



LEP – Sub Committee

LEP - Skills and Employment Advisory Panel

Private and Confidential: No

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Local Skills Improvement Plan and Skills Advisory Panel Policy

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Executive Summary

This report describes Department for Education's policy regarding the introduction and funding of Local Skills Improvement Plans (LSIP) and changes to policy and funding regarding Skills Advisory Panels (SAPs) and Local Skills Reports.

Recommendation

The LEP Skills and Employment Advisory Panel are asked to:

- (i) Note the update and the positive collaboration with the Chambers of Commerce in relation to the development and production of the Lancashire LSIP; and
- (ii) Recommend to the LEP Board that the title of the committee revert to the Lancashire Skills and Employment Board.

Background and Advice

1. Background

- 1.1 The Lancashire Skills and Employment Board has been in place since 2014. The Lancashire Skills and Employment Hub was established in 2015 to support the board and drive the development of a robust evidence base and a Lancashire wide skills strategy. The Lancashire Skills and Employment Strategic Framework was first published in 2016 and refreshed in 2021 in consultation with employers, education and skills providers, local authorities and other stakeholders, and is a jointly owned strategy.
- 1.2 The Department for Education (DfE) formulated policy regarding Skills Advisory Panels (SAPs) in December 2018. The policy aimed to build on good practice in Lancashire and other areas, by levelling the playing field in relation to the



production of good quality labour market intelligence. Lancashire contributed to the modelling of the policy regarding SAPs alongside 5 other areas, which collectively included a mix of MCAs and LEPs.

- 1.3 In April 2019, MCAs and LEPs were asked by DfE to either form a SAP or allocate the SAP responsibilities to an existing committee. In Lancashire a decision was made to change the name of the board to the Lancashire Skills and Employment Advisory Panel.
- 1.4 A small grant was made to each of the MCAs and LEPs to support the gathering and analysis of labour market intelligence against a framework published by the DfE, to enable the publication of a Local Skills Report. Grants have been received in the previous two financial years, and in this financial year £55,000 has been received.
- 1.5 In Lancashire, the Local Skills Report was aligned with the refresh of the Lancashire Skills and Employment Strategic Framework – although Lancashire went further in its analysis than required by the DfE framework to give a fuller picture of demands in the labour market. Funds were primarily used to fund LMI reports (for example, the Food and Agriculture Sector Study and the Lancashire Digital Skills Landscape study) and to purchase data, such as the Cambridge Econometrics Forecasting Tool, vacancy data and HESA data. Funds also offset the costs of the Data Analyst, noting that the post is fully embedded within the LEP staffing structure and has a wider remit regarding economic development.

2.0 Local Skills Improvement Plans (LSIPs)

- 2.1 The DfE introduced policy regarding Local Skills Improvement Plans (LSIP) in the Skills for Jobs White Paper. LSIPs aim to provide further insight into the specific technical skills needs of employers in a defined locality, to better able providers (primarily colleges and independent training providers) to meet local labour market needs. Trailblazers were announced under the Skills Accelerator brand and allocated following a competitive process which was open to 'Employer Representative Bodies – ERBs' in September 2021. Strategic Development Fund (SDF) trailblazers were also launched under the Skills Accelerator, targeted at colleges. The SDF trailblazers provided capital and revenue investment to help colleges address specific technical skills challenges in defined localities – matching the footprints of LSIPs.
- 2.2 As the committee is aware, as progress was reported throughout the trailblazers by the Chambers and The Lancashire Colleges to the committee, the Lancashire Chambers, led by N&W Lancashire Chamber and The Lancashire Colleges, led by Myerscough College, were successful in securing trailblazers.
- 2.3 The Skills Hub supported the development of the LSIP proposal from the Chambers to the DfE and have worked collaboratively with the team to support the delivery, including sharing the labour market intelligence data and analysis undertaken by the Skills Hub and by supporting events and employer



engagement. The Skills Hub also shared the Work Foundation and LEP research regarding low carbon skills challenges that underpinned the rationale for the SDF programme. Both trailblazers were successfully delivered, and the first LSIP report published in March 2022.

- 2.4 The LSIP adds value to the LMI produced by the Skills Hub, by delving further into the specific skills needs of local employers through direct consultation. For example, results were used to contribute to the rationale for Skills Bootcamp funds in Lancashire and are also currently contributing to the shaping of the Multiply programme.

3.0 Moving Forward

- 3.1 Following the success and learning from the trailblazers the DfE are rolling out LSIPs nationally and have switched funds from the SAPs to LSIPs. The SAP grants will cease at the end of March 2023, with the expectation that LMI produced this year will be shared with ERBs in local areas that have secured the LSIPs. This continues to be the partnership of the Chambers of Commerce in Lancashire.

- 3.2 The DfE guidance regarding LSIPs makes it clear that they should not be a 'comprehensive anthology of all skills gaps' in a local area, but rather focused on articulating employers' most pressing skills needs, and that the LSIPs should draw on existing data and analysis 'amplifying the voice of employers'. It also states that LSIPs should 'dock into local strategies', for example, the Lancashire Skills and Employment Strategic Framework.

- 3.3 Following the success of the partnership approach during the trailblazer phase, continued collaboration has been agreed with the N&W Lancashire Chamber, with an allocation of funds from the LSIP budget to the Skills Hub from April 2023, once the SAP funds cease. The funds will contribute to the continued purchase of data, analysis and report writing, providing the wider view of the economic, skills and employment landscape in Lancashire, with the expectation that qualitative insights from Lancashire employers will come through the LSIP process, thus negating the need to do specific sector studies with employers as has been commissioned previously. For example, the Skills Hub Data Analyst is currently producing data driven sector analysis for each of the focus groups which have been relaunched, with view to further insights being gained directly from the employers through the LSIP process building on the analysis undertaken to-date. This approach avoids any duplication in effort and ensures that the LSIP adds value to the Skills Hub evidence base and vice versa.

- 3.4 Colleges and providers will be required to articulate how they are responding to the skill needs of a local areas, as articulated through the LSIP process through accountability agreements which will form part of the Ofsted framework. Providers will be able to reference the wider economic, skills and employment landscape provided by the Skills Hub, which will feed into the LSIP report, and the deeper insights gained from the direct engagement of employers through the LSIP process, through the partnership approach.



3.5 The LSIP report will contribute, alongside Lancashire 2050, to the refresh of the Lancashire Skills and Employment Strategic Framework in 2023.

4.0 Recommendations

4.1 The committee are asked to note the update and the positive collaboration with the partnership of the Chambers of Commerce in relation to the development and production of the Lancashire LSIP.

4.2 The committee are asked to recommend to the LEP Board that the title of the committee revert to the Lancashire Skills and Employment Board, considering the changes in SAP policy by the DfE.

List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A