

Local Skills Improvement Plans (LSIPs)

Employer Representative Bodies

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LOCAL SKILLS
IMPROVEMENT
PARTNERSHIP

This briefing summarises the key aspects of planning and delivering a successful Local Skills Improvement Plan for Employer Representative Bodies.

What is an LSIP?

A **Local Skills Improvement Plan (LSIP)** is a three-year, employer-led plan for a specific local area in England. Its primary goal is to align post-16 technical education and training with the current and future skills needs of local employers and the wider economy.

Key Qualities of LSIPs

- **Employer-led:** Driven by local businesses, typically led by an Employer Representative Body (ERB) like a Chamber of Commerce.
- **Evidence-based:** Relies on robust research and engagement with employers to identify specific skills, capabilities, and expertise needed.
- **Action-oriented:** Outlines clear priorities and changes required in local training provision to address identified gaps.
- **Strategic focus:** Addresses the most pressing skills issues aligned with local economic strategies.
- **Collaborative:** Involves employers, education and training providers (FE colleges, universities, independent training providers), local authorities, and other stakeholders.
- **Dynamic and up-to-date:** Intended to be a "living document" reviewed and updated regularly to remain relevant.

Benefits of a Successful LSIP:

- A more skilled workforce.
- A stronger local economy.
- Enhanced influence for the leading organisation.
- Improved productivity and quality of jobs.

Employer Representative Bodies: Five Reasons for Leading Your Local Skills Improvement Plan

1. Close the Skills Gap: Set Your Region Up for Success

- **Businesses face a lack of skilled workers.** National and local surveys consistently flag skills as the number one priority for employers where the public sector can play a prominent role.
- **The LSIP Solution provides the hard evidence and sharp analysis you need to resolve this.** LSIPs, forged through collaboration with employers, businesses, and educational institutions, offer a clear, unbiased view of current and future local skills demands. No more guesswork: LSIPs provide the robust data and compelling case for real change.

2. Amplify Your Voice: Become the Go-To Authority

- As an Employer Representative Body (ERB), you're sitting on a goldmine of local economic insight. LSIPs are your chance to **broadcast that expertise** and **expand your influence**.
- **Leading an LSIP puts you at the centre of the conversation.** You'll be engaging with a broader range of businesses, including those outside your usual network. You will become the **champion** for local employer needs, driving resources and setting priorities for education and training providers.

3. Deliver Real Wins for Your Members: Fuel a Stronger Economy

- **Your members need skilled staff to thrive.** A strong local economy, powered by the right skills, directly boosts their bottom line and resilience.
- LSIPs ensure that education and training finally **align with the real-world demands** of local businesses. Your members get a direct say, articulating their specific skill requirements. The local skills system becomes **agile and responsive**, adapting to meet their evolving needs. The result? A more robust and competitive local economy where your members can flourish.

4. You're the Only Organisation Who Can Unite the Players: Be the Catalyst for Change

- **You're in a Unique Position.** No other organisation has the credibility and impartiality to bring together the diverse landscape of the local skills system.
- LSIPs provide the **neutral ground** and **evidence-based framework** to unite employers, businesses, and education providers. The economy is dynamic – skills needs are constantly shifting. You're the one organisation who can convene the crucial conversations and drive the necessary adaptations.

5. Employer-Led Skills Need Employer Leadership: Step Up and Make It Happen

- **Employer-led skills development needs employers at the helm** and that's where you come in.
- Employer Representative Bodies (ERBs) such as Chambers of Commerce are seen as **impartial, objective, and trusted** by businesses. Many Further Education (FE) colleges are already your members. You are uniquely positioned to be the **neutral broker**, bringing everyone together to deliver a truly effective LSIP.

SUPERCHARGE YOUR LOCAL SKILLS IMPROVEMENT PLAN

ROBUST
APPLIED
RESEARCH

We are industry leaders in labour market and skills policy, strategy and analysis

CATALYSE
THE
PLAYERS

We bring decades of experience with local stakeholders, businesses and skills providers

BE THE
GO-TO
AUTHORITY

We lead regional and national applied research and policy units



LOCAL SKILLS
IMPROVEMENT
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What do Employers and Businesses Want from their Local Skills Improvement Plan

Employers and businesses want to improve the skills and employability of job applicants, support skills development in existing employees and address skills shortages

Employers And Businesses Want To Reduce Skills Shortages and Recruitment Difficulties

- Fundamentally employers have been facing many challenges to recruitment and finding the skills they need in the workforce. They want a system that can improve this.

Employers and Businesses Want Evolution

- Many employers have good working relationships with educational institutions and skills providers. They want to build on existing good practice and relationships.

Employers and Businesses Want a Formal Role

- The employer role in the skills system could be formalised, and engagement has been welcomed by businesses.

Employers and Businesses Want Skills Provision to be Agile

- Creating an agile and responsive skills system that can respond to technological and market change is vital, and employer

engagement can play a valuable role.

Employers and Businesses Want to See the Skills System Joined Up

- Employers want to see a more integrated skills system that is easy to navigate and encourages entry at all levels and progression. At the same time, employers also want more responsive and agile course formats, such as modular courses.

Employers and Businesses Want Help to Access Talent in Harder to Reach communities

- Employers know there is potential and talent to unlock in people from backgrounds that are less represented in their industries; that increasing the cognitive, ethnic, and gender diversities of their sector will strength it. But to achieve this they need to work more closely with education providers, careers services, and others.

Employers and Businesses Want More Flexible Funding for Skills

- Flexible funding to support local priorities and reflect local industries and business characteristics is needed.

What do Employer Representative Bodies want from their Local Skills System?

Some Employer Representative Bodies are responsible for leading and delivering LSIPs. Others will contribute significantly.

Fundamentally, they want to inform changes to the local skills system to better meet the needs of members and the economy and to ensure the debate about skills, and skills provision, is led by employer needs.

Employer Representative Bodies Want the Local Skills System to help Provide the Skills and Workforce that Their Members Need

- LSIPs provide the robust evidence and analysis for change, produced in partnership by employers, businesses and education and training providers
- National and local surveys show that the business and performance implications of recruitment and skills problems are significant

Employer Representative Bodies Want Authoritative, Evidence-Based Skills Plans and Implementation that Meets Employers' Needs

- Employer representative bodies are impartial, objective and trusted by employers to help them and the local economy thrive and succeed
- An employer representative body can hold both employers and education and skills

providers to account in the local skills system for change and progress to meet the identified priorities and plans

Employer Representative Bodies Want to Help Catalyse Change to Improve the Local Skills System

- An employer representative body is often the only organisation that can credibly bring all the players in the local skills system together
- Local Colleges and private training providers are often members of employer representative bodies and are already part of the conversation and collaboration.

Employer Representative Bodies Want to Work with Education and Skills Institutions and Providers to Provide the Skills that Employers Need for Jobs for Local People

- LSIPs are a mechanism for bringing all the players in the local skills system together to forge an improvement plan based on robust evidence

Employer Representative Bodies Want to Engage Businesses and Employers into the Skills Debate Who Might Not be so Visible or Vocal

- They want to serve and engage existing and new members by including their needs within the skills system



Your 8-Point Plan: How to Plan and Deliver a Great Local Skills Improvement Plan

1. Stakeholder Involvement and Governance

Advisory Boards and Steering Groups Secure Early Involvement and Buy in

Put in place a steering group or advisory board that comprises of employer representative groups, major employers, education institutions, training provider representatives, third sector organisations and local government.

Use the group to provide feedback on a draft plan for the LSIP, and to review progress and drafts.

Use the group to secure access and participation of key employers as required.

Use the group to promote, market and advocate for the LSIP and the locality.

Stakeholder Engagement is Vital to the Success of a Skills Plan

Plan and initiate comprehensive engagement strategies and practices with stakeholders and partner organisations, building on existing partnerships and initiatives where they exist.

Ask skills and training providers what they need to prepare and plan new courses and provision.

Have a plan for whom you will circulate the draft LSIP report to for comments, and how you will incorporate these into a final report.

Focused Objectives Will Yield Better Results and Practical Application for Your Skills Plan

Staff, resources and time is limited to deliver your LSIP.

Set some clear goals and aspirations.

Set out a clear task plan with a timetable and milestones.

Set out a budget for delivery, internal staff, time, data products and subscriptions, and consultants.

Find out how partners can give you in-kind support such as access to analysts or data subscriptions.

Asking the Right Questions at the Start is a Good Way to Achieve Focus

An LSIP will be successful if some key questions are identified early on, and these inform the design of the research programme.

Here's some starter questions for you!

State of the economy

How is your local economy performing compared to the regional and national economy, and other similar peer economies, in terms of GDP and job growth?

What are productivity levels like in your local economy? Does your economic structure (industrial composition) influence rates of productivity?

What industries and sectors have grown in recent years, which have declined? How different or similar is this to national trends?

Does your local economy have distinct industrial specialisms? How does this influence or shape the economy?

What is the business population like in terms of size and profile? Are their high rates of entrepreneurship? Is the economy dominated by large or small employers?

Does the locality experience high rates of in- or out-commuting? Are there strong relationships with other labour markets or employer locations? What kinds of workers commute into the locality, and what kinds of skills do they have, and what kinds of workers commute to work outside the locality?

Labour demand

What are the main industries? Which industries are growing, which are declining?

What is the demand for labour and jobs? How do retirement rates affect the demand for workers?

What kinds of jobs, or occupations are in demand? Has the occupational or skills profile changed in recent years?

What is the current stage of employment demand and recruitment? What are the highest in-demand job roles according to recruiters and job vacancy data? What kinds of job roles have experienced the longest length advertised before being filled?

What proportion of employers are good recruiters - they have business plans, training plans, or HR teams?

What kinds of recruitment and skills shortages do employers experience and how does this affect their operations and performance?

What kinds of skills deficiencies are there in current employees? Are these due to entry-level roles needing training up, or are these long-standing skills gaps?

What kinds of training activity do employers engage in? Do they recruit apprentices? Has training investment and activity gone up or down over recent years? What are the barriers to employer training?

Are there any core skill sets which are deficient or in demand? – in particular customer and communication skills, literacy, numeracy, digital, and science, technology, engineering and maths (STEM) skills.

What are levels of remuneration like in the economy? Is the average local salary higher or lower than the national average?

Labour supply

What is the size of the workforce? How has this changed, and how is this forecast to change?

How is the workforce composed in terms of age, gender, ethnicity and rates of disability?

How far do people commute to work, and how is this differentiated between different types, or skill levels of job or qualifications attainments of workers? How many people work from home, or hybrid-work?

Is the workforce ageing and forecast to contract due to ageing, and lower birth and replacement rates?

What is labour market activity and participation like? Are there large numbers in unemployment or economically inactive without working? Is long-term unemployment a problem? What are the reasons for not-working? Can reasons such as health, low educational attainment, and other barriers be overcome?

Are there localised concentrations of worklessness and disadvantage? What are local economic conditions and local job opportunities like in these areas?

How many young people are disengaged from the economy and not in employment, education or training (NEET)?

Skills and qualifications

What education and skills levels do people have? What occupational skills does the workforce have?

What is participation in 16-19 FE like? Is it high or low? Is it increasing or decreasing?

What kinds of qualifications do residents have once they complete school, FE college, and university?

How many apprentices start in the locality each year? How many completions are there? What kinds of jobs have the biggest demand for apprentices? Are apprenticeships increasing or decreasing?

What do local colleges and universities specialise in? How far do they engage with employers?

Are there any major gaps in education and training provision in the local area?

2. Planning the Research Phase

By Giving Your LSIP Some Focused Objectives, You Will Sharpen up the Main Research Questions

The amount of information gathered in some LSIPs is staggering. Perhaps there could be more analysis and insight generated? If only there was more time and more human resources that could be deployed?

All LSIPs operate within resource and time constraints. It is recommended that you set some focused objectives for your LSIP.

This may be to address specific industries, skills shortages, or recruitment challenges.

Or it may be to use the LSIP as a means of bringing employers and skills providers closer together.

Asking Why You Need to Know the Answer to Your Research Questions, and What You Will Do with These Insights to Help You Identify the Right Questions

Having a long-list of research questions is a good way to start, and asking stakeholders to help you compile this is advised.

The next step is to probe why you want to answer each particular question, and what benefits this may lead to. If by answering one question, it can substantially improve the performance of local businesses, then it's a priority. If it's just a 'nice to know' situation, it's a low priority.

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A HIGH QUALITY,
PROFESSIONALLY MANAGED
AND DELIVERED LSIP WILL
ENGAGE YOUR MEMBERS,
BUSINESSES, AND
STAKEHOLDERS



TOGETHER WE HAVE OVER
75 YEARS OF EXPERIENCE IN
LABOUR MARKETS, SKILLS,
AND ECONOMICS; AND HAVE
HAD SENIOR ROLES
IN PUBLIC ORGANISATIONS

A Capability Assessment and Plan is Vital to Planning How You Are Going to Deliver the Skills Plan and Who Will do the Work

Skills and labour market economics, analysis, policy, strategy and delivery are specialist subjects, often requiring specialist professional skills and experience. These skills can include:

- Project management
- Stakeholder management
- Statistics and analysis
- Survey design and conduct
- Interpretation and analysis
- Strategy design
- Policy analysis
- Skills and education delivery knowledge and design

3. Hire the Right Consultants

Scope out which elements of the LSIP you will do yourself and which you will put out to consultants

During the LSIP planning phase it is important to set out the capabilities and capacities you can draw on internally, from partners, and which aspects of the LSIP will you need to contract out to consultants.

Consultant selection is critical – it can make for a very successful, high quality LSIP, or not.

Secure experienced consultants

Labour market, employment and skills applied research, strategy and action planning needs specialist experience. Questions you should use to assess consultants' suitability:

- Do the consultants have a track record of similar types of work?
- Can the consultants provide examples of work and client testimonials?
- Do the consultants have a comprehensive applied knowledge of the data sets and analytical techniques?
- Can the consultants deploy experienced personnel to the work? Or are they over-reliant on inexperienced staff?

Ensure quality

- Ask about quality assurance processes
- How are the final reports checked and edited?
- Schedule invoices to be paid after the satisfactory completion of milestones

The importance of ongoing consultancy

The initial LSIP report is just the start. Ongoing consultancy support is essential during LSIP delivery. We need to make the LSIP a living process, rather than a 'once-and-done' exercise, especially as the funding currently supports monitoring, research and convening activity between LSIP refreshes. Ongoing work includes:

- In-depth labour market reports linked to the priorities of the LSIPs
- Horizon scans of brewing labour market developments - both trends and local contingencies like site closures and openings
- Regular employer engagement events and summits
- Employer guides and career maps linked to local provision
- Briefings linked to formal engagement with government and others on policy: e.g. reports into DfE and briefings for regional agents at the Bank of England

Are the consultants trusted to operate like an extension of your team? Do they...?

- Field ad hoc requests for expertise at short notice without charging too much?
- Give good advice that's rooted in an understanding of place, and of their stakeholders?

4. Undertaking the Research

By Giving Your LSIP Some Focused Objectives, You Will Gain Greater Buy-in and Traction with Your Stakeholders

As mentioned on page 18, all LSIPs operate within resource and time constraints. It is recommended that you set some focused objectives for your LSIP.

Robust Surveys and Consultations Need to Take into Account Sample Sizes and Representativeness

Not many LSIPs so far have directly assessed the statistical validity and robustness of their surveys, which is an oversight that should be addressed.

LSIP managers should be aware of these statistical issues to increase the quality and robustness of results:

Representative sample and error margins. For example, for a population size of 10,000 businesses - a representative sample at a 95% confidence level (with an error margin of 5%) would be 370 businesses, and this does not allow for statistically valid separate results per industry (which would require the sample size to increase).

Sample representativeness. An advantage of telephone surveys is that they can seek a quota sample which is statistically representative of the business population: this can take account of size, sector, age and other characteristics. However, the fieldwork costs of telephone surveys are typically prohibitive for all but the largest data-gathering and market research projects. Online surveys are much more affordable to put into the field and manage, with many ERBs already set-up to do this through platforms like SurveyMonkey. The challenges are to move beyond member-only distribution lists, and avoid gaps in the data from under-represented industries or sizes of business. Post-survey weighting of results can help to improve insight.

Optimism bias. Very few businesses will signal in a survey that they expect to contract, shed jobs, or close, yet in reality a significant proportion do. Such optimism bias can potentially lead to an over-estimation of recruitment numbers or jobs growth.

How far are findings perceptions, or facts? It's a challenge to separate what are verifiable facts - such as the number of recruits a business has taken on in the past 12 months, to perceptions such as the view that there is a lack of local training opportunities - when, as some LSIPs have pointed out - there are training opportunities and courses, but it seems that some businesses are unaware of them. Added to this, is the case that businesses who do not plan skills or establish formal budgets for recruitment or training, are less likely to have an informed view of recruitment and skills needs. There's nothing wrong with discussing findings from surveys and business engagement which clash with some well-established facts, and being open about this - as many LSIPs have done.

5. How to Get Great Survey and Consultation Response Rates

Achieve significant numbers of participants in workshops, interviews and surveys by pitching key questions and issues that they relate to and repeating online events and forums, and consider buying in business samples from marketing databases

Emphasise what this research is for and how it will impact issues relevant to the people you want to target to get their views – e.g.

For businesses: this is about improving the skills and employability of job applicants, supporting skills development in existing employees and addressing skills shortages

For employer representative bodies: this is about informing changes to the local skills system to better meet the needs of members and the economy

For education and training providers: this is about better understanding employer skills needs, and establishing a robust evidence base upon which to plan future education and training provision

For local authorities: this is about ensuring local employers can secure the workforce skills they need, improving productivity, rates of pay and the quality of jobs

Some tips include:

- Have clear relevant questions tailored to different stakeholder groups
- Piggy-back on existing regular meetings, events or forums as far as possible
- Secure slots at regular meetings and events (in-person or online) to briefly outline the LSIP, the

key questions and invite feedback

- Use these meetings to highlight links to online surveys or how to join online workshops
- Design short, sharp modes of engagement which are tailored to different stakeholder groups:
- For businesses: very short online surveys; 15 minute consultation phone calls; 20-minute online focus groups
- For business representative groups: piggy back onto existing scheduled events and newsletters
- Use online registration and calendar booking for events
- Buy in business contact details from marketing databases to use for your online survey. This can supplement member contact details.
- Use a telephone survey company is another option but likely to be too expensive to deliver as part of an LSIP. This is costly (around £40 per achieved interview) but can secure guaranteed samples and robust results. The average locality would need 350 respondents = £14,000. Results are provided in a tabulated format that is easy to analyse.

Use digital and mobile technology

- Create or use an app for voice or video feedback and input (these apps will also transcribe the audio and provide summary analysis of a cohort of people submitting views this way).
- Use automated transcription services, and ensure that

permission to record events and conversations is built into the calendar booking process.

- Online surveys are cheap and easy to deliver, providing instant data and reports – but response rates are low.
- Keep online surveys down to 2-3 minutes to complete.

Create qualitative research formats which can be scaled and repeated

It's far better to create a short 30-minute online focus group or workshop and repeat this 10 times than to deliver a single 3-hour workshop. Participation rates will be higher for virtually the same preparation and delivery time.

Regularly review qualitative and survey participation

Monitor survey returns and workshop participation weekly to build to a target.

This allows you to consider other actions to boost responses and involvement

Engage Employers in a Language They Understand and Formats That They Can Contribute to

It is important to engage employers in formats and language that they will understand and be able to accommodate. A variety of techniques can be used, including:

- Employer surveys
- Employer focus groups
- Employer 1-to-1 consultations
- Employer panels
- Mobile / app engagement and quizzes

6. Analysis and Interpretation – What Does the Data and Consultation Evidence Mean?

Asking the Right Questions is the Best Place to Start with Analysis

So you have gathered a lot of information and data but don't know where to start in terms of understanding what it means, and what the implications are. A good starting point is to ask yourself, your team, and key stakeholders what they think it means? Are there clear trends and convincing analysis?

- What does the data or information tell us about the situation in our locality?
- How reliable is this data? Do we need to make any caveats or identify any risks with regards to its accuracy or provenance?
- How does this complement, conflict with, or add to existing knowledge?
- Can we explain why this data and information appears the way it does? Does the analysis tell us anything about causal factors?
- Does the data reveal insights on a segment, or part of the population? Or does it review insights about the general population?
- What can local employers and education and skills providers tell us about this data, does it reflect their experience or knowledge, what explanations might they be able to offer?
- Are the issues mentioned in consultations, interviews or workshops consistent and widely reported, or is a specific issue just mentioned by 1 or 2 people (and cannot therefore be considered as a robust finding)?
- Are there any myths or stereotype views which do not match what evidence reveals? This is important.
- What should we do differently as a result of this information?
- Do we need to regularly update this information and data?

You Won't Know the Answers to Everything – But You Can Plan to Address the Critical Questions

- Ask stakeholders what they need to know. Do this at local events or in response to newsletters or publications. Make it systematic
- Ask skills and training providers what they need to prepare and plan new courses and provision
- Use knowledge gaps to define a future work programme
- Plan ahead for the next version of the LSIP

7. Write High-Impact Reports that are Easy to Read and are Backed by Robust Evidence

- The main report should be 30-40 pages long in an accessible, easy-to-read high-impact style that uses charts and graphics appropriately. Infographics are a great way to communicate
- A detailed research report, with detailed statistical tables, can be provided as appendices. This shows that you have really done the detail
- A separate appendix report on findings from surveys, workshops and engagement is also useful
- Write an easy to read 2-4-page summary aimed at a business audience
- Get a professional copy editor to review and improve your final drafts
- Have one or more launch events

8. Creating a Skills Community and LSIP as a Continuous, Long-Term Process Will Yield the Greatest Influence and Impact

- Use the LSIP to bring the local skills system and community together
- Encourage engagement and participation
- Encourage often 'hidden' business and stakeholder views to come to the fore
- Set up a regular set of events and outputs
- Deliver the LSIP as a continuous process – it doesn't end with the initial LSIP report

The Best LSIPS Have These 5 Qualities

1) Extensive Business and Employer Engagement

- Use the connections and role of the Chambers of Commerce and other business representative employers
- Include large public and private employers
- Qualify and probe employer responses, asking for causal factors
- Use a range of engagement methods

2) Engage With and Discuss Critical Trends

- Confront, derive evidence, views and conclusions on the implications of key megatrends such as:
- Climate change
- AI
- Military conflict
- Resource and supply chain issues
- Demographic change
- Changing global trade system

3) Intelligence, Not Just Information: Tells us What the Statistics Mean

- Key insights
- Learning points
- What's new, what's changed?
- What are the implications?
- What can we do about them?
- And there's a logic chain between the report conclusions and the statistics and findings
- Simply mounting data on websites and systems, and publishing graphs and tables is not analysis or interpretation

4) Cite, Analyse and Relate to Existing Research and Reports

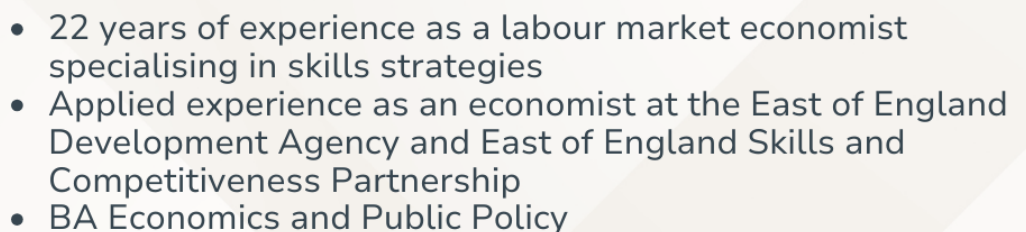
- Interpose insights and findings from their reports with the results from LSIPs
- Use specialist studies' findings to develop insights and a narrative for sectors
- Use LSIPs to validate where trends, features and causal relationships found in national studies reflect local conditions

5) Create a Skills Community and Knit the Local Skills System Together

- Use the LSIP to bring the local skills system and community together
- Encourage engagement and participation
- Encourage often 'hidden' business and stakeholder views to come to the fore
- Set up a regular set of events and outputs
- See the LSIP as a continuous process



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