

Local London Annex to London's Local Skills Improvement Plan

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Executive Summary

Recommendations

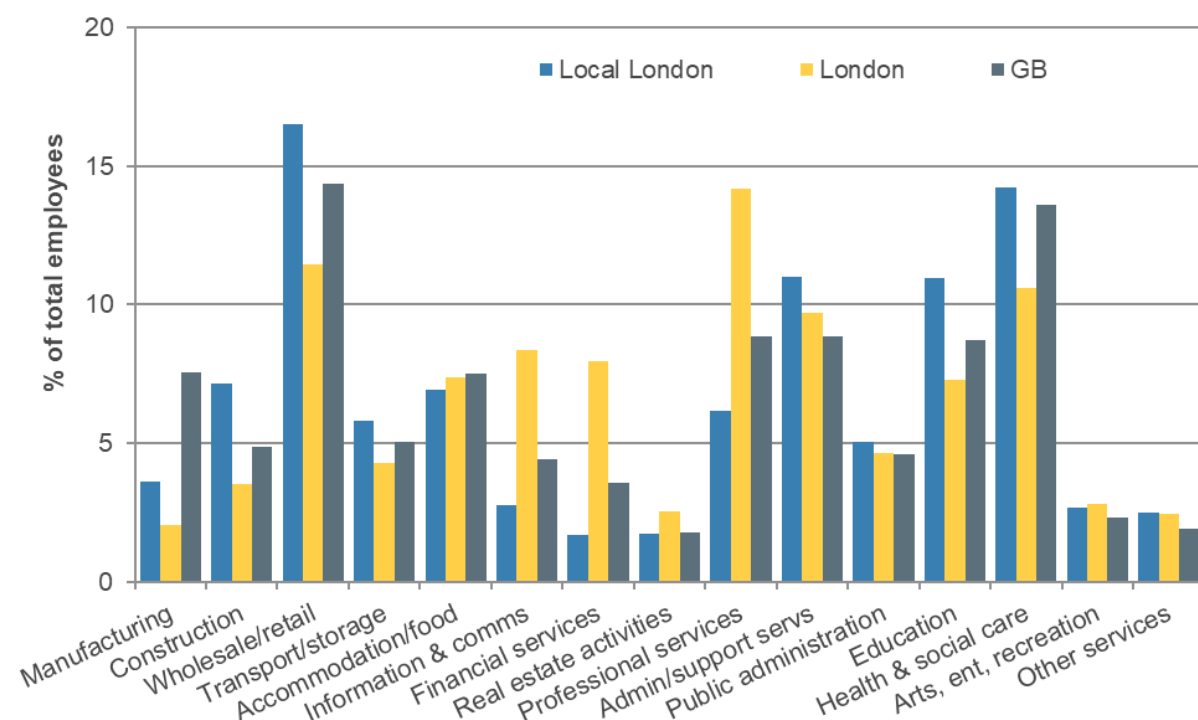
Action Area	Detail	Owner
Skills Provision		
Information and advice	Mechanisms to assist employers and trainees to navigate the training provision landscape and provide improved careers information, advice and guidance, should be explored and piloted.	
Information and advice	Residents should be provided with careers information and advice on alternative routes for young people such as bootcamps and degree apprenticeships.	Boroughs and providers
Skills provision	Providers should seek to engage with employers and businesses to explore areas where a focus can be upon 'skills' over 'qualifications'.	Providers
Skills provision	Providers should explore ways in which they can provide more flexible courses, including shorter/modular courses.	Providers
Support	Consideration needs to be given to how additional pastoral support can be provided to learners and the support that employers can provide to support new entrants, e.g. mentoring	GLA/ Government/ employers
Digital	Providers should work with employers to identify new and additional ways of expanding the digital skills provision	Providers
ESOL	Providers and boroughs need to consider how additional and alternate provision of ESOL can be made in order to meet need for both beginners and those entering the jobs market Expansion of ESOL provision	Providers Boroughs
Broader changes to the skills system		
Training provision	Providers to explore ways in which they can provide real time information on training opportunities to both employers and residents	Providers

Cooperation and engagement	Providers and employers should explore new ways to provide sector-focused brokerage, and increased education-business partnership activities	Providers Employers
Cooperation and engagement	Providers and other stakeholders should explore ways to instil greater co-operation across the skills landscape	Providers All
Funding	More flexibility required in funding arrangements including on use of Apprenticeship levy, to increase responsiveness of providers	Government

Employment overview

There are a number of sectors that account for a greater proportion of total employees in the Local London area than they do in London or the country as a whole.

Figure x Employees in employment by sector, Local London, London and GB, 2021



Source: Business Register and Employment Survey, 2021

Employment Trends

Between 2015 and 2021, the total number of employees in employment in Local London increased by nearly 10 per cent, which represents a larger increase than in London or Great Britain (9.7% in Local London compared with 8.4% in London and 5.7% in Great Britain).

The main growth sectors in the Local London area were construction, which increased by 56 per cent, professional services (26% increase albeit from a small baseline), public administration (central/ local government and other public sector bodies; 26% increase) and other services (34% increase). There were also large increases in employment in transportation and storage (22%) and accommodation and food (21%). There were falls in employment in financial services services, information and communication, real estate activities, education, and manufacturing.

Priority Sectors

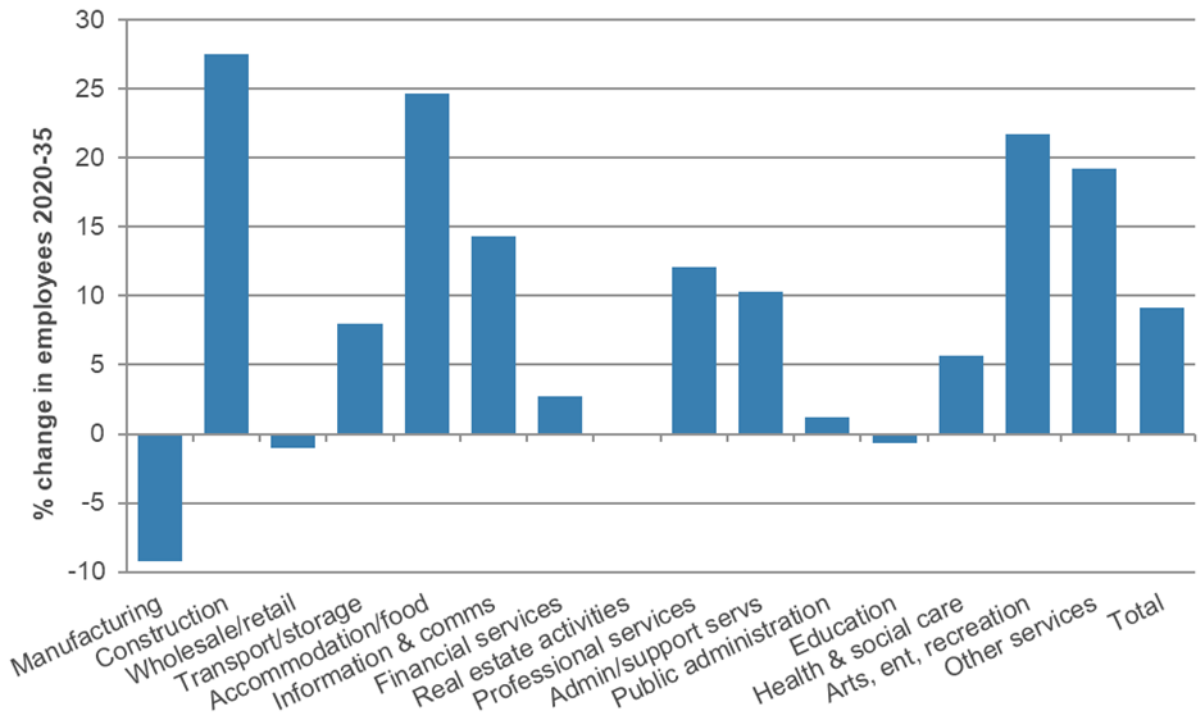
Research identified the priority sectors for the Local London area, starting with an analysis of their total employment size across the area and individual boroughs, and their relative employment size compared with national employment, and agreeing them in consultation with the sub-region's local authority partners, also taking into account the Mayoral priority sectors. The Local London priority sectors are:

<i>Construction and engineering</i>	Combining construction with the architectural and engineering activities sub-sector within professional services, is over-represented in Local London, has experienced very rapid growth in recent years, and is a Mayoral priority sector.
<i>Digital and creative</i>	Related to the Mayoral priority sector of digital and combines the information and communication sector with the creative arts and cultural activities sub-sectors in the arts, entertainment and recreation sector; it is slightly under-represented compared with the country as a whole (and well below the London average) although there are a number of developments in the sector in Local London which will increase employment, and skills demand, most notably the Thames Estuary Production Corridor.
<i>Health and social care</i>	Large in employment terms, over-represented in comparison with London and Great Britain, and is a Mayoral priority sector.
<i>Manufacturing</i>	Accounts for a larger proportion of total employment in Local London than in London as a whole, although a lower proportion than in Great Britain, but there are some large local concentrations, particularly in Barking and Dagenham and Bexley.
<i>Distribution and logistics</i>	Based on the transportation and storage sector, it accounts for a higher proportion of employment in Local London than in London or Great Britain.

Employment Projections

Employment projections by sector and occupation have been produced for the London region. These show that between 2020 and 2035, total employment across all sectors is projected to increase by 9.2 per cent.

The table below shows the projected employment changes by sector between 2020 and 2035. Employment in manufacturing is projected to fall by nine per cent, and there are small projected falls in employment in wholesale and retail, and in education. The largest projected increases are for construction (27%), accommodation and food (25%), and arts, entertainment and recreation (22%).



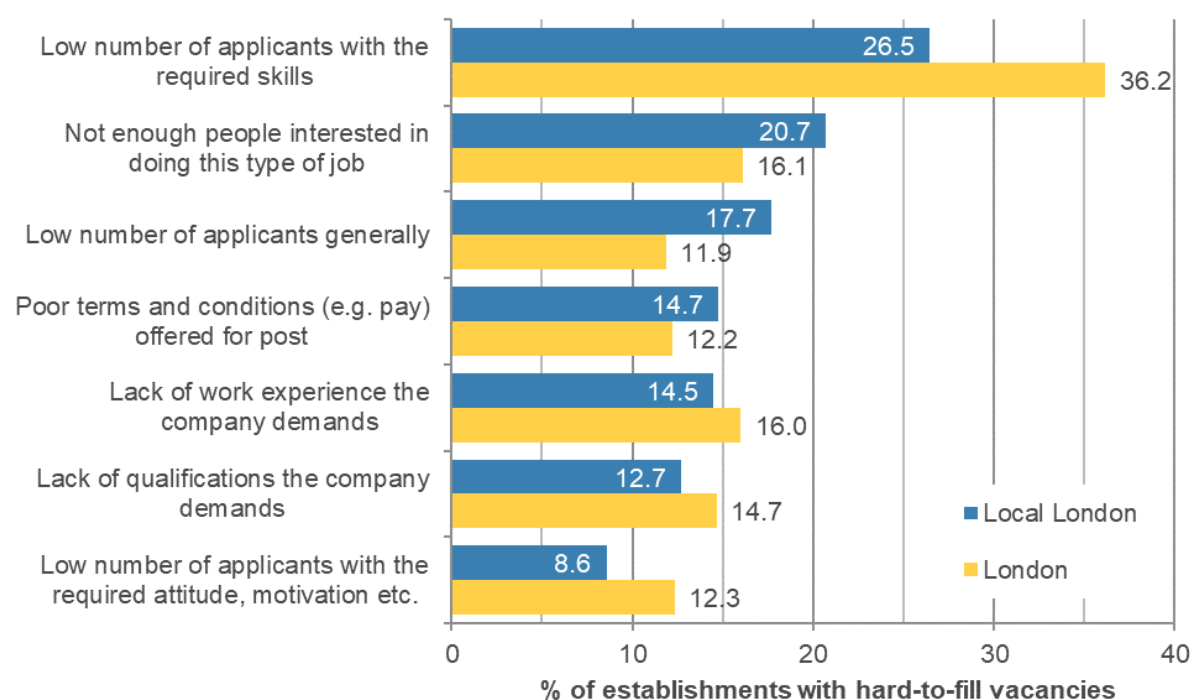
Recruitment and skills across Local London

Recruitment activity and hard to fill vacancies

The **Survation survey** asked employers to indicate whether they had current vacancies and, if so, how many. Almost four fifths (78%) of employers in Local London said that they had current vacancies, matching the figure for all employers in London (78%), and the proportion of Local London employers saying that they had ‘many’ vacancies was also similar to the proportion across the whole of London (24% and 23% respectively).

The Employer Skills Survey 2019 found that recruitment activity in the Local London area was lower than across London as a whole, with 14 per cent of establishments in the Local London area reporting that they had vacancies at the time of the survey compared with 19 per cent across London.

Figure Error! No text of specified style in document..14 Main causes of hard-to-fill vacancies, Local London and London, 2019



Skills Shortages

The 2019 Employer Skills Survey found that 70% of establishments that reported hard-to-fill vacancies in Local London said that they had skills shortage vacancies (i.e. they were difficult to fill due to a lack of skills, qualifications or experience among applicants).

In terms of the skills that establishments found lacking among applicants, the ESS separates these out into technical and practical skills on the one hand, and soft/people skills on the other hand. Looking first at the technical/practical skills,

Local London establishments were more likely than those elsewhere in London to report the following skills as being difficult to obtain from applicants:

- Basic numerical skills and understanding (42.4% compared with 29.7% across London);
- More complex numerical or statistical skills and understanding (43.2% compared with 29.9%); and
- Adapting to new equipment or materials (34.4% compared with 28.0%).

There were a number of soft/people skills that Local London establishments were more likely to cite as difficult to obtain:

- Ability to manage own time and prioritise own tasks (62.0% compared with 53.4% for London);
- Team working (49.4% compared with 38.5%);
- Managing or motivating other staff (48.6% compared with 36.4%); and
- Setting objectives for others and planning human, financial and other resources (40.2% compared with 30.4%).

Skills Gaps

The **Survation survey** asked respondents whether their existing workforce had the skills and capabilities to meet the business' needs, or whether there were gaps in skills and capacity. Respondents in Local London were slightly less likely to report skills gaps than those elsewhere in London, with 27 per cent reporting some gaps in skills and capacity.

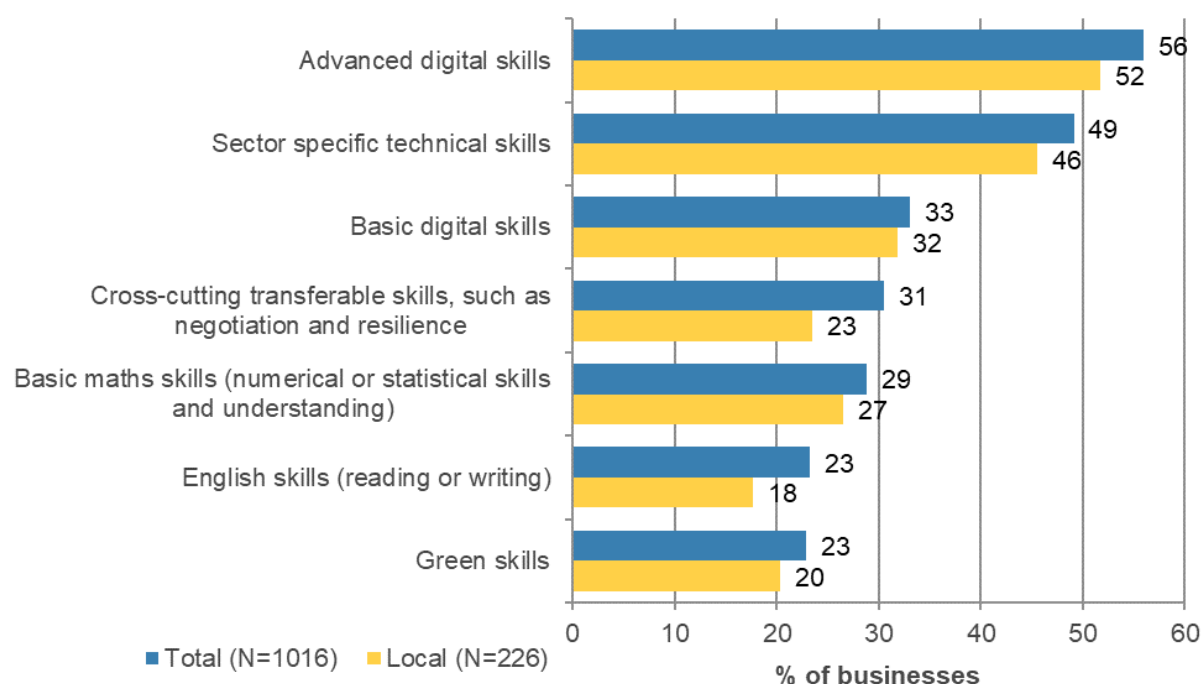
Local London respondents with skills gaps were more likely than those elsewhere in London to report that English skills (reading and writing) were lacking (27% reported English skills compared with 21% across London) but were less likely to report that sector specific technical skills and cross cutting transferable skills (such as negotiation and resilience) were lacking (46% and 35% respectively compared with 58% and 42% respectively across London).

Future Skills Needs of Employers

The **Survation survey** asked respondents how confident they were that they understood their skills needs over the next two to five years, and which skills they felt their business would need most over the same period. Local London businesses were more likely than those elsewhere in London to be very confident they understood their future skills needs (43% compared with the London average of 40%).

In terms of the particular skills that Local London businesses felt they would need most, these were broadly in line with the patterns across London, albeit with Local London employers less likely to report each particular skill than those across London, as the table below shows. They were particularly less likely to report cross-cutting transferable skills, and English skills.

Skills that businesses will need most over next 2 to 5 years, Local London and London, 2022



Sectoral Analysis: Construction

Employment Overview

Just under 65,000 employees worked in the construction and engineering sector in the Local London area in 2021, accounting for 8.0 per cent of the total number of employees, above the regional and national averages (5.3% and 6.5% respectively).

Employment was highest in Bexley and Havering, at 10 per cent, and lowest in Greenwich and Newham (6.6% and 6.7% respectively; but still above the regional and national figures).

In terms of workforce demographics:

- Three quarters of all workers in the sector (77%) were male, compared with 52 per cent of all workers;
- One in four (25%) were from ethnic minority backgrounds, compared with 39 per cent of all workers;
- Nearly one in four workers (23%) were aged 55 and over, compared with 20 per cent across all sectors;
- The proportion of workers with a disability was close to the proportion across all sectors (15% and 16% respectively); and
- Just over one third (36%) had a degree or equivalent or higher qualification, below the proportion across all sectors of 55 per cent, while nearly one in five (19%) had qualifications below GCSE level or no qualifications, above the proportion across all sectors (13%).

Employment in the construction and engineering sector is projected to increase by 20 per cent between 2020 and 2035, more than twice as fast as employment in London overall (9.2%). The construction sub-sectors are projected to grow rapidly, by 27%, while employment in architectural and engineering activities is projected to remain stable. All occupational groups in the construction sub-sectors are projected to increase in size.

Recruitment and Retention Challenges

Employers in construction were more likely than those in other sectors to report difficult to fill vacancies for skilled trades roles (57% of construction employers with recruitment difficulties mentioned these roles compared with 30% across all sectors) and managerial roles (43% compared with 35% across all sectors).

More than two thirds of construction employers struggling to fill vacancies (69%) said that low numbers of applicants with required skills was driving their difficulties, substantially above the proportion of employers across all sectors (57%). Thus 38 per cent of all construction employers in London had skills shortages, compared with 29 per cent across all sectors.

In terms of the skills that construction business think they would need over the next two to five years, they were more likely than average to report sector specific technical skills, and basic digital skills.

Skills Issues

It was felt that the most acute shortages were at entry level, with difficulties attracting enough workers into the sector. Entry level roles such as groundwork are not considered attractive even though as people progress through the sector and get skilled in a trade, then the earnings potential is very good. These shortages are likely due to a combination of the growth in the amount of work and exacerbated by the pandemic and Brexit.

There was little formal requirement for these entry roles (e.g. Level 2 in maths and English was not always required) but a good attitude and a willingness to do the type of work. The sector can offer a good entry route for young people who are not academic, and can then get trained up into a skilled trade in the sector. And entry-level pay rates for the sector are good in comparison with other sector eg hospitality and retail.

The pandemic and Brexit is likely to have had more of an impact on the skilled supply side rather than causing entry level issues, with skilled trades particularly in civil engineering, who might have been using more Eastern European labour than other parts of the sector, losing staff who went home during the pandemic and haven't returned.

The sector has had a long history of Apprenticeships, and college provision in the Local London region for construction courses was felt to be good, although there was some confusion over the interaction of T-levels with the current Apprenticeship standards. However, colleges were suffering from a lack of skilled tutors to deliver the training, so although the quantity of places was good, there may be some issues with the quality of the training.

The lack of diversity in the sector is an issue, which also limits the potential labour supply pool, so the sector needs to increase efforts to broaden the attraction to female applicants and those from ethnic minority backgrounds with less of a tradition of construction employment.

One growing area is modular construction of buildings, where sections are constructed in a factory and then transported to the site and assembled there. It is unlikely to be as innovative in terms of skill needs as it is in terms of working practices, as it would still require skilled trades like joiners etc., although it might be more attractive for workers to be in a factory rather than out on site.

Sectoral Analysis: Digital and Creative

Employment Overview

The digital and creative sector accounted for 3.4 per cent of all employees in the Local London area in 2021, with 28,000 employees working in the sector. This is a slightly lower proportion than across the whole of Great Britain (4.9%) but a much lower proportion than in the whole of London (9.6%).

The sector accounted for around five per cent of total employment in Greenwich (5.2%) and Redbridge (4.7%), but less than half that level in Barking and Dagenham (1.9%), Havering (2.4%) and Newham (2.4%).

As well as being related to the Mayor priority sector of digital, it is also a priority sector for Local London due to the high growth in the sector and investments coming on stream, including film studios in Barking and Dagenham and in Enfield.

The majority of all workers in the sector (52%) were in professional occupations, with most of the rest in associate professional/technical occupations (23%) or managerial occupations (13%). Consequently, our research found that three quarters of all workers (74%) had a degree or equivalent or higher qualification,

Demographics

- Two thirds of workers (67%) were male, compared with 52 per cent of all workers;
- One in three workers (32%) were from ethnic minority backgrounds, compared with 39 per cent of all workers; and
- The sector had low proportions of young and old workers – only 14 per cent were aged under 30 compared with 18 per cent across all sectors, and only 17 per cent were aged 55 and over, compared with 20 per cent across all sectors;

The digital and creative sector is projected to experience an above average employment increase, of 14 per cent, compared with nine per cent across all sectors.

Recruitment and Retention Challenges

Employers in the digital and creative sector were just as likely than those in other sectors to have had vacancies in December 2022 according to the **Survation survey**, with 80 per cent having vacancies compared with 78 per cent across all sectors. However, they were more likely to report struggling to fill vacancies (73% of those with vacancies compared with 65% across all sectors), particularly for technical and skilled support roles (52% of digital and creative employers struggling to fill vacancies compared with 43% across all sectors) and professional/highly skilled specialist roles (57% compared with 49% across all sectors).

Just under half (48%) of those struggling to fill vacancies reported that this was caused by low numbers of suitable applicants with the required skills, below the proportion across all sectors of 57 per cent. Across all digital and creative

employers, including those with no vacancies, the proportion with skills shortages was, at 28 per cent, close to the figure for all sectors of 29 per cent.

Example of the 'Skills versus qualifications' issue in the creative sector

In the creative industries there is a gap in 'middle management' level skills, such as production manager and also managerial/supervisory roles with other skillsets – hair and make-up, set production etc. A lot of these skills can be transferred from other sectors if some sector-specific training is available for example via short boot-camp courses, but there is a lack of provision for that type of training currently. Expansion of short 'conversion' courses to assist the transfer of these skills into the creative industries is important to address the current gaps and future needs of what will be a rapidly growing sector as the Thames Estuary Production Corridor develops.

Also in creative industries, people management skills are important for those managing new entrants to the sector to improve retention – the high pressure nature of working environments in the sector can result in negative experiences for junior staff (bullying etc.) which can be a push-factor for leaving, and so it is important to plug the holes as much as increase the pipeline into the sector.

Skills Issues

On the creative side, the Thames Estuary Production Corridor plans will be a key driver of future skill needs, with the development of the film studio complex in Dagenham, Troubadour Meridian Water Studios and creative industry developments in Bexley, Silvertown and Woolwich. While there will be large demand for creative technical roles, there are also opportunities for a wide range of roles/skills that people don't immediately associate with film and TV industries, such as hair and make-up, carpenters for set building, production accountants etc. A lot of these skills could be easily transferred into the creative sectors, or with a little bit of extra knowledge/training, for example how accountancy principles apply in film/TV.

Soft skills are particularly important in the creative industries, and it was felt that they were often underplayed in most formal education settings. For example, in entry level runner positions in TV and film, being able to be responsive to colleagues needs and dynamic environments is crucial in being able to develop and progress. Resilience is key in this sector as the working environments are often high pressure with abnormal hours and not much pastoral support.

A number of schemes to encourage new entrants to creative sectors have been in operation over recent years, which has boosted the entry pipeline (to the point of oversaturation possibly), so the biggest skills gaps within the current workforce are around middle management skills e.g. production managers, for which there is a lack of current training provision. Also the highly freelance nature of the sector makes continuing professional development (CPD) more difficult to access.

On the digital side, it was felt that there was good skills provision across FE and HE, including the East London Institute of Technology, and infrastructure developments

such as Digital Greenwich Connect would create new opportunities for digital employment. However, it was felt that there was a high proportion of SMEs in the sector in the Local London area who may need additional support in engaging with public training providers.

In the creative industries, there has been the flexi-job apprenticeships provided by ScreenSkills in which ScreenSkills recruited the apprentices and provided pastoral care while they undertook a series of placements with a number of employers, rather than being employed directly by a single employer. The fast-paced and often pressured work environment in the sector places additional importance on the pastoral support and ScreenSkills received additional funding to ensure the provision of pastoral support. This type of approach could be adapted for other sectors to ensure provision of pastoral support is available from providers as well as employers.

Sectoral Analysis: Health and Social Care

Employment Overview

The health and social care sector employed 114,000 employees in the Local London area in 2021, accounting for 14.2 per cent of all employees. This is slightly above the national figure of 13.6 per cent, considerably above the London average of 10.6 per cent.

There was significant variation by borough, with the sector accounting for just over one fifth of all employees in Havering (21%), while in Barking and Dagenham and in Newham it was less than half this size (9.5% and 8.8% respectively).

Just over 40 per cent of workers in health and social care were in professional occupations, while caring, leisure and other service occupations are the next largest group, accounting for 29 per cent of all workers; the remainder were mostly spread across associate professional, clerical/secretarial, and managerial occupations.

Demographics

- Three quarters of all workers in the sector (74%) were female, compared with 48 per cent of all workers;
- More than half (56%) were from ethnic minority backgrounds, mostly those from Asian and Black backgrounds, compared with 39 per cent of all workers;
- One in four workers (25%) were aged 55 and over, compared with 20 per cent across all sectors; and
- Nearly two thirds (65%) had a degree or equivalent or higher qualification, above the proportion across all sectors of 55 per cent, while around one in ten (11%) had qualifications below GCSE level or no qualifications¹, similar to the proportion across all sectors (13%).

There is projected to be a 10% increase in employment in health, but a decline in employment in social care of around 2%.

Recruitment and Retention Challenges

The Employer Skills Survey 2019 found that establishments in health and social care experiencing skills shortages were much more likely than those in other sectors to report shortages obtaining computer literacy/basic IT skills from applicants (30.1% compared with 20.6% across all sectors) as well as complex problem solving skills (60.2% compared with 47.9%). In terms of soft skills, team working skills were difficult to obtain for establishments in health and social care (50.4% compared with 38.5% across all sectors), as were skills in managing or motivating other staff (44.3% compared with 36.4% across all sectors).

The Survation survey found that health and social care employers were more likely to engage with universities than other types of training providers (40% engaged with

¹ Or did not know their qualification level.

universities while across all sectors the proportion was 32%), while the cost of training was by far the largest barrier to engaging in training (mentioned by 90% of health and social care employers compared with 47% across all sectors).

Skills Issues

In social care, difficulties are mainly quantitative in nature, caused in part by high levels of labour turnover in the sector due to working conditions and relatively low levels of pay.

Employers are often too short-staffed to advertise, recruit and interview new staff as they are busy providing services. With very high turnover rates in the sector (one mentioned an annual rate of 53% for 18 to 24 year olds), the decision to invest time and money in training when a high proportion of trained staff are likely to leave can be very tricky.

The short-staffed nature of working means that it is very difficult to send staff out on training as they're needed to provide the services. In addition, shift work can make it difficult for staff to find training that fits in with the requirement of work and alternate provision, such as online training or modular courses, might ease this issue.

Knowing how to find placements in the social care sector is a challenge, in comparison with finding one in the health sector, due to the number of different social care employers

There are a large number of providers offering training in the sector and so it is difficult for employers/learners to judge the quality of providers.

There are challenges getting the quantity of qualified staff, as vacancy rates are running at 10-12 per cent at NHS trusts in Local London, which translates to a need to recruit around 4,000 staff each year with around 2,500 nurses. And staff turnover rates have been increasing post-pandemic, and currently stand at 12-15 per cent, so recruitment challenges are likely to increase.

The sector also has an ageing workforce with high proportions of female staff age 55 plus, many of whom who will be stepping down over the coming years.

It had been easier to recruit non-qualified staff – entry level posts in both the administration and the care side – and these have been successfully recruited from the local resident population around trusts.

The profile of the NHS in terms of pay and conditions has been fading in relation to private sector provision, which has increased the challenges in recruiting qualified staff.

Trusts have looked to international recruitment as a short-term measure while more consistent and supportive pathways into employment for local staff are developed, although there are difficulties in recognising overseas nursing degree qualifications.

Models of care in the NHS are based around full-time working, and so don't provide the flexibility that applicants increasingly look for.

In terms of growing its own qualified/nursing workforce, health care assistants /support workers often lack the basic levels of maths and English that are needed to progress and haven't been in formal education for quite a period of time. Current trainee nurse associate programmes are based on learners having formal maths/English qualifications. There are also challenges in how to carve out the time for trainees for the extensive training needed for nurse (or allied health professional) training as staff are so busy with work – it is more than just a bit of on-the-job training.

Although NHS trusts do use apprenticeships, they often are not able to spend all of their levy funding due to the restrictions on what they can spend the levy on, and having to pay the extra 20 per cent of apprentices' salary costs i.e. when they're away at university/college for one or two days a week their salary costs still need to be covered. So a significant amount of the levy from health is flowing straight back to the Treasury, as it's more challenging for apprenticeships to work in health compared with other sectors with a tradition of them such as construction.

Sectoral Analysis: Manufacturing

Employment Overview

Manufacturing sectors in Local London employed around 29,000 employees in 2021, accounting for 3.6 per cent of all employees. This is below the national figure of 8.1 per cent but above the figure for London of 2.1 per cent. Just over one third of all manufacturing employment in Local London was in food and drink manufacturing (37%), while manufacturing of motor vehicles etc. accounted for 11 per cent of the total, and the high value added engineering sectors² accounted for a further 11 per cent of all manufacturing employment.

The proportion of manufacturing employment in Barking and Dagenham was slightly above the national figure, at 8.3 per cent, with the presence of Ford. Barking and Dagenham accounted for 17 per cent of all manufacturing employment in Local London compared with seven per cent of total employment. Manufacturing employment was also above the London average in Bexley (5.6%) and Enfield (4.3%) and these two boroughs had the largest food and drink manufacturing sectors.

The largest occupational group is process, plant and machine operatives – semi-skilled manufacturing process workers – who account for more than a quarter of all workers (28%), followed by skilled trades occupations (18%), and elementary workers (16%) while professional workers, and associate professional and technical workers, each made up 15 per cent of the total workforce.

Demographics

- Three fifths of workers (60%) were male, above the overall proportion of 52 per cent;
- The proportion of workers from ethnic minority backgrounds was, at 30 per cent, below the proportion across all sectors of 39%;
- The age profile of the workforce was similar to that for all workers, albeit with a slightly lower proportion of workers aged 55 and over (16% compared with 20%) and a slightly higher proportion aged 40 to 54 (40% compared with 36%);
- The proportion of workers with a disability was below the average across all sectors, at 12 per cent compared with 16 per cent of all workers; and
- Three fifths (61%) of all workers had a degree or equivalent or higher qualification, slightly above the proportion across all sectors of 55 per cent, while the proportion with qualifications below GCSE level or no qualifications was slightly below the proportion across all sectors (11% and 13% respectively).

² Manufacture of computer, electronic and optical products, manufacture of electrical equipment, and manufacture of machinery and equipment not elsewhere classified.

Recruitment and Retention Challenges

The Survation survey found that manufacturing employers were more likely than those in other sectors to have had vacancies in December 2022 – 86 per cent compared with 78 per cent across all sectors – but were no more likely to have difficulties recruiting.

The London Business 1000 survey found that manufacturing businesses were more likely than average to report that skills shortages among job applicants was a key labour market and skills challenge (33% compared with 25% across all businesses),

Manufacturing employers were more likely than average to report that basic digital skills and basic maths skills would need most over the next two to five year.

Skills Issues

Skill needs were most commonly around the higher technical skills needed in manufacturing, although there were also more quantitative needs in some sectors such as textiles manufacturing which was more seasonal in nature.

Digital skills were also very important as the sector becomes less 'hands on' and more technology focused, particularly for BIM and CAD.

Sectoral Analysis: Distribution

Employment Overview

Around 47,000 employees worked in the transport and logistics sector in Local London in 2021, accounting for 5.8 per cent of all employees, above the regional and national proportions (4.3% and 4.7% respectively).

Across the Local London area the highest proportion of employment in the sector is in Barking and Dagenham, where it accounts for 9.4 per cent of total employment, followed by Enfield (7.3%). At the other end of the scale the sector accounted for 3.0% of employment in Bromley and 3.4 per cent in Redbridge.

The largest occupational group is process, plant and machine operatives – mainly drivers and vehicle operatives – who account for two fifths of all workers (43%), followed by elementary occupations (22%) and administrative and secretarial occupations (8%).

Demographics

- Male workers accounted for 70 per cent of all workers in the education sector, above the proportion of 52 per cent across all sectors;
- 45% of workers were from ethnic minority backgrounds, compared with 39 per cent of all workers;
- The distribution and logistics sector has a relatively old age profile, with only 10% of workers aged under 30 (compared with 18% across all sectors) and 66 per cent aged 40 and over (compared with 56% across all sectors);
- 13% of workers had a disability, slightly below the proportion across all sectors of 16%; and
- Just over one in three workers in the distribution and logistics sector (38%) had higher education qualifications (29% with degrees or equivalent or higher, and a further 8% with HE qualifications below degree level), compared with the proportion across all sectors of 60 per cent. One in five (21%) had A-levels/Level 3 qualifications as their highest qualification (17% across all sectors) and 18 per cent had GCSEs/Level 2 qualifications as their highest qualification (11% across all sectors). Nearly one in four (24%) had qualifications below GCSE level or no qualifications³, almost double the proportion across all sectors (13%).

The increase in employment in distribution and logistics is projected to be slightly below the overall increase in employment in London (8.0% compared with 9.2% overall). Employment in land transport is projected to increase by 20%, while there is projected decrease of 13% for air transport, and employment in warehousing, postal and courier is projected to remain stable.

³ Or did not know their qualification level.

Recruitment and Retention Challenges

The **Survation survey** found that employers in the distribution and logistics sector across London reported having fewer issues with vacancies compared to other sectors, (64% and 78% respectively). However, those that did have vacancies were more likely than average to have difficulties filling them (83% compared with 65% across all sectors).

In terms of roles that were difficult to fill, employers in distribution and logistics were more likely than those in other sectors to report struggling to fill vacancies for skilled trades, and technical and skilled support roles, and recruitment difficulties were most likely to be caused by the jobs entailing shift work or unsociable hours.

In terms of the skills that distribution and logistics business think they would need over the next two to five years, they were more likely than average to report sector specific technical skills, and basic digital skills.

Skills Issues

There were skills gaps identified in project management skills in distribution and logistics. There were also issues in terms of HGV licences not being a funded in the public training system as it was not classed as a qualification, despite being an essential requirement for work in the sector.

Distribution and logistics employers reported finding it difficult to engage with colleges and schools, perhaps due to perceptions of the sector.

Shift work can make it difficult for staff to find training that fits in with the requirements of work; alternate provision, such as online training or modular courses, might alleviate this problem.

Cross-Cutting Themes: Digital

Expansion of digital skills was a recurring theme and increased provision is required at all levels to meet current and future needs of employers, at both a basic level (so residents can access the widest range of jobs and also access services which are increasingly delivered online) and at an advanced level to address specific needs.

At the basic level, provision should be face-to-face as learners often don't want to learn online or don't have sufficient digital skills to succeed with online learning, while online delivery could be appropriate for more advanced digital training.

Particular needs in advanced digital training were cyber security, data analytics, and AI, with the health and digital sectors having particular strong demands for advanced digital skills.

Cross-Cutting Themes: Green skills

In construction, it was felt that the sector will respond when the demand for green skills becomes apparent and that green skills will not be too different to existing skills profiles, for example just adding on heat pumps to current plumbing courses or electric vehicle charging installation to existing electrical courses. However, to date, the demand has not yet materialised. One example is that there is a lot of work on replacing external cladding post-Grenfell, but there don't seem to be opportunities for doing insulation work at the same time that the scaffolding is up. Closer engagement between boroughs, construction firms and skills providers might provide more clarity around the pipeline of demand.

Cross-Cutting Themes: Support

ESOL

Some boroughs in Local London have very high proportions of the population who were born outside of the UK (54% in Newham, over 40% in Barking and Dagenham, Enfield and Redbridge), and therefore ESOL provision makes up a very large proportion of all provision at some colleges (eg 50% of all provision at Newham College is ESOL). However, colleges report difficulties getting enough ESOL tutors given the size of provision which makes it difficult to meet demands from the local population.

Given the difficulties in getting enough ESOL tutors to meet local demands, colleges and other providers should be innovative and creative in approaches to boost tutor numbers – one suggestion was working with unemployed people and training them to be ESOL tutors.

Another recommendation is for providers to develop a range of '*ESOL for work*' courses covering different sectors where the focus is on the language used in

particular types of employment – examples included construction trades, textiles manufacturing and health/care, particularly among Ukrainian refugees who have arrived here – so that skilled and experienced individuals from overseas who lack English can learn the language needed to be able to start working here, before focusing on more general language, to plug labour/skills shortages in priority sectors.

Linked to the *‘ESOL for work’* suggestion was a recommendation for more formal progression to skills courses, such as bootcamps, are offered at the end of ESOL courses, so that once individuals have got the necessary English skills they can move straight into developing the skills they can use in work and enter the labour market more quickly.

There was also suggestions of increased flexibility in the requirements for funded ESOL provision (adjusting minimum residency requirements) and increased flexibility in how providers deliver ESOL training and exploring the potential for some of it to be delivered online, perhaps for higher levels or if it is more work focused, which could in turn free up resources to expand face-to-face provision at lower levels.

Pastoral Support

There was felt to a need for more pastoral support for learners, not just young learners who may have been particularly affected by the pandemic but also adult learners who may have additional support needs due to health problems or a disability, being from a disadvantaged background or needing ESOL provision. Colleges reported that they used to have a pot of money on top of tuition funding to provide support to learners with additional support needs, but this was no longer available and so money used for learner support meant less money for training provision. Additional funding that can be used flexibly by colleges/providers and not ring-fenced for provision would enable providers to provide more holistic support to learners.

Coupled to this was the suggestion that employers provide mentorship support for learners which could provide more specific support related to the industry that the learner wants to progress into. One college reported on a pilot scheme they were running in the construction sector where the mentor from the employer received some training in how to mentor young people, achieved by diverting funding away from other support and with the involvement of a charity. However, this would require additional funding if it was to be scaled up, which could be linked to the GLA Mentoring Quality Framework.

Cross-Cutting Themes: Skills provision

Skills vs qualifications

The training sector is focused on delivering ‘qualifications’ due to the way that funding models are set up. However, for employers, the qualification is often less

relevant than the skills which learners obtain while gaining the qualification, without the individual necessarily needing the full qualification.

Employers and providers should work together with funders to

- identify areas of flexibility where provision of particular skills, rather than qualifications, could be funded under the existing funding mechanisms, and
- identify options in new funding (for example the LSIF) for skills to be funded, rather than qualifications.

However, it was also recognised that, from the learner perspective, the ‘piece of paper’ that shows they have a qualification/skill is important – for example, when changing employers to demonstrate to the new employer that the applicant does possess the qualifications/skills they claim to have. Therefore, if provision is more ‘skills’ focused it is important that these are certified so that learners can ‘transport’ it with them and it not be linked just to the employer they undertook the training for.

More flexible provision including shorter, modular courses

Linked to the recommendation for delivering ‘skills’ rather than qualifications, there is a growing need for shorter, modular courses, rather than long courses focused on the academic year, to provide more flexible methods of skills provision. This would allow both employers and learners to choose individual elements that most meet their needs and/or combine them into a ‘portfolio’ training course.

From the demand side, sectors with traditions of shift working (such as social care) can benefit from greater provision outside of traditional office hours to meet the needs of shift-workers. However, there may be challenges for providers in offering more flexible provision, particularly as they may be struggling to recruit sufficient tutors and teachers for existing provision.

Case Study: Modular courses

Cross-Cutting Themes: Information and advice

Alternative routes for young people – bootcamps, degree apprenticeships etc.

There was a feeling that the binary choice of ‘academic vs apprenticeships’ presented to young people fails to offer them the full range of choices post-16, and that alternative options such as skills bootcamps, sector-based work academies (focused on the local priority sectors) or being able to ‘earn while learning’ at the HE level via degree apprenticeships, are not being publicised to them or their parents, who are often involved in the decisions. Improved careers information, advice and guidance (mentioned above in 2.1.1) can help to raise awareness of these

alternative learning pathways, and expansion of the opportunities in them can help increase entry pipelines to priority sectors.

Assistance navigating the training provision landscape/improved careers information, advice and guidance

It was felt that the training provision landscape was very complicated for local businesses and residents to understand and navigate. There are a plethora of skills programmes operating in London – Adult Education Budget funded courses, Skills Academies, Skills Bootcamps, Jobs and Skills for Londoners, No Wrong Door programme, London Careers, Good Work Standard, Multiply – each with their own duration, intensity, focus of study (sectors, or type of skills), requirements for learners and funding arrangements.

Related to this, it was also felt that there was a lack of good quality and focused careers information, advice and guidance for local residents to understand the careers pathways that might follow from undertaking different type of training courses, and to understand in-work progression opportunities from where they are currently if they are in employment.

To provide assistance/improve guidance, three-way collaboration between employers (including employer representative or sector bodies), training providers and local authorities should take place to develop a shared understanding of the key skill needs of employers (on a sector-by-sector basis) and identify current training provision that can address those needs, or additional training that would need to be provided, and to produce information/guidance publications for business and residents to give clear concise information about what is available and where it could lead for learners, including those not currently working and those in work to progress into better employment.

References were made to the fragmentation of careers information advice and guidance at school over the last decade, and how important it is for school students to have good quality and tailored IAG at an early enough age to inform post-16 decisions about training and careers, particularly so that students can understand their own strengths and weaknesses and the types of work that may be appropriate for them. Funding to expand and formalise early careers IAG in schools was seen as important to plug this gap. There is also a need to involve parents in the careers IAG process as they have an input into their children's career choices and may not be aware of the range of opportunities available, particularly non-traditional routes such as bootcamps and degree apprenticeships.

There were some mentions of the importance of improving or adjusting sector-based guidance to make it more effective. For example:

- In **construction**, it was felt that the sector needs to be more blatant in talking up the opportunities for pay and progression when discussing entry-level opportunities – for example, saying that after so many months/years after entry you could be trained in a skill and earning this amount of money, so that entry

level applicants understand that they can make a good living from the sector even though the initial opportunities might not be glamorous.

- Also maximise the potential for charities working with disadvantaged young people to highlight opportunities in construction – one example mentioned was Youthbuild UK who work specifically with the construction sector in engaging with employers to offer work opportunities to young people, but other charities could provide information and advice to highlight the opportunities available.
 - It was also important to provide careers information to promote the sector at pre-16 levels so that young people understand the industry and potential pathways as they reach 16.
- In **social care** and **hospitality**, there was a similar need to dispel myths about the type of work that is available and to paint a more complete picture of the progression paths available into more supervisory/management roles.

Cross-Cutting Themes: Cooperation and Engagement

Sector-focused brokerage systems, and increased education-business partnership activities

The development, or expansion, of sector-focused job brokerage systems would be an effective two-way buffer between training providers and employers in terms of identifying employment opportunities for learners currently in training and to inform providers about the skills needs of employers – job brokers are uniquely placed to act as a bridge between providers and employers. Employers particularly benefit from face-to-face employer engagement activity, and with brokers going into employers and talking with them they can assist not only with helping employers recruit from college leavers but also address in-work progression.

Allied to this, and potentially facilitated by job brokers, is a suggestion for increased education-business partnership activity, such as professional development days for tutors with employers to keep them abreast of current developments in the workplace, which they can then take back to the classroom and ensure teaching reflects current working practices, and also employers coming into providers to talk to learners about what work is like in their sector. Businesses/employers could also enable professionals to devote some time to training at their local college.

Greater co-operation across providers, and with boroughs/other stakeholders

It was recognised that there could be a high degree of duplication across colleges in terms of the courses they offered in close geographical proximity to each other, and that there may be scope for collaboration and specialisation to make the most effective use of their limited resources. At the lower skill levels, however, it was felt that learners were geographically limited and would not travel beyond their nearest college to access provision, but at higher levels there could be potential for particular colleges to specialise in certain types of provision rather than all local colleges having the same offer.

Another way in which increased collaboration could lead to benefits could be in colleges recruiting specialist teachers/tutors as a consortium, where there is a shortage of teachers/tutors, and they could deliver training in multiple colleges at different times eg at one college for one or two days a week and revolve around the consortium.

Furthermore, increased co-operation between colleges and boroughs or other stakeholders in planning provision could be beneficial in reducing duplication. In the construction sector for example, local authorities would have good information about upcoming developments and so the likely skill needs of the sector which could be passed to colleges to help them plan provision. Colleges often have good relationships with employer bodies and again this engagement could happen on a more collaborative basis across colleges to identify opportunities for more joined-up working and less duplication.

Real-time information on training opportunities

Issues were identified in terms of employers, particularly SMEs, not having sufficient staff to make a cohort of learners cost-effective for providers (for example running an apprenticeship programme), which limited their ability to access training for their staff. At the same time, providers might be missing out on the opportunities to increase learners on existing programmes and benefit from greater economies of scale in running courses.

The development of a product that could provide real-time information on current and upcoming training opportunities could benefit employers in terms of being able to piggyback one or two learners onto a programme that would already be running, and providers in terms of increasing learner numbers to maximise cost effectiveness. However, it was recognised there may be some confidentiality concerns in terms of employees from different businesses on the same programme.

Cross-Cutting Themes: Funding

More flexibility in funding arrangements including on use of Apprenticeship levy, to increase responsiveness of providers

It was recognised that colleges were not always as responsive to employer needs as they might be, as a result of system being mainly driven by funding requirements rather than identifying flexibilities that could help to address employers' needs better. Therefore, increased flexibility in funding arrangements would help colleges to be more agile and responsive to employers' needs.

There was a mention that colleges had been very responsive in working with Job Centre Plus when the economy began to open-up after the pandemic lockdowns, to quickly build up capacity in hospitality at short notice via informal bootcamp-style courses in front-of-house and security/safety, which demonstrated that they can be agile and responsive when needed. And it was noted that there was some flexibility in existing funding arrangements, such as the regulated 100 hours without a qualification which can be tailored to sector needs within the AEB requirements.

Greater flexibility in existing funding would allow colleges to be more responsive, and greater flexibility in the use of the Apprenticeship levy would increase the funds coming through and so allow colleges to do more, as well as do things slightly differently.

However, there is an important quid pro quo in terms of college responsiveness in that employers need to support providers in providing work experience, updating on industry practice, and helping inform and shape the curriculum and assessments – there are key explicit asks of employers as well as providers in developing an agile and responsive relationship.

Delivering the LSIP