RRF045 BUILDING LEARNER PROGRESSION PROJECT

KEY SECTORS WITHIN LONDON'S ECONOMY: CONTINUING TRENDS AND GROWTH SECTORS, PLUS THE NEEDS OF THE FUTURE

Linking London, June 2013

In partnership with

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Introduction

There is a huge amount of data available about the London economy, its current make up and its future, however, much of it is not very informative at the local level. In this document we are providing a London overview, to help identify the key sectors in the London economy, the continuing trends and the areas of potential growth for the future. This overview will be supplemented by local case studies on three boroughs to illustrate the differences between boroughs, and the differences between the headlines for London and local requirements.

Many caveats are required. London and its longer term future is complex, and much will depend on some big decisions made over the coming years. A new airport in the Thames estuary will have a tremendous impact on work around the river, similarly if the new rail line HS2 to the West Midlands comes on stream and finishes at Euston, this will have a great impact on the London Borough of Camden. Likewise more work on Crossrail or the proposed re-development of Royal Albert Dock would have similar effects on a different area of London. Large infrastructure projects are costly, often disruptive and lead to demand for occupations that it is often difficult to plan for as demonstrated by a new supermarket moving into a Borough which may need a hundred fork lift drivers, for example. Another case in point is the statistic most often used to illustrate the gap, between the future needs of our economy and what we currently have, that is the current shortage of 35,000 engineers to enable us to re-industrialise the United Kingdom for the future and as a way out of the current economic recession. These infrastructure developments take time and planning to support them. Headlines such as 'London jobs boom can drive UK out of recession'[1] and others suggest the future is secure but the headlines make many unproven assumptions about the future.

What do we know about the future and the reality of London? We know there is a huge boom coming through in numbers of primary school children[2] , there is a huge rise in the number of older members of the population, as mentioned there are potentially some large infrastructure projects in the pipe-line, which may or may not happen, finance as a sector is likely to decline in prominence, while the service sector is continuing to rise, predicated on an upturn in the economy. We, at Linking London, would like to see a huge increase in the area of sustainable development in the capital, from clean air to the use of renewable energy.

In terms of largeness we know that the main sectors for the capital are, according to the UKCES report 'Working Futures' 2012, business and other services, construction and the primary sectors, utilities, gas and water. But these sectors are singled out by making assumptions about growth in the future. Furthermore, these titles cover a vast range of occupations and roles, and knowing they are the largest is not very helpful unless we drill down into the occupations and skills areas that are required. It also does not help necessarily in terms of finding out where the skills shortages are. The contraction and expansion of the labour market itself is known to have an impact on the numbers in the past willing to stay on in further and higher education. Labour market changes can also illustrate

[1] The London Evening Standard 30th April 2013.
[2] Do the Maths – Tackling the shortage of school places in London (April 2013), London Councils.

the shift in demand from low to high level skills, not always apparent until you delve more deeply into each particular industry or occupational group.

In London's Canary Wharf the predominance of the financial sector in the capital is perhaps its best known sector. However, it has led to what many refer to as an 'unbalanced economy' in the capital in terms of occupations, and in making us too dependent on one sector. It may not surprise many to know that some in Germany regard London as the 'cultural dynamo' of Europe.[3] In terms of the economy of the capital if financial services account for 3% of all jobs, then the cultural industries make up 5% of the London workforce. These statistics are of course all relative but they seek to illustrate both the complexity and inter-connectedness of the key sectors in the capital.

Meanwhile Further Education Colleges are, of course, not the only providers in the field, but in higher level skills – level 4 and beyond – they do offer some niche vocational provision. In addition the capital has over forty universities, a range of private providers, apprenticeships and much training is done in-house[4]. With these caveats we are trying to present a picture that will be helpful to our respective members for future planning.

UKCES' REPORTS

UKCES have produced a number of Labour Market Information audits and surveys. In this report we focus on four reports listed below, drawing out the key findings as they relate to the London region.

- National Strategic Skills Audit for England, Skills for Jobs: Today and Tomorrow
- UK Commission's Employer Skills Survey
- Employer Perspectives Survey
- Working Futures

National Strategic Skills Audit

The first National Strategic Skills Audit for England, Skills for Jobs: Today and Tomorrow was published in March 2010. It consists of two main outputs: Volume 1 (Key Findings) and Volume 2 (The Evidence Report).

The purpose of the audit was to "provide a systematic overview of important strategic skills needs and a solid evidence base for government and key agencies, education and training providers, employers and individuals, in order to allow people to better anticipate future skill needs and make more informed choices and decisions, and inform future "investment

[3] Guardian 1st April 2013.
[4] 'Building employer relationships: What do employers want from providers', (2009), Cfe research commissioned by Linking London.

strategies". While the focus of the report is on England there are brief breakdowns by region in most of the main chapters:

- Jobs and skills: the labour market in England
- Current skills mismatch
- Drivers of change and their skills implications
- Key sectors and their skills needs
- Key future occupational skills needs.

Key findings as they relate to the London region are:

London: Employment, Jobs and Skills

- Twenty two per cent of the English economy (in terms of economic output) is accounted for by London.
- This proportion has been rising slightly in recent years at the expense of the rest of England, particularly the North West and West Midlands, which are the region's growing at the slowest pace.
- One third of England's employment is concentrated in London and the South East.
- Productivity in London is thirty per cent higher than in the UK as a whole.

Key Sectors in London

Financial and Professional Services – Much of the employment in this industry is concentrated in specific locations and a quarter of all employees are London based.

Digital Economy – The development of the primary digital economy has been focussed on London and the South East. These two regions share about 44% of digital technology businesses in the UK together.

The Creative Sector – London's dominance as a centre of cultural and creative leisure opportunities is undiminished.

Tourism, Hospitality and Leisure – The focus of economic potential for tourism is in both revenue generation and job growth.

The Care Sector – Children and older people's services have some of the broadest potential for pan-regional expansion.

Key Findings: Occupations

- Expansion in jobs most likely within higher skilled occupations (managers, professionals, associate professional & technical occupations) and also in personal service occupations
- 'Replacement demand' (the need to fill jobs as people retire) is a key factor
- Under-employment - employees not fully utilising their skills is an issue.

There will be significant demand for:
- ICT skills amongst managers and professionals across a range of sectors (particularly in computing)
- Management skills across a range of sectors
- Technician roles across a range of sectors

- Front-line service staff especially in social care
- Managers and associate professionals in health and social work
- STEM skills.

Skill Shortage Vacancies (SSVs) by Occupation in London

The two occupations reporting the largest percentage of skill shortage vacancies are Associate Professionals and Professionals:

- **Associate Professionals –** Skill shortage vacancies account for just over twenty per cent of all hard to fill vacancies.

- **Professionals –** Skill shortage vacancies account for just under twenty per cent of all hard to fill vacancies.

Key Findings: Skill Gaps and SSVs

- The number of employees not fully proficient (i.e. number of employees with skill gaps) in absolute terms in London is 290,800.
- The major types of skills reported which account for SSVs and skill gaps are customer handling, team working and oral communication.
- Demand for higher skills matter: too few businesses are: adopting high performance working practices, investing in long term business development, treating skills as a long term investment, and seeking to operate in high value markets.
- Despite a substantial overall decline in low skill jobs they will not disappear (approx 20% in 2020).

The first National Strategic Skills Audit for England, Skills for Jobs: Today and Tomorrow Report: www.ukces.org.uk/ourwork/nssa

UK Commission's Employer Skills Survey 2011: Published May 2012

The UK Commission's Employer Skills Survey 2011 is the first UK-wide employer skills survey, and one of the largest surveys of its kind, with 87,500 interviews with employers conducted. The survey set out to understand employer investment, assess employer skills needs and understand recruitment practices.

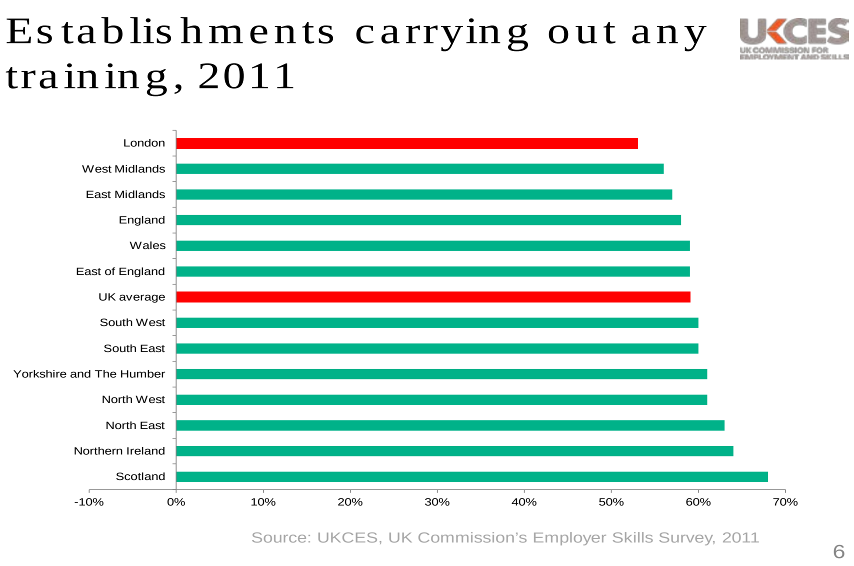
UK Commission's Employer Skills Survey is a snapshot of employer demand for new staff in spring / summer 2011 and so does not focus on predicting future potential need. Separate reports have been produced for each nation. The summary draws on information from the England Results of the UKCES Employer Skills Survey and has interesting information on:

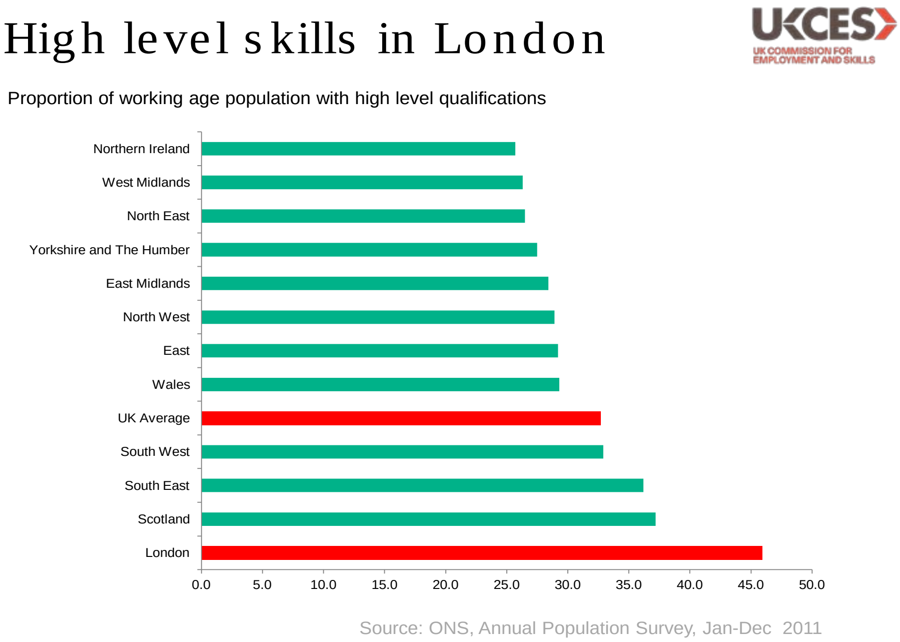
- workforce development
- skills related recruitment difficulties & skills needs/gaps overall and by occupation
- internal skills mismatch
- implications of hard to fill vacancies
- number of staff with a level 4 qualification as a proportion of all staff
- work-readiness of those leaving education.

Workforce Development

Just over a half of employees (53 per cent) received training in the previous year, a slight decline on the 56 per cent reported in 2009. As in previous years, training rates varied significantly between occupations, with 44 per cent of those employed as managers receiving training compared to 70 per cent of those employed in caring and leisure services. This is of concern given the perceived management and leadership skills gap that has been identified as an issue in the UK since the 1980s.

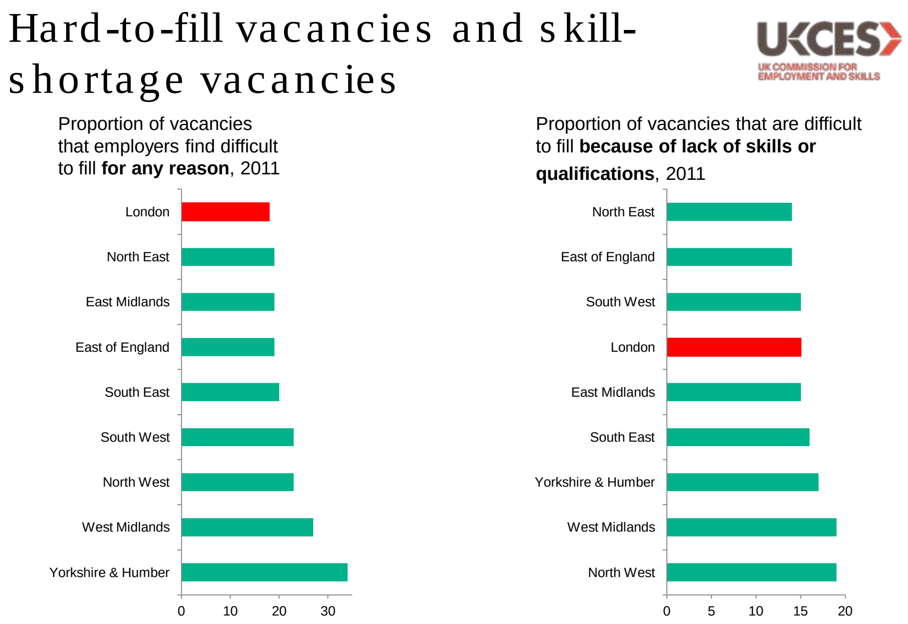
Of the employers that train, 46 per cent (equivalent to 30 per cent of all employers) had funded or arranged training which was intended to lead to a nationally recognised qualification (whether it did lead to that qualification being obtained or not), which is slightly lower than in 2009.





Recruitment and Skills Shortages

Overall, the proportion of all vacancies which are skill shortage vacancies has remained stable since 2009, but this masks variation by size, sector and region. For example, mid-sized establishments (employing between 25 and 199 people) reported an increase in the proportion of vacancies which are skill-shortage, in contrast to larger or smaller establishments.



Source: UKCES, UK Commission's Employer Skills Survey, 2011

Internal skills mismatch

Although the majority of establishments have the skills they require, almost 1.3 million employees (six per cent of all employees) were deemed not fully proficient (have a skills gap) and 18 per cent of employers reported having at least one employee with a skills gap. This is a slight reduction on the figures seen in 2009.

Although only a small minority of businesses reported vacancies unfilled because of skill shortages, nearly all business with a skills shortage (93 per cent) found it had an impact on the operation of the business. The survey also finds concentrations of these skills shortages in particular industries and occupations (see below), which were also reported in the National Skills Audit:

The *Skills shortage vacancies by occupation* data indicates that the incidence of skills shortages were greatest in the following occupations listed below.

- Professionals
- Associate professionals
- Skilled trades occupations

Together these accounted for over half (56 per cent) of all skill-shortage vacancies in England at the time of the survey. The survey breaks this down by LEAs in England.

Additional local data available separately breaks this down by region and in relation to London by borough. Two pieces of data: one on the incidence of *Skills shortage vacancies by occupation*, and the other *Skills that need improving in occupations with skills gaps,* have been amended to show data by all London boroughs only. They are available in excel format and can be found in the appendices of this report. The table below, by way of example, highlights skills shortages by occupation of three London LEAs, set against the UK average:

Occupation	UK Average	Camden	City of London	Westminster
Managers	5%	1%	6%	7%
Professionals	16%	37%	27%	23%
Associate professionals	19%	40%	36%	29%
Admin/clerical staff	8%	9%	10%	17%
Skilled trades occupations	21%	6%	13%	17%
Caring, leisure and other services staff	13%	8%	6%	13%
Sales and customer services staff	8%	-	6%	5%
Machine operatives	6%	0%	0%	1%
Elementary staff	9%	3%	3%	9%
Unclassified staff	1%	7%	0%	1%

***Incidence of skills shortage vacancies by occupation and region*: UKCES Employer Skills Survey: England Results: Local Level Data Table 48**

Implications of hard to fill vacancies

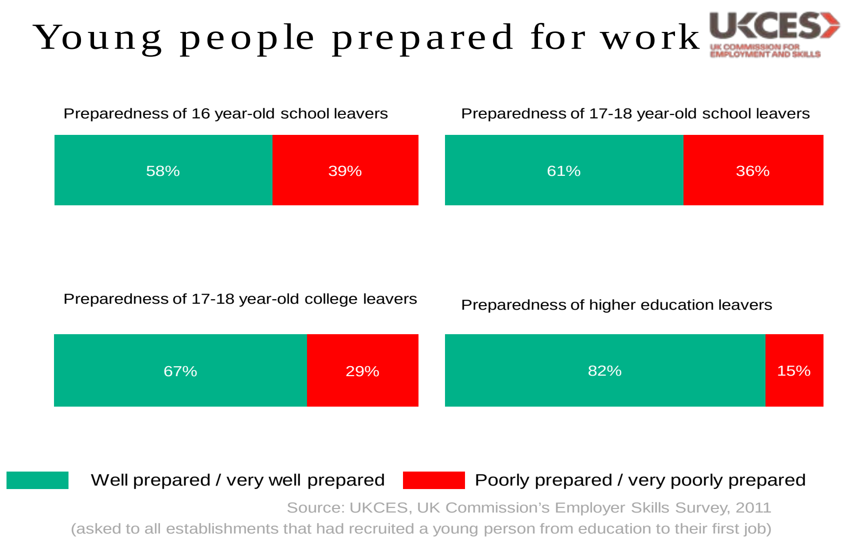
Where skills gaps exist, their impact can be significant; as with hard-to-fill vacancies, the most common impact is on the workload of other existing staff (reported by 49 per cent of those with skills gaps). This was followed by increased operating costs (27 per cent), difficulties in meeting quality standards (26 per cent) and difficulties introducing new working practices (22 per cent).

Work-readiness of education leavers

Around a third of businesses (30%) had recruited someone straight from education in the last 2-3 years. The majority of these were satisfied with the work-readiness of education leavers, with this satisfaction rising with the age of the education leaver.

Employers viewed 17-18 year old college leavers as better prepared than 17-18 year old school leavers (74 per cent compared to 66 per cent), despite them having spent the same amount of time in education. This may be because college students are more likely to combine work and study, or may be taking more vocational courses compared to those in school.

Where recruits were considered poorly prepared for work this was most often put down to a lack of experience (of the world of work or, more generally, life experience or maturity), or to personality (poor attitude, or a lack of motivation). This suggests that young people would benefit from increased work experience opportunities offered by employers.



Main Report: England results available at: www.ukces.org.uk/publications/er46-employer-skills-survey-2011-englandresults

Additional local data includes breakdowns by LEA on: percentage of establishments: with a vacancy / hard to fill vacancy / with a SSV & skills gap / that train staff to a nationally recognised qualification and is available at: http://www.ukces.org.uk/ourwork/local-data

UKCES Employers Perspectives Survey: Published December 2012

The UK Commission's Employer Perspectives Survey 2012 (UKCEPS, 2012) gathered the views of 15,000 employers across the UK. The survey provides a UK-wide picture of how employers are meeting their skills needs, looking both at their engagement with skills and employment services and their broader approaches to people development.

The Employer Perspectives Survey explores *how* employers go about meeting their skills needs. It looks at how they bring in new recruits and what they look for from them, and at the tools they use to develop the skills of their existing employees.

Following on from an overview of the employer population the report focuses on employers perspectives on:

- Recruitment
- People development
- Vocational Qualifications
- Young People
- Apprenticeships
- Work Placements

Key findings from the report include:

Recruitment

- Employers typically use a range of channels when they are looking to recruit. They tend to make most use of private recruitment services which they do not have to pay for. Indeed, the single most common channel employers used to find candidates to fill vacant posts was ‘word of mouth’.

- Candidates’ qualifications play a role in most employers’ recruitment processes and decisions, and a significant role for more than two in five. Academic qualifications continue to be better regarded than vocational qualifications.

People development

- Whilst the majority of employers train and plan their training (73 per cent did so in the 12 months prior to the survey) there is a significant core of employers that do not.
- Employers are more likely to provide training (63 per cent did so) internally than to access the external workforce development market (47 per cent), although overall around half of employers do use external channels to deliver workforce development for their staff.
- Employers most commonly look to commercial providers (private sector training firms or third sector providers) when they are looking outside of their own organisation to deliver training. Two fifths of all employers engage the services of private providers, while only one in seven use public training providers – in the form of FECs and HEIs.
- Establishments in the public sector or the third sector were far more likely to engage with external services, particularly publicly provided services, than those from the private sector.
- More employers found that public providers did not have an offer relevant to their needs, than found private provision to be lacking in relevance. On the other hand, a greater proportion report cost as a barrier to private provision than as a barrier to using FE colleges (14 per cent compared to six per cent).
- A third of employers (31 per cent) looked to external bodies (most commonly private training providers or colleges) for advice and information on available sources and resources on training issues. Only six per cent of employers sought advice from other employers.
- Around half of establishments who are using public training providers report that they are funding this training entirely themselves (45 per cent of those using FE Colleges and 52 per cent of those using Universities), although it may be the case that they are unaware of other funding streams that are contributing to the funding of their training.

Vocational Qualifications (VQs)

- Overall take up of vocational qualifications remains at a steady level. However, there has been qualitative improvement in satisfaction with vocational qualifications amongst those employers that offer them.
- Among smaller employers (fewer than 10 employees) and outside of the Non-Market Services sector, employers who are providing training which leads to a VQ are in the minority.
- The most common reason given by employers for not offering VQs was a perception that employees would not value them. This contradicts UKCES and other findings that

VQs consistently and increasingly bring benefits to employees who achieve them in the form of remuneration and advancement.

Young people

- Employers are open to the recruitment of, or providing opportunities to, young people. Just over a quarter of all establishments, or 62% of those who had recruited, had recruited a young person in the previous 12 months. A quarter of all establishments had offered a placement to schools, college or university students.

Apprenticeships

- Only a minority of all UK establishments offer apprenticeships (15 per cent). However, almost a quarter of those who do not currently offer apprenticeships expect to in the coming two to three years.
- Where the public system is used the vast majority of employers are satisfied as evidenced by their perceptions of the cost effectiveness of apprenticeships as well as their intentions to continue to offer apprenticeships in the future.

Work placements

- Just over a quarter of all businesses offered a work placement in the twelve months prior to the publication of the report. However, approximately half of all public and third sector employers in the last 12 months offered a placement.

Source: Employer Perspectives Survey 2012

UKCES Employers Perspectives Survey: Published December 2012, available at: http://www.ukces.org.uk/publications/er64-uk-employer-perspectives-survey-2012

Working Futures 2010-2020 Main Report: Revised August 2012

Working Futures 2010-2020 is the fourth in a series of labour market assessments that provide detailed projections for the UK labour market. It focuses on a ten year horizon, giving a picture of the labour market for 2020; including employment prospects for industries, occupations, qualification levels, gender and employment status for the UK and for nations and English regions.

The core purpose of Working Futures is to inform policy development and strategy around skills, careers and employment.

Key sections are listed below:

- General Labour Market Context
- Sectoral Output and Employment Prospects
- Changing Occupational Structure and Replacement Demands
- Implications for Qualifications
- Spatial Perspectives

While much of the information is based on UK findings, regional breakdowns are available, in particular in the spatial perspectives section which the following summary heavily draws on.

Key Findings - General Labour Market, London Perspective

- The working age population is projected to increase by 10 per cent between 2010 and 2020 in London and at a faster rate than the UK average (6.7 per cent) in all regions of southern England.

- The labour force (measured as residents in work or unemployed on the ILO definition) is projected to grow by 4.6 per cent between 2010 and 2020, representing an increase of 1.4 million for the UK as a whole. The great bulk of this increase is in England, with London's labour force growing by a third of a million. The percentage increase in the labour force over the decade is greatest in London at 8.1 per cent.

- The total number of unemployed is projected to decline by a quarter of a million between 2010 and 2020, with the largest decline in London, where the number unemployed will be a quarter lower in 2020 than in 2010.

- The number of employed residents is projected to increase by 1.7 million between 2010 and 2020 for the UK as a whole. London is projected to account for a quarter of this increase.

- London's share of UK employment increases continuously from 1990 to 2020, as does that of the East of England and South West.

- The bulk of the increase in employment is also projected to be in southern England, with the largest individual increase being projected for London.

Sectoral Prospects:

The annual average rate of Gross Value Added (GVA) growth was higher than for any other region or nation of the UK during 2000-2010 and is projected to continue to be the highest during 2010-2020. Employment growth was the same as for the UK as a whole during 2000-2010 but is projected to be above the UK average during 2010-2020, representing one of the fastest rates of employment growth.

London is projected to gain employment in all sectors except manufacturing and non-market services between 2010 and 2020. London's projected rate of employment loss in the former is poorer than average, but far from the worst, while that in the latter sector is equal to the UK average.

Employment in the primary & utilities sector is projected to recover from the rapid decline of 2000-2010 with the fastest rate of employment increase of any region or nation, while employment in the construction sector will grow more slowly than the UK average.

London is projected to experience one of the fastest annual average rates of employment growth in the trade, accommodation and transport sector.

Employment in business services is projected to grow, although slightly slower than for the UK as a whole.

Linking London has obtained a more detailed breakdown of sectoral prospects for the London region from the UKCES team. This breakdown can be found in the appendices of this report (UKCES Copy of London tables) and includes projections for employment 2010-2020 by sector and by occupation for London, as well as projections for replacement demand during the same period.

Occupational Prospects

The groups that are expected to show the most significant increases in employment over the next decade (2010-2020) are higher level occupations, namely: managers, directors & senior officials, professionals and associate professional & technical occupations. London as a region has an over representation of employees in these occupations compared to other regions and in most cases will also see the biggest increases in employment by 2020.

There are also increases predicted for caring and leisure related and other personal service occupations, but a decline in job openings for administration and secretarial occupations in London along with a more modest predicted decline in skilled trades.

Linking London has obtained a more detailed breakdown of occupational prospects for the London region from the UKCES team. This breakdown is included in the appendices of this report.

Replacement Demands

Job openings created by those who leave the labour market (i.e. replacement demands) are projected to generate around 12 million job openings in the UK between 2010 and 2020, many times more than the 1.5m openings from the creation of new jobs.

Replacement demands will lead to job openings for all industries and occupations including those in which the net level of employment is expected to decline significantly.

This has important implications for individuals who may be considering their future career and education and training options, since even those occupations where employment is projected to decline may still offer good career prospects.

The highest replacement demands are for professionals, administrative and secretarial occupations and elementary occupations.

In London replacement demand represents 84 per cent of the projected regional labour requirement.

Implications for Qualifications

Skill supply, as measured by highest formal qualification held, is rising rapidly as more young people in particular stay in education longer and acquire more higher level qualifications.

The demand for skills as measured by the numbers employed in higher level occupations and the numbers employed holding higher level qualifications is also projected to rise.

The average level of qualifications held is rising in all occupations. How much this is due to increases in demand as opposed to simply reflecting the supply side changes is a question for debate.

There is some evidence of continuing polarisation of skill demand, with some growth in the numbers of relatively low skilled jobs.

Qualification profiles have changed in almost all occupations in favour of higher level qualifications (QCF4+) and with sharp reductions for the less well qualified (QCF1 and below). This shift in qualification patterns within occupations probably reflects supply as much as demand trends.

London stands out, employing the largest proportion of those qualified at QCF level 4+. These differences reflect London's sectoral and occupational structure, with strong concentrations of employment in education, public administration, banking and finance and head office functions.

UKCES Working Futures Main Report: available at
http://www.ukces.org.uk/ourwork/working-futures

UKCES Working Futures Sectoral Report

UKCES have also produced a separate Working Futures 2010-2020 Sectoral Report which provides details of developments within industries. It complements the Main Report which provides a more general overview. The following sections are detailed for each sector:

- description of industry & industry commentary
- productivity and output trends
- employment by status and gender
- projections of employment by occupation
- replacement demands
- shift share analysis
- implications for qualifications.

It does not however provide a breakdown by region
http://www.ukces.org.uk/assets/ukces/docs/publications/working-futures-sectoral-report.pdf

A three borough case study

The following three boroughs have been chosen as case study examples to reflect the differences, variety and contrasts present within and between inner and outer London.

- Barking & Dagenham
- Kensington & Chelsea
- Camden

Barking & Dagenham

The Borough of Barking & Dagenham (LBBD) is located in the East London, was one of the six London boroughs to host the London 2012 Olympics and forms one of the outer London boroughs which circles inner London. Covering 36.09 km^2, with a population of 186,000 inhabitants[5], the borough has a population density of 51.5 per hectare, which is average for London as a whole but less than half the other boroughs that will be mentioned below. LBBD has a history in manufacturing and industrial development, which has unfortunately undergone a decline since the 1960s. The borough does however include an area destined for regeneration as part of the London Riverside development[6] . With excellent transport links to central London, this major redevelopment which includes presently neglected industrial land is designed to be one of the solutions to providing for the increasing demand for housing and employment opportunities in London.

Kensington & Chelsea

The Royal Borough of Kensington & Chelsea (RBKC) is located to the west of the city of Westminster and is the second most densely populated London borough (after Islington) with a population of 158,700 inhabitants[7] in 12.13 km^2.The borough has a population density of 130.9 per hectare and hosts major tourist destinations in the shape of museums, hotels, retail and exclusive department stores, as well as a concentration of embassies and a university. The borough is home to some of the most expensive housing the world and is thought to house a large proportion of high earners including city financiers. Overall life expectancy for men and women is above the national average, though this might hide variations present within the borough (in a similar way to Camden as seen below).

Camden

The London Borough of Camden is a northern inner city borough with its southern parts encompassing part of central London. Camden has a population of 220,300 inhabitants over an area of 21.8 km^2 and a population density of 101.1 per hectare. As a consequence of its

[5] http://en.wikipedia.org/wiki/London_Borough_of_Barking_and_Dagenham
[6] London Thames Gateway Development Corporation (http://www.ltgdc.org.uk/legacy/wp-content/files/visions/Vision%20for%20London%20Riverside.pdf)
[7] http://en.wikipedia.org/wiki/Royal_Borough_of_Kensington_and_Chelsea

location Camden contains a significant number of public and private organisations, including several universities and colleges, hospitals, museums, theatres, three of London's busiest railway stations and a zoo.

Similarities and Contrasts

The average age of the inhabitants of the three London boroughs we are focussing on is the mid-thirties, though for LBBD the age is slightly younger (33.4 per cent) when compared to the other boroughs and the national average. There are also proportionally more young people in LBBD (26.0 per cent) when compared nationally or with other boroughs, however, the percentage of 16-18 year olds which are identified as NEET in LBBD, as of June 2012, was 6.3 per cent compared with Kensington and Chelsea 7.3 per cent and Camden 8.1 per cent, which might challenge preconceptions.

Overall unemployment rate in LBBD (12.8 per cent) is nearly double that found in the other boroughs examined (7.9 per cent Camden and 6.7 per cent RBKC, compared with 8.0 per cent nationally). LBBD also has a higher percentage of public sector employment (22.2 per cent), compared with Camden (13.3 per cent) and RBKC (16.7 per cent) so may be at greater risk from greater future unemployment as a consequence of austerity measures affecting public sector expenditure.

These three boroughs demonstrate the variety present across boroughs, from the relative affluence of RBKC and Camden to the higher levels of unemployment and a greater percentage of children living in out of work families in LBBD and differences apparent across indices of multiple deprivation. This snapshot also hints at the inequalities present within boroughs, which can often be hidden by "average" figures. The implication therefore is that planning would benefit from being specific to borough need and circumstances.

All the data used in this case study was accessed from the London data store unless otherwise attributed. – see appendix B.

Conclusion

The key sectors that are crucial to the London economy are therefore many and varied, and geographically located. The London picture and its need for high level skills, is therefore complex. At the time of writing the London Enterprise Panel has just published its 'Jobs and Growth Plan for London'[8] which provides a vision of the changing face of London. The skills and employment plan is to follow. In terms of supporting colleges to develop provision that is required to both promote progression and job opportunities it is necessary to study both the needs of large employers in the capital and the small and medium sized enterprises that

[8] Jobs and Growth Plan for London April 2013 London Enterprise Panel.

make up so many of the employers[9]. The research contained here suggests that data also needs to be studied at a London wide, borough, and possibly sub-borough level to get a comprehensive idea of how providers can develop provision to support economic regeneration. A recent report by the London Boroughs on working with Further Education Colleges, using surveys and in-depth interviews, identified the same need [10] [11]. If we take the need for more employees in the professional and associate professional category requiring qualifications to improve the management capability of the workforce then the argument for a core, generic curriculum, (finance, human resources, planning etc.) supported by more specialist and tailored modules or units, delivered flexibly, would seem a sensible development. However, what is also clear is the need for developing a long term strategy in partnership with employers. This piece of work should be read alongside the work the AoC London is doing on mapping the provision that is currently provided by the Further Education Colleges in the capital, and the guide for staff that Linking London has been commissioned to produce as part of this work. This should enable planners to see where the gaps are in current provision and aid them in planning for the future of London and its workforce[12].

Sue Betts, Andrew Jones and Kate Burrell.

Linking London June 2013.

[9] The demand for higher level skills in London, (2009), Cfe research commissioned by Linking London.
[10] Skills: How are London Borough Economic Development Teams working in partnership with local FE Colleges (2012), London Councils.
[11] "Groups of boroughs – which reflect these functional economic areas and understand business and needs are best placed to lead…on aligning provision with the needs of the capital's businesses and communities", p.3. London's Skills Challenge: Meeting London's Skills Gap, (2013), London Councils.
[12] This topic was further explored in a focus group of sector stakeholder on the 15th May 2013. A report including recommendations for further action is available as appendix C.

Appendices

Appendix A.1/A.2/A/3	UKCES supporting data
Appendix B	Data to support the three borough case study
Appendix C	Report and recommendations for further action from the Building Learner Progression focus group held on 15th May 2013. (Available on request)