



MEETING CENTRAL LONDON'S SKILLS NEEDS

A REPORT FOR THE
LONDON LOCAL SKILLS
IMPROVEMENT PLAN

CONTENTS

CHAIR'S FOREWORD	2
WHO WE ARE	3
EXECUTIVE SUMMARY	4
1 LSIP PRIORITIES IN CENTRAL LONDON	7
2 TAKING FORWARD THE LSIP PRIORITIES	14
3 DELIVERING THE LSIP PRIORITIES IN CENTRAL LONDON	44



CHAIR'S FOREWORD

Central London has a dynamic economy – which drives growth across the UK – and the most highly qualified population of any part of the country. Yet despite these strengths, too many Londoners struggle to benefit from the opportunities available on their doorstep, and too many businesses struggle to find the skills they need.

Central London Forward seeks to drive inclusive and sustainable growth in central London – so that our economy thrives, and all our residents and communities are able to benefit from the opportunities this creates. Crucial to this is ensuring residents have the skills that employers need, both now and in the future.

This report sets out how we can make that happen. We focus on five key sectors – from financial and professional services to health and social care – which together account for seven in ten jobs in central London. We also explore two vital cross-cutting priorities; delivering net zero and tackling inequalities.

Based on extensive engagement with businesses, providers and other stakeholders, the report articulates employer skills needs in central London, it identifies challenges with the post-16 vocational skills system, and it sets out priorities for improving the system locally.

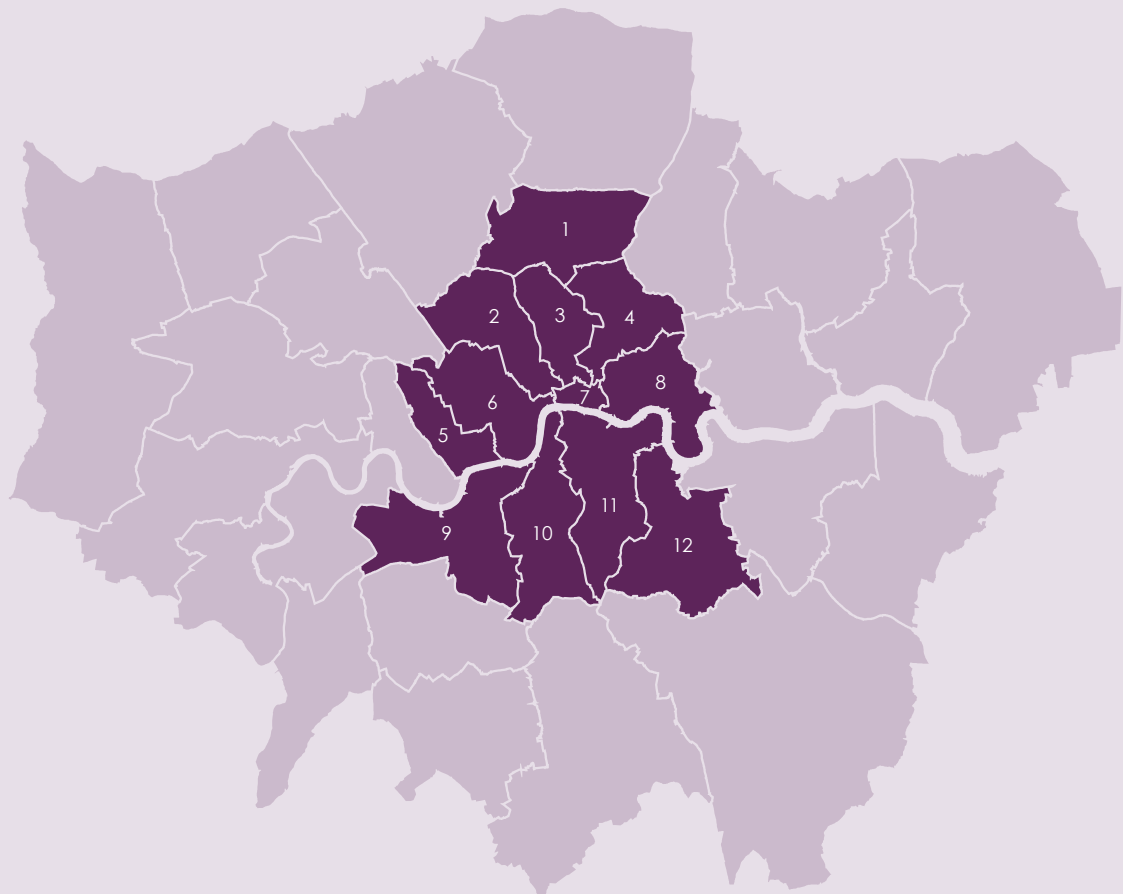
We look forward to working together with colleges and other skills providers, with employers and BusinessLDN, to drive forward these recommendations and improve the skills system in central London. If we get this right, we will be able to tackle skills shortages, drive productivity, narrow inequalities, and help more Londoners into decent work, so that all our residents can share in the success of our city.

Cllr Kieron Williams
Leader of Southwark Council
Chair of Central London Forward

WHO WE ARE

Central London Forward (CLF) is a partnership of the 12 central London local authorities: Camden, City of London, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.

We work together with our member authorities and with other stakeholders to support inclusive and sustainable growth in central London; so that our economy thrives, and our residents benefit from the opportunities this creates.



- 1 Haringey
- 2 Camden
- 3 Islington
- 4 Hackney
- 5 Kensington & Chelsea
- 6 Westminster
- 7 City of London
- 8 Tower Hamlets
- 9 Wandsworth
- 10 Lambeth
- 11 Southwark
- 12 Lewisham

EXECUTIVE SUMMARY

This report sets out the skills needs of employers in central London, and how the skills system could better meet those needs. The report has been prepared by Central London Forward and Institute for Employment Studies to inform London's Local Skills Improvement Plan (LSIP). It is based on extensive engagement with employers and other stakeholders.

Central London has a dynamic economy. The area covered by the 12 local authorities that make up Central London Forward (CLF) hosts 3.2m jobs – six in ten of all London's jobs – and generates £314bn of GVA. Ensuring employers have access to the skills they need is vital to ensuring the future success of central London's economy.

Chapter 1 sets out the context of the LSIP, highlights the distinct nature of central London's economy, and identifies five priority sectors.

Chapter 2 explores the skills needs of our priority sectors:

Financial and professional services

Central London is a world-leader in financial and professional services, and the sector accounts for 976,000 jobs. The sector does not reflect London's diversity, with women and people from ethnic minorities under-represented.

There is strong demand for management consultants, business analysts, and taxation experts. Skills in demand include client management, communication, and data analysis. The skills system is seen by employers as highly complex, and providing industry placements and recruiting teachers with industry expertise are major challenges.

Information and communication

The digital sector in central London is twice the share of employment as nationally, accounting for 335,000 jobs. Women make up just one in four (24%) employees, and ethnic minorities are also under-represented.

There is high demand for programmers and developers, data analysis, and web designers. Technical skills including programming and coding, and cyber security, and soft skills are most in demand. Skills system challenges identified include provider/employer engagement and keeping with the pace of technological change.

Health and social care

Health and social care accounts for 290,000 jobs, one in ten in central London. Both women and people from ethnic minorities are over-represented in lower paying roles in social care.

There are significant shortages of care workers – which is related to low pay in the sector – and of nurses, and doctors. Alongside health skills, employers are looking for empathy, and communication skills. There are skills gaps in digital and ESOL, and increasing demand from life sciences, a key growth sector for central London. Perceived skills system issues include attractiveness of the sector, and the lack of English and maths being a barrier to progression.

Arts, entertainment and recreation

This diverse sector accounts for 90,000 jobs, and is crucial to the capital's visitor economy. Ethnic minorities are significantly under-represented in the sector.

Occupations in demand include video game designers, production staff, technicians and backstage skilled trades. Skills most in demand include creativity, communication skills, and digital skills. The predominance of SMEs and self-employment in the sector was highlighted as a challenge for the skills system by providers and employers.

Hospitality and retail

Hospitality and retail employ 520,000 people in central London. One in two (49%) employees are from ethnic minorities. The sector has higher levels of low paid roles.

The sectors face significant recruitment issues, which are related to the prevalence of low pay. There are shortages across a wide range of roles, including chefs and managers. Skills required include chef skills, customer service, leadership, and foreign language skills. Perceived skills system issues include the attractiveness of the sector, a shortage of tutors with industry expertise, and releasing workers for off-site learning.

Meeting Central London's Skills Needs

Chapter 2 also explores two cross-cutting themes:

Supporting the transition to net zero

The transition to net zero will transform our economy and skills needs. There were 147,000 green jobs in the sub-region in 2020, which is set to double by 2030. There will be a loss of carbon-intensive jobs, but the net impact on employment is expected to be positive. Skilled craft roles will see the biggest growth from the transition. The skills system will need to both train new entrants to the labour market for new green jobs, and to help existing workers to re-train.

Tackling labour market inequalities

Many groups, including women, people from ethnic minorities and disabled people are more likely to be low paid. Residents with low qualifications face significant disadvantage. There are some good approaches to tackling inequalities, including the Mayor's Academies Programme which aims to support Londoners into good work.

Chapter 2 also explores employers' engagement with training and training provision.

Chapter 3 sets out how we plan to deliver the central London LSIP, taking forward nine actionable priorities:

- 1 Employer engagement** – working closely with businesses to help them understand training options, and to co-design provision so that it meets needs;
- 2 Industry expertise** – provision delivered by tutors with recent industry expertise;
- 3 Industry placements** – securing quality placements to give learners industry experience;
- 4 Flexible provision** – short and modular courses, allowing businesses and learners to pick the elements that meet their needs;
- 5 Digital provision** – to increase accessibility and flexibility of provision;
- 6 Updating provision** – reviewing content to ensure it reflects industry needs;
- 7 Career mapping** – highlighting progression pathways available within a sector;
- 8 Embedding digital skills** – ensuring all provision helps strengthen digital skills;
- 9 Improving pay and job quality** – to attract recruits and address skills gaps.

1 LSIP PRIORITIES IN CENTRAL LONDON



1.1 Introduction

The London Local Skills Improvement Plan

Local Skills Improvement Plans (LSIPs) aim to ensure the post-16 technical education system is aligned to local labour market needs. They articulate the skills that employers need in a local area, and set out recommendations for the skills system, so it better meets those needs. Through doing so, they seek to ensure employers can access the skills they need, driving growth, and supporting local residents to access decent work.

LSIPs are led by Employer Representative Bodies (ERBs). BusinessLDN is leading the London LSIP. Alongside the London-wide LSIP, the four sub-regional partnerships of London boroughs have worked with employers in their area to understand how skills needs vary across the capital. This report sets out employer skills needs across the Central London Forward sub-region.*

Methodology

This report was informed by extensive engagement with employers across central London. This included 30 interviews with employers, employer organisations, and other key stakeholders, and 7 workshops.

This was complemented by analysis of labour market data and employer surveys, and a literature review. Full details of our methodology can be found in **Appendix 1: Method**.

1.2 Central London's economy

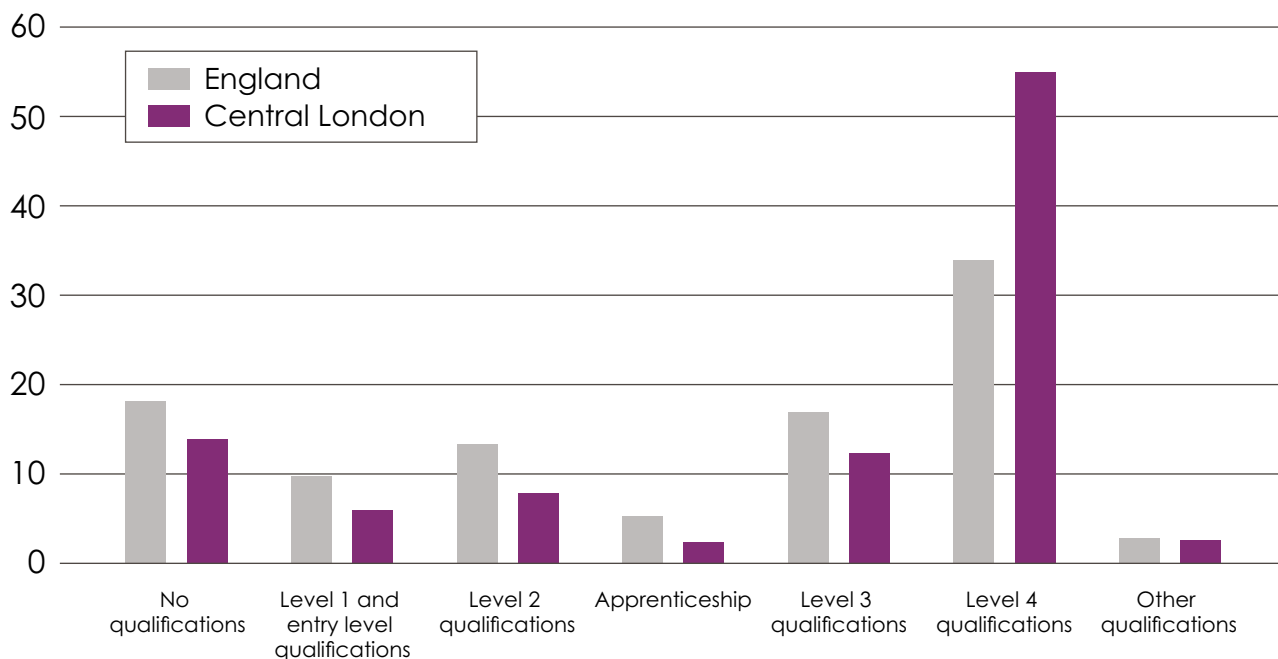
Central London has a dynamic economy. The 12 local authorities that make up Central London Forward host 3.2m jobs. This represents six in ten (59.5%) jobs in the capital, and over one in ten (11.6%) of all UK jobs. Central London is home to world-leading clusters in the industries of the future, which draw in investment from across the world. Productivity is significantly higher than the London and UK average.

Central London has a skilled workforce. Over half (54.9%) of residents have a level 4 qualification or above, compared to just one in three (33.9%) nationally. While central London has fewer people with low or no qualifications, 662,000 residents do not have a qualification above level 2, and 333,000 have no qualifications. As Chapter 5 shows, these Londoners face a significant labour market disadvantage.

* Central London Forward is the sub-regional partnership of the 12 central London local authorities; Camden, City of London, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth, Westminster. We work together with our member authorities and with other stakeholders to support inclusive and sustainable growth in the sub-region. In this report 'central London' refers to the area covered by the 12 local authorities that make up Central London Forward.

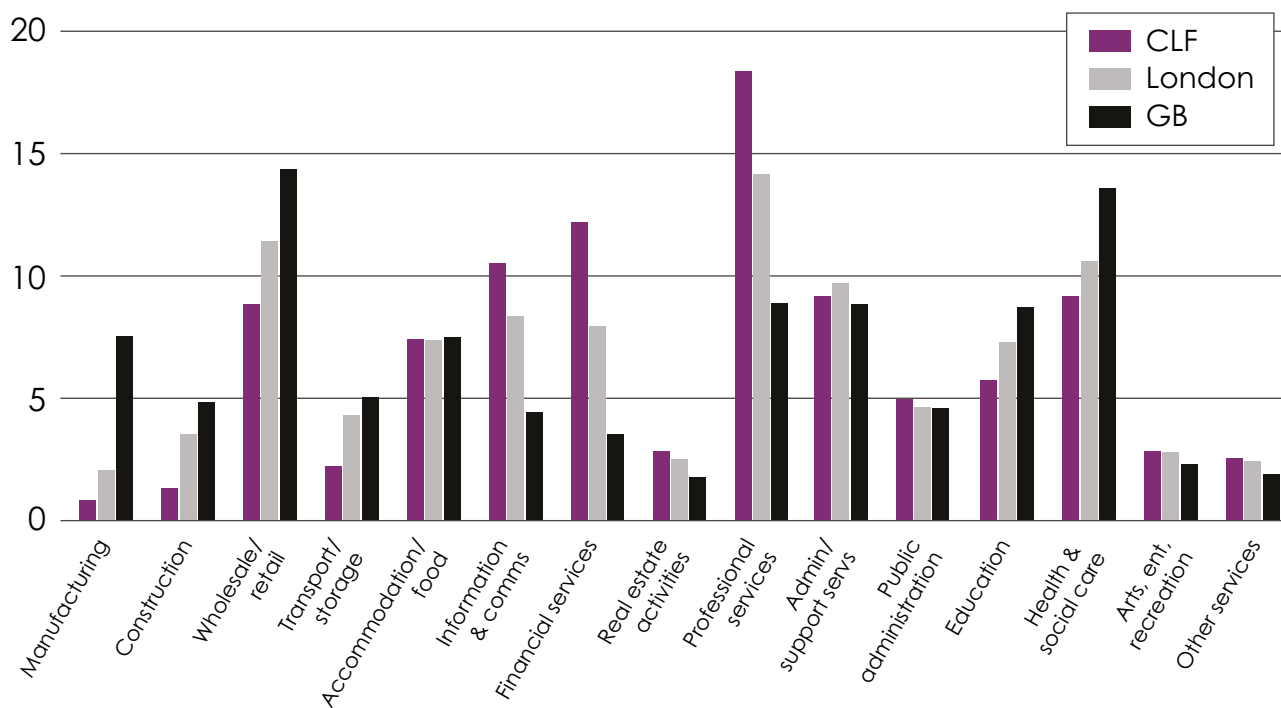
Meeting Central London's Skills Needs

Figure 1.1: Highest level of qualification, Central London and England, 2021



Source: Census, 2021

Figure 1.2: Employees in employment by sector, CLF, London and GB, 2021



Source: Census, 2021

Ensuring the skills system meets business' needs will be vital to London's economic success, and to ensuring residents benefit from the opportunities available in their city.

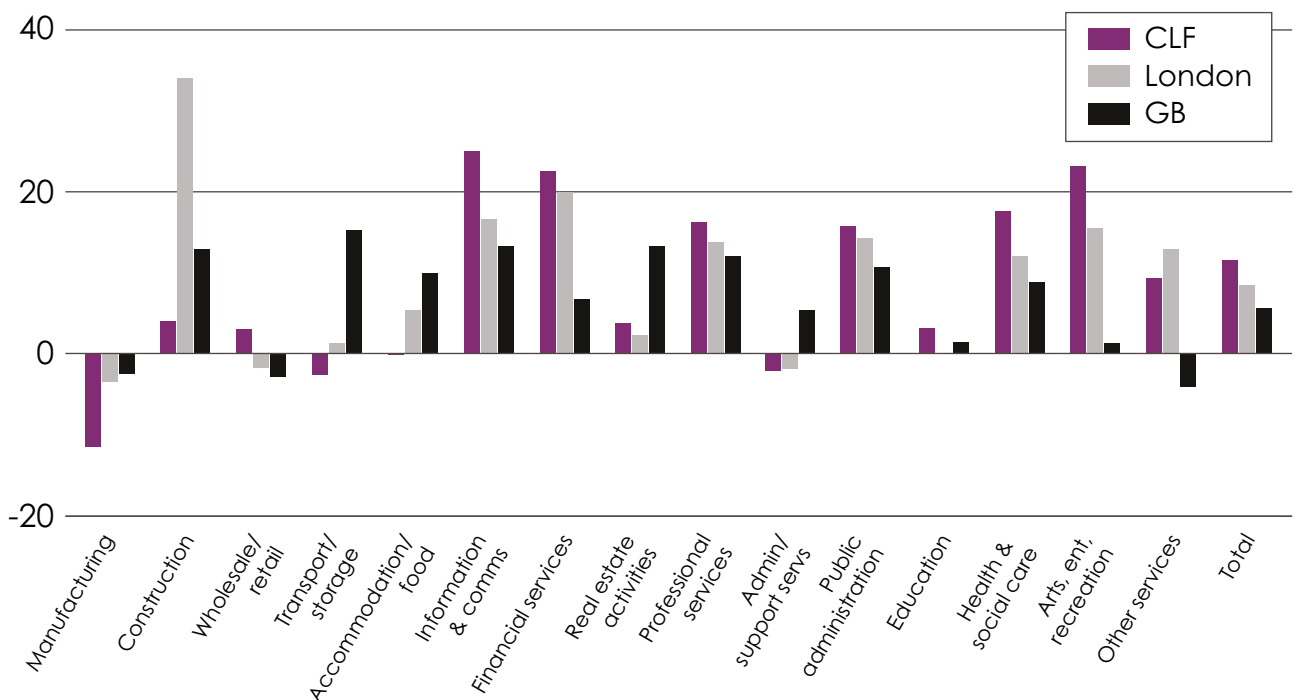
Employment by sector

The professional and financial services sector account for 30% of employees in central London, over double the proportion across Great Britain (13%). Information and communication accounts for 11% of employees, over double the share nationally (5%).

Employment trends

Employment in central London has grown rapidly in recent years. Between 2015 and 2021, the total number of employees in central London increased by 12%, larger than across London (8%) and nationally (6%). Sectors already concentrated in central London saw the largest increases, with employment in information and communication, financial services, and professional services growing 25%, 22% and 16% respectively. There were also large increases in arts, entertainment and recreation (23%) and health and social care (18%).

Figure 1.3: Change in employees in employment by sector, CLF, London and GB, 2015–21



Source: Business Register and Employment Survey, 2021

Meeting Central London's Skills Needs

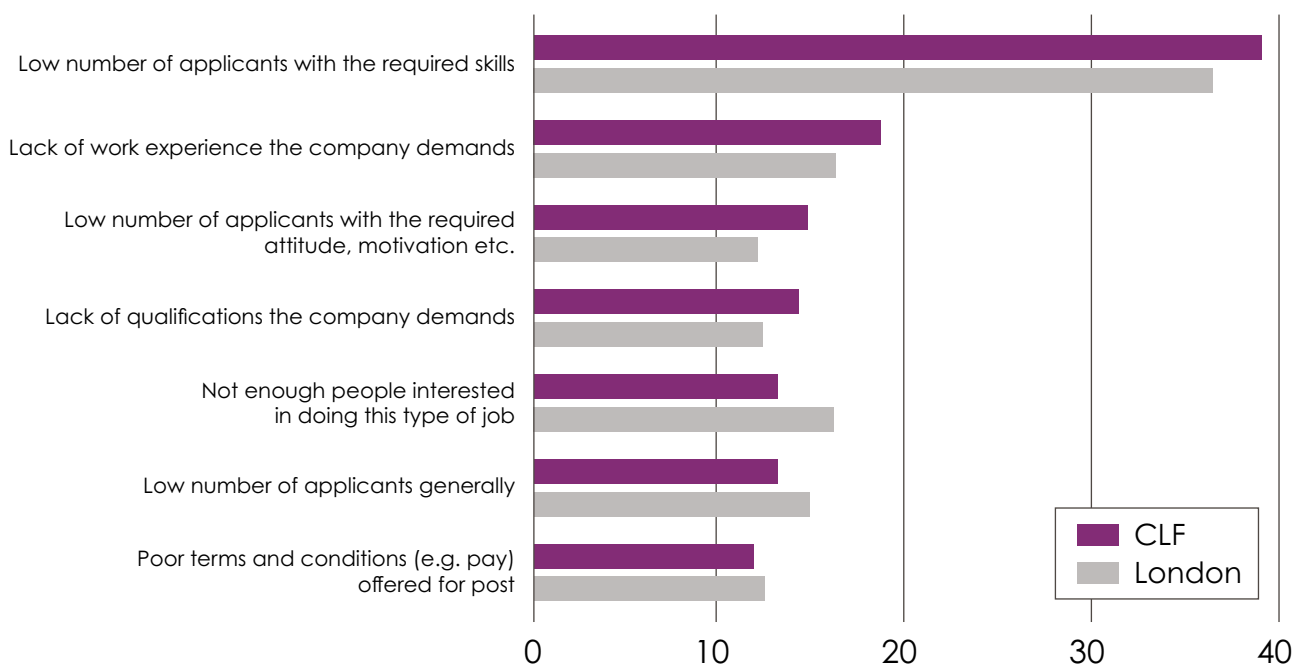
1.3 Priority sectors

Central London Forward identified five priority sectors, based on the size of the sector, the concentration of the sector in central London relative to the rest of the country, the prevalence of skills shortages, and the strategic importance of the sector:

- » **Financial and professional services** – heavily concentrated in central London, accounting for a large proportion of employment and output;
- » **Information and communication (digital)** – heavily concentrated, accounting for a large proportion of employment, and a Mayoral priority sector;

- » **Health and social care** – accounting for one in ten jobs, the sector is growing rapidly, it faces skills shortages, and is a Mayoral priority sector;
- » **Arts, entertainment and recreation** – concentrated in central London, the sector plays an important role in attracting visitors, and it is set to grow rapidly;
- » **Hospitality and retail** – the sector accounts for a large proportion of jobs, it faces skills shortages, and is a Mayoral priority sector.

Figure 1.4: Main causes of hard-to-fill vacancies, CLF and London, 2019



Source: Employer Skills Survey 2019

1.4 Recruitment difficulties and hard-to-fill vacancies

BusinessLDN commissioned a survey in December 2022 by Survation of 1,000 London businesses to understand their skills needs and inform the LSIP. 66% of businesses in central London said they were struggling to fill their vacancies.

The Employer Skills Survey is a national employer survey, commissioned by the Department for Education. The 2019 survey – the most recent with available data – found that 8% of establishments in central London had hard-to-fill vacancies, slightly above the London-wide proportion (7%).

Hard-to-fill vacancies were higher among associate professional and technical workers (22.4%), elementary occupations (21.0%), and sales and customer service staff (11.3%).

As figure 1.4 shows, the main factor behind hard to fill vacancies was a low number of applicants with the required skills (38.8%), followed by a lack of experience required by the company (18.5%), with both cited by proportionately more employers than across London as a whole.

1.5 Skills shortage vacancies

The 2019 Employer Skills Survey found three quarters (75%) of establishments in central London with hard-to-fill vacancies highlighted a lack of skills, qualifications or work experience among applicants.** The most commonly cited technical skills that establishments found lacking among applicants were:

- » Specialist skills or knowledge needed to perform the role (69.4%)
- » Knowledge of products/services (48.7%)
- » Solving complex problems (47.9%)

Establishments in central London were more likely than those elsewhere to report difficulties in recruiting people with foreign language skills. Central London establishments cited difficulties obtaining skills in time-management and prioritising tasks (51.6%); customer handling skills (44.2%); and managing own feelings or handling the feelings of others (37.8%).

1.6 Skills gaps

The Survation survey found that one in three (34%) central London businesses reported some skills gaps, higher than across London as a whole (31%).

** This includes establishments who reported causes of hard-to-fill vacancies as low numbers of applicants with the required skills, lack of work experience and lack of qualifications (shown in Figure 2.1).

Meeting Central London's Skills Needs

The skills most cited as lacking were technical skills (65%), cross-cutting transferable skills (47%), and basic digital skills (32%).

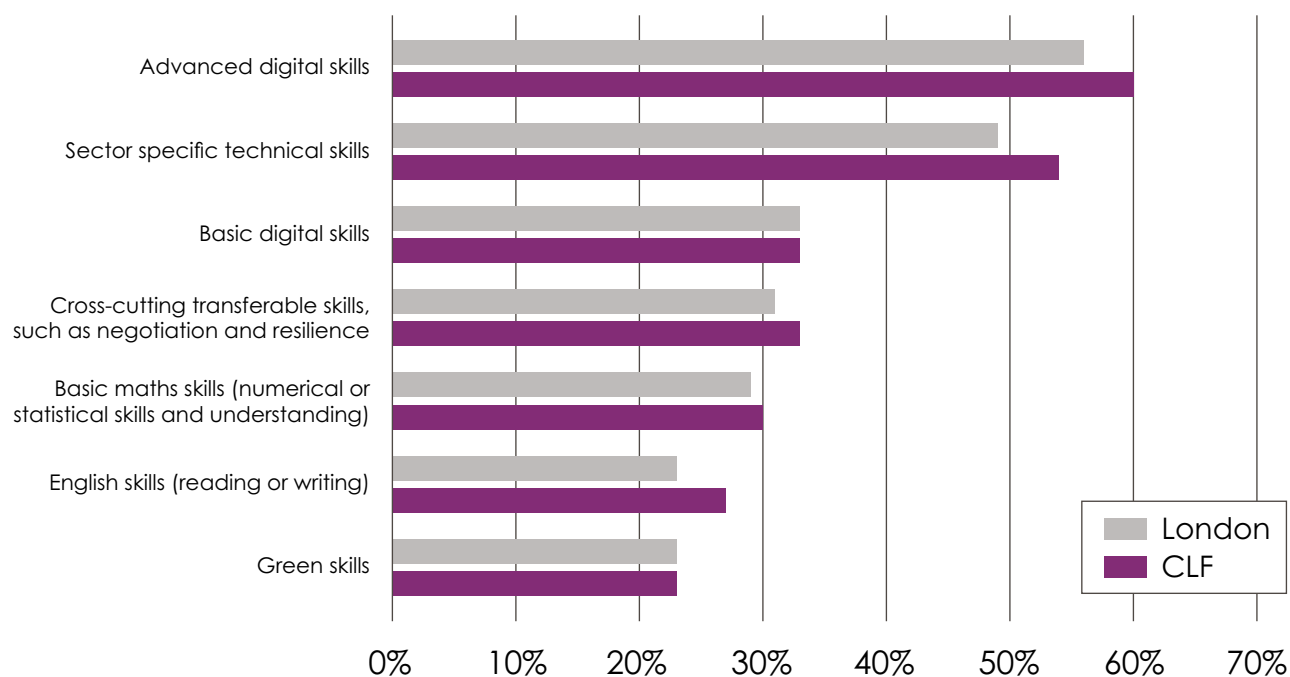
The London Business 1000 survey found that businesses in central London were most likely to report challenges recruiting applicants with technical skills (33.4%), management/interpersonal skills (21.0%), leadership skills (19.7%), and advanced or specialist IT skills (19.1%). Central London businesses were also more likely than those across London as a whole to highlight skills gaps relating to complex statistical skills (11.5%) and foreign language skills (8.0%).

The 2019 ESS found that 11.1% of central London establishments reported skills gaps, with the skills most commonly lacking being specialist skills or knowledge needed to perform the role (61.1%), problem-solving skills (51.3%) and knowledge of products and services (49.5%).

1.7 Future skills needs

The skills that were cited as most required by businesses over the next 2 to 5 years in the Survation survey were advanced digital skills (60%), sector specific digital skills (54%), basic digital skills (33%), transferable skills (33%) and basic maths skills (30%).

Figure 1.5: Skills that businesses will need most over next 2 to 5 years, CLF and London, 2022



Source: Survation survey, December 2022

2 TAKING FORWARD THE LSIP PRIORITIES



This section explores the skills needs of our five priority sectors in central London, based on extensive engagement with employers and providers. For each sector we set out the roles and skills that are in high demand, and issues with the skills system at present.

Central London has long been a world-leading centre for financial and professional services

2.1 Financial and professional services

Central London has long been a world-leading centre for financial and professional services. The sector is continuing to grow, driven in part by the emergence of fintech and green finance. The sector accounted for three in ten (30.6%) employees in 2021, over double the national figure (12.4%). Pay in the sector is far higher than average, and it makes a major contribution to London's economic output.

Financial and professional services businesses are concentrated in the City of London, where 61% employees work in the sector. The City has the highest level of employment in financial services (37%) and legal and accounting (12%). The sector accounts for two in five (41%) jobs in Tower Hamlets,



Table 2.1: Largest occupations in financial and professional services, CLF, 2021/22

	Number	%
Finance and investment analysts and advisers (2422)	67,700	7.0
Financial managers and directors (1131)	59,700	6.1
Management consultants and business analysts (2431)	55,400	5.7
Solicitors and lawyers (2412)	44,000	4.5
Business and financial project management professionals (2440)	26,000	2.7
Financial accounts managers (3534)	25,800	2.7
Marketing associate professionals (3554)	20,900	2.2
Book-keepers, payroll managers and wages clerks (4122)	20,400	2.1
Actuaries, economists and statisticians (2433)	19,900	2.1
Programmers and software development professionals (2134)	19,600	2.0

Source: LFS 2022

and one in four jobs in Islington (28%), Southwark (26%), Westminster (25%), Hackney (24%) and Camden (24%).

Table 2.1 shows the ten largest detailed occupations (4-digit SOC) in the sector. Finance and investment analysts/advisers were the largest, followed by financial managers and directors.

Compared to all sectors, employees in financial and professional services are more likely to be male and to be young, and less likely to come from an ethnic minority background.

Occupations in demand

Table 2.2 shows the financial and professional services occupations with the highest number of vacancies in central London in January 2023. The most in-demand occupations are management consultants and business analysts, and programmers and software development professionals. Feedback from workshop and interviews supported these occupations as being most in-demand. Stakeholders spoke of fierce competition amongst firms when recruiting candidates in the sector.

Table 2.2: Largest occupations in financial and professional services vacancies, Central London, January 2023

	% of all vacancies in sector
Management consultants and business analysts (2431)	10
Programmers and software development professionals (2134)	9
Data analysts (3544)	6
Sales accounts and business development managers (3556)	5
IT business analysts, architects and systems designers (2133)	5
Business and financial project management professionals (2440)	5
Functional managers and directors n.e.c. (1139)	3
Taxation experts (2423)	3
Finance and investment analysts and advisers (2422)	3
Chartered and certified accountants (2421)	3

Source: LFS 2022

Skills in demand

Figure 2.3 shows the skills employers in the sector in central London are looking for. Client-management was mentioned most frequently, followed by communication and problem solving.

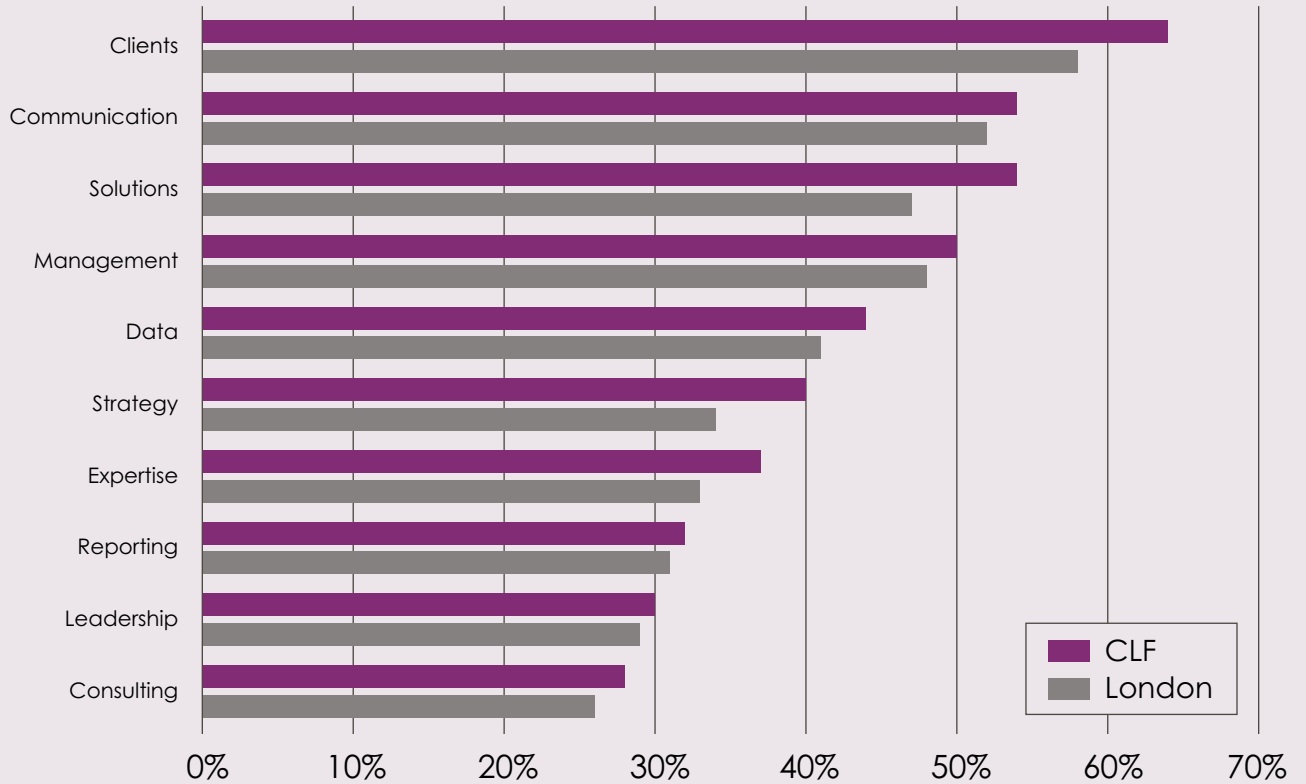
Financial and professional services employers in London reported complex problem-solving skills, advanced IT skills and knowledge of the organisation and products/services as the skills to be most commonly lacking amongst existing workers (ESS, 2019).

Our workshop and interviews identified a similar picture.

Participants identified the following skills as being most in demand in the financial and professional services sector:

- » Advanced digital skills – including data science, data analytical skills and big data – which were particularly important in the rapidly growing fintech sector;
- » Commercial and business acumen;
- » Strategic thinking and integration skills; and

Figure 2.3: Skills requested in financial and professional services vacancies, CLF and London, 2022



Source: Suration survey, December 2022

» Green finance and Environmental, Social and Governance (ESG) investing skills, which were in high demand in the rapidly growing green finance sector.

Alongside these skills, a range of soft skills are also highly sought after, including communication, client management, adaptability and resilience, and emotional intelligence. Employers highlighted a lack of workplace readiness among many young recruits as an issue.

Future skills needs

In terms of the skills required in the next five years, financial and professional services employers were most likely to report needing advanced digital skills (60% compared with 56% across all sectors), sector-specific technical skills (50% compared with 49%) and cross-cutting transferable skills (36% compared with 31%).

Interviewees and participants in the workshop saw demand as set to grow for:

» Advanced digital skills, particularly for fintech, but increasingly across the sector;

Meeting Central London's Skills Needs

- » An understanding of sustainability and ESG as green finance grows;
- » Commercial understanding and business acumen;
- » Soft skills, such as agility, flexibility and resilience to navigate a fast-changing world;
- » Problem solving and analytical thinking.

The skills system

Training and upskilling activity

Financial and professional services employers were more likely than other sectors to engage with universities (41%) than the average across all sectors (32%), and were more likely to use this provision than any other provider (Survation Survey, 2022). Employers in the sector were more likely to have arranged or funded training for staff (62% compared with 59% across all sectors) (ESS, 2019).



Financial and professional services employers were just as likely as those in other sectors to employ apprentices, with some parts of the sector – chartered accountancy – making good use of the apprenticeship system.

Skills system issues

In workshops and interviews, employers and stakeholders in the financial and professional services sector highlighted several issues with the skills system:

- » **Complexity** – employers and stakeholders claimed the skills system and funding available was highly complex. This was seen as an issue for employers, and for SMEs in particular;
- » **Industry expertise** – recruiting tutors and apprenticeship coaches with recent and relevant industry expertise was seen as hugely important, but very challenging;
- » **Industry placements** – these were seen as crucial for helping learners understand the sector, but securing placements was seen as difficult, particularly for SMEs;
- » **Work readiness** – many employers said that young recruits often lacked work experience and an understanding of how to operate in the workplace environment.

2.2 Information and communication

Central London is home to a world-leading digital cluster.

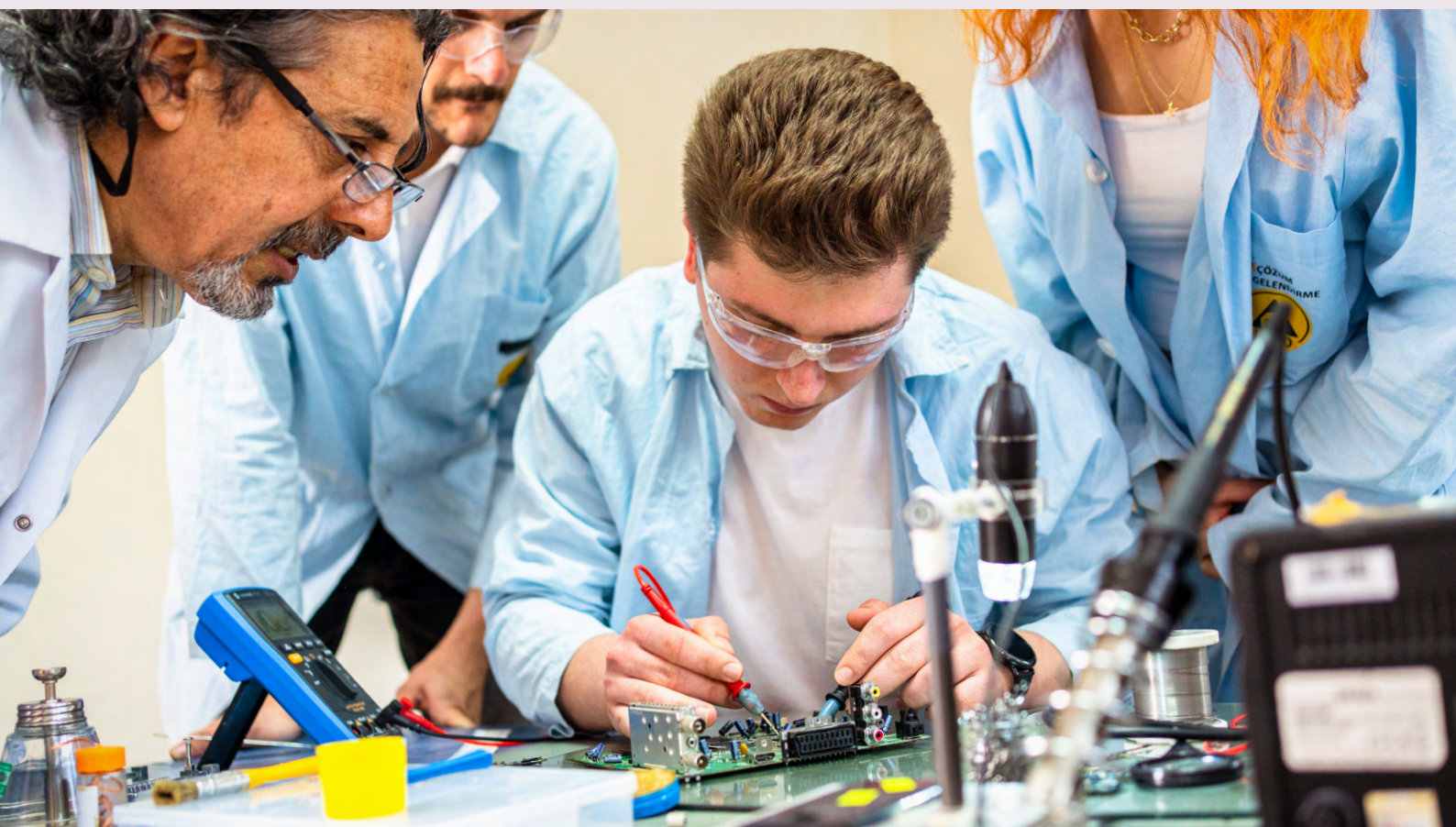
There were 335,000 jobs in information and communication in central London in 2021. This represented 10.5% of employees, over double the national average (4.4%).

Islington has the highest share of roles in the sector, with 16% of jobs in 2021. Computer programming, consultancy and related activities – the largest sub-sector – was concentrated in Kensington and Chelsea (10.1%). Film, video and audio production, and broadcasting activities, was largest in Camden (3.7%) with information service activities

(data processing, web portals, news agencies etc.) concentrated in Islington (3.4%).

Professional occupations accounted for half of the workforce (53%) with a quarter (24%) in associate professional/technical occupations, and 15% in managerial occupations. The largest detailed occupation in the sector is programmers and software development professionals, which accounts for one in five (20.7%) roles.

In terms of workforce demographics, the sector is significantly more male, less diverse and younger than others.



Meeting Central London's Skills Needs

Occupations in demand

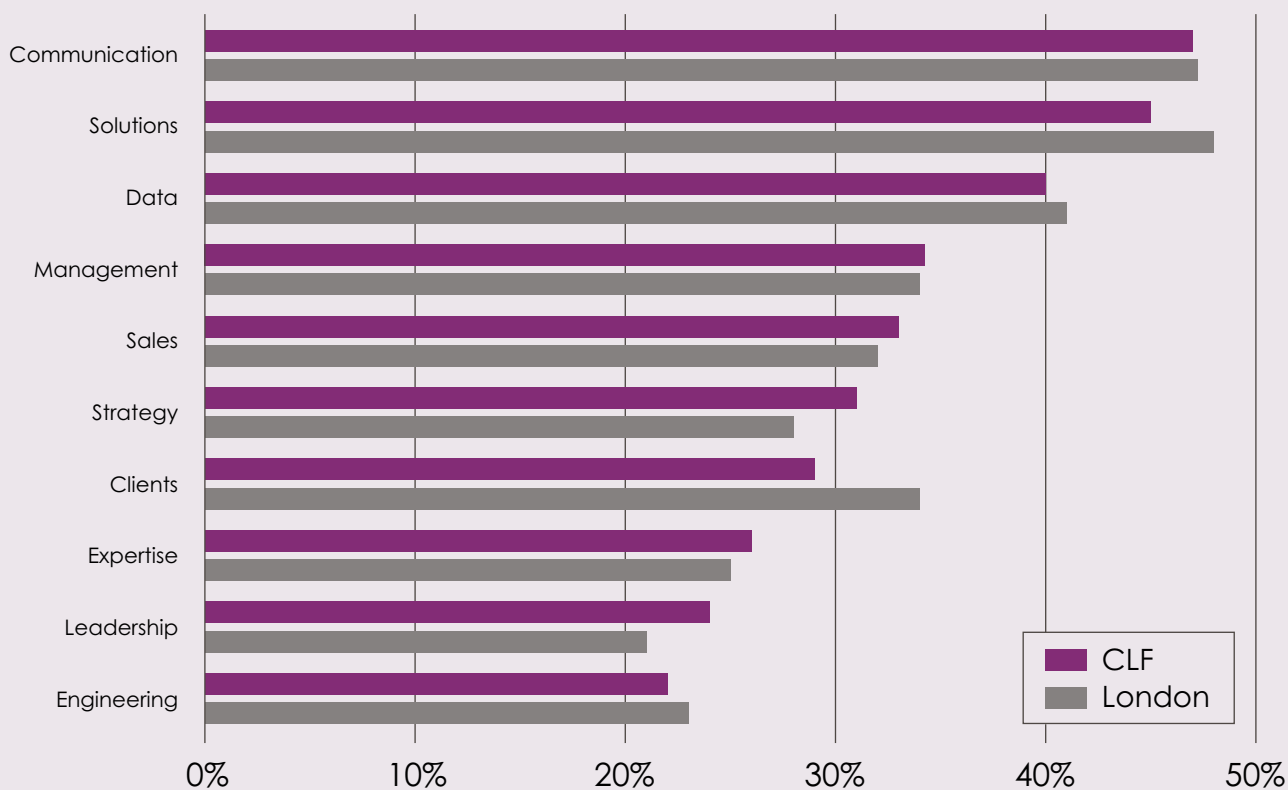
Employers in information and communication have very high levels of vacancies, suggesting a large unmet demand for skills. The Survation survey found 90% of employers had vacancies in December 2022, compared with 79% across all sectors. They were also more likely to report struggling to fill vacancies (76%) compared with all sectors (65%), particularly for technical and skilled support roles.

Adzuna data shows that the most in demand occupations in the sector include programmers and

software development professionals (15% of vacancies), sales accounts and business development managers (9%), and IT business analysis, architects and system designers (6%). This was reflected in our sector workshop and interviews, where employers and other stakeholders highlighted strong demand for programmers and software developers, data analysts and technicians, web designers, and cyber security professionals.

Participants emphasised that advanced digital skills are increasingly in demand in the rapidly growing

Figure 2.4: Skills requested in information and communication vacancies, 2022



Source: Survation survey, December 2022

fintech sector and in life sciences. Similarly, large organisations across all sectors are seeking more advanced skills relating to cyber security.

Skills in demand

Figure 2.4 shows communication is the most requested skill for information and communication vacancies 47%, followed by solutions focus (45%), data skills (40%) and management (34%).

The 2019 ESS found information and communication establishments struggled to secure applicants with the following technical skills:

- » Solving complex problems (72.4% compared with 47.9% across all sectors);
- » Advanced or specialist IT skills (57.8% compared with 19.2%);
- » Knowledge of products and services (56.4% compared with 48.3%); and
- » Complex numerical or statistical skills (45.7% compared with 29.9%).



Information and communication establishments were also much more likely than those in other sectors to report shortages obtaining computer literacy/basic IT skills (30.3% compared with 20.6% across all sectors).

In terms of soft skills, the most commonly mentioned shortage was planning human, financial and other resources (46.4%), followed by managing own time/priorities (42.7%) and team working (32.7%).

Information and communication employers were less likely to report skills gaps among their current workforce than those in other sectors. The gaps that were experienced related to advanced or specialist IT skills, complex problem-solving skills, and soft skills such as time management and leadership.

Our workshops and interviews found a similar pattern of demand for skills. The following technical skills were seen as most in demand:

- » Programming and coding, particularly python, C++, HTML;
- » Cyber security was seen as a rapidly growing area of demand; and
- » AI and machine learning was highlighted as a growing area, driven by recent advances in technology such as ChatGPT.

Meeting Central London's Skills Needs

However, alongside these technical skills, employers required softer skills, such as:

- » Problem-solving skills;
- » Business acumen and understanding of how to apply skills to meet business needs;
- » Project management skills;
- » Communication and interpersonal skills;
- » Customer service skills; and
- » Workplace readiness.

Future Skills

Our workshops and interviews identified a number of skills where demand was expected to continue growing over the next two to five years, including in cyber security, AI and machine learning and quantum computing. However, alongside these technical skills, employers will require business acumen and an entrepreneurial mindset, in order to understand how these technologies can be applied within the business context. Stakeholders also identified a continuing demand for problem-solving, communication, team-work and resilience.

The skills system

Training and upskilling activity

Information and communication businesses were more likely to have engaged with independent training providers, universities and Job Centre Plus (44%, 40% and 38% respectively) compared with the London averages (33%, 32% and 30% respectively) (Survation Survey, 2022).

Information and communication establishments were less likely than average to have arranged or funded training for their staff (55% compared with 59% across all sectors), to have used external training providers for off-the-job training (66% compared with 69%), or to have trained all of their staff (35% compared with 44%) (ESS, 2019).

There is mixed evidence on employment of apprenticeships in the information and communication sector. The most commonly mentioned reasons for not using apprenticeships were them not being suitable due to the size of establishment (18.5%), not being able to afford to use them (12.7%), apprenticeships not being offered in the industry (9.7%), and lack of time (9.1%) (ESS, 2019). Some employers and providers said that Bootcamps had been an effective way of upskilling workers for the sector.

CASE STUDY – TECHSKILLS: TECH INDUSTRY GOLD

TechSkills is a not-for-profit, employer-led organisation for digital skills. It brings together employers and providers to promote high-quality training that meets industry needs. Tech Industry Gold is an industry accreditation for digital skills provision, overseen by employers and managed by TechSkills.

TechSkills work with employers and universities to facilitate communities of interest, helping them co-design and co-deliver technical and digital education which meets the needs of the industry. This includes degrees and MScs as well as apprenticeships

and training programmes from levels 3 to 7. The focus is on a holistic blend of technology, business, project, and professional skills needed for job readiness.

Independent evaluation found that 86% of graduates from Tech Industry Gold degrees were in employment 18 months after completion, higher than for other provision in the sector (76%) and for all degrees overall (73%). Median salaries were significantly above the average, and participants were also more diverse than comparable programmes.

Skills system issues

Businesses were most likely to cite the relevance or quality of local training provision (60% compared to 40% for all sectors) (Survation Survey, 2022). Stakeholders identified a number of issues with the skills system in our workshop and interviews:

- » **Pace of change** – skills provision was seen as struggling to keep up with the rapid pace of change in digital technology and in the digital skills employers needed;
- » **Employer engagement** – provider/ employer engagement was seen as vital in understanding industry needs, and co-designing provision, but very challenging;
- » **Industry expertise** – providers struggle to attract tutors with industry expertise;
- » **Complexity** – employers and providers described the digital skills system as being complex, and difficult for both employers and individuals to understand and navigate;
- » **Quality** – with a wide range of provision available, employers and individuals often struggle to identifying good quality provision.

Meeting Central London's Skills Needs

2.3 Health and social care

The health and social care sector accounted for 290,000 jobs in 2021, almost one in ten (9%) in central London. This broad sector includes the NHS, social care, and the rapidly growing life sciences sector. The sector accounts for a larger proportion of employment in Lambeth (25%), Wandsworth (22%) and Lewisham (19%).

Half of workers (47%) are in professional occupations, with 19% in caring, leisure and other service occupations, and 11% in associate professional/technical occupations. Table 2.5 shows the ten largest detailed occupations. Care workers and home carers were the largest occupation (8.2% of all employees) followed by specialist medical practitioners (6.7%).

In terms of demographics, the sector is more female, diverse, and older than all sectors. Two thirds of workers (68%) were female, and almost half (44%) are from ethnic minority backgrounds. However, both female and ethnic minority workers in the sector are more likely to be in lower paying roles. One in five (19%) workers are aged 55 and over. Alongside the large number of existing vacancies, the ageing workforce suggests a challenge in meeting the demands of the sector in the future.



Table 2.5: Largest occupations in the information and communication sector in SLP, 2021/22

	Number	%
Care workers and home carers (6135)	23,800	8.2
Specialist medical practitioners (2212)	19,400	6.7
Other nursing professionals (2237)	16,100	5.5
Nursing auxiliaries and assistants (6131)	16,000	5.5
Generalist medical practitioners (2211)	13,300	4.6
Other administrative occupations n.e.c. (4159)	10,900	3.7
Specialist nurses (2233)	6,800	2.3
Dental practitioners (2253)	5,500	1.9
Social workers (2461)	5,500	1.9
Psychotherapists and cognitive behaviour therapists (2224)	5,200	1.8

Source: IES calculations from BRES 2021 and LFS 2022

The skills system

Training and upskilling activity

ESS 2019 found health and social care employers were more likely to provide training to recruits. Four in five employers (80%) had arranged or funded training for staff, compared to three in five (59%) across all sectors. They are also more likely to provide off-the-job training (81% compared with 69%), and to have trained all their staff (58% compared with 44%).

Employers in the sector are slightly more likely to employ apprentices. 2019 ESS found that 9.2% of establishments in the sector in 2019 had an apprentice compared with 7.0% across all sectors. Among employers without an apprentice, the most commonly mentioned reason was lack of resourcing to offer apprenticeships (14.8%), followed by apprenticeships not suiting their business model (14.6%), and the size of the establishment (14.2%)



Skills system issues

Employers and training providers in the health and social care sector identified a number of issues with the skills system:

- » **Basic skills** were a barrier for many accessing apprenticeships;
- » **Attracting staff** to social care was seen as a challenge given the issues around low pay and job quality, and the poor reputation of the sector;
- » **High staff turnover** in social care, where employers were 'running to stand still';
- » **Apprenticeships** were seen as effective for some roles, but that they were not always the right model. Many employers and stakeholders said greater flexibility on the use of Apprenticeship Levy funds would be helpful.

2.4 Arts, entertainment and recreation

Arts, entertainment and recreation is a diverse sector made up of 13 subsectors including architecture, art and design, fashion, television, film and video, music, the performing arts, software and computer games. It is crucial to the attractiveness of central London, and to the area's visitor economy, and it is a key growth sector.

The sector accounts for 2.8% of total employment in central London, with 90,000 employees. It is largest in Kensington and Chelsea (4.5%), Lambeth (4.3%), and Haringey (4.0%).

Four in five workers in the sector are in high skilled occupations, with 45% in associate professional and technical roles, 25% in professional occupations, and 25% in managerial occupations. Table 2.6 shows the ten largest detailed occupations.

In terms of workforce demographics, the sector is more female, less diverse and more qualified than other sectors. Over half of workers (56%) were female. However, just 17% were from ethnic minorities, half the level of all sectors (32%).



Table 2.6: Largest occupations in the arts, entertainment and recreation sector in CLF, 2021/22

	Number	%
Artists (3411)	6,200	6.9
Musicians (3415)	4,300	4.8
Sports and leisure assistants (6211)	4,300	4.8
Actors, entertainers and presenters (3413)	3,800	4.2
Arts officers, producers and directors (3416)	3,300	3.6
Newspaper and periodical journalists and reporters (2492)	2,900	3.3
Sports coaches, instructors and officials (3432)	2,800	3.1
Authors, writers and translators (3412)	2,700	3.0
Leisure and sports managers (1224)	2,100	2.3
Customer service occupations n.e.c. (7219)	1,800	2.0

Source: IES calculations from BRES 2021 and LFS 2022

Occupations in demand

Our interviews and workshops identified a number of occupations with high levels of demand including:

- » Video game designers;
- » Production staff in audio-visual roles;
- » Front of house staff in theatres;
- » Technicians e.g. sound, lighting, and rigging technicians;

- » Other backstage roles including skilled trades (carpenters and joiners, electricians);
- » Finance directors, finance managers and accountants.

Adzuna data for the sector found that the highest level of vacancies was found in programmers and software development professionals (9%), and sales accountants and business development managers (5%).

Skills in demand

Employers and stakeholders in the sector highlighted the following skills as being in demand;

- » Creativity and design skills;
- » Digital skills including front end, user experience (UX), service design, 3D computer design, multidisciplinary design, and product design;
- » Video gaming skills including animation, visual effects and game engine e.g. Unreal Engine;
- » Communication and customer service skills;
- » Management skills;
- » Project management; and
- » Problem solving.

This is backed by Adzuna vacancy data which found the most commonly requested skills in central London are communication (39%), data skills (35%) finding solutions to complex problems (34%), management (30%) and entertainment (27%).

The Survation survey found that just 55% of employers in the sector had vacancies compared with 78% across all sectors. One in three (33%) employers in the sector reported recruitment difficulties, compared with half (51%) of all employers.

Arts, entertainment and recreation employers are less likely to have skills gaps; 29% of employers reported skills gaps among existing workers compared with 34% across all sectors.

Future skills demand

Employers and stakeholders highlighted a number of skills which they expect to be in high demand in the future;

- » Digital skills given the increasing use of technology across the sector;
- » Animation, visual effects and game engines, for the rapidly growing gaming industry;
- » Skills related to the metaverse and virtual reality;
- » Adaptability and agility in order to keep up with rapidly changing technology;
- » Soft skills such as creative problem-solving, flexibility, relationship building.

The skills system

Training and upskilling activity

Employers and stakeholders in the sector explained that it was more difficult to use apprenticeships in the sector given the predominance of smaller employers, who lacked HR and training and development, and who struggled to make long-term commitments. This was reflected in ESS 2019, where

Meeting Central London's Skills Needs

the most commonly mentioned reasons for not using apprenticeships was the size of the establishment (24.9%), followed by the cost of employing apprentices (9.7%). Portable and flexi-apprenticeships were seen as a good potential solution for the parts of the sector which rely on short-term contracts. For instance, Tower Hamlets Council has piloted a creative apprenticeship scheme, which employs local young people, and places them in a series of roles at local employers in the creative sector and the Creative Venue Technician Portable Apprenticeship, which offers a series of 3-month placements at SMEs in the sector.

Skills system issues

Employers and providers identified the following skills system issues:

- » **SMEs** – often struggle to engage with the training system due to limited capacity and resources;
- » **Self-employment** – high levels of freelancing mean fewer workers have an employer who can invest in their training;
- » **Low demand** – employers in the sector are less likely to engage with providers;
- » **Complexity** – employers who want to train often struggle to find provision they need in a complex market, with a lack of clear and targeted information.

CASE STUDY – NEXTGEN SKILLS ACADEMY

NextGen Skills Academy brings industry and education together, to create courses in Games, Animation and VFX.

NextGen courses are available at 5 colleges in the Greater London area out of the 15 across England. Curriculum content is co-designed with industry, and regularly checked with employers to ensure it reflects their skills needs. NextGen offers a range of entry routes, including the AIM Qualification Level 3 Diploma/Extended Diploma in Games, Animation and VFX Skills. This can enable students to progress to University, Higher Apprenticeships or to a career in the industry.

NextGen believe it is vital to engage employers in their provision, and they take a flexible approach to this. They have developed Industry Challenge, a week long work experience programme, where the employer sets the students a project, and provides daily feedback, with a celebration at the end. Learners get industry exposure, and employers find the process more deliverable than a full industry placement.

2.5 Hospitality and retail

The hospitality and retail sector is a major source of jobs in central London, and it is vital for our visitor economy. The sector employed 520,000 employees in 2021, representing 16% of employees. The sector makes up a larger share of jobs in Haringey (32.2%), Kensington and Chelsea (29.8%), Lewisham (26.0%), and Wandsworth (25.6%).

Sales and customer service occupations account for 26% of employment in the sector, followed by elementary occupations (20%), managerial occupations (15%) and skilled trades occupations including chefs (14%). Table 2.7 shows the largest detailed occupations.

In terms of demographics, the sector is more diverse, younger, and less qualified than all sectors in central London. Half of workers are women (48%), with half (49%) from ethnic minority backgrounds. One in three (34%) are under 30, compared with one in four (23%) across all sectors. Just two in five (43%) have a level 4 qualification, compared to 65% across all sectors.

The hospitality and retail sector is a major source of jobs in central London, and it is vital for our visitor economy.



Table 2.7: Largest occupations in the hospitality and retail sector in CLF, 2021/22

	Number	%
Sales and retail assistants (7111)	59,500	11.5
Waiters and waitresses (9264)	45,000	8.7
Chefs (5434)	37,000	7.2
Kitchen and catering assistants (9263)	24,700	4.8
Managers and directors in retail and wholesale (1150)	22,600	4.4
Retail cashiers and check-out operators (7112)	20,200	3.9
Customer service occupations n.e.c. (7219)	16,100	3.1
Bar staff (9265)	12,400	2.4
Restaurant and catering establishment managers and proprietors (1222)	10,300	2.0
Financial managers and directors (1131)	10,000	1.9

Source: IES calculations from BRES 2021 and LFS 2022

Occupations in demand

Employers and stakeholders in the hospitality and retail sectors highlighted a range of occupations which face high levels of demand and skills shortages:

- » Front of house staff including waiting staff, bar staff, baristas/coffee shop staff;
- » Chefs, and kitchen assistants;
- » Catering and bar managers;

- » Housekeeping and security staff;
- » Sales assistants and retail assistants.

Adzuna data reflected these findings, with 14% of vacancies being for chefs, and 9% for waiters and waitresses.

Brexit and the pandemic were seen as aggravating shortages.

The sectors have a high proportion of EU-nationals, and the flow of new workers has reduced post-Brexit. The closure of hospitality and retail led to a large number of workers leaving the sector, which caused shortages

as the economy re-opened. However, skills shortages in the sector are also related to high levels of low pay, and issues around job quality in many parts of the sector.

Skills in demand

Employers and stakeholders highlighted a range of skills that were in high demand in the hospitality and retail sector:

- » Chef skills were in very high demand;
- » Customer service skills were seen as vital across customer facing roles;
- » Leadership and management are important, particularly for newer managers;
- » English language skills were a priority given the high proportion of migrant workers;
- » Foreign language skills are important for dealing with overseas customers.

Data from the Survation survey from December 2022 showed that one in three (33%) employers in hospitality and retail were suffering from skills shortage vacancies in December 2022, slightly above the figure for all sectors (29%). Employers and stakeholders emphasised that a large proportion of vacancies relate to entry-level roles, for which staff can be trained up relatively quickly. The challenge with these roles was attracting people to the industry.

Future skills needs

Employers and stakeholders saw customer service and communication skills as remaining crucial for the hospitality and retail sector in the future. Digital skills were also seen as becoming increasingly important, as were resilience and adaptability.

The skills system

Training and upskilling activity

Hospitality and retail employers were just as likely to have arranged or funded training as other sectors, but less likely to provide off the job training (39%) than all sectors (43%), and significantly less likely to use external training providers (51% compared to 69%) (ESS, 2019).

Employers and stakeholders in interviews suggested the apprenticeship route worked well in hospitality, but the sector faced challenges in attracting school and college leavers.



CASE STUDY – MAYOR OF LONDON HOSPITALITY HUB AT LEWISHAM COLLEGE, NCG

The Hospitality Hub at Lewisham College is part of the Mayor of London's Skills Academies programme. It aims to support people into good jobs and careers in the sector and to aid the recovery, long-term economic growth and promotion of hospitality as a career of choice.

The Hub works with a wide range of employers, from leading hotels and high-end restaurants, to catering in schools and hospitals. The industry have responded generously and proactively to the Hub with enthusiasm to work together on the recruitment challenges in the sector.

The Hub offers a wide range of training paths for Londoners, from traineeships and apprenticeships to short courses in areas such as food hygiene, health and safety and barista skills and culinary skills.

Skills system issues

The most commonly cited barrier to training in hospitality and retail was the lack of time available. This was highlighted by almost half (47%) of businesses, slightly higher than the average for all sectors (42%) (Survation Survey, 2022).

Employers and stakeholders highlighted the following challenges for the skills system:

- » **Negative perceptions** – which limit the number of people willing to enter the sector;
- » **Tutor expertise** – in some areas, including for chef roles, it is a challenge to recruit tutors with recent industry expertise, as pay levels are lower in FE than the industry;
- » **Off the job training** – it can be difficult to release staff for off-the-job training on apprenticeships, as most training happens on the job, and employers are very busy;
- » **Complexity** – the skills system is seen as being highly complex, and many employers do not feel they understand the options available to them.

2.6 Cross-cutting themes

Supporting the transition to Net Zero

The transition to net zero will transform central London's economy and the skills required by employers. Helping people to develop the green skills employers need will be vital both to enabling the transition to net zero, in supporting the growth of the green economy, and in helping Londoners to access the opportunities this creates.

The growth of green jobs in central London

There were 147,000 green jobs in central London in 2020 across 11 sub-sectors ([WPI Economics, 2022](#)). The largest sub-sectors were:

- » **Green finance** with 50,100 jobs, with 94% based in City of London;
- » **Power** with 42,700 jobs, focused in Camden, City of London and Westminster;
- » **Homes and buildings** with 30,700 jobs, focused in Camden, City of London, Westminster and Islington;

Women make up just one in three green jobs in central London. Just under one in four workers in green jobs are from ethnic minority backgrounds (23%), compared with one in three workers across all sectors (32%).

The number of jobs in the sector is set to double to 355,000 by 2030, before doubling again to 732,000 by 2050. Growth is expected to be particularly strong in green finance (136,000 jobs by 2030), homes and buildings (62,000), power (65,300) and low carbon transport (43,800) ([WPI Economics, 2022](#)).

There are 137,000 carbon intensive jobs. As we transition toward net zero, these roles will either change, or they may be lost. However, the transition to net zero is expected to lead to a net increase of 25,000 jobs by 2030 ([WPI Economics, 2022](#)).

Occupations in demand

The fastest growth is expected among skilled craft roles, including:

- » **Electricians** – an increase of 9,900 or 145% by 2030. This will include roles installing and maintaining solar panels and electric vehicle charging, and upgrading the grid;
- » **Gardeners and landscape gardeners** – an increase of 7,300 or 162%, including installation and maintenance of sustainable urban drainage systems and street trees;
- » **Plumbers and heating ventilation engineers** – an increase of 5,900 or 162%. This will include installing and maintaining air source heat pumps and district heat networks.

Meeting Central London's Skills Needs

Alongside these roles, there will also be significant increases in managerial, professional, and technical workers, including:

- » **Business associate professionals** – an increase of 16,200 or 71%;
- » **Management consultants** – an increase of 12,500 or 171%;
- » **Sales and business development managers** – an increase of 6,600 or 169%.

Many of the occupations that will see the biggest growth – including electricians, plumbers and construction managers – already face shortages, as well as an ageing workforce. This suggests a major effort will be needed to attract and (re)train workers.

Green skills provision

Providers recognise the importance of the transition to net zero, and the extent to which it will impact on the labour market. Most are seeking to ensure their provision is responsive to changing needs in the sectors they work with. Employers, providers and stakeholders identified a number of areas where there would need to be a rapid increase in provision. These include:

- » **Insulation technicians** to retrofit existing homes and buildings;
- » **Heat pump installation** to decarbonise heating in homes and buildings;
- » **Electric vehicle charging installation** to support decarbonisation of road transport.



Recruiting tutors with industry expertise in these areas was seen as challenging, given the relatively small size of the market at present, and high levels of pay compared to FE.

Meeting the rapid expansion in demand will require both training for new entrants to the sector/labour market, which employers and providers suggested could be done through developing new apprenticeship standards linked to emerging green jobs. These need to be designed in partnership with employers,

and regularly checked with employers to ensure they respond to rapidly developing skills needs.

Alongside training new entrants, most of the increase in demand for green jobs will be met by retraining existing workers in similar occupations. This will require short and focused provision, which builds on existing skills, and adapts them to emerging needs. This will include – for example – supporting plumbers and air conditioning technicians to re-train to install and maintain heat pumps, and supporting electricians to retrain to install and maintain solar panels.

CASE STUDY – LSBU GREEN SKILLS HUB

The LSBU Green Skills Hub aims to lead the transition to a green and net zero economy, with a focus on the skills needs of businesses and residents in Lambeth, Lewisham and Southwark.

A partnership between London Southbank University and the three local authorities, the Hub is funded by the Mayor's Skills Academies, which aims to improve the quality of training provision in London, and to support Londoners into good jobs in the capital's growth sectors.

The Hub focuses on green construction, including retrofit and EV installation, green spaces, and waste reduction and recycling. This includes flexible

and modular provision for existing construction workers to re-train and upskill to meet the needs of green construction.

The Hub aims to support 50 local employers, to deliver 382 job/apprenticeship starts and 119 work placements. It will include a programme of sector-specific marketing and engagement, Apprenticeship and Job Fairs, engagement with schools and employer workshops. The Hub has a focus on diversity, aiming for at least half of participants to be from ethnic minority backgrounds and women.

Meeting Central London's Skills Needs

Tackling labour market inequalities

London's economy is dynamic but highly unequal. Many Londoners are unable to access the opportunities available, and to fully share in the success of their city. This has been exacerbated by the pandemic, which disproportionately impacted many disadvantaged groups.

Several groups of Londoners face labour market disadvantage:

- » **Women** are more likely to earn below the London Living Wage (22%) than men (17%), and are under-represented in high paid roles ([Trust for London, 2022](#));
- » **Ethnic minorities** are over represented in low paid roles. One in three Black (33%) and Asian (31%) Londoners earn below the London Living Wage compared to fewer than one in five (19%) of white Londoners ([Trust for London, 2022](#));
- » **Disabled Londoners** are more likely to earn below the London Living Wage, with almost one in three (30%) earning below that level, 7 percentage points higher than non-disabled residents ([Trust for London, 2022](#));
- » **Younger Londoners** are more likely to be unemployed and earn below the London Living Wage;
- » **Older Londoners** (aged 50+) are more likely to be economically inactive.

In addition to the above, a number of other groups including care leavers, and refugees face labour market disadvantage.

Alongside inequalities between the above groups, there are also very uneven outcomes for Londoners with different levels of qualifications. Six in ten (62%) Londoners with no qualifications earned below the London Living Wage in 2021, compared to just over one in ten (11%) Londoners with a degree level qualification ([Trust for London, 2022](#)).

Employers and other stakeholders highlighted a number of different approaches to tackling labour market inequalities in the capital:

- » **Mayor's Academies Programme** – this aims to support Londoners into good work in the key growth sectors. As well as driving up quality of provision, the programme seeks to work with providers and employers to address structural barriers to engagement, recruitment, retention and progression for underrepresented groups.
- » **Mayor's Good Work Standard** – this voluntary accreditation seeks to improve job quality in the capital. It includes a number of areas of good practice relating to equality and diversity in recruitment and training.

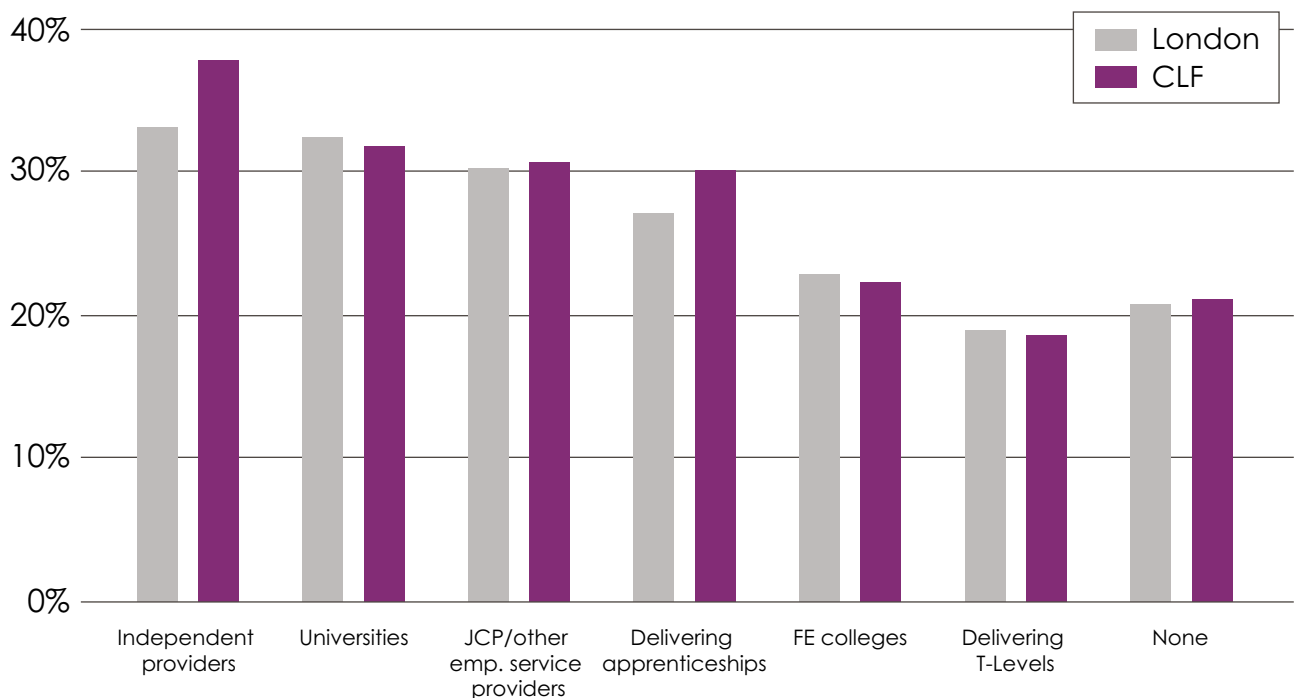
2.7 Engagement with training and training provision

The Suration survey found that businesses in central London were slightly more likely than those across the capital as a whole to be engaged with training providers. As Figure 2.8 below shows, businesses in central London were most likely to have engaged with independent training providers (37.9%), followed

by universities (31.7%), Jobcentre Plus and other employment service providers (30.7%) and apprenticeships, with fewer working with FE colleges (22.3%).

Encouragingly, seven in ten (70%) businesses in central London said they planned to increase investment in training in the next year. However, this likely reflects the acute skills shortages facing employers in central London.

Figure 2.8: Businesses' engagement with training providers, CLF and London, 2022



Source: Suration survey, December 2022

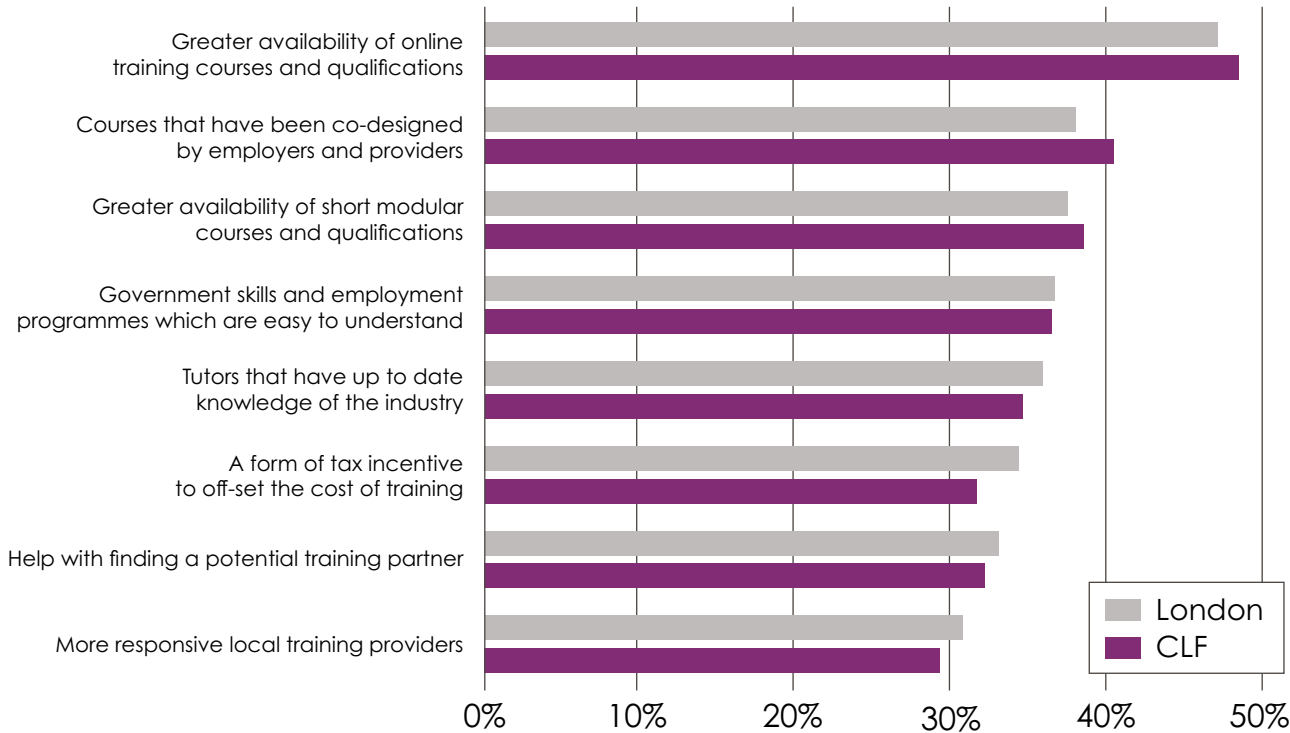
Meeting Central London's Skills Needs

ESS 2019 found that seven in ten (71.3%) employers in central London worked with external training providers, with nearly half (44.9%) providing off-the-job training for staff.

In terms of the barriers to providing training, almost half of central London businesses highlighted cost (47%), concerns about quality (46%) and time available to train (45%).

Figure 2.9 shows the measures employers felt would help them to improve the skills of their workforce the most. Businesses in central London were most likely to highlight greater availability of online courses (48%), followed by having courses co-designed with employers (40%), and greater availability of short and modular courses (38%).

Figure 2.9: Measures that would help businesses improve workers' skills, CLF and London, 2022



Source: Survation survey, December 2022

2.8 Apprenticeships

Apprenticeship employment in central London is broadly in line with the rest of the capital. The London Business 1000 survey found that 14% of employers in central London employed apprentices, the same as the proportion across the whole of London. ESS 2019 found 6.2% of establishments in central London had an apprentice, compared to 7.0% across the capital. However, while central London is in line with levels of apprenticeship employment across the capital, London has the lowest levels of apprenticeship employment per capita of any region nationally.

Reasons given for not employing apprentices included the size of the establishment (22.0%), the cost of taking on apprentices (9.6%) and that apprenticeships did not suit the establishment's business model (9.0% compared with 8.2%) (ESS, 2019).

While central London is in line with levels of apprenticeship employment across the capital, London has the lowest levels of apprenticeship employment per capita of any region nationally

2.9 AEB provision

Table 2.10 below shows enrolments for Adult Education Budget (AEB) learning aims by subject area across central London. The largest subject area is preparation for life and work, which includes predominantly basic skills qualifications in English, maths and ESOL, accounting for 45% of AEB provision, and more than half of adult skills provision (55%).

Arts, media and publishing is the next largest subject area for adult skills provision, and is the largest subject area for community learning. This may provide skills for the arts, entertainment and recreation sector and the creative and design sub-sectors within information and communication. Health, public services and care is the third largest subject area, accounting for 8% of total provision and 10% of adult skills provision, which will provide skills for the health and social care sector. Information and communication technology provision accounts for 7% of adult skills provision, and 8% of community learning provision.

Meeting Central London's Skills Needs

Table 2.10: AEB aims enrolments by subject (%) CLF, 2021/22

	Community learning	Adult skills	All AEB
Health, Public Services and Care	3.8	9.7	7.9
Science and Mathematics	0.3	1.3	1.0
Agriculture, Horticulture and Animal Care	0.5	0.6	0.6
Engineering and Manufacturing Technologies	0.1	1.4	1.0
Construction, Planning and the Built Environment	0.1	3.3	2.3
Information and Communication Technology (ICT)	7.6	7.3	7.4
Retail and Commercial Enterprise	0.5	3.7	2.7
Leisure, Travel and Tourism	7.5	1.2	3.2
Arts, Media and Publishing	37.0	6.9	16.1
History, Philosophy and Theology	2.5	0.0	0.8
Social Sciences	0.5	0.0	0.2
Languages, Literature and Culture	16.6	1.6	6.2
Education and Training	0.1	1.5	1.1
Preparation for Life and Work	21.9	55.4	45.2
Business, Administration, Finance and Law	0.8	5.9	4.4

Source: GLA, Adult Education Budget, August 2021–July 2022

3 DELIVERING THE LSIP PRIORITIES IN CENTRAL LONDON



3.1 Managing effective delivery, reviewing progress and realising the expected benefits

Central London Forward has carried out extensive engagement with a wide range of employers, providers, and other stakeholders across our priority sectors and beyond to inform this report.

Central London Forward will continue to work closely with BusinessLDN, with other business organisations, with skills providers, with our member authorities and other partners to take forward the actions set out below, and to ensure the local skills system better responds to the needs of local employers.

The Central London Employment and Skills Board – which brings together training providers, employers and employer organisations, central London's local authorities – will oversee actions set out in this report, and review progress in delivering on the actions.

3.2 The Central London Roadmap

The consultation identified nine actionable priorities:

- » **Employer engagement** – working closely with businesses to help them understand training options and funding, and to co-design provision so that it meets needs;
- » **Industry expertise** – provision delivered by tutors with relevant industry expertise;
- » **Industry placements** – high-quality placements to give experience of the industry;
- » **Flexible provision** – short and modular courses, allowing businesses and learners to pick the elements that meet their needs;
- » **Digital provision** – to increase accessibility of employment and training opportunities;
- » **Updating provision** – regularly reviewing content to ensure it reflects industry needs;
- » **Career mapping** – highlighting progression available within a sector;
- » **Embedding digital skills** – ensuring all provision helps strengthen digital skills;
- » **Improving pay and job quality** – to attract recruits and address skills gaps.

Actionable priority	Potential barriers	Actions	Owner	Resourcing
<p>Employer engagement</p> <p>Providers working closely with employers to raise awareness of available provision and funding, to boost demand for training, and to support co-design.</p>	<ul style="list-style-type: none"> » Provider capacity – engaging with employers requires significant time and resource, which is often lacking at providers given resource constraints. » Employer capacity – many employers, particularly SMEs, lack the organisational capacity and time to engage with providers and arrange training which meets their needs. 	<ul style="list-style-type: none"> » Invest in employer engagement – providers should prioritise investment in employer engagement to boost demand for training, help employers understand options, and tailor provision to meet their needs. » Utilise employer networks – providers should increase engagement through existing employer networks, including sectoral bodies, local business groups such as Business Improvement Districts (BIDs), and local authority employer boards. » Articulating employer skills needs – industry and trade bodies should take responsibility for identifying and articulating skills needs in their sector, and for supporting engagement between providers and employers. » Articulating employer skills needs – BIDs and London-wide business organisations should seek to understand skills needs of their members, and to articulate these to providers. » Identifying high quality providers – GLA and sector bodies should support employers to identify and engage with high-quality training providers relevant to their sector. This should include building on the Mayor's Skills Academies Quality Mark, which recognises high-quality training providers in London's growth sectors. » Convening employers and providers – local authorities should seek to bring employers and providers together – including through local employment and skills boards – to support partnership working. This should include engaging with local Cornerstone Employers. 	<p>Providers</p> <p>Providers</p> <p>Industry and trade bodies</p> <p>Employers and employer bodies</p> <p>GLA</p> <p>Local authorities</p>	<p>Local Skills Improvement Fund</p> <p>Local Skills Improvement Fund</p>
<p>Industry expertise</p> <p>Provision delivered by 'dual professionals' with both relevant industry expertise, and teaching skills.</p>	<ul style="list-style-type: none"> » FE Pay – the FE sector struggles to match pay levels in many industries, making it difficult to recruit and retain tutors with relevant industry expertise. » Teaching skills – gaining teaching skills and qualifications is a barrier for individuals with industry expertise. » Fragmentation – there are a variety of policies and funding pots focused on attracting tutors with industry expertise. » Continued Professional Development (CPD) – time available for CPD has been reducing, and isn't focused on industry expertise. 	<ul style="list-style-type: none"> » Flexible teaching opportunities – providers should offer industry professionals a range of options, including part-time teaching alongside work in industry. » Promoting teaching in FE – providers should encourage more people with industry expertise to consider teaching in FE, including through promoting the Share Your Skills campaign, and working with ETF's Talent to Teach programme. » Protecting CPD time – providers should ensure existing teaching staff have protected CPD time focused on developing and maintaining industry expertise. » Promoting teaching in FE – employers and employer bodies should promote teaching in FE as an option for existing industry professionals, including on a part-time basis. 	<p>Providers</p> <p>Providers</p> <p>Providers</p> <p>Employers</p>	<p><u>Taking Teacher Further</u></p> <p>Local Skills Improvement Fund</p>

Meeting Central London's Skills Needs

Actionable priority	Potential barriers	Actions	Owner	Resourcing
<p>Industry placements</p> <p>High-quality placements are available, giving learners the opportunity to give experience of the industry.</p>	<ul style="list-style-type: none"> » Capacity – many employers said that while they would like to be able to offer industry placements, these involved a significant amount of time and resource. » SMEs – capacity issues were a challenge for SMEs, who often lack time and organisational capacity to supervise learners on industry placements. » Security and safety – some employers highlighted concerns around security and health and safety relating to hosting industry placements. 	<ul style="list-style-type: none"> » Flexible engagement opportunities – providers should offer a range of opportunities, with different levels of commitment. This should include shorter, one-off engagement opportunities such as visits, masterclasses, and virtual placements, up to longer and more structured placements. » Promote industry placements – employer bodies, including sector bodies and BIDs, should actively promote industry placements to their members. » Mayor's Good Work Standard – GLA should consider adding in the offering of industry placements into the standard, encouraging more employers to do so. 	<p>Providers</p> <p>Employer bodies</p> <p>GLA</p>	<p>T-Level Employer Support Fund</p>
<p>Flexible provision</p> <p>Short and modular courses, allowing businesses and learners to pick the elements that meet their needs.</p>	<ul style="list-style-type: none"> » Funding rules – public funding tends to be focused on longer courses, such as apprenticeships and T Levels. 	<ul style="list-style-type: none"> » Offer flexible and modular provision – alongside longer courses such as apprenticeships, providers should offer shorter and modular courses, to enable employers to upskill their workers rapidly. » Engage with Sector Based Work Academies – employers should consider working with Sector Based Work Academies to deliver short, focused and flexible training. » Promote Sector-Based Work Academies – GLA and local authorities should promote Sector Based Work Academies to local employers. 	<p>Providers</p> <p>Employers</p> <p>GLA and local authorities</p>	<p>Sector-Based Work Academies</p>
<p>Digital provision</p> <p>In addition to in-person training, more provision should be available online in order to increase accessibility of training opportunities for employers and learners.</p>	<ul style="list-style-type: none"> » Funding – much of the public funding routes available in the skills system do not support digital provision. » Digital exclusion – some potential learners lack basic digital skills or connectivity, which limit their access to online provision. 	<ul style="list-style-type: none"> » Expand online provision – alongside in person learning, providers should expand online provision to help learners access flexible opportunities. » Sector-based online resources – employer bodies should explore the potential for establishing online digital training provision, focused on the needs of their sector, in line with UKH Pathway from UK Hospitality. 	<p>Providers</p> <p>Employer bodies</p>	<p>Local Skills Improvement Plan</p>

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<p>Updating provision</p> <p>Provision should be regularly reviewed, so that training content reflects the latest industry needs.</p>	<p>» Pace of change – sectors such as information and communication are seeing rapid change in technology and working practices.</p>	<p>» Review provision – providers and employers should regularly review provision to ensure it meets current and emerging skills needs. This should include engagement with employers boards where these exist, through sector bodies and individual local employers in the sector.</p> <p>» Supporting curriculum reviews – employer bodies should support curriculum reviews by helping providers to engage with local employers in the relevant sector.</p> <p>» Aggregate local needs assessments – Central London Forward will aggregate local needs assessments to understand the extent to which local provision is meeting employer needs. The Skills and Post-16 Education Act requires colleges to review how well their training meets local needs.</p>	<p>Providers</p> <p>Employer bodies</p> <p>CLF</p>	
<p>Career mapping</p> <p>Highlighting progression available within a sector.</p>	<p>» Negative perceptions – some employers and sector bodies highlighted negative perceptions of their sector, which they saw as hindering recruitment. This was particularly prevalent in sectors such as hospitality and social care.</p> <p>» Pay and job quality – perceptions of sectors are shaped by the reality of pay and job quality within the sector. Efforts to promote the sector alone will not be enough, and they will have to be matched by improvements in pay and job quality to attract and retain workers.</p>	<p>» Highlight progression pathways – in promoting training opportunities, providers should emphasise both the entry level roles that will be accessible, and the progression opportunities beyond these roles.</p> <p>» Set out next steps – on completing training, providers should highlight future training options to help learners progress along a career pathway.</p> <p>» Establish career pathways – individual employers should ensure there are clear progression pathways within their organisation, leading to higher paying roles, with associated training in place.</p> <p>» Mapping career pathways – sector bodies should map career pathways, highlighting progression opportunities, and linking to relevant training.</p> <p>» Sector-based campaigns – employers in sectors that struggle from skills shortages and negative perceptions should work together on campaigns to both promote the sector, and address issues around job quality.</p> <p>» Information Advice and Guidance – IAG providers should seek to highlight progression pathways.</p>	<p>Providers</p> <p>Providers</p> <p>Employers</p> <p>Sector bodies</p> <p>Employers</p> <p>Providers</p>	<p>Mayor's Good Work Standard</p>
<p>Embedding digital skills</p> <p>Ensuring all provision helps strengthen digital skills.</p>	<p>» Growing demand – basic digital skills are increasingly required across all sectors.</p> <p>» Awareness and motivation – some learners may not recognise their skills gaps in this area, and may lack motivation to improve their digital skills.</p>	<p>» Digital triage – providers should assess learners' digital skills, helping them to understand these skills in relation to those needed for their chosen role and career, and to address skills gaps.</p> <p>» Sector-specific digital skills – providers should ensure digital skills provision is tailored to the needs of the occupation and sector they are training for, so that participants build their experience of using the hardware and software.</p> <p>» Assess workforce need – employers should monitor the digital skills of their current workforce, and put in place provision to address gaps.</p>	<p>Providers</p> <p>Providers</p> <p>Employers</p>	<p>Adult Education Budget</p> <p>Local Skills Improvement Plan</p>

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Actionable priority	Potential barriers	Actions	Owner	Resourcing
<p>Improving pay and job quality</p> <p>To attract recruits and address skills gaps.</p>	<p>» Low pay – in some sectors, labour shortages relate to issues around pay and job quality. This is particularly the case in social care and in hospitality and retail, where high levels of low pay make it challenging for the sector to attract and retain the workers it needs.</p>	<p>» Discuss training, productivity and pay – providers should engage with employers around how training could help boost productivity, enabling them to improve pay, and attract and retain the workers they need.</p> <p>» Commit to decent work – employers should commit to paying the London Living Wage, and to improving job quality in line with the Mayor's Good Work standard, in order to attract and retain the workers they need.</p> <p>» Promote decent work – employer organisations, including BIDs, London-wide organisations, and local authority networks – should highlight the benefits of the Living Wage and the Mayor's Good Work Standard, and highlight the potential for training to raise productivity, enabling better pay.</p> <p>» Promote good work – local authorities and CLF should use their convening role to promote and incentivise the Living Wage and the Mayor's Good Work Standard.</p>	<p>Providers</p> <p>Employers</p> <p>Employer organisations</p> <p>Local authorities and CLF</p>	<p>UKSPF</p>

This Local Skills Improvement Plan has been approved by the Secretary of State in line with the approval criteria set out in the Skills and Post-16 Education Act 2022, and in accordance with the LSIP statutory guidance.

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