

What are Local Skills Improvement Plans?

Local Skills Improvement Plans (LSIPs) were introduced in the Skills for Jobs White Paper in January 2021. They are a key part of the Government's transformational vision of an adult skills system where businesses, particularly SMEs, are given a much stronger voice in local skills planning. The plans will help ensure provision is more responsive to emerging and changing skills needs and, being locally driven, can be tailored to the challenges and opportunities most relevant to the area.

What's the legal status?

The Skills and Post-16 Education Bill is currently passing through Parliament and will provide a statutory underpinning for local skills improvement plans. It enables the Secretary of State for Education to designate employer representative bodies to lead the development of the plans and introduces duties on providers to co-operate in the development of and then have regard to the plans.

Why are LSIPs are needed?

- Skills shortages are impacting businesses in all sectors and at all skill levels. In Q3 2021, of the 61% of firms who tried to recruit, 77% reported difficulties.
- Skills shortages have been a problem for businesses for many years. The current supply-led system has not resolved the problem. There is often a mismatch in the skills people can offer and the skills businesses need.
- Some people are investing their hopes and resources in training courses that do not necessarily lead to good, secure jobs in their local area.
- A lack of technical skills in the adult workforce is holding back individuals' progression opportunities and putting a brake on business productivity.
- A transformational change is needed in the way that we plan for skills to ensure that more people access training opportunities that lead to employment - and that the training meets the skills needs of local employers.
- BCC launched an independent Commission looking at the skills system from the perspective of the employer and concluded that, among other things, a much stronger voice is needed for employers at the local level in planning for skills.
- Further recommendations of the Commission can be found [here](#).

BCC response

The government's Skills for Jobs White Paper set out an exciting and ambitious vision to put the skills needs of businesses at the heart of the skills system.

Chambers across Britain are at the forefront of supporting young people into work and linking employers with training providers. A locally based approach to skills training with substantial Chamber involvement is starting to emerge.

Chambers across England have stepped forward to play their part in ensuring more people can train and retrain for new and emerging jobs in their local communities, working in conjunction with local FE institutions and other partners. Accredited Chambers are well-placed to bring these coalitions together and, learning from the work of the trailblazers, we believe LSIPs should be rapidly rolled out across the country.

What is your local Chamber doing to develop LSIPs?

The government has announced a trailblazer scheme of 8 LSIPs. These are being developed by 11 Accredited Chambers of Commerce in the following areas:

- Cumbria – Cumbria Chamber of Commerce
- Teesside – North East England Chamber of Commerce
- South Yorkshire – Led by Doncaster Chamber of Commerce, in partnership with Sheffield Chamber of Commerce and Barnsley & Rotherham Chamber of Commerce
- North and West Lancashire – Led by North and West Lancashire Chamber of Commerce, in partnership with East Lancashire Chamber of Commerce
- Leicestershire & Leicester – East Midlands Chamber of Commerce
- Bristol – Business West
- Sussex – Sussex Chamber of Commerce
- Kent Invicta – Kent Invicta Chamber of Commerce

Whilst Chambers are the lead Employer Representative Body for these plans, they will be developed to the benefit of the whole local community. There will be robust engagement with employers, providers and a wide range of stakeholders to discuss and plan for current and emerging skills priorities. Accredited Chambers are well-placed to bring these coalitions together and, learning from the work of the trailblazers, we believe LSIPs should be rapidly rolled out across the country.

Why are Accredited Chambers of Commerce well suited to coordinating the development of the plans?

Chambers:

- Are independent, impartial and part of a quality assured, accredited and not-for-profit national network
- Are business led and business focused. We work with micro, small, medium and large employers from the widest range of industry sectors.
- Provide a business-centred view of in-demand and future skills needs to ensure that LSIPs focus on skills that will lead to good and sustainable employment opportunities.
- Are rooted in local business communities, with strong local infrastructure. Our business advisers on the ground are already supporting employers with a broad range of business issues. Through these multiple touch points, chambers are well placed to ensure all initiatives include a skills conversation with employers.
- Have well-established relationships with economic partners and broader stakeholders - at a strategic and operational level - locally, regionally and nationally
- Have the flexibility to operate across varying geographical levels and locations
- Combine national and local working - affording efficiencies, the sharing of best practice and the identification of national and regional trends alongside local, unique variances in skills demand.

What's needed to make the programme a success?

- A transformation in skills planning requires a new approach. LSIPs must be business-led to ensure people's skills remain relevant and young people and adults can access training for sustainable, in-demand and emerging employment opportunities in their local area.
- To give businesses the confidence to invest long-term in the skills system, their input into skills planning should be heard, respected, and acted upon. As the lead on LSIPs, and following deep consultation with providers and other stakeholders, Chambers should have the authority to submit the final LSIP proposal to DFE reflecting the true outcome and skills requirements of this engagement.
- Trust, cooperation, and collaboration, with all local stakeholders committed to supporting greater levels of employer engagement in skills planning and orienting delivery and funding accordingly. To build buy-in of these stakeholders, clarity on the long-term rollout of the programme should be provided.