



Skills England

Statutory guidance

# Guidance for developing a Local Skills Improvement Plan (LSIP)

Updated 18 November 2025

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**Applies to England**

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# 1. About this guidance

This guidance applies to England only. It provides information on the process for developing, implementing and reviewing Local Skills Improvement Plans (LSIPs)<sup>[1]</sup>.

It replaces previous guidance issued in October 2022 and November 2023 and is intended to inform the next cycle of LSIPs, which are expected to be published in summer 2026.

The guidance is for:

- designated Employer Representative Bodies (ERBs)<sup>[2]</sup> who must have regard to this guidance in line with the terms and conditions of their designation<sup>[3]</sup>
- Strategic Authorities<sup>[4]</sup> who will have a vital role to play as the joint ownership model is established
- further and higher education providers<sup>[5]</sup>
- local stakeholders, including local authorities, employers and sector bodies

The guidance explains the aim and purpose of LSIPs, the process for developing them, and who should be involved. It reflects broader changes in the skills landscape, including the creation of Skills England and the strategic direction outlined in the [Post-16 Education and Skills White Paper](https://www.gov.uk/government/publications/post-16-education-and-skills-white-paper) (<https://www.gov.uk/government/publications/post-16-education-and-skills-white-paper>).

It also explains how LSIPs connect with other local and national plans and contains details about how designated ERBs and Strategic Authorities are expected to work together in advance of the legislative changes needed to implement the joint ownership model announced in the [English Devolution White Paper](https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth/english-devolution-white-paper) (<https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth/english-devolution-white-paper>).

The term Strategic Authority is used within this guidance to mean mayoral and non-mayoral combined authorities, combined county authorities, and the Greater London Authority. It also includes those single Local Authority areas that have adult skills functions conferred on them by regulations made under the Cities and Local Government Devolution Act 2016.

The guidance will be reviewed again in 2028, or before if necessary.

## 2. Purpose and scope of LSIPs

All areas of England are expected to develop a new three-year Local Skills Improvement Plan (LSIP) covering the period 2026 to 2029 and to keep it under review. The individual areas (known as LSIP specified areas) are set out at Annex B.

LSIPs are central to achieving the government's Opportunity and Growth Missions, supporting Skills England's driving ethos of Better Skills for Better Jobs and its vision to build our nation's world-class skills system. They offer crucial insight into local skills needs and are key to advancing Skills England's drive to:

- understand our nation's skills needs and improve our skills offer
- simplify access to skills to boost economic growth
- mobilise employers and other partners, co-creating solutions to meet national, regional and local skills needs

Forming a key part of the overall strategic planning system in an area, LSIPs provide a framework for collaboration on local skills - bringing employers, skills providers and stakeholders together to build a shared understanding of local skill needs from entry level up to and including level 8<sup>[6]</sup>, and the actions needed to address them, with all partners expected to play an active part in its development and delivery.

LSIPs do not cover the entirety of skill needs within an area but should focus on those that are most critical. The key aims are to:

- support local skills development and reduce skills gaps - drawing together a wide range of data, evidence and insights which, taken together, provide a clear understanding of current and future skill needs in the area
- facilitate employer engagement and investment in the skills system - coordinated engagement designed to give employers a better understanding of the skills system and the part they can play, giving employers a stronger voice in shaping skills provision and supporting delivery
- bring about change in the supply of technical education and training<sup>[7]</sup> from entry up to and including level 8 - with further and higher education providers working together to develop a coordinated response, including creating clear progression pathways at and between the different levels

- help inform how funding (both devolved and non-devolved) and other investment could be used to support skills priorities within an area

Plans should consider the full range of levels of technical education, and how to promote and link skills priorities to those seeking to enter or progress into the labour market.

## 2.1 Relationship with other local and national plans

LSIPs will be informed by and support other national and local strategies and plans, with local flexibility on how this is achieved. The overall aim should be to ensure join-up with all other parts of the skills and employment system, whilst retaining a core focus on local skill needs.

### At a national level

The Industrial Strategy (<https://www.gov.uk/government/publications/industrial-strategy>) identifies 8 growth driving sectors[8], which together with the foundation sectors of construction and health and social care, are essential to achieving the government's growth ambitions. These sectors and the associated sector plans should inform the development of LSIPs, as far as they relate to industries within the local area (local economic plans, including the Local Growth Plans (LGP), will help to determine which national priorities are relevant to the locality). Each LSIP should consider and clearly set out if and how these sectors are important to the local area, alongside other priority sectors and skills that have been identified by employers within the area.

Account should also be taken of other relevant strategic documents issued by government, including the Post-16 Education and Skills White Paper which sets out a vision for the future of the post-16 skills landscape, and the target announced by the Prime Minister that two-thirds of young people should be participating in higher-level learning – academic, technical or apprenticeships – by age 25 (recognising the scope of LSIPs as covering technical education). This includes a sub-target that at least 10% of young people should be going into Level 4 or 5 study, including apprenticeships, by 2040. These targets are part of the government's strategy to address skills shortages and improve economic growth by increasing the number of people qualified at higher technical levels.

Skills England will undertake an analysis of trends in supply, demand and mismatches in priority occupations within key sectors using Standard Occupational Classification (SOC) data, job postings, qualitative insights, and economic indicators like Gross Value Added. This assessment will support the development of the next cycle of LSIPs by highlighting patterns in occupational

and skills needs and priorities. Outputs will be made available to ERBs through summary notes, including preliminary analyses shared in November 2025. While fully quantified analysis at LSIP level is not possible, Skills England will engage with the ERBs and Strategic Authorities on these outputs to ensure they help inform and support local priorities and complement stakeholder findings.

The Clean Energy Jobs Plan (<https://www.gov.uk/government/publications/clean-energy-jobs-plan>) will be relevant to the development of LSIPs, in line with the requirement to consider Net Zero, climate change and other environmental goals. This outlines the need to grow the domestic skills base to meet the demand for clean energy workers to meet government's 2030 clean energy power ambitions. It estimates the scale of the workforce needed and the roles required to deliver the Clean Power 2030 Mission, including the prioritisation of occupations and skill set by region. This analysis will allow national and local government to deliver more detailed plans and strategies. Across the English regions, most will need to at least double the size of its clean energy workforce, with areas of highest growth requiring the greatest mobilisation of local skill systems to ensure that workforce needs are met.

### **At a local level**

Local economic plans and other relevant local strategies, including the LGPs being developed by Mayoral Strategic Authorities, will provide an important source of information for the development of an LSIP. These will identify the opportunities for growth in a place, with Strategic Authorities using these to identify their sector skills priorities, which will help provide the framework for the development of the LSIP and more detailed engagement with employers on their specific skills needs.

Local Get Britain Working Plans (GBWPs) are being developed in all areas of England. They will develop a whole system approach to tackling supply and demand challenges within the labour market. They are distinct from LSIPs, tackling the broader causes of economic inactivity, including barriers such as health, caring responsibilities or lower skill levels. It will be important to ensure that in each area the LSIP and local GBWP align in ways that are mutually reinforcing, with the LSIP providing insight from employers on the skills they need, and the local GBWP identifying the broader labour market challenges, including those related to participation, progression and earnings.

The timeframe for publishing the LGP and GBWPs may overlap with the start of the LSIP development period. ERBs should therefore engage with the Strategic and local authorities responsible for producing these plans to ensure the latest draft version informs the development of the LSIP.

## 2.2 What LSIPs should include

The content of each plan should reflect the sector skills priorities of the area, as identified by the Strategic Authority, or drawing from the economic plan of relevant local authorities in non-devolved areas, together with feedback from employers on their specific skills needs, which may also go beyond these priorities.

In addition to local analysis and engagement, LSIPs should also take account of national priorities. As the process evolves, we expect the three-year LSIPs to take account of new information, such as Strategic Priorities Grant (SPG) and Growth and Skills Levy (GSL) priorities, and to incorporate this into the detailed activity plans.

LSIPs should follow the format set out in Annex A and contain the following core elements:

- an overview of the economic challenges and opportunities of the area, as set out in the LGP or other local economic plan for the area, and how the LSIP links to and supports them
- details of the skill needs of the area – this includes the sector skills priorities of the Strategic Authority and other skill needs identified by employers, this can include cross sector skills, noting that this should not come at the expense of sectoral skills needs, and must be presented in ways that are locally specific and genuinely useful to providers and other stakeholders in developing actions
- details of how further and higher education providers, employers and wider stakeholders have been engaged in shaping the priorities and agreed actions, including those focused on higher-level skills (for example levels 4 to 8), as well as identifying any shared challenges, and how they will support implementation and review progress
- a clear and focused set of changes and overarching actions<sup>[9]</sup>, together with details of how progress and impact will be measured

There should be a particular focus on the changes and actions needed to:

- improve the skills offer, including changes that higher and further education providers can make to better align provision with the skills needs of the area and to simplify access, including through more flexible learning opportunities
- raise awareness of the existing skills offer and help employers and learners understand the pathways and standards available for upskilling and re-

skilling

- drive greater employer involvement and investment in skills, and mobilise employers, providers and other partners to work together in co-creating solutions to local skills needs
- support join-up with other parts of the local skills system, including actions aimed at ensuring that activities of wider deliver partners such as Jobcentre Plus and careers services support the priorities identified in the LSIP

In line with Section 1(6) of the Skills and Post-16 Education Act 2022, all LSIPs must also consider the skills required to directly contribute, or indirectly support, Net Zero, adaptation to climate change or other environmental goals. To support this, ERBs should consider the priority occupations required to deliver the clean energy superpower mission, which means clean power by 2030 and accelerating to Net Zero by 2050, set out in the Clean Energy Jobs Plan.

Full consideration should also be given to equality of opportunity, recognising the benefits to both the individual and broader economy. This will be facilitated by engagement with those bodies set up to support more disadvantaged groups, who can help identify and articulate the barriers faced by employers and learners.

Where the strategic authority or local authority has existing strategies and evidence that cover environmental and equality issues, the LSIP should draw on these.

### **3. Leading the development of an LSIP**

The Skills and Post-16 Education Act 2022 ('the Act') assigns overall responsibility for leading the development of an LSIP for a specified area to the Employer Representative Body (ERB) designated by the Secretary of State. However, in devolved areas, development will be taken forward through a new joint working arrangement between the ERB and the relevant Strategic Authority. This reflects the move towards the joint ownership model announced in the [English Devolution White Paper](https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth) (<https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth>) which will require legislative change to implement in full. To facilitate this, changes have been made to align LSIP areas with Strategic Authority boundaries. This has resulted in a net increase of one LSIP area, bringing the total number of LSIPs in England to 39. The new LSIP specified areas are set out at Annex B.

In all cases, the work to develop and implement the LSIP must be a collaborative process, involving and drawing on the expertise of all key stakeholders and delivery partners within an area. This includes further and higher education providers, who have a central role both as strategic partners and suppliers of technical skills provision and bring vital knowledge and expertise to the process.

This collaboration should include Jobcentres, careers services, and other local and regional stakeholders, such as sector bodies and trade unions. Their involvement will help create a stronger connection between employment and skills.

Cross-boundary collaboration will continue to be an important feature of the LSIP process, especially for sectors that have a regional or national footprint.

### **3.1 Development of the LSIP in non-devolved areas**

In non-devolved areas, the designated ERB will lead the development and subsequent review of the LSIP for its geographical area. It is expected to:

- work closely with the local authority or authorities within the area, drawing on their analysis of current and future economic priorities, and insight on skill needs gathered through their business engagement networks and support services, as well as their broader skills and economic functions
- work with partners to plan the work to develop and review the LSIP, engaging employers, further and higher education providers, local authorities and other stakeholders in meaningful discussions which lead to the identification and prioritisation of skill needs and actionable solutions
- work with providers and employers to identify routes for employers to become involved in co-designing skills programmes and drive actions aimed at stimulating increased employer investment in skills
- secure agreement with partners on how they will help implement and review progress against the actions set out in the LSIP
- produce and submit the LSIP to Skills England for approval by the Secretary of State
- oversee the delivery of the LSIP and keep it under review to ensure it remains relevant to the area's needs. This includes putting in place a robust approach to monitoring and measuring progress

## 3.2 Development of the LSIP in devolved areas

Development of the LSIP in devolved areas will be undertaken jointly by the ERB and the relevant Strategic Authority. This will combine the strengths of both organisations, ensuring employer views continue to shape the LSIP and drawing on the local economic insight of the Strategic Authority and its ability to influence and implement key interventions.

There will be flexibility to agree local variations in how the joint working arrangements work in practice. To support this the ERB and Strategic Authority may wish to consider putting a memorandum of understanding in place.

In all cases, development should begin with the Strategic Authority setting out its sector skills priorities at the outset of the process and sharing relevant data with the designated ERB. This will provide the framework for the development of the LSIP, alongside LGP, the Industrial Strategy and Skills England's assessment of skills needs, as well as input from employers, strategic partners and delivery bodies.

The joint working arrangements should be guided by the following principles.

Combining and using the strengths and knowledge of both organisations - avoiding duplication and collaborating at both strategic and working level. The joint working arrangements should enable the effective exchange and integration of information about the skills and labour market landscape with feedback from business and providers. The aim is to achieve a shared understanding of skills needs and the actions needed to address them, including actions to encourage increased employer engagement and investment in skills training.

Linked to the broader social and economic infrastructure. Arrangements should aim to strengthen the connection between LSIPs and wider local economic strategies and priorities, ensuring that the overall actions in a place are aligned and recognise the use of skills funding, including the Adult Skills Fund, Growth and Skills Levy, and Industrial Strategy Sector Workforce Packages. Alignment should also extend to programmes that help connect people into employment, where ERBs have a key role in engaging employers who have skills gaps.

Employer focused – driving more coordinated and comprehensive employer engagement, including engagement with wider Business and Sector Representative organisations. The aim should be to draw together employer insights gathered by the ERB and Strategic Authority, adding strength to the

employer voice, and to work together to champion routes for employers to get involved in co-designing skills programmes which support the development of their workforce and training investments.

Actions to be agreed together (and with providers and wider local stakeholders) and delivered in partnership, with joint arrangements in place to track and measure progress, and for keeping the LSIP under review.

The ERB and Strategic Authority should establish clear processes for drawing together data, evidence and insights, and for working with employers, providers and stakeholders on the development and delivery of the LSIP, building on existing arrangements where appropriate and avoiding duplication.

### **3.3 Governance and accountability**

Clear and effective governance arrangements should be in place to drive the development, implementation and review of the LSIP. These arrangements should provide a clear steer on the strategic goals and outcomes to be achieved, alongside effective oversight, challenge and advice for resolving any delivery issues that arise. Delivery and impact data should feed into these arrangements.

We expect the governance and any underpinning working groups and formal consultative forums to reflect the employer-led nature of the programme, and for all the key stakeholders set out in section 5 of this guidance to be represented. This includes the further and higher education sectors.

In non-devolved areas, it is for the ERB to decide on the appropriate governance structure, engaging with key partners on this. These arrangements must take account of the ERB's terms and conditions of designation, including the requirement to operate transparently and impartially.

In devolved areas, the ERB and Strategic Authority should agree the governance arrangements. This should support collaboration between the 2 organisations and avoid duplication with existing structures, with clear and transparent links to the local economic plans and sector priorities of the Strategic Authority and broader economic and strategic oversight arrangements of the area. If appropriate, this could mean replacing or reshaping the existing LSIP board, and / or repositioning it within the broader local governance arrangements for skills and economic growth, whilst ensuring that this meets the provisions within the current legal framework relating to the ERB's overall responsibility for the LSIP. These arrangements must provide a strong forum for the employer voice, as well as involving providers and other

key stakeholders; and facilitate the timely submission of the LSIP to the Secretary of State for approval, in line with the process and timescales set out in this guidance.

LSIP governance structures should be flexible enough to ensure continuity of planning, partnership working and reporting in areas where broader structural changes are taking place, including changes arising from local government reorganisation or the creation of new Strategic Authorities.

A clear description of the governance structure of the LSIP should be included in Annex C (Background and Method) of the published LSIP. This should be kept up to date to reflect any changes to the governance. This transparency is vital for collaborative working with strategic partners.

### **3.4 Process**

The development of an LSIP is comprised of 3 stages:

#### **Stage 1: Identify and articulate skills needs**

The aim of this stage is to build a clear picture of the skill needs in an area, taking into consideration those Industrial Strategy priorities that are relevant to the area and the sector skills priorities of the Strategic Authority, where they exist, or drawing from the economic plans of local authorities in non-devolved areas.

Much of the underpinning evidence needed for this stage will already exist. This includes broader local labour market information and analysis provided by the Strategic Authority and local authorities, as well as analysis provided by Skills England. The focus should be on using this to build a shared understanding of the area's priority skill needs, and to plug any gaps through engagement with:

- a broad range of employers of all sizes, including both public and private sectors. There should be particular focus on those employers that do not have a strong voice, such as smaller employers – helping them to understand the skills they need to grow but struggle to find
- other representative and sector bodies, to understand any broader issues and cross sector skills gaps - this engagement should involve Jobcentre Plus to help identify the types and range of local skills provision needed to meet the needs of people receiving benefits, and other key stakeholders, such as trade unions, who play an important regional role in connecting employment and skills.

- further and higher education providers, to gain an understanding of their current offer and any gaps in the provision needed to meet local skills need

## **Stage 2: Identify the changes and actions needed to improve the skills system so that it better meets the existing and future skill needs identified in stage 1**

This stage should involve joint working with Strategic Authorities where they exist, as well as collaborative working with further and higher education providers, employers and other stakeholders. The focus should be on agreeing the overarching changes needed within an area and the specific activities needed to achieve them, noting that these more granular level activities (which should be set out in a separate annex) can be further iterated and updated as appropriate during the three-year period. This should include consideration of any changes needed to existing provision, as well as other broader challenges that might need to be overcome, such as recruitment of teaching staff in particular areas and challenges with driving demand from learners in certain subjects, on which further and higher education providers will be able to provide a valuable perspective.

The focus should also be on establishing a clear set of outcomes, together with details of how progress and impact will be measured and monitored through the three-year period of the LSIP. In areas with a Mayoral Strategic Authority, these should take account of appropriate measures in the outcome framework that underpin the LGP.

## **Stage 3: Drafting the LSIP**

Under existing legislation, responsibility for producing the LSIP sits with the ERB. However, in devolved areas, the ERB and Strategic Authority should work together to develop and agree the content, with regular opportunities for the Strategic Authority to review and contribute throughout this stage.

Each LSIP should reflect the format set out in Annex A. Standard SIC (Standard Industrial Classification) and SOC (Standard Occupational Classification) categorisations should be used to describe industries and occupations where possible. This will support information flows to and from Skills England and may also be helpful to providers in developing their response to the LSIP, as well as helping to measure impact.

## **3.5 Approval and publication of the LSIP**

Legislation requires the ERB to submit the LSIP to the Secretary of State for approval. A substantive draft of the LSIP should be submitted via Skills

England by 31 March 2026. Skills England will review and provide feedback as appropriate. A final version should be submitted by May 2026.

In devolution areas, we expect the ERB and Strategic Authority to both confirm they are content with the plan before it is submitted to the Secretary of State (through Skills England) for approval.

Subject to approval by the Secretary of State, final publication is expected to take place in June 2026 (exact dates will be confirmed).

If the ERB and Strategic Authority are unable to reach agreement on the LSIP, the matter should be referred back through the LSIP governance structure for resolution.

If a resolution cannot be achieved, the ERB must provide Skills England with details of the specific area(s) of disagreement. Skills England will then work with both parties to help resolve any issue(s). If the disagreement remains unresolved, the LSIP may also be escalated to the Secretary of State, who retains the power to approve the LSIP, even if a resolution has not been achieved. However, in all cases, the LSIP must reflect the Strategic Authority's sector skills priorities. If it does not, the plan will not be approved.

To approve a plan, the Secretary of State needs to be satisfied that the process has been followed in accordance with this guidance. Specifically:

- that consideration has been given to relevant strategic documents issued by government, including the Post-16 Education and Skills White Paper, which sets out the Governments vision for the post 16 skills landscape, and the Prime Minister's target for two-thirds of young people to be participating in higher-level learning – academic, technical or apprenticeships – by age 25 (recognising the scope of LSIPs as covering technical education), as well as the Industrial Strategy priorities and associated sector plans, to the extent that they have relevance to the area, as part of the requirement under section 8(b) of the Act to draw on other evidence sources
- we will also want to see evidence of how the Strategic Authority's sector skills priorities have provided the context for and been reflected in the LSIP, as evidence of due consideration being given to the views of the Strategic Authority
- that a robust and comprehensive process of engagement and evidence collection has taken place with a wide range of employers of all sizes from both the public and private sector, and with diverse range of provider types, including higher education providers, further education colleges, local authority providers, independent training providers and others, as well as wider stakeholders and delivery partners

- that consideration has been given to the skills, capabilities and expertise required in relation to jobs that directly contribute to, or indirectly support Net Zero, adaptation to climate change and other environmental goals, in line with section 1(6) of the Act
- that the LSIP has used the above sources of information to provide a summary of the skills required in the area, together with a clear and focused set of local actions that should be taken to address the skill needs identified

The Secretary of State does not approve the local priorities and actions identified in the LSIP, as local partners are best placed to know what the skills priorities are for their area.

Where the LSIP does not meet the requirements necessary to be approved, the reasons will be fed back to the ERB. In devolution areas, comments will be fed back to both the designated ERB and Strategic Authority.

Opportunity will be given to address these concerns. In devolution areas, the ERB should work with the Strategic Authority to resolve any issues, with Skills England providing support as required.

### **3.6 Devolution Priority Programme Areas**

In the 6 Devolution Priority Programme (DPP) areas (<https://www.gov.uk/government/news/full-steam-ahead-for-devolution-priority-programme>) the cycle of LSIP development and implementation will coincide with the creation of the new Strategic Authority, with approval of the new LSIP likely to take place after they have been established. This means that before approving the plan, the Secretary of State will require confirmation from both the Employer Representative Body and the Strategic Authority that they are content with the plan.

To mitigate the risk of the newly established Strategic Authority not being content with the LSIP at this stage, it is vital that during the development of the LSIP the ERB engages with an extensive range of employers and works closely with the upper-tier local authorities in the area. The local authorities will be expected to work collaboratively, engaging with the ERB to help inform priorities and review LSIP development from a shared perspective (as far as practicable).

Should there be disagreement between the ERB and the Strategic Authority, Skills England will work with both parties to resolve the issues, following the

same resolution process as for the devolved areas with longer established Strategic Authorities (see section 3.5).

In the four DPP areas that are due to elect a Mayor in May 2026, we will exercise flexibility to the timescales of the LSIP approval process, where the Strategic Authority deems it necessary, to allow the newly elected Mayor to consider the LSIP before it is approved by the Secretary of State. In the two DPP areas that are due to elect a Mayor in 2027, approval of the LSIP will follow the same timescales as all other areas.

In all DPP areas, the LSIP governance arrangements may need to be reviewed once the Strategic Authority has been created, and a Mayor elected.

### **3.7 Publication and Communication of the LSIP**

Once approved, the ERB must publish the plan on their website. The Strategic Authority may also want to consider putting the LSIP or a link to it on their website. The Secretary of State will also publish a link to the LSIP on GOV.UK.

## **4. Role of Skills England in LSIPs**

Skills England has been set up to ensure that the overall skills system is more responsive to changing economic demands, using data and intelligence to shape provision and ensure that opportunities to access training exist across the country.

It will have two main roles in relation to the Local Skills Improvement Plans.

### **Monitoring and oversight**

Skills England will have overall responsibility and oversight of the LSIP programme, including monitoring progress and providing support as necessary to enable LSIPs to meet their objectives and helping to tackle any issues. This includes putting recommendations to Department for Education (DfE) and Department for Work and Pensions (DWP) on actions to help remove any broader national issues that are blocking progress. It will take a risk-based

approach to monitoring and reporting, with ERBs expected to track and report progress against the LSIP to Skills England. In devolution areas, the ERB and Strategic Authority should agree how they will work together on this. This Skills England function will not cut across the LSIP governance role in overseeing delivery. Focus will be on assurance that all LSIPs are on track and have strong processes in place for monitoring progress and managing risks. Further details on these arrangements will be supplied separately.

Skills England is also the route through which the ERB or Strategic Authority can raise any concerns about the extent to which providers are engaging in the development or implementation of the LSIP and for providers to raise any concerns they might have about the LSIP. It will also manage the funding to ERBs to support the operational delivery of the LSIP.

Implementing the LSIP will involve the combined effort of all the organisations that own the agreed actions and activities set out in the plan. If insufficient progress is linked to the ERB's ability to monitor or drive sustained action, then decisions may need to be made by Skills England about the amount of funding that can be provided for those activities. In extreme cases, Skills England may recommend to the Secretary of State use of the power under section 3.1 of the Act to remove designation.

## **Data and analysis**

Skills England will work closely with the ERBs and Strategic Authorities where they exist to develop its analysis of national and local skills needs via a regular two-way flow of information.

It will provide the following information from November 2025, allowing ERBs and Strategic Authorities, where they exist, to integrate this into LSIP development:

- data on historical and projected trends to assess economic performance and growth momentum
- identification of key growth sectors and areas of industrial decline

Between November 2025 and March 2026, Skills England will share insights on the supply of skilled people in priority occupations for priority sectors.

Skills England will draw on national and regional vacancy data to estimate the level of new critical workers needed in priority sectors over the next 3 years and the training pathways needed to meet this demand. It is also developing a

place-based skills assessment to give a clear understanding of how the skills system is working in different parts of the country. The assessment will focus on the supply of skilled people (including who is available in the workforce and what qualifications or training they have) and how this varies across local areas and regions. The purpose of this work is to give important context and insight to help shape LSIPs. It will help Skills England and local partners understand the unique challenges and opportunities in each place, and support more informed and responsive decision-making.

LSIPs will in turn provide an important source of intelligence, feeding into Skills England's assessment and helping to form a single overarching picture of national and place-based skills gaps. This includes informal insights and feedback gathered through workshops and surveys with ERBs and Strategic Authorities, together with other evidence. To support this, we would encourage systematic evidence collection via a clear reporting format.

## **5. Role of stakeholders**

Developing and delivering an LSIP should be a collaborative process, involving employers, further and higher education providers and local authorities. Strong links should also be made with other key bodies such as Jobcentre Plus, local careers services, Growth Hubs and Inward Investment organisations.

This section looks at the role of the different stakeholders in the process.

### **5.1 Employers and sector bodies**

A key purpose of the LSIP is to act as a vehicle for employers of all sizes to engage in the skills system. Employers across the whole of the LSIP area should be given opportunity to engage in the LSIP process. This should extend beyond the membership of the ERB. Close engagement with organisations that have expertise in specific priority sectors will help to extend the reach, particularly to small and medium-sized enterprises (SMEs). Engagement with and through Growth Hubs, Inward Investment Teams, careers hubs and others who engage regularly with employers will also be important.

Depending on the sectoral priorities, public sector organisations and education providers should be engaged in their capacity as employers, in addition to their

role as local stakeholders.

Many employers will have material interests in more than one LSIP area and we would encourage ERBs to work together to share employer intelligence where relevant to avoid employers having to engage in the development of multiple LSIPs.

The aim of this employer engagement should be to:

- identify the current and future skill needs of employers operating within the local area – particularly in priority sectors – by drawing together data and insights from employers about their unmet and emerging skills needs, particularly amongst SMEs, with the ERB taking a lead role in interpreting and articulating employer views
- support employers in better understanding and navigating the local skills systems, encouraging increased investment in training - this includes helping them understand different types of skills provision and how it can meet their workforce needs; and promoting the benefits of offering apprenticeships, work-based learning opportunities and industry placements for learners, including T Level students, Higher Education graduates and other groups of learners
- facilitating employer engagement with providers in the design, development and delivery of provision to ensure it meets the needs of the sector - this includes encouraging employers to offer work placements for teaching staff, second industry staff to support curriculum design and delivery, and contribute to the facilities and specialist equipment needed to address skills needs
- helping employers to become more actively involved in pre and post-16 careers education, including signposting them to the relevant local careers service and encouraging them to offer work experience opportunities and workplace visits

ERBs should keep a record of all employers who have engaged (directly or indirectly) in the LSIP's development, review and implementation, and provide this to Skills England upon request.

## **5.2 Local authorities**

Local authorities have wide-ranging functions and expertise which is vital to the development and delivery of the LSIP in their area. This includes responsibilities for preventing and reducing the number of young people not in

employment education or training (NEET), and playing a key role in delivery of skills, including running adult community education, as well as operating a range of business, careers and other support services. They also have a key strategic role through their inward investment, economic development and skills strategies, and the development of local GBWPs.

In non-devolved areas, ERBs are expected to work with and capitalise on the support of all upper tier local authorities within their area (see section 3.1). Arrangements in devolved areas are set out in section 3.2.

Arrangements for the 6 DPP areas where Strategic Authorities are due to be created during the development stage of the new LSIP, are set out in section 3.6.

### **5.3 Further and higher education providers**

Further and higher education providers have a vital role in the development and implementation of LSIPs. As key strategic partners and deliverers of technical skills provision, they bring unique insight and expertise to the process. This engagement can take multiple forms and should involve those providers with duties under the Act as well as others, such as local authority providers, that have an equally valuable role to play.

Both further and higher education providers will be expected to help develop a clear understanding of an area's technical skill needs up to and including level 8, and the actions needed (at the collective and individual institution level) to address any gaps. This includes sharing intelligence from their own research and engagement with employers, together with information about their current skills provision and skills pipeline. This will be integrated with broader Labour Market Intelligence and input from employers, ensuring skills planning is robust and forward-looking.

It will be important for further and higher education providers to work together in support of the ambitions set out in their respective LSIP, creating a more coherent post-16 education system with better pathways and opportunities to progress from entry up to higher level skills, enabled by the Lifelong Learning Entitlement (LLE). This includes supporting the reskilling and upskilling markets where employers' expectations for agility and flexibility in education and training are increasing. The role of Strategic Authorities as strategic convener will be central to ensuring this collaboration is coherent and avoids fragmented provision. As part of this, we would encourage more joined-up higher education and further education engagement with employers in specific

sectors to understand the wider opportunities for and links between skills training, knowledge exchange, applied research and innovation.

The Annual Accountability Statements that certain further education providers must produce will be used to review the contribution to local skills, including LSIP priorities<sup>[10]</sup>. Other mechanisms will include Ofsted inspections; college annual reports; reviews of performance; and the DfE Performance Dashboard. For those providers that do not have Accountability Agreements, including higher education providers and Independent Training Providers, we expect those elements of their activity which contribute towards meeting the priorities outlined in the LSIP to be included in their strategic and business plans. We would also encourage providers to publicly communicate their role in the LSIP in other ways.

### **Further education providers**

The proactive involvement of further education providers is essential for maximising the impact of the LSIP. We expect all providers of technical education and training, including those who do not have duties under the Act, to:

- help identify the skills needs in an area and the actions needed to address them, using and feeding in intelligence from their connections with employers, local authorities and other organisations to help build a cohesive, well-informed and shared interpretation of skills and the shifts needed to drive better outcomes for learners, employers and the local economy
- be a strong partner in the governance structure, as appropriate, bringing both operational and strategic insight to the skills challenges facing the area, and helping to establish the overall strategic goals and outcomes that need to be achieved through the LSIP
- translate LSIP priorities into practical outcomes on the ground, including reviewing and actively considering the most appropriate programmes to address the skills gaps identified in the LSIP, this could include the introduction or expansion of reformed qualifications such as T Levels, which have been developed in close collaboration with employers and are based on occupational standards, or other bespoke provision which addresses these skills gaps
- help drive more coordinated and comprehensive employer engagement in the skills system - this should include helping employers to understand the skills offer available and to focus on longer-term skills priorities and trends; engaging them in the development and delivery of skills provision; and working with them to enhance learners' practical experience and employability, including through meaningful T Level industry placements

- work collaboratively with other further education and higher education providers in the area to deliver the actions set out in the LSIP in a way that avoids duplication and supports a more coherent and high-quality offer linked to jobs in the area, with a clear focus on progression pathways
- feed into the overarching assessment of the LSIP's impact, including how well the labour market needs of the area are being met through the actions earmarked for further education providers

### **Higher education providers**

Higher education providers (HEPs) are focal points for higher level technical skills, research and innovation. The differences in mission, specialisms and strategic objectives between different types of institutions mean that HEPs can add unique value to local skill systems in a variety of ways, including through industry partnerships, research-led innovation, and national and international development initiatives; as well as feeding in higher education specific intelligence, such as graduate outcomes or skills pipeline data, to complement and add to further education and employer data.

At a strategic level, HEPs will be expected to support the development and delivery of the LSIP by:

- helping to build an understanding and to map technical skill needs at higher education level (levels 4-8), including future pipeline skills based on their own work in driving technological change / research led innovation
- sharing information about their current skills offer and identifying what changes are needed to increase their own responsiveness to local, regional and national skills needs
- where appropriate, collaborating with further education and with other higher education providers to create a more strategically planned response to skills needs, leading to improved local and regional coverage and coordination
- helping to develop measures to demonstrate the impact of different activity
- using their national and international footprints to help identify and develop best-practice initiatives

At an operational level, this involvement should focus on:

- working via the ERB, and Strategic Authorities where they exist, to engage with a wide range of local employers, with a view to gaining a broader understanding of their skills needs, particularly in priority sectors
- developing and delivering provision aligned with the local skill needs identified in the LSIP

- collaborating with other further and higher education providers to identify ways to support access and participation; build new skills arising from research led innovation into training provision programmes; and undertake joint further and higher education engagement with employers / employer networks in order to gain a shared understanding of skill needs
- using its subject expertise and industry links to help develop the specialist technical skills of staff in further and higher education providers, including co-designing enhancements for industry relevant skills, work experience, and work with employers to support industry exchanges

Where engagement between higher education providers and LSIPs has not previously taken place, ERBs (and Strategic Authorities) may find engaging with the heads of careers and employability (who tend to work on skills development and measuring skills impact) a useful starting point.

## **5.4 Jobcentre Plus**

The government is reforming Jobcentre Plus and creating a new service across Great Britain that will enable everyone to access support to find good, meaningful work, and support to help them to progress in work, including through an enhanced focus on skills and careers. In England, these reforms will include bringing together Jobcentre Plus with the National Careers Service to create a greater awareness and focus on skills and careers and build a more agile, skilled workforce to meet the demands of a rapidly changing labour market. This will be vital to supporting our wider missions to support economic growth and break down barriers to opportunity.

This new service will be central to the success of Local Skills Improvement Plans (LSIPs). It will continue to work collaboratively with local government, health and wider partners including Employer Representative Bodies to understand and set out the local labour market's priorities and challenges through the local Get Britain Working Plan which can help shape an areas LSIP, and to help raise awareness of the skills most in demand locally, not only for jobseekers, but also for those looking to upskill and progress within an organisation, ensuring better coordination between employability support and careers guidance.

LSIPs will provide essential intelligence on employer skills requirements. It will be important to work collaboratively and share information with the new service, enabling it to be better equipped to respond to employer needs and to guide individuals toward technical training in priority areas, with employers

benefitting from this more targeted approach to skills development, with greater visibility of the training and support available.

Prior to the full establishment of the new Jobs and Careers Service, it will be important to engage with Jobcentre Plus and existing local networks to help shape the development of Local Skills Improvement Plans (LSIPs) and ensure alignment with emerging priorities.

## **5.5 Other stakeholders**

A range of other national and local bodies and agencies can play an important role in supporting and facilitating the development and implementation of LSIPs, ensuring they deliver effective solutions that meet employer and local labour market needs. This could involve providing information which helps support a clear understanding of employer needs and/or feeding in views and priorities, as well as disseminating key careers information and messages about labour market information, skills shortages and skills opportunities to local citizens and students.

The ERB (working with the Strategic Authority in devolution areas) should agree a stakeholder communication plan, including identifying priority groups and expertise.

This should include, but is not limited, to:

- National Innovation Networks such as catapults, which can support in considering emerging skills needs
- other key stakeholders, such as trade unions, who play an important regional role in connecting employment and skills
- careers services for young people and adults, who can help ensure local skills priorities are fed into careers advice, enabling learners to make informed choices and raise awareness and interest in those sectors and occupations where there is high employer demand for skills - this includes the network of local Careers Hubs that work directly with schools, colleges, apprenticeships providers and employers, and adult careers services, including those delivered by the Strategic Authorities and local authorities.
- recruitment agencies who can play a key role in publicising, promoting and directing job seekers to occupations in priority sectors
- national bodies who work with or represent groups with different protected characteristics, who can support in understanding and addressing the barriers faced by both employers and learners

## 6. Implementing the LSIP and keeping it under review

In non-devolution areas, the designated ERB will be expected to drive and oversee the delivery of actions set out in the LSIP, to report annually on progress, and to keep the LSIP under regular review to ensure that the actions remain relevant to the area. In devolution areas, the ERB and Strategic Authority should work jointly on this, with local agreement between them around who leads on what, supported by governance and day to day working arrangements that avoid duplication of effort (see section 3.1).

A regular review of the LSIP should be undertaken to ensure that it remains relevant to the area. The process and frequency are for individual areas to decide, with any subsequent change to the activities agreed with partners.

As part of this, there should be continuous and visible engagement with providers and stakeholders, supported by regular communication, for example, summary statements of that engagement with cross-reference to specific shared strategic objectives.

The ongoing review process should involve:

- reviewing employer skills needs, particularly where up-to-date labour market intelligence suggests that employer skills needs have changed; and ensuring that the LSIP supports new investment projects within an area
- gathering further and higher education specific data, such as learner / graduate outcomes and skills pipeline data (dedicated reporting templates would help ensure systematic evidence collection via a clear reporting format)
- working with providers to implement the actions in the LSIP, to pass on and translate any new information from employers; and to seek updates and feedback on progress in delivering the changes set out in the LSIP
- seeking feedback from employers on the effectiveness of any changes that are being or have been implemented locally as a result of the LSIP
- reviewing activities related to promoting employer engagement in the local skills system, including raising employer awareness of existing provision, and supporting employers to take up apprentices, T Level industry placements and upskilling or reskilling opportunities, as well as offering work placements for further education college teachers, and supporting curriculum design and delivery

- ongoing engagement with stakeholders to ensure that the LSIP continues to dock into local strategies in ways that are mutually reinforcing, including Local Growth Plans and Get Britain Working Plans; and working closely with JobCentre Plus, Careers and guidance providers and other stakeholders who are key to raising learners' demand for new skills
- activities related to monitoring and tracking progress and impact, including submitting regular monitoring reports to Skills England, and drafting and publishing an annual report on progress

## 7. Measuring impact

All LSIPs should include a clear set of outcomes they expect to achieve over the three-year cycle, together with a set of defined outputs and details of how progress will be measured and the metrics that will be used. This will enable better measurement and reporting of progress locally, and across LSIPs nationally.

Outcomes should reflect the programme aims set out in section 2, as well as looking more broadly at how well the labour market needs of the area are being met through the actions set out in the LSIP. This includes outcomes linked to:

- skills development and the reduction of skills gaps
- employer engagement in the skills system
- changes in the supply of technical skills provision against the LSIP priorities, covering entry level up to and including level 8, including creation of clear progression pathways
- changes in how funding is used to support skills priorities within an area

Metrics could include numbers of employers meaningfully engaged in the skills system, for example, involvement in co-designing provision, offering industry placements or taking up learning provision. Other metrics could include changes in the curriculum offer, or information on increased take up of priority provision. Consideration should be given to inclusion of annual milestones, as a way of demonstrating progress towards the overall outcomes.

This information will help support Skills England's role in monitoring and overseeing the LSIP programme including assessing how LSIPs collectively are contributing to national skills priorities and identifying any persistent gaps or areas of significant oversupply. Using standard SIC and SOC

categorisations (see Annex D) will help in measuring progress and impact against these outcomes, and facilitate information flows to and from Skills England, along with other qualitative data.

Providers and other key stakeholders should be actively involved in the work to develop meaningful ways to measure the impact of different activity over the three-year period of the LSIP. These measures should take into account those used in the local GBWP and the outcome frameworks that support Strategic Authority Local Growth Plans. This will help ensure consistency and demonstrate how the LSIP contributes to broader economic and social goals.

## **8. Circumstances where a replacement LSIP will be required**

A replacement LSIP should only be required if the skill needs and recommended changes for an area shift within the three-year cycle of the plan. The granular level activities relating to these changes can be further iterated and updated as appropriate during the three-year period and do not require a replacement LSIP. The circumstance of producing a replacement LSIP is therefore considered exceptional. However, should the ERB (working with the Strategic Authority in devolved areas) consider that a replacement LSIP is required, they should discuss this with their relationship manager in Skills England.

In areas where a Strategic Authority is established after the LSIP is approved, the same process would apply.

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[1] A Local skills improvement plan means a plan which is developed by a designated employer representative body for a specified area; draws on the views of employers operating within the specified area and any other evidence, to summarise the skills, capabilities or expertise that are, or may in the future be, required in the specified area and; identifies actions that relevant providers can take regarding any English funded post-16 technical education or training that they provide so as to address the requirements mentioned.

[2] Designated employer representative body (ERB) means a body corporate designated by the Secretary of State to lead the development and review of a local skills improvement plan for a specified area under S2(1) Skills and Post-16 Education Act 2022.

[3] See Annex C for details of the designation process.

[4] The term Strategic Authority is used within this guidance to mean mayoral and non-mayoral combined authorities, combined county authorities, and the Greater London Authority. It also includes those single Local Authority areas that have adult skills functions conferred on them by regulations made under the Cities and Local Government Devolution Act 2016.

[5] This guidance is for those providers of English-funded post-16 technical education or training who have duties under the Skills and Post-16 Education Act 2022. This includes Further Education Colleges, Sixth Form Colleges, designated Institutions, Independent Training Providers and Higher Education Institutions. It is also relevant to other providers of technical education and training that are not covered by these duties, including Local Authority providers.

[6] This is the most advanced level of specialised expertise and practical skills, typically pursued after under-graduate and post graduate training.

[7] Technical education and training is provision that provides the technical knowledge and practical skills and expertise required for a specific occupational area. It includes, but is not limited to, level 2 (the equivalent of GCSEs at A\* to C or 9 to 4) up to level 8, which is the most advanced professional qualification, and differs from academic options in that it draws its purpose from the workplace rather than an academic discipline.

[8] The 8 priority sectors are: Advanced Manufacturing, Clean Energy, Creative Industries, Defence, Digital Technologies, Financial Services, Life Sciences, and Professional and Business Services.

[9] This includes recommended changes and actions that different partners and stakeholders will take to address the identified skill needs identified in the LSIP.

[10] This will be part of the Accountability Agreement and should not increase the burden on colleges



**OGI**

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