# London’s employer-led skills drive begins to close persistent gaps and fuel innovation



An employer-led skills strategy for London is beginning to show tangible benefits in addressing the capital’s persistent skills gaps and boosting employment opportunities, according to a recent progress report on the London Local Skills Improvement Plan (LSIP). The ambitious roadmap, led by BusinessLDN in partnership with key business groups including the Federation of Small Businesses London, London Chamber of Commerce and Industry, and CBI London, aims to align training provisions more closely with employer demands to future-proof London’s labour market.

Since its launch in August 2023, after extensive engagement with over a thousand employers, educators, and stakeholders, the LSIP has contributed to a 4.3% rise in apprenticeship starts across London in the latest academic year. It has also facilitated over 1,000 work experience placements, supported in part by the UK Shared Prosperity Fund, and encouraged significant employer participation in the Mayor’s Good Work Standard accreditation, which recognises firms committed to supporting their workforce. Initiatives funded or encouraged through the LSIP include the establishment of the West London Retail Skills Hub, designed to help jobseekers enter the retail sector, as well as the Workwhile charity’s LSIP-supported apprenticeships and the Get London Online campaign providing refurbished digital devices to people at risk of digital exclusion.

Muniya Barua, Deputy Chief Executive at BusinessLDN, emphasised the ongoing collaboration necessary to maintain momentum: “The roll-out of the London Local Skills Improvement Plan is helping to future-proof the capital’s labour market by bringing together employers, educators, and London government to ensure more people are equipped for the jobs of today and tomorrow. There is still work to do, however, with significant numbers of firms still reporting skills gaps, particularly in high-growth sectors such as tech and life sciences.” Barua highlighted that the LSIP’s efforts are being aligned with the Greater London Authority’s Inclusive Talent Strategy, which seeks an increasingly employer-led and integrated skills and employment ecosystem, as well as with the Government’s upcoming nationwide post-16 Skills Strategy, which includes apprenticeship levy reforms.

The progress report reveals growing engagement between businesses and training providers, with a survey indicating a rise to 42% of London businesses working with independent training providers, up from 33% in 2023. Employer participation in delivering apprenticeships increased from 27% to 34%, while 37% engaged with employment service providers like Job Centre Plus. Despite these advances, close to 38% of employers still report skills and capacity gaps within their existing workforce, with training costs being the primary barrier.

Data analysis by Lightcast for the 2023-24 academic year suggests encouraging trends in London’s priority sectors, including a 38% increase in apprenticeship completions linked to the LSIP’s focus areas compared to the previous year. Further Education enrolments rose notably in sectors critical to London’s economy: Building and Construction up by 12%, ICT by 42%, and Business Management by 10%. A survey of 18 major Further Education institutions in the capital found 94% acknowledged positive impacts from the LSIP-related initiatives on meeting employer needs and enhancing job readiness for Londoners, a significant improvement from 86% the prior year.

Industry leaders have welcomed these developments but caution that challenges remain. Anneka Hendrick of the Confederation of British Industry London pointed to ongoing skills shortages but praised the demonstrable progress from collaborative efforts: “By focusing on digital, green and transferable skills, and building on steps already taken by the GLA and through national reforms, we can continue to equip Londoners for the jobs of tomorrow and ensure businesses have the talent to drive growth and innovation.” Similarly, Liz Giles from the London Chamber of Commerce and Industry highlighted the importance of employer-centric approaches driving a more inclusive and resilient labour market.

Small businesses, a vital component of London’s economy, are also benefitting from these initiatives but face distinct hurdles. Laura Timm, London Regional Chair at the Federation of Small Businesses, pointed out the importance of overcoming cost barriers and enhancing access to digital and green skills for smaller firms. She underlined the significance of ongoing partnership efforts to sustain workforce growth and innovation throughout the capital.

Complementing these employer-driven strategies, London’s regional government programmes such as the Mayor’s Skills Academies and the Jobs and Skills Hub continue to provide essential support to Londoners seeking employment and skills development in key growth sectors. These efforts collectively contribute to a more coherent and responsive skills infrastructure, aiming to meet the evolving demands of London’s dynamic economy amid the rapid technological changes and the rise of artificial intelligence.

While the LSIP’s initial progress is promising, stakeholders agree that continuous adaptation and cooperation among government bodies, employers, and educators will be critical to ensuring that London’s workforce remains competitive and inclusive – capable of meeting the challenges and opportunities of the future labour market.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/), [[4]](https://www.businessldn.co.uk/what-we-do/people/the-london-local-skills-improvement-plan)
* Paragraph 2 – [[1]](https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/), [[2]](https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/), [[5]](https://retailskillshub.london/retail-skills-hub-officially-launched/)
* Paragraph 3 – [[1]](https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/)
* Paragraph 4 – [[1]](https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/)
* Paragraph 5 – [[1]](https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/)
* Paragraph 6 – [[1]](https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/)
* Paragraph 7 – [[1]](https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/)
* Paragraph 8 – [[1]](https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/), [[6]](https://www.london.gov.uk/programmes-strategies/jobs-and-skills/mayors-skills-academies), [[7]](https://www.london.gov.uk/programmes-strategies/jobs-and-skills/jobs-and-skills-hub)
* Paragraph 9 – [[1]](https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/)

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## Bibliography

1. <https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/> - Please view link - unable to able to access data
2. <https://www.fenews.co.uk/skills/employer-led-jobs-strategy-for-london-beginning-to-bear-fruit/> - An article discussing the progress of the London Local Skills Improvement Plan (LSIP), highlighting a 4.3% increase in apprenticeship starts, over 1,000 work experience placements, and a rise in employers joining the Mayor’s Good Work Standard. It also mentions the launch of the West London Retail Skills Hub and the Get London Online campaign.
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