Position Paper: London Skills Inquiry

*Developing an evidence base for devolution of skills*

**Drafted by:** Michael Heanue, EBPU

**Cleared by:**
- Mark Kleinman, Assistant Director EBPU
- Alan Thompson, Senior Manager, EBPU

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**Summary**

In its 2014 Growth Deal, the London Enterprise Panel (LEP) proposed to Government that as part of developing a long term vision for skills devolution to the capital, the LEP would undertake a Skills Inquiry for London. As the voice of business in the capital the LEP has consulted stakeholders including business intermediaries to understand their views about how the skills system in London should evolve. We offer these findings to the GLA to consider as part of their skills and devolution proposition.

To date the Skills Inquiry has comprised a series of stakeholder consultation activities to seek the views of a wide range of key players in London skills system, including skills providers, local authority representatives, employers, employer bodies, GLA officers, policy officials and LEP members.

This paper sets out the key findings of the work undertaken to date and presents these for the LEP’s Skills and Employment Working Group (SEWG) to consider as part of the Panel’s contribution to proposals from the Mayor and the boroughs to Government on Skills Devolution for the capital. This work will also support the forthcoming Area Based Review process.

The paper begins with an introduction/background to the Skills Inquiry and is then set out in three sections covering the key points raised as part of the following activities:

- Stakeholder roundtables
- Commissioned research: Supply-side data
- Commissioned research: Demand side data sources

Each section concludes with a series of findings, either drawn directly from the work undertaken or proposed subsequently in response to views raised by participants.

A summary of all headline findings is provided below and it is these points that the LEP’s SEWG is invited to consider adopting as part of the LEP’s Skills Devolution ask of Government.

Additional comments by SEWG members on the key findings are now incorporated in each section of the paper.

A series of heat maps depicting delivery of provision at Level 3 by sector subject area (SSA) at borough level is provided as an annex.

**Key Findings**

As a result of talking to stakeholders the LEP believes that the GLA should consider the following findings in preparing its devolution proposition.

**Stakeholder roundtables**

It is clear that stakeholder believe that:
1. London should have control over 16-18 Participation Funding.

2. Area Based Reviews in London should be extended to include all post-16 provision; including School Sixth Forms, UTCs and Studio Schools.

3. London should have a dedicated Post-16 Commissioner.

4. Employer investment in skills should be promoted by the LEP.

5. GLA should be granted powers over new 16-18 School Capital.

6. An Employer Incentive Fund should be created for Post-16 Apprenticeships.

7. An Adult Incentive Fund should be created for Advanced Learning Loans in main sectors.

8. An Adult Incentive Fund should be created for Technical and Professional Education and Training.

9. An Incentive Fund should be created for Full-time and Part-Time Higher Education in main sectors and for those in work.

10. Once in place, learning loans from 18 should be promoted by the LEP/GLA.

11. Adult skills Budget, Community Learning Funding and Employment Programme Funding should be devolved.

12. A Post-14 Integrated Careers Offer should form part of the area based review process in London.

**Research commission – Supply-side data**

The findings on the supply of skills in London that meet London’s sectoral needs show that there is more work to do in this area.

1. The analysis of the ILR data should be treated as a first step by the LEP in beginning to determine how the supply of L3 skills in London is matching demand.

2. Further refinement and analysis of these findings should now take place as part of the proposed area based review process.

3. The LEP should take action to significantly increase the number of Higher Apprenticeships.

4. An analysis of the quality and distribution of provision should be undertaken and considered as part of the FE Capital investment round and the area review process.

5. Overall, colleges seem to have a good understanding of the main sectors for London’s economy, most of their current provision is aligned to these and colleges expect to increase provision in the main sectors. This is true for Level 2 and below provision, Level 3+ provision and apprenticeship provision.

6. Just over half of 16 to 18-year-old learners in colleges don’t have Level 2 English and maths (it is estimated that this means 42,000 young learner starts) – key skills for employability in London. Colleges deliver a crucial function in getting these young people ready for work, ensuring they have the skills to fully participate in the society.

7. 40% of all learner starts was in Preparation for Life and Work: FE’s response to the lack of soft skills among young people reported by employers.

8. Colleges account for 56% of Level 3+ starts in London, and expect to increase provision in some of the main sectors for London.

9. All colleges provide bespoke training for employers and the largest volumes are in areas that are relevant to London’s main sectors.
Research Commission: Demand-side data

The findings show that London needs to be sharper in understanding and meeting the skills need of businesses.

1. The GLA should explore the possibility of providing through the London Datastore real time vacancy statistics (to include all vacancies) so that it can accurately inform users of the current demand for jobs by occupation.

2. This data should be complemented by information on the skills (or qualifications) needed to enter these jobs.

3. GLA Economics is used as the main source for employment projections.

4. The GLA should explore the possibility of enhancing the London Development Database so that it can accurately inform users of likely number of jobs and where the jobs for these developments will be based.
Introduction

In its 2014 Growth Deal proposal, the London Enterprise Panel (LEP) made a proposition to Government that in developing a long term vision for skills devolution to the capital, it would undertake a Skills Inquiry for London.

**Proposition 9:** Devolve the Skills Funding Agency’s (SFA) allocation in full to the London Enterprise Panel (LEP) and match this with appropriate devolution of the funding guidance set by the government’s skills strategy to maximise economic benefit for Londoners. This is a long term vision and the LEP is committed to further work to propose a model through a Skills Inquiry for London.\(^1\)

Background

Skills devolution is a key principle behind any proposals for new skills funding structures. As McKinsey and Co. points out in *London 2036: An Agenda for Jobs and Growth*\(^2\) - the latest economic development plan for the LEP - the skills agenda is an area that receives a lot of attention and funding, and to date multiple reviews have argued for further devolution of skills budgets to local areas. It states that the arguments for devolution are strongest in London, not least because the capital’s skills challenges are different from those faced in much of the UK, given the city’s success in importing talent.

The new government has set out its support for the principle of devolution of skills to a number of English cities - including London - in both its first Budget and in the new Productivity Plan\(^3\). Government has also announced its intention to conduct with LEPs/local areas a series of area based reviews (ABRs) to consider the role of post-16 education at a local level.

In many respects and certainly in light of these developments and significant cuts in funding, the need for the judicious use and direction of skills funding for London becomes more important than ever before. In beginning to prepare an evidence base that could support the skills devolution position in London, this Skills Inquiry is making an important first step in preparing London for some potentially consequential and challenging developments that may lay ahead for the capital’s skills system.

Almost £536m has been allocated by the Skills Funding Agency in 2014-15 on skills provision mostly targeted at those aged 19 and over though with some funding to support 16-18 year olds undertaking apprenticeships. Pressure on departmental budgets has seen this funding reduced in recent years and in the spring of this year government announced a funding reduction of around 24% to the Adult Skills Budget (ASB) nationally for the 2015-16 financial year with a further reduction of 3.9% mid-year saving announced in July and the withdrawal of ESOL Mandation funding. Further education and sixth form colleges are also responsible for £350m of non-protected 16-18 funding. This is in addition to £600m funded for this age group to academies, schools and other sixth forms together supporting around 190,000 16-18 learners.

These reductions are expected to impact London more substantially than elsewhere in England, particularly given the larger number of institutions and learners accessing this support. The demographic differences in London, including increased population levels, greater need for ESOL reflecting the higher proportion of non-English speakers, higher unemployment than the UK average and the greater need for highly skilled labour further exacerbates the challenge these reductions are likely to have requiring a renewed approach to maintaining quality whilst maximising efficiency.

Through some excellent examples of world class provision, many Londoners are being supported into work and helped to progress through high quality employer-led training. The freedoms and flexibilities introduced by the coalition government in 2010 allowed providers across the system respite from some of the regulations and bureaucracy that existed, letting them respond to the needs of employers and Londoners alike. Initiatives such as

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\(^1\) [http://www.london.gov.uk/sites/default/files/A%20Growth%20Deal%20for%20London%20(FINAL)%2020140331.pdf](http://www.london.gov.uk/sites/default/files/A%20Growth%20Deal%20for%20London%20(FINAL)%2020140331.pdf)

\(^2\) [https://lep.london/sites/default/files/documents/publication/London%202036%20%28reduced%29.pdf](https://lep.london/sites/default/files/documents/publication/London%202036%20%28reduced%29.pdf)


Sector Based Work Academies, the Employer Ownerships of Skills fund and Apprenticeships Trailblazers demonstrated the commitment of the government to putting employers in the driving seat of skills development.

Yet some employers are still not getting what they need, with examples of courses being delivered that have little or no employer backing, and that fail to prepare the learner for work or progression, or add value to the London economy. There were examples of duplication of provision, some poor performance of contracts, limited oversight of how this meets the needs of Londoners or our employers and little flexibility in the funding regime to allow providers to respond quickly to changing demand and supply.

In London the LEP recognises the views of many employers that there is a disconnect between elements of the skills being delivered and the skills that our economy needs. The system is driven by supply of qualifications when employers need tailored training. Meeting demand from employers needs to be better but still be balanced with the need for qualifications that give individuals the passport they need to move into and within the labour market to better paid work.

The LEP believes that tackling this disconnect is not an intractable task and that some of the solutions will lie at the London level. Indeed the Inquiry has shown that London’s businesses are very ambitious for the capital and want the LEP to highlight to Government and HMG the need to go further and faster.

Successive governments have promised greater local influence over skills funding and yet to date little has been offered. For several years it has been a priority for London businesses, supported by the Mayor and the boroughs, to have greater influence over adult skills in the capital. In turn, it is envisaged that this would mean better outcomes in terms of matching the skills of Londoners to the needs of London’s businesses: both large employers and SMEs.

The LEP, established formally in spring 2012, has made this one of its key priorities, building on the earlier work of the London Skills and Employment Board (LSEB). Whilst London is currently largely reliant on national systems to meet its ambitions, the LEP warmly welcomes the intention of the Government - in line with Lord Heseltine’s recommendation and subsequent announcements in the Chancellor’s budget - to consider skills funding devolution to the local level. For London, the ownership of skills funding is not an end in itself. We have clear goals for what we want the devolution of adult skills funding to achieve in the capital, and how and why that is more effectively done at the London level.

For the LEP to drive through a step change in the employment and skills outcomes of Londoners there has to be full involvement in setting the outcomes for the whole system rather than the ability to bid into discrete pots or to direct small portions of skills funding. We want to make significant structural change to the funding mechanisms currently in place to ensure that all mainstream funding is aligned without exception to our jobs and growth agenda and to ensure that funding drives economic growth through increased employer productivity, sustainable employment outcomes and progression in work.

The Mayor has statutory responsibility for economic development and wealth creation in London and already has authority and powers over significant aspects of London’s economic development and regeneration including: strategic responsibility for European Structural Investment Fund programmes, the Further Education (FE) Capital Investment Fund, and significant powers and capacities relating to housing investment, planning, transport and inward investment. The Mayor has the ability - as demonstrated through the highly effective Apprenticeships Campaign - to galvanise London’s employers to engage with the skills and employment system. However, the missing piece in this economic development function is the lack of any clear skills powers.

On that basis, the LEP is looking to government to devolve the SFA allocation for London in full to the Mayor and the LEP and that this funding devolution must be matched with appropriate devolution of the funding guidance set by the government’s skills strategy to maximise economic benefit for Londoners.

**Proposition**

The LEP recognises that this is a significant request of government, and one that it does not take lightly. In recognition of this the LEP’s Skills and Employment Working Group agreed to fund a London Skills Inquiry, to begin to develop an evidence base for how a devolved London skills system, with appropriate incentives for providers, learners and employers, would work in practice.
Developing an evidence base

To date the Skills Inquiry has comprised stakeholder consultation carried out through a series of facilitated roundtables, as well as two research commissions, looking at data pertaining to both the supply of and demand for skills in London.

Feedback from members of the Skills and Employment Working Group

It is important to recognise that not all training interventions are directly linked to jobs and growth – most local authorities have priorities around troubled families for example and language support can be for the purposes of community cohesion or family learning.

The emphasis on improving quality needs to be enhanced – both of post-16 provision and apprenticeships. We shouldn’t take our eye off that in the dash for extra places.

The paper probably underplays the impact of the funding cuts on FE in particular – we now have the situation where we are trying to increase provision, while providers may go bust because of the cuts. It is going to make this task much harder.

Could there be more recognition of the fact that London is a series of ‘mini-economies’? Skills gaps etc will operate differently in different areas of London.

Very strongly agree that schools’ post-16 provision should be part of this.

ESOL is a big issue in our part of London – providers are having to fund ESOL provision themselves and this should be addressed.

Also, is there scope in this to address basic skills provision pre-16? I.e. those basic English and Maths skills which post-16 providers or employers too-often have to pick up after they have been missed at school.

An early indication on next steps through the Area Based Review process would be welcome.
1. Stakeholder roundtables

Overview

Stakeholder engagement has been integral to the Skills Inquiry. Three roundtables were held between 16th and 31st July with external stakeholders. Colleagues from the GLA and the London Councils were joined by leaders of London colleges and independent providers, the SFA, Jobcentre Plus and business organisations. The findings proposed here for consideration by the London Enterprise Panel are based primarily but not exclusively on the three roundtables.

The following stakeholder organisations were represented as part of the roundtable consultation process:

Association of Colleges
Barking & Dagenham College
Barnet & Southgate College
College of North West London
Confederation of British Industry
Ernst & Young Foundation
East London Business Alliance
Federation of Small Businesses
FISSS
Greater London Authority
Havering College of Further and Higher Education
HOLEX
London Borough of Barking
London Councils
London First
London Chambers of Commerce and Industry
London Work Based Learning Alliance
Merton Chamber of Commerce
Prosyn Business IT Support
PWC
Richmond upon Thames College
Skills for Growth
Smart Training
Tower Hamlets College
Westminster Kingsway College

It was felt by participants that London’s ask for skills devolution from central government should be bold and radical. Skills devolution in London must include:

- 16-18 provision delivered by schools as well as colleges and independent training providers;
- adult further education, skills and employment programmes for the unemployed, and apprenticeships delivered by colleges and independent providers, and
- higher education.

The post-16 education, training and employment system is complex both nationally and regionally. In addition, institutions operating in the capital are also complex:

- state funded school sixth forms - including maintained schools with sixth forms, academy schools with sixth forms and the 16–19 element of UTCs – deliver vocational as well as academic programmes;
- general FE colleges and sixth form colleges deliver academic as well as vocational programmes;
- colleges and independent training providers deliver apprenticeships, and skills and employment programmes for the unemployed and inactive, and
- general FE colleges are providers of both prescribed – HEFCE funded – and non-prescribed – SFA funded – higher education.
Because of this complexity, the findings represent different asks for different parts of the post-16 education, training and employment system. They also reflect the principle that skills funding must be ring fenced and be spent on skills – rather than pooled to be used for other public services – and that entitlement funding for education, training and employment must be spent on the relevant age group, with funding for young people spent on young people and not adults.

In some cases, the findings refer to a specific part of the post-16 system, and in others they are cross cutting. And in some circumstances, there is a preferred option and an alternative option for substantial specific or cross cutting asks.

Stakeholders felt that the GLA should consider the formation of an expert evidence group and consider turning the stakeholder roundtable approach into a Stakeholder Policy Group for the duration of the development of the devolution process.

**Key findings**

1. **Giving London Control over 16-18 Participation Funding**

   For the schools system to provide London with the skills that business needs, the LEP should play a role in the reform of what gets taught in order to have more job ready people for businesses to recruit.

   **Preferred Option: Devolution of All 16-18 Participation Funding**

   All participation funding for 16-18 year olds should be devolved to the London Mayor. Devolution of funding for 16-18 year olds must include schools as well as colleges and independent training providers. The London Mayor should have the freedom to set funding rates for 16, 17 and 18 year olds for the same level and type of provision across both schools and colleges.

   In the wake of significant cuts to 16-18 participation funding, London needs the powers to allocate funding between different types of institution – schools, colleges and independent providers – to:

   - position schools with sixth forms within the post-16 skills system;
   - deliver the right mix of academic and vocational provision at each school sixth forms and FE college;
   - reduce inappropriate choices by 16 year olds staying-on at school to do A levels and prevent drop-out from these programmes at age 17;
   - maximise participation in compliant education and training by 16 and 17 year olds in line with the participation age increasing to the 18th birthday from this September;
   - reduce the NEET group at age 18; and
   - prevent the high levels of youth unemployment 18-24.

   London should seek to ring-fence in cash terms funding per 16-18 year old in line with pre-16 school funding. Funding should also be available to cater for any growth in the 16-18 cohort. Nationally, the 16-18 cohort is expected to fall but London, given overall expected population growth in the capital, is expected to buck the trend during the course of the Parliament.

   **Alternative Option: 100% Commissioning of All 16-18 Provision**

   An alternative option is that national funding rates are determined by the EFA for 16-18 year olds but London has the power to commission 100% of allocations to each provider for 16-18 provision. Commissioning would apply to schools sixth forms as well as colleges. Re-commissioning should start with school sixth forms including maintained sixth forms, academies with sixth forms and the 16-19 element of UTCs.

2. **Area Based Reviews in London should be extended to include all post-16 provision**

   The LEP recognises that businesses need a system that delivers more or better higher level skills.

   Area Based Reviews (ABRs) in London should be extended beyond general FE colleges and sixth form colleges to include school sixth forms, UTCs and HEIs. The boundaries of the 3 regional school commissioners for London and the 5 sub-regions for FE colleges must be aligned to facilitate effective and co-ordinated ABRs in London. This would facilitate a more strategic and co-ordinated approach to 16-18 provision across the capital.
3: A Post-16 Commissioner for London

A Commissioner for London will be independent in taking account of the skills needs of businesses, regardless of size or spatial reach.

London should have a single Commissioner for post-16 education and training delivered by schools, colleges and independent training providers. The post-holder would be jointly responsible for 16-18 provision delivered by schools with sixth forms with the relevant Regional Schools Commissioners for London. These arrangements, alongside the devolution or commissioning of all 16-18 provision and ABRs that include school sixth forms, would assist in the delivering of more appropriate options and qualifications for young people in London.

4: Raising Employer Investment in Skills

The LEP recognises that investment in skills is a tripartite partnership by Government, individuals and employers that supports business interests in terms of improved returns.

Employer engagement and investment in skills is central to our strategy. We propose:

- the formation of an London Employer Apprenticeship Coalition to maximise employer demand for apprenticeships via the new levy and digital voucher;
- consultation with London employers on re-paying a share of adult FE and HE loans in priority sectors;
- the commissioning of research to examine what more can be done to assist London’s self-employed to gain the training they need;
- the availability of income contingent loans for young people wishing to set up a new business including covering the cost of preparing a business plan; and
- integrating business support for small and medium-sized firms with the skills offer.

5: Granting GLA powers over new 16-18 School Capital

The LEP needs to look beyond the footprint of FE to be assured that facilities are providing fit for purpose learning environments that reflect the real world of work.

The GLA already has powers over the allocation of capital spending for FE colleges through the Local Growth Fund. Powers should now be granted to the GLA over any new capital spending by schools for 16-18 year olds. This includes the replacement or extension of existing sixth form buildings by schools as well as powers over the creation of new sixth forms including by academies and free schools. The London Mayor should have the power of veto over the creation of new sixth forms by schools and UTCs to ensure the mix of post-16 institutions meets the needs of all young people in the capital.

6: An Employer Incentive Fund for Post-16 Apprenticeships

It is important that employers in London of all sizes and in all sectors, private, public and voluntary can access apprenticeship funding; the LEP believes that incentives will achieve this.

The Government has announced a UK-wide apprenticeship levy on large firms. In England, funding raised from the levy will operate alongside public funding via a digital employer voucher. These and other reforms are designed to meet the target of 3 million apprenticeship starts by the end of the Parliament and the London LEP believes that working in partnership with Government through a devolved skills system is the only way to realise this ambition.

We agree with the view that each individual employer will determine participation in post-16 apprenticeship but we also recognise that increasing market penetration rates for London firms participating in Apprenticeships is key to helping the Government achieve its ambitious 3 million target. Our proposal is for DfE/BIS to provide the GLA/LEP with a £25m grant fund to be distributed to small and medium-sized employers to incentivise them to recruit an apprentice in the 9 employment sectors identified in the research commissioned as part of the Skills Inquiry.

7: An Adult Incentive Fund for Advanced Learning Loans in main sectors

Too many disadvantaged adults and school leavers are without L2 qualifications.
We expect that all level 2+ provision for adults in further education (with the exception of entitlement funding) to be funded through fee-based income contingent loans (ICLs) rather than non-repayable grants. Every adult in London should be in a position to access fee-based ICLs for Level 2+ further education.

Our proposal is for BIS to provide the GLA with a £15m fund to act as an incentive to adults in London to take-out fee-loans in the 9 employment sectors referred to above. On achievement, the GLA would make a grant payment to the Student Loan Company to reduce the outstanding loan liability. Variable loan rates may also need to be explored.

**8: An Adult Incentive Fund for Technical and Professional Education and Training**

The LEP believes that we need to help people overcome varying degrees of financial exclusion to participate in higher level learning through loans.

We support the creation of a strong Technical and Professional Education and Training pathway in further education for adults in London. Part of the adult FE incentive fund (see Recommendation 7) would be made available to adults aged 19 and over to encourage them to take-out loans at Level 3/4 and non-prescribed Level 5/6 HE courses currently funded by the SFA, again in the 9 employment sectors.

The LEP believes that we need to set a new bench mark of attainment at L3 as the starting point for entry to work in London, reflecting our global city’s greater demand for higher skilled staff than in other parts of the country.

**9: An Incentive Fund for Full-Time and Part-Time Higher Education in main sectors**

The LEP recognises the role of a professionally qualified, flexible workforce in meeting the capital’s labour needs.

A high proportion of young people from London enter full-time undergraduate higher education, many at universities and colleges in London. We also want to generate greater demand for part-time undergraduate HE by adults.

Our proposal is for BIS to provide the GLA with a £15m fund to act as an incentive for young people and adults deciding to upskill by studying full-time or part-time degrees – including Foundation Degrees – at universities and colleges in London in the 9 employment sectors. On achievement, the GLA would make a grant payment to the Student Loan Company to reduce the outstanding loan liability.

**10: Promoting Advanced Learning Loans**

The LEP believes that in order to tackle a lack of demand for loans it should promote the lifetime economic return on investment that they offer.

Young people in London are aware that education after the age of 18 is highly unlikely to be free. Loans are replacing grants in many parts of the adult further and higher education system. The LEP/GLA will promote loans, once these are in place, through schools, colleges and training providers to young people from the age of 14, 16 and 18. The LEP should challenge misunderstanding about loans, promoting their low interest rates, repayment thresholds and terms and the economic return on investment.

**11: Adult skills Budget, Community Learning Funding and Employment Programme Funding should be devolved to London**

The LEP believes there is a need for a far stronger integration between skills and employment activities to increase the focus on moving people into work.

We recognise that grant funding for adult further education by BIS could be extremely limited after the outcome of Spending Review 2015. The adult and community learning budget could also be in line for significant cuts. By contrast, extra funding was announced in the Summer Budget to DWP for Jobcentre Plus and the roll-out of the 18–21 Youth Obligation programme. In addition, the government is already considering the reform and devolution of the Work Programme.

In order to assist adults with low skills and qualifications below Level 2 to gain the skills that they need to enter employment, especially in functional English and Maths, we ask BIS and DWP to devolve to the GLA:
• any remaining adult FE grant funding (including adult basic skills and ESOL);
• adult and community learning funding; and
• JCP training and employment programme funding – including sector-based work academies, skills conditionality, the Work Programme and the new 18-21 Youth Obligation programme.

In progressing skills devolution in the capital, the Mayor will be mindful of the needs of groups who currently are not necessarily close to the labour market even if employment is their long-term goal. Stakeholders were very clear about the importance of skills funding being retained to assist Londoners with special educational needs, disabilities, mental health issues and those from ethnic minorities to improve their chances to enter the jobs market.

12: A Post-14 Integrated Careers Offer

The LEP understands that we need to be far better at helping people decide career options that link closely to London’s business opportunities.

The LEP has developed and is rolling-out its careers strategy London Ambitions: Shaping a successful careers offer for all young Londoners. The next step through the implementation planning stage would be to ensure delivery of the offer is reflected in the outcomes of Area Based Reviews and the joint work of the post-16 Commissioner and the regional school commissioners, and

• promotes study, training and employment opportunities which reflect the 9 high volume and growth sectors; and
• promotes the role of loans in adult FE and HE.

Feedback from members of the Skills and Employment Working Group

The role of the FE commissioner requires significant additional discussion. The post holder should report in to the LEP and be part of the FE Commissioner’s office.

There needs to be clarity around what role is expected of higher education as part of this work. Is this Higher education in FE or all Higher Education?

The role and funding of traineeships needs to be reinforced in tackling lack of attainment at level 2.
2. Research Commission: Supply-side data

Background

In June 2015, the Greater London Authority (GLA), on behalf of the LEP Employment and Skills Working Group and FE Capital Steering Group, commissioned SQW to investigate specialisation across London’s FE colleges and how this is meeting the skills needs of London’s main employment sectors.

The study adopted a mixed methods approach involving stakeholder interviews, secondary analysis of administrative data, primary data collection, college case studies, and data visualisation, with all substantive project tasks run in parallel over a six-week period.

Primary data collection methods included an online survey of all 37 FE colleges in the capital (single response incorporating the views of college principals, employer engagement managers and curriculum leads), telephone and face-to-face interviews with sector stakeholders including London representatives for the Association of Colleges, the Skills Funding Agency, the London Enterprise Panel, sector skills councils, and college leaders. A number of college case studies were also gathered as part of the work.

Secondary data analysis to map London FE colleges’ skills supply against skills identified within the main employment sectors, focused on the analysis of four data sources:

- Skills Funding Agency, Individualised Learner Record for skills supply data (2011/12 – 2013/14)

With the assistance of the AoC, all 37 London general and specialist colleges in AoC membership were invited to complete the online survey and contribute case studies over a two-week period. Twenty-four colleges completed the survey, and 12 colleges contributed 17 case studies. Three colleges also contributed to stakeholder consultations.

Skills supply - learners

Individualised Learner Record (ILR) data are collected from SFA funded colleges, training organisations, local authorities and employers (FE providers). ILR data cover learners who are on: apprenticeship schemes; education and training; community learning; and workplace learning aims. Access to the ILR data was provided by the Greater London Authority (GLA). This data set available covers the GLA geography and does not include all the variables of the full ILR.

The dataset examined here relates to the last three academic years and has been broken down by starts and achievements.

<table>
<thead>
<tr>
<th>Learners in London 2011/12-2013-14 Category</th>
<th>Definition</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolments</td>
<td>Number of apprenticeship framework / learning aim enrolments. An enrolment indicates that the learner was on an apprenticeship framework or learning aim at some point during the period covered by the dataset.</td>
<td>1,347,590</td>
<td>1,416,670</td>
<td>1,335,090</td>
</tr>
<tr>
<td>Starts</td>
<td>Number of apprenticeship framework / learning aim Starts</td>
<td>1,250,220</td>
<td>1,300,690</td>
<td>1,230,300</td>
</tr>
<tr>
<td>Achievements</td>
<td>The number of learning aims, or apprenticeship frameworks, that have been achieved.</td>
<td>927,840</td>
<td>988,850</td>
<td>965,550</td>
</tr>
</tbody>
</table>
The initial analysis at college level was carried out using the delivery cube which includes data on all students learning within London, regardless of where they live. Those people who live in London but learn outside London were therefore excluded from the analysis.

The subsequent analysis at borough level was carried out using the learner cube which includes data on all learners who live in London, regardless of where they learn. Learners who live elsewhere but learn in London were excluded from this analysis.

Analysis of FE colleges’ specialisation starts at Level 3 because consultees identified that ‘second chance’ learning is not restricted to SSA 14 (Preparation for Life and Work) and can include learning up to Level 2. This is because learners at Level 2 and below are less likely to progress to employment in the same subject/sector area as their learning compared to learners at Level 3 and above.

Skills Demand: London’s employment sectors

To make the analysis of supply-side data more manageable, nine sectors have been loosely identified that are likely to have a bearing on future skills demand across London, either through future growth or by creating a large volume of replacement demand.

Drawing on recent LEP publications and SQW analysis of ONS and UKCES data four ‘high growth’ and five ‘high volume’ sectors were identified and mapped to ‘best fit’ Tier 1 Sector Subject Areas (SSAs) as recorded on the ILR:

<table>
<thead>
<tr>
<th>High growth sectors</th>
<th>Sector Subject Area (SSA)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>SSA 02 – science and mathematics</td>
</tr>
<tr>
<td>Technology</td>
<td>SSA 06 – Information and communications technology</td>
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<tr>
<td>Tourism</td>
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<td>Transport</td>
<td>SSA 04 – Engineering and manufacturing technologies, including Motor vehicle and Transportation operations and maintenance</td>
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</tr>
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<td>Wholesale and retail trade services, distribution, hospitality, food</td>
<td>SSA 07 - Retail and commercial enterprise, including Retailing and wholesaling, Warehousing and distribution, Hospitality and catering</td>
</tr>
<tr>
<td>Professional, business support, administrative services, finance and insurance</td>
<td>SSA 15 – Business, administration and law</td>
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</table>

Taken together, these sectors:

- account for 80% of employment in London (3.64m jobs)
- account for the majority (90%, 217,000 jobs) of jobs growth since 2009
- are expected to play an important role in generating employment growth in future, especially scientific and technology activities (together, these will account for 38% of future jobs growth to 2022)
- account for 70% of future replacement demand (equivalent to around 1.4m jobs by 2022)

Employability skills

London’s FE colleges play an important role in providing young people and adults with the skills they need to enter and sustain employment. Colleges have to deal with the many young people who leave school without adequate
English and maths skills up to Level 2 – estimated at 55% of entrants to FE – and they do essential work stopping these young people becoming NEET and become adults working in low-skilled jobs (if they are employed at all). Employability skills cut across all of London’s main sectors, and will play an important role in meeting substantial levels of replacement demand over the next decade.

Conclusions

- There were 1.23m learner starts in London in 2013/14, 1.19m non-apprenticeship starts.
- Of all non-apprenticeship starts, 68% (c.810,000) were at level 2 or below, and the number of these has increased by over 20% in the last three years. The largest increase was seen at entry level.
- Around 40% of all learner starts was in Preparation for Life and Work (SSA 14) in 2013/14, equivalent to almost 500,000 learners. The number has increased rapidly over the last three years.
- It is estimated that in the region of 43,000 young learner starts do not have level 2 in English and Maths across the FE colleges.
- It is estimated that the number of learners on Sector Based Work Academies (SBWAs) in FE colleges could be in the region of 4,100 across London as a whole. Large shares of these were in SSAs relevant to London’s main sectors (especially Retail).
- Most colleges expect basic skills provision to increase in the next five years, both for young people and adults. The main barriers to the delivery of this are staff capacity and the lack of demand from potential learners.

Higher-level specialisation and employer engagement

Facing future government spending cuts to unprotected budgets for young people and adult learners, FE colleges are likely to accept some degree of consolidation, and will need to rethink their role and their funding. Specialisation could enable colleges to be large enough and specialist enough to be sustainable. Sector stakeholders argued colleges should draw on areas of strength in their higher-level provision and plan strategically to develop their specialist offer. It was generally held that FE capital investment should focus on strengthening the alignment of FE-college skills provision at Level 3 and above with employer demand on a regional and sub-regional basis.

Conclusions

- There were over 161,000 learner starts at level 3+ across London in 2013/14, and of these, three-quarters were in SSAs that are relevant to London’s main sectors.
- FE colleges accounted for the majority (56%) of level 3+ starts, and the four most popular SSA starts at level 3+ at FE colleges were all relevant to London’s main sectors (health, science and maths, arts and media, and business admin and law).
- Private sector public funded (PSPF) providers only accounted for 5% of level 3+ starts in 2013/14, but the number of level 3+ starts in SSAs relevant to the main sectors at PSPF providers increased by 25,500 over the last three years.
- The number of learners on bespoke training schemes for employers is estimated in the region of 12,400 across London as a whole. The largest volume of these training schemes is being delivered in SSAs that are relevant to London’s main sectors.
- A high proportion of colleges expect to increase their level 3+ and bespoke training provision in a number of SSAs that are relevant to London’s main sectors, including in health, business admin and law, ICT, arts, engineering and science, and retail.
- Colleges believe the largest gaps in terms of their ability to meet the future needs of London’s employers are in science and maths, construction, ICT and engineering and manufacturing technologies.
- Key barriers to future high-level specialisation in provision were lack of engagement from employers and staff issues. Lack of employer engagement was also a major barrier for the provision of bespoke employer training.

Apprenticeships
College apprenticeship starts have declined over recent years (though achievements have increased). High-quality apprenticeship provision requires good relationships with employers in sectors where colleges have strength and depth, and also assessors and verifiers to carry out off-site work-based assessments. With campus-based assets and staff, colleges often sub-contract apprenticeship delivery to private providers with suitably qualified assessors and verifiers. Colleges in London are also being encouraged to deliver more Higher Apprenticeships, but provision in the sector is not yet particularly strong relative to the number of young people choosing to go to university.

Private sector providers and higher education institutions are therefore becoming increasingly important partners for FE colleges delivering apprenticeships.

Conclusions

- Apprenticeships are more concentrated in a smaller number of SSAs compared to non-apprenticeship learners, and particularly in three SSAs that are relevant to London’s main sectors (business administration and law, health, and retail).
- Higher Apprenticeships accounted for only 3% of all apprenticeship starts in 2013/14, but the number has increased rapidly over the last three years.
- Most of London’s FE colleges had apprenticeship starters in 2013/14. A large proportion of these starts were in four SSAs, all of which are relevant to London’s main sectors (Health, Business administration and law, Engineering and manufacturing technologies, and Retail).
- The majority of apprenticeship starts (67%) were at PSPF providers, and these were concentrated in Business admin and law, Health and Retail.
- The SSAs with the highest number of colleges planning to increase provision in future were Health, Business administration and law, Engineering, Construction and Arts (growing currently low levels of provision).
- Key barriers to the delivery of apprenticeships are the lack of engagement from employers and a lack of demand from potential learners.

Specialisation

From the study findings it is possible to associate concentrations of higher-level (Level 3+) provision for the high growth and high volume employment sectors with particular London FE colleges. Nine heat maps are included (Annex A) to demonstrate the occurrence of such concentrations at borough level. The following statements relate to total volumes including all vocational and academic attainment at L3 +.

High growth sectors

Scientific activities (SSA 02 – science and mathematics) - City and Islington College had the largest number of achievements in SSA 02 (1,380) in 2013/14. It also had the largest absolute growth (190). However, it is only the fourth college delivering the highest proportion of achievements in this SSA, (20%) while Stanmore College records 27% of its achievements falling in this SSA.

Technology (SSA 06 – Information and communications technology) - The largest number of level 3+ achievements in this SSA are at Uxbridge College (400). The college with the highest proportion of achievements in this SSA is Working Men’s College Corporation (60 achievements representing 33% of its total level 3+ achievements) followed by the College of Haringey, Enfield and North-East London which had 16% of its achievements in this area.

Tourism (SSA 08 – Tourism, Leisure and Travel) – Richmond upon Thames College had the largest number of achievers in this SSA (270) but Greenwich has the highest proportion of achievement –(10% of all level 3+ achievements at Greenwich are in this SSA).

Creative (SSA 09 – Arts, media and publishing, including Media and communication) - City and Islington College had the largest number of achievements in this subject (1,440), but Kensington and Chelsea College has the highest proportion of achievement with 36% of all level 3+ achievements in this SSA.
High volume sectors

Human health and social work (SSA 01 – Health, public services and care) - City and Islington College had the largest number of achievements (700) but Morley College has the highest proportion of achievement with 130 of its 150 achievements coming in this SSA, (72%), followed by Bexley College at 48%.

Transport (SSA 04 – Engineering and manufacturing technologies, including Motor vehicle and Transportation operations and maintenance) - The largest number of achievements in this SSA was at Uxbridge College (320) but the College of North West London has the highest proportion of achievement (18% of all level 3+ achievements at the College were in this SSA) followed by Carshalton College at 15%.

Construction (SSA 05 – Construction, planning and the built environment) - The College of Northwest London had the highest number of achievers (500) and has the highest proportion of achievement 31% of its overall level 3+ achievements were in this SSA, followed by Bexley College at 14%. Wholesale and retail trade services, distribution, hospitality, food (SSA 07 – Retail and commercial enterprise, including Retailing and wholesaling, Warehousing and distribution, Hospitality and catering) - Westminster Kingsway College had the largest number of achievements (450), equivalent to 11% of its total level 3+ achievements. However, Redbridge College has the highest proportion of achievement with 15% of achievements falling in this SSA.

Professional, business support, administrative services, finance and insurance (SSA 15 – Business, administration and law) - Westminster Kingsway College also had the largest number of achievements in this SSA (820), equivalent to 20% of its total level 3+ achievements. However, the 350 achievers in Waltham Forest College in this SSA represent 28% of its overall achievement at L3+.

Limitations

It should be noted that in order to make the analysis more manageable, nine sectors were loosely identified that are likely to have a bearing on future skills demand across London, either through future growth or by creating a large volume of replacement demand.

The results of the data analysis were obtained using a ‘best fit’ association of very high-level employment sectors with very high-level (Tier 1) SSAs, and lack the granularity required to fully understand the strength of particular colleges’ higher-level specialised provision in response to the needs of their specific employers. As such the results must be treated with caution.

Moreover, counting learner starts and achievements by college and SSA tells us nothing about the quality of the training provided, the learning environments in which it is delivered, or the strength of a college’s reputation for this particular area of provision with employers and learners.

Colleges and sector stakeholders were clear that FE colleges’ ability to respond to the skills needs of London’s main employment sectors and particular employers is constrained by a range of factors.

These include regional LMI that lacks sufficient sub-regional granularity to inform colleges’ strategic planning, a funding model based on numbers of learners rather than learner outcomes, a qualifications system that is slow to respond to changing skills needs, and staff who may not have the requisite skills and expertise.

Thus investment in industry-standard estate and facilities, important though colleges regard this to be, can only go so far in delivering the higher-level technical and professional skills London needs for jobs and growth.

As well as these areas, the LEP will need to consider a number of other external forces at play.

These include the introduction of study programmes for 16-18 year olds; the change from funding qualifications to funding learners, and the requirements for English and maths which is likely to have impacted on volumes of starts for some providers.

Furthermore the significant reductions in adult funding, combined with the introduction of FE loans means the 16-18 data, which include A levels – to a considerable degree in some instances – could be distorting the overall SSA picture in terms of the achievement of L3 skills at 19+.

Finally the LEP should note that the data analysis has only considered the ILR and has not captured higher level study (level 4+) that is reported through a provider’s HESA return.
Key findings

1. The analysis of the ILR data on L3 achievements in SSAs associated with main sectors that are loosely identified as likely to have a bearing on future skills demand across London should be treated as a first step by the LEP in beginning to determine how the supply of L3 skills in London is matching demand.

2. The further refinement and analysis of these data should now take place as part of the proposed area based review process. Further work also needs to include the analysis of school (SIMMS/PLASC) and HESA data.

3. The LEP should take action adopt a positon on the need to significantly increase the number of Higher Apprenticeships through better engagement with employers, colleges and universities and promote opportunities with schools – particularly those with sixth forms – where Apprenticeships are not always presented as an option.

4. An analysis of the quality and distribution of provision and the continuing professional development of staff should be undertaken and considered in concert with further analysis of the data as part of the area review process.

5. Overall, colleges seem to have a good understanding of the priority sectors for London’s economy, most of their current provision is aligned to these and colleges expect to increase provision in the priority sectors. This is true for Level 2 and below provision, Level 3+ provision and apprenticeship provision.

6. Just over half of 16 to 18-year-old learners in colleges don’t have Level 2 English and maths (it is estimated that this means 42,000 young learner starts) – key skills for employability in London. Colleges deliver a crucial function in getting these young people ready for work, ensuring they have the skills to fully participate in the society.

7. 40% of all learner starts was in Preparation for Life and Work: FE’s response to the lack of soft skills among young people reported by employers.

8. Colleges account for 56% of Level 3+ starts in London, and expect to increase provision in some of the priority sectors for London (however, there are also priority sectors where colleges have concerns over their ability to meet the needs of the employers).

9. All colleges provide bespoke training for employers and the largest volumes are in areas that are relevant to London’s priority sectors.
Feedback from members of the Skills and Employment Working Group

It is important to stress that the volumes relating to enrolments on learner aims / apprenticeships are not learner volumes, as a learner is likely to have more than one aim. Clarity on definitions used will be important as part of the Area Based Review process.

For the purposes of reading the research commentators should note that Level 2 is equivalent to 5 A*-C, ie the level which it is expected that young people will leave school.

For the Area Based Reviews further work also needs to include the analysis of school (SIMMS/PLASC) and HESA data.

There is no reference to sectors where colleges have concerns over their ability to meet the needs of the employers.

The colleges which appear to be the most specialised in the report are, for the most part, small general colleges or adult colleges where the proportion of delivery represents a niche amongst a low number of level 3 enrolments.

It is Important to recognise that some of the results are as a consequence of FE responding to government policies; for example the introduction of Study Programmes, English & Maths qualifications for 16-18s, and ESOL mandation – now pulled – impacted on entry level delivery.

It would be helpful to include a statement about provision at Level 4, 5 and 6 – which we would argue is the real area of ‘specialisation’

The lack of definition of specialism leads to potentially misleading reporting. This is distorted by limited subjects in small providers and high levels of A level delivery. These distortions could lead to the wrong conclusions being drawn about ‘specialist colleges’ and result in inappropriate judgements.
3. Research Commission: Demand-side data sources

Background

The Centre for Economic and Social Inclusion (CESI) were commissioned by GLA officers on behalf of the LEP to investigate the data required to inform the future planning of skills provision to meet London’s economic demands. CESI’s report identifies data that is already available covering both recent demand:

- Business Register and Employment Survey (BRES) ONS
- Employer Skills Survey, UKCES
- Labour Force Survey, ONS
- Annual Survey of Hours and Earnings, ONS

and future demand:

- GLA Economics Projections
- UKCES Working Futures
- Sector Skills Council reports

The report highlights the strengths of this data whilst identifying gaps in the evidence base with recommendations on how those gaps may over time be filled. Together the identified sources provide something of a picture of current skills and jobs and the likely skills and jobs composition in the future.

The sources were identified from user suggestions, literature reviews/online searches as well as through CESI’s own work in this field. This includes the current development of a web based tool to help colleges develop their curriculums, in order to satisfy local skill demand by employers. This involved bringing together many of the sources described in this report.

User views were collected via email to known London borough data users and a workshop with senior decision and policy makers in London. CESI also presented the results of a literature review to identify examples of national and international good practice where data is used to inform skills demand.

Finally, CESI set out a possible future structure of a webpage for the London Datastore to enable data users in London to download the data from the recommended sources.

Available sources of data

UKCES: Employer Skills Survey:

As with all surveys there are sample size issues when analysing at certain geographical levels or for various cross tabulations. However, it would be difficult to resolve this without enlarging the survey. The UKCES confidently report a significant amount of its findings at the local authority level and unlike a local level survey the Employer Skills Survey permits comparisons between different local areas as well as with national results. This is useful to determine if some issues of unmet demand are London specific or a much wider national problem.

There may be examples of employer bias: employers may be overstating some skill shortages.

Time lags: according to the UKCES the fieldwork for the 2015 Employer Skills Survey began in March 2015 and will be completed by the end of July 2015. Findings will be published on January 28th 2016. So from very start to finish it takes a maximum of 9 months.

There is a lack of detail on the types of job-related and technical skills shortages.

The Employers Skills Survey is probably the best source to identify employer skills demand for qualification and generic skills. However, some users have expressed a need for more timely data as well as more granularity.
UKCES: Working Futures

It is confidential below regional level: LEP level and below is available via a state notice but they are confidential due to robustness issues. Working Futures is also out of date when published: much of the underlying data used for the projections are ONS datasets, with some such as BRES being two years out of date when Working Futures is published. This base has been used to project skill needs to 2022, with some users questioning the reality of some of the data on future job openings.

The UKCES try to produce Working Futures (WF) in as timely a manner as possible. However, WF analysis is intended to provide a fairly high level picture of trends in the labour market over an extended time period. It cannot provide a real-time picture of current vacancies in a given locality; for this, complementary sources are required (see below). The issue of reconciling the picture provided by WF with that generated by real-time analytics is also considered below.

According to the UKCES, trends in occupational employment at the level at which WF operates have proven to be fairly robust over time. The prospects for occupations don’t generally tend to change massively between iterations of WF.

An understanding of these broad trends is an important counterpoint to the rather “noisy” picture provided by real-time analysis of the labour market.

Real time vacancy statistics

There is the possibility of producing ‘real time vacancy data’ by scraping information on online job postings from which vacancies can be inferred, following de-duplication of multiple postings. The resulting data has issues but it can show real time demand and unmet demand (unfilled vacancies) for small geographies including London boroughs.

One such company attempting to do this is Monster, the DWP contractor responsible for Universal Jobmatch (UJM). Based on discussions with Monster, they have said that they can produce aggregate statistics on monthly vacancies by occupation and qualification levels required for boroughs in London. Their product connects job titles (from employer submitted vacancies) to ONS occupation classification codes therefore enabling connections to the other ONS datasets listed in previous sections.

Currently Monster’s LMI data comes from UJM. This is the UK’s largest job board. However, later this year Monster will become a “vacancy aggregator” and collect job vacancies from over 80 sources. This may well be a more representative data source than UJM. However, Monster is mindful of the quality of this data and will need to do some rigorous tests first.

Limitations

At the current time vacancy scraping may only give a partial and somewhat skewed picture of recruitment activity, since not all vacancies are posted online and some types of vacancy are more likely to be advertised online than others. However, as more jobs are advertised online this situation is improving and this source will be of increasing value in the future. There are also issues around the ability of the artificial intelligence tools to scrape the vacancy data in an effective and valid way – again this is improving.

With regard to improving access to vacancy analytics, UKCES have raised two points to bear in mind:

DWP currently offer the Universal Jobmatch (UJM) service which includes a jobs board and analytical facility. There is a debate about the quality of UJM and DWP are currently in the midst of a discovery phase to determine the specification for a replacement. UKCES recommend waiting for the outcome of this review, which will consider the provision of labour market statistics as one of the key parameters, however this may not suit the LEP’s timeframe, especially as the next round of ESF commissioning is due to start shortly.

UKCES are considering making greater use of vacancy analytics in their future labour market analysis work. However, it is unlikely that this would extend to the level of a London borough wanting to explore the vacancy situation in their area at a highly granular level.

UKCES would also like to offer high level vacancy metric data via its LMI for All product (e.g. number of vacancies by occupation within sectors and geographic areas) but this depends on them being able to reach an arrangement
with a supplier of such data. This is intended to fill a gap in available vacancy statistics but will not undercut commercial providers since UKCES don’t propose to provide the underlying information about individual job postings.

Monster have told us that they have developed a sophisticated method to capture duplicates (i.e. the same job posted by multi agencies) and are confident it works.

There are also some agencies based outside London but advertising jobs in London but the postcode is for the agency address so it is not captured. And vice versa: there could be agencies in London advertising jobs based outside of London (but counted in the figures). Monster say that post codes are a challenge: currently they take the post code that is provided and cannot be sure if this is the location of the vacancy or the location of the employment opportunity. On UJM entering a post code is mandatory but on the Monster job site it is not mandatory - so when Monster post to UJM they have to insert a post code. They deduce this by allocating the post code for the region where the advertiser selected for the advert to be displayed.

**Expanding the London Development Database**

The London Development Database (LDD) is a collaborative project between the Mayor and the boroughs to track planning activity across London. It is the system used by the Mayor to monitor planning permissions and completions across London. The data is provided by the London Boroughs, while the GLA co-ordinates the project and provides the IT systems that make it possible. It is a valuable source of information on trends in planning and development, and is a vital source of information for the London Plan Annual Monitoring Report. We feel that the Database may have potential to be developed to include details of future employment projections arising from the proposed developments.

The LDD contains details of all planning permissions meeting criteria agreed with the London Boroughs. The criteria are:

- any new build residential units or any loss or gain of residential units through change of use or conversion of existing dwellings;
- seven or more new bedrooms for hotels, hostels, student housing or residential homes;
- 1,000m² or more of floor space changing from one use class to another or created through new build or extension in all other non-residential categories; and
- the loss or gain or change of use of open space.

A web map showing the locations of the live and recently completed permissions is provided by the Mayor for use by the public. It also contains maps of approvals and completions of homes by borough and ward. The link is provided below.

http://www.london.gov.uk/webmaps/ldd/

Besides the LDD web map, data from the system is published in the London Plan Annual Monitoring Report and headline statistics appear on the London Dashboard. Reports can be provided for academic research or can be purchased according to the charging schedule upon request to the LDD team, although conditions on the re-use of the data apply.

The data on the LDD is supplied by the relevant planning authority. They are responsible for the quality of the data and the copyright remains with them. Borough websites remain the definitive source of information on planning applications within their boundaries.

The planning application form does include a section on jobs, but it is unclear how regularly or accurately this is filled in. Another option would be to use a floor space based estimate of the number of jobs.
Key findings

1. The GLA should explore the possibility of providing real time vacancy statistics (to include all vacancies) so that it can accurately inform users of the current demand for jobs by occupation.

2. Such data should be complemented by information on the skills (or qualifications) needed to enter these jobs (using existing data sources where possible (e.g. UKCES).

3. GLA Economics should be used as the main source for employment projections.

4. The GLA should explore the possibility of enhancing the London Development Database so that it can accurately inform users of likely number of jobs and where the jobs for these developments will be based.

Feedback from members of the Skills and Employment Working Group

It would be useful to understand what colleges are already using in terms of real time jobs board vacancies.

There is much risk of duplication in real time vacancy statistics. Monster is only one of lots of jobs boards and to try this when the web is changing so much seems a waste of public money. Colleges already use access to a range of real time jobs board vacancies.

There should be reference to the limitation of using vacancy statistics at all in planning provision – lack of skills may be one factor for why a vacancy exits but there are other significant factors for example pay, location and terms and conditions.
Recommendations for skills demand data resources for the London Datastore

- **Current Skills Demand**
  - Real time vacancies coded to SOC. Trends for unfilled vacancies to indicate unmet demand. Connect SOC to actual qualifications needed from LFS.
  - Jobs and earnings based on ASHE. Matrix showing:
    - increasing numbers of jobs, with low earnings growth
    - increasing jobs & high earnings growth
    - declining jobs & high earnings growth
    - declining jobs & low earnings growth

- **Sector Trends**
  - BRES

- **Future Skills Demand**
  - GLA Economics projections by sector and figures at the borough level

- **Current Skills Demand**
  - UKCES Employer Survey for employer views on broad skill shortages & generic skills need

- **Sector Skills Councils**
  - Industry view of generic and more specific skills within their sector. Webpage should show links to each SSC report page. Maybe useful for users if collated in a single report (updated on an annual basis)

- **GLA/LEP Development Database**
  - Database of upcoming developments
Annex A - Heat maps

High growth employment sectors
Maps for the following SSAs are provided below:

- SSA 02 Science and mathematics
- SSA 06 Information and communications technology
- SSA 08 Leisure, travel and tourism
- SSA 09 Arts, media and publishing [includes Media and communication]

Each map shows the number of FE college learners (achievement data) for level 3 and above for the year 2013/14. Each borough is labelled with its respective number of learner achievements (level 3+). It is important to note that data only refers to London learners.
Number of learner achievements at Level 3 + for SSA 02 Science and mathematics (37 FE colleges, 2013/14)

Number of learner achievements at Level 3 + for SSA 06 Information and communications technology (37 FE colleges, 2013/14)
High volume employment sectors

Maps for the following SSAs are provided below:

- SSA 01 Health, public services and care
- SSA 04 Engineering and manufacturing technologies
- SSA 05 Construction, Planning and the Built Environment
- SSA 07 Retail and commercial enterprise [includes Retailing and wholesaling, Warehousing and distribution, Hospitality and catering]
- SSA 15 Business, administration and law

Each map shows the number of FE college learners (achievement data) for level 3 and above for the year 2013/14. Each borough is labelled with its respective number of learner achievements (level 3+). It is important to note that data only refers to London learners.
Number of learner achievements at Level 3 + for SSA 04 Engineering and manufacturing technologies (37 FE colleges, 2013/14)

Number of learner achievements at Level 3 + for SSA 05 Construction, Planning and the Built Environment (37 FE colleges, 2013/14)
Number of learner achievements at Level 3 + for SSA 07 Retail and commercial enterprise (37 FE colleges, 2013/14)

Number of learner achievements at Level 3 + for SSA 15 Business, administration and law (37 FE colleges, 2013/14)