

DELIVERING GROWTH

PRODUCTIVITY



DELIVERING GROWTH: FOUR YEARS OF LSIP IMPACT

Employer-led change powering the economy

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1. INTRODUCTION

The birth of Local Skills Improvement Plans

In 2019, the British Chambers of Commerce launched a Workplace Training and Development Commission to consider how best to tackle the issue of skills shortages across the economy. Its final report identified a mismatch between the skills that employers needed, and the training provision available locally. The UK Government listened to the findings and created 38 Local Skills Improvement Plans (LSIPs) across England. These are employer-led initiatives to bring together businesses and providers to respond to the skills needs of local economies, now and in the future. There are now 39 LSIPs in England, and 33 are led by Chambers of Commerce, as the designated Employer Representative Body (ERB). The representative body convenes ongoing roundtable meetings and workshops, which help create, and then implement the local skills improvement plan.

Impact so far

In 2024, the British Chambers of Commerce commissioned the first independent review of LSIPs. The report found that in the first few months of the programme alone, more than 65,500 businesses had engaged with the plans, many getting involved with the skills system for the first time. Since then:

- Thousands of people have completed courses designed through the LSIP
- Colleges have built new premises and updated equipment to enable them to better meet the skills needs of business and learners
- Employers have facilitated industry exchange experiences for educators
- Many thousands of businesses have started to plan proactively for their skills needs.

SPOTLIGHT

Berkshire and Oxfordshire LSIP in 2025

45

new courses created

1,408

people accessed new training

2,190

learners used new training facilities

116

employers helped design courses

The UK government has recognised the success of LSIPs in bringing stakeholders around the table and using granular insight to deliver real change to local communities. The 2025 Post-16 Education and Skills White Paper announced that LSIPs would be expanded to cover skills from Level 2 to Level 8, led by joint ownership between Employer Representative Bodies and Strategic Authorities. Universities will also have a greater role to play, unlocking opportunities to target the higher-level skills which could provide the greatest boost to growth and productivity.



Turning success into scalable impact

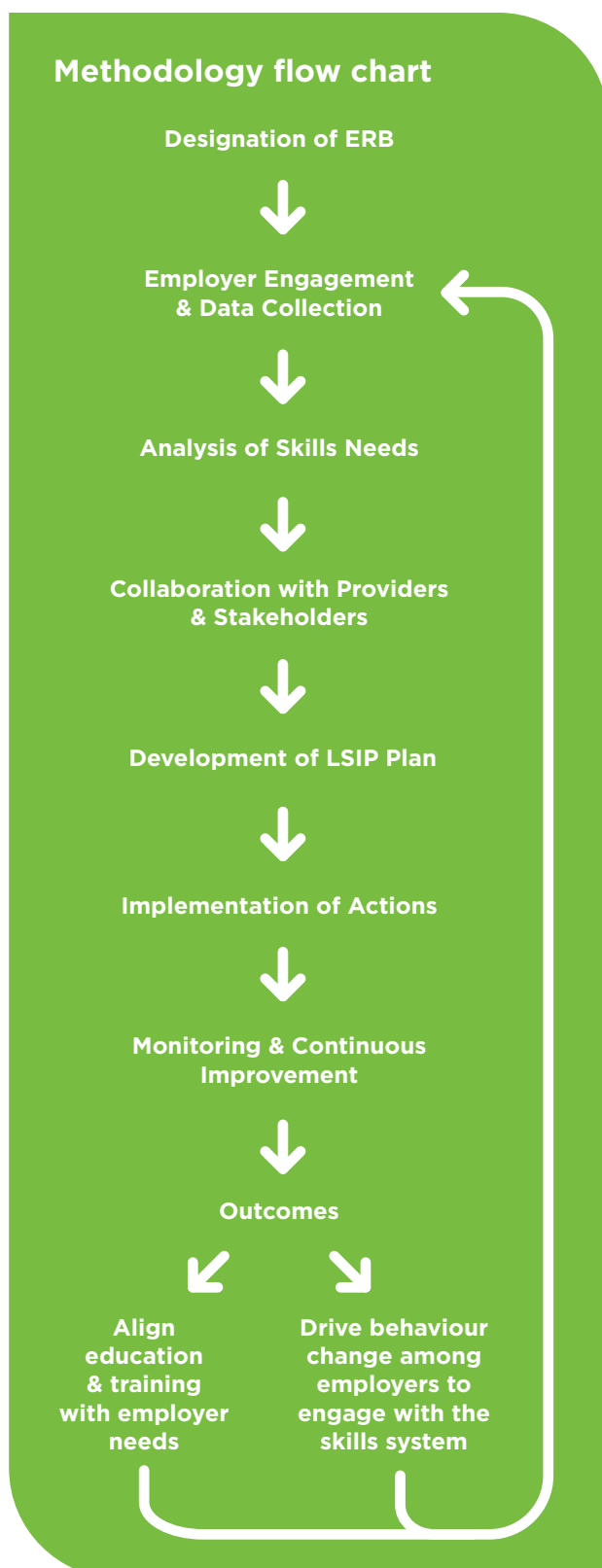
The LSIP model is working. It is delivering positive outcomes for businesses and individuals, and growth in local economies. Employers of all sizes and sectors are engaged. Across England, the skills system is starting to be reshaped to meet the needs of employers and the economy. By driving real-world outcomes, the LSIP process will embed lasting change in the skills system and transform employer behaviour for the long-term.

The LSIP process enables ERBs to gather a wealth of insight about employer views and needs on skills, as well as wider business sentiment. Skills needs do not exist in a vacuum, and the process of deep employer engagement uncovers key data about the wider economic and policy environment challenges for business.

Skills England must not let this goldmine of data and employer goodwill sit in a silo. Instead, the UK government should capitalise on the success of LSIPs. Ministers should avoid duplicating delivery models or experimenting blindly when the evidence for what works for employer engagement is clear. The government is developing plans, strategies and ambitions to boost opportunity and grow the economy. Those proposals include youth employment, health-related economic inactivity, careers education, business support, planning and innovation. Engagement with employers will be key to success and Chambers, as Employer Representative Bodies, stand ready to deliver.



2. LSIP METHODOLOGY



Unique employer engagement

Figure 1 shows the process of creating and implementing a Local Skills Improvement Plan. Critical to this methodology is deep employer engagement led by trusted third-party Employer Representative Bodies. This sets the LSIP programme apart from previous skills planning initiatives. The LSIP programme not only influences college and provider behaviour through public sector investment. It also drives employer behaviour change by building trust and engagement with the skills system, prompting private sector investment in skills.

SPOTLIGHT

V12 Footwear, Chippenham

Chippenham employer V12 Footwear engaged with the Swindon and Wiltshire LSIP to scope new roles in business administration and customer service.

They were introduced to relevant apprenticeship standards, local providers, and levy transfer options by the Employer Representative Body, Business West.

As a result, V12 developed a comprehensive Learning & Development plan for 2025 based on LSIP-aligned guidance and provision.

Chamber ERBs surveyed for this report unanimously cited the employer-led model as critical to the success of LSIPs. Their testimonials placed existential importance on the LSIP being perceived as 'by business for business'. This is how Chambers have been able to engage tens of thousands of businesses for the first time. SMEs who have never before thought about their skills needs are now shaping local provision and workforce planning for the medium to long term, because they trust the ERB to understand their needs.

Feedback from Chambers

“Prior to LSIP, employers had little or no say, except larger firms on certain committees who were not representative of an area or the bulk of businesses.

“There needs to be intervention, leadership and scrutiny from business in the publicly funded skills system to ensure that it is responsive to and meets the needs of employers.

“Being able to say this is by business for business is a vital part of gaining useful levels of intelligence

“The LSIP’s role is to articulate the employer voice in a way that providers can action, and to stimulate employer engagement and investment in skills.

“The employer-led model is essential to the success of LSIPs. Direct engagement with businesses ensures that identified skills priorities genuinely reflect local needs. As the end-users of the skills system, employers must have a clear voice so that training and provision are aligned with what they actually require.

“The employer-led model is critical to the success of LSIPs. It ensures skills plans reflect real labour-market demand, improves employer buy-in, and increases the likelihood that training leads to jobs. Employer leadership also makes LSIPs more responsive to economic change.

“Business engagement has been highly positive, with employers contributing to sector-specific focus groups that provided genuine local insight and directly shaped our latest progress report.



3. MAXIMISING IMPACT ACROSS GOVERNMENT

LSIPs are detailed and specific plans, allowing providers to respond with concrete actions – for example introducing specific apprenticeships or updating equipment to meet industry standards. This specificity is how the LSIP effects change that employers need in the skills system and creates a positive feedback loop when businesses see that their engagement has led to practical actions.

In theory, the methodology therefore becomes self-sustaining as there is a constant cycle of engagement and analysis prompting change. That in turn encourages further engagement to iterate on the LSIP as skills needs evolve.

CASE STUDY

Cross-curricular benefit of targeted investment in response to local skills planning

Screen Industries were identified as a priority sector in the Berkshire Local Skills Improvement Plan, led by Thames Valley Chamber of Commerce. Windsor College in Berkshire used capital investment from the Local Skills Improvement Fund to establish a cutting-edge Virtual Production (VP) Studio, editing suite and podcast facility.

More than 400 learners across Creative Media, Performing Arts, Art & Design, Fashion, Hair & Make-Up have already benefited from access to the new facilities which expand provision in direct response to the LSIP Screen Industries priorities.

New programmes now include Level 3 and Level 4 Screen Industries pathways, a Level 3 Production Assistant apprenticeship, expanded Level 4 creative routes, and a suite of short adult courses in Virtual Production, AI in the Creative Industries, Sound and Podcasting. Related curriculum areas have also grown strongly, including a 55% increase in Fashion enrolments, and 43% increase in Performing & Production Arts.

Commercial hire of the VP studio has embedded real-world experience into the curriculum.

Students have supported professional crews on high-profile productions, including Netflix projects, allowing them to gain exposure to on-set workflows, client expectations and professional production standards.

Importantly, the VP studio is now a cross-college asset with a halo-effect benefit. Curriculum areas such as law and history are also using the immersive environment for courtroom simulations, historical reconstructions and debate settings, strengthening digital literacy and contextual understanding.

The LSIP has accelerated participation in priority skills areas, embedded employer collaboration in curriculum design, and enabled Windsor College to align provision more closely with local industry needs.

To allow for truly localised approaches and avoid a ‘bums on seats’ approach, the government did not set standardised metrics for ERBs to report on. This has allowed each area to showcase their achievements based on their own priorities. Some ERBs chose to use Key Performance Indicators (KPIs) to record and demonstrate outcomes such as Essex Chamber of Commerce who lead the Greater Essex LSIP. The table below shows how many of these headline targets for the Greater Essex LSIP have been significantly exceeded.

Greater Essex LSIP Outcomes

Outcome	Target	Actual (as of June 2025)
New Level 3 courses aligned to LSIP priorities	12	13
New Level 4 courses aligned to LSIP priorities	6	8
Forecast learner starts on new Level 3 courses	120	128
Forecast learner starts on new Level 4 courses	60	84
Learners forecast to undertake learning using new facilities/ equipment created by the LSIP	200	2213
Employers releasing / loaning staff to help develop or teach new provision	24	26
Employers reporting that training is giving learners the skills needed	50	64
Employers providing industry placements to FE teaching staff	35	40
Teaching staff undertaking industry placements to improve teaching capabilities	50	61
Teaching staff undertaking CPD or benefitting from cascade training	500	500
New teaching facilities created	9	100

An iterative process

As described by one ERB, ‘mapping and planning are verbs not nouns’, and LSIPs are active initiatives to reflect this. Chambers of Commerce and other ERBs have agility to respond a range of challenges identified by employers where other stakeholders such as strategic authorities would not be able to, due to rigid funding streams or limited expertise.

“Delivery has needed to be rapid at times and the agility of Chambers and others to respond quickly and coherently with impartiality has been vital in aligning outputs to timelines

This sets the LSIP apart from other skills planning initiatives. Any skills plan which is not employer-led simply serves to bring additional complexity to the system without providing value to employers.

To evolve this methodology and build on best practice, future iterations of the LSIP programme should prioritise depth of meaningful engagement, especially through qualitative research, and sectoral analysis over volume of employer contacts. The unique added value of ERB-led LSIPs is that they deliver practical outcomes based on granular insight which cannot be obtained by simply analysing labour market data.

CASE STUDY**Translating granular insight into practical outcomes
in North East England**

In Tees Valley, 95% of employers reported that a shortage of communication skills was a challenge in their business. Rather than defaulting to generic solutions such as broad presentation-skills workshops, the Employer Representative Body (ERB), North East England Chamber of Commerce, applied the LSIP methodology to map this skills need to specific job roles and workplace contexts.

Through direct engagement with a local construction firm, the ERB uncovered that the skills gap for this business was the ability to communicate clearly and safely via walkie-talkie on busy construction sites. This insight, which would not have surfaced through high-level labour-market data alone, reflects the value of LSIPs' granular, employer-led diagnostic approach.

As a result, the local college integrated walkie-talkie communication training into its construction apprenticeship programmes, ensuring that all apprentices now receive hands-on practice and arrive on site competent, confident, and work-ready.

This practical outcome illustrates the core strength of the LSIP model: bringing employers and providers around the table to diagnose issues precisely and co-design solutions that deliver tangible workforce improvements.

To maximise the impact of this depth of insight, intelligence gathered through Local Skills Improvement Plans should be actively considered in national policy decisions by all government departments. Skills England should demonstrate how they are using LSIP insights so that ERBs can in turn showcase efficacy to employers. This will help align national policy with local employer needs and strengthen the credibility of LSIPs as a tool for shaping effective skills strategies.





4. BEYOND SKILLS: A MODEL DELIVERY MECHANISM

The agility of Chambers of Commerce to act as Employer Representative Bodies across the full range of issues affecting business means that many ERBs have been able to affect change beyond the strict remit of the LSIP in response to employer demands.

“Our LSIP goes beyond skills because that’s what employers asked for. We wanted to truly put the employer voice first. This has meant looking at employee behaviours, careers guidance, accessibility to information and support etc - they are all ultimately interlinked particularly from an employer’s perspective, so they need to be considered together

“The employer-led, place-based approach provides a strong framework for aligning multiple initiatives, reducing duplication, and tackling employer engagement fatigue

Areas of opportunity

The BCC has identified 3 key areas where the LSIP model of employer engagement and practical action plans could add value and drive growth:

1. Influencing pre-16 education

Particularly careers information, advice and guidance, to influence outcomes and shape learner demand according to the local labour market priorities at an earlier stage. This should include greater promotion of technical and vocational pathways.

2. Business support, innovation and growth

Skills are a key enabler of all government strategies, not least the industrial strategy, and there are clear learnings to take from the LSIP model of employer engagement and theory of change.

3. Youth employment

There are nearly 1 million young people not in education, employment or training. Effective business engagement and skills planning will be vital to provide these young people with pathways into meaningful careers.

Chambers of Commerce are trusted, independent third parties and are valued convenors in local communities. As devolution progresses in both England and across the UK, Chambers stand ready to act as the go-to for business engagement in partnership with devolved authorities.

Government should embed existing good practice and build on the unique strength of Chambers as ERBs by expanding LSIPs or replicating the model in other policy areas, backed by adequate resource. In a survey of Chamber ERBs, 80% believed that the LSIP model could be expanded to other policy areas such as business support.

4.1. ADDING VALUE TO CAREERS INFORMATION, ADVICE & GUIDANCE

Employers consistently report gaps in careers information, advice and guidance (IAG) in their local communities. Young people, and their advisors, are not aware of vacancies in their local economy, the breadth of careers within different sectors, or the pathways into them.

The Careers and Enterprise Company (CEC) is responsible for delivering careers guidance and facilitating employer interactions, with local implementation led by Careers Hubs. This is resulting in positive change, providing infrastructure for businesses to engage with schools, and frameworks for schools to raise the profile of careers and work experience. However, the CEC lacks the resources to deliver the extensive careers information, guidance, work experience, and enterprise education that is desired by employers from the system. There are notable gaps in provision, particularly in rural or disadvantaged communities.

ERBs can add value by leveraging networks of businesses embedded in local communities, as well as our relationships with schools and colleges through Local Skills Improvement Plans (LSIPs). The Chamber network is in unique position to deliver these proposals through our network of 50,000 businesses and experience delivering similar government schemes.

The case for ERB involvement is that Chambers are seen as an independent and trusted third-party by employers. Businesses will not engage with stakeholders who are seen to be 'selling' their own services or pressuring employers to do more without a business benefit. However, Chambers are already offering independent support to businesses across a range of areas and are trusted by employers.

“The LSIP should be expanded to include a greater influence on the CEC / Careers Hub activity into local schools

LSIPs report employer demand but providers, especially colleges, are driven by learner demand. There is a real case to say that LSIPs should be involved in shaping learner aspirations pre-16, making sure people are familiar with their local labour market and the pathways to careers which address skills shortages.

CASE STUDY**Young Chamber:
Bridging business and education in Cheshire**

The Young Chamber programme, led by the West Cheshire and North Wales Chamber, provides schools and colleges with practical employer engagement opportunities that prepare young people for the world of work.

Through industry-specific workshops, a career passport to develop and evidence essential employment skills, and an enterprise challenge, the programme helps students build confidence, understand workplace expectations, and develop skills valued by employers.

These activities are designed to be accessible and impactful, offering a structured way for businesses to engage with education while supporting learners' aspirations. Across 2023 and 2024:

- The Chamber facilitated 21 events
- 226 business hours contributed by local employers
- 3,128 pupils benefitted from the programme

Young Chamber directly supports the aims of the Local Skills Improvement Plan (LSIP) led by South Cheshire Chamber of Commerce, by delivering interventions aligned to strategic sectors identified in the local plan. By focusing on priority industries and embedding essential employment skills, the programme ensures

that young people gain exposure to the areas where future demand is greatest. This alignment strengthens the LSIP's ambition to create a responsive, employer-led skills system and complements its work on careers guidance and pre-16 interventions.

The LSIP has played a pivotal role in enhancing Young Chamber by sponsoring one of its core pillars and incorporating LSIP branding, which has brought credibility and visibility to the programme. Building on LSIP principles, the Chamber has replicated its employer engagement model to design a programme that boosts business involvement, is welcomed by schools, and addresses local skills gaps. This approach demonstrates how LSIPs can extend their impact beyond statutory requirements, creating a pipeline of talent that meets employer needs and fostering collaboration between education and industry.

Recommendation

Provide funding to roll out Young Chamber to LSIP areas across England.

4.1.1 FURTHER CAREERS SYSTEM LSIP DELIVERY PROPOSALS

Table 1.1.1

Proposal	ERB-certified enterprise advisors. The Careers and Enterprise Company (CEC) contracts ERBs to recruit and train more volunteer enterprise advisors from within ERB networks.
Rationale	Enterprise Advisors are business volunteers who work in senior roles. They volunteer their time to help bridge the gap between the world of work and education. Enterprise Advisors help build capacity and capabilities in schools, special schools, and colleges. The Careers and Enterprise Company has a network of 4,000 Enterprise Advisors, but many more are needed to provide tailored advice to the approximately 35,000 schools and colleges in the UK. ERBs can connect the CEC with our network of 50,000 businesses to recruit more volunteer enterprise advisors. Advisors trained by the ERB could be certified eg 'Chamber of Commerce accredited'. ERBs could work on commission or receive funding to recruit a certain number of advisors in their LSIP area.
Estimated cost	The cost is low as the advisors are volunteers, estimated at approximately £5 million.

Table 1.1.2

Proposal	Introduce a teacher work experience programme to provide teachers with insight into local industries. ERBs could facilitate these experiences, allowing teachers to gain firsthand knowledge of different sectors and the careers available within them. Teachers would then use this knowledge to better inform and guide their students.
Rationale	Most teachers have limited if any experience outside the education sector, which restricts their awareness of the diverse career opportunities available in their local economy. By participating in 'work experience' programmes, teachers can learn about modern industries, such as advanced manufacturing or agriculture, and the qualification pathways that lead to these careers. They would be provided with resources to bring back to their students to contextualise their learning. This initiative would enable businesses to reach more students indirectly, without the administrative burden of organising student work experiences, which are often restricted by health and safety considerations. The government has recognised the need for industry exchanges in further education (FE) to keep educators' skills up to date, and the same principle should apply to schools.
Estimated cost	The estimated cost of delivering this programme is approximately £20 million. This figure is based on the funding allocated to ERBs leading LSIPs, given the similar role they would play.

ERBs are well-positioned to align teacher experiences with the priorities of the Local Skills Improvement Plan (LSIP). Many ERBs already deliver Continuous Professional Development (CPD) for teachers through the LSIP, so this approach could be standardised to build capability across the country.

As shown in the table to the right for example, Essex Chamber of Commerce facilitates CPD for FE staff to build capabilities and support teacher retention across Greater Essex, with significant success in engaging staff and employers who provide real-world experiences.

Outcome	Target	Actual (as of June 2025)
Employers providing industry placements to FE teaching staff	35	40
Teaching staff undertaking industry placements to improve teaching capabilities	50	61
Teaching staff undertaking CPD or benefitting from cascade training	500	500

Table 1.1.3

Proposal	Establish work experience business support hubs to assist SMEs in offering work experience opportunities. ERBs would deliver a business support/HR service for SMEs, organising work experience placements and reducing the administrative burden on these businesses.
Rationale	Less advantaged students often miss out on work experience if they do not ‘know someone’ able to offer them an opportunity. Therefore, it is vital that more businesses are supported to offer opportunities for all. SMEs struggle to offer work experience opportunities because they cannot offer at scale and so the administrative burden of engaging with schools and organising placements is too high, especially for SMEs with no HR capacity. By providing a business support service, ERBs can help SMEs offer a range of work experience opportunities, such as shorter placements or project-based learning. This initiative would ensure that more students, regardless of their background, have access to work experience. ERBs are well-positioned to organise these opportunities due to their existing relationships with local businesses.
Estimated cost	The estimated cost of delivering this programme is approximately £20 million. This figure is based on the funding allocated to ERBs leading LSIPs, given the similar role they would play.

4.2. BUSINESS SUPPORT, INNOVATION AND GROWTH

Currently, engagement and effectiveness of Growth Hubs and other business support services vary across England. Some areas have strong links between LSIPs, Growth Hubs, universities, and employers, while others lack resources and coordination. Feedback from some businesses suggests that current Growth Hubs provide signposting and generic services rather than tailored, demand-driven support.

Local Skills Improvement Plans (LSIPs) have proven effective in aligning skills provision with employer needs, but their current three-year scope and narrow remit limits their ability to address long-term economic challenges such as decarbonisation, productivity growth, and technological change. A broader business growth framework could integrate skills development with other critical factors, including innovation, finance, regulation, and supply chain resilience, ensuring that LSIPs support businesses holistically rather than in isolation.

Government should standardise the delivery of business growth support by creating a clear, consistent methodology for employer engagement that focuses on what businesses actually need, rather than pushing government programmes that employers do not value. The LSIP already provides the meaningful voice of employers, and this methodology can be replicated. Business engagement should be predicated on listening to lived experience and providing value back to the business through a peer led programme, not a simple survey.

“Business support is an area we could support and help to simplify for employers to make it one place for employers to go to for skills and support

“The LSIP should establish a clear link between business growth, employment, and training, as all areas are needed to demonstrate progress

“ERBs should act as the singular focus for employer engagement into key local strategies such as business productivity measures

Recommendation

Expand Growth Hubs across England into Future Skills and Growth Hubs led by Employer Representative Bodies. The Hub could serve as a central platform for intelligence and intervention, linking skills planning with innovation, decarbonisation, funding, and trade opportunities. This Hub would align with regional strategies such as Local Growth Plans, ensuring coherence and impact.



4.3. YOUTH JOBS GUARANTEE

There are almost 1 million young people not in education, employment or training (NEET) so there is a clear skills imperative to prepare young people for the world of work and provide opportunities that could lead to successful career pathways. One challenge in addressing this rising population has been a lack of coordination and data sharing to identify those at risk of becoming NEET.

With experience in bringing providers, strategic authorities and employers around the table, ERBs could effectively join the dots to deliver a successful programme to provide NEET young people with real-world opportunities.

The government has announced a new Jobs Guarantee, offering work paid placements for young people. The scheme will provide six-month placements at 25 hours per week, paid at the National Living Wage, for young people who have been out of work and claiming Universal Credit for 18 months. The success of this initiative will rely on strong employer engagement to deliver the 55,000 placements promised, and a deep understanding of the challenges employers will face in supporting the young people.

During the pandemic, Chambers acted as gateway organisations for the Kickstart Scheme. They matched young people with opportunities, as well as provided wrap around support for employers, to assist with administration and pastoral care. This experience, alongside delivery of Local Skills Improvement Plans, has provided the entire Chamber of Commerce network with a base of learning and relationships to build from.

Recommendation

Partner with Employer Representative Bodies such as Chambers of Commerce to deliver the Youth Jobs Guarantee as it is rolled out across the UK. Review data as the scheme progresses to ensure funding for wraparound support is sufficient to deliver successful outcomes.



5. CONCLUSION

The employer-led, and specifically Chamber-led, approach to Local Skills Improvement Plans is fundamental to their success. This model has demonstrated the value of placing employers at the heart of skills planning, ensuring that provision is responsive to real business needs and local priorities. Thousands of businesses are planning for their medium- to long-term skills needs for the first time. We are seeing success across the country in increased learner starts in growth-driving sectors.

Government should build on this proven framework to strengthen employer engagement, align policy more closely with economic requirements, and drive sustainable growth.

The British Chambers of Commerce calls on government to pilot the models and recommendations set out in this report, recognising the importance of delivery through

practical action and meaningful collaboration. It is essential that all stakeholders, including strategic authorities, work constructively and avoid actions that could undermine the effectiveness of LSIPs. Protecting the integrity of the employer-led model will be key to maintaining confidence and ensuring continued progress.



