



Combined Authority Board		Agenda Item
31 May 2023 – Ordinary Meeting		8
Title:	Cambridgeshire and Peterborough Local Skills Improvement Plan (LSIP) Update	
Report of:	Laura Guymer	
Lead Member:	Councillor Lucy Nethsingha, Lead Member for Skills	
Public Report:	Yes	
Key Decision:	Yes – KD2023/024	
Voting Arrangements:	A vote by a majority of voting Members, subject to that majority including the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor.	

Recommendations:

A	Receive an update regarding the publication of the Local Skills Improvement Plan
B	Note the publication of the LSIP
C	Approve the statement of the Combined Authority
D	To note further devolved powers over LSIPs in the Trailblazer Devolution Deals secured by Greater Manchester and West Midlands Combined Authorities.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	<p>Achieving ambitious skills and employment opportunities</p> <p>The Skills for Jobs white paper set out the government’s blueprint for reshaping the technical skills system to better meet the needs of employers and the wider economy.</p> <p>As part of the new reforms, the Department for Education has introduced the requirement for all 38 localities to develop Local skills improvement plans (LSIPs) which must be led by employer representative bodies. In the Combined Authority Area, the Cambridgeshire Chamber of Commerce were awarded the LSIP contract until March 20205</p> <p>It is the intention that LSIPs will:</p> <ul style="list-style-type: none">• Place employers at the heart of local skills systems• Facilitate direct and dynamic working arrangements between employers and providers• Develop Local skills improvement plans• Provide an agreed set of actionable priorities that employers, providers and stakeholders in a local area can get behind to drive change
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1. Purpose

1.1	To update members of the progress of the Local Skills Improvement Plan (LSIP).
1.2	To seek Board approval for the Combined Authority's Statement within the LSIP which will go to the Department for Education. The statement is provided in Appendix 1.
1.3	There is a duty on the Secretary of State to be satisfied, when approving an LSIP, that in the development of the plan due consideration was given to the views of the MCAs and MCAs are invited to provide a statement when the LSIP is submitted for approval confirming if the MCA has been engaged in the development of the plan and allows MCAs to give its views on the skills needs of the area it covers.

2. Proposal

2.1	<p>Under the Skills and Post-16 Education Act 2022, LSIPs became statutory requirement for local areas. Designated Employer Representative Bodies (ERBs) are responsible for developing and subsequently reviewing an LSIP. The LSIP is for a three-year term, throughout this period it can be reviewed to ensure it is still relevant.</p> <p>The Cambridgeshire Chamber of Commerce have undertaken consultation with stakeholders to produce the statutory Local Skills Improvement Plan (LSIP) which is included as Appendix 1 to this report. Members are invited to review and comment on the LSIP.</p>
2.2	The Combined Authority's Statement within the LSIP to the Secretary of State for Education is included in Appendix 2 and members are requested to endorse.
2.3	The DfE call for proposals for the Local Skills Improvement Fund (LSIF) is due to open imminently. This is required to be a consortium bid, which must be endorsed by the Chamber of Commerce. Only one bid per region will be accepted.

3. Background

3.1	<p>In January 2021, the Skills for Jobs white paper set out the government's blueprint for reshaping the technical skills system to better meet the needs of employers and the wider economy. As part of this new approach, the Department for Education introduced local skills improvement plans (LSIPs) and a strategic development fund (SDF). – this has been replaced with the Local Skills Improvement Fund (LSIF). These became statutory requirement under the Skills Act 2022.</p> <p>To support ERBs to discharge these new duties, a Strategic Development Fund (SDF) was created to enable ERBs to develop LSIPs and for college and provider consortia to apply for funding to make the changes to local provision and/or infrastructure.</p> <p>The DfE have published Statutory Guidance for LSIPs and a link is included below.</p>
3.2	<p>It is the intention that LSIPs will provide an agreed set of actionable priorities, which includes data and the employer voice to inform skills provision in the region. Employer representative bodies have been designated to lead the development of LSIPs for all 38 areas of England.</p> <p>LSIPs are to:</p> <ul style="list-style-type: none">• place employers at the heart of local skills systems• facilitate direct and dynamic working arrangements between employers and providers
3.3	LSIPs were commissioned by the Department for Education (DfE) via Employer Representative Bodies (ERBs) to work closely with employers, providers and key stakeholders to develop evidence-based, credible, and actionable LSIPs. The plan is to identify key changes needed in a local area to make technical skills training more responsive to employers' needs. Whilst the CPCA is not responsible for producing the LSIP, the government recognises that Combined Authorities have important roles in developing local economic priorities and should be engaged in the development of

	LSIPs to ensure plans are effective and have impact. LSIPs do not cover the entirety of provision within area but focus on key changes that can gain traction and maximise impact.
3.4	<p>The Cambridgeshire Chamber of Commerce were awarded the contract for the LSIP across Cambridgeshire and Peterborough. The Chamber commissioned PWC to work on the development of the report and in support of the LSIP. The ensure close alignment the Combined Authority agreed that a member of the skills team would be seconded to the Chamber on a 0.2 FTE basis.</p> <p>It is not within the scope of the LSIP guidance for the Combined Authority to lead the development of the LSIP. The statutory guidance sets out that this must be led by employer representative bodies and therefore the Combined Authority can only influence the direction of the plan.</p>
3.5	<p>The Chamber has undertaken the following actions to develop the LSIP:</p> <ul style="list-style-type: none"> • Formed a new advisory committee, which includes members from providers, employers, ERB, DWP and the CA • Conducted a Literature review of all relevant regional and national strategies • Analysis of data, including open source data such as NOMIS, ONS and new data sources such as the European Skills, Competences, Qualifications and Occupations (ESCO), a multilingual classification that identifies and categorises skills, competences, qualifications and occupations relevant for the EU labour market and education . Additional data has been accessed via Geek Talent giving intelligence around HE data, FE supply, green and digital job analysis • Undertaken stakeholder engagement which included: <ul style="list-style-type: none"> ➤ 280: Identified & Contacted ➤ 344: Surveys responses analysed ➤ ~50: Attendees at 2 rounds workshops ➤ 20: Business Representative Organisations consulted
3.6	<p>It is recognised that employer engagement in the development of the LSIP has been limited, despite the Chamber using different mechanisms to engage with the business community. To achieve the intended outcomes of the LSIP, more work must be undertaken, led by the Chamber and supported by wider stakeholders to ensure that outcomes are realised moving forwards. Recommendations for future engagement are contained within the main LSIP report.</p>
3.7	<p>Role of MCAs</p> <p>The statutory guidance for LSIPS sets out the role of MCAs and local authorities in developing local economic priorities but not the LSIP. MCAs also have devolved functions as commissioners of adult education. The Skills and Post-16 Education Act 2022 strengthens the role of MCAs by placing a duty on the Secretary of State to be satisfied when approving an LSIP that in it's development, due consideration was given to the views of MCAs. To note that the statement is not an approval of the LSIP, but a statement that an MCA was able to give its views.</p> <p>MCAs are invited to provide a statement when the LSIP is submitted for approval. This is in recognition of the role of the Combined Authority as a system leader, expert, and important conduit of the skills landscape. We commission training courses and learning opportunities and work hand in glove with FE partners and wider partners to ensure alignment between the supply and demand of skills to support regional economic priorities. Therefore, we would need to be cognisant of the LSIP when commissioning and approving delivery plans for AEB from providers.</p> <p>The ERB is required to set out at which stage(s) the MCA was engaged, the nature of the engagement and how the MCA's views were considered in the development of the plan. This does not mean that all the MCA views must be reflected in the LSIP, but rather, constructive engagement has taken place. Where the views are not reflected, the rationale should be set out.</p> <p>Due to the requirements of the LSIP, it is not a systematic plan for addressing all skills needs; instead it is more akin to a 'deep dive', sectoral understanding of need in a handful of areas and as such, becomes one part of an already complex system that providers will need to consider when responding to local needs.</p> <p>There is limited guidance available about the governance of the LSIP. The Combined Authority has a governance system in place that has been refined since its inception and we believe the Combined</p>

	<p>Authority is the right organisation to become the accountable body for the LSIP, rather than the Department for Education and this has been included within our statement. Our position on becoming the accountable body for the LSIP would support regional integration, better localisation and effectiveness of the LSIP, recognising the Combined Authority as a system leader. Stating our ambition to be the accountable body is aligned to further devolution as detailed in 3.8.</p>
3.8	<p>Further devolved powers over LSIPs were secured by Greater Manchester and West Midlands Combined Authorities over the local governance of LSIPs. This will entail powers to establish a new governance board to provide over-sight of post 16 technical education and skills. This board will have strategic oversight of the LSIP and will be responsible for signing-off the Local Skills Improvement Fund. In the next Spending Review, government will consider how to better reflect the board's views in relation to place-based capital investment.</p> <p>In addition, to the oversight of post 16 technical education, members will note that Trailblazers secured additional powers and flexibilities in the skills and employment policy space:</p> <ul style="list-style-type: none"> • local flexibilities over the Free Courses for Jobs and Skills Bootcamps, with a path to full devolution in the next Spending Review and adding skills funding into a single settlement. • Place-based governance arrangement for careers with WMCA and GMCA as 'central convenors' of careers provision with future co-design • Convening a new Regional Labour Market Partnership Board with DWP to formally work jointly and align employability support and co-design future contracted employability support programmes and potential delegated delivery • Strengthen data sharing framework with government, particularly DWP. <p>The remaining MCAs are in discussion with government about roll-out of the Trailblazer to other areas, with negotiations due for January 2024. Early discussions with MCAs and the Secretary of State for DHLUC have commenced.</p> <p>Given our current governance structures with the Employment and Skills Board and formation of the proposed Education Advisory Group; should additional responsibilities over LSIP delivery and oversight, post 16 technical education, careers and employment support be devolved, the Combined Authority is in a strong position to re-shape these governance boards to discharge these duties. Essentially, this would entail updating the terms of reference, including membership and ensuring the right levers are available for effective implementation and over-sight.</p> <p>Hyperlinks to the published devolution details are provided below.</p>
3.9	<p>The statement produced by the Combined Authority (Appendix 1) provides support for the LSIP, however also sets out the challenges of the additional governance introduced into an already complex skills system. recognised the role of the Combined Authority as a system leader and important conduit of the skills landscape. We commission adult learning and work hand in glove with FE partners to ensure alignment between the supply and demand of skills to support regional economic priorities.</p> <p>Due to the requirements of the LSIP, it is not a systematic plan for addressing all skills needs; instead it is more akin to a 'deep dive', sectoral understanding of need in a handful of areas and as such, becomes one part of an already complex system that providers will need to consider when responding to local needs. The LSIP is one part of the skills system and is not inclusive of higher education, special educational needs provision, community learning or academia. It is essential a joined up approach is adopted to ensure the success of the LSIP. The Combined Authority has an established Governance process and as per our statement within the report we believe the LSIP should be included within the responsibility of the Combined Authority.</p> <p>There is limited guidance available about the governance of the LSIP. The Combined Authority has a governance system in place that has been refined since its inception and we believe the Combined Authority is the right organisation to become the accountable body for the LSIP, rather than the Department for Education and this has been included within our statement.</p>
3.10	<p>Timeframe</p> <p>The report is to be submitted to DfE on 31 May 2023 which is subject to Secretary of State approval before formal publication in Summer 2023. Where the LSIP does not meet the requirements necessary to be approved by the Secretary of State, the department will feed back concerns to the designated ERB to address these concerns with the aim that the LSIP can then be approved.</p>

	If there is disagreement between MCAs and the designated ERB, it is for the Secretary of State to make the decision as to whether the views of the MCA have been given due consideration based on the evidence submitted.
3.11	<p>Duties on Providers</p> <p>The Skills and Post-16 Education Act 2022 places duties on specific relevant providers, where they provide English-funded post-16 technical education or training, which is material to a specified geographical area to</p> <ul style="list-style-type: none"> • co-operate with the designated ERB, working with them to create an LSIP, • keep this under review and develop where appropriate a new LSIP; once developed have regard to these plans when considering their post-16 technical education or training offer; and • have regard to the guidance issued by the Secretary of State <p>Further Education Colleges, Sixth Form Colleges and Designated Institutions must review how well the education and training provided by the institution meets local needs and set-out actions that they can undertake to better meet those needs.</p> <p>From this summer, Accountability Agreements are being published for FE Colleges and Sixth Form Colleges which will set out how they contribute to meeting skills needs set out in the LSIP.</p>

4. Appendices

4.1	Local Skills Improvement Plan (draft)
4.2	Combined Authority Statement

5. Implications

Financial Implications	
5.1	The Government have announced that a Local Skills Implementation Fund (LSIF) will be made available in 2023-24 to support training providers to reduce barriers and make the changes identified in the LSIP. Additionally, in order for FE providers to be able to draw on the Government's Strategic Development Fund, they need to demonstrate that they are meeting the needs of employers as set out in the LSIP.
Legal Implications	
6.1	Chapter 4 Rule 1.14 of the Constitution provides that The Combined Authority Board shall have the power to reserve decisions to itself which would otherwise be taken by the Executive Committees, therefore the combined authority board can approve the LSIP statement.
Public Health Implications	
7.1	No Public Health Implications
Environmental & Climate Change Implications	
8.1	No Environmental and Climate Change Implications
Other Significant Implications	
9.1	No other significant implications
Background Papers	
10.1	Delegated Authority - March 2023 Local Skills Improvement Plan Statutory Guidance Greater Manchester Trailblazer Deeper Devolution Deal (March 2023) West Midlands Trailblazer Deeper Devolution Deal (March 2023)