



Best Practice: Linking Workforce and Economic Development

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CITY: LONDON

POLICY AREA: WORKFORCE DEVELOPMENT

BEST PRACTICE

London has developed the “**Skills for Life**” strategy that provides many initiatives which improve adult skills in literacy, numeracy, language, and information and communication technology.

ISSUE

In London, approximately 900,000 people (19% of working age population) have the literacy equivalent of an 11-year-old and 2.3 million people (48% of working age population) have numeracy skills at the same level. Yet London's population is its most important economic asset. Investing in people, knowledge and skills is a vital part of the city's agenda to achieve sustained economic growth and social inclusion. There are long standing barriers to growth and complex issues that hinder progress. These include high living costs, fewer opportunities for people with low skills or a mismatch in skills, discrimination, low individual expectations, a lack of guidance for individuals and poor physical infrastructures. London currently has the highest unemployment rate in Great Britain. Only 69% of working age adults are in employment in London. The national average is 75%.

In a metropolitan area where approximately 50% of jobs require a university degree – and where the mismatch between skills and jobs means that there are three low skilled residents for every one low skilled job – it is essential that individuals are incentivized to develop their skills capability. In London, this dynamic has made for a significant polarization between haves and have-nots, with a growing number of Londoners trapped in low paid work, unemployment or simply dropping out of the labor market altogether. As many as 600,000 Londoners are estimated to lack any form of qualification. In addition, 20% of the population does not speak English as a first language.

GOALS AND OBJECTIVES

At the center of London's workforce development agenda is ensuring that all individuals living and trying to work in the city have the skills they need to access jobs and professional development opportunities. The Skills for Life strategy aims to:

- Tackle barriers to employment
- Reduce disparities between groups in the labor market
- Improve the skills of the workforce
- Address the barriers that affect various disadvantaged groups
- Address discrimination and promote diversity in the workplace

IMPLEMENTATION

Since taking office, London Mayor Boris Johnson has mobilized the efforts of key agencies, including the London Development Agency (LDA), around a clear effort to connect workforce development programs to London's sustainable economic growth under the Skills for Life Strategy. The LDA implemented several initiatives and programs to further the goal of ensuring that jobseekers have access to skills development programs necessary for finding employment as outlined below:

London Skills Employment Board (LSEB)

- Chaired by the Mayor of London to bring together major employers, training providers and colleges, the aim of the LSEB is to bring coherence to the fragmented skills and employment situation in London via a blueprint to improve skills and employment outcomes over the next five years.



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- Two key goals of the plan are to 1) integrate employment support and training opportunities for Londoners; and 2) create a fully integrated personalized customer-focused skills and employment system.

Joint Action Plan between National and Local Government

- National government agencies and London agencies have worked together to enact a joint response to the recession, which includes adapting training courses, working with national job centers, establishing rapid response units, coordinating national and local apprenticeship/internship programs, and creating specialized skills schools.

Learning and Skills Council

- The Learning Skills Council was created to “upskill” the public sector workforce and make England more competitive. The overarching goal of the Council is to improve the skills of young people and adults to ensure that locally and nationally, London has a workforce of high standard. New national arrangements for skills are being introduced in April 2010.

Jobcentre Plus

- Jobcentre Plus is a government agency supporting people of working age in making the transition from welfare to employment and helping employers fill their vacancies. London currently has 30 job centers.

Apprenticeship Program

- The Apprenticeship Program in London is one of the largest of its kind, having created more than 13,000 apprenticeships in the past year alone. Efforts are now underway to coordinate the national government apprenticeship program with London's, which promises to provide an excellent resource for training jobseekers.

Job Portal Website

- Currently in development is a “job portal” website that will act as a centralized clearinghouse for employment and training information from 10 specialized skills academies. Each academy will include job placement as a major component of success upon graduation.

COST

A total of more than £1 billion (\$1.56 billion) is spent annually on skills training from sources at the international, national, city and borough level. There are 32 boroughs in London.

RESULTS AND EVALUATION

Improved and Coordinated Responsiveness. With many components of London's strategy still less than two years old, and several even newer than that, tangible results are yet to be seen. However, it is evident that improved coordination between national and local agencies has helped the city to respond more quickly and cooperatively to the recession. For example, the city is now sending rapid response teams to companies facing large-scale layoffs. The city is also focused on expanding job centers, increasing internships for new entrants to the labor market and adapting training programs to the shifting demands of the labor market.

Positive Feedback on “Skills for Life” Strategy. A key element of the “Skills for Life” strategy is to identify and meet the distinct needs of different groups of learners and employers. The program has achieved recognition from academics and practitioners for its focus on the integration between skills and the employment infrastructure.

LESSONS LEARNED

Coordination of programs and initiatives is critical. In order to avoid duplication of services, it is important that all programs and initiatives are well coordinated. The Mayor has advocated a reorganization of the entire system—including a legislative change—in order to create a single Skills and Employment Agency.



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Public support is necessary. Building consensus will avoid delays and lead to more efficient delivery.

Employer involvement can help to drive change. Bringing the Mayor, boroughs and key employers together was a powerful driver for change across the public and private sectors. Private sector employers provided constructive feedback to public sector agencies and help improve the delivery of employment services.

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