

# LEARNING FROM LOCAL SKILLS IMPROVEMENT PLANS (LSIPS)

A REPORT TO THE GATSBY FOUNDATION

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August 2023



GATSBY

## **ACKNOWLEDGEMENTS**

We are grateful to the Gatsby Charitable Foundation for funding and supporting this report.

## **DISCLAIMER**

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## ***Richard Guy and James Farr reflect on some of the key learning to emerge from the development of the first nationwide set of Local Skills Improvement Plans.***

Described recently by the Secretary of State as putting, “*local employers at the heart of developing skills provision to meet the needs of their businesses, ensuring that people get the right skills to get good local jobs*”<sup>1</sup>, Local Skills Improvement Plans are an important part of government’s drive to improve the quality and relevance of technical education delivery to skills needs. Announced in the *Skills for jobs (2021)*<sup>2</sup> white paper, and piloted in eight areas in 2021/22, last autumn 38 Employer Representative Bodies (ERBs) were designated to lead the development and implementation of LSIPs across England. LSIP reports were submitted to DfE for approval at the end of May 2023 and published in August 2023.

Think – a consultancy focused on post-16 and adult education and training – was supported by The Gatsby Charitable Foundation to deliver a package of support to ERBs between January 2023 and LSIP submission. This included the offer of 1-2-1 support to a small number of ERBs, along with periodic briefings and the sharing of learning gained through the project with all ERBs via webinars and workshops.

While it is clear that LSIPs are bringing first-hand employer insights to the development of local priorities for technical education, as with any new process there are opportunities to identify and then apply learning to future activity. Outlined below are some of the key learning points identified in the delivery of the LSIP support project, which are intended to support ERBs, DfE and other stakeholders in the annual review and subsequent regular refresh of LSIPs. We have also produced a detailed guidance note and slide pack, designed to complement the DfE guidance for ERBs to support development of LSIPs.

### **I. LSIP RESEARCH SHOULD ASK EMPLOYERS ABOUT RECRUITMENT DIFFICULTIES**

Experience from the LSIP research stage indicates that if given ‘open’ questions about skills issues, employers will tend to answer first in terms of skills gaps within their existing workforce rather than occupational skills shortages (recruitment difficulties). This was despite near-record levels of vacancies reported in the economy during the LSIP research period.

Employer insight on recruitment difficulties is key if LSIPs are to succeed in ensuring that skills needs are better met through technical education. The majority of public investment in technical education is focused on training individuals for occupations (e.g. through apprenticeships, 16-19 programmes, Higher Technical Qualifications (HTQs) and other adult education options). In contrast, training to address workforce skills gaps (such as new processes, adapting to new technology, or regulatory requirements) is more commonly paid for by employers, though there are exceptions to this especially around key priority sectors and new technologies.

<sup>1</sup> House of Commons. (2023) *Oral Answers to Questions - Local Business Needs: Skills Development*. Available at: <https://hansard.parliament.uk/commons/2023-06-12/debates/B26F960A-E413-4D3E-A2D5-251B3095A21C/LocalBusinessNeedsSkillsDevelopment> (Volume 734: debated on Monday June 12 2023)

<sup>2</sup> Department for Education *op. cit.* (2023) *Local skills improvement plans (LSIPs) and Local skills improvement fund (LSIF)*. Available at: <https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth> ; see also: <https://www.gov.uk/government/publications/identifying-and-meeting-local-skills-needs-to-support-growth/local-skills-improvement-plans-lsips-and-strategic-development-funding-sdf>

Adequate focus on recruitment difficulties can also help counter the view ERBs reported encountering from some providers, who appeared to only be considering LSIP priorities relevant to their curriculum offer in the context of the subsequent Local Skills Improvement Fund (LSIF). Instead, provider response to LSIP priorities should consider the mix and content of mainstream funded technical education provision, rather than solely a short-term injection of additional resource like LSIF. Direction from DFE that providers' response to LSIPs should not be limited to LSIF would also assist with this matter.

## 2. USING STRATEGIC PRIORITY SECTORS

DFE's statutory guidance is sensible in stating that LSIPs, 'should not seek to cover everything'<sup>3</sup>. The guidance requires LSIPs to cover cross-sector priorities (low carbon, digitalisation and essential/transferable skills), however a limited number of strategic priority sectors are still needed - these help to focus an LSIP, giving it a greater opportunity to influence the mainstream technical education offer. Strategic priorities should be determined (at least provisionally) in the early stages of the project because they shape the LSIP's research/employer engagement, allowing for better quality evidence to be gathered about these industries and their specific occupational skill shortages and other skills needs.

LSIP research evidence suggests that there tends to be a distinction here between sectors dominated by occupations with entry from Level 2 paths (such as hospitality and retail) and those where large numbers of workers qualified from Level 3+ are required (e.g. engineering, health, financial/professional services, etc). In the former, employer feedback often focuses on transferable skills, and recruitment issues tend to predominantly focus on wages and conditions; employers in the latter tend to more readily include occupational skill shortages in their responses. Hence the project found that LSIPs focused on sectors where employment is largely via entry paths from level 3+ often gathered richer evidence of employer skills needs beyond common transferable skills.

Experience from LSIPs to date suggests that rather than considering a sectoral definition (e.g. Sector Subject Areas or Standard Industrial Classifications), using the Institute for Apprenticeships and Technical Education (IfATE) occupational routes (as shown in the new occupational maps) are most helpful in grouping together occupations that share similar knowledge, skill and behaviour requirements across levels in a way that is understandable by employers, and can be translated into education and training programmes by providers<sup>4</sup>.

## 3. ERB CAPACITY AND KNOWLEDGE

There appear to be two distinct skillsets required to develop and implement an LSIP:

- i. ERBs need to be able to engage employers and undertake effective research into their present and future skill needs.
- ii. ERBs also need to be able to create actionable priorities from this evidence base, develop and agree a roadmap for LSIP delivery, manage delivery and oversee implementation of these priorities, and monitor progress.

<sup>3</sup> Department for Education. (2022) *Local skills improvement plans*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1111501/Local\\_skills\\_improvement\\_plans\\_-\\_statutory\\_guidance\\_Oct\\_2022.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1111501/Local_skills_improvement_plans_-_statutory_guidance_Oct_2022.pdf) (p4)

<sup>4</sup> Institute for Apprenticeships and Technical Education. *Occupational maps*. Available at: <https://occupational-maps.instituteforapprenticeships.org/>

ERBs engaged enthusiastically with the task of developing an LSIP, though the skills of ERB staff were more commonly concentrated around employer engagement and research than the conversion of that evidence into actionable priorities and an implementation roadmap. This latter skillset requires knowledge of provision by different provider types and to a lesser extent, qualifications, funding and the regulatory environment (such as Ofsted enhanced inspections and college accountability agreements).

There is an opportunity to build ERBs' understanding of the scale and type of technical education delivery in their area, including provider specialisms that relate to LSIP priorities. Some of this information is available via DfE datasets that are already in the public domain<sup>5</sup>. A good understanding of existing provision will help ERBs engage more effectively with local providers, including reviewing their responses to LSIP priorities.

#### 4. REPORTING AND IMPLEMENTATION

DfE guidance provided a clear format for ERBs to follow in drafting the LSIP reports, although the content of the reports beyond this core structure differ considerably in terms of the level of detail and format. This reflects variances in the process followed by ERBs, including the depth of information that was gathered as evidence in support of each LSIP.

One area where clarification may prove useful relates to whether recent statutory and formal processes designed to ensure local skills needs are met will result in the LSIP priorities being delivered, or whether ERBs' implementation plans are also needed to ensure this. The DfE guidance requires ERBs to: 'Set out the arrangements for managing the delivery, review and updating of the LSIP, including how progress could be monitored and benefits realised', which suggests a well designed and engaged LSIP implementation process will usually be necessary, although this may vary depending how the statutory and formal processes identified above are taken forward.

<sup>5</sup> Department for Education *op. cit.* (p27) See: <https://explore-education-statistics.service.gov.uk/>

OUTLINE OF LSIP DEVELOPMENT PROCESS





