

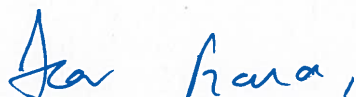
MAYOR OF LONDON

Fiona Twycross AM

Chair
London Assembly Economy Committee
City Hall
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London SE1 2AA

Our ref: MGLA160117-9714

Date: 10 APR 2017



Thank you for sending me a copy of the London Assembly Economy Committee report 'Apprenticeships: an un-level playing field'.

I have reviewed the report with great interest and I am pleased to inform you that good progress has already been made in addressing many of the report's recommendations. Notably:

Recommendation 1: The Mayor should avoid setting a purely numerical target for apprenticeships, but instead focus on quality rather than quantity.

I agree that a purely numerical target for future Greater London Authority (GLA) apprenticeship activity is not appropriate given London's complex skills requirements. In addition to the need for increased numbers of higher level apprenticeships to address the skills gaps in sectors key to London's growth and prosperity, it is also important to recognise that quality lower level apprenticeships play an important role in upskilling Londoners in low paid/low skilled positions so they can progress their careers and share in the capital's success.

You are aware that the apprenticeship system is undergoing radical reform, not least the introduction of the Apprenticeship Levy from next month. My Skills for Londoners Taskforce, who are due to meet for the first time this spring, will inform the development of a city-wide strategic approach to skills, including exploring how to capitalise on the opportunity that the levy presents to create thousands of quality apprenticeships.

Recommendation 2: The Mayor should direct the London Economic Action Partnership (LEAP) to publish annual, London-specific data, which includes the number of apprenticeship starts with success rates broken down by gender, ethnicity, disability, age, sector and qualification.

GLA Officers are in discussions with central government to explore how gaps in available data can be filled in order to produce an annual apprenticeship report along the lines recommended by the Economy Committee. GLA Officers would welcome a conversation with the Assembly to scope the content of this piece of work.

MAYOR OF LONDON

Recommendation 3: The Mayor should guarantee a fair skills funding settlement for London and establish what role apprenticeships can play in closing the long-term skills gap.

In my negotiations with government around the terms associated with devolution of the Adult Education Budget, I am continuing to press for clarity on any new funding formula to ensure it results in a fair funding allocation for London. I am also calling on government to commit to replacing European Structural and Investment Funds when Britain leaves the European Union. The European Social Fund (ESF), which forms part of these funds, is a critical source of investment in employment and skills activity in the capital. Securing a fair skills funding settlement means ensuring that we have an appropriate level of domestic replacement funding for ESF, which should be devolved to London to deliver the training and support that Londoners need.

I also continue to lobby for greater influence of the levy paid by London-based employers, specifically I have requested that any unspent revenue raised via the capital's levy contributions is ring fenced for the benefit of London; furthermore, I have asked for a proportion of the unspent levy raised by London's employers to be devolved to London government, to be directed into wider skills and employment support activity that develops a talent pipeline equipped with the skills London's businesses need to ensure they are globally competitive.

I have also lobbied against many of the changes to the apprenticeship funding which I consider will disproportionately affect young people and those from disadvantaged backgrounds, e.g. the reduction in funding for 16-18 year olds, the abolishment of the disadvantage uplift (thankfully under review) and the relaxation of prior qualification rules, may all incentivise employers to seek to 'recoup' their levy contribution quickly by simply placing existing staff on to apprenticeships, rather than engage young people or people from harder to reach backgrounds who typically need additional support before they are able to access apprenticeship opportunities. This behaviour would undermine both the national government's Life Chances agenda and my manifesto pledge to create a fairer and more equal city.

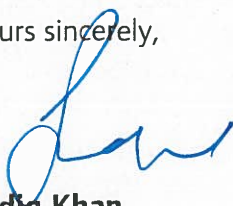
Recommendation 4: The Mayor should push for an independent careers advice service in London, which encourages young people into the right vocational training in terms of the skills gap.

I have already asked the Secretary of State for the levers and funding to create a coherent all-age careers offer in London.

I am encouraged by the commitment made within the Memorandum of Understanding on further devolution to London between central government and London government which commits to exploring options for greater local influence over careers services, with a view to better aligning skills provision and careers services with local needs and priorities. I do, however, appreciate the need for further lobbying to shape a service to fit London's needs and my Officers are engaged with the Department for Education on this matter.

I hope you find the progress to date satisfactory. Please contact James Spacey, my Apprenticeship policy lead, by email at james.spacey@london.gov.uk if you wish to discuss further.

Yours sincerely,



Sadiq Khan
Mayor of London