



Funded by



Department
for Education

North East Local Skills Improvement Plan (NELSIP)

PHASE 1

Stage A:
Articulating Employer
Needs

A Desktop Guide for Employers
and Employer Represented
Bodies (ERBs)

January 2023

This desktop guide introduces the Local Skills Improvement Plans (LSIPs).

Section A Introduces LSIPs and outlines the approach adopted by the North East) team in the **Phase 1** development of the NELSIP.

Section B provides high level guidance specifically for employers and representative bodies regarding the approach for **Phase 1 (Stage A) - *Articulating Employer Skills Needs***. It outlines the role that regional Employer Representative Bodies (ERBs) in the priority sectors are invited to play as part of the NELSIP development process.

CONTENT

<u>SECTION A</u>	Page
1 Introduction – North East LSIP	3
2 Phase 1: Prioritisation - Scope and Focus	4
3 NE LISIP Approach: Operating Principles	5
4 LSIP Requirements: Process and Report & Timing	6
5 Ensuring NELSIP success	7
 <u>SECTION B</u>	
6 Stage A: Articulating Employer Skills needs	8-9
7 Guidance for Employer Representative Bodies (ERBs) Formally engaged in the NELSIP	10-12
ERB Activities	
1. Desktop Analysis of existing skills research	
2. LSIP Employer Survey	
3. Workshop Template	
4. 1:1 Structured interviews	
5. Case studies/ best practice exemplars	
9 Appendix 1	13-16
1. NELSIP Employer Skills Survey Questions	
2. Phase 1 - 5 Sector Rationale	

SECTION A

1. Introduction – North East LSIP

Local Skills Improvement Plans.

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 has introduced local skills improvement plans (LSIPs) and a strategic development fund (SDF).

LSIPs will:

- focus on post 16+ technical education requirement for work
- place employers at the heart of local skills systems
- facilitate direct and dynamic working arrangements between employers and providers
- Employer representative bodies (ERBs) have been designated to lead the development of LSIPs for all 38 areas of England.

LSIPs will be backed by the strategic development fund which provides capital and programme funding to enable further education providers in an area to:

- support changes in local teaching and training facilities and provision to better meet the needs of employers, as set out in LSIPs
- support local innovation and economic growth
- develop a more efficient overall delivery infrastructure

NEAA – the designated ERB for the North East Region.

The NEAA is the designated ERB for the North East region and will be focused on the skills requirements of businesses and communities located in Sunderland, Gateshead, South Tyneside, and County Durham. Some sectors, businesses, and education & training providers, span the broader North East region and we will work closely with the North East England Chamber of Commerce, who are the designated ERB leading LSIP development for adjacent regions (North of Tyne and Tees Valley), to ensure that the NELSIP is aligned with other plans and supports the needs of the broader economy.

The NELSIP will provide an agreed set of actionable priorities that employers, providers, and stakeholders can get behind to drive change, including the key changes needed in the North East to make technical skills training more responsive to employers’ needs. The plans will help people to develop the skills they need to get good jobs and increase their future job prospects.

Work has already started on the NELSIP and the plan will be completed by June 2023. Initially, the plan will focus on actions over a three-year time horizon to mid-2025, with regular reviews ensuring the plan is monitored, agile, and responsive to changing needs.

2. Phase 1: Prioritisation - Scope and Focus

Sector Scope

The DfE Statutory Guidance (October 2022) is clear that ERBs that are leading regional LSIP should “not attempt to cover the entirety of provision within an area but focus on the key changes and priorities that can gain traction and maximise impact”. Accordingly, five sectors are prioritised in phase 1 of the NELSIP. These are identified locally as having high impact and transferable technical skills.

NELSIP PHASE 1
Five priority Sectors

- ✓ Advanced manufacturing
- ✓ Construction
- ✓ Digital
- ✓ Health & Life Science
- ✓ Transport & Logistics

The choices are consistent with North East Strategic Economic Plan (below) which identifies sectors deemed as strategically important. The NELSIP recognises that digital skills are integral to the future requirements of all sectors, not just the Digital/IT sector. Health and Health science skills are also supported by strategic development funding in 2022/23 in the North East region. Transport and logistics are also recognised as key enablers. Appendix 2 contains a more detailed explanation of the sectors in phase 1 and why they are prioritised.

Regional Priorities



North East
Local Enterprise Partnership

The North East Strategic Economic Plan

Creating more and better jobs

January 2019

Four key sectors of strategic importance

Where evidence tells us our assets and capabilities provide a strong opportunity for growth

Advanced Manufacturing

Digital

Energy

Health and Life Sciences

[Read more about our key sectors here.](#)

Four service sectors

That support the wider economy and offer significant opportunity for more and better jobs in the North East

Construction

Education

Financial Professional and Business Services

Transport and Logistics

Skills Focus

The DfE Statutory Guidance (October 2022) defines the LSIP skills focus as “Technical knowledge and a set of practical skills valued by industry. It covers provision from level 2 (the equivalent of GCSEs at A* to C or 9 to 4) to higher education (level 6)”.

Lower skills requirements exist in all the five sectors and priority will be given to those skills that support entry level employment requirements, greater inclusion and/ or progression to higher level skills that lead to better jobs. Phase 1 of the LSIP will also emphasise the identification of technical skills that are transferable across multiple sectors beyond the five

sectors identified, enabling phase 2 of the LSIP to focus on leveraging these technical skills more broadly across the regional economy, to maximise the impact of the NELSIP.

3. Operating Principles

Accessibility to skills provision is a key priority for employers in the North East and essential to delivering the Strategic Economic Plan for the region, enabling more and better jobs through improved productivity and inward investment and high value economic growth. Technical and digital skills are becoming more transferable across sectors and historical distinctions between sectors are changing.

The operating principles adopted for the NELSIP reflect a strategic approach that engages regional stakeholders in a systemic and holistic LSIP development process, and they inform the ongoing LSIP programme approach and priorities and the deployment of operational resources.

NELSIP Operating Principles

- **Employer led** - engaging a broad range of employers and Employer Representative Bodies across strategically important sectors in the North East, to define the workforce capability needed to drive and sustain productivity and regional economic growth.
- **Agile & forward looking** – anticipating and responsive to changes in the demand for skills associated with emerging advanced manufacturing and engineering technologies, Net Zero, digitalisation, and new investment.
- **Strategically focussed** – aligning and promoting technical education and training capability, prioritising areas of greatest impact, identifying and supporting the changes and key actions required to improve outcomes for employers and residents in line with the strategic ambition of the region
- **Collaborative and systemic** – employers, all providers, and key stakeholders working together in a coalition for change to efficiently integrate and leverage 16+ technical education and training capability to create a supply of work ready people - meeting specific and cross-cutting skills needs across key sectors in the region and providing a seamless vocational pathway for learners.
- **Ambitious and Inclusive** – shaped by, and enabling best UK practice, providing residents of the North East with attractive and accessible learning routes to develop the foundation, technical and soft skills needed to access to progress to high-value jobs.
- **Compelling** – learning that leads to better jobs and attractive careers.



4. LSIP Requirements: Process and Report & Timing

The LSIP programme process and key deliverables and timings are prescribed by the Department for Education.

Phase 1 will be completed by June 2023, although initial identification of the LSIP skills priorities need to be available in March 2023 to inform the Further Education planning cycle. There are three stages in Phase 1 which culminate in a final LSIP report that is submitted for DfE approval end May 2023. The required elements to be included in the report are shown below.

Phase 2 will focus on deployment and widening sector participation, with a particular focus on transferable technical skills. The plan will focus on actions over a three-year time horizon to mid-2025, with regular reviews ensuring the plan is monitored, agile and responsive to changing needs.

Phase 1 LSIP

Phase 1. Stage A - Employer skills needs will be captured in Quarter 1, 2023.

Activity	Timing
Stage A: Articulating employer skills needs: <i>What are the skills employers need locally but struggle to find?</i>	January – March 2023
Stage B: Translating employer needs into provision: <i>How can those skills needs best be met by providers in more responsive ways?</i>	October – March 2023
Stage C: Addressing learner demand and employer engagement: <i>What can local stakeholders and employers do to raise demand for and make better use of those skills?</i>	February- May 2023
LSIP Report: Part 1: LSIP Priorities Part 2: Taking forward the LSIP priorities Part 3: Delivering the LSIP priorities Annex: Background and method	Draft Priorities March 2023 Final Report End May 2023



5. Ensuring success – NELSIP

Project Board

The NELSIP Project Board will oversee the development and deployment of the North East LSIP. Its primary responsibility is for delivering the LSIP development outcomes to the plan committed to the Department for Employment. It will provide governance and oversight to the NELSIP project team, to ensure that the NELSIP is:

- Closely aligned with the Strategic Economic Plan for the North East, focussed on areas of high strategic impact.
- Effectively programme managed within the timeline and budget required and meeting all the requirements and conditions associated with funding provided by the Department for Education.
- Developed to reflect employer requirements for technical skills across all the key sectors identified as the primary scope for the NELSIP.
- Developed in collaboration with employers, key stakeholders and education and training providers in the region.
- Aligned with other strategic skills programmes in the region, including work being undertaken by the NELEP and LSIPs in adjacent regions.
- Transparent to all key stakeholders, and not disproportionately representing the interest of any single stakeholder or stakeholder group.

NELSIP success viewed across multiple perspectives

Key performance indicators will be developed as part of the Phase 1 LSIP development covering progress across four perspectives of success.

<p>Preparing the current workforce</p> <p><i>A North East workforce that is always equipped with the technical and soft skills needed to improve productivity, competitiveness, and deliver future growth.</i></p>	<p>Developing the future workforce</p> <p><i>A sustainable supply of skilled new employees in the NE who are work ready and can support high value growth and attract new investment.</i></p>
<p>Building a Resilient workforce</p> <p><i>A workforce with the core technical skills and behaviours, enabling the agility and flexibility to routinely embrace the adoption of new technologies and emerging changes in the work environment</i></p>	<p>Requiring an inclusive workforce</p> <p><i>Increasing skills availability through the offer of compelling jobs, improving participation of under-represented groups, and removing barriers preventing access to better jobs.</i></p>

SECTION B

6. Phase 1- Stage A: Articulating Employer Skills needs

Embracing emerging technologies and realising potential growth opportunities within the region require a step change in the identification and local delivery of technical skills. The NELSIP is grounded in an appreciation that many of these technical skills are transferable, and a cross sector perspective is essential to allow the NE regional to realise its full potential.

Direct Engagement of Employers through Sector ERBs

The NELSIP will leverage ERBs and key regional employers that are active in the five priority sectors. The regional ERBs have mature networks, established processes to access their employer membership, and insight into the pace of emerging technology and implications for skills requirements. They provide a cross sector perspective and the adoption of a consistent LSIP method across all sectors will ensure that future skill requirements and key enabling themes can be consistently identified, and calibrated, and cross-cutting themes appropriately explored.

ERBs will be contracted and funded through the NE LSIP based on scope of work performed to support the LSIP.

Engaging diverse underrepresented stakeholders

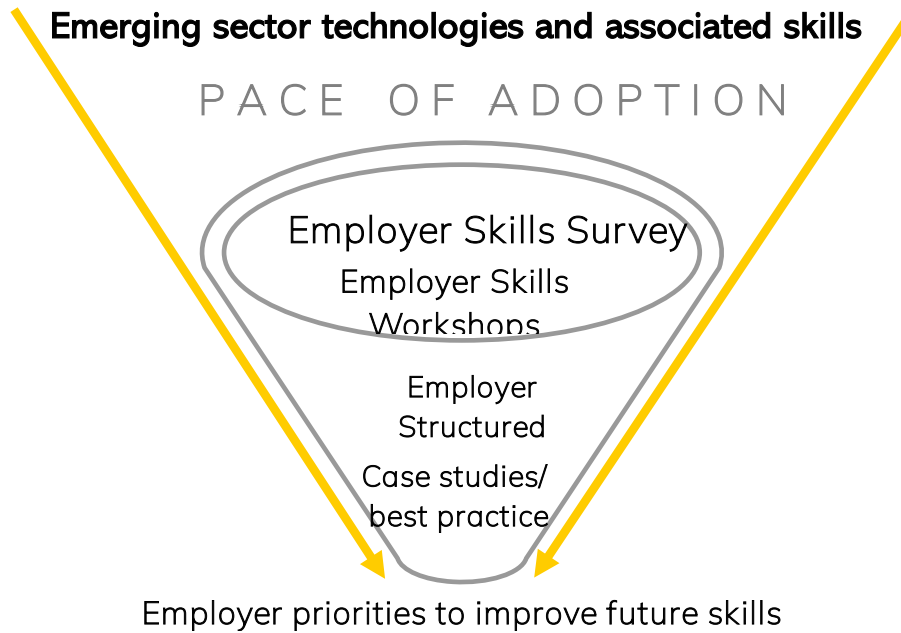
Resources will also be deployed to gain insights on how employers engage with prospective employers and their understanding of the basis on which career choices are made, and the broader workforce perspective regarding the attraction of the sector, including groups that are underrepresented or currently inactive.

Methodology deployed through ERBs

A common methodology including support, resources, and tools and will be deployed through the ERBs to capture insight on employer skill needs and priorities,

- Analysis of existing reports and relevant recent research already conducted by employer bodies locally and nationally on technical skills.
- Emerging Technology and skills foresighting from Research & Technology and Catapult organisations concerning the pace of development of emerging technologies and the impact on technical skills. This will include consideration of upskilling and reskilling for the existing workforce, as well as future skills needs of the prospective workforce.
- NELSIP baseline employer skills survey to inform high level themes across all aspects of the NELSIP development. Informed by the Department for Education Employer Skills Survey, and best practice from the *Productivity Through People framework* (Be the Business).

- Facilitated workshops involving different groups of employers, including SME direct involvement – allowing for discussion and feedback regarding different perspectives, and consideration of unique or shared experiences of emerging themes that impact technical skills availability.
- Structured interviews with employers to understand the specific experiences of employers, within the context of their future business needs.
- Detailed employer case studies will be developed to illustrate challenges or showcase best practice at the employer or sector level.



Through these methods we will:

- Gain an understanding of key drivers shaping future workforce requirements, including the implications of emerging technologies and regional economic and inward investment strategy.
- Appreciate the extent to which employers are anticipating future requirements and the rate of adoption of emerging technologies and best practice in different sectors and the impact on skills required
- Identify current and future skills needs, including skills gaps and supply issues, and current plans that are in place to address these requirements.
- Identify and validate key cross-cutting themes with employers and employer bodies
- Understand the extent to which technical skills transcend sectors and how a cross sector perspective can inform better integration of skills planning across the region
- Identify the experience of businesses of different size across different sectors and identify how experiences or approaches differ or are similar.
- Understand how effectively employers work with education and training providers to signal their future requirements, and partner with providers to enable the development of education and training solutions that meet their needs.

- identify the barriers to accessing training and development that meets their current and future workforce requirements, and identify activity required to address those barriers.
- Establish employer priorities to improve future skills

7. Guidance for Employer Representative Bodies (ERBs)

ERBs with members in the NELSIP phase 1 priority sectors are invited to be involved in the NELSIP development process and will be contracted by the LSIP team to conduct activities to support the identification of employer needs. Trailblazer experience demonstrates the value of enabling ERBs to draw on insight from their members and highlights the importance in providing them with appropriate resources to perform activities in support of an LSIP.

NELSIP ERB partners will be contracted to a prescribed methodology across all five activities areas directly engaging their network to specified levels of participation.

- I. Review of existing skills reports/ analysis in the sector
- II. LSIP Employer Skills Survey
- III. Employer Workshops
- IV. 1:1 Structured Employer Interviews
- V. Skills Case Studies/ Best Practice

The scope and reach of the ERB will inform the level of contracted activity.

ERB support is assumed at four resource levels depending on activity:

1. ERB Lead - providing strategic insight and experience of Employer members
2. Project support – supporting operational activity
3. Marketing/PR – support for LSIP profile and engagement
4. Administrative – organisational and scheduling support

Further detail is available on contracting from the NELSIP Programme Manager:

Mark David - NELSIP Lead. mdavid@northeastautomotivealliance.com

ERB areas of support activity

- I. Leverage Existing Reports/Analysis – *allows the NELSIP to build on what has already been achieved in a sector skill planning and gauge the maturity of established technical skills planning practices and identification of best practice at an employer or sector level.*
- II. Deploy LSIP Employer Skills Survey - *captures a high-level view of reported skills activity, an overview that can be referenced directly back to the DfE Employer Skills Survey. It represents an employer perspectives of experience and practice that are*

influencing technical skills availability, planning, development and provision in the North East and signposts areas that need further investigation

Purpose	LSIP Team Support	ERB Support
<ul style="list-style-type: none"> • Collect high level data: <ul style="list-style-type: none"> ✓ Capability Drivers ✓ Current experience and approach to accessing skills ✓ Future skills requirements ✓ Management practices relating to skills development and acquisition • Diverse sector/cross-sector representation to distinguish unique and shared issues • Data to inform key themes to be explored in further discussions with employers through workshops and 1:1 interviews prior to drafting LSIP recommendations. 	<ul style="list-style-type: none"> • Provide common survey template and format • Shared deployment tool • Single database supported by legal agreement restricting data use to LSIP. • Communication template to support survey distribution • Analysis of responses (sharing sector-level responses) 	<ul style="list-style-type: none"> • LSIP promotion to members • Distribution of Survey and direct promotion to specific segmented audiences • Reporting and follow up to ensure completion rates to specified level • Support analysis of sector themes and areas for consideration at work- shops and structured interviews • Ensure representative sample

The Employer Skills Survey is attached in appendix 1.

III. Facilitate Employer workshop – *enable group interaction to surface common themes or differences regarding employer experience and approach to technical skills*

Purpose	LSIP Team Support	ERB Support
<ul style="list-style-type: none"> • In-depth discovery, discussion & feedback with representative sample of employers (including SMEs) to help identify key themes and challenges • Explore shared and different experiences of: 	<ul style="list-style-type: none"> • Structured outline for workshop and key questions • Interactive polling tool to enable data collection and facilitate direction of discussion • Short briefing document for those attending workshops 	<ul style="list-style-type: none"> • Identification of appropriate employer attendees • Demonstrate extent of reach - as wide and as representative input from sector employers as possible • Not just best-practice employers – important to

<ul style="list-style-type: none"> • Current experience of accessing and developing the skills they need. • Anticipated future challenges and how they plan to meet them • Later sessions used to validate initial findings and recommendations 	<ul style="list-style-type: none"> • Facilitator briefing ahead of workshop • Project Manager support for workshop. • Template for workshop feedback • Follow-up discussions to explore key themes • Case Studies identified to illustrate challenges/best practice 	<ul style="list-style-type: none"> • have representative input. • Invitation & securing attendance of workshop participants • Facilitation of workshops, with LSIP PM support • Collation of feedback through completed template • Follow-up discussion with LSIP project team to ensure shared understanding of key themes
--	--	--

IV. Conduct Structured Employer Interviews - *provide a grounded two-way discussion, that enables a critical evaluation of underlying management practices.*

Purpose	LSIP Team Support	ERB Support
<ul style="list-style-type: none"> • In-depth exploration of specific future challenges/requirements facing employers in strategically important sectors. • Understanding of implications of those challenges, and proposed employer response. • Critical assessment of underlying employer practices and implications for skills planning • Identification of learning that can inform LSIP recommendations. 	<ul style="list-style-type: none"> • Structured interview format/questions • Interview with representative of selected employers – conducted by NELSIP project team • Analysis of interview 	<ul style="list-style-type: none"> • Identification of employers • Approach, context setting & engagement of selected employers • Introduction of LSIP and Project Team and arrangements • Participation in interview (optional) with ERB support/attendance if appropriate

V. Capture Case Studies/Best Practice –*take a snapshot of employer experience to succinctly illustrate a challenge or best practice.*

Purpose	LSIP Team Support	ERB Support
<ul style="list-style-type: none"> • Demonstrate key themes through Illustrative examples of best-practice approaches to 	<ul style="list-style-type: none"> • Identify case studies and best practice that best exemplifies indicative 	<ul style="list-style-type: none"> • Engage employers in involvement of case studies

<p>workforce planning or partnering with providers.</p> <ul style="list-style-type: none"> • Characterize the challenges facing the sector in accessing future skill needs in simple vignettes 	<p>themes in an applied situation</p> <ul style="list-style-type: none"> • Draft case study – likely to be short description highlighting good practice or key challenges • Provide out of region comparator as appropriate 	<ul style="list-style-type: none"> • Support with employers to check accuracy and enable use of case-study • Gain agreement for use in report if appropriate
---	---	--

Appendix 1. NELSIP Skills Survey Questions.

Survey Questions provided by category – full detail on choices available on the online tool

1. ABOUT YOUR ORGANISATION

- I. What is the name of your organisation?
- II. What is your name?
- III. What is your role in the organisation?
- IV. How can we contact you?
- V. (V) Which Organisation asked you to participate in this local skills improvement plan (LSIP) survey?

2 How many people does your organisation employ at this location?

3 Where is your business located (Post Code)?

4 What sector (s) do you operate in? (Select all that apply)

5 What type of work is your business primarily involved in?

CURRENT SKILLS NEEDS & GAPS

6 How important are the following to your organisation:

(i) Technical skills

Please select the technical skills does your organisation lack and find difficult to acquire? (Select all that apply)

(ii) Digital/IT skills

Please select the Digital/IT areas where you have a gap in digital skill. (Select all that apply)

(iii) Soft skills

Please select the areas where you have a gap in soft skills. (Select all that apply)

(iv) Basic work readiness skills

Please select the areas where you have a gap in work-life skills. (Select all that apply)

7. What proportion of your vacancies are hard to fill primarily because of a general shortage of people in the job market, rather than because they require applicants to have technical skills?

8 What impact does not having the right skills available have on your business?

9 What is influencing your future technical skills requirements?

ANTICIPATING FUTURE TECHNICAL SKILLS REQUIREMENTS

10 Which of the following statements best describes your organisations approach to planning for future skills needs? (In 2-3 years' time)

11 How important will the following skills be to your organisation moving forward?

- (i) Technical skills
- (ii) Digital/IT skills
- (iii) Soft skills
- (iv) Basic work readiness skills

BUILDING SKILLS

12 How best would you describe your organisations approach to skills training?

13 How is skills training typically delivered in your organisation?

14 What stops you from doing (more) training?

15 Do you currently employ any apprentices on technical apprenticeship programmes?

16 Which of the following statements regarding apprenticeships would you agree with? (Select all that apply)

17 Do you pay apprenticeship levy?

ACQUIRING SKILLS

18 Do you have full local authority to decide local hiring levels?

19 How would you describe the level of turnover in your skilled workforce compared to before the pandemic?

20 Have you recruited any technical employees in the past 12 months?

21 How do you attract candidates for your vacancies?

22 Have you changed your approach to attract the technical staff you need? (Select all that are appropriate)

23 How difficult has it been to recruit new employees with the technical skills your organisation needs?

- (i) Technical
- (ii) Digital/IT

24 Do your preferred candidates for technical roles typically have missing soft-skills or work-readiness skills?

- (i) Soft skills gaps in available candidates. (select all that apply)
- (ii) Basic work readiness skills gaps in available candidates. (select all that apply)

25 Do you use agency or contract personnel (3rd party personnel) to meet your technical skill needs?

- 26 Which of the statement best describes your approach in the use non-UK nationals to fill vacancies that require scarce skills?
- 27 Do you support FE/HE education providers in any way and/or engage directly with students?
- 28 How do FE/HE education providers engage with your business to support your technical skills needs?
- 29 Have you accessed subsidised programmes to provide training for your staff?

NEXT STEPS

- 30 How would you like to further engage with the North East Local Skills Plan. (Select all that apply)

APPENDIX 2. – TALKING POINTS

Phase 1 NELSIP

Digitalisation, electrification, automation, & sustainability (Net Zero) are creating highly skilled jobs across the UK. Future skill requirements need to be anticipated and prioritised to enable local investment opportunities and realise improved productivity and regional growth. Higher skill requirements result in “better” jobs, leading to higher income levels that drive a stronger regional economy. Foundation skills will increasingly be a prerequisite for employment and a strong regional focus is required to ensure inclusive growth and a pipeline of perspective employees at all levels.

The North East LEP *key sectors* recognise the importance and influence of certain sectors to serve as catalysts for improved regional productivity and high value growth. The sectors may be early adopters of innovative technology, disrupted by the emerging technologies, or may be required to support the infrastructure that enables the extent and pace of technology adoption, and different ways of living and working.

Phase 1 of the NELSIP focusses on five interrelated sectors. Collectively, they have high socio-economic impact, common and transferable technical skills, and have potential to enable and realise high value regional growth, creating significant numbers of better jobs in the North East.

1. **Advanced Manufacturing** – An established high value sector, with significant sustainable growth identified and committed in the region, arising from its relative global competitiveness, adoption of emerging technologies, and the potential for industrial digitalisation. The sector includes automotive, aerospace, and pharmaceutical that support a broad supply chain at all levels.
2. **Construction** - Sustainability and legislation, digitalisation, and connectivity will transform the industrial and domestic built environment. Advanced sustainable construction methods will change working, practices and require new skills, other skills will likely be displaced entirely. The construction sector is fragmented and historically slow to adopt modern technologies and manufacturing methods. Proactive employer engagement through the sector will be needed to anticipate and pace the alignment of workforce capability with future requirements.
3. **Digital** – A capability that is transforming rapidly, benefitting from the proliferation of electrical devices, electrification and technical progress in computing hardware/software and cloud networking capability, enabling various forms of artificial intelligence and augmented/virtual reality and a focus on leveraging big data through data science. Digital cuts across all sectors and it underpins industrial,

operational, and commercial transformation, electrification, and sustainability. Good foundation digital skills will be required in most future work environments, and the North East will need to accelerate the development of more advanced digital capability.

4. Health and Life Science – An aging population continues to place new and increasing demands on health provision whilst resources are constrained. Improved prevention measures, diagnosis and monitoring, tailored treatment, and health care are fundamental. The adoption of new technologies, progress in medical science, digital solutions a transformation in technical skills support the *science backbone* of the NHS and are complemented by regional capability in aseptic pharmacies, pharmaceutical manufacture and advanced research capability in life-sciences.
5. Transport & Logistics - Smart logistics, replenishment and effective distribution require efficient end-to-end digital networks to optimise productivity sustainably across the full life cycle value stream. Developing and sustaining this capability in region enables further inward investment ensuring global connectivity of supply chains, ensuring responsiveness, resilience and a sustainable operating footprint.