



**An employment and skills outcome agreement for  
the health and care sector in central London**

**A prospectus**

**February 2020**

## A Prospectus

This document is intended to stimulate a conversation between employers and education and skills providers in the health and social care sector as well as councils in both their role as commissioner of health and social care and as a local anchor organisation. At the end of each section are a set of questions intended to steer the discussion and act as a guide for supporting the development of an outcomes framework for employment and skills in the health and social care sector.

### How you can get involved

We are keen to hear your thoughts on this work, particularly your responses to any of the questions posed to you throughout this document. If you would like to comment on its content, please send over your thoughts to either:

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## Introduction

The health and care sector is one of the biggest employers in London. It is one of the top three sectors in eight of the twelve boroughs in Central London Forward<sup>1</sup> (CLF) and it is the biggest employment sector in Lambeth, Lewisham and Wandsworth. Employers range from some of the most famous hospitals in the country to GP practices and from national care providers to small residential care homes.

Although many residents in CLF have high skill levels and work in high skilled jobs, a significant minority of residents have low skills levels, face barriers to employment or experience in work poverty. Groups most at risk of experiencing these challenges include vulnerable young people, people with a BAME background, people with a disability or long-term health condition, older workers and people who have been involved in the criminal justice system. In addition, employers in the health and care sector have identified a number of other groups from which they are keen to recruit including men and people who can speak English and another language.

The care sector in particular is often perceived as being low skilled and poorly paid. The reality is that the median pay of a care worker in the independent sector is below the real living wage, but the fact that there are low skilled posts in the health and care sectors provide opportunities for people in these priority groups to move into employment and provide opportunities for progression into work and further training once in a role. And, as the New Economics Foundation noted, the sector offers jobs that will last into the future (unlike other low paying sectors such as retail where automation puts workers at a higher risk of unemployment)<sup>2</sup>. Successful action to enable local residents to access and progress in these jobs hinges on collaboration between employers, education and

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<sup>1</sup> Central London Forward is the sub-regional partnership representing the twelve Central London boroughs: Camden, City of London, Hackney, Haringey, Islington, Kensington & Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster

<sup>2</sup> New Economics Foundation (2018) Sustainable Social Care What Role for Community Business?

training providers and local councils; particularly to ensure that provision is available to enable residents to obtain the skills necessary to access employment in the sector.

The former UK Commission for Employment and Skills (UKCES), in a report produced in collaboration with the Association of Colleges (AOC), proposed employment and skills outcome agreements as a framework for securing this collaboration<sup>3</sup>. They are considered a mechanism for agreeing what particular investment in what particular skills will drive the best local employment opportunities and best enhance business performance.

CLF sees considerable potential in this idea and is developing an employment and skills outcomes agreement for the health and care sector in central London. It has commissioned [Shared Intelligence](#) to help it do so. In addition to this, the Greater London Authority (GLA) has committed to embedding a focus on outcomes into its commissioning framework. This may in time demonstrate that a sector-based outcomes agreement approach will deliver the greatest impact. This prospectus is the first product of this work and is aimed at councils, health and care employers and education and training providers in the CLF area. It is intended to establish a shared understanding of what an outcomes agreement is and the potential impact of an agreement on the health and care sector in central London.

CLF's ambition is that the outcomes agreement will bring benefits to the communities served by its members helping residents into work, enabling employers to access people with the skills they require and improving the quality of health and care.

The prospectus sets out:

- What an employment and skills outcome agreement is;
- Why an outcome agreement for the health and care sector in central London should be developed;
- Who needs to be involved – councils, employers, education and training providers;
- What outcomes the agreement might cover;
- The process for developing an outcomes agreement: and
- How people can get involved.

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<sup>3</sup> UK Commission for Employment and Skills (UKES) (2015) *Local Action, National Success: How outcomes agreements can improve skills delivery* <https://www.gov.uk/government/publications/local-action-national-success-how-outcome-agreements-can-improve-skills-delivery>

## What is an employment and skills outcome agreement?

Employment and skills outcomes agreements provide a framework to align skills provision so it can better address the skills needs of local employers and residents. They provide a valuable opportunity for key players in a skills system to develop a joint understanding of these needs and the role they can play in addressing them.

There is limited use of agreements for employment and skills outcomes in any sector, but this prospectus builds from a body of literature as outlined below at a local, sub-regional and national level. It is important to note that this list is not exhaustive, and we will be looking to build on this list of sources throughout the duration of the project. Summaries of the work and references can be found in the appendix.

- Learning & Work Institute: Social Metrics: Measure the outcomes of non-accredited learning (March 2019)
- Greater London Authority – Adult Education Budget (AEB) Outcomes for Londoners (September 2018)
- New Economics Foundation – Sustainable Social Care (August 2018)
- Departments for Business innovation & Skills – Adult Further Education: Government Response: Outcome based success measures (December 2014)

An outcome agreement, as described in the UKCES/AoC report, sets out specifically the outcomes of a learners participation in the skills system. These consider the wider impacts of skills development, beyond just the acquisition of a qualification. Employment and skills outcomes may include employment outcomes such as progression into or within work, as well as social outcomes, such as improved health and wellbeing. Whatever the outcomes identified, it is essential that these are reflective of local economic need and the local labour market and have been developed and agreed by the key partners involved in developing and delivering the agreement.

In developing the agreement, a small number of key priorities are identified and agreed, along with the outcomes that need to be achieved and each partner's contribution to achieving these outcomes. Each partner of the agreement is accountable for the delivery of their contribution and any achievements made.

The UKCES/AoC report identifies eight key attributes of employment and skills outcomes agreements. They are:

1. The rationale and purpose behind the introduction of outcome agreements need to be communicated clearly.
2. Outcome agreements need to measure impact not what is easy to count.
3. Sufficient time should be taken to get the incentives right, but the direction of travel needs to be clear.
4. The accountability arrangements need to reflect local circumstances.
5. Outcome agreements need to identify priorities for a local area within the context of a wider industrial and economic strategy.

6. Engaging skills and employment partners across a local area is essential.
7. Outcome agreements need to be underpinned by robust data.
8. A change in culture must take place, driven by strong leadership.

The UKCES/AoC report argues that because of the significant change in thinking and behaviour required of organisations within the skills system, the process of developing an outcomes agreement is just as important as the final product. New forms of relationships between the key partners will need to be developed, and these will need to be of the highest quality in order to not only carry out the complex tasks of identifying and agreeing long term goals, but sustaining the commitments to achieving the agreed outcomes in the long term.

The report states that education and training providers and employers will often need to significantly change the way they operate in order to ensure the skills system meets the needs of local employers. These employers and training providers will be at the forefront of developing and designing the training courses that the education and training providers offer. CLF, CLF member boroughs and Shared Intelligence are keen to ensure they can work alongside partners to understand challenges, opportunities and support them through this journey.

We have taken these attributes into account in the proposed methodology for developing a CLF health and care outcomes agreement.

**Do you agree with the principles of an outcomes framework for the health and social care sector as outlined above?**

**What more detail can be added at this stage?**

**Are you prepared to participate in developing this outcomes framework?**

## Why develop an outcome agreement for the health and care sector in central London?

There are four reasons for developing a health and care outcomes agreement:

1. The fact that a significant number of residents in central London have low skills, have difficulty accessing work or experience in-work poverty and that employers in the health and care sectors also have target groups for recruitment including men and people who can speak English and another language;
2. The importance of the health and care sector in central London and the availability in health and care provider organisations and businesses of entry level posts which could be suitable for the groups referred to above;
3. The existence in the CLF area of a number of existing initiatives which could both inform the shape of the outcomes agreement and benefit from its existence;
4. The potential to influence the delivery of and benefit from the devolution powers and resources that can help to provide better conditions for health and social care staff in London.

The following sections develop these points in more detail.

### Priority groups in the CLF area

The process of developing an employment and skills outcomes agreement for the health and care sector provides an opportunity for a discussion between employers, education providers and local councils about target groups for employment in the sector. To take one example, lone parents are a priority group for many councils, but health and care employers may have concerns about focussing on this group because of the working hours required of entry level employees in this sector. The following paragraphs set out potential priority groups for this outcomes agreement in a little more detail.

#### Those with low or no qualifications

- Securing employment without high-level skills is particularly difficult in Central London, as is laid bare by the stark labour market inequalities of its residents. Employment rates for those with low- or mid-level skills are much lower in Central London than they are in Greater London, or in the rest of the UK<sup>4</sup>. 71% of Londoners with no qualifications earn less than the London Living Wage<sup>5</sup>.

#### BME residents

- The unemployment rate in Central London is higher among ethnic minorities, and 8.7% of BAME residents in CLF are unemployed, compared to 3.1% of those who are white and UK-born. Trust for London's poverty profile has found that black Londoners are the most likely to be in insecure employment, while Pakistani/ Bangladeshi Londoners have the highest rates of both worklessness and low pay. Supporting BAME residents should be a priority in skills commissioning whilst recognising the added value residents with a second language

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<sup>4</sup> CLF Skills Strategy, 2019

<sup>5</sup> Trust for London

bring to local communities, particularly within dementia care (as those affected by dementia often lose command of a non-mother tongue).

#### Low-paid residents

- 21% of Londoners are paid below the London Living Wage (LLW), and the CLF Skills Strategy lays out a commitment to the London Living Wage across the 12 boroughs. The Health and Social Care sector is one with a particularly high instance of low pay, and this project aims to support those currently earning less than the LLW into higher paid roles whilst encouraging employers to raise wage levels.

#### Those with special educational needs and disabilities (SEND).

- Across London, a recent review by the Social Market Foundation showed: that ‘The employment rate for ... disabled people in London stands at 46.5%. The equivalent for the non-disabled population stands at 85%, meaning that the disability employment gap in London stands at 38.5%’<sup>6</sup>. Health and care employers welcome the lived experience that people with disabilities can bring to the health and care roles.

#### Men

- The NEF report referred to above notes that the care sector in particular “is still seen as women’s work and often snubbed for that reason.” Yet for cultural reasons many people requiring care would prefer to receive that care from a man. For this reason, employers are keen to recruit more male care workers.

#### Language skills

- The multi-cultural nature of the communities in the CLF area and the fact that some people receiving care do not speak English means that employers are keen to recruit people who speak a language in addition to English.

**Do the priority groups outlined in this section match the priority groups identified by your own organisation for support into health and social care roles?**

## **The health and care sector**

The human health and social care sectors are very important nationally, in London and in CLF. 12.73 per cent of employment in England is in these sectors; around 3 million people in total. This represents the second largest sector of employment in England. The sector has the fourth most employees of all sectors in London, with 10.27 per cent of employment in London being in the human health and social work sector; around 530,000 people. Of these, just over 50 per cent work in a Central London Forward borough, with the total employment across all Central London Forward Boroughs in Human health and Social work being 268,000, around eight per cent of the total employment in Central London Forward Boroughs. It is in the top three employment sectors in eight

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<sup>6</sup> Oakley, 2018

of the twelve Boroughs, and is the largest employment sector in Lambeth, Lewisham and Wandsworth.

The Human Health and Social Work sector has also been growing rapidly in recent years, with an increase in employment within Central London Forward Boroughs of 8.5 per cent from 2015-2018, an increase of around 21,000 employees. The Human Health and Social Work sector has been the fourth fastest growing sector in CLF, both proportionately and absolutely. This growth is expected to continue over the near future. Another reason for the importance of the Human Health and Social Care sector is the ageing population. Central London Forward Boroughs are expected to see growth in the over 65 age group of 48 per cent by 2030 compared with 2016 figures, increasing from 275,840 to 407,964 people. With an ageing population comes various health and social care requirements, which means that the sector is only likely to become more important. The total demand on the health and care sector is expected to grow by 34 per cent by 2030.<sup>7</sup>

According to a 2017 report by PWC, *Will Robots Steal Our Jobs*<sup>8</sup>, the number of jobs at high risk of automation in the Human Health and Social Work sector is expected to be low. The sector is expected to be the fourth most resilient, with the proportion of jobs at high risk of automation being comparatively low. In total, 17 per cent of total employment in the sector is expected to be at high risk of automation, far below the average of 30 per cent across all sectors. This relatively low level of automation risk will mean that the share of employment in the Human Health and Social Work sector will likely increase comparative to now, becoming even more important in Central London Forward as a result.

Pay in the Human Health and Social Work employment sector in London is historically lower than many other sectors. In particular, the private and voluntary parts of the sector often offer low wage jobs on zero hours contracts. This is partly due to the difficulty of moving between hospitals, due to the range of qualifications within the sector. Often moving to a different job requires retraining to attain a new qualification. Introduced in 2015, The Care Certificate was supposed to remedy this, but has had limited success so far in tackling the issue. This inflexibility of moving between jobs is likely contributing to the low pay issues. This has also contributed to the limited median pay increase, only increasing from £7.83 to £8.41 over the last six years. This means the health and social care sector will benefit significantly from a joined-up approach using an outcomes agreement.

### **Existing initiatives**

There are a number of examples of work in this sector across the Central London Forward geography. Here are 3 examples of activity intended to develop outcomes for residents in the health and social care sector. We are also interested in learning from best practice in other sectors that may have some transferable lessons.

#### Proud to Care

Proud to Care North London is a jobs portal specifically focussed on adult social care. Proud to Care North London covers the North London Partners in Health and Social Care, London Boroughs of Barnet, Camden, Enfield, Haringey and Islington. The service lists a variety of jobs and other opportunities, including training, for people at all levels of experience. In addition, the site also offers information for new providers and new employees in the care sector. This support helps to

<sup>7</sup> Skills for Care, 2017

<sup>8</sup> <https://www.pwc.co.uk/economic-services/ukeo/pwcukeo-section-4-automation-march-2017-v2.pdf>

develop the understanding of the sector and helps those working and operating in the sector to develop and improve their skills, through training and career development opportunities. This includes offering advice to those who have never considered taking a job in the social care sector about the requirements and the challenges of working in it. This ultimately aims to improve the care sector, making it easier for people to find new opportunities in the context of rapidly increasing demand and an increasingly elderly population.

#### The Islington Health and Social Care Academy

Islington is in the process of developing a more focussed outcomes-based approach to Health and Social Care by working with employers and providers operating in their borough. Under the banner of the Islington Health and Social Care Academy, Islington is bringing together key local anchor institutions with a shared vision of creating a strong local offer around employment in the sector. Collectively the NHS, Health and Social Care Providers, and the Local Authority have extensive employment and purchasing power. This initiative seeks to address opportunities brought forward by the sector, creating a clear local point of contact for residents and employers, to ensure that more focus is on the local talent pool, building resilience in the community and in the Health and Social Care Sector.

#### Tower Hamlets Women in Health and Social Care Programme

Tower Hamlets' women in health and social care programme supports local women into the health and social care sector, gives them opportunities to boost their skills, and offers a wider programme of support. The women this programme works with face a range of barriers to joining the workforce, including childcare responsibilities, low confidence, domestic violence, stigma from the community, mental health issues and disabilities. Participants are screened, recruited and employed by Tower Hamlets, and then seconded out on six-month work placements within the NHS. Roles are available in business administration or as health care assistants, and participants have the option to work 16, 25 or 30 hours per week, depending on their circumstances and preference. All placements are paid at the London Living Wage, and participants gain valuable paid work experience as well as an accredited qualification (Principles of Business Administration Level 2 or the Care Certificate). In addition to employment and skills opportunities, Tower Hamlets works with participants to provide regular one-to-one sessions and coaching and mentoring. For those who need further support, referrals are made to support services such as MIND, Clarion, Working Well Trust, and Workpath IAG, as well as to literacy and numeracy courses<sup>9</sup>.

### **What other examples are you aware of that we can build on?**

#### **Skills Devolution**

The Mayor of London has taken over responsibility for the adult education budget (AEB) from the government starting in the academic year 2019/20. The Adult Education Budget (AEB) funds education for adults aged 19 and above. The devolution of the AEB to London has made adult skills policy a key priority for the Mayor and London government. There is an opportunity for London to shape the future of skills provision in the capital.

<sup>9</sup> <http://centrallondonforward.gov.uk/wp-content/uploads/2019/06/CLFJ6952-Skills-strategy-190723-WEB.pdf>

The Mayor's Skills for Londoners' Strategy<sup>10</sup> is London's first skills and adult education strategy. This offers an opportunity for boroughs and sub-regional partnerships to become involved in an expansive and expanding programme of work, and to play a critical role in building a responsive and cohesive skills system across London. However, there has been a significant reduction in resource for the AEB – in 2010-11, expenditure on adult further education was £3.63 billion and this fell by 32% in cash terms to £2.48 billion by 2015-16. London is now in control of the AEB but budget constraints remain and prioritisation will be necessary. It is crucial that boroughs are involved in these discussions, in order to build a fair and supportive skills system for all Londoners.

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<sup>10</sup> <https://www.london.gov.uk/what-we-do/skills-and-employment/skills-londoners/strategy-and-research>

## Towards a CLF health and care outcomes agreement – the process

Our approach to developing the outcomes agreement reflects a number of important recommendations in the UKCES/AoC report. The report stressed that “the process of developing an outcome agreement is as important as the agreement itself” and should recognise the fact that “local players will need to work differently, requiring a maturity of approach and a commitment to a longer term goal that has not been systematically fostered to date.” It also stated that “being clear about why local outcome agreements are being introduced and aligning the model and its characteristics to that purpose is an important process and should be agreed and communicated prior to the development of outcomes and measures.” This prospectus is intended to help build that understanding about why an outcomes agreement is being introduced.

In order to develop the agreement, in the early stage of this work we will be working with a small group of five CLF boroughs. They are: Islington, Haringey, Lambeth, Tower Hamlets and Westminster. They will be engaging their local employers and education and training providers in the work. We will extend this conversation to include other councils, employers and providers across the CLF area.

The UKCES/AoC report is clear that “It is important to introduce outcome measures that are relevant and accurately demonstrate impact rather than those most easy to count and evidence....This approach requires the use of a variety of measures to best demonstrate impact, even if this is sometimes less straightforward to capture and quantify.” Our first task will therefore be to agree the outcomes the agreement should cover. The plan is then to consider how the outcomes can be measured, building wherever possible on existing data. Finally, we will craft the final agreement including mechanisms for the partners to mutually hold each other to account. The aim is for the agreement to be formally signed off in autumn 2020.

CLF is also committed to extracting the learning from this process to inform subsequent work including:

- Applying the approach to other sectors in the CLF area;
- The approach being adopted in other places, in London and beyond;
- Influencing the GLA’s approach to skills.

A learning group has been established to help extract lessons from this work including representatives from the Local Government Association, Greater London Authority, London Councils, NHS Confederation, NHS Providers, Association of Colleges and one of London’s other sub-regional partnerships. This group will meet three times over the course of this work to help to extract the learning from this work.

Work on the development of the outcomes agreement is at a very early stage, but there is an emerging consensus about the focus of the agreement and some initial thoughts about the areas on which outcomes should be agreed.

We anticipate that the response to this prospectus will enable us to confirm the focus of the health and care outcomes agreement and refine and develop the emerging list of areas for agreed outcomes.

**The proposed focus is on residents who meet one or more of the following criteria:**

- **People who are facing barriers to accessing employment;**
- **People who are experiencing in-work poverty;**
- **People who match the priority groups identified by health and care employers.**

**The aim is to enable these residents to improve their skills levels, access employment opportunities and progress in work in a way that meets the needs of health and care employers in the CLF area.**

**Are these the groups to which the outcomes agreement should give priority?**

## Outcomes areas

The next stage of the project, as outlined above, will involve careful consideration of outcomes and the areas which require focus to support learners, enable education and training providers to deliver the right skills and to capitalise on the opportunities within the sector.

Early thinking on possible areas for agreed outcomes are:

- Direct employment or pay increase of participants;
- Closing specific skills gaps identified by local employers;
- Greater conversion rates from education to employment in the sector;
- Progression onto higher-level skills development;
- Development of new pathways for service users, for example adjusted apprenticeships, project search, flexible learning;
- Development of skills 'passports' or other portable training qualifications and skills;
- Development of short bespoke courses to develop skills that employers ask for.

## What are the outcome areas in which you think the agreement should focus on?

### How you can get involved

We are keen to hear your thoughts on this work, particularly your responses to any of the questions posed to you throughout this document. If you would like to comment on its content, please send over your thoughts to either:

- **Jenny Gulliford:** Senior Policy Manager, Central London Forward  
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## Appendix: Literature Review Sources

<p>Learning &amp; Work Institute: Social Metrics: Measure the outcomes of non-accredited learning (March 2019)</p>	<p>This report sets out the results of work undertaken by L&amp;W in 2017/18 to develop and test the use of social metrics in Adult Community Learning provision to capture a range of wider outcomes of learning. The report highlights lessons learned, examples of effective practice and suggests ways in which the use of social metrics in adult learning provision might be developed in future. The report also features case studies of providers' experiences in embedding social metrics in adult learning provision.</p>	<p><a href="https://www.learningandwork.org.uk/resource/social-metrics-measuring-the-outcomes-of-non-accredited-learning/">https://www.learningandwork.org.uk/resource/social-metrics-measuring-the-outcomes-of-non-accredited-learning/</a></p>
<p>Greater London Authority - Adult Education Budget (AEB) Outcomes for Londoners (September 2018)</p>	<p>This report sets out our proposed approach to the development of an outcome-based skills system in London. The initial work looking at "Outcomes for Londoners" will have three principal strands:          Strand 1: Development and agreement of robust outcome (both economic and social) definitions and measures which will be used to determine the success of provision delivered through the AEB.          Strand 2: Establish the approach/ data systems required to monitor the achievement of the proposed outcomes, minimising the administrative burden.          Strand 3: Development and agreement of the payment mechanisms which will be used to financially incentivise providers to focus on achieving outcomes.</p>	<p><a href="https://www.london.gov.uk/sites/default/files/20180921_sfl_board_agenda_public_final_0.pdf">https://www.london.gov.uk/sites/default/files/20180921_sfl_board_agenda_public_final_0.pdf</a></p>
<p>New Economics Foundation Sustainable Social Care (August 2018)</p>	<p>This report seeks to meet the need among community businesses and other community led care models to communicate the role they can play in sustainable social care. It also aims to shed light on the perspectives of commissioners, who shape care markets alongside providers and citizens, and therefore play a part in determining that role.</p>	<p><a href="https://www.powertochange.org.uk/wp-content/uploads/2018/08/Sustainable-social-care-NEF.pdf">https://www.powertochange.org.uk/wp-content/uploads/2018/08/Sustainable-social-care-NEF.pdf</a></p>

<p>Departments for Business innovation &amp; Skills – Adult Further Education: Government Response: Outcome based success measures (December 2014)</p>	<p>Government’s response to the consultation responses for the proposed Outcome Based Success Measures.</p>	<p><a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/384225/bis-14-1196-adult-further-education-outcome-based-success-measures-consultation-government-response.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/384225/bis-14-1196-adult-further-education-outcome-based-success-measures-consultation-government-response.pdf</a></p>
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