

Level up London

Fixing the skills and employment system
for young Londoners





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Foreword

London's educational and employment outcomes are viewed as a great success when you look at the national picture. But these regional comparisons gloss over the 48 percent of young Londoners who are without a level 3 qualification at age 18 and the 23 percent without five GCSEs. They also overlook the many differences in outcomes for young Londoners depending on where they study. Too many young people are being let down by a skills and employment system unable to support them to acquire the qualifications and skills they need to succeed.

Young people who are NEET face different barriers to participation in education, training and employment – each with their own strengths, needs, aspirations and learning styles. The data shows disadvantage and social exclusion affect outcomes. The centralised national approach to skills and employment support lacks the breadth and the depth to support young people with the most complex needs. One size does not fit all and thousands of young Londoners are falling through the gaps in provision.

After a decade of austerity, the skills system is in dire need of investment and reform. London needs a joined up, more locally responsive and comprehensive skills and employment system that has the range to serve all of our young people, a system designed to address disadvantage and tackle social exclusion.

We can and must do better for young Londoners.

With the right levers and increased funding, London government can transform skills and employment support to deliver a diverse range of well supported, effective routes to qualifications, skills and experiences that will support young Londoners to make the most of London's vast opportunities – and make sure no one gets left behind.



Cllr Georgia Gould
Deputy Chair and
Executive Member for
Skills & Employment

Executive Summary



London's outcomes for young people are the best in the country at key stage 3, but this is not sustained post-16

London's schools have consistently delivered better GCSE results than any other English region, with 65 per cent of pupils achieving five good GCSEs¹. Yet this high performance is not sustained post-16. London's performance drops to sixth out of eight regions for A-level results and London has a youth unemployment rate above the national average at 15 per cent.

London Councils commissioned research to try and understand this drop-off in performance and to dig beneath the pan-London statistics. The research analysed longitudinal data, which tracks outcomes for young people aged 18 to 24 who sat GCSEs between the years 2007 and 2012. This complete data set provides robust indicators at borough level and can compare outcomes for young people with different characteristics.

The existing system is delivering vast variation in outcomes and young people with complex needs are falling through gaps in provision

The granular data reveals a remarkably complex picture across London, with considerable differences in education and employment outcomes of young people depending on their characteristics and where they studied in London:

- Almost half of young Londoners are without A-levels or other level-3 qualifications at age 18. These young people will struggle in London's labour market as it is competitive and creates jobs demanding higher-level qualifications.
- London also has the highest rate of young people not in education, employment or training (NEET) in the country for young people who had A-levels at age 18. Even with mid and high-level qualifications, young people in London are finding it

¹ Five A* to C grade GCSEs, or equivalent, including English and Maths

difficult to secure jobs and other positive outcomes.

- Apprenticeships provided a good potential route for school and college leavers with low-level qualifications (68 per cent of those starting apprenticeships in the study were without good GCSEs). But the number of entry-level intermediate apprenticeships is decreasing.
- Although London has the lowest employment gap² among the English regions, young people from disadvantaged backgrounds are more likely to be NEET than their better-off peers, even when controlling for qualification level. And the NEET rate for young people from disadvantaged backgrounds varies considerably across the boroughs – from 17 to 26 per cent.

This research shows that too many young people are falling through the gaps in London's post-16 provision:

- A lack of skills provision matched to young people's diverse needs, strengths, aspirations and learning styles has left almost half of young Londoners without a level-3 qualification at age 18. The system needs to deliver an increased variety of vocational and technical courses and learning routes to enable all young Londoners to fulfil their potential.
- Too many young people are not getting the right careers information, advice and guidance, which is vital in helping them navigate options for learning and work. Careers services are disjointed and inconsistent, with different overlapping

programmes and gaps in provision. The careers system needs more investment and more comprehensive delivery to ensure all young people (including those who are NEET and over 19) can access timely, effective careers advice and guidance.

- A qualification does not guarantee a job; work experience is a key component of effective support. The data suggests not enough young Londoners are getting access to the right work experience and too many are not work ready.
- Apprenticeships are a great way to earn and learn. However, the introduction of the Apprenticeship Levy has significantly reduced the number of entry-level opportunities, with a 45 per cent decrease in intermediate apprenticeship starts nationally between 2016/17 and 2018/19.
- 17 per cent of London's NEET population are "doubly disadvantaged" being from disadvantaged backgrounds and with low qualification levels. This group of young people have multiple barriers to getting a job and need targeted, wrap-around support services to progress. Boroughs know the needs of local communities and are well placed to support learners with complex needs, as they are often already providing some these services or can convene partners locally.

2 The employment gap is the difference between the NEET rates for young people from disadvantaged backgrounds and their better off peers.

London needs investment in skills provision and a local, holistic approach

The UK's overly-centralised system is not nuanced or effective enough to address these high levels of inequality and the diverse needs of young people who are falling through the gaps in post-16 provision.

There is significant variation in outcomes at the local level, yet local authorities lack the levers to address this, beyond their convening powers, links to local partners and knowledge of the needs of local communities and businesses. London government needs power and resources so it can lead and work with partners to design and deliver a skills and employment system that works for all young Londoners.

To achieve a step change in the outcomes for young Londoners, London Councils calls on the Government to:

1. Invest in and devolve 16 to 18 provision so that London government can ensure that there is sufficient provision to meet diverse needs and aspirations of young people across different parts of London.
2. Invest in and devolve careers services, so London government can transform the currently fragmented system into a comprehensive and locally responsive service.
3. Increase the flexibility of the Apprenticeship Levy to allow some funding to be used for pre-employment training and, in the longer term, devolve apprenticeship funding, starting with capital's non-levy allocation. This will allow London government to work with businesses to meet local skills needs.

4. Support the alignment of national Jobcentre Plus and local employment services to allow them to co-ordinate local employment support and achieve better outcomes for young Londoners with the most complex needs.
5. Devolve the UK Shared Prosperity Fund (UKSPF – replacing European Structural and Investment Funds) to deliver specialist programmes for young people facing complex barriers to employment.



1: The challenges facing young Londoners

London's schools have consistently delivered better GCSE results than any other English region, with 65 per cent of pupils achieving five good GCSEs, including English and Maths.ⁱ

Yet this high performance is not sustained post-16. London's performance drops to sixth out of eight regions for A-level resultsⁱⁱ and London has a youth unemployment rate above the national average at 15 per cent.ⁱⁱⁱ By age 18, 48 per cent of young Londoners do not have a level-3 qualification. Underneath these figures, there is considerable variation in young people's education and employment outcomes within London.

London Councils commissioned research to try and understand the drop-off in performance and to dig beneath the pan-London statistics. *The Employment Gap in London* report analysed longitudinal data, which tracks outcomes for young people aged 18 to 24 who sat GCSEs between the years 2007 and 2012^{iv}.

This report explores how differences in qualification level and disadvantage affect a young person's journey to employment, setting out the need for significant investment and public service reform to deliver a comprehensive and locally-responsive skills and employment system more capable of addressing youth unemployment.

There is a significant group of young people that are not progressing to high-level qualifications

Higher levels of qualification lower a young person's chance of becoming NEET. There is a clear link between educational attainment and employment outcomes. But a significant group of young Londoners are not progressing to higher-level qualifications:

- **The education and skills system fell short for a quarter of young Londoners that did not achieve five GCSEs by age 18, and a further 23 per cent who did not achieve level-3 qualifications by age 18.**
- In London, young people who do not have five GCSEs at a pass grade or equivalent by age 18 are three times more likely to be NEET compared to those with A-levels or equivalent at age 18.

While London's economy has seen strong employment growth since 2011, it is an increasingly high-skilled economy, with 58 per cent of jobs being high skilled compared to 43 per cent nationally.^v Young people with low-level qualifications will struggle in a labour market that has a rising demand for highly-skilled labour and a shrinking pool of lower and mid-skilled jobs.^{vi}

London's labour market is also highly competitive, acting as a magnet for talent across the UK and internationally. Even with mid and high-level qualifications, young Londoners are finding it difficult to secure jobs and other positive outcomes: London has the highest NEET rate in the country for young people who had A-levels at age 18.^{vii} Londoners with high-level qualifications are being bumped down in the labour market, locking those with less experience out of jobs, even when they have the qualifications and skills to undertake the role.^{viii} This competitive environment creates unique challenges for young Londoners.

Apprenticeships provide an accessible route but there has been a reduction in provision of entry-level roles

Apprenticeships provide a pathway to acquiring intermediate or higher-level skills, while earning and gaining experience of the world of work. They play an important role in widening opportunities for Londoners and supporting social mobility.

Our research shows that apprenticeships increasingly provided a good route for school and college leavers from disadvantaged backgrounds and those with low-level qualifications. The share of apprenticeships starts for disadvantaged young people grew from 21 to 29 per cent between 2007 and 2010, and 68 per cent of those starting apprenticeships were without “good”³ GCSEs.

However, the introduction of the Apprenticeship Levy has significantly reduced the number of entry-level opportunities, with a 45 per cent decrease in intermediate apprenticeship starts nationally between 2016/17 and 2018/19.^{ix} This has been coupled with an increase in use of advanced and higher-level apprenticeships by businesses to upskill existing staff.^x This is a concern as intermediate apprenticeships can offer important entry-level progression routes for young people.

A number of additional challenges need to be addressed to ensure that apprenticeship provision can better support young people into sustained employment:

- In 2017/18, almost a third of apprentices did not complete their apprenticeship.^{xi}
- Young people with low prior attainment and those from disadvantaged backgrounds are less likely to progress to advanced level-3 apprenticeships.^{xii}

The government has committed to looking at how the Apprenticeship Levy can work better. This policy will require significant reform to enable it to achieve its twin aims of increasing productivity, as well as achieving social mobility.

Disadvantage is hindering progress for many young Londoners

Personal circumstances can present barriers to learning and progression. The data shows that factors relating to disadvantage are influencing young people’s education and employment outcomes:

- Many young people, including groups such as young offenders, care leavers, homeless young people, young parents and carers, and those with learning difficulties or mental health support needs, face barriers relating to their personal circumstances that hinder attainment and progression. The Impetus Youth Jobs Gap report uses eligibility for free school meals (FSM) as a proxy measure for disadvantage and these additional barriers.
- For the most part, Londoners from a disadvantaged background face a higher NEET rate than their better off peers (20 per cent and 14 per cent respectively).

3 Five A* to C grade GCSEs, or equivalent, including English and Maths

- Young people who are from disadvantaged backgrounds and have low qualifications face a “double disadvantage” and are most likely to be NEET when aged 18 to 24 than any other group.

This group of young Londoners require more intensive and co-ordinated support, often needing to draw on a range of different local services, such as housing, social care services and health services, to progress into further education or stable employment.

On a positive note, London’s outcomes for young people from disadvantaged backgrounds surpass the national position: the difference between NEET rates for disadvantaged young people and their better-off peers is smaller in London, a difference of 6 percentage points in London compared to 13 percentage points nationally.

Yet the data points to inequality of opportunity:

- **In London, young people from disadvantaged backgrounds are more likely to be NEET than their better-off peers, even when controlling for qualification level.**
- In some boroughs, disadvantaged young people are more likely to be NEET than better-off but worse qualified peers in other boroughs.
- The Impetus report, *Establishing the Employment Gap*, found that only 50 per cent of the overall employment gap is attributable to qualifications.^{xiii}

The remaining gap points to social exclusion and the barriers to learning and employment

that are unrelated to qualification or skill – barriers caused by the lack of a level playing field and other factors relating to disadvantage, social injustice and unfairness.

There are many groups that are underrepresented in London’s labour market, including people from BAME backgrounds and people with disabilities.^{xiv} Some of the barriers to employment may relate to bias and attitudes around race, gender, disability or other personal (protected) characteristics. Other barriers may relate to lack of social capital, where young people from disadvantaged backgrounds are unable to gain professional insights and help to secure work placements in the way that their better-off peers can.



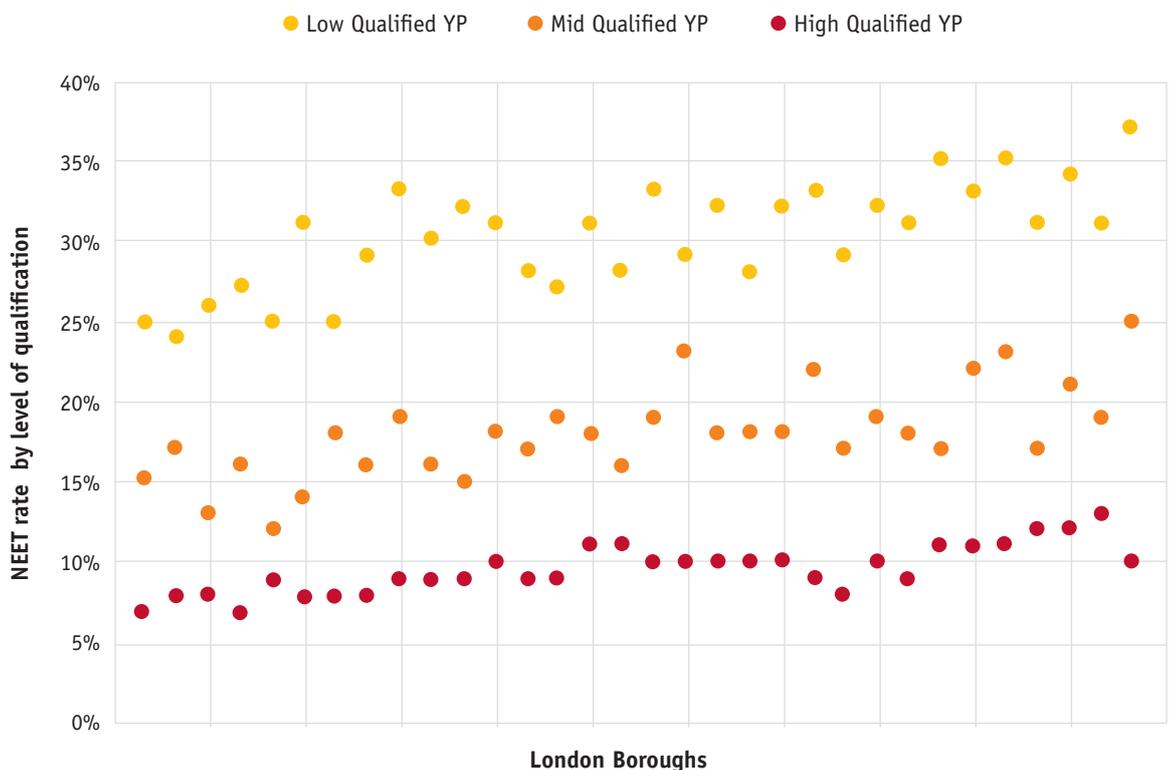
2: The need for a more nuanced and locally responsive system

London's NEET population is not distributed equally across the city, nor across a local authority area. The characteristics and make-up of the NEET population in each borough varies, requiring different approaches across London.

The Longitudinal Education Outcomes data provides insight into these complex local patterns and boroughs have the local knowledge to translate this into local priorities and action. Boroughs understand the needs of their local communities and how needs vary within their local authority area.

Qualification level and coming from a disadvantaged background have a bearing on the outcomes of young people across London, but both factors are affecting young people differently in different boroughs. NEET rates for individual boroughs range from 12 to 20 per cent. Young people in some local authorities are less likely to be NEET compared to those with similar qualifications in other local authority areas (see figure 1).

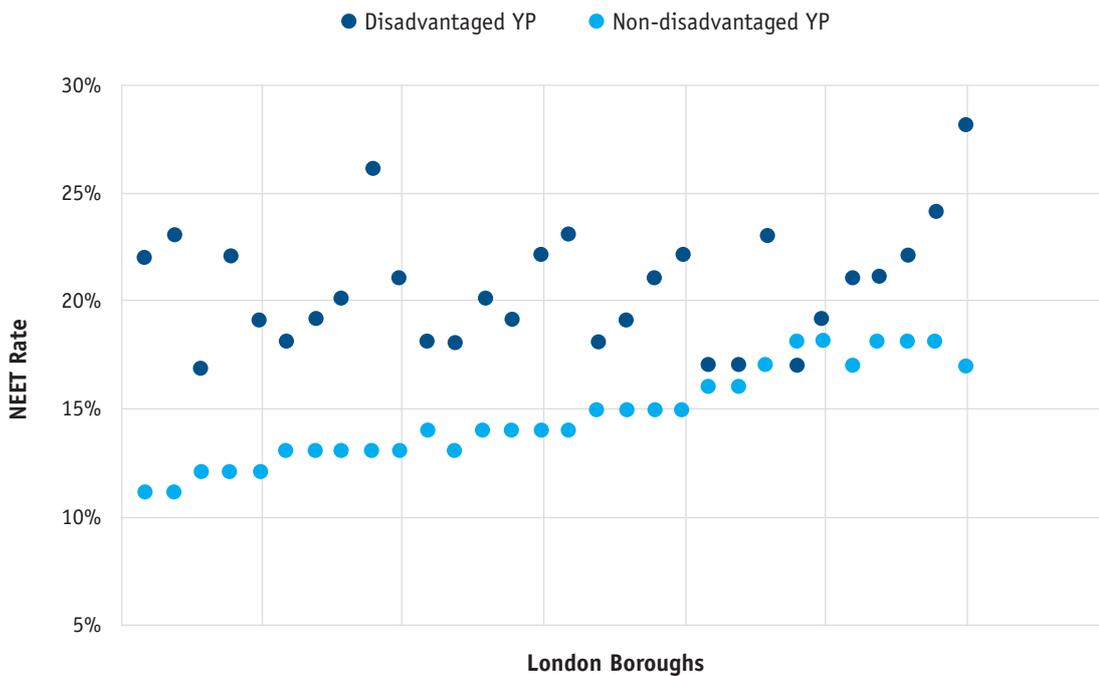
Figure 1: There is more variation in NEET rates for young people with mid- and low-level qualifications in different local authority areas compared to those who are highly qualified



There is also significant variation in how disadvantage affects NEET rates across London boroughs (see figure 2).

- The NEET rate for young people from disadvantaged backgrounds varies from 17 to 26 per cent across boroughs.
- For some boroughs, only 11 per cent of their NEET population is from the “double disadvantaged” group but for others, as much as 35 per cent are “double disadvantaged”.
- Local authorities with the same overall NEET rate have different rates for disadvantaged young people.
- Some boroughs have large employment gaps, whereas others have a gap that is negligible. In one local authority the employment gap is reversed (children who do not come from a disadvantaged background are more likely to be NEET in this borough). The variation shows that the outcomes of young people from disadvantaged backgrounds in London are not intrinsically worse than those of their better-off peers.

Figure 2: NEET rates for young people from disadvantaged backgrounds do not correlate with rates for those from non-disadvantaged backgrounds, nor the size of the employment gap across boroughs



The diversity of young people’s needs, in terms of what support they need to acquire the qualifications and skills necessary for work, requires nuanced policies and locally responsive provision. **This skills challenge is too complex to be addressed at the national level, or even at a pan-London level alone. London needs power and resources at a local level to effectively support the young people who are currently falling through gaps in provision.**

Looking behind the London-level data reveals great disparities in levels of qualification, access to education, training and employment; too many young Londoners are not being well served by London’s skills and employment system. Tackling youth unemployment head on will require significant investment and public service reform.



3. What we need to do to get it right for all young people



To tackle youth unemployment, and the disparity in outcomes, London needs an integrated skills and employment support system that is better at meeting the diverse needs of local communities and can enable Londoners and employers to fill existing and emerging skills gaps.

The post-16 skills system is expected to deal with more young Londoners, as there is a bulge in pupil numbers moving through the education system.^{xv} But the skills system needs revival, having been pushed to its limits after a decade of austerity. Further Education budgets fell by 40 per cent across England between 2010/11 and 2015/16.⁴ **Significant long-standing structural issues call for significant investment and public service reform in this space.**

London needs a diverse range of effective post-16 provision to suit all needs

The data shows there are several groups of young people whose learning needs are not being met; almost half of young Londoners are without a level-3 qualification at age 18 and the NEET rate is exceptionally high for young people with Special Educational Needs and Disability (SEND). The existing system has been unable to deliver adequate provision and it will come under more pressure as demand rises.

SEND NEET rates are very high

More than twice as many young people in London with Education, Health and Care plans are NEET compared with those without SEND.^{xvi} There are significant gaps in provision for young people with SEND and the existing supply of post-16 SEND provision will not meet projected demand.^{xvii}

4 Greater London Authority (2018) Skills for Londoners Evidence Base

London has the highest proportion of secondary schools with sixth forms in the country and learners in London are far more likely to go to a school sixth form.^{xviii} This has likely contributed to an overemphasis on academic level-3 provision. But this provision does not suit all young people.

Young Londoners need a range of academic, vocational and technical pathways to higher level qualifications – pathways that suit their learning styles, their strengths, their support needs and their aspirations. Yet, vocational and technical pathways are not always promoted in a positive manner, if at all, often seen as the “second-class” option.

Ensuring that all young people are able to acquire high-level qualifications and the skills they need for employment must be a priority for local and national government. Boroughs lack the levers they need to influence the system and discharge their statutory duty to ensure there is sufficient skills provision for 16 and 17 year olds in their area, including young Londoners with different learning styles and lower levels of attainment. Devolution of 16 to 18 skills provision would enable delivery of the right mix of learning routes in the right places.

Providers need sufficient funding and flexibilities to meet the needs of all learners. Significant investment will be needed to meet rising demand for Special Educational Needs and Disability (SEND) provision, and the needs of the “bulge” in pupil numbers that is currently moving through the school system.^{xix}

LONDON COUNCILS CALLS ON THE GOVERNMENT TO:

- 1. Invest in and devolve 16 to 18 provision so that London government can ensure that there is sufficient provision to meet the diverse needs and aspirations of young people across different parts of London.**

London needs a comprehensive Careers Service for all ages

High-quality careers education, information, advice and guidance will play a crucial role in tackling the employment gap, supporting young people to make informed decisions about their next steps for learning and work.

Young people need impartial, comprehensive information, advice and guidance about all pathways to further study and guidance in how they relate to future job opportunities. Yet, the Careers & Enterprise Company found that in 2018/19, London schools and colleges lagged behind the rest of the country in achieving the Gatsby Benchmarks (which set out what good careers guidance looks like), with an average score of 2.4 compared to the national average of 3.^{xx} A 2017 study found that inconsistent careers education in England was contributing to inequalities relating to gender, ethnicity and social class.^{xxi}

Careers advice will become increasingly important in helping young people navigate the effects of automation, emerging industries and disruptive technologies on the labour market.

The existing careers system is disjointed and in need of significant reform and investment.

Services are delivered by a range of providers, including the National Careers Service, Jobcentre Plus, Education Business Partnerships and the Careers and Enterprise Company as well as London boroughs and the GLA. This has resulted in duplication and inefficient use of scarce resources across London, as well as significant gaps in provision.

Services such as the Careers and Enterprise Company are delivered via educational settings so are not accessible to Londoners who are NEET. Young people who are aged 19 to 24 and are NEET often face a gap between statutory services provided through schools and colleges and the universal adult service. An all age careers service would address this gap which is leaving too many young people without advice at an important stage in their lives.

A devolved and properly funded London Careers Service would allow London government to streamline the existing system and ensure there is a consistent and comprehensive service that supports all Londoners to understand routes to further study so they can make smarter choices, making the most of their talents and London's opportunities.

Boroughs have existing links with schools, colleges, local businesses and other partners delivering careers advice. They are best placed to oversee effective careers advice as part of a 'local gateway' that would bring together local careers services with other support services including skills and employment.

Many boroughs provide or commission careers and employment services for children and adults and are co-ordinating provision

Bromley's Education Business Partnership

In Bromley, the in-house Education Business Partnership (EBP) provides advice and guidance to young people who are at risk of being NEET. Young people are supported after they get their GCSE exam results to ensure they have a place on a suitable Further Education course or a work placement. The EBP runs employability events for young people who are not going to university and provides in-work support to help young people sustain employment.

Havering's PETE Panel

Havering convenes a Participation in Education, Training and Employment (PETE) Panel, bringing together a commissioned personal advisory service with local partners, including colleges, charities, Jobcentre Plus and other organisations delivering support for young people who are NEET. Young people facing multiple or complex barriers to participation in Education, Training and Employment (ETE) are referred to the panel where partners identify the most appropriate support and provision to meet the young person's needs. This can include support to enable a young person to complete a qualification or consist of steps, such as foundation courses, that support the young people back into positive progression.

Lambeth, Lewisham and Southwark's Better Placed partnership

Lambeth, Lewisham and Southwark Councils through their Better Placed partnership mapped and analysed Careers Information, Advice and Guidance (IAG) available to residents. It found over 100 providers operating locally but significant gaps in the offer and geographical spread of services. Focus groups identified a need to coordinate existing provision and introduce a new universal careers offer. In partnership with London South Bank University, the three boroughs have begun developing a Digital Careers Tool that aims to address gaps in provision by providing personalised information on local labour market trends, available specialist services, skills development and career progression opportunities.

Young Londoners need more access to experiences of work

Getting a job is not just about qualifications. Young people also need the skills and personal capabilities employers are looking for, such as being self-aware, receptive and determined. A mapping exercise by Deloitte in 2016 found that employers in London emphasised the significance of soft skills and behaviours.^{xxii} This was echoed in a survey of 1000 London businesses in 2019.^{xxiii}

Young people need access to high-quality workplace experiences and links to employers to ensure they have opportunities to develop the soft skills and capabilities they need to be ready for work.

A number of studies have found that employer engagement reduces the likelihood of becoming NEET.^{xxiv} But the Careers & Enterprise Company found that in 2018/19, London was also behind on measures for experience of workplaces and encounters with employers.^{xxv}

London's copious employment opportunities are inaccessible for far too many young people. Young people from different socio-economic backgrounds are underrepresented in the job market. Partners will need to work together to make work experiences and the labour market more accessible and inclusive.

Many boroughs and employers are taking action to improve access for underrepresented groups and promote inclusive growth. Business groups and sectors, including film, finance and law, are running initiatives to make the sectors more accessible to young people from disadvantaged backgrounds and ensure the sectors reflect, and make the most of, London's diversity. Some boroughs are working with key industries to open them up to young

people in their areas. For example, Camden set up a STEAM Commission that brings together local partners to improve career opportunities for young people in Science, Tech, Engineering, Arts and Maths. But these schemes lack city-wide coverage and a co-ordinated approach.

A pan-London Careers Service would increase awareness of and improve access to such schemes through a framework for employers, schools, further and higher education providers, and services working with young people who are NEET.

Boroughs could provide a gateway to the service locally, working within the London framework and linking to key business clusters and voluntary organisations in their areas.

LONDON COUNCILS CALLS ON THE GOVERNMENT TO:

2. Invest in and devolve careers services, so London government can transform the currently fragmented system into a comprehensive and locally responsive service.

London needs more intermediate level apprenticeship routes into work

Young people need entry-level roles and effective, accessible routes to higher-level qualifications and skills. The Apprenticeship Levy is not being used effectively to deliver such provision through apprenticeships.

The number of intermediate apprenticeship starts has reduced by 45 per cent nationally since the 2017 reforms, drastically reducing entry-level opportunities for young people. Additionally, London's rate for apprenticeship starts was the lowest across all regions

in England in 2018/19 at 6.8 per 1,000 population, other regions having rates between 10 and 14.^{xxvi}

Apprenticeship policy will require significant reform to enable the system to deliver relevant skills and upskilling to improve London’s productivity and economic output, as well as widening opportunities for Londoners, especially the most disadvantaged.

The government has committed to looking at improving the working of the Apprenticeship Levy. The government’s Apprenticeship Levy review should consider how the system can incentivise the provision of level-2 intermediate apprenticeships, while encouraging the use of higher-level apprenticeships to ensure progression.

In a survey of 1000 London businesses in 2019, 48 per cent of businesses stated that they would be encouraged to increase the number of apprentices employed if candidates were better prepared for the world of work.^{xxvii} Allowing some levy funding to be used for pre-employment training to get young people ready for an apprenticeship would facilitate provision of entry-level intermediate apprenticeships, increasing opportunities for those further away from the job market to get prepared for the world of work.

London’s apprenticeship start rate is comparatively low, in part because of the city’s sectoral composition, lower levels of employer demand for apprenticeships, and the higher likelihood of Londoners to pursue Higher Education. A national system cannot respond fully to these challenges. Devolution of London’s Apprenticeships, including the funding and the ability to use

it flexibly, would allow London government to work with employers to address the historic low take-up of apprenticeships in the capital. Devolution should begin with the capital’s non-levy allocation, with adjustments for national employers.

LONDON COUNCILS CALLS ON THE GOVERNMENT TO:

3. Increase the flexibility of the Apprenticeship Levy to allow some funding to be used for pre-employment training and in the longer term, devolve apprenticeship funding starting with capital’s non-levy allocation so London government can work with businesses to meet local skills needs.

London needs targeted wrap-around support for young people with complex needs

Almost one in five young people who are NEET are low qualified and from a disadvantaged background. Young people with multiple and complex needs require tailored, wrap-around support services to overcome barriers to education and employment.

The make-up of the NEET population varies across boroughs, requiring different approaches in different areas. Boroughs know the needs of local communities as they are required to, and do, support vulnerable groups. However, young people with complex needs often have to navigate support from multiple services and the universal Jobcentre Plus offer is often not effective in reaching marginalised groups.^{xxiii}

A local approach, with boroughs co-ordinating access to different support services, would help to achieve a consistent and proactive offer to enable marginalised young people to overcome complex barriers to employment and address issues that may affect their ability to hold down a job.

Aligning Jobcentre Plus and local authority employment services

Jobcentres struggle to identify and support the significant proportion of people who face multiple barriers to employment, and this group tend to be heavy users of local authority services.^{xxiv} Co-locating and aligning national Jobcentre Plus provision and local authority services would allow them to act collectively to engage with local communities and meet the needs of those who require the most support via a local 'gateway' that coordinates provision from a number of specialist services.

The London sub-regional partnerships of boroughs enable boroughs to act strategically at a wider geographic level. They have undertaken joint projects, including the delivery of the devolved Work and Health Programme. Aligning Jobcentre delivery areas with sub-regional geographies would enable joint working and better coordination of activities. Sub-regional governance boards could oversee the delivery of these hubs, as well as the development of future devolved programmes.

Replacing the European Social Fund

London was responsible for commissioning the European Social Fund (ESF), which supported disadvantaged Londoners to access learning, work and enterprise, and to progress in their careers. London was allocated £422m

for the 2014 to 2020 ESF funding round. This has been used to deliver specialist provision for those with the most complex needs, groups that mainstream services are less able to support.

The UK Shared Prosperity Fund (UKSPF) is replacing ESF following the UK's departure from the European Union. Any decrease in funding for programmes supporting disadvantaged Londoners could increase unemployment, poverty and inequality. Therefore, the UKSPF should be allocated to areas according to a fair funding formula relating to the needs of the population.

Devolution of London's share of the UKSPF would allow London government to strategically coordinate funding to support the most disadvantaged Londoners.

LONDON COUNCILS CALLS ON THE GOVERNMENT TO:

- 4. Support the alignment of national Jobcentre Plus and local employment services to allow them to co-ordinate local employment support and achieve better outcomes for young Londoners with the most complex needs.**
- 5. Devolve the UK Shared Prosperity Fund (UKSPF – replacing European Structural and Investment Funds) to deliver specialist programmes for those young people facing complex barriers to employment.**

4. What we need from government



The existing system is delivering vast variation in outcomes and too many young people with complex needs are falling through gaps in provision. Efforts to tackle youth unemployment must be more ambitious – we can and should do better for young Londoners.

Significant investment and public service reform is required to deliver a joined-up, more locally-responsive and comprehensive skills and employment system that meets the needs of disadvantaged young Londoners.

High-quality targeted support, advice and provision can be designed and delivered more effectively at the local level, building on the deep, mature relationships between local partners. Boroughs are uniquely placed to develop a gateway to a full range of local

careers, employment and skills provision that is more responsive to the diverse needs of local communities and businesses, and more able to engage with and support young people with low qualifications and complex needs.

With public service reform, devolution and increased funding from central government, London government can create a comprehensive skills and employment system capable of ensuring all young Londoners are equipped with the qualifications and skills they need to succeed.

LONDON COUNCILS CALLS ON THE GOVERNMENT TO:

1 Invest in and devolve 16 to 18 provision so that London government can ensure that there is sufficient provision to meet diverse needs and aspirations of young people across different parts of London.

Providers need sufficient funding and flexibilities to deliver different courses that meet the needs of all learners. Boroughs currently lack the levers they need to discharge their statutory duty to ensure there is sufficient post-16 skills provision, particularly for young Londoners with different learning styles and lower levels of attainment. Devolution of the 16 to 18 skills system would enable delivery of the right mix of learning routes in the right places.

2 Invest in and devolve careers services, so London Government can transform the currently fragmented system into a comprehensive and locally-responsive service.

A devolved and properly funded London Careers Service would deliver a comprehensive service accessed via a local gateway, but with strategic co-ordination at pan-London, sub-regional and local levels. Funding streams and services would be aligned, to provide an enhanced offer where there is a clear need. An all-age careers service would address the gap in provision, which leaves too many young people aged 18 to 24 without advice.

3 Increase the flexibility of the Apprenticeship Levy to allow some funding to be used for pre-employment training and in the longer term, devolve apprenticeship funding, starting with capital's non-levy allocation so London government can work with businesses to meet local skills needs.

Using funding for pre-employment training would encourage employers to deliver more entry-level apprenticeships, increasing opportunities for young people who are further away from the job market to get prepared for the world of work. Devolution of London's Apprenticeships would allow London government to work with employers to address historic low take-up of apprenticeships in the capital. Devolution should begin with the capital's non-levy allocation, with adjustments for national employers.

4. Support the alignment of national Jobcentre Plus and local employment services to allow them to co-ordinate local employment support and achieve better outcomes for young Londoners with the most complex needs.

Aligning national and local employment services would bring together a range of services locally and provide more effective support to young Londoners with more complex needs.

5. Devolve the UK Shared Prosperity Fund (UKSPF – replacing European Structural and Investment Funds) to deliver specialist programmes for young people facing complex barriers to employment.

Any decrease in funding for programmes supporting disadvantaged Londoners could increase unemployment, poverty and inequality. Therefore, the UKSPF should be allocated to areas according to a fair funding formula relating to the needs of the population. Devolution of London's share of the UKSPF would allow London government to strategically coordinate funding to support the most disadvantaged Londoners.

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