



Local Skills Improvement Plans in the Midlands

INSIGHTS

The first analysis of its kind, the following insight report consolidates all LSIP areas within the Midlands, presenting key skills gaps and sectors at a pan-regional level. The findings highlight the scale of change needed regionally to bridge skills gaps and provide a roadmap to realign skills delivery with local business needs.

In autumn 2022, employer representative bodies (ERBs) were designated to lead the development of local skills improvement plans (LSIPs) for all 38 areas of the country. Each plan provides an agreed set of actionable priorities that employers, providers and local stakeholders can get behind to drive change.

LSIPs have been approved by the Secretary of State for Education in line with the approval criteria set out in the Skills and Post-16 Education Act 2022 and in accordance with the LSIP statutory guidance.

According to the statutory guidance, LSIPs should:

- Set out the key priorities and changes needed in a local area to make post-16 technical education or training more responsive and closely aligned to local labour market needs;
- Represent an employer view of the skills most needed to support local economic growth;
- Set out actionable priorities to better meet these skills needs, that employers, providers and stakeholders in a local area can get behind;
- Not attempt to cover the entirety of provision within an area but focus on the key changes and priorities;
- Focus on a three-year period and be reviewed and updated as appropriate during this time;
- Avoid making recommendations regarding national skills policy and focus on what can be done locally; and
- Describe how skills required in relation to jobs that directly or indirectly support Net Zero targets, adaptation to climate change or meet other environmental goals have been considered.



LSIPs at a glance

The key themes identified for the Midlands in LSIPs included:

- **Green skills (net zero)** which were identified in every LSIP and included skills related to retrofit, decarbonisation, hydrogen and energy
- **Digital skills** ranging from basic proficiencies to more advanced skills (and everything in between)
- **Essential and transferable skills** including “work-readiness”, which was persistently referenced across the region
- At the other end of the skills spectrum was **leadership and management**
- An issue was raised with the overall **local skills system**. There’s an overriding need for simplification and additional flexibility in order to be more responsive to employers’ needs.
- There is also a need for **more collaborative employer engagement**

Local Skills Improvement Fund

The Local Skills Improvement Fund (LSIF)¹ is one of the vehicles to enable further education (FE) providers across a geographical area to collectively respond to priorities outlined in each LSIP.

The LSIF supports reforms introduced within the Skills for Jobs White Paper, providing investment in the technical skills system to better support the needs of the local labour market and wider economy.

The LSIF will support the activities of FE providers in investing in new facilities and equipment; funding the development and delivery of new courses and curriculum; and supporting excellence in college leadership, governance and teaching to create a sustainable approach to addressing local skills needs, with particular focus at levels 3 to 5.

The LSIF builds on the Strategic Development Fund (SDF)², which was piloted in 2021-2022 and rolled out across England in 2022-2023.

The LSIF is available across 2 financial years where it will deliver:

2024-2025
£85m

2023-2024
£80m

incl. £40m revenue and £40m capital

¹ <https://www.gov.uk/government/publications/identifying-and-meeting-local-skills-needs-to-support-growth/local-skills-improvement-plans-lsips-and-strategic-development-funding-sdf>

Each full LSIP report is available via their respective ERB, areas of the country included in the Midlands pan-region are: Derbyshire and Nottinghamshire; Greater Lincolnshire; Leicester and Leicestershire; South-East Midlands; Stoke-on-Trent and Staffordshire; The Marches; West Midlands and Warwickshire; Worcestershire.

² <https://www.gov.uk/government/publications/strategic-development-fund-awards-2022-to-2023>

INSIGHTS

Key sectors and skills

Each one of the LSIPs identified their key sectors and significant skills gaps. Below are the key sectors and skills gaps identified by some of the Midlands LSIPs:

AREA	Derbyshire and Nottinghamshire	Greater Lincolnshire	Leicester and Leicestershire	South-East Midlands
Key sectors	<ul style="list-style-type: none"> • Manufacturing (incl. advanced engineering and automotive) • Transportation • Wholesale and retail • Healthcare • Tourism • Technology 	<ul style="list-style-type: none"> • Agri-food • Manufacturing • Visitor economy • Energy • Health and care • Ports and logistics • Defence and security 	<ul style="list-style-type: none"> • Manufacturing • Logistics • Construction • Sport and health • Life sciences and biotech • Creative and cultural • Care • Digital and green 	<ul style="list-style-type: none"> • Transport and logistics • Business and administration • Retail • Health and care • Manufacturing • Education • Construction and built environment • Catering and hospitality • Professional services
Key skills gaps	<ul style="list-style-type: none"> • Digital skills and literacy • Soft skills and employability • Net zero relevant skills and climate literacy 	<ul style="list-style-type: none"> • Engineering and construction roles • Work readiness and essential skills • Digital and IT skills • Managerial and leadership • Green skills 	<ul style="list-style-type: none"> • Lack of confidence and understanding around green skills • Retrofit • Behaviours / attitude / enthusiasm • Advanced digital skills 	<ul style="list-style-type: none"> • Basic and soft skills • “Organisation specific green skills” • Leadership and management • Digital skills • English and maths • Net Zero and environmental

AREA	Stoke-on-Trent and Staffordshire	The Marches	West Midlands and Warwickshire	Worcestershire
Key sectors	<ul style="list-style-type: none"> • Engineering and advanced manufacturing, incl. ceramics • Advanced logistics • Health and social care • Construction incl. modern methods of construction • Decarbonisation and energy distribution 	<ul style="list-style-type: none"> • Engineering / Manufacturing incl. food / drink manufacturing • Construction incl. environmental technologies • Health and social care • Professional services 	<ul style="list-style-type: none"> • Engineering and manufacturing • Construction • ICT and digital • Logistics and distribution 	<ul style="list-style-type: none"> • Construction • Health and social care • Business and Professional Services • Advanced manufacturing • Agri-tech
Key skills gaps	<ul style="list-style-type: none"> • Basic and digital skills • Net zero, green skills, and biodiversity • Leadership and management • Robotics, AI, data analytics and analysis • Virtual design and modelling • Electrical engineering design • Retrofitting • Digital construction design (AR/VR) • Procurement, supply chain and logistics • Client safety and wellbeing management • Mental health (incl. first aid) • Energy and waste management 	<ul style="list-style-type: none"> • Digital and IT skills • Renewables and retrofit • Soft and work-ready skills • Administrative skills • Numeracy and maths skills • Basic technical and manufacturing skills • Welding and laser cutting skills • Metals • Plumbing skills • Leadership and management • Nursing and care skills • Communication • Customer service 	<ul style="list-style-type: none"> • Engineering (at all levels) • “Space skills” • Digital/digitisation incl. digital marketing and data analytics • Green, carbon and retrofit • Strategy development • Project management • Change management • Leadership and management • Numerical skills • Communication incl. social media • Essential and soft skills • Blacksmithing and joinery 	<ul style="list-style-type: none"> • Common transferable skills incl. management, communication, customer service and administrative • Workplace ready attitudes and behaviours • Numeracy • Manual dexterity • Digital and IT skills • Advanced or specialist IT skills • Level 3 qualified trade skills incl. electricians and plumbers • Technical skills and general knowledge • Net zero and carbon literacy • CAD and CNC skills • AI and sentiment analysis techniques



Roadmap for change

All LSIPs put forward actions or a proposed roadmap to change to address their key challenges. Extracting them across the Midlands pan-region brings out the following priorities and recommendations:

- **Increase collaboration and communication** between skills providers, stakeholders and businesses to resolve incompatibilities
- **Promote, improve and increase in apprenticeships, T-Levels and vocational qualifications**
- **Increase the amount of short and modular training courses** including boot camps and micro-credentials
- **Establishment and continuous evaluation** of key performance indicators, measurement and accountability
- **Increase funding** for skills at all levels and support employers

Partners

