

Supported by:

J.P.Morgan



Education, skills and employment in East London: an ecosystem analysis

ELVET Programme Research Briefing 1

Ann Hodgson and Ken Spours with Julia Jeanes, David Smith, Mary Vine-Morris, Riikka Vihriala, Julia Bollam, Lisa Coles, Michaela Harris and Tayebbeh Kazempour

Contents

Executive summary

Part 1. Introduction

Part 2. London's economic and social profile and the governance responses

London as a 'nested ecological system'
London as economic powerhouse and 'supernova city'
London's labour market
Skills shortages and gaps
Employers and young people
Economic summary
London's social profile
The Mayor's vision for London

Part 3. East London's social and economic profile

East London – a sub-region on the move
Three places in the East – Near, Middle and Far
A more polycentric London - City in the East
Borough responses – Hackney, Tower Hamlets, Newham and Barking and Dagenham
Discussion

Part 4. Education, skills and employment challenges

Introduction
General education - too much academic provision, institutional competition and poor post-16 performance
Technical and vocational education and training – an under-developed system
The impact of national policy
Skills challenges facing London's further education colleges

Part 5. The ELVET Innovation Projects

Introduction
Hackney Community College Campus
Tower Hamlets College
Newham College
Barking and Dagenham College
Discussion

Part 6. Towards an ecosystem analysis of London and East London

Introduction
A multi-level 'nested ecological system'
Implications for ELVET
London's Low Skills Equilibrium
Implications for ELVET
Creating an East London High Progression and Skills Ecosystem (HPSE)
Implications for ELVET
Summary

References

Executive summary

Introduction

This paper aims to describe and conceptualise the socio-economic context within which the *East London Vocational Education and Training: Innovation Through Partnership (ELVET)* Programme operates. This two-year programme¹, launched in September 2016, is led by UCL Institute of Education (IOE) in partnership with the Association of Colleges (AoC) London, involves four lead colleges and is funded by the JP Morgan Foundation.

The ELVET Programme aims to:

- Facilitate access to training and employment in the digital, creative and health and social care sectors in East London, particularly for people from low-income backgrounds.
- Develop strategic and sustainable relationships between East London colleges and employers, resulting in more employer need and learner demand-led provision and aligned with the regional government's skills priorities.
- Improve learning, employment and apprenticeship outcomes and progression pathways into and within work, thereby creating high skills ecosystems in East London and beyond.

The Programme thus requires an understanding of three key inter-connected factors: the East London (and wider London) labour market, the socio-economic dynamics within East London and the nature of its education and training system.

London as a 'supernova city'

London is no longer an English city but a global one. It is enormously wealthy producing twice as much per capita compared to the rest of the UK, but is highly divided economically and socially and becoming more so. As a global city like others worldwide it is growing rapidly, but it is in danger of collapsing under its own weight due to 'supernova' characteristics – high concentrations of employment in its financialised centre; expensive housing that most cannot afford and increased dependency on transport systems that are becoming more and more unreliable and increasingly expensive. The prevailing trajectory is one in which skilled workers who are needed to support London's services will be tempted to seek opportunities in other parts of the country where it is possible to live much more comfortably. Conversely, more deprived residents in London remain locked out of its labour market and excluded from many of the benefits of a vibrant global city.

The rise of London regional government

Alongside these developments there has been the rebirth of regional government. London's Mayoral role is important, as is that of City Hall. Moreover, there is a government devolution agenda and the Mayor is seeking to repatriate an increasing array of powers, not only in relation to education and training, but also transport. Despite these positive developments, the powers of local government are not equal to those of the market and the municipal 'rebalancing' of London has to work in close partnership with the private sector. There is, therefore, a renewed effort to shape these elemental forces and, in doing so, to reconceptualise London. A major project that arose under the previous mayor, Boris Johnson, is that of the 'Cities in East and West', which are creating major hubs of economic and social activities (jobs and houses) stretching out in different directions.

¹ <https://www.ucl.ac.uk/ioe/news-events/news-pub/oct-2016/ucl-institute-of-education-leads-new-partnership-to-boost-training-and-employment-opportunities-in-east-london>

As part of this, there is the perception that through the combined effects of market forces and municipal steering, London is moving strongly eastwards because of the available brownfield site spaces in which to expand.

A new polycentric London?

It is thus possible to see the emergence of a more polycentric global city, with smaller and geographically distributed economic, technological and social ecosystems nested within the capital as a whole and linked through an increasingly sophisticated transport system involving projects such as Crossrail. Privately driven economic and technological ‘niche ecosystems’ such as ‘Fintech’ (financial and technical services) have been rapidly evolving within and around the City. However, ‘social ecosystems’ that are designed to benefit a wide range of social partners at the local and regional levels will involve the connection and reciprocal actions of a range of economic, social, educational and infrastructure factors and a diverse range of enterprises. These type of systems, it has been suggested, need to be constructed, nurtured and led by a new alliance of private and public effort (Hodgson and Spours, 2016).

London is moving East

London is on the move. It is growing, moving outwards and eastwards and has the beginnings of a more polycentric pattern of social and economic activity. Left to the market, however, the move eastwards could continue to be radial with development largely determined by the ripple of housing prices rather than by balanced economic, social, and environmental development. A close look at London’s eastern sub-region suggests not one area but three - ‘Near East’, ‘Middle East’ and ‘Far East’, as described in this paper. The key driver here has been the proximity to the financial concentrations around the City and Docklands. This is still part of the ‘supernova logic’. At the same time, however, it is clear from local borough strategies that Councils seek to create more balanced and integrated forms of development around economic/transport and housing hubs that could be seen to represent the emergence of a ‘polycentric logic’.

Understanding the challenges of education and training in the wider London context

It is important to see the role of education and training within this wider economic, social and spatial context. London’s educational record is highly paradoxical. On the one hand, there are areas of high performance, particularly pre-16. These are, of course, mirrored by areas of under-performance in more deprived areas. But even here, London performs better than the national average in terms of the examination success of pupils eligible for free school meals, due in the main to the successes of London Challenge in the early 2000s (Tomlinson, 2013). But it is at 16+ where the problems of attainment and progression really start to surface. Post-16 examination performance in London has been relatively poor compared to other regions of the country and the technical and vocational education system, including apprenticeships, is under-developed mainly due to the non-industrial nature of the London economy and the ease with which London businesses can attract transient well educated labour from other parts of the UK and beyond. London produces thousands of new jobs each year but too few of these, and particularly those that are well paid, go to local populations. These challenges are likely to get worse due to funding cuts in education and teacher shortages that threaten any further improvement in more deprived areas.

FE colleges and their localities

FE colleges play a key role in post-16 education and training and many have a strong commitment to their local area, often providing cost-effective provision for those not served by schools, universities or employers. Colleges are now going through the biggest round of reorganisation since Incorporation as part of the Post-16 Area-Based Reviews (HM Government, 2015) and two of the four ELVET colleges – Hackney and Tower Hamlets - have merged and will merge again with Redbridge. Newham and Barking and Dagenham will remain single independent entities, but will

forge closer partnerships with other education and training providers. All four colleges are deeply committed to their localities and serving their communities even though their specialisms attract learners from further afield. In addition, the colleges are required to respond to significant changes and reforms in technical and vocational education and training, in particular through apprenticeship reform and the introduction of fifteen technical routes and their related curriculum and qualification changes.

At the same time, however, the majority of FE colleges do not, since Incorporation in 1992, have a history of close relationships with their respective local authorities – Incorporation was an act of divorce with local government. Some have developed stronger relationships than others and the emerging analysis on London suggests that colleges could benefit from moving more strongly in this direction in order to become active shapers of the polycentric logic and part of the wider alliance between education, employers and local and regional government that could lead to social ecosystem building.

The ELVET case-study projects

From their Project statements, thus far, the four ELVET Innovation Projects (IPs) are focused on helping local learners to gain access to developing economic sectors, for example, in the digital and cultural industries that so far have depended on educated labour beyond the locality. The IPs also seek to promote new ways of working in the care sector through the use of assistive technologies and to help employers to engage with education and training in more effective ways. Nevertheless, the ELVET projects are pitted against powerful macro forces emanating from national policy (e.g. funding constraints, qualifications reform and Ofsted inspection) as well as the marketised and competitive London factors that have thus far tended to relegate colleges largely to playing a remedial role for populations left behind. One of the challenges for the ELVET Project is to examine how colleges can effectively mediate these dominant factors to build active working alliances with employers that bring about positive changes in the behaviours of all parties. However, this is a task that goes well beyond the power of individual colleges. So, in addition, given the power of the market forces driving London, a key aim is to look at how these college-based initiatives can be linked to strategies in local government and wider civil society that work for a fairer and more sustainable future in the capital.

A provisional ecosystem analysis of the ELVET Programme

This first project paper concludes with provisional ways of conceptualising the ELVET Programme through three dimensions of ecosystem analysis:

1. *An ecological nested system* - seeing the ELVET Projects as part of a nested ecological system that moves from micro to macro scales linking the dynamics of the Projects to wider enabling and inhibiting forces.
2. *London as a particular version of the 'Low Skills Equilibrium'* – highlighting powerful developmental forces, tensions and contradictions within London's economy and social infrastructure that interact with its education and training arrangements to form a particular type of Low Skills Equilibrium within which large companies, often in the financial sector, import talent and side-line local populations. In doing so, they keep London's vocational education and skills 'system' in an under-developed condition.
3. *Developing local and sub-regional progression and skills ecosystems* – how the ELVET Programme might contribute to a positive ecosystem dynamic that links colleges,

employers, local and regional government and wider civil society partners together to support the 'polycentric logic' for London and to engage those populations that are currently marginalised.

These three conceptual frameworks provide not only new ways of seeing and understanding the ELVET Programme as a whole but also raise questions about how the Innovation Projects develop, which partners need to be involved and at what level, how partnerships are established and maintained, what role the Research Team might play in the evolution of the Programme and the key themes to be researched and evaluated. Seen in this way the scope of the ELVET Programme as a whole is ambitious and has to go well beyond the outcomes of each of the individual Innovation Projects, important though these are. This is the challenge that the paper throws down to all those involved.

Introduction

This paper aims to describe and conceptualise the socio-economic context within which the *East London Vocational Education and Training: Innovation Through Partnership (ELVET)* Programme operates. This two-year programme², launched in September 2016, is led by UCL Institute of Education (IOE), involves four lead colleges and is funded by the JP Morgan Foundation.

The ELVET Programme aims to:

- Facilitate access to training and employment in the digital, creative and health and social care sectors in East London, particularly for people from low-income backgrounds;
- Develop strategic and sustainable relationships between East London colleges and employers, resulting in more employer need and learner demand-led provision and aligned with the regional government's skills priorities;
- Improve learning, employment and apprenticeship outcomes and progression pathways into and within work, thereby creating high skills ecosystems in East London and beyond.

The Programme thus requires an understanding of three key inter-connected factors: the East London (and wider London) labour market, the socio-economic dynamics within East London (and the Capital as a whole) and the nature of its education and training system.

Section 1. examines London's economic and social profile from a number of perspectives;
Section 2. plays a similar role in relation to East London;
Section 3. highlights London's education, skills and employment challenges;
Section 4. outlines the key features of the four ELVET Innovation Projects;
Section 5. provides an ecosystem analysis of London and East London, raising some questions and challenges for the ELVET Programme going forward.

² <https://www.ucl.ac.uk/ioe/news-events/news-pub/oct-2016/ucl-institute-of-education-leads-new-partnership-to-boost-training-and-employment-opportunities-in-east-london>

Part 1. London's economic and social profile and governance responses

London as a 'nested ecological system'

The sheer scale of London, equivalent in population terms to no fewer than 20 other major UK cities at 8.674 million (see Figure 1), makes it difficult to envisage the capital functioning as a single urban ecosystem. It is simply both too big, complex and porous at the edges. Instead, it may be more helpful to conceptualise London as a 'nested ecological system' in which the macro city regional landscape contains many local employment, social and skills ecologies that exist in various conditions of 'health'. The concept of a nested ecological system, how economic, social and skills ecosystems might develop and the role of education and training within them, is explored in the final section of the paper.

Figure 1. London is very big (Time Out, 2016)

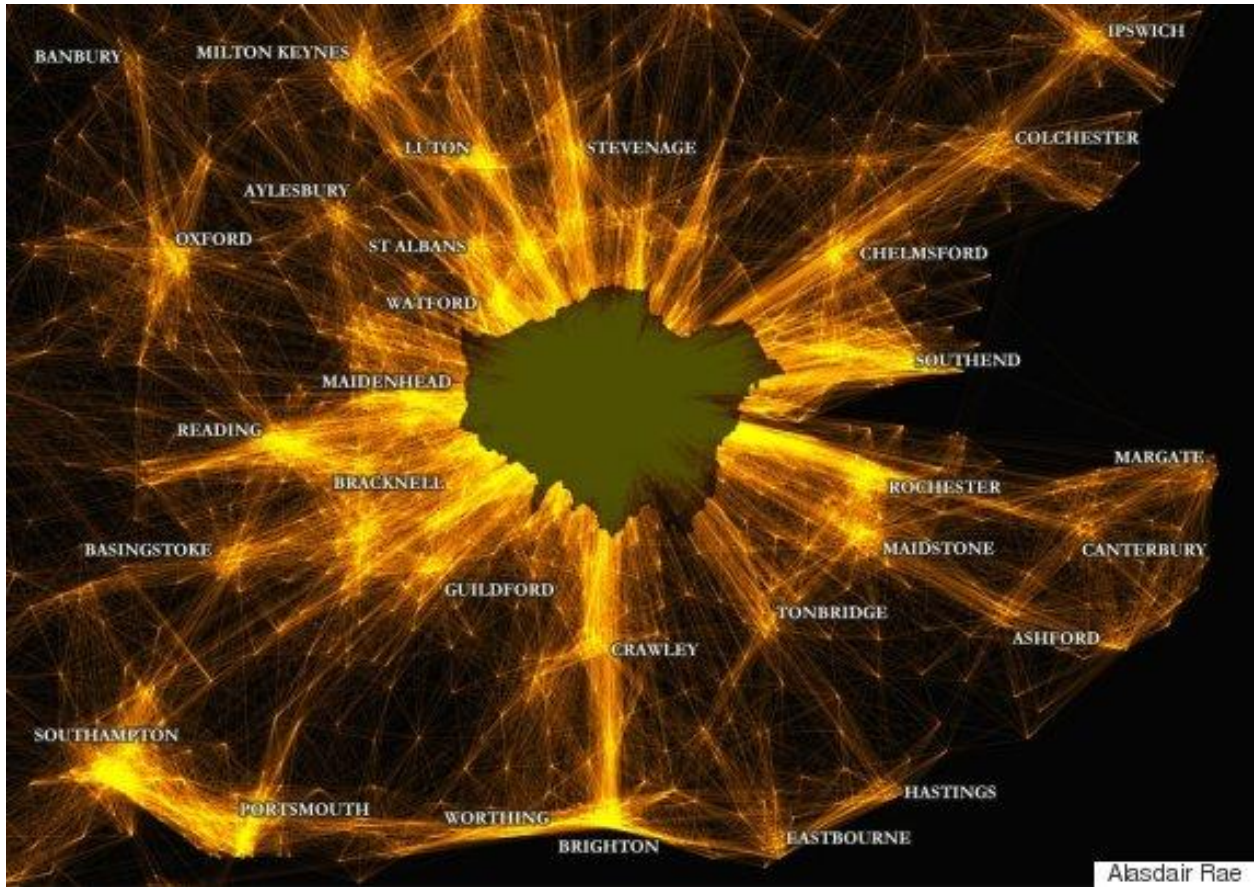


London as economic powerhouse and 'supernova city'

London is the UK's economic powerhouse and its rising economic profile essentially reflects the financialisation of the national economy. Specializing in high value business services (e.g. financial and insurance), London has been increasingly connected to expanding international economic developments over the past 30 years, during what might be termed the era of globalisation. Over the same period, however, there has been a decline in manufacturing and certain lower level white collar jobs are projected to reduce further by 2036 as the result of automation (Deloitte, 2014).

Higher pay in Central London and plentiful transport links mean that employers can attract people from all over London and the wider South East so there are intense travel-to-work patterns (see Figure 2). This concentration in central London relies on other parts of the Capital for support, particularly public services (e.g. education, health, retail), to meet the needs of a growing population on the move. As Rae (2016) points out, however, 'supernova' London is also linked to more minor supernovae across the South East of England and cannot be seen in isolation from its wider inter-dependent relations.

Figure 2. London as 'the supernova city' (travel to work patterns)



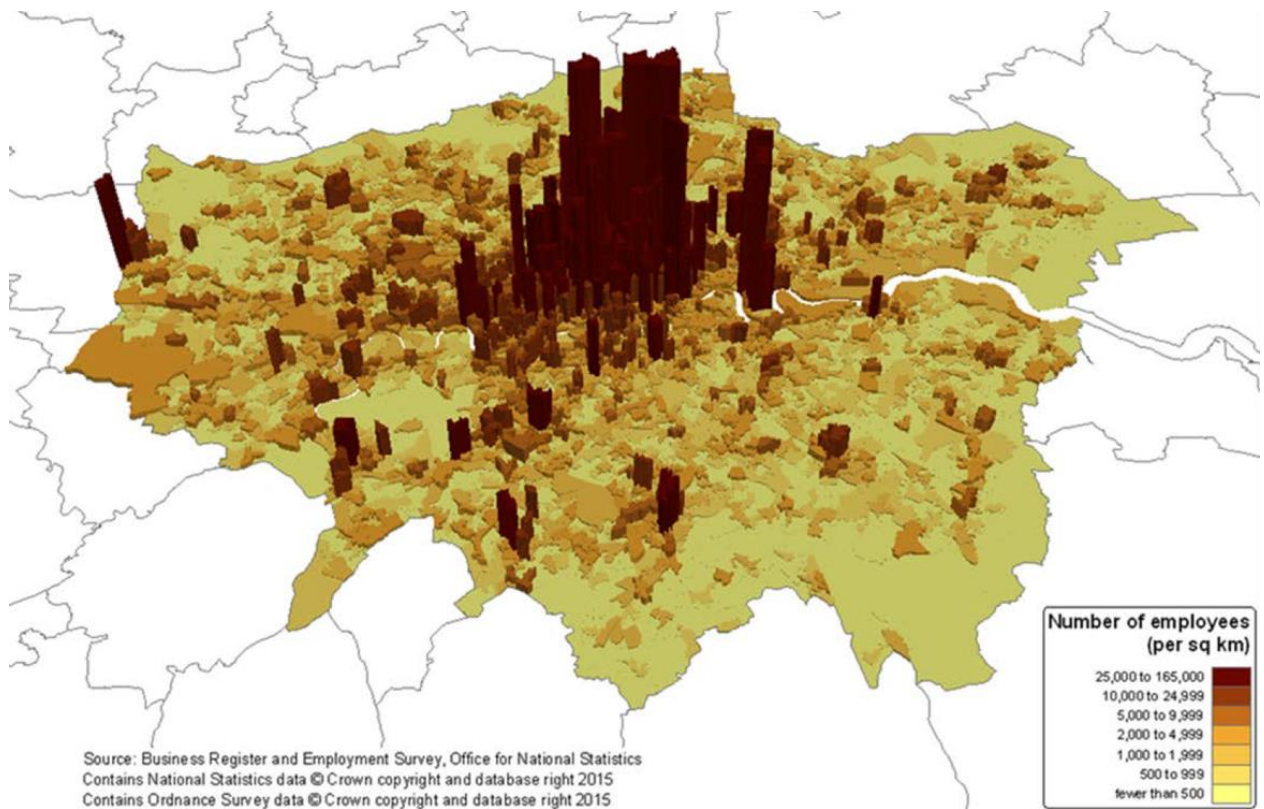
Source: Rae, 2016

London's labour market

In 2016 London supported 5.7 million jobs, with both employment and self-employment growing faster than the rest of the UK (London Data Store, 2016). London is also a growing city with jobs projected to rise by more than 1.2 million by 2041. Business services tend to locate in central London areas and benefit from agglomeration economies. Borough level projections reflect the expectation that there will be continued pressure on employment space in these areas.

London also has a particularly mobile labour market. In 2014 statistics for migration inflows and outflows in London indicate that 201,000 people moved to London from overseas, and 204,000 people relocated from other regions of the UK. These inflows are partly offset by the outflow of 273,000 people moving away from London to the rest of the UK, as well as 94,000 people leaving the UK. Those moving out of London into nearby regions may still, however, choose to commute back into London for work or work outside of London for a London-based employer.

Figure 3. London's distribution of employment



Source: GLA Economics, 2016

Since 2009, jobs in London have increased by six per cent (around 242,000 jobs), with the main employment sectors accounting for the majority of this growth - scientific and technology activities (30%); wholesale, retail, trade services, distribution, hospitality and food (21%); professional, business support, administrative services, finance and insurance (18%) and health (15%). The growth in the London labour market is projected to be underpinned by increases in professional, real estate, scientific and technical services, administrative and support services, accommodation and food services, and information and communication (Marsden and Hitchens, 2016).

Skills shortages and gaps

This growth has been accompanied by reported skills shortages. In 2013, four per cent of London employers reported a skills shortage (equivalent to over 9,300 vacant positions) and 14 per cent reported a skills gap (equivalent to over 34,000 vacancies). Particular shortages were reported in the digital and creative sectors at technical and professional higher level skills (e.g. broadcasting, production management, production accounting, partnerships management, visual effects, advertising, and animation skills).

Research from O2 suggests the UK will need to fill 766,000 new digital jobs by 2020, and to train almost 2.3 million people to meet the demand for digital skills. There are similar problems in construction, with the CITB estimating that more than 36,000 new workers a year will be needed to cover current demand and more than half of employers are finding it difficult to fill skilled vacancies (CITB, 2016). Stakeholders in the research also argued for the importance of enterprise skills for self-employment and business start-ups (e.g. finance, human resources, marketing). There is a huge

growth in technology start-ups in London (e.g. Tech City UK), but insufficient awareness of the skills needs of this sector or the challenges FE colleges face in addressing the niche technical skills needs of the growing number of micro businesses.

Employers and young people

London's employers have ready access to a graduate workforce, thus affecting their behaviour towards young people. The 2014 UKCES Employer Perspectives Survey found that London employers are significantly less likely than employers in other regions to recruit 16-18 year olds. Only 17 per cent of all London employers who had conducted recruitment in the past year, had employed someone aged 16-18 in the past 12 months, compared to 27 per cent in the rest of England. Conversely, London employers were twice as likely to have recruited someone to their first job from university or an HE institution in the last two to three years (24% of all employers compared to 12% in the rest of England). Moreover, only 11 per cent of London employers had apprentices on site or offered formal apprenticeships, compared to 16 per cent in the rest of England. Apprenticeships offered in London also tended to be shorter in length with 26 per cent lasting 12 months or less, compared to just 10 per cent of apprenticeships in the rest of England. Specifically, in relation to 17-18 year olds, difficulties in recruitment were linked to the lack of softer skills (17% of employers who had recruited this age group in the last two to three years cited a lack of working world/life experience or maturity as an issue, 13% cited poor attitude/personality or lack of motivation) and skills issues (10% cited a lack of required skills or competencies) (UKCES, 2013).

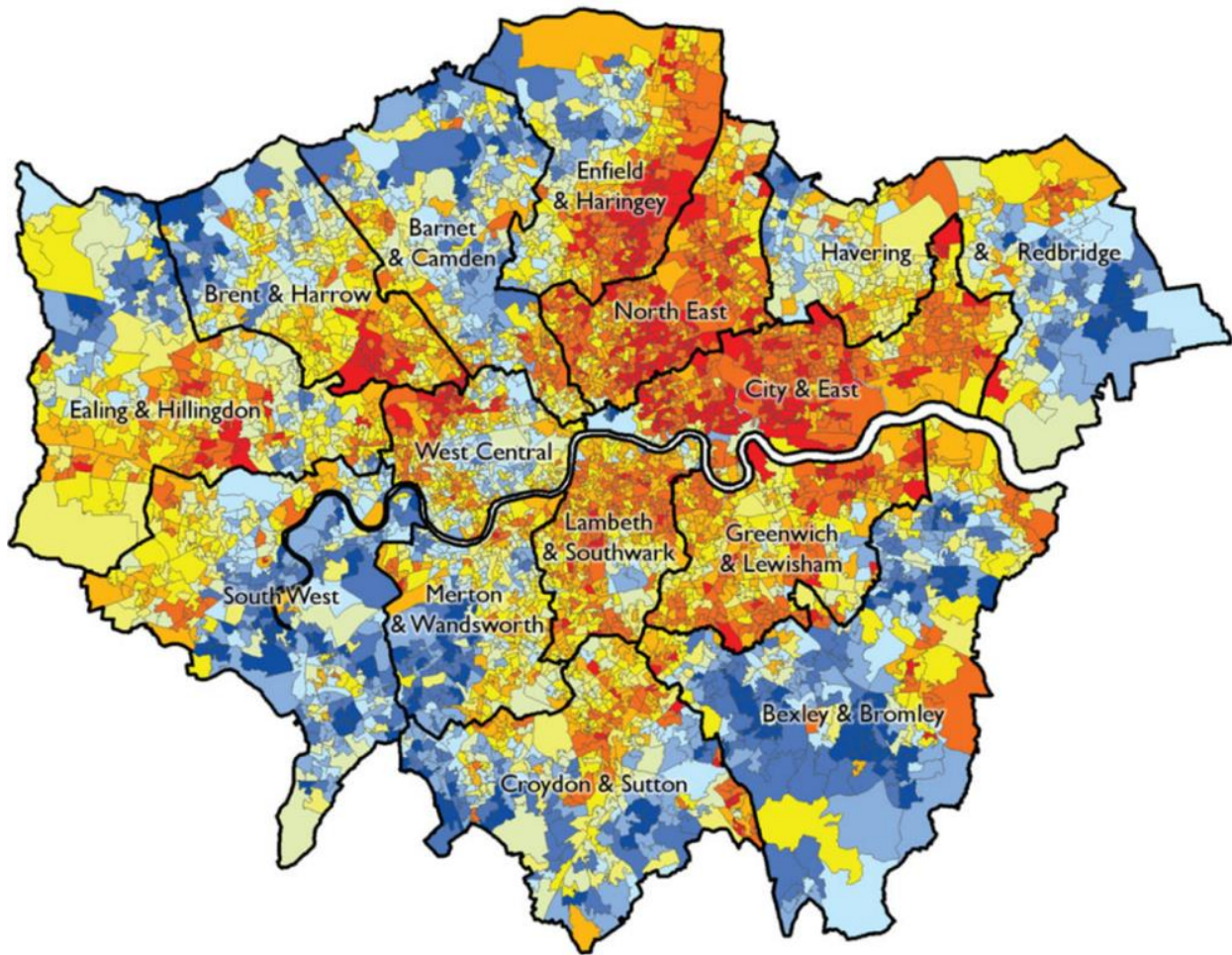
Economic summary

London has an open, diverse and dynamic labour market in which there is intense competition from outside London and abroad for Londoners seeking employment in the Capital. The central London area is generating significant high value employment whilst suburban boroughs depend on relatively low value, non-tradable services. London remains highly sensitive to a relatively small, but highly significant group of large employers who collectively account for over 30 per cent of total employment. Through these processes, London has a reputation as a polarised city, combining a high-skill knowledge economy with a prevalence of low-paid, low-skilled work. The shape of London labour market dynamics reveal that overall economic participation by London's resident population remains below the UK average, as does the employment of young people. Future projections of employment growth assume a greater reliance on graduate and post-graduate levels of educational attainment, whilst recent publications suggest the evidence for technical employment appears conflicted between earnings and skill levels (London Work-Based Learning Alliance, 2016).

London's social profile

It is not surprising, therefore, that London has become increasingly socially polarised. Towards the top (the 90th percentile) household wealth was £1.1 million in 2015, 22 per cent higher than the rest of Britain, whereas at the bottom (the 10th percentile) it was £6,300, nearly 60 per cent less than for the rest of Britain (New Policy Institute, 2015). Overall, the capital is a wealthy city, but no fewer than 27 per cent of Londoners live in poverty after housing costs are taken into account (compared with 20 per cent in the rest of England). As Figure 4 illustrates, poverty is concentrated in particular parts of London, notably in the north and east constituting an 'arc of deprivation' that runs from Edmonton in Enfield through Haringey to Hackney, Tower Hamlets and out to Barking and Dagenham. Even within this arc of deprivation there are differences, with hotspots of development in Hackney and Tower Hamlets linked to the City, Silicon Roundabout and the rapidly rising house prices in the inner-city boroughs that are relatively close to the centre.

Figure 4. London's distribution of affluence and deprivation



Source: The Guardian Data Blog, 2016

Across London, the majority of people living in poverty are in a working family. As employment has increased so has the number of people in a working family in poverty – from 700,000 to 1.2 million in the last decade, an increase of 70 per cent. The number of unemployed adults in London is at its lowest level since 2008, at just over 300,000, but 10.7 per cent of 16-24 year olds were unemployed in 2014, a proportion which is more than twice as high as for 25-64 year olds, and almost 700,000 jobs in London (18%) pay below the London Living Wage. This number has increased for five consecutive years. The largest increase was among men working full-time.

In terms of housing, there are more private renters in poverty (860,000) than social renters or owners. Most children in poverty are in rented housing (more than 530,000), half with a registered social landlord and half with a private landlord. The number of children in poverty in private rented housing has more than doubled in ten years. There was a net increase of 7,700 affordable homes a year compared with a target of 13,200 (40% below the target) and 27,000 landlord possession orders (permitting landlords to immediately evict tenants), of which the highest rates were in outer London. This latter rate is more than double the rest of England. A total of 48,000 households live in temporary accommodation in London (three times higher than the rest of England put together), 15,600 of whom live outside their home borough. Over the last two years an estimated 2,700 families have been placed in accommodation outside London. In 2015, 10,500 families were affected by the overall benefit cap, including 2,400 losing more than £100 per week. If the cap is lowered as planned, they will lose another £58 a week and a further 20,000 families will be affected.

Half of under 19 year-olds in London (1.1 million) live in a family that receives tax credits. This figure is likely to increase as a result of the cuts in April 2016 (Aldridge *et al.*, 2015).

Unsurprisingly, London Fairness Commission³ found that just over half of Londoners (53%) believe that “London is a fair city”, while a substantial minority (31%) believe that “London is not a fair city”. Unfairness was seen in terms of income distribution, wealth inequality and access to housing.

The Mayor’s vision for London

Most reports about London highlight its vibrant economy and the diversity of its population as major strengths. But challenges arise from the polarized and marketised nature of the economic and social modernization of London.

In laying out his vision, *A City for All Londoners* (2016), the new Mayor, Sadiq Khan, argued for a strategy that continues the global city idea, but with better transport and infrastructure, migration for talent, protection of the environment and world-class culture - a 24-hour city with room for all sizes of business. In a sense, he is proposing a more equal and social London by accommodating growth in a more distributed way. This will involve protecting land used for employment, particularly in the centre; intensifying housing around stations and town centres, with the idea of living and working in the same area; and, where travel is necessary, using public transport for sustainability. Central to this vision is more affordable housing (50% of new homes) built on Transport for London (TfL) and other public spaces, with a variety of properties for rent and for sale. Environmental and transport policy also has a high profile with protection of Green Belt areas, a strategy for cutting air pollution levels, encouraging more cycling and walking, a Healthy Streets policy, good design and the preservation of public spaces in order to have good environments in which to live, work and play.

In order to deliver this strategy effectively, the Mayor has reformed the London Enterprise Partnership into a new pan-London LEP, called the ‘London Economic Action Partnership’ (LEAP) that brings together the Mayor, London Councils and business leaders across all the city’s main sectors (London Gov UK, 2016a). Chaired by the Mayor, the LEAP will see increased participation of entrepreneurs, particularly from the digital sector, and greater representation of women. Also for the first time, there will be representation from the trade union movement. In addition, the Mayor has also announced the formation of the ‘Skills for Londoners Taskforce’ that aims to create a greater skills supply and to tackle Londoners’ relatively low levels of employment (London Gov UK, 2016b). Both these bodies and their work are particularly relevant to the ELVET Programme and its aims.

³ This Commission is chaired by Lord Victor Adebawale. It brings together expertise from business, research, health and charities. It is an independent Commission established by Toynbee Hall and My Fair London, with funding from Trust for London, Tudor Trust, London Funders and City Bridge Trust.

Part 2. East London's social and economic profile

East London – a sub-region on the move

The East London sub-region, in terms of the ELVET Programme, is defined as Hackney, Tower Hamlets, Newham, Barking and Dagenham, but also taking into account their porous relations with surrounding boroughs, north of the river, and links with a range of other colleges beyond those boroughs.

London is moving eastwards as the economic and technological developments in the City and Silicon Roundabout overheat. Residents are looking for more reasonably priced housing and businesses are looking for cheaper rented space. In addition to these market forces, there has been the Stratford Olympic and the Metropolitan travel and retail hub development. The eastern boroughs north of the river have, with the addition of Greenwich to the south, been dubbed the 'Growth Boroughs'; places where London can expand (London Growth Boroughs, 2016). The eastward move of London (north and south of the river) is a necessity to accommodate population growth of a projected 11 million by 2050. At the same time, as Figure 4 shows, the social profile of the key ELVET boroughs demonstrates that they continue to suffer greater social challenges in terms of homelessness, low pay, worklessness, although less so in terms of education and in-borough inequality.

In terms of their local economies, the eastern boroughs differ in significant ways to London-wide patterns.

- **Occupational structure** - the East London sub-region has a higher proportion of London jobs in non-managerial occupational groups, including skilled trades, caring, leisure and sales workers and process, plant and machine operatives and elementary occupations (which includes transport vehicle drivers, as well as elementary roles such as security guards, storage staff, bar workers and cleaners⁴).
- **Qualifications levels** – the East London sub-region has a considerably lower proportion of job holders with higher education qualifications or above (42% compared to 61% across London). Correspondingly, the East sub-region has a higher proportion of workers with A-level or equivalent qualifications and below.
- **Pay** - levels of pay are generally lower, reflecting relatively lower demand for specialist skills in the East sub-region, compared to the rest of London.
- **Vacancies** - Overall, at the time of the UKCES survey in 2013, there were a total of 18,600 vacancies reported in the East sub-region, largely in the elementary occupations - sales and customer services staff (20% of total London vacancies, 3,000 vacancies) and caring, leisure and other services staff (20% of total London vacancies in the occupation, 2,700 vacancies). Currently, according to Job Centre Plus (Indeed) there are 142,436 jobs vacancies in East London.

Three places in the East – Near, Middle and Far

The ELVET Programme is located in the East of London. However, as Figure 5 shows, the East can be seen not as one place but as three – Near East (Tower Hamlets and Hackney), Middle East (Newham) and Far East (Barking and Dagenham). The idea of the three 'economic and social ecologies' is currently conceptualized in relation to both the distance from the locus of London's economic activity in the financial and technological centre and the new Stratford Hub. Eastward development

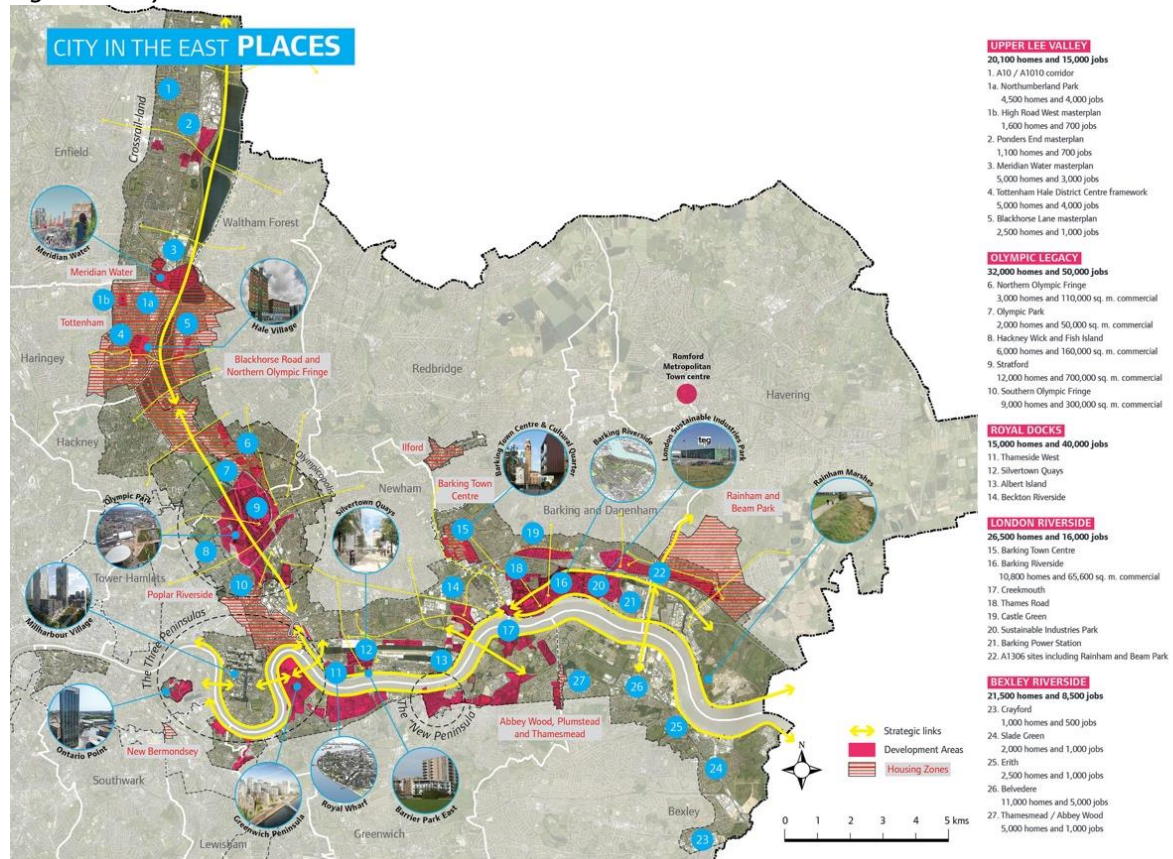
⁴ More detailed breakdown in Marsden and Hitchen and useful charts – p. 24, 35-37, 38-39

is nearly 30 years old, originally affecting Docklands in Tower Hamlets, but has recently seen the development of the Olympic site and Stratford hub (Newham) and Silicon Roundabout (South Hackney). Barking and Dagenham is seen as the next site of development because it has space into which London can further expand. Each part of the East, therefore, has its own economic, social, educational and environmental opportunities and challenges.

A more polycentric London - City in the East

Originating under the previous mayor, Boris Johnson, the concepts of Cities in the East and West have been embraced by the current Mayor. Central to the vision of a 'City in the East' is the idea of 'the regeneration of an entire community...' as a legacy of the Olympic Games. What is emerging is 'Olympicopolis'; a new metropolitan centre for London built around Stratford with its international and national transport links. The immediate challenges for City of the East, seen in terms of the side effects of 'supernova London', are transport, homes, schools and colleges, green space, energy and waste. There are also future ideas around a more polycentric conception of integrated neighbourhoods where people will be able to live, work and enjoy leisure pursuits without always having to travel long distances (Mayor of London, 2016L). This is leading to a 'masterplan' approach so large areas can be redeveloped as a whole. And it is within this more holistic concept of the polycentric city that lie a large number of future jobs with high technical skills requirements and which may provide the parameters of the future of further education colleges in London.

Figure 5. City in the East



Source: Mayor of London, 2015

Borough responses – Hackney, Tower Hamlets, Newham and Barking and Dagenham

Hackney

The Borough has a 10-year vision for public, voluntary and community and private sectors ‘*to improve quality of life in the borough*’ (London Borough of Hackney, 2008). Despite rapid economic development in the south of the borough, all of Hackney’s wards remain in the top 10 most deprived nationally and there is concern about the growing gap between rich and poor. The Borough vision sees Hackney as an aspirational, growing and working borough that is an important part of a global city renowned for its innovative and creative economy. The Borough values diversity and seeks to bring prosperity for all by narrowing health and environmental inequalities within safe, sustainable and strong, socially cohesive communities. In terms of economic development, the Borough aims to narrow the gap between Hackney and the rest of London in terms of its employment rate; to improve earnings to lift people out of poverty; and to increase the employment rate for those with a disability. In terms of education and training, it aims to reduce the gap between those in Hackney with no qualifications and the London average; increase the number of people with the right level of qualification to enter the labour market; improve the achievement of schools and ensure that Hackney is better than the London average at school-leaving age.

Tower Hamlets

The Borough of Tower Hamlets, like Hackney, sits next to the City and is witnessing a further wave of economic and social development, adding to that of Docklands that grew in the late 1980s and 1990s. The Council’s Strategic Plan sets out to make Tower Hamlets a great community to live in by being fair, prosperous, safe, cohesive and healthy (Tower Hamlets, 2015). The Strategic Plan identifies long-term and emerging challenges that include persistent low employment levels, particularly for women and some ethnic minorities, high levels of child poverty and the impact of welfare benefit changes on an already deprived community. At the same time, economic development is impacting on local infrastructure and services and local people are being priced out of the house market.

The Plan seeks to develop a growth strategy - a programme of business support, creating an environment for business growth, securing appropriate workspace and meeting the advanced IT infrastructure needs of business. Alongside this, the Borough aims to help more residents move into good quality, well-paid jobs by developing an Integrated Employment Service to support local people into work. More broadly the Borough aspires to encourage healthy living; improve support for vulnerable adults and their carers; mitigate the impact of welfare reform on its most vulnerable residents; improve environmental sustainability; produce better quality homes for all and create safer, more resilient and cohesive communities.

Newham

Despite the development of the Olympic site and Stratford Metropolitan Hub there are high levels of deprivation in Newham and worklessness, together with low skills, which are significant causes of economic underperformance (in 2014 the unemployment rate in Newham was 8.6% making it the third highest borough in London).

The Borough’s response has come in the form of a Core Strategy. This identifies an *Arc of Opportunity*, with transport links and five Crossrail stations, in the West and South and urban Newham occupying the rest of the Borough (London Borough of Newham, 2013). ‘The Royal Docks Vision’ (2010) identifies this area as a place ‘... with its own centre of gravity and identity with clusters of activity blending educational centres of excellence, high technology and first class office accommodation, and the global market place of ExCel and London City Airport, linked into the City and Canary Wharf and Stratford Metropolitan’ (20). There is a large supply of brownfield

development land up to 2027 for new housing and economic growth. In addition, the Borough has adopted a range of strategies similar to those of Hackney and Tower Hamlets aimed at improving the urban living environment; skills development and access to jobs; more affordable housing; sustainability, infrastructure and community development.

Figure 6. Newham's Arc of Opportunity (London Borough of Newham, 2013)



The Borough has provided a focus on raising levels of employment in the area through the Newham Workplace Project, which was set up in 2007. It has managed to place 5,000 unemployed people each year into work – 75% in sustained work. The Council has funded it at £6.5m per year. This has given Newham a much better and improving employment rate, although it still lags behind the London figure.

Barking and Dagenham

Of the ELVET boroughs Barking and Dagenham is the furthest away from the London supernova dynamic. It's heyday is seen as in the past and associated with heavy industry and power – docks, Ford's factory and power stations on the Thames that attracted a residential overspill from London's East End. All of this is now long gone. In this sense, it is different from the eastern boroughs closer in. But it does have a great deal of usable land and is located within the Thames Gateway, the largest regeneration area in Europe. Much of the planned development will involve the conversion of existing brownfield sites, previously home to industrial activity, to housing land.

The Borough's challenges are similar to its immediate eastern neighbours – higher than average unemployment, affordable housing shortages and issues of community cohesion – and in some respects, are more severe (Borough of Barking and Dagenham, 2013). However, its demography is changing rapidly as it accepts poorer citizens and migrants unable to afford to live closer to the centre of London – an almost opposite effect to that which is happening in the gentrification

processes taking place in Hackney, Tower Hamlets and parts of Newham. In this sense, Barking and Dagenham is yet to experience the London expansion wave, but it will come. The question is the form in which it will arrive and when.

The Council aims to develop four key regeneration sites:

- Barking Riverside – a 200-hectare site, the largest brownfield site in Western Europe. It is a former industrial site, once occupied by three power stations and a refuse tip.
- Dagenham Dock – a 133-hectare site identified by the Council for employment uses and promoted as a location for green industries.
- South Dagenham – an 80-hectare site identified for a mix of commercial and residential development.
- Barking Town Centre – identified by the Council as a Key Regeneration Area with potential to accommodate a significant number of new homes.

It is anticipated that these developments will support sustainable new communities home to over 60,000 new residents with at least 12,000 new jobs focused in Barking Riverside, South Dagenham, Dagenham Dock and Barking Town Centre. It is envisaged, in line with the Mayor's integrated vision, that these new communities will provide a vital and vibrant mix of employment, leisure and recreation, shopping, culture, health and education uses.

In addition, and like the other eastern boroughs, the Council, the community and its partners, through the Barking and Dagenham Partnership, are working towards taking forward a number of community priorities with the aims of improving the quality of life for residents. The agreed community priorities include promoting equal opportunities and celebrating diversity; better education and learning for all; improving health, housing and social care; making Barking and Dagenham cleaner, greener and safer and creating a new sense of pride in the Borough. While housing development is a major priority both for residential and employment purposes, the Council sees future economic potential in the following areas, although it recognizes that there is no solid evidence for the growth potential in these areas.

- *Green Tech*: the London Infrastructure Plan believes this has high employment potential.
- *Bio tech*: The facilities provided by Londoneast-UK are seen as a key strength in developing a bio-tech sector in the Borough.
- *Health and Social care*: Care City is seeking to emulate TechCity and MedCity in Euston as a leading cluster of research training, education and innovation in the healthcare sector.
- *Creative Industries*: The Council believes that the creative and cultural industries will both generate substantial employment growth and also change perceptions of the Borough.
- *Logistics*: The Borough's connectivity, particularly its road network, is regarded as a key strength in further developing its transport and logistics sector.
- *Advanced manufacturing*: The Council wants to build on the Borough's strong history of manufacturing with companies such as Ford, through the growth of advanced manufacturing in the Borough (Barking and Dagenham, 2013).

Discussion

All four ELVET boroughs experience high levels of social deprivation – a local reflection of the polarisations of London. But there is one important differentiating factor – economic development and space. Two boroughs – Hackney and Tower Hamlets – abut or contain parts of the City of London and the Fintech ecosystem. Local government strategies focus on trying to open up access to these economic opportunities for sections of the local population. These ‘near east’ boroughs do not have significant space for further development unless it goes upwards or displaces residential properties. Newham, in what we have termed the ‘middle east’, is partially developed in its north west (the Olympic site and Stratford rail and retail hub) and has City Airport within its boundaries. It also has significant brownfield land next to the river that it aims to develop through what is called the ‘Arc of Opportunity’. Barking and Dagenham (the ‘Far East’) is very different. Being the furthest away from the concentrations of economic development, it has yet to experience the ripple effect of the City. What is more likely is that it first experiences an inflationary housing effect as the inner eastern boroughs become increasingly unaffordable to those with average or even high salaries. Thus far, however, it has experienced another type of ripple effect - that of the ‘social cleansing’ policies of the current government, as poorer families are forced to move out from high cost central boroughs. Economically, Barking and Dagenham remains under-developed with a great deal of brownfield land left over from a previous industrial age.

Despite important spatial and economic differences, the four Borough strategies contain many similarities – commitments to economic; social and environmental developments – to harness and shape market forces while developing the public realm. The four councils are broadly of the same political complexion, with the Labour Party commanding large majorities, although there is a strong independent presence in Tower Hamlets. They also all participate in a collaborative group comprising the GLA, TfL and other stakeholders to co-ordinate economic and urban developments in east London – the City in the East.

In the coming decade, East London will develop and absorb London’s expansion by virtue of the dynamics of the market, but important questions remain. Who will benefit? Thus far the poorer sections of London have been bypassed or, even worse, function as a ‘new precariat’ (Standing, 2011) (e.g. the Uber and Deliveroo drivers and convenience food outlets) to support the consumption patterns of London’s more affluent populations. These low-paid workers also live in poor housing conditions. It is possible to see the City in the East as either an inclusive or an apartheid development. Left to the market it will be the latter. Currently the Olympic City in Newham is a both a spectacle and a ghost town cut off from the rest of the Borough. There could be new housing developments that become the next port of call for ‘hipsters’ unable to afford a property in Shoreditch and any high-tech developments could absorb skilled workers from outside the East. So the question, raised by all the councils involved, is how these developments can be for everyone? This brings us to the issue of education and training and how the local populations can be upskilled to meet the challenges of the future and how workplaces in the East can develop to provide well-paid and skilled jobs.

Part 3. Education, skills and employment challenges

Introduction

The polarisations in London's economic and social profile are also reflected in its education and training 'arrangements'. London possesses a very active education and training market - there is a strong supply of different types of education providers with particularly high levels of institutional competition and learners often travel across borough boundaries, notably for post-16 provision. It is in this context that we can view the role of London's FE colleges as they respond to high demand for lower level or second chance 16-19 general education (resits, taking up A Levels at 17+) as a result of a selective school system and for full-time vocational education as a result of poor employer participation which generates less work-specific approaches to vocational education and lower labour demand for young Londoners.

General education - too much academic provision, institutional competition and poor post-16 performance

London has in recent years earned a reputation for relatively high performance in GCSEs compared nationally and this includes better than anticipated performance for those young people eligible for free school meals. This positive development can be traced back primarily to the effects of 'London Challenge' launched under the Labour Government (2004-2010). Relatively high levels of GCSE attainment have fuelled high levels of post-16 participation and demand for post-16 provision and there are a plethora of schools and colleges across the capital willing to offer places for Level 3 provision (e.g. A Level provision and BTEC National Diplomas). There is thus a very strong market in post-16 full-time provision. At the same time, however, education attainment is polarised, with many young Londoners still working below Level 3 post-16 and without GCSE Grades A*-C in mathematics and English: 42,000 young people in FE provision across London do not have Level 2 in maths and English (Trust for London and New Policy Institute, 2017).

In terms of cumulative Level 3 qualifications scores (that measure both volume of study and grade attainment), 16-19 year olds in London under-attain compared nationally, which is surprising given the pre-16 advantage at GCSE. This relative under-performance is concentrated in certain groups of young people within the capital. A number of factors, particularly institutional ones, come together to weaken performance in post-16 general education. London has the highest proportion of 16 year olds entering school sixth forms compared nationally and the increase in the number of academies with new school sixth forms means that there is intense competition for 16 year olds. It is unsurprising that many schools will be tempted to persuade their Year 11s to enter A Level courses even though they may have barely adequate previous attainment in maths and English. Small school sixth forms are particularly vulnerable - lack of choice of A Level or broad vocational courses; lack of a strong sixth form culture; teachers not being used to A Level teaching and lack of strong classroom dynamics. One outcome is a high level of 17+ drop-out rates in Level 3 courses – about 25 per cent (Hodgson and Spours, 2012). Parents and students also play their part. The rise in GCSE attainment has encouraged many parents to think that their children should undertake an academic post-16 route, even though this has now become more demanding as a result of the move to linear A Levels with examinations at the end of two years of study. Students can also be complicit. Some will have 'comfort zoner' attitudes which mean that they prefer to stay on in the familiar environment of the school sixth form to do A Levels even though they may not succeed in these qualifications. London's selective school system and problematical post-16 mass general education is just one side of a bigger problem.

Technical and vocational education and training (TVET) – an under-developed system

The reverse side of this general education dynamic is the relatively undeveloped state of vocational education provision in the capital when compared with many other areas of the country. Despite the efforts of further education colleges and work-based learning providers, many of whom offer excellent provision, London as a whole has a small and underperforming TVET sector. The number of apprenticeships offered in London is only half that offered nationally, even though numbers have increased of late (Centre for Cities, 2016). This is a notable under-performance given the dynamism of London's economy. The reasons for this phenomenon can be found in the dominance of the financial and key service sectors that tend to recruit graduates nationally and internationally; a small manufacturing sector and a high number of small and medium-sized enterprises (SMEs) that tend not to offer apprenticeships. There is, therefore, a relatively poor level of employer engagement in education and training in London compared nationally. This leads to a situation in which there is too much classroom-based TVET that has insufficient connections with workplaces. London's colleges also have to respond to the effects of the under-performance of certain groups of young people, who are not accepted into school sixth forms, so lower-level vocational courses often play a large role in college provision. The funding of colleges has further exacerbated this kind of reactivity to the shortcomings of the school system. It is now a requirement of post-16 funding for all young people gaining GCSEs at Grade D in English and mathematics at age 16 to retake these qualifications as part of their 16-19 study programmes. This has had a major impact on FE colleges where the majority of these learners study. Much staff time and management expertise has had to be diverted into organising and delivering effective English and mathematics provision.

FE colleges thus have strong material and moral incentives to be 'inclusive' and to meet learner demand, with weaker pressures to respond to employer need and to build relationships with the labour market. Put starkly, London has become an education city rather than an employment-related city for young people.

The impact of national policy

The ELVET Programme is taking place at a time of great change in post-16 education and training as a result of national policy.

Alongside the reforms to GCSEs and A Levels, already mentioned, *vocational qualifications* have also been subject to change. In line with their general education counterparts, the assessment of full-time vocational qualifications for 14-19 year olds has been redesigned to include a greater proportion of external examination and much less continuous assessment. Vocational qualifications must now also fall into either a 'technical' or 'applied general' category and (DfE, 2015). Further change is underway as a result of the independent Sainsbury Review of Technical Education (Independent Panel on Technical Education, 2016), whose recommendations have been accepted in the Government's *Post-16 Skills Plan* (DfE, 2016a). This has proposed the development of 15 technical routes - agriculture, environmental and animal care; business and administrative; catering and hospitality; childcare and education; construction; creative and design; digital; engineering and manufacturing; hair and beauty; health and science; legal, finance and accounting; protective services; sales, marketing and procurement; social care; transport and logistics – that learners can enter at 16 or 18. There will be a 'transition year' for those not ready to enter these routes and 'bridging courses' to allow learners to switch to or from academic/general and technical modes of study and assessment. The outcomes of the Sainsbury Review represent a clear set of opportunities for colleges to further develop specialist pathways in close collaboration with employers.

Apprenticeships too are being reformed. The Government's move from apprenticeship frameworks to apprenticeship standards, with the Apprenticeship Levy to help secure its target of three million apprenticeship starts by 2020 (DfE, 2016b), can be seen as both a challenge and an opportunity for FE providers. The challenge arises from the fact that the focus of policy is on the role of large companies designing niche apprenticeship standards at Levels 4 and 5. Traditionally, however, it has been small- and medium-sized enterprises (SMEs), that have worked with FE colleges and independent training providers (ITPs) to access funding and support for apprenticeships at Levels 2 and 3. There may, therefore, be opportunities for colleges to partner with both large and small companies, as well as higher education institutions (HEIs), in building the skills escalators from Level 2 to Level 6 and beyond.

FE colleges are also having to contend with *Area-Based Reviews*, which have been designed primarily to reduce costs in post-16 education which, under the Coalition and current Governments, is unprotected in terms of public expenditure. The FE sector is already experiencing financial difficulties and in 2015 the FE sector as a whole posted a deficit⁵. The road to economic stability has, in national policy, been identified with creating larger FE institutions or forms of federations that can reduce 'backroom costs' and the duplication of provision. These larger institutional formations are also seen as having the potential to respond more effectively to employer needs on a sub-regional or regional basis and to create higher quality progression routes to employment for young people and adults.

During the lifetime of the ELVET Programme, devolution policy will make its impact on FE provision in London too. The Cities and Local Government Devolution Act 2016 is designed to introduce directly-elected mayors to combined local authorities in England and Wales and to devolve housing, transport, planning and policing powers to them – a process known as 'devo deals'. The London devo deal also includes the devolution of the Adult Education Budget and discretionary support for 19+ learners. In addition, the London boroughs, together with the Greater London Authority (GLA), have put forward a number of plans for sub-regional development within the London Skills Devolution Plan (GLA, 2016).

Skills challenges facing London's further education colleges

FE colleges have faced decades of turbulence and have survived due in large part to their flexibility and responsiveness. London colleges have faced particular regional challenges, including not only reactions to government policy levers, such as funding and inspection, but also the need to respond to school selection, competition and the young people that schools have rejected. Allied to this has been their substitution for weak employer engagement with education and training and with young people. This predominantly market-led reaction has meant that London colleges' role in relation to London's economic development has been subordinate to their important social inclusion and educational role. The challenge London colleges now face is to play a stronger and more central part in building the local learning systems that directly support economic and social development while, at the same time, fulfilling their wider social inclusion and educational role. As we have argued elsewhere (Spours *et al.*, 2017), this means that colleges need to move from a reactive mode to a more explicitly leadership role in localities in conjunction with wider social partners and local government. It is this logic that underpins the design of the ELVET Programme.

⁵ The Skills Funding Agency reported in 2015 that upward of 70 per cent of FE colleges in England could be experiencing 'inadequate finances' in 2016 (<http://www.bbc.co.uk/news/education-33595027>). Accessed 12 September 2016.

1. Helping to boost stagnant productivity levels

From 2009 to 2013, productivity in London grew at a slower rate than the national average. Output per hour worked grew by 1.9 per cent in London compared to 2.1 per cent in the UK as a whole. UK productivity is approximately 20 per cent below the rest of the G7, and lower still compared to Germany, France or the USA (Elliott, 2016). Colleges cannot boost productivity on their own: this huge systemic challenge can only be addressed in a deepening alliance with employers both private and public that would see an expansion of quality apprenticeships and a closer relationship with workplaces and, in particular, with SMEs where the issue of productivity may be won or lost.

2. Supporting progression and lifelong learning to help tackle in-work poverty and to meet the needs of a diverse and growing population

The majority of FE colleges have close relationships with their surrounding communities due to their commitment to lifelong learning and economic development, as well as filling the gaps left by schools, universities and employers. But they are going to have to move beyond a compensatory role and become a much stronger shaping force in their localities and sub-regions. To achieve this in the context of London's continued levels of deprivation and its projected population growth, FE colleges will have to become more strategically integrated into the sub-regional and regional government 'local masterplans'.

3. Increasing the degree of specialisation and the volume of higher level provision

Around two thirds of provision delivered by FE colleges in the capital is at Level 2 or below as it responds to the negative outcomes of poverty and a selective school system. However, demand for higher-level skills is growing (54% of employees in London are managers, professionals or associate professionals compared to 44% for the UK as a whole), and further growth in high-skilled jobs is expected to be faster in London than in any other UK region (Heanue, 2016). The challenge facing FE colleges is how to connect with these higher skill requirements while, at the same time, not losing the focus on critical basic skills including English, mathematics and digital skills.

4. Increasing the volume of quality apprenticeships

While London has doubled the number of apprenticeship starts in recent years, it still finds itself at the bottom of the city league for the offer of apprenticeships because it has a small manufacturing sector, a larger proportion of SMEs (who are less likely to employ apprentices) and easy access to skilled migrant labour. Due to the dominance of school sixth form participation at 16+ young Londoners are also more likely to follow the A Level/university pathway compared nationally. The introduction of the Apprenticeship Levy is a fresh opportunity to deliver more apprenticeships, including at higher levels, but colleges, along with other key players, have to establish an image of apprenticeships that is attractive to a wider range of London parents and their children who are currently more often drawn to the academic route.

5. Raising the level of employer engagement and investment in skills

A higher proportion of employers in the capital (36%) did not fund or arrange any training for staff in the 12 months to mid-2013 compared to the rest of England (34%). Employers in London are slightly less likely to have had any contact with a training provider, FE college or HE institution in the last 12 months compared to those in England overall (52% vs. 54%), and much less likely than employers in the South East (57%) (UKCES, 2013). While it is arguably the responsibility of national government to produce a regulatory environment that encourages employer engagement with skills development (for example, as is the case with 'social partnership' systems in Germanic countries), local government and colleges can play their part. Local government, particularly if they can make the most of the devolution agenda, will be key players in developing local economic hubs. Colleges can work with them and with SMEs, as well as larger companies, to help develop their skills profiles: the ELVET Programme will be exploring how this is taking place in East London.

6. Meeting the high need for ESOL provision

It is widely accepted that learning English is a key way for migrants to integrate and contribute positively to the economy. London has nearly 3 million foreign-born residents (42% of the UK's total). More than half of these speak a language other than English as their first or main language. 210,000 working age Londoners cannot speak English well and 25,000 working age Londoners cannot speak English at all (Arnold, 2016). With a growing emphasis on private funding for ESOL, businesses and individuals need to be supported to understand the value of investing in language learning, and London's skills vision needs to ensure communities have the opportunity to acquire the language skills they need to play an active part in society as well as the capital's economy. In this FE colleges have a critical role to play.

7. Delivering a coherent and integrated careers offer for London

Too few young people are gaining adequate experience of work while still at school, college or university, and careers support for young people is not working as well as it could. The majority of young people say that they have not received personalised support from an information, advice and guidance professional. *London Ambitions* – London's strategy for careers advice and guidance for young people – has set out to address these issues. However, there is still work to be done in order to create an effective careers offer for all Londoners. Moreover, there is a need to think beyond the narrow concept of 'work experience' by building deep-rooted and sustainable employer/provider partnerships that create the context for expansive learning in the workplace that is of benefit to both learners and employers⁶.

8. Ensuring young Londoners access the right learning pathways to improve retention rates at age 17

Despite London schools consistently achieving the highest school results of any region in England at GCSE level, the drop-out rate from school courses at age 17 is high. Just under a quarter of Year 12 Level 3 starters 'dropped out' of their school sixth form before the age of 18. This was notably the case at the end of Year 12, particularly for vocational courses. This is due to a combination of factors including students choosing courses or learning settings that are not well suited to their needs due to poor careers information, advice and guidance (Hodgson and Spours, 2012)

9. Developing a more stable, resilient and high quality FE sector

London has some excellent post-16 providers, but leadership and teaching in the FE sector, including in FE colleges, is of variable quality. A combination of factors including declining public sector skills budgets have also led to FE providers across the capital facing financial difficulties. In 2013/14 and for the first time since Incorporation in 1992 the FE sector as a whole posted an annual deficit (NAO, 2015). Continuing changes to funding sources, such as the introduction of the Apprenticeship Levy and increased eligibility for learning loans, will present challenges as well as opportunities. London needs a more stable, resilient and high quality base of colleges and other providers that are able to take advantage of these opportunities and deliver more consistently excellent provision to meet the Capital's needs.

⁶ See the work of Teach Too and Two –Way Street Partnership Exchange for possible models - <http://tvvet.excellencegateway.org.uk>

Part 5. The ELVET Innovation Projects

Introduction

This section of the report is intended to provide an initial contextual understanding of the environments in which the ELVET Innovation Projects are being developed. These accounts, which are written by the ELVET Project Lead at each respective college, also provide some details of the plans for partnership development and sector-based activity. These case studies will be elaborated during the course of the ELVET Programme.

Hackney Community College Campus⁷

The growth of the Digital Tech Economy in London

There are 1.56 million jobs in the Digital Tech Economy, covering all jobs in the Digital Tech Industries and Digital Tech jobs within traditional industries. In 2014 there were over 300,000 jobs in the Digital Tech Economy in London. The jobs in this sector grew 11.2 per cent between 2011 and 2014, which is nearly three times faster than the rest of the economy in the UK. In 2014, the turnover of Digital Tech industries was estimated at £161 billion⁸.

The digital and creative industries accounted for 8.5 per cent of jobs in the UK economy in 2013 with an estimated average gross value added (GVA) per person of £91,800, significantly higher than the UK average. One in five vacancies in London, and in the UK as a whole, are in the Tech sector. Furthermore, the sector is suffering significantly from skills shortages (72% large businesses and 49% SMEs) with clear skills mismatches between supply and demand. East London has one of the UK's largest cluster of Tech businesses and, therefore, the issues for businesses in securing a skilled labour force are magnified in a relatively small geographical area. This represents both challenges and opportunities for young people to enter the job market supported by education providers. This Innovation Project directly tests models of skills delivery aimed at addressing the skills mismatch.

East London represents the third largest nucleus of Tech businesses in the world. Hackney is also one of London's six Growth Boroughs (Barking and Dagenham, Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest).

'The tech sector in East London is booming, but digital employers are facing a shortage of skilled workers. If the skills gap is not addressed, London's economy will suffer. At the same time, young people who live in the area struggle to break into the digital industries on their doorstep: they are not exposed to the opportunities on offer in the digital economy and lack the right education and skills'⁹.

The sector is a key part of what is known as the creative economy group. In 2012, the last year in which we have data, there were 34,600 digital and creative jobs in the Growth Boroughs, 5.7 per cent of total jobs, compared with 8.5 per cent for London. However, employment within the creative sector grew by 7,200 (26.5%) between 2009 and 2012, a higher rate than for London

⁷ Hackney Community College has now merged with Tower Hamlets College but for the purposes of the ELVET Programme, the two Innovation Project sites are treated as separate since this is how they were initially designed and have been funded.

⁸ Tech Nation 2016 report

⁹ Centre for London 2014

(16.0%) or for the Growth Boroughs economy (12.2%). At this rate of change, the Sector probably exceeds eight per cent of jobs in 2015 and will exceed 10 per cent in 2016, if it is not there already.

Within London's Growth Boroughs, 'IT, software & computing' is the largest sub-sector, representing 32 per cent of the creative industries workforce, although in fact advertising and marketing has seen the strongest jobs growth since 2009. In Hackney on the Queen Elizabeth II Olympic Park, the 'Here East' building presents a significant opportunity to bring further growth to the sector with over 4,000 jobs due by 2017, mainly in the creative sector. Other developments in and around the Park, such as 'Olympicopolis', will only add further growth.

Skills shortages

In the GfK report, *Tech City Futures*, over 50 per cent of employers reported significant skills shortages with the majority stating their business could grow more quickly if they could access more skilled people. At a national level the O2 report quoted above estimated a loss to the UK economy of £2bn GVA if skills shortages in Tech were not filled.

Information of specific skill shortage vacancies suitable for new entrants is not readily available at a local level, but anecdotal evidence suggests coders and software developers, analysts, digital marketing roles, such as user experience and junior producers, project managers and business administration roles with strong digital and social media skills are all in short supply. A key challenge here is that often employers are more interested in the ability to work with particular software products or have particular skillsets rather than qualifications. Education and training providers, however, are funded to deliver qualifications. This means getting public providers to be flexible and closer to business if they want to 'sell' apprenticeships as part of the solution.

Barriers to access

Hackney and the other five Growth Borough residents face a number of barriers accessing this new, growing sector. A position paper developed by the Growth Borough Group and Hackney Community College (HCC) identified the following: Individuals often get into the industry through their networks, or by working for free. The Tech sector tends to rely on informal networks for recruitment, meaning that if potential applicants or somebody they know isn't already in the network they are at a disadvantage. One common way of making contacts is through internships, but these are often unpaid, which means that if an individual or her/his parents don't have a lot of spare cash it can be difficult to find a way in. Encouraging recruitment to be formal and using paid apprenticeships will help address these issues.

Information, advice and guidance (IAG) are patchy and a high proportion of those providing advice (either formally or informally) are not particularly familiar with the industry. Furthermore, it is changing rapidly, so advice can quickly get out of date. As a consequence, young people and their parents are often unaware of the opportunities the sector can provide and even when they are aware, advice can be dated. Good marketing and skilled IAG will therefore be important.

Training is not always fit for purpose. Some courses that sound like they are relevant do not take people to the level, or develop the skills, that employers want. Moreover, employers tend to look for specific experience or skills, rather than just for qualifications. A combination of qualifications, vendor specific skills and a good portfolio, including examples of developed products, is considered most helpful.

Recruiters often expect degree level qualifications. Employers in the digital and creative sectors are used to recruiting graduates. Residents of Hackney and the surrounding Growth Boroughs are less likely to have degrees than those in other parts of London. In addition to equipping residents with

good Level 3 qualifications, which facilitate access to traditional higher education in digital subjects, offering, foundation degrees, HNC/Ds and higher apprenticeships in these subjects could help.

A recent paper published by London's Growth Boroughs concluded that to tackle these problems a new partnership is needed which can understand the skills employers need, offer provision to meet such needs, engage residents in the provision, help them progress through it and create mechanisms to ensure that the new pipeline of talent is recruited by the creative businesses. A recent report came to a similar conclusion ¹⁰.

'The challenges require bringing together a partnership of different organisations with a part to play in creating this provision. It will take time for participants in current initiatives to move through the school system and the effectiveness of such efforts may not become apparent for many years. The sector should therefore consider what else might be done to not only promote digital and creative careers, but also to help young people identify the skills they will need and how they might obtain those skills. This may suggest a greater role for specialist careers guidance'.

It also suggests that 'Apprenticeships and training that ensures potential employees are industry ready will be important in the short term', whilst longer-term supply issues are resolved through school and university improvements. The sector has a mixed view of the value of apprenticeships and much needs to be done to establish the apprenticeship route as a trusted and reliable pipeline of staff talent.

College Digital and Tech provision

The Business, Computing and Media (BIM) Department at HCC offers full-time qualifications from Levels 1 to 3 and Level 2 to Level 4 in Digital Tech apprenticeship programmes. The Department is located in the Shoreditch campus at the heart of Tech City and is well-resourced with good facilities including 4 Mac suites, 5 PC rooms, 20 iMacs, a professional recording studio and a range of additional technical equipment to meet the needs of learners studying on IT and Digital Media programmes. The Department shares some of the facilities with A Level Media students.

In 2015-16 a total of 282 learners were enrolled on IT and Interactive Media programmes, of which 137 learners were enrolled under the BIM Department with 75.22 per cent (85 learners) being 16–18 year olds and 46 per cent 19+ (52 learners). Achievement (success rates) for vocational programmes in 2015-16 was 93 per cent which is above the national average of 86.5 per cent. Overall retention is good at 98 per cent, compared with the national average of 92 per cent. This was consistent across all age groups.

In 2015/16 the College had around 1000 apprentices with 570 having the programme end date during the same academic year. Out of 570 apprentices, 31 per cent (179) were 16-18 year-olds, 30 per cent (171) were 19-23 and 39 per cent (220) were 24+. The success rates for 16-18 was 76.5 per cent (3.6% above the national average of 72.9%), 19-23 was 73.1 per cent (0.1% above NA of 73.0%) and for 24+ was 74.1 per cent (4.2% above the NA of 69.9%). A total of 85 per cent progressed internally (L1-L2, L2-L3 Year 1, L3 Year 1-L3 Year 2).

From Level 3 (2nd year students) in the department, 80 per cent progressed to university (e.g. Queen Mary, Bournemouth, Ravensbourne, UAL, Westminster, Middlesex, City), nine per cent to apprenticeships and 11 per cent to employment. Over 30 per cent of these Level 3 learners would

¹⁰ *Sector insights: skills and performance challenges in the digital and creative sector UKCES 2015'*

have preferred to have progressed to employment or to an apprenticeship within Digital Tech industries.

In 2015/16 the College as a whole had around 1000 apprentices with 570 having the programme end date during the same academic year. Out of 570 apprentices, 31 per cent (179) were 16-18 year-olds, 30 per cent (171) were 19-23 and 39 per cent (220) were 24+. The success rates for 16-18 was 76.5 per cent (3.6% above the national average of 72.9%), 19-23 was 73.1 per cent (0.1% above NA of 73.0%) and for 24+ was 74.1 per cent (4.2% above the NA of 69.9%). A total of 85 per cent progressed internally (L1-L2, L2-L3 Year 1, L3 Year 1-L3 Year 2).

The Department works closely with View Training (the College's employer facing company) to offer apprenticeships in L3 Creative Media Production, L3 Social Media and Marketing, L3 IT Application Specialist, L2 and L3 Business Administration (Digital Admin) and L4 Interactive Design and Development and L4 Software Development apprentices. A good range of enrichment activities has been developed alongside strong links with local companies based in Tech City. These are organised and integrated into the curriculum wherever appropriate. The Department is in the process of organising relevant work experience, internship and potential apprenticeship opportunities for young learners on IT and Digital Media programmes. Employer-led work included the following.

- Development of Tech City Apprentices (TCA) with local employers and sector skills councils (SSCs) which included the country's first Level 4 apprenticeship in Creative and Digital Media.
- Work with employers to recruit BT apprentices.
- IT students took part in a BIMA Digital Day event during the Enterprise Week in November 2015.
- Level 3 Media students took part in the award winning Great British Diversity Experience Initiative supported by Google and a number of Media agencies.
- Media Learners filmed the 'History of Grime' with Rich Mix at Punk exhibition, which was aired at the Museum of London.
- Digital Media students created a range of animations and movies to be used during College Open Day.
- BETA testing with new business Start-up companies based at the College Campus.

Students have good access to specialist equipment and materials through the department and they are trained and supported by the local IT and media technician on how best to use them. There are regular open access sessions providing opportunities for learners to use the IT facilities outside their lesson time. One HOD with a 0.5 curriculum manager are responsible for a total of three full time staff, four fractional staff, one technician and three hourly-paid staff. The delivery of apprentices is managed by View Training in close partnership with the curriculum teams. Some staff in the Department also teach Functional Skills mathematics and English for the Faculty. The teaching team is supported by one term-time only technician.

The ELVET Innovation Project

HCC and partners, through this Innovation Project, intend to improve and develop the skills of young people from East London to enter the Digital employment sector. Targeted at SME employers, they will deliver innovative training programmes, career pathways and a sustainable industry expert mentoring scheme that complement and enhance existing Apprenticeship framework delivery as well as influencing the development of new standards in a fast-moving technology sector.

The Project will directly respond and offer solutions to the key findings and identified risks in the January 2016 joint publication from Department for Business Innovation & Skills and Department for Culture Media & Sport: *Digital Skills for the UK Economy*, in as much as it will directly develop innovative solutions to:

- Improve appropriate digital skills for digital jobs and access for local people to employment in the tech sector.
- Link the supply of digital skills to the demands of SME employers – thus supporting the UK economy.
- Help employers in East London and London as a whole to benefit from a pool of talented individuals that can demonstrate competence through achieving relevant, accredited short course modules.
- Enable at least 15 young people at Level 3 and Graduate Apprenticeship level secure jobs.

HCC and project partners will work together to improve access to Digital jobs to enable young people to complete their Apprenticeship supported by smaller specialist modules (outside of existing frameworks) to address the skills mismatch.

This project will enable HCC to work with employers to better enable young people under 24 to gain additional industry specific skills, valued by employers, to help them into sustainable jobs in the sector at Apprenticeship and Degree Apprenticeships using innovative, flexible models of delivery and activity that prepare participants to participate in accredited FE/HE vocational programmes, including Apprenticeships, by giving them skills that employers need and contact with those employers.

Current approved qualifications cannot always keep up with the pace of change within the sector and this project will design, deliver and market test innovative pre-formal employment or qualification programmes, using short digital modules (e.g. Pluralsight online programmes) as a means to giving students a competitive advantage in the employment market. In addition, the project will train industry mentors to deliver mini-seminars and webinars based on their business experiences and sub-sector (e.g. digital marketing, software development, hardware development) so that Project beneficiaries can make informed decisions on career choices.

Throughout the design and development of the training HCC will work with the relevant SSCs to expand the existing Apprenticeship offer, including working with Trailblazer programmes and emerging Apprenticeship alternatives being developed and tested through project partners.

The Project will target young people studying IT and digital media subjects from Levels 1 to 3 and will focus on developing their employability skills to give them a sightline to working in the Digital Tech industries as an intern or apprentice or studying at university level. HCC will continue to build relationships with a range of SMEs and larger employers, SSCs and government agencies to support the development and growth of apprenticeships, as both participants and advisors.

The project will deliver the following types of activity.

Intensive student work-based experiences - A Boot Camp aimed at encouraging young people/apprentices at Levels 2 and 3 to enter into a 2–4 week pre-interview programme which delivers employability skills alongside modules of industry short courses which can benefit

participants at interview stage, is tailored to meet the needs of known employer vacancies and can be subsequently mapped against core digital frameworks, increasing motivation and informing digital framework design for future apprenticeships. In addition, there is a *Digital Mission Weekend* giving young people the opportunity to work on, and gain experience in a 'live' employer project in association with companies such as Google, IBM, The Guardian and LinkedIn.

Review, design and development of the curriculum (employability/technical skills)

The design, development and implementation of an innovative training programme, and associated short course modules, which meet the needs of employers in a rapidly changing sector where technology advances require 'bolt-on' training modules, which complement Higher Level Apprenticeships. Targeted at successful Level 3 students, these programmes will provide up-to-date industry knowledge to meet the entry requirements for known employer job opportunities.

Mentoring – employer-based industry experts given training to enable potential Level 3 and Higher/Degree Level Apprentices to attend business-led seminars with opportunities for individual follow-up mentoring and work experience. Employers will come from East London Tech businesses and will be recruited via project partner 'We are source/Digital Futures' which recruits experienced professionals into the Tech industry. A number of businesses in East London have signed up to be project mentors and supporters delivering training days, relevant work experience and mentoring to young people at Level 3 and below during the pre-apprenticeship 'boot camps'. Project partners, teachers and assessors will get the opportunity to work within mentor organisations giving them a real in-sight into the needs of SMEs and, in particular, developing additional activities which better address Digital Tech advances.

Capacity building through partnerships – this involves evaluation on a quarterly basis with employer and beneficiary representation, culminating in a final evaluation report and mainstreaming proposal and dissemination.

Beneficiaries

HCC has designed a programme which maximises impact within the Digital sector through ensuring that as many individuals benefit from the funds. Beneficiary groups include the following.

- Young people looking to enter an apprenticeship up to Level 3 and those looking to enter a Higher-Level Apprenticeship at 19+. This project will also develop Higher Level Apprenticeships in conjunction with the University of Westminster to offer vocational progression for learners and develop a higher talent pool for employers.
- Teachers/assessors better qualified to teach industry short courses in a flexible way which keeps up with technology advances. Teachers/Assessors will be trained to deliver digital short courses in new technologies which either complement or add value to existing Level 3 Digital Tech qualifications and apprenticeship frameworks.
- Careers Advisers/Careers Teachers will obtain resources and increase knowledge and skill in advising/teaching on Digital Tech career pathways.
- Employers will benefit from young people who have been through a pre-apprenticeship programme and demonstrated an aptitude for the sector and those who have received some advance training in Tech disciplines via 'PLURALSIGHT', which offers short teaching courses to develop advanced skills and knowledge.
- The Digital/Tech sector will benefit from employer-based mentors, improved skills from young people not simply entering the market from university and employer networks with a shared challenge for skilled staff.

HCC has been at the forefront of designing and delivering accredited training programmes in conjunction with the SSC, employer representatives, strategic influencers and funding bodies. This work has led to HCC establishing the Tech City Apprenticeship brand to specifically focus on this priority sector for the London LEAP.

The impact of policy on the college, wider social partners and the locality

These College-based initiatives face challenges resulting from national policies.

Funding cuts and college mergers - the further education (FE) sector is going through a significant change. The Government has been focusing on reforms to the post-16 education sector to improve the UK's productivity. This started with the initial work on driving up the quality of the post-16 education offering with reforms to vocational qualifications, apprenticeships and A Levels. Alongside the prioritisation of academic subjects since 2010, a series of funding cuts have severely impacted on the landscape of FE. A report from the Public Accounts Committee had previously warned of the risk of 'financial meltdown', with forecasts that 70 colleges would be rated as 'financially inadequate' by the end of 2015.

The FE sector currently faces further turmoil as it works through the impact of devolution when adult funding processes are handed over to the Greater London Authority, and the re-basing of funding for 16-18 year olds. These cuts are set against increased competition from school sixth forms, the 'academisation' of schools and the introduction of 'technical' institutions. Apprenticeships offer a valuable route to career progression, but many Digital and Creative Industries are not big enough to be required recruit and train apprentices through Levy funding.

HCC, similar to many other FE colleges, had suffered from continuous government cuts made to its budget for adult funding over the past few years. Although the College made huge efforts to diversify its income sources through a number of options, this on its own did not seem to be a viable option considering the scale of the cuts made year on year.

During the 2015-2016 academic year, the governors of the College and the senior management team, in consultation with staff and students, agreed to merge with Tower Hamlets College, within the wider context of the London Area Review, and the increasing challenges faced by colleges. The two colleges merged in August 2016 and the newly merged College is due to merge with Redbridge College in March 2017. All colleges have been graded 'Good' by Ofsted and the merged organisation is financially robust, a strong voice within the sector

and ultimately better-able to withstand the inevitable challenges for the sector that the future will bring.

Prioritisation of academic subjects - Computer Science and the vocational qualifications offered under IT and digital skills have been going through reform since 2013. Computer Science has been identified as an important subject to be delivered in schools from Stage 1 to Stage 4. Government worked with Tech Partnership and big employers such as Microsoft, IBM and the British Computer Society in designing the content and has trained teachers through a range of schemes such as the "Master Teachers" initiative. GCSE ICT and A Level Computer Science has also been revised with more focus on coding, programming, algorithms and software development.

The college is in a good position to embrace the proposals from the Sainsbury Review and the new technical pathways, as well as opportunities arising from the new Institute of Technology status, whether in its own right or in partnership with other organisations. It will benefit from the strengthening of the profile and increasing 'respectability' of higher level technical qualifications

A recent survey of digital skills provision conducted by the Skills Funding Agency (SFA) in February 2016, alongside higher education reform looking at the review of other digital and broader technical skills, made six recommendations.

1. Consistency of language and terminology used.
2. Setting the standards to support the development of digital skills at different stages.
3. Putting the basics in place by ensuring that the digital literacy has the same level of importance as numeracy and literacy.
4. Integrating the general digital within all the technical and professional routes to employment to meet the needs of a broad workforce.
5. Creating a digital and technical route to provide clear progression to high-level skills and jobs.
6. Completing the jigsaw by government considering how to bring together the findings of this review and others to deliver a coherent flow of relevant digital skills for the UK economy.

The report's recommendations provide an opportunity to ensure that provision is relevant, up to date and meeting the digital skills needs of individuals and employers and has been designed to support the reforms to technical and professional education, which have already been discussed earlier in this report. The reforms are focusing on simplifying the system, working in direct partnership with employers to ensure that they are meeting the needs of the 21st Century."

HCC has invested and prioritised the delivery of Digital Tech skills by creating new programmes and ensuring that there are clear pathways for learners to progress internally and externally. However, it has seen a decline in the number of 16-18 learners recruited to Level 3 programmes in the Business, IT and Media areas. The profile of the learners who have applied for College programmes running in the 2016/17 academic year have changed; current learners have lower levels of attainment, ability and skills. There has been a significant increase in the number of learners requiring additional support. Local schools and academies are progressing the majority of their Year 11s internally and the College is facing greater competition from new and existing local schools and 6th forms, academies and free schools set up in Hackney and in the neighbouring boroughs. Some of these are still unfortunately delivering poor quality information, advice and guidance without full consideration of the students' best route to their chosen careers. Around 85 per cent of the College's students come from the most deprived wards, mainly from local boroughs in North and East London, compared with the national college average of 40 per cent for 16-18s and 50 per cent for adults.

Brexit – there is a potential negative impact of Brexit on SMEs who may not be able to move forward with their decisions around staff recruitment and training resulting in a reduced number of internship and apprenticeship opportunities.

Apprenticeship standards - the approved new apprenticeship standards are not meeting the needs of SMEs because there has been a lack of effective contribution from SMEs in the design of the new standards.

Revised vocational qualifications – The new BTECs, for example, require students to have higher levels of attainment from schools and might result in lower levels of 16-18 recruitment to Level 3 programmes.

The requirements for post-16 GCSE mathematics and English – This is a considerable barrier to progression for vocational students. Therefore, attendance by students in their mathematics and English sessions needs to be maintained throughout the timing of work experience.

References

TECH NATION 2016 Transforming UK Industries

<http://www.techcityuk.com/reports/>

TECH Partnership reports

<https://www.thetechpartnership.com/Resources/key-reports/>

British Computer Society support for Computer Science Teachers

<http://academy.bcs.org/content/apply-bcs-teaching-scholarship>

Apprenticeship Evaluation 2015: Learners and employers survey

<https://www.gov.uk/government/publications/apprenticeship-evaluation-2015-learner-and-employer-surveys>

Apprenticeships Standards

<https://www.gov.uk/government/collections/apprenticeship-standards>

SFA review of publicly funded digital qualifications

<https://www.gov.uk/government/news/review-of-publicly-funded-digital-skills-qualifications>

Tower Hamlets College

The College view of the Borough

Tower Hamlets is the second most deprived borough in London. The profile of those living in Tower Hamlets is extremely diverse, with the compounded deprivation of social, economic and language barriers which lead to high unemployment levels, low levels of inclusion and access into the job market and education. This is, in part, due to Tower Hamlets being a port of arrival for those arriving from overseas to the UK and London.

The Borough is characterised as an area of London with immense challenges and opportunities. Whilst there has been a significant growth in the Borough's economy over the last 20 years, due the development of the Canary Wharf Business District, this has not always translated into jobs for local residents. In fact, in some cases it could be argued that this has polarised the communities further. The high community unemployment results from a range of barriers, such low rates of literacy and numeracy, language, social isolation, living conditions, poor social mobility and high proportions of worklessness.

Despite the Borough providing five per cent of London's total employment, unemployment remains high at 11 per cent (2014), compared to a London average of eight per cent. A high proportion (19%) of residents are in low-paid work. However, the Borough's employment rate is improving, although employment rates for Bangladeshi and Other Black minority groups are significantly below the Borough averages. These challenges are reflected in the College's student cohort. In 2014/15 only 28 per cent of adult learners were in work prior to enrolment.

The Creative and Cultural Sector

The parameters of the Creative and Cultural sector are difficult to define. The 'Creative Cities' project by the British Council (2011) suggests that the term refers to the socio-economic potential of activities that trade with creativity, knowledge and information. They describe that the heart of the cultural and creative industries lies at the cross roads of arts, culture, business and technology. More recently the relationship between culture and the economy has been problematized, and the range of perspectives acknowledged. For example, cited in the 'Orange Economy' (2013: 37) include:

"The cultural and creative industries are those that combine the creation, production and commercialization of creative contents that are intangible and of a cultural nature."
(UNESCO)

"The creative industries are those activities based on creativity, individual talent and skill, and that have the potential to create jobs and wealth through the generation and exploration of intellectual property." (Department of Culture, Media and Sport of the United Kingdom)

"The creative industries are at the core of the creative economy, and are defined as cycles of production of goods and services that use creativity and intellectual capital as their main input. They are classified by their roles as heritage, art, media and functional creations."

Employment in the Creative Industries grew by 3.2 per cent between 2014 and 2015 and now accounts for 1.9 million jobs in the UK. Between 2011 and 2015, there was also an increase in employment in the Creative Industries of 15.6 per cent in London, which accounts for the largest share of Creative Industry employment in the UK (30.8%). The industry is characterised by 'external labour markets' which, according to Guile (2009), enable new entrants to be trained in new skills

that provide competence in specific occupations; this skill base can therefore be enhanced as the occupation changes.

However, the future employment trend for the Creative and Cultural Sector is to position new entrants as 'new entrepreneurs' between capital and labour. Rather than the traditional category of 'full-time job society' employment within the sector, this requires an emphasis on entrepreneurial skills, and the ability to be multi-skilled and multi-functional (Guile *ibid*). For students studying for Level 3 qualifications in FE the flexible working conditions and employers' preference for graduate employees has the resultant effect of denying entrance to work. As Guile argues, there is likely to be an increased demand for intervention activity and provision of learning and development opportunities.

College provision

The Creative Arts Department at Tower Hamlets College offers qualifications at Entry Level through to Level 3. The area is well resourced with a range of specialist facilities, such as apple macs, a wet dark room for photography, plaster casting and screen printing facilities, all of which support learners in a range of specialist pathways within design and film making.

In 2015-16, a total of 112 learners were enrolled, of which 93 per cent (104 learners) were 16-18 year olds and seven per cent 19+ (8 learners, who were just 19 or 20). This was an increase of 18 learners on previous year.

Achievement for vocational programmes in 2015-16 stood at 81.3 per cent, which is slightly below the national average (84.9%). This was a reduction on previous years' success rates, but needs to be seen in the context of a 3-year upward trend significantly above national average. This was due to one isolated course on a new (externally examined) BTEC specification and impacted less than 20 learners. To demonstrate this further, last year and the previous year the Creative Arts department had an overall achievement rate of 87 and 88 per cent. Retention, overall, is good at 92 per cent (+2% national average). This was consistent across all age groups. In 2015-16, of those learners who were also enrolled onto English and Maths, 83 per cent achieved across both subjects.

In terms of progression, a total of 82 per cent progressed internally (E3 – L1, L2, L3 Year 1); 60 per cent of Level 3 progressed to university, 12 per cent to apprenticeships (Gateway) 12 per cent to employment, and 16 per cent were still looking for work or an apprenticeship within the Creative Industries.

Level 3 students progress to a number of university courses including: Architecture (Westminster); Graphic Design (Westminster); Interior Design (Westminster); Fashion and Textiles (Middlesex); Product Design (Ravensbourne); Fashion Illustration (UEL); Textile Design and Film and TV (UEL). The Department also offers a small but highly successful provision of Cultural Apprenticeships at Level 2 which are offered within Design and Theatrical Lighting. Both had 100 per cent achievement, 38 per cent above the national average.

A range of enrichment activities have been developed alongside strong links with a small number of employers. These are organised and integrated into the curriculum wherever appropriate. However, links with a wider range of employers need to be made.

In 2015-16 employer-led work included:

- Brexit Documentary Video (Sky Academy)
- Animations about enjoying learning (College Marketing Lead)

- Contemporising Aesop's Fables (Hatto printing Company)
- Temporary Shelter designs for displaced people (Canary Wharf Estates)
- Self and cultural identity through puppet making (Prop Designer National Theatre).

Students have access to specialist equipment and materials through the Creative Arts Media Loan initiative. Half-term and Easter workshops support the development of wider skills and give access to specialist equipment and computers to those who do not have access to equipment at home.

One Senior Curriculum Manager manages a total of one full-time member of staff, four fractional staff, one permanent, hourly-paid staff member. Some staff also teach Functional Skills English for the faculty. The teaching team is supported by one fractional technician.

The ELVET Project

The Project will target young people studying creative subjects from Level 1 to 3 and will focus on developing their employability skills to give them a sightline to working in the creative industries or studying at University level. We will build relationships with universities, a range of local creative SMEs and some larger employers as both participants and advisors.

Students will gain skills and knowledge around employability, independent working lives and employer expectation in order for them to sustain work placements and progress. A focus on the needs of learners in relation to industry and university entrance will enable new activities and curriculum to be developed. The Project also aims to explore the industry-based skills shortages and establish new curriculum to support these gaps.

Widening progression opportunities to apprenticeships and universities is an essential goal for this industry. Links with employers will need to be forged so as to support the industry and to protect specialist skills and knowledge, through CPD, skills sharing and forming effective network partnerships. Documentation of the development of these relationships will provide an insight into strategies for sustainability and ways to replicate with other organisations.

Project activities will include:

- Building connections with creative SMEs and larger employers to ascertain their needs in terms of skilled labour.
- Building connections with universities to establish progression agreements.
- Ensuring employers gain a better understanding of the capabilities and needs of Level 2 and Level 3 learners and of the benefits of placement, traineeships and apprenticeships
- Facilitating knowledge transfer activity so that the teaching staff can benefit from industry-based CPD directly with the employer.
- Designing a baseline entitlement for learners in the form of a framework of employability activity (Passport to the Creative Industries). This activity would be level specific and would form a 'Passport to Work' that students build across an academic year.
- Undertake subject specific activities using resources especially developed for Creative vocational teachers to use in classes to embed work readiness and enterprise into courses.
- Attendance at employer conferences and other networking events.
- Securing work placements for learners at Levels 2 and 3.

- Facilitating employer-led sessions for learners including seminars, show-and-tell and delivery of live briefs.
- Investigating delivery of traineeships.
- Diversification of our frameworks for Apprenticeships at Level 2 and possibly Level 3.
- Supporting learners develop good quality university applications that include information about meaningful work experience.

Challenges

Students' lack of GCSE Grade C Mathematics and English is a considerable barrier to progression, therefore student attendance at these sessions needs to be maintained throughout the timing of work experience. The College will need to monitor and track the student completion of Passport to Work; organise employer conference days; liaise with employers to source and agree work experience; and monitor quality and ensure placements comply with requirements and that paperwork is in place.

The impact of national and London policy on the college, wider social partners and the locality

Funding Cuts in FE and the effects of the London Area-Based Review process – THC faces the same challenges as identified above under HCC because they are now both part of the same organization.

Prioritisation of academic subjects - Arts cuts have been well publicised. The Arts Council quantifies these cuts, in real terms, as 36 per cent, which is a decrease from £453m in 2009-10 to £350m in 2014-15. With respect to Arts education, in February 2015 two reports were published: The wide-ranging *National Society for Education in Art and Design (NSEAD) Survey Report* and the Warwick Commission report, *Future of Cultural Value entitled: Enriching Britain: Culture, Creativity and Growth*. Both reports identified that government policies were systematically devaluing and removing arts subjects from the education system.

NSEAD identified curriculum restructure, national curriculum tests, and other measures taken to address the standards in mathematics and English from primary through to secondary education as having reduced opportunities for students to experience and select creative arts subjects. As a result, student enrolment onto art-based subjects has reduced, particularly in post-16 education. Over a third (34%) of the art and design teachers and lecturers in schools or colleges surveyed reported that in the last five years, art and design courses have closed in their institutions. The Warwick Commission report, uncovered a 50 per cent decline in children choosing Design and Technology between 2003 and 2013. In contrast, estimates suggest that the Creative Industries represents five per cent of the British economy and are valued at £76.9bn.

The report also identifies that those children born into low-income families, such as those over-represented in Tower Hamlets, with low levels of educational qualifications are the least likely to engage with and appreciate the arts and heritage in the curriculum. Furthermore, they are less likely to experience a range of creative and cultural activities as part of their home education or have parents who value and identify with publically funded arts and heritage. They are also, unsurprisingly, the least likely to succeed in finding employment in the Cultural and Creative Industries.

Within Tower Hamlets, an area where a high proportion of the community are speakers of other languages, priority has been given to English and mathematics. Together with a lack of knowledge about career pathways, this has meant that local parents have not given creative subjects parity of esteem when viewed alongside other curriculum options. This has resulted in an erosion of creative arts subjects and, compounded by funding challenges to FE, has seen departments of Creative Arts

significantly reduce staffing, in the case of THC from 45 in 2005 to seven in 2016: a manager with reduced teaching responsibility, one full time staff member, four fractional staff, and one hourly paid staff member. The Department has lost teachers who were vocationally competent, with some choosing to leave education and return to industry. This has impacted on giving learners a sight-line to industry; a scenario set against a reality where conversely creative employment opportunities continue to grow faster than the workforce.

References

Guile, D. (2009) *Questioning the Simplistic Link between Qualifications and Labour Market Entry: New Forms of Expertise and Learning in the Creative and Cultural Sector*, published by the Centre for Learning and Life Chances in Knowledge Economies and Societies at:

<http://www.llakes.org.uk>.

Restrepo, F. B. and Marquez, D. I. (2013) *The Orange Economy: An infinite opportunity*. Inter-American Development Bank.

Newham College

The College view of the Borough and London

Newham is a vibrant borough undergoing transformational change, with £22bn expected investment in the area by 2025 creating 100,000 new jobs. The Greater London Authority (GLA) predicts an increase of 800,000 jobs that require at least an ordinary degree or equivalent between 2011 and 2036. However, despite long-term economic success, growth per head has stagnated, unemployment remains higher than the rest of the UK and there are still 800,000 people with low or no qualifications. London faces a growing challenge around inclusion, covering both unemployment and in-work poverty, and needs much greater focus on ensuring that lower-skilled Londoners can successfully compete in a rapidly changing labour market. The FE sector, therefore, needs to explore how it can respond to this challenge in the face of a changing FE landscape.

Newham College's priority is to continue to be highly responsive to local employment opportunities; maintain a highly productive involvement in many local and regional regeneration projects; and keep our strong focus on innovation, social inclusion and open access for all local people. To achieve this, we will work closely with our strategic partners, to enable our community to be more resilient and high-achieving with better employment prospects.

The impact of national and London policy on the college, wider social partners and the locality

FE is undergoing fundamental change. Devolution and Brexit are likely to have implications for funding and skills; adult funding is decreasing and both adults and employers will increasingly be expected to either take out loans for their training, pay full cost or employers will pay a levy for their employees' up-skilling.

The Post-16 Skills Plan (2016) will begin to be implemented in 2017, with its 15 technical progression routes that provide clear pathways for young people choosing a technical or academic route after completion of their GCSEs. The FE sector needs to be ready to offer young people viable credible pathways that meet the needs of employers. Additionally, the FE Sector must respond to the Government's reforms on Apprenticeship funding, with the introduction of the Levy system from April 2017 and the aspiration for three million new apprenticeships to be in place across the UK by 2020. The FE sector will, therefore, continue to review its curriculum, delivery options, accommodation, resources and partnerships to make it fit for purpose to deliver the skills and employment needs of London and local businesses.

The Post-16 Skills Plans will see a narrower focus on technical education routes which, in turn, is likely to simplify training routes for employers. Choices for employee training will be more obvious and apprenticeships are likely to be more attractive to employers who, it is anticipated, should have greater trust in the programmes on offer. It will though, be up to FE colleges to publicise the new plans to employers and demonstrate their value and the opportunities and benefits of taking up training through FE colleges. The London (East) Area Review has not yet been published, but this will add a further dimension to change and innovation in further education which needs to be communicated to employers.

The ELVET Project

The purpose of the 'One Place Project' is to discover the ways in which employers currently engage with education and training for their employees and to present a new, better model which will see much greater collaboration between employers and FE colleges. Previous research and evaluation (e.g. through the Skills Support for the Workforce) has shown that FE colleges on the whole offer high quality, good-value education and training through different modes including apprenticeships but the widely varying offers to employers in the past may have contributed to confusion about the

value of some training and qualifications. There are also many other factors that influence employers' choices and decisions and these too will need to be explored further.

This project will look at how employers in East London engage with training providers, what works and what does not work. It will look at good practice and successful innovative ideas and find out directly from employers what they need to make engagement easy. It will develop models for successful partnerships between FE and local employers that make it simple for employers to understand and access appropriate, high quality training through a structured process that is easily navigable. Through action research, it will engage with employers, forging links that will be sustainable by developing models that employers themselves can recognise through their own input and can therefore trust. It will also work across the other three colleges in the ELVET Programme and seek to undertake research with and for them to the benefit of all.

One Place's aim is to develop a complete understanding of how employers engage with training providers, what works and what does not, what good models of collaboration look like and what their essential elements are. It will also explore how effective the new Government portal is at helping employers find providers and whether the new, larger colleges created as the result of the Area-Based Review process work better with employers than their smaller counterparts. It will use this information to develop models for FE to collaborate with employers and to provide a simple, structured route to training. This will be an action research project designed to develop and deepen relationships between FE and employers in East London. The intention is to identify a successful model (or models), which can be piloted with one or more sectors and rolled out to other sectors and regions in the medium and long term. Recent research has shown that if more employers are to engage in skills development, there are some tried and tested approaches.

The Project will have the task of communicating the fundamental changes in FE and devising methods to promote the new apprenticeship standards, developing trust in the new technical routes and their related qualifications and the consequent development of new workplace training offers.

As well as research, directly with employers, the Project will look at how FE colleges are currently collaborating with employers, whether the new larger colleges find it easier or harder to work with employers and how successfully the Government's new portal is working to simplify offers and attract employers to participate in education and training. It will also seek to find ways of communicating the value of qualifications to employers and the financial incentives and costs involved.

In decades past, FE colleges were seen as the best and sometimes the only route for technical education and qualifications. The Project will look at ways to promote this idea again with employers so that their local FE college is their first port of call for employee training. This piece of work will underpin the work already being done with employers by colleges in east London and provide us with some valuable insight as we position ourselves in the marketplace in new and changing circumstances. It will be vital for FE colleges to stand out as trusted partners and 'go to' providers.

Barking and Dagenham College

The London Borough of Barking and Dagenham is undergoing significant transformational change. The housing conundrum in inner London boroughs is driving a change in local demographics and the boroughs population is becoming more diverse. But this is within the context of the highest unemployment rates in London with child poverty at 37%. Private rent is the most affordable in London but a high proportion of the population are receiving housing benefits. 14% of the boroughs adult population has a limiting long-term illness. The population comprises of a high number of females in proportion to males and many of these (37.5%) are caring for family or a home. There is also a high number 14% compared to London at 7.8% employed in the caring leisure and other service occupations, with a higher than average number of residents taking up out of work benefits 2.5% in LBBDD in comparison to London 1.9 and nationally 1.8 (nomis labour market statistics, 2016).

The Health and Social Care Sector

The Health and Social Care sector is one of Barking and Dagenham's strategic priorities and targeted growth areas, with particular emphasis on supporting service users within their homes and local communities. But the sector can be characterized as low skill and low qualification – 42 per cent of the social care workforce hold no formal care-related qualifications. Moreover, research suggests that around 141,000 staff or 12 per cent of the care workforce in England are functionally illiterate. The caring sector is one of the only areas seeing growth in lower skilled positions (see Figs 7 and 8). This problem is compounded by turnover. Between 2007 and 2017, a total of 755,000 people are predicted to retire from or leave England's health sector. At the same time, there is a lack of national funding streams for training the unqualified health workforce, such as health care assistants, who have no real professional pathway.

In response, the Government's ambition is to increase the number of apprentices starting in social care to 100,000 by 2017. There is a Health Education England target to support a doubling of the number of apprentices in healthcare in the context that in 2012/13 there were only 73,100 social care apprentices. Policy states that there should be greater emphasis on developing primary care staffing, particularly non-medical staff, to ensure effective use of nurses, AHPs, health care assistants and other members of the primary care team. The Government wants all qualified social workers trained in the Mental Capacity Act but less than five per cent of the NHS £5 billion national training budget is allocated to CPD.

The response of the College

Barking & Dagenham College is a major employer in the local area. It operates across three sites within the borough and has a well-established employer engagement strategy and strong community links and partnerships.

The College has outstanding financial status and works hard to manage the impact of the constant changes to the further Education sector. Area Reviews, Brexit, the apprenticeship levy and devolution are likely to impact on future further education funding and skills requirements. The College is well placed to respond to each of these competing priorities as well as to the post 16 skills plan (DFE 2016). The strong industry and employer links help in planning provision that meets the needs of employers locally and nationally.

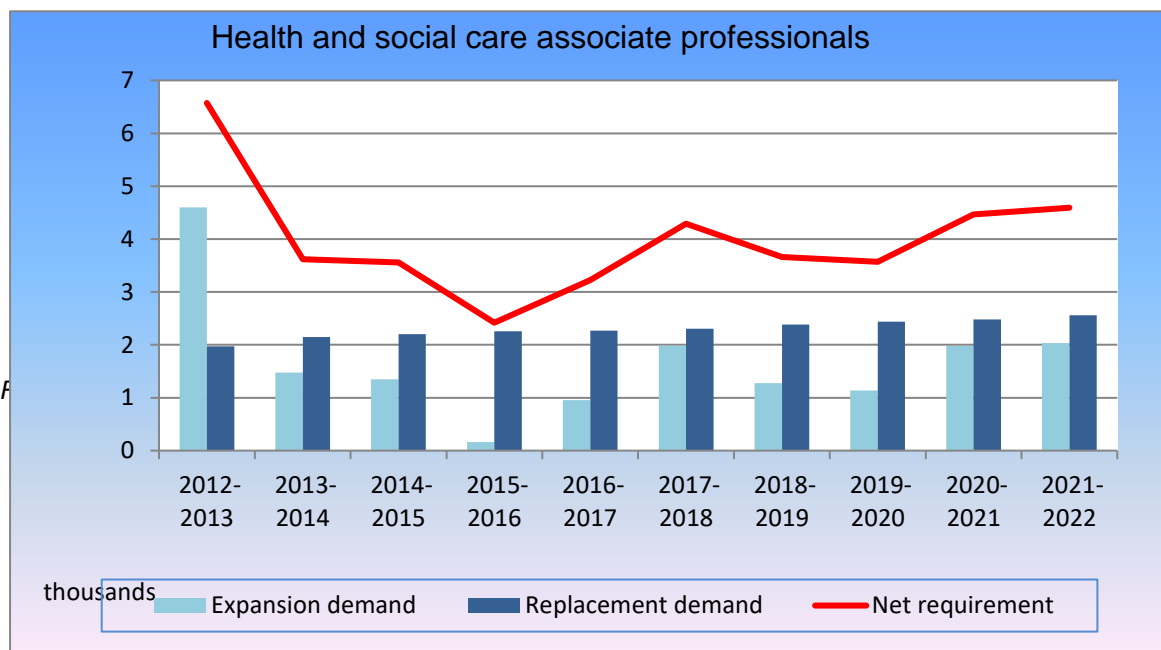
The college offers delivery from pre entry through to level 7 for ages 14 upwards. The vocational offer includes classroom-based learning, apprenticeships, traineeships across EFA, SFA, HE and full cost activity. The provision, across 14 sector subject areas, includes high volumes in: health, care and applied sciences; preparation for life and work; and English and maths.

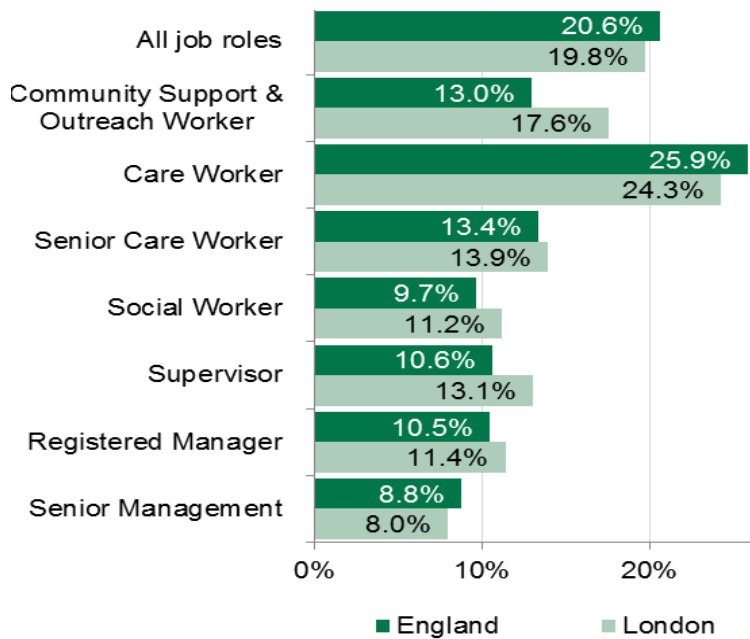
The Health and Social Care curriculum area has a very positive reputation within the local community and a good working relationship with health and care employers. For example, delivery of Care and health based apprenticeships for the local NHS Queens hospital and NELFT. The college has also delivered bespoke training on safeguarding and play theory to a local children's care home that enhanced the staff skills and improved their Ofsted inspection grade. We are also a preferred provider for the Care City initiative. This has further enhanced interest in training for the health and social care sector within the local population. Staff who teach on the programmes are all vocationally trained and are able to offer students the insight into the profession as well as the knowledge required to pass the learning aim.

At present, we deliver apprenticeships level 2 and 3 in Health Care and Adult Care pathways. Pharmacy and science pathways also being popular. We have a large number of pre-access and Access to nursing and midwifery students.

Barking and Dagenham college's work with a large number of employers has highlighted the need to further develop the Health and Social Care sector to support the priorities and to continue to lead developments in training that support enhanced skills in technology not usually found in current programmes. This work is supported through the relationships and developments in place with Care City'. The skills escalator will also enable employees to embark on Apprenticeships and training that enables progression to Higher Level Apprenticeships giving employees advanced skills that support assistive technologies (AT).

Figure 7. Health and social care professionals - supply and demand





College provision and performance

Presently, the College has an improving performance picture in Health and Social Care:

a) Retention Rates

- 16-18 – 87 per cent
- Adults – 98 per cent

b) Achievement Rates

- 16-18 Vocational achievement - 81 per cent, up three per cent on last year.
- Adult achievement = 94 per cent, up two per cent on last year.
- Apprenticeship achievement rates- 73 per cent and four per cent above the national average.

c) Destinations

- There are positive destinations into employment and HE.

The ELVET Project

The Health and Social Care Sector is one of the largest growing employment sectors in the UK, with an increased need for a flexible workforce of trained staff that are able to support the growing group of service users that are living independently or in residential care. With a rising ageing population and more people accessing services under reduced funding, the development and use of assistive technology (AT) for social care and medical monitoring is increasing in demand and can become a major benefit to the population locally, regionally and nationally.

The Project aims to bring together developers and suppliers of AT in order that staff are trained and up-skilled to effectively support its use. This will both enable service users to maintain independent living and to retain independence and dignity and further develop an effective, flexible workforce that is part of one of the largest employment sectors.

More specifically, the Project aims to develop packages of learning that can be bespoke or added to existing frameworks to enhance learner skills to improve employability and professional development and increase retention and job satisfaction. It is envisaged that the Project will

produce a collaborative dynamic focused around the role of AT that produces new types of behaviours in the three parties – learners, college staff and employers/their service users by:

- Training staff employed in care in the use of AT for medical and social monitoring.
- Developing a train-the-trainer package to support training programmes.
- Creating funded programmes of study for learners that include AT, employability skills, mathematics, English and IT, as well as addressing the Prevent strategy, safeguarding and equality and diversity issues.
- Developing a bespoke apprenticeship/traineeship that includes elements and products that can be sold to the care sector.

The key vehicle to developing these strands of activity is to bring together organisations involved in the supply of equipment to SMEs to enhance training packages and communication in a single network –here is where the role of an advisory board comes in.

These courses will support the demand for training and ensure greater retention of a workforce that is developed and skilled in all aspects required of the job roles in the Health and Social Care sector. This potential saving to employers for recruitment into replacement positions further enables them to invest into developing a sustainable workforce with the right skills.

The impact of national and London policy on the college, wider social partners and the locality

The Project and its partnerships are affected by both national and local factors. National policy, such as the way government funds apprenticeship and adult qualifications, may affect how the College can engage with employers and the Care Sector. Locally in Barking and Dagenham sections of the local population are transient with many different cultural and religious groups. Equality of opportunity in education, employment and housing must be considered and engaging women from different cultural backgrounds in education is key. There are also wider policy factors to consider. For example, changes to Job Seekers' Allowance and benefits may impact on the local population and future European Social Fund resources will be affected by the BREXIT vote.

Discussion

The four college cases, while differing in their vocational specialist focus, share several features in common.

Local knowledge – the colleges demonstrate an understanding of their immediate local environments and, in particular, the types of learners they receive and the challenges they face. For example, colleges talk about having to cater for lower-level learners due to the 'creaming' effects of selective school sixth forms in their area, thus making it more difficult to recruit strongly at Level 3. Internal progression, therefore, becomes increasingly important if learners are to reach a level in which access to skilled labour markets can become a reality.

Dual professionalism - there is also evidence of a strong dual professionalism at work, evidenced by a deep understanding of the vocational sectors to which they relate and a willingness to enhance the levels of engagement with employers and to develop a greater understanding of the curriculum and pedagogy required to develop learner capacities to be able to make effective transitions to working life. At the micro-level of the course teams and their immediate relationships with specific employers there are, therefore, considerable strengths on which to develop partnership working.

Awareness of national policy factors– these positive features that pertain to the micro-levels are counter-balanced by awareness of some negative national factors, notably national policy levers and changes to funding that can reduce the amount of resource that teams have at their disposal and

the reform of qualifications that thus far appear to have emphasised academic rather than vocational and work-related study and practice. There is also evidence of an appetite to build on the opportunities offered by the changes to technical qualifications (the Post-16 Plan) and apprenticeships.

Less awareness of wider London trends and the role of local government

The knowledge of wider London economic and social dynamics, however, appears more limited, being confined to either specialist sector trends or the effects of school competition and the supply of students for FE. In these college reports there appears to be still some way for colleges to go in taking into account the longer-term London socio-economic and demographic trends and how they might relate to these. This is something that the ELVET projects might be able to develop.

Similarly, the reports provide little evidence thus far of engagement with local government and what it is trying to do in terms of local regeneration. This may vary from college to college and exactly how the four sites are relating to local government and the wider 'exo-terrain' may emerge as a result of the ELVET Programme.

The college accounts so far are rich in their accounts of the *micro-terrains* of their vocational provision, their students and links with employers, all of which suggest a strong dual professionalism. There is also a deep awareness of the challenges and opportunities associated with national policy trends and the wider market for students that impinge of this professionalism. What is lacking thus far are detailed accounts of the more intermediate terrains – the *meso-terrain* of the wider college and the relationship between the vocational team and college policy and practice; and their relationship with the *exo-terrain* of local government, local civil society and wider regeneration strategies. As we will see, these intermediate terrains are important in building high skill ecosystems because this is where more horizontal collaborative working can take place and social, economic and educational alliances built.

Part 6. Towards an ecosystem analysis of London and East London

Introduction

The final section of the paper provisionally explores three related ecological conceptual frameworks that might help to locate the ELVET Programme, to indicate its potential strengths and weaknesses and to guide future ways of working and areas of focus:

1. The concept of a *multi-level nested ecological system* that links micro activities to macro influences through the two intermediate layers - 'meso' and 'exo'. This framework draws on Bronfenbrenner's (1979) 'ecosystems' work and its spatial adaptation by Hodgson and Spours (2013a, 2015).
2. A model of *London's Low Skills Equilibrium* that attempts to explain the inter-relationship of factors at different ecological levels that conspire to keep skill development within the Capital at lower levels than might be anticipated from such a dynamic regional economy and which marginalises many of London's own population. The updated concept of the 'Low Skills Equilibrium' is adapted from the work of Finegold and Soskice (1988).
3. The concept of a *High Progression and Skills Ecosystem* (HPSE) (Hodgson and Spours, 2016) that represents an aim of the ELVET Programme as a whole. This has been adapted from Finegold's (1999) 'high skills ecosystems' to include not only national economic factors, but also education and training developments at the local level.

1. A multi-level nested ecological system

A central conceptual challenge for the ELVET Programme is to locate college and local employer partnership working within wider economic, social and education system factors. Figure 9 below illustrates the ELVET Programme as part of a multi-level nested system in which the micro project relations (between the course/team and specialist department within a college and its chosen employer and provider partners) are connected to wider college and system factors that create both opportunities and constraints.

Figure 9. Four ecological levels of the ELVET Programme



- *The micro* – the college ELVET Innovation Project Team and its immediate relations with departmental members of staff to deliver programmes of study, together with its partner employers and education providers.
- *The meso whole-college environment* - that mediates powerful national policy on funding, qualifications and inspection and that provides the immediate funding and human resourcing environment for the Innovation Project.
- *The exo landscape of the locality and sub-region* - within which partnerships are formed between colleges and other social partners (including employers) to serve the social and economic needs of the area and within which local government and its strategic plans also operate.
- *The macro level* – the wider policy and London market dimensions that affect the lower levels and that are mediated in various ways by them.

Implications for ELVET

A provisional hypothesis from this type of analysis is that the ELVET Innovation Project partners, with support from the ELVET Programme Team (Programme Director, Programme Managers, Critical Friends), need to be able to work across all the ecological levels if the Programme is to be effective. This will require operating as an effective and outward-looking curriculum team, connecting with and working within a whole-college approach to develop and strengthen this micro-meso relationship; building networks at the local/sub-regional level that involve a variety of social partners and understanding the impact of wider policy and market dynamics. Arguably, this would suggest a

form of professionalism beyond that of dual professionalism. Dual professionalism (the combination of vocational specialisation and pedagogic expertise) currently drives vocational quality in the ELVET Innovation Projects. However, to operate successfully within this wider landscape requires an additional layer of expertise, as discussed in the literature on ‘triple professionalism’ (Hodgson and Spours, 2013b), which includes an understanding of the wider economic and governance landscape and the ability to work across established professional boundaries with a range of partners to create new relationships and practices.

For the ELVET Programme Team, this suggests a need to increase its knowledge and understanding of all levels of the ecological system, to engage in knowledge exchange with partners at all levels, to make active use of the Advisory Panel and evaluators, who operate at different levels within the system, and to support the ELVET Innovation Project Teams in the development of ‘triple professionalism’.

2. London’s complex high skills and low skills environments

London has enormous economic, social, cultural and educational dynamics that are propelling the Capital towards further expansion. At the same time, this growth looks increasingly unstable – possible consequences of Brexit for the City and London’s financial future; a far-reaching housing crisis; parts of a regional transport system creaking at the seams; and a dependency on the import of educated ‘migrant labour’ at all levels. London is therefore a city of paradoxes – economic dynamism and growth that allows it to compete globally while simultaneously locking out local populations, perpetuating skills shortages and leading to an under-developed TVET system. London should, therefore, be viewed as a mixed ecology comprising both High Skills Ecosystem and ‘Low Skills Equilibrium’ areas.

Deloitte (2013) maintains that London is the world’s biggest employer of highly skilled people (1.5 millions) with many being found, in particular, in the niche ‘Fintech Ecosystem’ (finance and digital technologies) focused on the City/Docklands and surrounding areas such as Shoreditch. There are also high skills concentrations spread across the centre of the capital in education, the cultural industries, legal services, media, retail, medicine and biotechnologies as well as life sciences.

But, as we have seen, London still has many symptoms of a Low Skills Equilibrium. This, however, is somewhat different than the one analysed by Finegold and Soskice in 1988. In the mid-1980s they described the UK Low Skills Equilibrium as follows:

The best way to visualize this argument is to see Britain as trapped in a low-skills equilibrium, in which the majority of enterprises are staffed by poorly trained managers and workers produce low-quality goods and services. The term 'equilibrium' is used to connote a self-reinforcing network of societal and state institutions, which interact to stifle the demand for improvements in skill levels (22).

Three decades ago this was an accurate analysis of the condition of the national economy and education and training system. In 2016, the picture is more complex – the economy has expanded and London is regarded as an engine of growth. Moreover, participation in post-16 education and training has increased substantially, especially in London. Despite these major developments, however, the Low Skills Equilibrium persists but in more hybridised and adaptive forms. The capital is an exemplary reflection of this complexity: London’s concentrated High Skills Ecosystems are surrounded by dispersed Low Skills Equilibrium environments. Here there are two scenarios regarding the near future. Scenario 1 envisages the market continuing to drive change in which the concentrated High Skills Ecosystem dynamic eventually spreads out to populate Low Skills Equilibrium environments. There are, of course, a number of conditions required for that type of sustained development – for example, skill and talent continue to be attracted to the global city;

Brexit does not undermine the financial centre; London’s infrastructure and particularly housing does undermine further development; and the education and training system is able to become more highly attuned to the economic and social development of London. The problem is that none of these conditions look secure. This then leads to Scenario 2 in which there is a dialectical interaction of High Skills Ecosystems and Low Skills Equilibria in which the successes of the former together with wider political and policy factors work against its long-term sustainability and spread. The evidence presented thus far in this paper suggests a tilt towards Scenario 2, the dynamics of which are explored in Figure 10.

Figure 10. The London LSE – the confluence of macro, exo, meso and micro factors affecting TVET

Ecological level	Dominant factors	Subordinate factors	Catalytic factors
Macro 1 – national policy	Funding + inspection + responding to selective schools = a weaker learner intake to FE colleges and weaker vocational provision	Development of more vocationally relevant qualifications and emphasis on new apprenticeships that raise the status of TVET	Expansive approach to Area-Based Reviews – steering national reforms to build more effective local vocational systems
Macro 2 – London ‘supernova’ structural factors	London supernova factors - greater social division and weak demand for youth skills	Concepts of polycentric London (e.g. in the East and the growth boroughs) and the Mayor’s skills and anti-poverty strategies	Development of integrated local plans – economic, social and educational development
Exo – local and sub-regional	Autonomous providers, strong competition and weak co-ordination	Various forms of partnership working involving schools, colleges, HEIs, employers and local government	Large-scale and progression-related partnerships at the local and sub-regional levels developing skills escalators
Meso – institutional	Weak college mediation of Macro 1 and 2 factors, competitive approach with a focus on financial viability and lower level provision	Whole college strategies that are more focused on strong TVET at Levels 4 and 5 and are able to balance supply, employer need and learner demand	Colleges committed to working with a range of social partners (schools, colleges, ITPs, HEIs, voluntary and community organisations, employers and local government)
Micro – ELVET Project	Reduced provision, small college vocational teams and instability	Triple professionalism development and increased partnership working	Developing exemplar specialist partnerships and new networks

The factors listed in Column 1 – dominant – suggest a powerful role for macro factors – notably London economic forces and national policy – that negatively affect the behaviour of the layers below. The factors listed in Column 2 – subordinate – reflect various reform attempts nationally, regionally or locally. For a number of reasons, currently these remain relatively under-developed due to the continuing effects of the dominant macro factors. The factors in Column 3 – catalytic – are concerned with strategies and practices that could strengthen the subordinate developments listed in Column 2. This initial analysis suggests the need to put in place strategies that tackle all of the ecological levels to reinforce the mediation of national and London factors and to provide a stronger and more integrated local logic thus paving the way towards High Progression and Skill Ecosystems.

Implications for ELVET

One of the major tasks of the ELVET Programme, therefore, is to research what kind of reconfiguration or realignment of the factors listed in Column 3 is necessary so as to develop high quality, inclusive and sustainable relationships between employers and those in education and training to create both London-wide and local skills and employment opportunities for populations in the East of London.

3. Creating an East London High Progression and Skills Ecosystem

Figure 11 attempts to show how new alignments might be created to shift the Low Skills Equilibrium towards a High Progression and Skills Ecosystem. However, this multi-level approach requires a more holistic system view and a co-ordinated and alliance-based effort by the various social partners to promote effective networked activity that is supported by factors and interventions at the national, regional and local levels.

Figure 11. The ELVET Project and building HPSEs

Ecological level	Ecosystem factor
Macro 1 - national policy	Effective positive mediation of national levers and drivers (e.g. area-based reviews, devolution, qualifications reform and apprenticeships)
Macro 2 - London 'polycentric' structural factors	Greater autonomy exercised at the Pan-London level to offer leadership to and facilitation of sub-regional developments
Exo - local and sub-regional	Strong collaborative relationships between local/sub-regional social partners (employers, local government, VCOs and HE) around local development plans
Meso - institutional	Supportive and outward-looking college environment and leadership (e.g. adequate resourcing of curriculum and professional development, strongly collaborative external liaison and partnership building)
Micro -	Triple professionalism, team-working & project network building

Implications for ELVET

An interesting challenge arising from the discussion of a 'supernova London' and the movement towards a more polycentric London that is reconfigured around local economic, transport and housing 'hubs', is how we might see polycentrism in ecosystem terms. Could London's new urban 'villages' or hubs be reinforced by an integrated education and training strategy that supports the development of HPSEs? The ELVET Programme has yet to make this conceptual leap, but it may be that an infusion of the debate about urban polycentrism with social ecosystem thinking would be fruitful and would suggest a much greater integration of education and training strategies conceived on a sub-regional (exo) scale. Critical roles for the ELVET Programme include making these connections, identifying the underlying subordinate developments that support the development of HPSEs; researching the challenges and constraints that inhibit their development; and creating the context for the catalytic factors to thrive.

Summary

These three related conceptual frameworks provide not only new ways of seeing and understanding the ELVET Programme as a whole, but also raise questions about how the Innovation Projects develop, which partners need to be involved and at what level, what role the Research Team might play in the evolution of the Programme and key themes to be researched and evaluated. Seen in this way the scope of the ELVET Programme as a whole is ambitious and has to go well beyond the outcomes of each of the individual Innovation Projects, important though these are. This is the challenge that the paper throws down to all those involved.

References

- Aldridge, H., Barry Born, T., Tinson, A. and MacInnes, T (2015) *London's Poverty Profile 2015* New Policy Institute/Trust for London
http://www.londonpovertyprofile.org.uk/2015_LPP_Document_01.7-web%255b2%255d.pdf Accessed 12 January, 2017.
- Arnold, J. (2016) *Letter to the next Mayor - Seize the moment to re-shape the FE sector*
https://www.london.gov.uk/sites/default/files/london_assembly_education_panel_-_open_letter_to_the_incoming_mayor_on_the_fe_sector.pdf Accessed 12 January, 2017.
- Bronfenbrenner, U. (1979) *The Ecology of Human Development: Experiments by Nature and Design*, Cambridge, MA: Harvard University Press.
- Centre for Cities (2016) *Briefing: apprenticeships in cities What does the data show?*
<http://www.centreforcities.org/wp-content/uploads/2016/01/16-01-13-Apprenticeships-Briefing.pdf> Accessed 12 January, 2017.
- Construction, Industry Training Board (CITB) (2016) *Industry Insights: Construction Skills Network Forecasts 2016-2020*
http://www.citb.co.uk/documents/research/csn%202016-2020/csn_greater_london_2016.pdf Accessed 12 January, 2017.
- Deloitte (2014) *Agiletown: the relentless march of technology and London's response*
<https://www2.deloitte.com/uk/en/pages/growth/articles/agiletown-the-relentless-march-of-technology-and-londons-response.html> Accessed 12 January, 2017.
- Department for Education (DfE) (2015) *Guidance: 2018 performance tables: technical and vocational qualifications* <https://www.gov.uk/government/publications/2018-performance-tables-technical-and-vocational-qualifications> Accessed 12 January, 2017.
- DfE (2016a) *Post-16 Skills Plan*
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/536068/56259_Cm_9280_print.pdf Accessed 11 July 2016.
- DfE (2016b) *Apprenticeship Funding Apprenticeship funding in England from May 2017*
<https://www.gov.uk/government/publications/apprenticeship-funding-from-may-2017>
- Elliott, L. (2016) UK productivity gap widens to worst level since records began *The Guardian*, 18 February.
- Finegold, D. (1999) 'Creating self-sustaining, high-skill ecosystems', *Oxford Review of Economic Policy*, 15, (1) 60-81.
- Finegold, D. and Soskice, D. (1988) The failure of training in Britain: analysis and prescription, *Oxford Review of Economic Policy*, 15 3, 21-53.

- GLA (2016) *Skills vision for London: a global city providing opportunity for all*. Available at: <https://www.london.gov.uk/moderngov/documents/s55220/Appendix%2012.pdf>, Accessed 19 September 2016.
- GLA and London Councils (2016) *Skills Devolution for London - a proposal to Government* (<https://lep.london/publication/skills-devo>) Accessed 12 September, 2016.
- Heanue, M. (2016) *Position Paper: London Skills Inquiry Developing an evidence base for devolution of skills* <https://lep.london/sites/default/files/documents/publication/Skills%20Inquiry%20FINAL%20.pdf> Accessed 12 January, 2017
- HM Government (2015) *Reviewing post-16 education and training institutions* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/446516/BIS-15-433-reviewing-post-16-education-policy.pdf Accessed 19 September 2016.
- Hodgson, A. and Spours, K. (2012) *Young people's participation, progression and transition to higher study and work: A London perspective*. London Councils; Institute of Education
- Hodgson, A. and Spours, K. (2013a) 'Tackling the Crisis Facing Young People: Building 'High Opportunity Progression Eco-Systems' *Oxford Review of Education*, 39, 2, 211-228.
- Hodgson, A. and Spours, K. (2013b) Why IfL should promote 'triple professionalism' *InTuition*, Issue 13, Summer.
- Hodgson, A. and Spours, K. (2015a) 'An ecological analysis of the dynamics of localities: a 14+ low opportunity progression equilibrium in action' *Journal of Education and Work*, 28, 1, 24-43.
- Hodgson, A. and Spours, K. (2016) *The evolution of social ecosystem thinking: its relevance for education, economic development and localities: A stimulus paper*, Centre for Post-14 Education and Work, UCL Institute of Education.
- Independent Panel on Technical Education (Sainsbury Review) (2016) *Report of the Independent Panel on Technical Education*. Available at: <https://www.gov.uk/government/publications/post-16-skills-plan-and-independent-report-on-technical-education>, accessed 11 July 2016
- London Borough of Barking and Dagenham (2013) *Barking and Dagenham Growth Strategy 2013-2023* <https://www.lbbd.gov.uk/wp-content/uploads/2014/11/Growth-Strategy-2013-2023.pdf> accessed 12 January, 2017.
- London Borough of Hackney (2008) *Hackney's Sustainable Community Strategy (2008-2018)* <https://www.hackney.gov.uk/plans-strategies> Accessed 12 January, 2017
- London Borough of Newham (2013) *Newham 2027 Newham's Local Plan - The Core Strategy* <https://www.newham.gov.uk/documents/environment%20and%20planning/corestrategy2004-13.pdf> Accessed 12 January, 2017.
- London Borough of Tower Hamlets (2015) *Tower Hamlets Strategic Plan 2015-16* <http://www.towerhamlets.gov.uk/Documents/One-TH/2015-16-Strategic-Plan.pdf> Accessed 12 January, 2017.
- London DataStore (2016) *Workforce Jobs* <https://data.london.gov.uk/dataset/workforce-jobs>

- London Gov UK (2016a) *Mayor announces new board to support business, jobs and growth* 22 December.
- London Gov UK (2016b) *Establishing the Skills for Londoners Taskforce*, 6 December.
- London Growth Boroughs (2016) <http://www.growthboroughs.com> Accessed 4 January, 2016.
- London Work-Based Learning Alliance (2016) *London Policy Prospectus* http://www.lwbla.com/policies_prospectus12.php Accessed 12 January, 2017.
- Marsden, J. and Hitchens, H. (2016) *Trends in the demand for labour and skills in London and the East Sub-region* Working Paper 79, GLA Economics https://www.london.gov.uk/sites/default/files/working_paper_79.pdf Accessed, 12 January, 2017.
- Mayor of London (2015) *City in the East* <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/opportunity-areas/city-east> Accessed 4 January 2017
- Mayor of London (2016) *A City for All Londoners* London: Gov UK.
- National Audit Office (2015) *Overseeing financial sustainability in the further education sector* <https://www.nao.org.uk/wp-content/uploads/2015/07/Overseeing-financial-sustainability-in-the-further-education-sector.pdf> Accessed 12 January, 2017.
- Rae, A. (2016) *London: The Supernova City* Huffpost Tech, 24 June.
- Spours, K., Hodgson, A. and Smith, D. (2017) *The Area-Based Review in London: Two logics of reform* Centre for Post-16 Education and Work, UCL Institute of Education.
- Standing, G. (2011) *The Precariat: The New Dangerous Class* London: Bloomsbury.
- The Guardian Data Blog *Deprivation and poverty in London: get the data* <https://www.theguardian.com/uk/datablog/2012/apr/12/deprivation-poverty-london> Accessed 4 January, 2016.
- Time Out (2016) *Five maps that quantify exactly how rammed London is* February 19 2016
- Tomlinson, M. (2013) How London Challenge turned capital's schools around *The Guardian*, 11 December.
- Trust for London and New Policy Institute (2016) *London's Poverty Profile: GCSE attainment over time* <http://www.londonspovertyprofile.org.uk/indicators/topics/low-educational-outcomes/gcse-attainment-over-time/> Accessed 12 January, 2017-01-12.
- UK Commission for Employment and Skills (UKCES) (2013) *Employer Skills Survey* <https://www.gov.uk/government/collections/ukces-employer-skills-survey-2013> Accessed 12 January, 2017.

© Centre for Post-14 Education and Work
UCL Institute of Education
University College London
2017