



# Helping to meet the employability agenda for London

## Report of an Ideas-Building Event at St. George's House, Windsor Castle, 3<sup>rd</sup> – 4<sup>th</sup> July 2007

The purpose of this event was to build on the work that is already well underway in developing an integrated approach to **responsive** planning and delivery for skills and employment in London.

Drawing on the success achieved so far, our aim at the event was to identify the actions that now need to be taken by national, regional, and local strategic and operational stakeholders to:

- Connect up what's happening in a more visible way;
- Drive up the scale of ambition to meet employability needs within the Capital, and
- Draw together hard evidence to demonstrate what's being achieved to influence policy and strategy makers.

As with all Open Agenda reports, this report aims to reflect the main ideas and views put forward during the event, with the understanding that not everybody involved in the discussions may have endorsed *all* of the ideas included. Phrases that are italicised are direct quotes from the event, and a list of participants is included at the end of the report.

The main outcomes of our discussions are outlined under the following headings:

- Two key themes and their impact on influencing national policy (pages 1 – 3),
- The scale of our ambition (page 3)
- Segmenting markets (pages 3 – 5)
- Learning from what works (pages 5 – 6)
- Building effective relationships: local, regional, national (pages 6 – 7)
- Building capacity (pages 7 – 8)
- A composite workplan (page 9)

### Two key themes

Two key and overlapping themes emerged for our discussions.

One is the need to articulate what we mean by employability training. We need to capture the **common objective** of the Employability Demonstration Pilots, City Strategy Pathfinders, Skills for Jobs, Train to Gain, New Deal programmes and other Government-funded interventions, focused on helping people move into jobs and, at the same time, gaining the skills they need to remain and progress in employment.

At the moment there is *"no common language or shared measures"* to describe this objective. We articulated it as a combination of moving into work and the acquisition of skills required **not only** to move into work but **also** progress in work. This was described as *"the skills escalator."*

The point at which people move into work onto this skills escalator will vary, according to their starting point and the requirements of the job. The level of input required for a low-skilled entry level job will vary to that needed to carry out a job requiring level 2 skills. The employability skills input required **prior to** moving into an entry level job is likely to be less than, say, a job requiring a level 2 skills. In this instance, the ambition should be that training continues after job entry to encourage job entrants to stay and progress in work.

It is a fair question to ask: why does it matter? What is the value in trying to *"articulate and measure a system of delivering skills pre and post employment?"* The response lies within Sandy Leitch's Review, and other recent policy papers: as a nation we need to up-skill our workers if we are going to grow and maintain our global competitiveness.<sup>1</sup>

There was a strong view that if we're going to tackle this issue effectively, and reduce the 'churn' of people moving in and out of entry level jobs, we need to take a more holistic approach to employment in London through, for example, the concept of a skills escalator.

We also recognised that people need to get on and off the skills escalator at different times in their lives. It is as relevant for people wanting to progress in their careers, change jobs and re-skill, as it is for workless people wanting to enter the labour market. The 'system' needs to be flexible enough to give access to skills to *"a wide range of different groups wanting to develop their skills for different reasons."*

Of course, there are proposals for such a system under the policy umbrellas of individual Skills Accounts, a new information, advice and guidance system for adults, and the introduction of a 'unique learner number' to recognise the different types of support and learning individuals access at key points during their lives. We felt that much could be learned from the work that is being trialled in London through various initiatives in the development of these proposals including lessons learnt and successes of *"the Employability Demonstration Pilots, the application of the Licence to Skill approach, the Southwark campus model<sup>2</sup> and other practical examples of what you need in place to make a flexible system work well."*

The second and closely related theme that cropped up throughout our discussions is that *"there is a lot of good work in improving individuals' employability already happening."* The difficulty is that much is invisible (especially on a regional level) because it is unconnected, piecemeal and often involves small volumes. Understandably, this can be frustrating for providers because they feel that *"what we're already doing is being overlooked."*

This lack of visibility is in part because training and job entry is not measured in a holistic and meaningful way. For example, colleges do not systematically gather information on the progression of students into jobs in the same way as they do on progression into Higher Education. As a matter of routine, local and regional Agencies do not track the progress of individuals through a series of interventions, but only outcomes from interventions that each agency specifically funds.

What was exciting at the event is Agencies' and providers commitment to capture progress and outcomes as part of a new **voluntary** evaluation process. By voluntary, we mean doing more than is required by individual Government Departments and Agencies in recording progress and outcomes to provide a holistic set of

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<sup>1</sup> Since 1984 there has been a 700,000 increase in the number of London jobs requiring skill level 3 or 4. Whilst simultaneously a 400,000 reduction in the number of jobs requiring skill level 1 or 2.

<sup>2</sup> For details of the Employability Demonstration Pilots, the Southwark Campus model, and Licence to Skills, please visit the JH Consulting website at [www.jhconsulting.org.uk](http://www.jhconsulting.org.uk)

measures able to track individuals' progress in developing skills and entering and staying in employment. If this new approach to evaluation succeeds in providing hard evidence about the timing and nature of employability skills training, and its relationship with entry to employment and sustainability in employment (the skills escalator), this could prove immensely valuable in informing how best to put into practice key national policies.

### The scale of our ambition

To get a sense of the job in hand, we reminded ourselves that to raise London's employment rate to that of the UK average will mean an additional 270,000 people of working age getting into and staying in jobs. Although Jobcentre Plus alone has helped 167,000 people into jobs over the last 12 months, we recognised that this is *"managing to maintain the status quo"*, rather than making a visible dent in unemployment figures.

Of course, employment rates are subject to a wide range of factors including interest rates and other economic conditions. Also, the labour supply picture isn't just about the pool of people wanting or needing work, or the jobs available, but about the 'match' between the two. The issues are complex, but we resisted the temptation to shy away from setting ourselves a collective target!

Following discussion, we agreed that we should set ourselves a shared ambition to move 25,000 people of the 270,000 into work over the next 12 – 24 months. Whilst we recognised that this only *"chips away at the scale"* it does send a clear signal that employability is **the** shared agenda across Departments, agencies and providers.

We agreed that progress in achieving our collective ambition needs to be measured, which is where the importance of a robust evaluation framework becomes evident. There are a plethora of targets across agencies, each measuring different facets of **sustainable** employability – job acquisition, qualifications etc. The employment rate is the 'top level' indicator and is critical, but we recognised the need *"to identify collective measures of success"* that can tell us about progression, what's working and the level of our achievement.

### Segmenting the market

Putting a figure on the scale of our ambition brought into sharp focus the need to segment what we mean by employment so that *"we really understand London's labour market"*. There was a strong view that, as providers *"we need to learn more about how the job market functions."* For example, it was felt that providers need to consider how they can *"engage with Human Resource departments"* of large companies and public sector organisations, as well as employment agencies, as *"gate-keepers to employment opportunities."*

The term 'employer' is used to describe anything from the National Health Service or a large private sector global company, to the micro businesses typical of some of London's key sectors. Clearly, these organisations have needs and aspirations that are as varied as those of the people that make up our 25,000 'target group'! The jobs that are available are also very different – everything from casual or part-time entry level jobs to highly skilled freelance or full time work. The table below identifies some of the key sub-groups of employers identified through our discussions.

<ul style="list-style-type: none"> <li>• Public sector organisations with jobs at a wide range of different levels</li> </ul>	<ul style="list-style-type: none"> <li>• Service chains with entry level jobs <b>and</b> the scope to progress, such as coffee and fast food outlets</li> </ul>
<ul style="list-style-type: none"> <li>• Sector clusters</li> </ul>	<ul style="list-style-type: none"> <li>• Seasonal work (including within large scale events held in the Capital throughout the year)</li> </ul>

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<ul style="list-style-type: none"> <li>Local businesses, including retail, health and fitness, commercial services, childcare, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Businesses meeting the needs of minority groups resident in the Capital</li> </ul>
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We felt that the value of identifying these subgroups is in the greater clarity it can give to training providers and job brokers when considering the focus and design of employability training. For example, it can enable providers to:

- consider **the match** of types of businesses with skill shortages in their sub-region, with groups of workless people sharing similar characteristics;
- recruit workless people onto employability programmes by advertising **the opportunity to fill vacancies** as the goal of the provision;
- *“design the curriculum around the needs”* of specific employers – both pre and post job entry

On the other side of the coin, the groups that we felt should be the focus for our collective ambition to move more people into sustainable employment include:

<ul style="list-style-type: none"> <li>Lone parents/ parents where only one is working</li> </ul>	<ul style="list-style-type: none"> <li>Asylum seekers (with permission to work)</li> </ul>
<ul style="list-style-type: none"> <li>Offenders and ex-offenders</li> </ul>	<ul style="list-style-type: none"> <li>Long-term unemployed (2 years+)</li> </ul>
<ul style="list-style-type: none"> <li>Sick and disabled (including the mental health group)</li> </ul>	<ul style="list-style-type: none"> <li>Intergenerational unemployed</li> </ul>
<ul style="list-style-type: none"> <li>People with ESOL needs</li> </ul>	<ul style="list-style-type: none"> <li>Older people</li> </ul>
<ul style="list-style-type: none"> <li>Not in education, employment or training (NEET) including 16-19 and 19+</li> </ul>	<ul style="list-style-type: none"> <li>‘Top 100 families’- those recognised by the police as being particularly ‘at risk’</li> </ul>

These groups are defined by some common characteristics, acknowledging that within them there will be ‘sub groups’ and individual differences. However, we also felt it was important to flag up some characteristics that are ‘cross-cutting’:

- ➔ People who **want** to work, either full or part time
- ➔ People who **don’t want** to work

In deciding how to target and recruit our 25,000 these cross-cutting characteristics are critical. In the first instance, we felt resources should be focused on those who are keen to work but need to overcome specific barriers in order to be able to do so.

We recognised that for provision to be capable of matching employer and individual needs (and aspirations), it should be **designed around job opportunities** and delivered in ways that maximise access for workless people to up-skill and move into sustainable work. Provision must also be tailored to reflect the particular characteristics of the group of workless people **and** of the ‘destination’ employers and jobs.

The Employability Demonstration Pilots are currently using the Licence to Skill tool. This provides a model for segmenting the groups of people who are workless (and those in work with poor skills) and the broad range of progression and job opportunities. The tool's Employability Template also gives a framework for developing tailored pathways.

Reflecting this approach, we felt it was critical to be able to identify the range of services required for different groups (employers and individuals) and *"what needs to be delivered before and after job entry."*

For this model to work, an **ongoing and important** task is identifying the different types of public investment that can be stitched together to support individuals' employability pathways or 'routeways', and how this is facilitated at Government Department, agency and provider levels.

### **Learning from what works**

There was strong agreement with the participant who pointed out that *"rather than design a system around a 'deficit mode', we should look at what works for the majority."* The idea would be to model an approach for delivery of employability skills and support *"on what works for most in the job market."*

#### *"Front of House"*

We explored what this might look like to workless people wanting move into work. Key design features would include:

- **Clarity** about how the provision on offer is designed to lead to employment or promotion.
- **Linkages** between different types of provision.
- **A virtual campus approach** with a number of different providers providing linked skills provision and relevant support, each playing to their strengths.
- **Learning pathways (or routeways)** that outline the steps, types of training and other support that individuals need to meet their goal
- *"Empowerers: mentors or guides (rather than IAG for adults) that give individuals the necessary information and confidence"* to take the steps they need to achieve their goal.

All of these features figure in the way most people find their way around the employment market and in gaining the skills they need. The difference is that they have the advantage of support from families, friends, and informal networks, confidence, knowledge and skills. Models designed to improve employability need to create similar networks, inspire confidence and provide knowledge and skills.

#### *"Behind the scenes"*

In order for this to happen, Agencies and providers need to work differently behind the scenes. One of the biggest challenges for both Agencies and providers is the need *"to pool sovereignty"*. Without agreeing to share power, objectives and data, it will be difficult to provide the 'front of house' services outlined above.

Naturally, learning to work in this way will take time. Trust needs to be earned and fostered between key stakeholders. But it won't grow in a vacuum. The way forward has to be through exploring *"cross-operational solutions"* and the introduction of *"incentives that will help change behaviour."*

Each time that they put policy into practice, Agencies need to explore whether they are likely to be more successful working cross-operationally than going it alone. They need to agree shared priorities and then *"commission delivery against these priorities, rather than commissioning initiatives."*

Similarly, providers need to consider whether they could achieve more drawing on others' strengths in delivery rather than try and do everything themselves. By acting in this cross-operational way, agencies and providers will be *"installing the hidden wiring"* that connects up virtual campuses and creates path or routeways.

### ***"What do we mean by routeway brokers?"***

At one point someone asked: *"What do we mean by routeway brokers?"* a common term to some, but jargon to others. The explanations revealed that while in general we agreed on what we meant, more work needs to be done to tease out the detail.

We all saw a routeway broker as being the guide and mentor for people wanting to move into, progress in employment or change jobs and requiring help.

For many routeway brokers are *"people already working in jobs that involve helping individuals."* The jobs are many and varied. They could include, for example, probation officers, librarians, GPs, practice nurses, Sure Start workers, volunteers . . . the list is long. The idea is that, on a voluntary basis, individuals would be given training and information so that they could help individuals who need employability training and support. For some this would mean giving them *"a better set of tools"* for the job they are already doing. For others, it may mean doing more than they are expected to do, because **they** want to. Whatever becoming a routeway broker may mean to particular intermediaries, there is a strong view that *"the development of people who are routeway brokers should be **in addition** to a really comprehensive adult information, advice and guidance service."*

While no one was uncomfortable with the concept of routeway brokers, a number felt that this may not be sufficient support for some people. They may require more intensive mentoring and life coaching than a routeway broker may have the skills or time to provide.

Should this mean providing additional resources, perhaps by bringing in life coaches on contract for those who require more? And should this life coaching be included under the umbrella of employability skills? This one of the key issues we felt needs further exploration in the design and delivery of employability training.

### **Building effective relationships: local, regional, national**

As mentioned before, we recognised at the heart of building effective relationships between strategic and operational stakeholders at local, regional and national level is to have a shared understanding and common language to describe the purpose and process of employability programmes. For the purpose of this report we will use the phrase *"employability escalator"* to describe training, employment, training, better/new job process that is Departments, Agencies and providers shared objective.

Having agreed a common language, we felt that the next task is to agree the roles and responsibilities that will be required *"behind the scenes"* to ensure that joint working practices can be developed and, equally important, *"turf wars left behind."*

Taking the description of "employability escalator" as the overall objective, the interventions that make up the escalator and target groups of people they are designed to help should be reflected in Local Authorities' Local

and Multi Area Agreements (LAAs and MAAs). These we recognised as local starting points or priorities for joint action on employability. Indeed, a number of providers felt that they needed to have a *“stronger input to Local Strategic Partnerships”* to raise the profile and champion the importance of employability training delivered through *“operational partnerships of organisations with complementary areas of expertise.”*

It was felt that regional and national stakeholders such as the Government Office for London, London Employment & Skills Board, Learning & Skills Council, London Development Agency, Jobcentre Plus, Working Links, Sector Skills Councils, Departments of Innovation, Universities and Skills and Work and Pensions need to *“have better engagement with the refreshed Local and Multi Area Agreements”* and develop multi-Agency approaches that both support their achievement and provide real incentives for providers to work jointly in providing employability pathways.

A number of priority actions that will help build effective relationships emerged from discussions.

- Gaining sign up and buy in to the scale of ambition and approaches to driving up employability at senior London Skills & Employment Board level, including the development of multi-Agency and provider ways of working.
- Developing through a Multi-agency approach the development of 2006 – 2013 ESF Prospectus focusing on commissioning priorities to meet or exceed the scale of ambition for increasing employability in London over the next 24 months.
- Implementing the City Strategy Pathfinders plans in East and West London boroughs in ways that dovetail with and reflect ‘a London approach’ to improving employability in the Capital whilst, at the same time, play a key role in *“place shaping”* local areas and sub-regions.
- Building understanding about the need for multi-Agency approaches within organisations, and *“challenging practices and attitudes”* that are barriers to the achievement of joint propositions.
- Considering how best to develop a London Diploma to quality assure and kite mark employability skills training in the Capital.
- Leading by example, by signing up to *“an agreed vacancy strategy”* that gives workless people access to jobs within public agencies and organisations. This should include Local Authorities, regional and national bodies and learning and skills providers.

## **Building capacity**

Colleges value the opportunity the Employability Demonstration Pilots and other initiatives afford in helping staff understand what employability training is all about, and its relevance to mainstream programmes of learning. That said, it was pointed out that there is *“a great deal that is already going on in colleges that could be included”* under the banner of employability training. This provision needs to be ‘captured’ alongside the range of initiatives taking place so that its contribution to driving up employability can be included and recognised.

At the same time, it was recognised that funding for the second year of the pilots will provide colleges with the opportunity to *“roll out the approach and embed new practices within the mainstream.”*

There is a keen desire amongst providers involved in the Pilots to share information about experiences and new practices. In particular, providers and Agencies are keen to learn from each other about key issues the Pilots have raised including:

- the *"development of strategic and operational partnerships"* and the links between the two;
- employer targeting and segmenting employer 'markets';
- curriculum development to meet the needs of individuals and employers;
- the recruitment of different groups of workless people;
- the development of a common process for data capture and evaluation that can provide hard evidence of not only the achievement within the Pilots, but of the delivery of employability skills throughout their organisations.

Providers have already organised a workshop on 20<sup>th</sup> July to begin exploring these issues. It is hoped that this session could help in establishing a support network which helps providers to pool their ideas in working through specific issues, and build the capacity for the delivery of employability skills within their organisations.

What is felt strongly is that there is a need for *"staff development across institutions, and within Agencies, to work effectively on the employability agenda"*. There is a strong case for exploring how this might best be supported and achieved.

## **Endnote**

This event demonstrated the commitment in London between Agencies and providers in working to achieve a common objective. In part this is due to the close working relationships that have developed over the last few years. But perhaps it is also because, after an enormous amount of groundwork, London stands to be in the vanguard of an innovative and shared approach to improving employability: not only of workless people, but also the employability of residents in low-skilled work.

And the timing is exciting. What is being trialled and developed is at the heart of the new Department of Innovation, Universities and Skills' remit and Leitch's recommendations. What we need now is *"hard evidence"* that the approach works. The action plan overleaf summarises what needs to happen over the coming months to test bed the approach, and gather hard evidence so that we can influence the way that national as well as regional policies to drive up employability are rolled out.

This is an opportunity to open up London's labour market to those who are excluded or stuck in a low-skilled rut. It is also an opportunity to demonstrate how cross-organisational working can succeed by enabling each organisation to play to its strengths, rather than attempting to cover all bases. Now is the time to begin demonstrating just how effective this approach can be.

**Krysia & Jo Hudek, 17<sup>th</sup> July 2007**

## Composite Action Plan: 2007 – 2008

The composite action plan drawn up below summarises the actions agreed through our discussions and outlined in this report.

<b>Timescale</b>	<b>Task</b>	<b>Taskholders</b>
<i>By Sept 2007</i>	<p><i>Provider network session to share information and explore how to overcome issues</i></p> <p><i>Draft employability evaluation framework put in place</i></p> <p><i>Response to Leitch</i></p> <p><i>Input to employability evaluation framework</i></p> <p><i>Signed off and circulated evaluation framework</i></p> <p><i>Agree common vacancy/recruitment policy within organisations to offer vacancies to employability skills graduates</i></p> <p><i>Agreed tight definition of routeway broker and what should be included under the umbrella of employability training</i></p> <p><i>Segmented the employer market. EDPs identify which segments they are going to target</i></p> <p><i>Identify provision within colleges that falls under the umbrella of employability training</i></p>	<p><i>Providers</i></p> <p><i>LSC, LDA</i></p> <p><i>DIUS</i></p> <p><i>DIUS, DWP, LSC, LDA, key SSCs</i></p> <p><i>LSC, LDA, JC+, LSEB, DIUS, DWP</i></p> <p><i>LSC London, LDA, LAs, Providers</i></p> <p><i>LSC, LDA, JC+, Providers, CSPs</i></p> <p><i>Providers, CSPs</i></p> <p><i>Providers</i></p>
<i>By Dec 2007</i>	<p><i>Agreed shared objective, scale of ambition (Years 1 &amp; 2) and common language to describe objective</i></p> <p><i>Senior support and buy in for multi-agency strategy and approach to driving up employability</i></p> <p><i>Trial evaluation framework in place – including measuring employability provision that is outside of initiatives</i></p> <p><i>Measurable steps taken to share data between agencies to support evaluation framework</i></p> <p><i>Different curricula developed to reflected different job-entry points pre-employment/post-employment and shared</i></p> <p><i>Multi-agency approach adopted to the 2006-13 ESF Prospectus focused on shared priorities and linked to LAAs and MAAs</i></p> <p><i>City Strategy Pathfinders operating</i></p> <p><i>Draft London Diploma shared</i></p> <p><i>Strong input re: employability agenda influencing LSPs</i></p> <p><i>Routeway brokers introduced</i></p>	<p><i>DIUS, DWP, LSC, LDA, JC+, LSEB, CSPs, key SSCs</i></p> <p><i>LSEB, GLA, LSC, LDA, JC+</i></p> <p><i>Providers</i></p> <p><i>LSC, LDA, JC+</i></p> <p><i>Providers</i></p> <p><i>LSEB, LSC, LDA, JC+</i></p> <p><i>CSP Partners</i></p> <p><i>LSEB</i></p> <p><i>Providers</i></p> <p><i>LSC, LDA, JC+, other key stakeholders</i></p>
<i>By March 2008</i>	<p><i>Gathered early hard evidence to shape and support policy for DIUS and DWP (Response to Leitch, including Train to Gain, Skills/Employability Accounts)</i></p>	<p><i>LSEB, LSC, LDA, CSPs, and Providers</i></p>
<i>By July 2008</i>	<p><i>10,000 plus workless individuals (of an ambition of 25,000 by July 2009) in sustainable jobs (3 months plus?). An agreed % in training post employment</i></p>	<p><i>LSEB, LSC, LDA, JC+, CSPs, Providers</i></p>

## Participants

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Jim Lewis	Director Thames Gateway , London, LSC
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Janet Hill	Head of Cross Cutting Division, DWP
Maggie Pulle	Vice Principal, College of North West London
Sue Rimmer	Principal, South Thames College
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