling
- improving and supporting basic skills
- delivering varied creative curriculum opportunities across the arts

The college was uniquely placed to shape and adapt around the emerging pandemic, its challenges and impacts on the adult learning sector. With COVID-19 having exacerbated existing inequalities and needs within communities, making the requirements of a community-led education provision more relevant and more pressing was essential as the college looked towards post-pandemic recovery.

In this context, the need for upskilling or reskilling was never greater as people looked to enhance their CVs to get back to the job market. And it wasn't all out about high-level skills: even before COVID-19, many employees lacked the essential skills - including literacy, numeracy and digital skills – necessary for progressing their careers. People's ability to adapt to continuously changing workplaces depends on regular and flexible access to training and courses in order to be able to update and refresh their skills. Morley's broad curriculum offer has proved well placed to serve these varying needs.

The Covid-responsive curriculum caters to four post-pandemic skills needs:

1. **Upskill to kick start a career or get onto the job market.** English/Maths/IT, CV building, interview preparation all support employability. This is particularly relevant to 19–25-year-olds struggling in a tough labour market; Kickstart learners are now gaining these skills at the new Morley Radio, part funded by the Mayor of London.
2. **Upskill to progress in a career or be more effective in a current role.** This includes management and leadership skills and mental health or workplace wellbeing-related skills.
3. **Re-skill to facilitate career change.** Especially sectors where jobs are at risk or for adults who were furloughed or made redundant and those seeking higher technical skills to fill shortages in the labour market. Enrolments to the college's counselling courses rose by 13% in 20/21 academic year.
4. **Develop basic to advanced digital skills** to take advantage of the opportunities offered by the 'new normal' in a professional, social and personal capacity.

Morley's unique contribution to the further and higher education sector and clarity about the purpose of education within its communities has been an important factor in maintaining student numbers and its relationships with learners and partners in each community.

The college's sophisticated support and wellbeing infrastructure has also benefited students, including their retention and ability to complete their learning targets, especially amongst 16–18-year-olds and adult learners facing additional disadvantages relating to essential skills that already present barriers to wider learning and employment.

As Morley College London looks forward in developing its student experience, a new £13 million redevelopment project at North Kensington Centre will provide the solid foundation and responsive curriculum needed to help support, upskill and reskill an even wider community of Londoners as the capital recovers from the pandemic.

## Chapter 6 – Looking forward

*This chapter provides a summary of the Mayor’s Skills Roadmap for London, which sets out the actions the Mayor will take over this Mayoral term to ensure skills provision, learning and adult education are locally relevant, make an impact, and are accessible.*

In 2019, when the Greater London Authority successfully took over responsibility and funding for the Adult Education Budget in London, the Mayor was clear in offering his assurance that there would be no disruption to the service for providers and learners alike, as part of the transition.

Some impactful changes have been made along the way, to realise London’s ambition that the skills system must work with and for the most disadvantaged groups, and to enable more Londoners to progress into and within work.

Looking forward, we will now focus our energies on realising the aims we have set out in our [Skills Roadmap](#), published in January 2022. Developed following consultation with our wide array of stakeholders – including London’s communities – the future vision for London’s skills system provides the framework on which we will build on the successful transition we have shown through devolution of the Adult Education Budget to the Mayor.

The Roadmap is the blueprint through which London’s skills system will provide a regional response to the needs of the capital’s employers and residents, as well as to the prosperity of the country as a whole.

### **The Skills Roadmap for London**

The Skills Roadmap for London sets out how the Mayor plans to ensure London’s skills offer better serves London’s communities and economies, building on the success of the delegation of the Adult Education Budget to the Mayor in 2019. In eight sections, the Roadmap sets out the actions the Mayor will take over this Mayoral term to ensure skills provision, learning and adult education are locally relevant, make an impact, and are accessible. These actions are summarised below.

#### **Locally relevant skills**

Making skills provision more locally relevant means providing a more joined-up skills and employment offer that meets the needs of Londoners and the local economy, including businesses and employers.



<p><b>1. Collaboration and partnerships</b></p>	<p><i>City Hall will</i> Foster a more integrated skills and employment system, including with other public services and support, by:</p> <ul style="list-style-type: none"> <li>• investing in the setup of Integration Hubs to support the ‘No Wrong Door’ approach</li> <li>• publishing information about provision we fund to enable provider collaboration, including AEB-funded providers’ delivery plans.</li> </ul> <p>Publish new guidance for providers to stimulate collaboration and partnerships, including through good subcontracting.</p>
<p><b>2. Meeting the needs of London’s businesses and employers and helping Londoners into good jobs</b></p>	<p><i>City Hall will</i> Boost collaboration between business and skills providers in London and develop a programme of support to help providers work with employers.</p> <p>Regularly share data and information to support skills planning.</p>
<p><b>3. Learning that supports progression</b></p>	<p><i>City Hall will</i> Continue to focus London’s AEB on, and highlight the importance of, learning at Levels 2 and below, especially where evidence shows positive social and economic outcomes.</p> <p>Support and strengthen progression to higher-level learning from Level 2 and below.</p>

## Making an impact

We want the learning we fund to transform people’s lives, making an impact and leading to positive economic and social outcomes.

<p><b>4. Measuring the social and economic benefits of adult education</b></p>	<p><i>City Hall will</i> Create a new baseline of social and economic impact data for adult education, publishing the findings from the London Learner Survey in 2023.</p> <p>Through the London Learner Survey, work towards collecting representative data across all our funded providers.</p> <p>Use social and economic impact data to inform future skills policy and delivery in London.</p>
<p><b>5. Evaluation and best practice</b></p>	<p><i>City Hall will</i></p>

	<p>Assess the impact of changes introduced since delegation of the Adult Education Budget through a multi-year impact evaluation.</p> <p>Build on lessons learned from our commissioned research and evaluations to develop and expand programmes based on best practice.</p>
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## Accessible skills

We want to make adult education and skills provision even more accessible to those who need it most, recognising that participation in learning can lift people out of poverty and address persistent inequality at the root.

<p><b>6. Raising awareness of London’s skills and learning offer for adults, especially among those who need it most</b></p>	<p><i>City Hall will</i> Deliver a long-term marketing and community outreach programme for adult education in London.</p> <p>Increase understanding of London’s adult education offer by partners and employers to boost referrals into adult education and skills provision.</p> <p>Improve coordination of English for speakers of other languages (ESOL) and fully fund courses for asylum seekers.</p>
<p><b>7. The role of adult education providers as Anchor Institutions and good employers in their communities</b></p>	<p><i>City Hall will</i> Expect City Hall-funded adult education providers to be ‘Good Employers’ that meet or are working towards the Mayor’s Good Work Standard.</p> <p>Expect adult education providers to be inclusive organisations that are representative of the communities they serve and are located within.</p> <p>Expect adult education providers to set out their plans for achieving net zero-carbon estates by 2030.</p> <p>Introduce a quality mark across Mayoral priority sectors and showcase best practice.</p>
<p><b>8. Investing in physical and digital learning spaces</b></p>	<p><i>City Hall will</i> As part of the London Recovery Programme’s Digital Access mission, work with partners to improve the digital infrastructure of London’s adult education services, improving digital connectivity and access to devices for learners.</p> <p>Encourage more co-location of learning with other activities and services. This will help create multiple opportunities for people in both physical and digital</p>



	learning spaces, in a way that fits their complex lives and helps address issues of exclusion.
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The Roadmap is based on extensive consultation with skills providers, London’s communities and businesses, civil society and local government. City Hall will continue to work in partnership with these stakeholders to achieve the commitments set out in the Roadmap.

## Alignment with central Government programmes

As we continue working with our partners and stakeholders to deliver the Skills Roadmap, there are a number of new programmes announced by central Government, with which we shall align our regional work.

### Skills Bootcamps

The DfE is commissioning part of its [Skills Bootcamps](#) in 2022/3 through the GLA and Mayoral Combined Authorities. The Bootcamps provide higher skilled training (Levels 3-5) for up to 16 weeks and, to date, have focused on Digital, Green, Construction and Engineering & Manufacturing. Bootcamps work with people who are unemployed, employed/self-employed. The GLA/MCA funding aims to develop regionally tailored provision. In London, the Mayor wants to see Bootcamps funded through the GLA to cover sectors included in his Academies Programme as well as other priority sectors.

### Multiply

In October 2021 the government announced a new numeracy programme called Multiply. Every local area will receive funding to deliver adult numeracy programmes from April 2022 as part of Multiply, including London, with the likelihood that this will be managed and administered by the GLA.

Multiply will aim to give people who do not have at least a GCSE grade C/4 or equivalent in maths, access to free new flexible courses. It will also target employers who could benefit from boosting their workforce’s skills, at no cost to their business.

This programme is an addition to the existing statutory duty to fund people who do not have at least a GCSE grade C/4 or equivalent in maths to gain these skills through the Adult Education Budget.

### UK Shared Prosperity Fund (UKSPF)

We are keen to work with the Government to build on our track record of success and create integrated and delegated models of skills and employment support, for the allocation and management of UKSPF (and any other UK-wide funds that may be under consideration and could be delegated).

These models could be deployed both in London through London government, and elsewhere in England through the other combined authority structures. Maintaining delegated funding would enable us to invest in a system of employment and skills support that provides a more holistic and accessible offer to Londoners, across a number of key sectors.

### **Single skills pot for further funding**

Going forward, London wants to see a more strategic and less piecemeal approach to further devolution on skills to ensure the capital is able to build on the successful delegation of the AEB and the establishment of the Mayor's Academies Programme.

To avoid unnecessary overlap and further fragmentation of adult skills funding and provision, the powers delegated or devolved to Mayors in shaping adult skills provision in their areas must be protected. Responsibility for all skills policy, LSIPs and any associated funding should be delegated to Mayors to ensure the plans build on existing adult skills offers, governance and frameworks.