



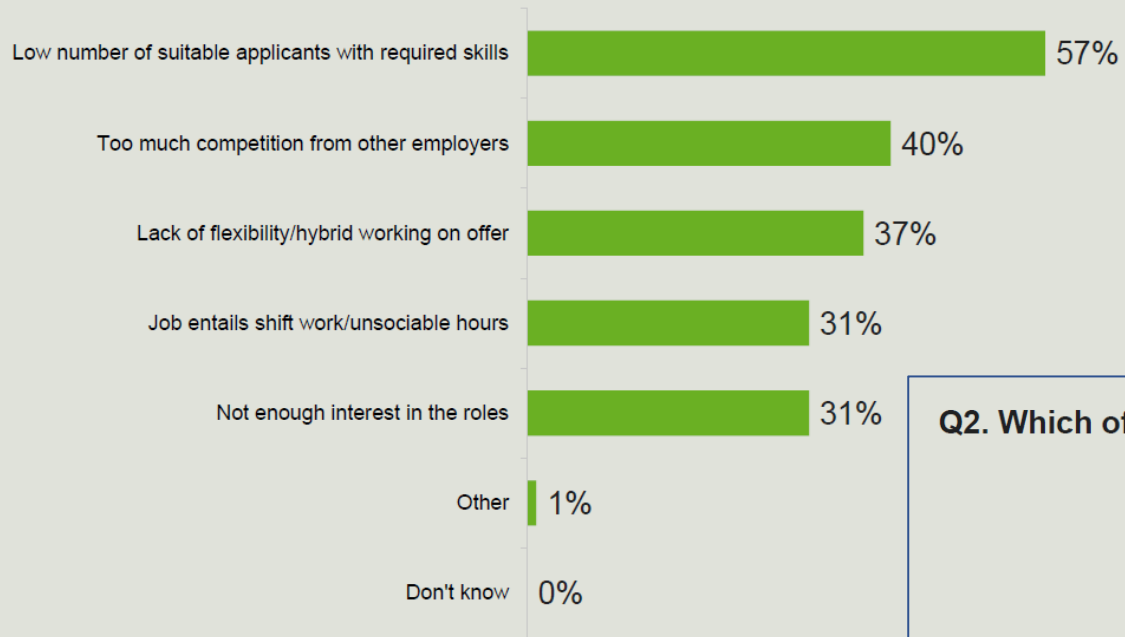
**local
london**

Local Skills Improvement Plans
(LSIP)

London Labour Market

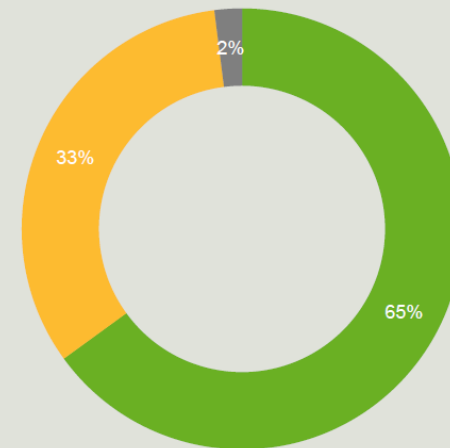
- Job vacancies remain **high** although recruitment demand showing signs of slowing with likelihood of **recession**
- Nationally, and mirrored in London, there are more vacancies than available people yet, in London unemployment higher than national average and over 1 in 5 out of the labour market (economically inactive) and rising as well as labour shortages, skills gaps remain rampant
- Emerging skills needs such as green and tech rising but ill defined
- Those from black and minority ethnic communities are already more likely to be lower skilled and out of work and in poverty
- **Cost of living crisis** will make matters worse
- We need to give the unemployed the skills and support needed to get back into work and help fill the gaps, do more to help the inactive return to the labour market, and give those in work the skills employers are desperate for.

Q4. What do you feel are the biggest drivers of recruitment challenges in your business?



BASE: Respondents struggling to fill vacancies. Total: 514.

Q2. Which of the following is closest to your view?



■ We are struggling to fill some of our vacancies ■ We are not struggling to fill some of our vacancies ■ Don't know

BASE: Respondents with open job vacancies. Total: 791.

Add comments

Local Skills Improvement Plan (LSIP)

The Issue

- Business doesn't have access to the skills it needs because the training system is not providing them

What is an LSIP and how will it help?

- Introduced as part of the Skills and Post-16 Education Act 2022 (2022)
- An employer-led and data-driven plan for better matching training provision to employer skills demand in order to help employers meet their skills gaps, fill vacancies and ultimately to get more Londoners into jobs

How will it work?

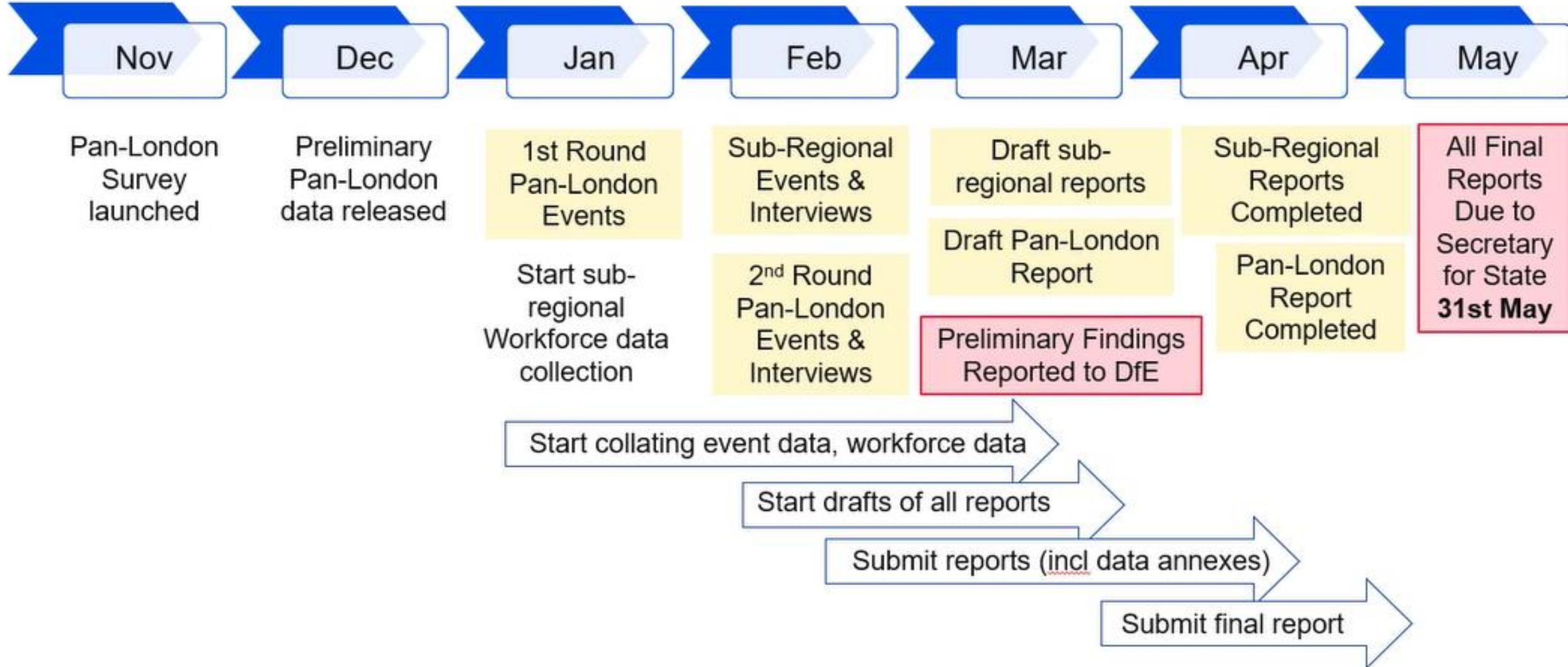
- Led by a designated business group, an LSIP will set out a clear articulation of employers' skills needs both now and in the future and the priority changes – in training courses and system changes - required in the local area to help ensure post-16 technical education and skills provision is more responsive and flexible in meeting local labour market skills needs.
- The end product will be a report setting out those key priorities. The process to develop the report, i.e. bringing together employers and providers to understand skills needs and provision, is just as important as the report itself.
- It has statutory clout

Process

- Identifying employer skills needs – what are the skills employers need locally, but struggle to find?
- Translating employer needs into changes in provision – how can those needs best be met by providers in more responsive ways.
- Addressing learner demand and employer engagement – what can local stakeholders and employers do to raise demand for and make better use of those skills.

LSIP TIMELINE

**BUSINESS
LDN**



London's LSIP

- London will have one plan with annexes covering the four sub regions, relevant to their own part of London, based upon evidence from the sub region and setting out recommendations for the sub-region.
- Business LND – Have been appointed by DFE to produced the London LSIP
- Local London has been appointed to complete an Annex for the London LSIP report which covers our sub regional area
- Local London have appointed the **Institute for Employment Studies** to develop our sub-regional plans.

Process

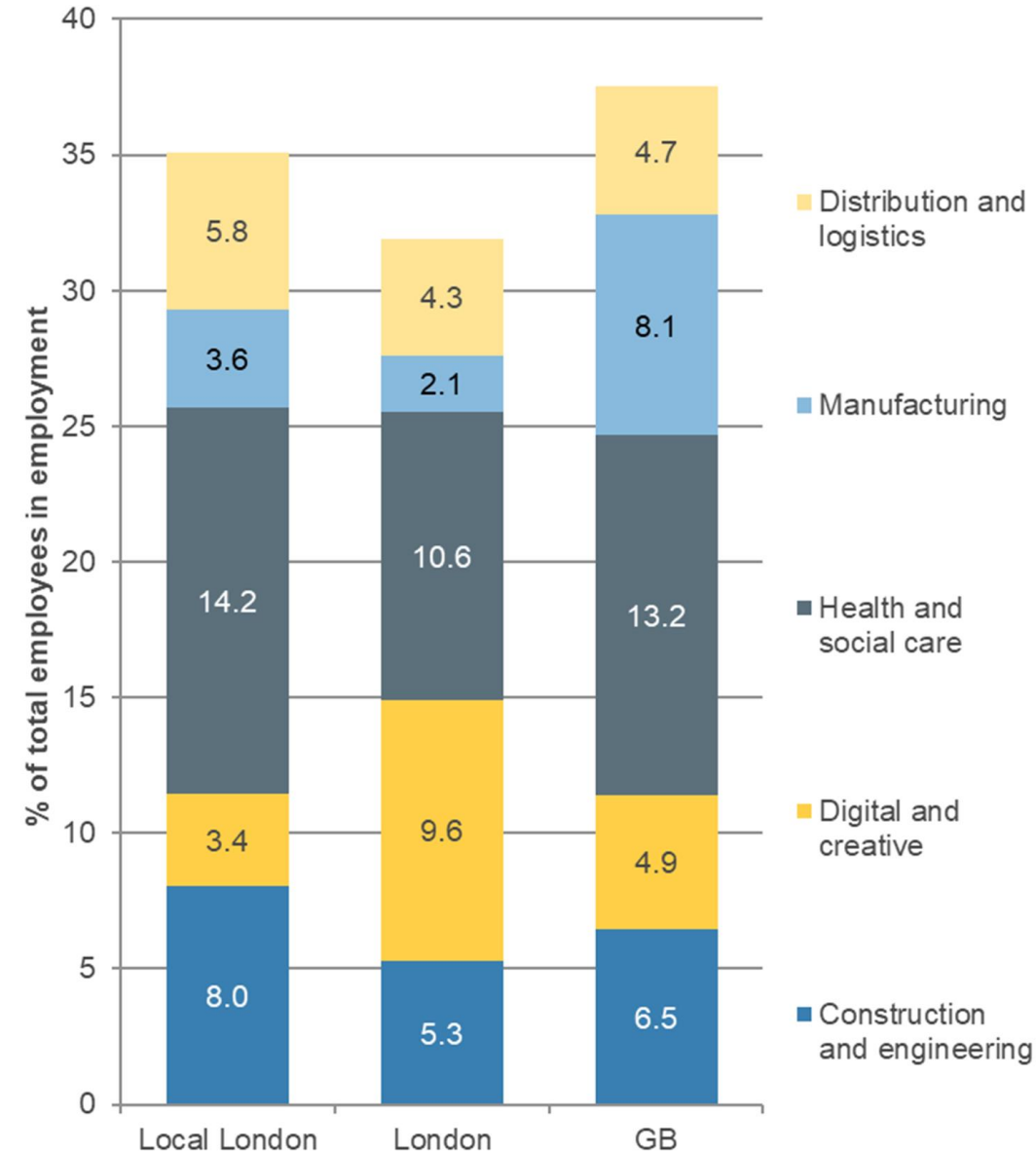
- Analysis of employment and skills data
 - Workshops
 - Face-to-face interviews
 - Stakeholder survey
-
- Emerging findings and draft recommendations presented 29th & 30th March 2023
 - Business LDN Consultation
 - Final report to be submitted by 31st May 2023

London LSIP Support – Local London

Priority sectors

- Priority sectors for the Local London area have been identified taking account of total employment size, relative size in comparison with national employment, the Mayoral priorities, and local strategic priorities
- Construction and engineering – a Mayoral priority sector and above the London and national averages; accounts for 10% of all employees in Havering and Bexley
- Digital and creative – Mayoral priorities, but relatively small in Local London; largest in Greenwich and Redbridge (c. 5%)
- Health and social care – Mayoral priority and above regional/ national averages; accounts for 20% of employment in Havering
- Manufacturing – small overall but some local concentrations in Barking & Dagenham (8%), Bexley (6%) and Enfield (4%)
- Distribution and logistics – above average proportion of total; largest in Barking & Dagenham (9%) and Enfield (7%)
- Green skills cut across a number of sectors, including construction and distribution/logistics, while sustainability important for all sectors

globally connected, locally focussed.



Local London Priorities

- Health and Social Care
- Construction / Built Environment
- Digital / Creative
- Manufacturing
- Transportation / Storage

Areas of Interest

- Tourism
- Hospitality
- Finance/admin

Sector Skills Needs – Local London

Construction

- **Recruitment - occupational priorities:** Difficulties getting entrants into the sector at lower levels – groundworkers (9121) and elementary construction workers (9129); don't need skills at that level, just motivated and resilient applicants
- Also site managers (5330)
- **Recruitment – skill system issues:** Colleges suffering from a lack of skilled tutors
- **Recruitment – employability issues:** Construction not seen as an attractive option (in a hole with a spade) but good prospects for motivated people – be more ruthless at talking about earnings potential; T-Levels can also help raise profile
- Charities working with disaffected young people are good outreach opportunity to promote sector at pre-16 level
- Promoting construction to women and people from ethnic minority groups
- **Existing staff:** Green skills – when demand comes, sector will respond

Health and social care

- **Recruitment - occupational priorities:** In social care the priority is frontline care workers (6135), while in health it's registered nurses (2234)
- Have 10%+ vacancy rate in health in Local London – meaning recruiting over 4,000 staff just to replace leavers
- **Recruitment – skill system issues:** More difficult to identify and access placement opportunities in social care compared to health
- Using international recruitment in health while develop more consistent and supportive pathways into employment for local residents
- **Recruitment – employability issues:** Employers in social care using values-based recruitment and then training rather than trying to recruit qualified/skilled staff

Sector Skills Needs – Local London

Transport and logistics

- **Recruitment - occupational priorities:** Largest volumes of job vacancies in 2022 (Adzuna) were for warehouse workers (9252), lorry drivers (8211), delivery drivers (8214), and vehicle technicians (5231).
- Recruitment difficulties often caused by shift work/unsociable hours (Survation survey)
- Also project managers (3542) and data analysts (3544) highlighted by large transport infrastructure employers.
- **Recruitment – skill system issues:** Reports of difficulties engaging with schools/colleges by logistics employers – less tradition of engagement and not seen as a career pathway?
- **Recruitment – employability issues:** Old age profile in engineering roles
- **Existing staff:** Digital skills important for wide range of roles – London Business 1000 survey found high proportion of respondents citing basic IT skills as a key challenge, and Survation survey reports basic digital skills as very common skill need over next 2 to 5 years; Leadership skills; Softer skills – agility and resilience; Green skills – carbon literacy is growing skills for health and safety, leadership and project management roles

Digital and creative

- **Recruitment - occupational priorities:** Priorities for IT sectors mentioned in CLF and SLP - IT professional roles, data analysts etc.
- In **digital creative sectors** (film, TV etc.) there are a range of occupations needed – hair and make up (6221/6222), carpenters (5316), production accountants (2421) as well as creative occupations (eg actors (3413), dancers (3414), musicians (3415), camera operators (3417)); High degree of self-employment in creative side
- **Recruitment – skill system issues:** Technical skills shortages linked to slow moving skills system, out of date curricula and equipment
- **Existing staff:** Resilience, to cope with negative aspects of the digital creative sector (poor management, long hours, stress)

Sector Skills Needs – Local London

Manufacturing

- **Recruitment - occupational priorities:** The manufacturing sector in Local London is predominantly food and drink, and vehicle manufacturing, with the following occupations being the largest: food, drink and tobacco process operatives (8111); production managers and directors in manufacturing (1121); packers, bottlers, canners and fillers (9132); warehouse operatives (9252); sales accounts and business development managers (3556); metal working production and maintenance fitters (5223) (LFS and BRES data)
- In textiles manufacturing, felt to be a shortage of skilled machinists (5413), perhaps because of the image of the sector and not seen as a desirable career
- **Recruitment – skill system issues:** Early days to tell if T-Levels are improving practical/vocational routes into employment
- Shorter, modular courses to give more options for adults to upskill or re-skill into the sector
- **Recruitment – employability issues:** Lack of females in engineering Apprenticeships – not using full talent pool (also ethnicity imbalance)
- **Existing staff:** Current gaps in basic digital skills and basic maths skills (Survation survey), and need for digital skills will grow particularly in relation to green/sustainable skills
- Also, London Business 1000 survey found gaps in softer skills such as teamworking, problem solving, and leadership; also foreign language skills (multi-cultural workforce)

Feedback from consultations – Local London

Skills system issues

- Issues with residents and businesses navigating the training provision landscape and accessing information about career pathways available through different training courses – learners need to see the jobs available at the end of the training
- Employers often don't know what they don't have, the skills needs they lack and gaps, see especially digital. They also may not know what's on the horizon, e.g. future skills needs.
- Courses currently available are too onerous in terms of timings and duration, particularly for shift workers
- Providers currently focused on qualifications and completing that process, rather than the skills employers need
- Significant shortage of basic digital skills and options for gaining those skills
- Lack of pastoral support for young people to support them with information on employer and provider expectations, leading to low retention rates
- Lack of opportunity for business and provider engagement
- Inability of providers to put on courses due to lack of numbers and lack of opportunities for SMEs in particular to collaborate to ensure courses are viable
- Current provider business model distorts provider offer leading to duplication of provision in some areas and gaps in others
- Lack of flexibility in use of Apprenticeship Levy leading to under-use

Feedback from consultations – Local London

Suggestions for recommendations – skills and training provision

- Assistance for residents and businesses in navigating the training provision landscape, and in providing information about career pathways available through different training courses – learners need to see the jobs available at the end of the training
- More of a focus on delivering ‘skills’ for businesses, rather than ‘qualifications’ (may need changes to funding mechanisms)
- Digital skills, particularly in health and social care, including the skills for using automation/AI in the sector
- Also basic digital skills training so that learners can access online/blended courses
- Skills for retrofit – broad range including electric vehicles, PV and solar, heat pumps; also insulation
- Shorter, modular courses, delivered face-to-face and available locally – particularly important for sectors with shift working such as social care
- Raising awareness of bootcamps – move away from young people thinking of binary choice of university or Apprenticeship and highlight other options available
- Increasing pastoral support for young learners, potentially via mentors from employers, as a means of increasing retention rates and giving information about what jobs entail and even job opportunities

Feedback from consultations – Local London

Suggestions for recommendations – broader changes to skills system

- Sector-focused brokerage systems to bring providers and businesses together, with a suggestion for a possible product that provides information to employers about what providers are offering, that can be used by employers to see which providers are ‘going their way’ and to support SMEs in coming together to get sufficient numbers of learners so that courses can be run
- Greater co-operation between publicly-funded providers, assisted by local authorities, to overcome the potential of the current business model of skills provision to distort providers’ offer to employers
- A further suggestion about co-operation was to have a “branded” approach across the SRP which helps identify the best option for learners/businesses, rather than each provider having a “parochial” approach of trying to recruit learners/businesses in their Boroughs – this has happened in relation to green skills provision across Local London
- A potential role for Boroughs to help oil the wheels for engagement between employers and providers, and to help employers identify their skills needs and gaps (eg planning and procurement staff in Boroughs providing information to construction SMEs about upcoming retrofit needs)
- More flexibility on businesses being able to use the Apprenticeship levy in their supply chains, or to support wages of Apprentices (particular issue in health and social care)

Next Steps

Consultation:

- Local London p49-56
- Consultation closes at 23.59 on Thursday 27th April

Submission to DfE 31st May 2023

LSIF

Publication Summer 2023

2023 onwards...

