

# National Skills Fund consultation

## Executive Summary

The Greater London Authority (GLA) welcomes the opportunity to submit its views on the National Skills Fund consultation.

This paper sets out the GLA's response – on behalf of the Mayor of London – to the relevant questions set out in the consultation document.

The key points made in the GLA's response to the consultation are summarised below:

- While on average London's population is highly skilled, those without qualifications at level 3 or above can be trapped in low pay without access to the higher-paid jobs that the capital has to offer. The additional investment being made available through the National Skills Fund (NSF) is therefore welcome to support Londoners most in need to train, retrain and upskill throughout their lives.
- In London, the Mayor and London's Skills Advisory Panel (the Skills for Londoners Board) are best placed to determine local priorities and ensure that the additional investment being made available through the NSF meets the needs of Londoners, London's economy and delivers greatest value for money. The Mayor has a proven track record working with providers to deliver the skills London needs; an independent evaluation of the first year of delegated AEB delivery in London found that almost 90% of providers surveyed were 'very' or 'fairly' satisfied with the delegation of the AEB to London.
- London's business environment is exceptionally dynamic; this reflects London's place as a global business capital and makes it different from other regions of the UK. It is home to specialist, high skilled sectors and activities, and a diverse employment base with employers of differing sizes and skills needs. The Mayor is best placed to bring together local employers and providers and to ensure that NSF provision, including free level 3 qualifications for adults and Skills Bootcamps are well integrated with other Mayoral provision, including the delegated Adult Education Budget, (AEB), European Social Fund programmes and Mayor's Academies Programme.<sup>1</sup>
- While the additional investment in free level 3 qualifications through the NSF is welcome, the GLA believes this does not go far enough to support Londoners at risk of long-term unemployment to retrain and upskill to access new employment opportunities. This is why the Mayor has introduced further flexibility through the AEB to fully fund additional level 3 qualifications beyond the legal entitlement and NSF offer. This offer targets Londoners who are unemployed or in receipt of a low wage and enrolled on a vocational qualification of no more than 12 months planned duration.
- The GLA's recommendations for the NSF are:
  - Full delegation of London's share (as a percentage) of the NSF including Skills Bootcamps to the Mayor to tailor to London's needs, including the ability to locally determine the qualifications that providers can offer through the LSG.
  - Widening the eligibility for the NSF, to fully fund learners with an existing level 3 qualification to undertake additional level 3 qualifications, where they are unemployed or in receipt of a low wage (less than the London Living Wage).

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<sup>1</sup> For more information on the Mayor's Academies Programme please see: <https://www.london.gov.uk/what-we-do/skills-and-employment-1/mayors-academies-programme>

# Response to specific consultation questions

## Section 1: Free Level 3 Qualifications for Adults

**Q10. What do you think will be the key barriers to adults taking up the free level 3 qualifications? Please set out the barriers and, where possible, provide a reason and/or evidence for your response.**

It is positive that the NSF is removing a financial barrier to learning for those adults without a level 3 qualification. However, it should be recognised that the journey to a level 3 qualification takes time and the resources and commitment it takes for learners and providers to attain and deliver these should not be underestimated. In particular, attention should be given to supporting groups who have been most affected by the pandemic and may face specific barriers to access learning to make the most of this offer. This should include older people (aged 50+), people with caring responsibilities, people from Black, Asian and minority ethnic communities, people in low-paid work, disabled people and people who have been in long-term unemployment.

Adult education has a strong record in reaching these groups, however research in London shows that many people do not know about their learning entitlements (including the new level 3 NSF offer) or how learning could benefit them. For those who are most excluded, traditional approaches of reaching potential learners do not work. Therefore, visibility and awareness of these qualifications and entitlements is likely to be a key barrier to participation.

Low visibility of what is available (and what the entitlements are) is one of the key barriers to participation. Finding ways to clearly communicate the offer to learners is essential for encouraging take up. A limited range of qualifications (approximately 400) have been made available through the level 3 adult offer. Extending the list of eligible qualifications would support take-up. Recognising the importance of re-training in light of the pandemic, the GLA offers flexibility to learners to undertake a level 3 qualification even if they have attained one previously. The prior attainment criteria for the level 3 adult offer which limits eligibility to those without a first full level 3 qualification currently acts as a barrier to participation. Removal of this requirement would support more adults in taking up the offer.

The GLA is conducting a peer-led research project with Londoners to better understand the practical barriers to accessing adult education (including Level 3) in the capital. Our cohort of peer researchers are from low-income households and face multiple barriers to accessing and engaging with adult education. These barriers include, but are not limited to, caring responsibilities (for children under 18 or for a person with a long-term physical or mental health condition), special educational needs and disability (SEND), precarious employment, unpredictable shift patterns and a lack of information about the adult education offer and financial support available in London. Findings from this work will be published alongside the Mayor's Adult Education Roadmap for London at the end of 2021 which the GLA can share with DfE to help shape the NSF offer.

There is also an additional challenge of encouraging a return to venues in light of COVID-19 and with the lifting of lockdown restrictions. People will likely be nervous to return to physical learning spaces so every effort should be made to give confidence that learning takes place in a safe environment. In London, COVID-19 showed many Londoners are still unable to benefit from the opportunities the internet provides. Those lacking digital connectivity or access to a suitable device, could not use online services, learn or productively work from home during lockdown. This could further exacerbate

barriers to learning for those who are not confident to return to physical venues and are at risk of digital exclusion through a lack of skills, connectivity or devices.

Finally, it is also important for businesses to take a leadership role and create the right environment for those who face multiple barriers to access learning opportunities. It is critical that businesses take an active role in promoting available learning and removing potential barriers (as outlined above) to accessing these opportunities. Employers will also need to have inclusive recruitment practices and working environments that recognise the value of these qualifications so that there are less barriers for entering and sustaining employment once equipped with these new skills. Working closely with employers to recognise the value of these qualifications will be an important way to mitigate this risk.

**Q13. Are there any other ways through which it would be useful to publicise learner support? Please set out what these other ways are and explain why they might be useful.**

In London, and other areas with a devolved budget, this should continue be done in coordination with local government. This will help ensure that there can be consistent messaging and support available for providers which utilises the local expertise and networks of the GLA. The GLA is working closely with London Councils and Jobcentre Plus London on a 'No Wrong Door' initiative that will coordinate skills, careers and employment support for Londoners and ensure that employment and enterprise provide a secure route out of poverty. This initiative will help make Londoners more aware of their learning entitlements and the financial support available to them. Support for creating resources and training referral organisations that work in these local networks will help ensure more people are aware of what is available to them and choose the right option for them.

**Q14. How do you think that government can support providers to deliver best practice in communicating and providing the current financial support for adults? Please explain your answer and, where possible, provide evidence for your response.**

As set out in response to Q13, In London and other areas with a devolved budget, this should continue to be done in coordination with local government/ combined authorities/ GLA. Particular consideration should be given to best practice in communicating to and supporting groups of people who have been most affected by the pandemic and face specific barriers to learning (as set out in response to question 10). The GLA and devolved authorities are best placed to do this as we understand the different needs of our residents, which will vary considerably to other parts of the country. Using this local knowledge to tailor communication, we are likely to see an uptake in the financial support offer rather than a generic national offer which may not appeal to our residents.

The current range of Level 3 courses available, which are set nationally, is limited and certain sectors which are a local priority in London are excluded. Alongside restrictions on the eligibility of learners who already have a level 3 qualification this can make communicating the offer and the financial support more difficult. This is because providers will be unable to connect people who have urgent retraining needs with key jobs in sectors which need skilled individuals. In terms of best practice, the GLA has introduced additional Level 3 flexibilities to support individuals excluded from the current offer. This enables providers to design provision to holistically meet the range of Level 3 needs arising locally.

**Q15. For the non-financial flexibilities below, please select which you think are valuable:**

- Flexible start dates
- Breaks in learning
- Flexible modes of delivery

- Weekend and evening learning
- Recognition of prior learning
- Other which is not listed (please specify)

**Q20. How might we adapt the offer to better meet the needs of employers, including those from a range of different sectors, and a range of sizes? Where possible, please set out the proposed adaptation and which types of employers it would suit.**

The GLA agrees that ensuring employers are aware of and supporting the take up of qualifications will be important to increasing the uptake of level 3 qualifications. We also agree that it is likely different sectors will have different approaches to making the use of this offer. In London, the Mayor is investing in 'sector academies' through the Mayor's Academies Programme. The Academies are a core part of London's efforts to support recovery from the COVID-19 pandemic. The academies will cover several industries: Green, Digital, Creative, Hospitality and Health and Social Care. Each Academy will be built on a number of 'hubs' - partnerships between employers, sector bodies, training/education providers (19+ adults) and others. Each hub will develop an 'offer' around sets of skills and jobs to address skills gaps, support recruitment and opportunities for Londoners to move into good work. Alongside coordinating training provision in London, each academy will also quality mark the provision offered and deliver a careers campaign to raise the profile of jobs in these sectors.

Local government, enabling employers to work with providers and sector bodies in this way, will help to engage employers more with the training that is available. This will help them to understand the offer so that they can promote it to their employees. While the Academies will each work around a 'hub', this will not be a prescriptive approach and will allow sectors to develop different approaches to using the offer.

**Q21. How else can we encourage employers to use the free level 3 qualifications for adults to train or upskill their workers? Please set out your suggestion and, where possible, provide a reason and/or evidence for your response.**

The GLA believes that skills and employment strategies - including, but not limited to the delegated Adult Education Budget (AEB) should be led by local democratically accountable and objective organisations with the capacity and resources to provide strategic oversight, long-term vision and ensure coordinated and impactful delivery in partnership with all relevant local stakeholders (employers, providers, voluntary community organisations and residents). This objectivity and accountability is vital in light of the hundreds of millions of pounds of public funding that currently follows those strategies every year. The GLA has already taken significant steps to ensure business involvement in the development and delivery of local skills and employment provision. This was a requirement of delegation of the AEB, where it was agreed that the GLA set and determine their own commissioning of AEB provision in their local areas, and will, for example, set their own priorities (Strategic Skills Plans). This has been built on through the recent publication of the Local Skills Reports by the Skills Advisory Panels (SAPs). Employer involvement has been at the heart of this work and the GLA has developed a number of strategic partnerships with employers. The GLA is concerned that the planned legislation for Local Skills Improvement Plans (LSIPs), presents significant risks for skills and employment provision in our region and risks undermining or inhibiting the partnerships the GLA has developed with employers in the capital. The GLA is concerned that LSIPs,

led by Employer Representative Bodies (ERBs) will not reflect functional geographies or the diversity of economies within these geographies.

Furthermore, GLA engagement with employers in the capital suggests that awareness of the free level 3 offer and other entitlements is low. The GLA is investing in a marketing campaign in the new year, to raise awareness of the adult education offer as a whole in London and promote take-up of the different adult education entitlements. The campaign will involve targeted approaches to reach employers and encourage them to use the level 3 offer and other entitlements; this will include working with local authorities, skills providers and sub-regional partnerships to encourage them to work directly with employers in their areas. This will be done by sharing best practice in employer-provider collaboration and producing tool-kits and resources that can be shared with employers. The GLA and other MCAs are best placed to lead this type of co-ordinated regional marketing campaign, as we can draw on local knowledge to raise awareness of the free level 3 qualification offer alongside other adult education provision.

Finally, the GLA has previously had success in encouraging employers to train and upskill their workers through the use of financial incentives. Notably to tackle the issue of low volumes of apprenticeships starts in London; In April 2013, the Mayor allocated £1.5m to support 1,000 apprenticeships starts in SMEs that had not previously employed an apprentice. The funding doubled the national Apprenticeship Grant for Employers (AGE grant) incentive of £1,500 to £3,000 to cover the cost of recruiting new apprentices. The funding was available from June 2013 and by September 2013 was fully allocated three months in advance of the planned end date.

**Q26. How else can we achieve the best impact for adults with the most to gain from the free level 3 qualifications for adults, alongside funding the courses? Please provide a reason and/or evidence for your response.**

People take part in adult learning for many different reasons throughout their lives: to improve their skills for a better job, to improve their knowledge, or to improve their technical or professional competence. They also take part in learning to meet new people, socialise and grow their confidence. Participation in learning has enormous inherent value. Not only is it fundamental to ensuring all members of society are able to secure a job and progress in work, but it also has an impact on social and wellbeing outcomes that can be felt across the city. That is why the GLA believes it is crucial that impact for adults participating in courses is captured through both economic and social measures. These include progression into employment, progression within work, progression into further learning, health and well-being, social integration, self-efficacy and volunteering. Delegation of the AEB has allowed the GLA to begin capturing this information through a new survey of London's learners. This approach to data collection has been developed through close collaboration with providers and other partners and it is hoped that this will help to address the gaps in data that can show the impact of learning. Current data collected through the ILR is partial, with GLA analysis demonstrating that no destination data was collected for 43% of learners completing learning in 2017/18. While Longitudinal Education Outcomes (LEO) data is much more accurate and complete, there is currently a significant time-lag, with at least a two-year gap between course completion and the data being made available. The LEO data however does not currently collect any information on measuring the social impact of training and education on a London-wide basis. There must, therefore, be a tool similar to the London Learner Survey that will allow for data to be captured that can demonstrate social and economic impact of undertaking the new level 3 qualification offer.

## **Section 2: Skills Bootcamps**

**Q29. Which current aspects of the Skills Bootcamps do you think are most valuable? Select all that apply.**

- Short, intensive courses
- Industry-specific training, designed to meet the needs of employers
- Focused on in-demand skills
- Fast-track to an interview
- Line of sight to a job
- Recruitment pipeline for employers
- Flexible delivery model
- Emphasis on improving diversity in technical skills.
- Other – please specify

**Q30. If you have any further comments or reflections on ‘Expansion of Skills Bootcamps (Section 2: Skills Bootcamps)’ you can add them here.**

New, additional funding for skills provision that supports people into work is welcomed by the GLA. It is encouraging that the government wants to expand provision to all geographical areas in England. A key consideration of this expansion should be ensuring the local relevance of provision, recognising that the employer landscapes differ from region to region, for example the landscape in Greater London is fundamentally different to that of the East Midlands. This focus on local relevance would ensure that Skills Bootcamps will be in the best position to meet the needs of local people and the diversity of employers.

To ensure this local relevance, Skills Bootcamps in London should reflect regional priorities as determined by the GLA and London’s Skills Advisory Panel (the Skills for Londoners Board). Responsibility for the delivery and funding of Skills Bootcamps should be delegated to the Mayor, who is best placed to identify the technical skills which are in demand by local employers. London’s skills and employment system is already under-funded and fragmented. By delegating responsibility for Skills Bootcamps to the Mayor of London the offer can be better integrated into London’s wider skills and employment system. This will make it easier for Londoners and employers to navigate, enabling them to plan for the long term and also allow the GLA to support coordinated skills and employment interventions that can move people into work in order to tackle poverty, exclusion and inequality.

**Q34. Skills Bootcamps currently run for up to 16 weeks. Other than the length of the courses, do you think we could adapt Skills Bootcamps in any other way to:**

As set out in response to Q30, by delegating the responsibility for Skills Bootcamps to the Mayor of London, the offer can be integrated within London’s existing skills and employment system. This will help to create a more navigable offer for Londoners and help to ensure more people from more diverse backgrounds are able to access Skills Bootcamps. This will create a wider talent pool for employers to recruit from.

As set out in response to Q13 the Mayor, in partnership with London Councils and JCP London is creating a No Wrong Door initiative that will ensure that Londoners looking for employment and skills support are directed into the provision that best meets their needs. Delegating Skills Bootcamps will allow this programme to benefit from this increased integration of services.

Furthermore, as set out in response to Q20, the Mayor is establishing new sector academy hubs which will bring together providers, employers and sector skills bodies to coordinate and quality mark provision. There is a clear space for Skills Bootcamps to benefit from these sector focussed partnerships which can help to guide their development, ensure they meet employer standards and help people into local employment in sectors key to London's, and therefore the country's, recovery from the pandemic.

**Q35. Skills Bootcamps are designed to give adult learners the skills they need to fast-track them to an interview for a specific job. Do you think Skills Bootcamps courses should continue to be a maximum of 16 weeks long? Please explain and provide evidence for your answer**

The evaluation results from the first Skills Bootcamps in digital skills should be used to determine whether the maximum duration of 16 weeks has been effective and supports positive outcomes. Continued flexibility for adults to take longer to complete the course on a part-time basis is welcome, to support flexible learning for those with other commitments. The GLA defers to employers to comment on whether this length provides the skills needed by employers for in-demand jobs.

**Q39. For all stakeholders, it may be valuable if employers could also make non-financial contributions to training. These non-financial contributions could be made by both those employers who are using a Skills Bootcamps to retrain their current workforce, in addition to the 30% contribution where they are using Skills Bootcamps to train existing employees, and by those who are not. Please select the non-financial contributions below that you think it would be most valuable for employers to make, and add any other contributions not listed that you think would also be valuable.**

- Providing space for training.
- Providing technical equipment for learning.
- Helping delivery of the training – e.g., providing some learning materials or teaching part of the course content.
- Giving their workers time to learn.
- Any other additional non-financial contributions not already listed that you think would be valuable. Please specify

**Q43. What further learning do you think a Skills Bootcamp should enable adults to progress onto?**

- No further learning.
- Job-based training in the workplace.
- A higher technical qualification.
- An apprenticeship.

- Other further training and/or learning opportunities not already listed which you think a Skills Bootcamp should enable adults to progress onto. Please specify. ☒

As previously set out, the new Mayor's Academies Programme has employer involvement in delivering sector-focused training at its centre. Employers will shape the training offered and provide work experience opportunities to Londoners underrepresented in the sector. Each Academy has a sectoral focus – Creative, Green, Digital, Hospitality, Health and Social Care – and will be comprised of hubs – partnerships between employers, sector bodies and training providers. The hubs will develop an offer of high quality, sector-relevant training, work experience and wider employment support (for example, careers advice, mentoring). Each Academy will develop a Quality Mark for providers. This will identify high-quality industry relevant training. It will also raise the profile of good provision to employers and Londoners looking for good work opportunities. Each Academy will provide sector-specific information, advice and guidance and support progression opportunities for Londoners completing the programme. Where the hub training is at Level 3, an Academy could coordinate with Skills Bootcamp or others NSF provision to structure progression on to higher level training.

### **Section 3: Critical skills gaps**

**Q47. Are there any current critical skills gaps below degree level and in particular sectors, occupations, or locations that you think the skills system will not meet, either now or in the next five years? For example, some sectors might have specific skills needs which have emerged since exiting the European Union, whereas other sectors might encounter skill needs in the future – for instance, because of new technologies linked to transitioning industries or our ambition to reach net zero by 2050.**

**a. What are these skills gaps? Please set out what these skills gaps are and specify whether they apply to a particular sector, occupation, or location.**

**b. What level are these skills gaps at?**

**c. Is this a current skill gap, or something that you see emerging in the future? If in the future, please detail**

**when you think this skill need is likely to arise.**

**d. Why do you think the skills system does not meet this skills gap?**

London has a more highly qualified population than England overall. In 2019, 54% of London residents aged 16-64 are qualified at NVQ level 4 and above, compared to 40% across England as a whole. The overall share of working age Londoners without any formal qualifications is also below the national average.

London has relied on European Economic Area (EEA) workers to meet its skills needs more than any other region in England – access to a diverse and skilled workforce is a notable feature of the capital's labour market. With 15% of jobs in London held by workers born in the rest of the EEA in 2019, the economic contribution of EEA workers is far greater in the capital than in the rest of the UK (6% of jobs held by EEA workers). But this means that, following the UK's exit from the European Union, London is more exposed to the risk of an unnecessarily restrictive immigration regime. Some London employers are likely to face challenges filling roles with a heavy reliance on EEA workers.



This could include those recruiting for workers in Construction, Childcare and Health related positions and more recently HGV drivers (among others).

It is worth noting that where London employers have run up against difficulties in filling vacancies, the recruitment of non-UK workers has been a common response. This suggests that skills deficiencies in the capital could be compounded were Brexit or the coronavirus pandemic to result in a significant reduction in migrant labour supply. These aggregate level statistics also hide more troubling data for particular sectors and occupations:

- In London, the Construction sector had the largest share of skill shortage vacancies in 2019, at 40% - with Health and Social Work second at 32%.

Consistent with skills challenges in these sectors:

- London employers face the greatest challenges in finding suitably skilled candidates for Skilled Trades occupations, particularly for Skilled Construction and Building Trades (51% of vacancies in these roles were skill shortage vacancies in 2019).
- There are also challenges for employers recruiting to fill vacancies in some (but not all) positions in Professional occupations – including for Science, research, engineering and technology professionals and Health professionals (38% and 37% of vacancies in these roles were skills shortage vacancies in 2019 respectively).

**Q49. Are there any particular sectors or occupations which would benefit from improved access to shorter courses? Please set out which sector or occupation and, where possible, provide a reason and/or evidence for your response.**

The London Recovery Board, (which brings together leaders from across London government, business, civil society, health, education, trade unions and the police, to oversee the long-term recovery effort), has identified a number of priority sectors that would benefit from additional investment in skills: Digital; Health and Social Care; Green; Creative Industries, and; Hospitality. To help meet skills needs the Mayor is establishing sectoral academies to coordinate and quality mark provision.

We expect the AEB to be the main source of funding for provision supported by each Academy. However, through consultation with employers it has been noted that increased flexibility in the type of provision available would be desirable. This could include wider opportunities – for example, Skills Bootcamps and other NSF provision. This would allow NSF provision in London to utilise the core strength of each Academy – the endorsement and involvement of employers in shaping a sector-based training offer for Londoners.

GLA-commissioned research (ongoing) on green skills in London suggests there will be a growing need to upskill people in work. Qualifications at level 3 and above will be a key part of this provision. Delegating the remaining elements of the NSF to London to the Mayor, would allow London to develop a consistent and long-term approach to engaging employers in training opportunities. For example, by integrating green skills offers to business advice for SMEs through the London Business Hub; by tailoring skills opportunities to Mayoral programmes to meet critical skills needs that will support ambitions such as net zero target, including through Modern Methods of Construction and retrofitting.

**Q54. Considering the provision we have already made available through National Skills Fund investment, do you think there are any further gaps below degree level in adult skills provision which would benefit from targeted support? If you answered yes, please:**

As outlined above, while the additional investment in free level 3 qualifications through the NSF is welcome, the GLA believes this does not go far enough to support Londoners at risk of long-term unemployment to retrain and upskill to access new employment opportunities. This is why the Mayor has introduced additional flexibility through the AEB to fully fund level 3 qualifications. This is in addition to the legal entitlement where they are unemployed or in receipt of a low wage and enrolled on a vocational qualification of no more than 12 months planned duration.

The GLA's recommendations for the NSF therefore are:

- Full delegation of London's share (as a percentage) of the NSF including Skills Bootcamps to the Mayor to tailor to London's needs, including the ability to locally determine the qualifications that providers can offer through the LSG.
- Widening the eligibility for the NSF, to fully fund learners with an existing level 3 qualification to undertake additional level 3 qualifications, where they are unemployed or in receipt of a low wage (less than the London Living Wage).

It is equally important that London retains the delegated powers needed to deploy AEB funding strategically to meet the needs of its citizens and businesses - convening employers, providers and local government to ensure skills delivery is locally relevant, helping people into jobs and to progress in life and work. Current proposals for the NSF and Skills and Post-16 Education Bill risk undermining this, which we consider unacceptable. The Skills and Post-16 Education Bill appears to cut across the GLA's and MCAs' ability to set their own adult skills priorities as well as the ability to determine the eligibility of providers.

The Mayor considers that the right approach is for the funding and powers associated with the skills element of the UK Shared Prosperity Fund (UKSPF), 19-24 Traineeships, Bootcamps and the endorsement of Employer Representative Bodies and Local Skills Improvement Plans to be delegated to the GLA and the Mayors of England's Combined Authorities as part of the new single Skills Fund. This should be set out in legislation through amendments to the Skills and Post-16 Education Bill. This approach would support the Government's ambitions to give local leaders the tools and powers they need to support Levelling Up.