

Item No. 12.	Classification: Open	Date: 21 March 2017	Meeting Name: Cabinet
Report title:		Response to Central London Area Based Review of Skills 2016	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Peter John, Leader of the Council	

FOREWORD – COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL

Giving a young person, in fact anybody, the gift of learning so they go on and excel in life is priceless. I am still humbled when I hear individual stories of success from people who live and work in Southwark. Whether that's the progress of our own apprentices which we celebrated recently as part of national apprenticeship week or one of the 1000 people who've gone through the door of our new construction skills centre or the students who will graduate this year from our stage business programme with the Old Vic. The common theme being that with the right skills and support, and access to opportunities created through regeneration and a strong Southwark economy everyone has the chance to realise their potential.

That's why a strong local economy and giving residents the best start in life is of critical importance for the council. Our schools are among the best in the country and we have above average Key Stage 4 results across Central London. The council continues to invest in the skills and employability of Southwark residents, particularly where they need extra help to get over barriers holding them back from work. Yet there remains a gap in skills provision and the local further education offer still requires improvement. Still too many learners leave the borough to access suitable further education training elsewhere. This is unacceptable.

The Area Based Review was set up by the government to review further education in different regions across the country. It took place in the context of reduced budget with the primary aim to create more financially viable institutions. It remains of significant concern to the council that we have a wealth of local jobs but lack the high quality local FE offer needed to ensure our residents take full advantage. That's partly why I took the opportunity to chair the Central London Steering Group, which met between March and November 2016 and whose comprehensive report we are now presented with.

Our response whilst noting the content and recommendations of the Area Based Review report recognises that for Southwark the review has not yet gone far enough to address the specific concerns the council has with the state of the local FE offer. It proposes that the council continue the work to influence and build a local skills offer that focuses on the needs of all residents, particularly those who wish to follow more vocational routes, our most vulnerable learners, and our employers. It proposes that this ambition is taken forward through the development of a local skills strategy, informed by local need. It seeks to take new opportunities to influence skills planning and spend as part of the devolution of the Adult Skills Budget from 2019/2020 and the development of sub-regional skills and employment boards.

The council's ambition is to work hard with local businesses and other partners to support a high quality FE and skills offer in the borough. As Leader and as London Council's lead skills representative I hope we can now collectively take the review's findings and genuinely reshape, innovate and deliver a local skills offer that's as priceless as the gift it should be giving.

RECOMMENDATIONS

That the Cabinet:

1. Note the recommendations of the Central London Area Based Review of Skills Report (Appendix 2).
2. Note that the council does not support a merger of Lewisham and Southwark College with the Newcastle College Group, as in our view the best interests of Southwark's learners are served by a local solution involving a merger with another London provider.
3. Note that the council will expect the outcomes of college mergers proposed locally to deliver a secure and improved quality offer for Southwark learners especially those with additional needs and support. This will include addressing basic skills provision in literacy and numeracy, working with schools and ensure quality pathways into higher level technical learning and employment, meeting local employer and stakeholder priorities and safeguarding local physical assets and real property.
4. Note the proposals for implementation of the area review through sub-regional skills and employment boards and the proposal to devolve the 19+ Adult Education Budget (circa £400m per annum) to London with the associated funding streams and powers devolved to the GLA from 2019-2020.
5. Agree the council use the opportunity of the devolution of the Adult Education Budget to influence local and regional skills provision, in a way that best serves the needs of Southwark learners and local employers.
6. Agree to the development of a local skills strategy, working alongside further and higher education providers, the council's Business Forum as well as schools to support the delivery of a high quality FE and skills offer in the borough.
7. Agree to a report back to cabinet on progress in summer 2017.

BACKGROUND INFORMATION

8. In the [guidance](#)¹ on area reviews published in March 2016 the government set out the purpose for the Area Based Review process, *to offer high quality provision based on the current and future needs of learners and employers within the local area.*
9. The Department for Business, Innovation and Skills (BIS) and the Department for Education (DfE) are responsible for the area reviews and worked closely with the Greater London Authority (GLA) and London Councils to plan the London review.

¹ [BIS, March 2016 Reviewing post 16 education and training institutions, updated guidance on area reviews](#)

10. Set in the context of 25% budget cuts proposed to the Skills Funding Agency (SFA) in the Spending Review, the Area Based Reviews are designed to deliver:
 - Institutions which are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment
 - An offer that meets each area's educational and economic needs
 - Providers with strong reputations and greater specialisation
 - Sufficient access to high quality and relevant education and training for all
 - Colleges well equipped to respond to the reform and expansion of the apprenticeship programme.
11. The area reviews were essentially designed to enable all colleges to be financially secure for the long term. In his introduction to the above mentioned guidance the Minister of State for Skills made it clear that the Reviews were an opportunity for *post-16 providers to put themselves on a strong footing for the future*. The government has offered to facilitate this with substantial, but time-limited support, which includes restructuring facility funding, and advice and support on implementation.
12. The guidance explained that *once the restructuring is complete no college should be dependent on, or request any additional support from Government*. Instead funding agencies, local areas with devolution powers and Local Enterprise Partnerships are expected to fund institutions that are taking action to ensure they can provide a good quality offer to learners and employers, which is financially sustainable for the long term.
13. In London there is much need for change to a skills system that is not adequately set up to respond to the current and future education and training needs of learners and local employers. In Southwark, local FE college provision has for years been substandard with the current Ofsted reports rating both Lewisham Southwark College and Lambeth College as 'Requires Improvement'. Lambeth College is subject to a financial notice of concern issued by the SFA, Lewisham Southwark College is subject to a notice of concern for both financial health and minimum standards (apprenticeships).
14. In taking a leading role in the Central London Area Based Review the council has therefore been primarily concerned with creating a local *FE offer that meets each area's educational and economic needs*; another key aim of the review but one which has not been fully addressed by the Review.
15. The council has made a concerted effort over the years to address local issues in regards to skills provision and has been advocating for a local solution to quality and sustainability concerns of Lewisham Southwark College in particular. The refresh of the Council Plan further established this ambition stating that the council, *with local business and other partners will make sure our residents are equipped with the skills and knowledge to access the many exciting opportunities that being in Southwark brings and support a high quality FE and skills offer in the borough*.
16. The council has already taking steps to achieve these ambitions by creating the Southwark Construction Skills Centre in partnership with Lendlease, ensuring more local people are trained in construction skills to work in this key sector in the borough. The council has also focused on the local apprenticeship offer,

developing the Apprenticeship Standard for businesses to adopt or work towards, focusing on high quality, secure apprenticeships that pay the London Living Wage and has recently been listed in the Centrica Top 100 Apprenticeship Employer list, the only council in London to make the list.

17. The council continues to work in partnership with London South Bank University and recently committed a £5m growth bid from the capital programme that will fund the redevelopment of the old Passmore Library to develop an Institute of Professional and Technical Learning offering technical and higher level apprenticeships. The council continues to recognise the value of regional collaboration, working alongside Lambeth and Lewisham in the delivery of the Pathways Employment programme and other central London boroughs on construction and employment programmes managed through Central London Forward.

Central London Area Based Review

18. The London review covered 12 local authority areas (Camden, City of London, Westminster, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets and Wandsworth), 46 colleges, including twelve Sixth Form Colleges, 3 special designated institutes and 1 land-based provider. Due to the large number of colleges in London, the London Area Review was divided into four sub-regional reviews. Each sub-region had its own steering group and completed its own review.
19. The Central London steering group, chaired by Councillor Peter John OBE, met on 6 occasions between 17 March 2016 and 4 November 2016, and additional informal meetings also took place to consider and develop options in greater detail.
20. Membership of the Central London steering group comprised each college's chair of governors and principal, representatives from the GLA, CLF and local authorities; 2 business representatives; the FE Commissioner; the Deputy FE Commissioner; the Sixth Form Commissioner, the Regional Schools Commissioner, and representatives from the SFA, the Education Funding Agency (EFA), and the (DfE).

London Priorities for Skills

21. At the start of the review the London Enterprise Panel (LEP) set out priorities for skills provision in central London. These were:
 - Meet the future needs of London's employers, in particular demand for employees with higher level skills in science and maths, construction, ICT and engineering and manufacturing technologies
 - Increase colleges' market share in apprenticeships, including at intermediate level as well as developing progression and a college-backed offer of Level 3 and Level 4 apprenticeships
 - Put in place improved arrangements for dialogue between colleges, employers, and London government, to enable swifter responses to changing demand and any requirement for bespoke provision

- Improve the quality and accessibility of Information Advice and Guidance for students of all ages.

Central London Forward

22. In addition, CLF (a strategic sub-regional partnership of eight central London local authorities: Camden, Islington, Kensington and Chelsea, Lambeth, Southwark, Wandsworth, Westminster and the City of London Corporation) has identified the following priority areas:

- ensuring local access to basic skills training including literacy and numeracy, and English for speakers of other languages (ESOL) provision explicitly geared to helping learners find jobs and wider employability
- development of access routes to higher education including from A level, access courses and level 3 BTECs, to increase opportunities for graduate level employment
- deepening understanding of occupational trends, skills needs and technological developments relating to the 900,000 entry level and intermediate jobs in the review area, and their implications for the post-16 curriculum
- investment in higher learning including introducing greater inter-institutional collaboration, curriculum clusters (either geographically or sectorally) and a differentiated approach to specialisation according to institutions' capability and quality.

23. For Southwark the review has presented an opportunity to further address the long standing need to secure a high quality FE offer in South London for the benefit of Southwark learners and employers. Whilst the review has focused primarily on the financial stability of institutions it has provided a strong framework to deliver a broader range of local improvements through the proposed development of a sub-regional Skills and Employment Board in London to implement the Area Based Review recommendations.

KEY ISSUES FOR CONSIDERATION

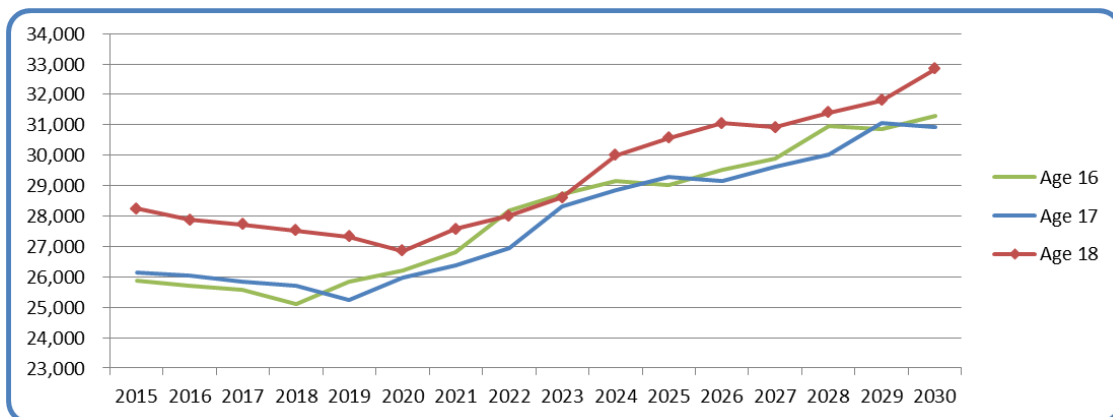
Area Based Review Report

24. The report sets on the demographics of the central London area and presents information on the supply and demand for skills across the region. It provides information of about the college and sixth form offers, their Ofsted ratings and their financial standing. It presents performance information by borough and gives an overview of the apprenticeship and special educational needs and disability (SEND) offers. It presents the key areas for change as discussed at the steering group meetings and makes recommendations for changes, largely concerns with the mergers or non-mergers of the colleges. The following provides a summary of the report content.

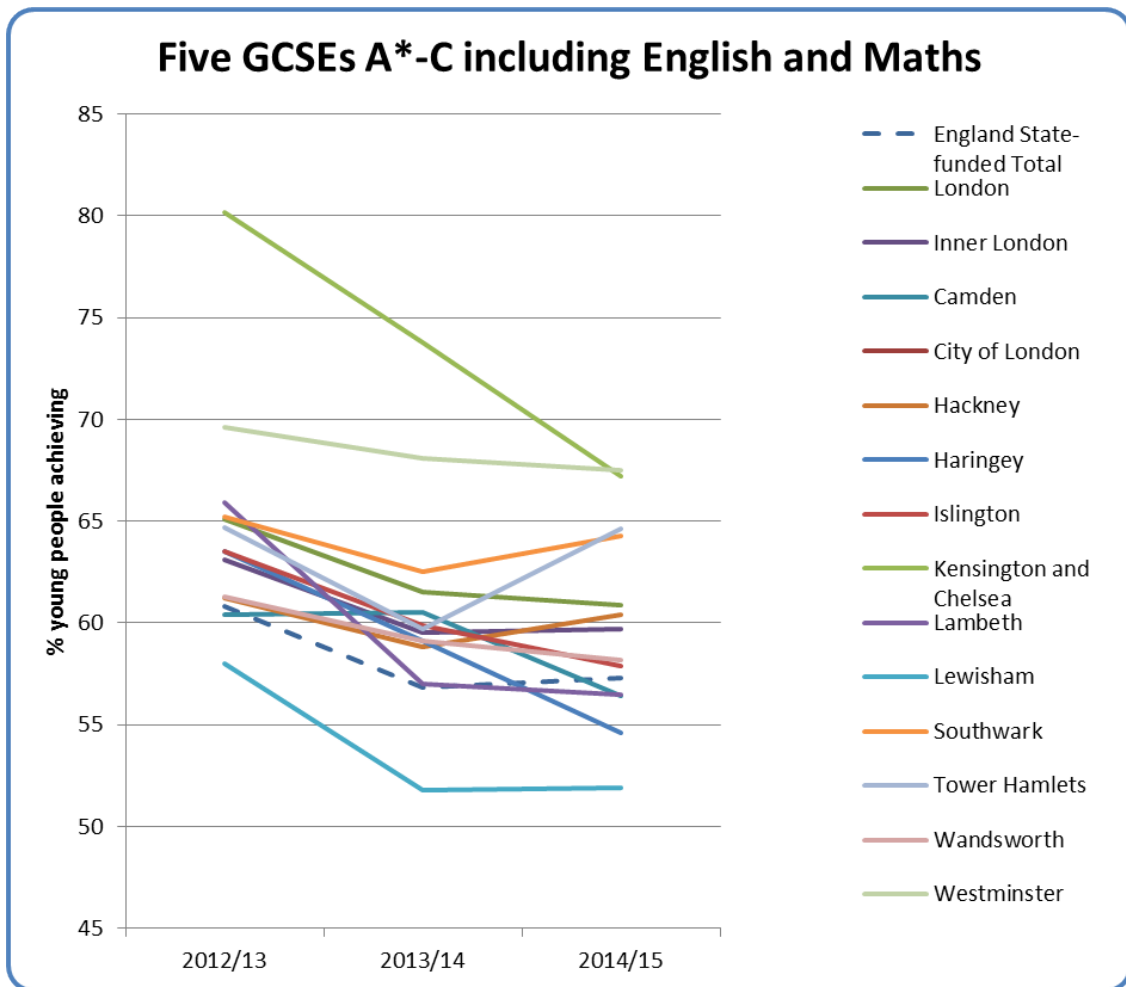
25. **The demographics of central London:** 12.7% more residents with higher education qualifications than the national average, out-of-work benefit claimants comparable with the national average; the gross weekly pay, as recorded for residents and for workplaces, higher in most of the Central London boroughs

than the London and national average.

26. **The patterns for employment growth:** The Central London area is estimated to account for more than half of London's gross value added (GVA) and 12% of the UK's. The industry sectors in the central review area providing the highest share of total employment in London in 2014 were finance and insurance, professional, real estate, scientific and technical activities and information and communication. The other largest industry sectors in the Central boroughs in terms of the number of jobs were accommodation and food services, administrative and support services, and health and social work.
27. **Highest growth** is forecasted in the following sectors, ranked by increase:
- professional, real estate, scientific and technical
 - administration and support
 - health and care
 - ICT
 - accommodation and food service
 - retail
 - construction
 - education
28. **Quantity of learners:** In the Central London review area, the numbers of young people aged 16-19 is in general decline until 2018, after which the number of young people aged 16 is projected to increase. From 2019 the number of young people aged both 16 and 17 are projected to increase and from 2020, the number of young people aged 16-19 are projected to increase again. However, there may be variations within individual boroughs such as Hackney, for example, has had a steadily increasing population of 16-19 year olds.



29. **Performance at key stage 4** in Lewisham was significantly lower than all other boroughs in the review area for the 3 years between 2012 to 2013 to 2014 to 2015. Key stage 4 performance for most boroughs in the Central London review area has remained consistently below the average for London, although Southwark, Westminster and Kensington and Chelsea were higher than the London average between 2012 to 2013 to 2014 to 2015.



Sixth forms

30. There are currently 111 funded schools with sixth-forms in the review area, including 53 local authority maintained, 52 academies, 5 free schools and a university technical college. Most school pupils in the age range 16 to 18 are enrolled on A level courses.
31. Overall funded student numbers in mainstream school sixth-forms increased by 1,860 between 2013 and 2016, with a total of 23,912 young people funded in a mainstream sixth-form setting in 2015 to 2016.
32. The majority of schools with sixth-forms were graded by Ofsted as good or better.

Current offer from colleges

33. **Apprenticeships:** All 10 general further education colleges included in the review offer apprenticeships. The most popular subjects are business administration, health and social care and service enterprises. There is limited apprenticeships delivery in other key high growth sectors such as information and communication technology, leisure, travel and tourism, and education. There is also a very limited offer for higher apprenticeships from general further education colleges.

34. **A-Level provision:** Eight further education colleges deliver A level provision in the Central London review area. Only Lambeth College and College of Haringey, Enfield and North East London do not offer A levels. Of the 8 colleges, City and Islington College, now part of the WKCIC Group, delivers the most A level provision. All 4 sixth-form colleges in the Central London review area offer A levels, of which, Christ the King Sixth Form College delivers the most A Level provision. A range of subjects are offered by both further education colleges and sixth-form colleges for A level provision with the most popular subjects being mathematics, sociology, psychology, business studies, art and design, media studies and history.
35. **Non-A level provision:** A wide range of non A level provision is offered by the colleges, mostly at level 2 and below, with the most popular provision being functional skills, employability skills and ESOL. However, there is still a widespread offer of provision at level 3 and above including access to higher education. Each of the colleges offers some provision at level 4+.
36. **Technical provision:** All ten further education colleges, four sixth form colleges and the three specialist designated institutions in the review area also deliver technical provision in the review area. Of the further education colleges, City and Islington College delivers the most technical provision. St Charles Sixth Form College delivers the least technical provision from all of the colleges within scope of the area review.

See **Appendix 1** for details of the quality of provision and financial sustainability of colleges.

Progression to higher education

37. Progression of young people to higher education across London is the highest of all regions in England (greater than 38.1%) compared to a national progress rate of 32.6% for the United Kingdom². All of the boroughs in the Central London review area have a higher rate of progression of young people to higher education than the national average except for Haringey. The majority of the boroughs in the Central London review area have in excess of 40% progression rate of young people progressing into higher education.

Provision for students with SEND and high needs³

38. In 2015 to 2016, the EFA funded 1,080 post-16 places across the 12 local authorities in colleges, special schools and specialist post 16 institutions. Colleges delivered 997 funded places between them. The colleges delivering the highest numbers of funded places were Lewisham Southwark College, Lambeth College, Tower Hamlets College, and The College of Haringey, Enfield and North East London.
39. During the London reviews, representatives nominated by each of the 4 sub-regional steering groups came together to discuss SEND and high needs provision. Group members agreed that examples of good practice in planning, commissioning and delivery of services to SEND and high needs learners existed across London, but that there was potential to improve efficiency and

² Derived from HEFCE POLAR 3 – see data annex: Higher education progression

quality through a wider, collegiate approach, including schools, private and community services and, ideally, health and employment services.

Apprenticeships and apprenticeship providers

40. In 2014 to 2015, there were 12,820 apprenticeship starts delivered by providers based in the Central London area review area⁴. Overall, the most popular frameworks were business, administration and law (36% of all starts), health, public services and care (25% of all starts) and retail and commercial enterprise (17% of all starts).
41. The colleges in the Central London review area delivered between them 8,690 apprenticeship starts in 2014 to 2015. Of these starts, 58% were for intermediate level and 41% for advanced level. There was a total of 280 higher level apprenticeship starts delivered by the colleges during the same period. The largest contributors of higher level apprenticeship starts were Lewisham Southwark College, The College of Haringey, Enfield and North East London and City of Westminster College.
42. Forty-three independent training providers were funded to deliver apprenticeships within the 12 local authority boroughs in the review area. Between them, these providers delivered 16,800 apprenticeship starts in 2014 to 2015. This pattern may change in 2017, with the introduction of the apprenticeship levy⁵.

Key areas for change

43. The key issues in relation to the review, and deliberated during the Central London Steering Group meetings, were:
 - ensuring the colleges are financially viable for the future and to identify and commit to solutions to deliver greater financial resilience and improvement in the college estates
 - identifying a solution on the viability of all colleges, responding in particular to the weaker financial position at Lambeth College and at Lewisham Southwark College, and to the quality issues identified by Ofsted at those colleges, as well as at the 3 colleges in the area rated as requiring improvement by Ofsted (Kensington and Chelsea College, South Thames College and The Brooke House Sixth Form College)
 - ensuring the colleges' curriculum offer meets both the needs of their local community and London's skills priorities
 - increasing the colleges' delivery of apprenticeships, ensuring strategies take account of the potential impact and opportunities from the levy, and considering opportunities for collaborative working, including apprenticeship companies
 - agreeing a strategy for specialisation and minimising duplication between colleges' curriculum offer, building on current centres of technical excellence and preserving a locally accessible offer of learning up to level 2, across the review area
 - sustaining and strengthening the offer of accessible SEND provision, across the review area.

⁴ Numbers of apprenticeships by provider and LA – see data annex: Apprenticeships

⁵ 'Apprenticeship levy and how it will work' on gov.uk

Southwark's position

44. Southwark is job-rich, with more opportunities to work and build a career in a wider range of roles and sectors than ever before, and generates a huge number of job opportunities both at entry level and for more highly skilled applicants. Employment is a key strategic priority for the council in order to continue to build strong local economy.
45. The council's Economic Wellbeing Strategy aims to ensure Southwark residents have secure employment and the skills to progress beyond entry-level or insecure, low-paid work and secure jobs that suit them and ensure that very young person is inspired at school and college and is job-ready when they enter the labour market.
46. The council will continue to increase engagement with employers, schools, colleges, and other skills providers to promote a better understanding of how study and training leads to jobs. We will also respond to the changing nature of the economy and young people's increasing interest in self-employment and starting up their own business.
47. The council will also raise the profile of older people's relationship with the labour market and explore links to adult skills, the voluntary and community sector and wider council services, enabling all to share in the wealth and opportunities available to Southwark residents.
48. Ensuring local people have the skills to access the range of employment opportunities remains a challenge, locally and regionally. Local provision is poor and the majority of Southwark learners are forced to study outside of the borough to receive better quality provision that meets their needs and aspirations. The latest London CCIS data (May 2016) identifies Southwark as being within the top 5 London boroughs to 'export' learners with 71% of residents learners aged 16-18 travelling outside of the borough to study.
49. Despite considerable improvements in local school performance over the years, the general lack of local, good quality FE provision remains a concern for the council and employers.
50. Southwark is in a strong position to steer, influence and deliver on the skills agenda. Of principal interest is Southwark's engagement with businesses in emerging and innovative sectors such as technology and science, media and communications, and creative industries. The council's work with larger employers and universities, colleges and schools to enable our current and future business owners and workforce to thrive in the 21st century will be key.
51. The renewal and transformation of the local FE offer to learners is crucial to the delivery of this ambition, whether that is about delivering a guarantee for 18 year olds to have access to employment, education or training or creating 5,000 more jobs and 2,000 apprenticeships for our residents. It is also essential to big local employers like PWC, Guy's and St Thomas' and Lendlease, who have described their desire to work alongside the council, to better match local skills needs with the offer available.
52. For Southwark the Area Based Review has provided a further platform to raise concerns about the quality of local FE provision and the focus on finding a

solution to the weaker financial positions of Lewisham Southwark College and Lambeth College and the quality issues identified by Ofsted are welcomed. It has given less attention to the needs and outcomes of vulnerable learners; those with learning in difficulties and disabilities, those with mental health issues and young people in care and care leavers for example. The council and partners will seek to address through the development of a local skills strategy.

53. The council has made a submission to the FE Commissioner to advocate for a local skills offer that is more aligned to employer needs and that focuses on collaboration to create a local curriculum that is more fit for purpose and able to meet the needs of residents and businesses.
54. As such, it has made it clear that it does not support the current favoured position of the board at Lewisham Southwark College to merge with Newcastle College Group (NCG). As noted in the Area Based Review of Skills report borough representatives (from Lewisham and Southwark) emphasised their continuing and strong preference for a merger with another London provider, and from Lewisham and Southwark boroughs, their opposition to the NCG proposal. Representatives from Lewisham Southwark College and Lambeth College confirmed that they would ensure their corporation boards took full account of stakeholders' views in making their decision.
55. The council is of the view that the best interests of Southwark learners are served by a local solution, involving a merger with another London provider. Alternative options considered through and alongside the review process included a merger between Lewisham and Southwark with Lambeth College and London South Bank University as well the option to merge for Lewisham and Southwark to merge with City of Westminster College. An opportunity has been lost in not taking such options forward.
56. Moving forward, whatever the outcomes of local college mergers, the council will continue to act in the best interests of Southwark's residents. This will mean working to ensure local FE providers deliver a secure and improved quality offer for Southwark learners especially those with additional needs and support. This will include addressing basic skills provision in literacy and numeracy, working with schools and ensure quality pathways into higher level technical learning and employment, meeting local employer and stakeholder priorities and safeguarding local physical assets.

Devolution and changes to the skills system

57. As reported recently by Central London Forward, the skills system has failed to keep up with the changing nature of employer demand and grow the skills that London's businesses need. The mismatch is a symptom of a system that is too complex and insufficiently responsive to the needs of businesses and the local economy.
58. In response to this problem, the Government has launched major reforms of the skills system over the next four years. The objective of these reforms is to create a high quality, employer-led technical education route that has parity with academic education. Under this new system, learners will be able to opt for a technical education after 16 through either college based or employment based (apprenticeships) training. Technical training will be targeted at a range of occupations grouped under 15 sector 'routes'. Rather than the current market based approach to qualifications (in which different awarding bodies compete to

offer qualifications), there will be one approved technical level qualification for each occupation within a route.

59. The curriculum for each qualification will include a 'common core' (English, maths and digital), transferable work-place skills (e.g. communications, teamwork) and specialist skills tailored to the occupation. Employers will have a critical role to play in this new system in setting the standards and specifying the specific skills individuals will need to get on in the occupation.
60. Within the context of these wider reforms, the government will transfer control over the Adult Education Budget to London from 2019/2020. The Central London sub-region will develop a 'Skills and Employment Board' charged with developing a sub-regional skills strategy to identify skills priorities. This work will feed into the London-wide skills strategy and provide a strategic framework for borough-based engagement with FE and other skills providers. The board will also oversee wider engagement and collaborative working with skills providers and employers.
61. Taken together, the devolution of the Adult Education Budget and the development of a sub-regional Skills and Employment Board present a significant opportunity for Southwark to have greater influence over local and regional provision that is in the best interests of Southwark learners. See appendix 3 for details of the key proposed responsibilities of the Board.

Next Steps

62. In line with the council's continued ambition to improve the skills offer it is currently undertaking an Overview and Scrutiny Committee (OSC) review of FE and skills. In addition to identifying best practice from other Local Authorities, this review is exploring resident and employer experiences of FE and college plans for improvement. OSC plan to present a final report in spring 2017.
63. The council will formally report on the Lewisham Southwark College merger when this is finalised, challenging the college to meet the council's aims in regards to skills provision.
64. A local skills strategy will be developed within the context of the delivery of the Economic Wellbeing Strategy, the Children and Young People's Plan and the Children in Care and Care Leavers Plan to take forward councils continued ambition to create an offer that meets Southwark's educational and economic needs.
65. The council will continue to build on positive outcomes achieved through cross-borough collaboration on the design and delivery of employment programmes to develop a more strategic approach to skills delivery.
66. This will be achieved within the wider governance of Central London Forward's Skills and Employment Boards where is a substantial role for London boroughs to deliver a reformed skills system.
67. London government (the GLA & London Councils) has been pursuing devolution of skills funding (approximately £400m) and powers since its submission to Spending Review 2015. In the last Autumn Statement it was agreed that this funding would be devolved in 2019/2020. The council will continue to work alongside Central London Forward within the new governance structure for the

delivery of skills and ensure funding is effectively utilised to meet the education and training needs of learners and residents, including the most vulnerable, in Southwark and in Central London.

Policy implications

68. The Government confirmed in the Autumn Statement that it will devolve the 19+ Adult Education Budget to London (approx. £400 million/annum). It is expected that the funding will be devolved to the GLA in 2019/2020.
69. London government's stated objectives for a devolved skills system are to:
- Boost economic growth and employment, and reduce welfare dependency, by focusing investment in skills that will increase productivity and progression into and within work;
 - Increase the efficiency and effectiveness of public sector skills investment by bringing budgets and powers closer to the point of use – focusing on better demand information, clearly articulating London's skills demands and priorities and getting greater investment from learners and employers, particularly for higher level skills;
 - Creating a responsive skills system that meets the needs of Londoners and London's businesses and can adapt rapidly to the very unique needs of London's economy;
 - Support the most disadvantaged and deliver a cost effective, innovative and adaptive adult learning offer that works locally with partners, and integrates with other local services to respond to local social and employment issues.
70. These objectives are particularly important in the context of Brexit as London looks for ways to sustain high levels of growth and ensure that changes in immigration policy have no impact on the supply of skilled labour in the capital. Given that the capital is a high skill economy, with a reliance on flows of international labour to meet its skills demand particularly in important sectors such as finance and construction, London needs to use greater control of parts of the skills system to ensure that we can meet the future skills needs of our economy.

Community impact statement

71. A core aim of the Economic Wellbeing Strategy is to identify what actions the council and partners can take to build on the high employment rate and growing number of businesses to ensure all sections of the community benefits from the opportunities available in Southwark. The council wants all residents to have the skills they need to participate in the economy in Southwark which is job and business-rich, and achieve financial independence and wellbeing.
72. In delivering the Economic Wellbeing Strategy and any future skills improvement strategies, the council will focus attention on the needs of protected characteristics groups, in line with the council's published Equalities Approach. Due regard will be paid to the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010, specifically to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance

equality of opportunity (though providing the means to engage in the labour market and improve socio-economic outcomes and wellbeing); and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics specifically supported through this provision are age, disability, race and gender.

73. Those with disabilities are underrepresented in the labour market and the council aims to reduce the disparity between the employment rate between disabled and non-disabled residents. It aims to ensure that young people with SEND, learning difficulties, mental health issues and those who have been in council care are more able to take advantage of apprenticeships and supported internships to build their skills and readiness for the labour market and independent living.
74. Those for whom English is not their first language, ESOL (English for Speakers of Other Languages) skills provision is in high demand locally and that skills deficit in this area can leave people disadvantaged in the labour market. This is an issue to be addressed at a London wide and local level.
75. The council supports the Living Wage as set by the Living Wage Foundation as a principal way to counter the threat of poverty, and the importance of growing skills and wages in the borough. It supports in-work progression and aims to support residents to up-skill and develop their careers.

Financial implications

76. There are no financial implications arising from this report.

Legal implications

77. See paragraphs 80-87 below.

Consultation

78. A range of external and internal stakeholders have been consulted during the process of refreshing the economic wellbeing strategy. Formal consultation has taken place at two key stages. Firstly initial research in September 2016, to group achievements against the original strategic aims, consideration of new strategic trends and thinking, and the format and presentation of ambitions and planned actions. Secondly, consultation on the strategy draft was held in October and November 2016, in writing and through face to face meetings including with the Business Forum and targeted discussions with council services including colleagues in Children's and Adult's Services.
79. The proposed development of a new local skills strategy allows for further consultation to take place with local FE and Adult Community Learning providers and the Business Forum.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

80. Cabinet is being asked to note the outcome and proposals arising from the Central London Area Based Review of Skills and the devolution of 19+ Adult Education Budget to the GLA from 2019/2020, as described in the report. Cabinet is asked to agree to the development of a local skills strategy and for a progress report to

be brought back to cabinet in the summer of 2017.

81. The council is subject to a number of duties relating to post-16 education. The Education Act 1996 ("the 1996 Act") requires the council to secure that enough suitable education and training (which may include apprenticeship training), in or outside of its area, is provided to meet the reasonable needs of young people in Southwark who are over compulsory school age but under 19, and also young people aged 19 or over with SEND for whom an "education, health and care plan" is maintained. Local authorities subject to this duty must cooperate with one another, and with regard to apprenticeship training they must also cooperate with the Secretary of State.
82. In determining what is "suitable", the council must have regard in particular to young people's ages, abilities and aptitudes; any learning difficulties or disabilities they may have; the quality of the education or training; and the locations and times at which the education or training is provided.
83. The council must also act with a view to encouraging diversity in the education and training available and promote choice and take account of education and training that might reasonably be secured by other persons.
84. The council is further required by the 1996 Act to encourage participation in education and training by young people described above, and encourage employers to participate in the provision of education and training for them. The Education and Skills Act 2008 requires young people aged between 16 and 18 and who have not obtained a level 3 qualification to participate in education or training. The 1996 Act requires the council to act with a view to enabling these young people to participate.
85. The council also has a power to secure the provision in its area of full-time or part-time education suitable to the requirements of persons aged 19 and over. "Education" would include training (including vocational, social, physical and recreational training) and of organised leisure time occupation.
86. As such, the preparation and adoption of a strategy which is incidental to the council's functions in this area is something the council has a power to do. The decision to approve the development of a strategy that, as the report indicates, cuts across a number of cabinet member portfolios, can be properly taken by cabinet, in accordance with the council's constitution.
87. Cabinet is reminded that in the exercise of any of its functions, the council is subject to the public sector equality duty, in section 149 Equality Act 2010, and attention is drawn to the community impact statement section of the report for information about the regard given to the objectives described in section 149.

Strategic Director of Finance and Governance (FC16/039)

88. The strategic director of finance and governance notes the recommendations in response to Central London Area Based Review of Skills 2016 and that no financial implications arise from these.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
DfE Central London Area Based Review Report	5 th Floor, Hub 4, 160 Tooley Street, London SE1 2QH	Elaine Gunn 020 7525 5479 Elaine.gunn@southwark.gov.uk
Link: https://www.gov.uk/government/publications/central-london-further-education-area-review-report		
Economic Wellbeing Strategy	5 th Floor, Hub 4, 160 Tooley Street, London SE1 2QH	Elaine Gunn 020 7525 5479 Elaine.gunn@southwark.gov.uk
Link: http://www.2.southwark.gov.uk/downloads/download/3275/economic_wellbeing_strategy		

APPENDICES

No.	Title
Appendix 1	Quality of provision and financial sustainability of colleges
Appendix 2	Recommendation from the Central London Area Based Review
Appendix 3	Sub-regional Skills and Employment Board - proposed areas of responsibility

AUDIT TRAIL

Cabinet Member	Councillor Peter John, Leader of the Council		
Lead Officer	Nina Dohel, Director of Education Stephen Gaskell, Head of Chief Executive’s Office		
Report Author	Elaine Gunn, Principal Strategy Officer		
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CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments Included	
Director of Law and Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Cabinet Member	Yes	Yes	
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