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Policy paper

Local skills improvement plans (LSIPs) and local skills improvement fund (LSIF)

Updated 11 August 2023

Applies to England

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This publication is available at <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>

The [skills for jobs white paper \(https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth\)](https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth) 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 (DfE) introduced [local skills improvement plans \(LSIPs\) \(https://www.gov.uk/government/publications/designated-employer-representative-bodies\)](https://www.gov.uk/government/publications/designated-employer-representative-bodies) and a new local skills improvement fund (LSIF), which replaces the strategic development fund referred to in the white paper.

Local skills improvement plans

LSIPs provide an agreed set of actionable priorities that employers, providers and other stakeholders in a local area can get behind to drive change.

LSIPs:

- place employers at the heart of local skills systems
- facilitate direct and dynamic working arrangements between employers, providers and local stakeholders
- help learners gain the skills they need to get good jobs and increase prospects

The role of designated employer representative bodies (ERBs)

In autumn 2022, employer representative bodies (ERBs) were designated to lead the development and review of LSIPs for all 38 areas of the country.

The designated ERBs have worked closely with employers, education providers and stakeholders to develop evidence-based and actionable LSIPs. Each plan sets out the key changes needed in a local area to make technical education and training more responsive to employer and local labour market needs.

By being employer-led and locally owned, LSIPs are uniquely placed to highlight the skills employers need most in the workplace but may be struggling to find in their area. Following their publication, the designated ERBs will lead the implementation of the plans and will review them regularly to ensure they remain up to date and relevant.

All 38 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](https://www.legislation.gov.uk/en/ukpga/2022/21/contents/enacted) (<https://www.legislation.gov.uk/en/ukpga/2022/21/contents/enacted>) and in accordance with the [LSIP statutory guidance](https://www.gov.uk/government/publications/local-skills-improvement-plans) (<https://www.gov.uk/government/publications/local-skills-improvement-plans>). Further information on the process for implementing and keeping the plan under review is outlined in the statutory guidance.

The review and redesignation of ERBs and LSIP geographies will occur periodically, as appropriate, by DfE.

LSIP trailblazers

In the 2021 to 2022 financial year, DfE ran [8 LSIP trailblazer pilots](https://www.gov.uk/government/publications/skills-accelerator-trailblazers-and-pilots) (<https://www.gov.uk/government/publications/skills-accelerator-trailblazers-and-pilots>) that enabled us to test how employers, education providers and local stakeholders can work together effectively to develop an LSIP.

The independent evaluation of the trailblazers, alongside wider stakeholder engagement and evidence, informed the development of the [LSIP statutory guidance](https://www.gov.uk/government/publications/local-skills-improvement-plans) (<https://www.gov.uk/government/publications/local-skills-improvement-plans>) and our approach to rolling the plans out nationally.

Further information on how the trailblazer pilots helped to better align technical education and training provision with local labour market needs is set out in the [skills accelerator pilot evaluation](https://www.gov.uk/government/publications/skills-accelerator-pilot-evaluation) (<https://www.gov.uk/government/publications/skills-accelerator-pilot-evaluation>).

Getting involved with your LSIP

By having a single designated ERB lead the development and review of each LSIP across the country, we are:

- making it easier for employers to navigate the system
- helping to drive up engagement
- enabling employers to build stronger relationships with their local providers

We encourage businesses and interested stakeholders to contact the [designated ERB](https://www.gov.uk/government/publications/designated-employer-representative-bodies) (<https://www.gov.uk/government/publications/designated-employer-representative-bodies>) for their area if they would like to be involved.

Milestones for LSIP rollout

Summer 2023

All 38 areas of the country have an LSIP approved and published by the Secretary of State for Education. Plans have been drawn up for a 3-year period.

June 2024 and 2025

As part of regularly reviewing and updating their LSIP, ERBs will be expected to provide an annual progress report.

Email any programme queries to LSIP.PROGRAMME@education.gov.uk.

Local skills improvement fund

The local skills improvement fund (LSIF) enables further education (FE) providers across a geographic area to respond collectively to the priorities in LSIPs.

The LSIF supports the reforms introduced in the [skills for jobs white paper \(https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth\)](https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth), providing investment in the technical skills system to better support the needs of the local labour market and wider economy.

The LSIF is available across 2 financial years:

- £80 million in 2023 to 2024 (£40 million revenue and £40 million capital)
- £85 million capital in 2024 to 2025

The LSIF will:

- provide investment in new facilities and equipment
- fund the development and delivery of new courses and curriculum
- support excellence in college leadership, governance and teaching to create a sustainable approach to addressing local skill needs, particularly at levels 3 to 5

Milestones for LSIF rollout

June 2023

Collaborations of further education providers

(<https://www.gov.uk/government/publications/local-skills-improvement-fund-lsif-lead-providers-2023-to-2025/lead-applicants-for-lsif-by-region>) in each LSIP area applied for mobilisation funding to support the development of detailed proposals and costings.

October 2023

Lead providers will be notified by DfE of the outcome of their stage 2 LSIF funding application. Grant funding agreements will be issued to project lead providers.

Strategic development fund

The LSIF builds on the strategic development fund (SDF), which was piloted in 2021 to 2022 and rolled out across England in 2022 to 2023.

The SDF provided capital and programme investment to enable areas across England to:

- reshape their teaching and training provision
- update their facilities in preparation for the rollout of [LSIPs](#) (<https://www.gov.uk/government/publications/local-skills-improvement-plans>)

Funding awarded through SDF

In 2021, the SDF was trialled in [18 areas across England](#) (<https://www.gov.uk/government/publications/skills-accelerator-trailblazers-and-pilots/skills-accelerator-local-skills-improvement-plan-trailblazers-and-strategic-development-fund-pilots>).

In spring 2022, the SDF was opened to collaborations of FE providers across England.

All areas of England applied for and received funding in the second strategic development fund round, with a total of £92 million [funding awarded in the 2022 to 2023 financial year](#) (<https://www.gov.uk/government/publications/strategic-development-fund-awards-2022-to-2023>).

Further information on how SDF pilots helped to better align technical education and training provision with local labour market needs is set out in the [skills accelerator pilot evaluation](#) (<https://www.gov.uk/government/publications/skills-accelerator-pilot-evaluation>).

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