

London's Skills Challenge:

Adult Skills Seminar

16 May 2013



Overview

On 16 May 2013 Barclays and London Councils hosted an event to explore the role that London's local authorities, businesses, and Further Education (FE) providers can play in ensuring skills provision meets the needs of the capital's businesses and communities.

Aligning skills provision with economic need is critical to the growth of London's economy and the well-being of its residents, but despite government spending of £550 million a year on adult skills provision in London, the system is not working as effectively as it should. The employment rate in London lags behind the UK average, and employers attribute 15 per cent of vacancies in the capital to skills shortages.

Debating how to tackle London's skills challenge were senior representatives from local and national government, the business world and the FE sector, including a panel of speakers comprising:

- Cllr Peter John, London Councils' Lead Member on Employment and Skills
- Richard Maughan, Principal Political Adviser at the CBI
- Mary Ney, Chief Executive of the Royal Borough of Greenwich
- Cathy Walsh, Principal of Barking and Dagenham College
- Emma Squire, Head of Local Growth Strategy at BIS
- Andrew Battarbee, Deputy Director for Skills at BIS

Themes of discussion

The discussion addressed a number of key issues around adult skills:

1. Meeting employer demand: There was consensus that skills provision in London needs to respond more effectively to employer demand. Andrew Battarbee said that the government wants to bring qualifications closer to the employer and strengthen the role of businesses in the governance of colleges. Richard Maughan identified further opportunities for businesses to contribute to the skills system, including helping to shape the school curriculum, offering more work experience placements to students, contributing to careers information, advice and guidance, and acting as mentors and sponsors for schools and colleges. Mike Thompson, Head of Learning Development at Barclays, gave examples of how the bank is putting many of these ideas into practice through its LifeSkills Bridges into Work package delivered with schools and a range of business partners.

Cathy Walsh emphasised the importance of skills providers working in partnership with employers of all types and sizes, noting that Barking and Dagenham College is networked into 322 employers, most of which are SMEs. Mary Ney echoed Cathy's point about the importance of employer partnerships, which are a key driver of skills provision in the Royal Borough of Greenwich. The local authority is implementing an innovative employer-led approach to vocational skills, working with local businesses and sector leading training providers to open specialist skills centres that respond to employer need through major input from businesses in the design and delivery of training.

2. Devolution: The event also explored issues around skills devolution following the government's announcement that it will be devolving some skills funding to Local Enterprise Partnerships (LEPs) in the Spending Round in June. This is in response to Lord Heseltine's review which

recommended a package of measures to decentralise funding and economic development powers from Whitehall in order to stimulate local economic growth. Emma Squire emphasised the government's commitment to promoting local growth initiatives, and to making the skills system more responsive to local needs. She pointed to the proposal to make Chartered Status for FE providers dependent on meeting the needs of their local communities as identified by LEPs in their new strategic skills role.

Cllr Peter John argued that devolving skills funding to London's LEP will not go far enough to meet the scale of London's skills challenge. Outlining the diversity of the capital's skills needs he argued that this diversity cannot be addressed purely at a London or LEP-level. Instead, he argued that skills responsibility and budget-holding should be devolved to groups of boroughs to play a local strategic brokerage role, aligning provision with the needs of businesses and communities across functional economic areas, with the LEP providing important strategic co-ordination. Mary Ney agreed that boroughs should play a greater role, saying that they are uniquely placed to join up funding streams and relationships in the skills system. Mirroring models in adult social care, she advocated personalising skills budgets to allow individuals to pursue pathways that lead to sustained employment.

Richard Maughan said that the CBI welcomes a role for LEPs in skills, particularly in terms of mapping skills needs in local areas, but that they remain to be convinced of the case for devolving skills funding to LEPs or beyond. Cathy Walsh agreed that LEPs have a role to play in identifying skills needs, noting clear gaps in provision across London in relation to higher level skills in leadership and management, and in relation to entry level skills. But Cathy also saw an important role for local authorities in the skills system, pointing to the productive partnership between Barking and Dagenham College and the local authority. She argued that providing skills for economic independence requires leadership at all levels, including council, college, employer and LEP level.

3. Careers advice: Several speakers from the floor emphasised the importance of high quality, impartial careers information, advice and guidance (IAG), saying that this is fundamental to a more effective skills system. Many felt that local authorities or groups of local authorities are best-placed to provide this. Caroline Neville from the Association of Colleges called for collective action to drive the issue forwards. Cathy Walsh agreed on the value of improving IAG, particularly as young people are likely to experience a multitude of roles in different sectors rather than pursuing a single career path. She noted that this means providers must concentrate as much on breadth as on depth of skills, and on instilling qualities such as confidence and resilience, not just on technical knowledge.

Conclusion

Debate at the event was lively and wide-ranging touching on a number of other issues including the importance of simplifying the skills landscape, making better outcomes data available, and giving providers more freedom to respond to local needs.

While not everybody agreed on how best to improve London's skills system, there was consensus that more needs to be done to ensure that provision aligns with employer demand to maximise outcomes for businesses and individuals. There is a real appetite for changing the skills system so that Londoners can better compete for the jobs the capital generates.

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publication date: May 2013