

Lancashire
Local Skills
Improvement
Plan

Lancashire Local Skills Improvement Plan

July 2026

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This Local Skills Improvement Plan has been approved by the Secretary of State in accordance with the requirements of section 1 of the Skills and Post-16 Education Act 2022, and the relevant published statutory guidance.

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Executive Summary

About Lancashire

Lancashire is a county of diversity in terms of economy, population and prosperity. With a mix of urban centres, coastal communities and rural areas it can be difficult to encapsulate the common themes and priorities of the county.

Since becoming a Combined County Authority in February 2025, much work has been done to develop overarching strategies through the *Lancashire Growth Plan* and the *Get Lancashire Working Plan*.

Priority sectors to drive growth have been identified as:

- National security and resilience
- Clean growth and nuclear
- Digital and Artificial Intelligence
- Advanced engineering and manufacturing
- Culture and tourism

There are high rates of economic inactivity in Lancashire with employment rates differing significantly between areas. Key challenges include:

- Limited job availability
- Low skill, low wage jobs
- Changing employer demand to higher skill levels
- Increasing health demands
- Ageing workforce
- Rurality

High youth unemployment rates with reduced demand for early labour market access is a major cause for concern with this becoming entrenched in some districts. Combined with rising NEET (young people not in education, employment or training) rates work is needed to prevent large numbers of young people becoming disengaged with work and preparing for employment.

There is a clear desire within the county to tackle these challenges, grow the key sectors to help deliver new high skilled jobs, engagement of young people with employment and training, help out of work adults back into employment and to make Lancashire an integral part of the north west and UK economies.

What is clear through both the *Growth Plan* and *Get Lancashire Working Plan*, is that skills will need to play an important role in supporting growth, preparing young people for work and helping adults back into employment.

Employer needs

General themes

This new Lancashire Local Skills Improvement Plan (LSIP) follows on from the 2023 plan and employer feedback continues many of the themes that were featured then.

While there has been significant amounts of activity in support of the priorities listed then, it is unsurprising that the impact is yet to be fully felt by employers as the investment, increased learner numbers, new courses and work readiness developments will all take some years to filter through to the workplace.

These common themes around familiar occupations, digital skills, work readiness / employability skills and behaviours have all been prioritised over the last three years. While they remain important and continued work, investment and focus in these areas will be required, the direction of travel from the Lancashire skills system and provision is largely positive.

So, in most areas this LSIP will not be calling for system change and curriculum overhaul. Reviewing how successfully the changes and actions from the last few years have filtered through to the workforce is necessary to better understand what changes have had the most impact or where more needs to be done.

Although evident in the last LSIP, one theme has started to increase in its frequency within responses to the survey and in interviews. The difficulty of hiring experienced staff is being described more frequently and is being discussed specifically within future need.

The possible responses from the skills system are limited as it is not possible to produce experienced staff from scratch. Tackling this 'experience gap' will require longer term planning to resolve, including upskilling and building pipelines for the future through early career investment.

Linked to the desire for experienced staff is the common request across sectors for management skills. This ranges from supervisory, middle-management to leadership roles. With recent changes to funding for management and leadership training the challenge will be to understand how best the skills system can support employers to develop the right skills.

Specific needs

Beyond these general themes, what are the more specific needs that are being highlighted through the research which require focussed activity to deal with?

Social Care

Social care is a sector that already has significant vacancies in key roles with a growing need and ageing workforce combining to show a worrying future in which shortages increase dramatically.

There are also difficulties faced by care organisations to source suitable, short-course training causing problems with availability of trained staff, career progression and retention.

Digital

Needs in skills remain across all sectors. Varying from essential digital skills including basic office software to higher level skills such as cyber security, website design, development and management, programming and digital marketing.

A noticeable increase in need over the last three years is in AI. Employers are at different stages in the implementation of AI into their organisations from requiring an initial understanding of how it can work for them, to implementing AI into the workplace and some already seeking more in-depth knowledge about how to use it to its full potential.

Foundation Roles

Locally, there is an increasing focus on youth unemployment and how to reduce the number of young people not in education, employment or training (NEET). As a growing problem and a priority cohort in the *Get Lancashire Working Plan*, it is essential the skills system works with employers to ensure young people have the best opportunity to find employment.

This is not solely a problem for young people leaving school and college but also graduates looking to enter the labour market. There is a need to have early career opportunities at a range of levels – at foundation levels and for entrants with higher levels skills.

While there are challenges with a difficult recruitment environment, the perception of young people and AI's potential to limit some entry level roles, there are opportunities to position young people as the solution to persistent gaps.

There are some industries that offer routes in to work that, given the right essential skills and 'work ready' support, provide perfect starting points for younger people, such as:

- Retail
- Hospitality
- Leisure
- Agriculture
- Construction
- Care
- Administration

Priorities & actions

This LSIP will directly support the local priorities detailed in the *Growth Plan* and *Get Lancashire Working Plans*, working collaboratively to skills system helping Lancashire's key sectors grow, engage young people with work and help out of work adults into employment.

Taking into account the challenges facing employers in finding skilled workers and building a pipeline of talent to prevent persistent shortages in the future, as well as the ability to take advantage of new technologies, the following priorities have been agreed with a selection of providers, local partners and, most importantly employers.

Priority 1: Develop long term solutions to shortages in experience

Priority 2: Ensure funding, curriculum changes and increases in provision are having an impact

Priority 3: Undertake further research in changing sectors

Priority 4: Tackle persistent shortages in social care

Priority 5: Improve digital skills both in Essential Digital Skills and job specific skills, in particular, AI

These priorities and the actions required to deliver on them will be shown in greater detail in Part Two.

Introduction

This is the third iteration of a Local Skills Improvement Plan (LSIP) for Lancashire following the county's selection as a Trailblazer area for the first report published in 2022 and as part of the national rollout published in 2023.

LSIPs have a legal designation under the *Skills and Post-16 Education Act 2022*, with the purpose of aligning the provision of technical and vocational education and training with the requirements the local economy and employers' needs. Under the legislation FE colleges have a statutory requirement to shape their provision and delivery around the employer needs as expressed through the LSIP.

While provider engagement is important, LSIPs are an employer-led framework which put the needs of employers first and foremost. To ensure this employer-led approach, the organisations designated to produce LSIPs are Employer Representative Bodies (ERBs). In Lancashire's case, the ERB is the North & Western Lancashire Chamber of Commerce.

In this latest iteration, there is the need to ensure the involvement of universities to incorporate higher education into the priority occupation pathways. There is also a requirement for LSIPs to take into account the priorities of the *UK Modern Industrial Strategy*, Local Growth Plans and local responses to the Get Britain Working Plan.

There are many overlaps with the *Lancashire Growth Plan*, the *Industrial Strategy*, the *Get Lancashire Working Plan* and previous LSIP priorities. It is important to realise that this report is a continuation of the previous LSIP and looks to build on the work already done while taking into account changing economic conditions and priorities of the local economy.

This LSIP aims to support the wider economic development of Lancashire through those links to other local plans. The needs of employers, as expressed through the LSIP, will be of particular relevance to our local and combined authority partners in their delivery of economic growth. Other stakeholders involved in assisting people back into work, such as DWP and local health partners, will be able to refer to the LSIP in helping delivery of *Connect to Work* and *Work Well* programmes. The information in this Plan and ongoing work will also help providers from FE, HE and ITPs to develop curriculum and delivery according to employer needs. Most importantly, this LSIP and planned activity will be relevant to employers, giving them the opportunity to engage in activity that will support their skills and staffing needs in the short term and into the future.

Strategic and Economic Context

A Thriving Lancashire: A National Growth Priority

“Lancashire is a powerhouse of potential, home to 1.57 million people, over 55,000 businesses, and contributing £40 billion in GVA. As one of the largest economies in the North, Lancashire is poised to take a leading role in driving national economic growth. With more than 728,000 jobs, its economy is underpinned by worldclass capabilities in advanced engineering, manufacturing, nuclear energy, cybersecurity, artificial intelligence, and clean growth”

(*Lancashire Growth Plan*, September 2025)

Lancashire became a Combined County Authority (LCCA) in February 2025, bringing together the upper-tier authorities of Lancashire County Council, Blackburn-with-Darwen Council and Blackpool Council. The County Council area is also home to twelve district authorities: (Burnley, Chorley, Fylde, Hyndburn, Lancaster, Pendle, Preston, Ribble Valley, Rossendale, South Ribble, West Lancashire and Wyre).

LCCA has been responsible for the development of the *Lancashire Growth Plan* and *Get Lancashire Working Plan*, which support national priorities to drive growth in recognized sectors of potential economic advancement and to increase economic participation.

The county contains a diverse mix of urban centres, coastal communities and rural areas, creating different local economic conditions and “pockets” of opportunity and challenge. As a result, Lancashire’s overall performance and resilience are shaped both by globally competitive industrial assets and by uneven labour market outcomes between places and groups.

Lancashire Growth Plan

The *Growth Plan* frames Lancashire as combining established, high-value industrial capabilities (notably in engineering and manufacturing) with emerging and fast-growing technology-led activities (including cyber, digital and AI); an economy with a distinctive cluster-based model with concentrations of high-value firms, major employers, supply chains and research assets that can collaborate, innovate and attract investment.

Vision and Framework for Growth

Lancashire’s vision is to build upon the sector strengths outlined in this Plan to become a globally recognised, highly competitive, and sustainable region celebrated for its quality of life, connectivity, and opportunity. The Growth Plan outlines a clear strategy to achieve this by focusing on high-growth sectors that drive innovation and productivity, while also investing in the foundational pillars of success: transport, skills, housing, health, and innovation.

Sectoral Drivers of Growth

The *Growth Plan*’s priority sectors are closely linked with the national Industrial Strategy growth sectors while being embedded in Lancashire’s economic identity and drive productivity, innovation and job creation.

A Strategic Role in National Security and Resilience

- home to the world’s fourth-largest aerospace cluster and plays a vital role in the UK’s defence and security ecosystem

- capabilities in military aircraft production, nuclear fuel manufacturing, and emerging cyber technologies are major economic assets, closely aligned with the UK's Industrial Strategy
- well-positioned to develop new industrial clusters where businesses, academia, and communities collaborate
- integrated model will drive innovation, strengthen national security, and generate new economic opportunities.
- Lancashire's strong and sustainable rural economy plays a key role in UK food security, supporting a diverse supply chain from primary production to food manufacturing and retail

Clean Growth and a Nuclear Renaissance

- Lancashire is a national leader in nuclear energy, with expertise spanning the full lifecycle, from enrichment and fuel production to power generation
- combined with a skilled workforce and strategically located sites, the county is primed to lead the development of next generation nuclear fuels and energy systems
- the region is also advancing in energy storage and efficiency technologies, supporting both offshore and onshore renewables
- with one of the UK's highest projected concentrations of green jobs between 2030 and 2050, Lancashire is poised to become a clean growth powerhouse

Sustainable Digital and Artificial Intelligence

- digitalisation and AI are transforming every sector of the economy
- Lancashire is uniquely positioned to lead in sustainable digital growth
- the North West hosts the UK's second-largest cyber cluster, with over 300 companies and around 12,000 professionals
- Lancashire benefits from transatlantic digital connectivity, access to renewable energy, and a central role in the emerging North West Cyber Corridor
- this positions the county to harness AI-driven innovation, create high-value digital jobs, and address the environmental and social impacts of digital transformation

Advanced Engineering and Manufacturing Excellence

- remains a national leader in advanced engineering and manufacturing
- the sector contributes around £6.4 billion to the local economy (18% of total GVA) and includes key industries such as aerospace, energy, chemicals, and commercial vehicles
- the *Growth Plan* supports these sectors through a resilient supply chain of mid-sized firms known for their innovation and adaptability, well-placed to develop the next generation of low-carbon, high-value products, reinforcing Lancashire's role in the UK's industrial future

Culture and Tourism as Economic Catalysts

- Culture and tourism are integral to Lancashire's identity and economic growth
- Blackpool, the UK's most visited seaside resort, draws around 20 million visitors annually and supports a £1.5 billion visitor economy
- Lancashire's tourism 'offer' spans vibrant towns, historic sites, and natural beauty
- since the launch of the Re(made) Cultural Strategy in 2020, the region has seen significant growth in cultural activity and infrastructure
- the *Growth Plan* will build on this momentum, working with national partners such as the Department for Culture, Media and Sport to unlock the full potential of Lancashire's cultural and tourism assets

The Growth Plan identifies six strategic enablers that underpin Lancashire’s ambition for a resilient, inclusive, and innovation-led economy:

1. Infrastructure and Place Transformation

We will deliver a Lancashire Spatial Development Strategy that integrates transport, energy, housing, strategic employment sites, and the natural environment.

2. Knowledge and Innovation Assets

We will unlock the full economic potential of Lancashire’s research institutions, innovation hubs, and globally competitive business clusters.

3. Business Growth and Enterprise

We will modernise the region’s business support ecosystem by reviewing the position of the growth hub in respect of the national approach to business support.

4. Skills for Growth and Inclusion

We will focus skills provision to meet business needs, inspire our future workforce, and drive inclusive growth.

5. Health, Wellbeing, and Inclusive Communities

We will invest in health innovation, support pathways back into employment, and empower civil society and the VCFSE (Voluntary, Community, Faith and Social Enterprise) sector.

6. Data and Evidence

We will build a robust data and intelligence infrastructure to guide decision-making, track progress, and support evidence-based policy development.

Lancashire’s Growth Plan is underpinned by a comprehensive evidence base, including key strategic documents such as the Lancashire Independent Economic Review (2022) and the Lancashire 2050 Strategic Plan (2023). Despite challenges such as an ageing population and economic inactivity, Lancashire’s job density is sufficient to support its workforce.

The region’s economic output is concentrated along key transport corridors, with significant opportunities in advanced engineering, high productivity clusters, and innovation assets.

Addressing connectivity gaps and investment constraints will be crucial to sustaining growth and enhancing productivity, positioning Lancashire to be able to fully contribute to the UK’s economic ambitions.

Get Lancashire Working Plan (GLWP)

The *GLWP* sets out the response to the county’s employment challenges – most notably, high levels of economic inactivity in some areas, stark local disparities in health and opportunity, and the need to better connect people to the skills and jobs of the future.

The employment rate for Lancashire sits just below the national average, and significant disparities exist between districts, age groups, and health status. The *GLWP* aims to increase the average employment rate across the area whilst also closing the gap in areas with the lowest employment rates.

There is distinct disparity in employment rates across Lancashire (rate 75.2%) from Hyndburn (61.5%) and Blackpool (62.6%) to Wyre (84.4%) and Fylde (84.5%).

The economic inactivity rate in Lancashire stands at 24.4%, 2.9 percentage points higher than the national average, equating to over 175,000 residents. Contributing factors include health issues, labour market disengagement, and demographic trends. An analysis of recent labour market data highlights a critical need for integrated, preventative interventions to reduce long-term disengagement from the labour market.

Structural Challenges

Lancashire's economy faces several structural challenges, including:

Limited Job Availability: shortage of high-quality job opportunities. In 2023, job density was just 77 jobs per 100 working-age residents (falling back to 2014 levels) – 10% below the national average.

Low Skill, Low Wage: available jobs often require low qualifications with 50% of all vacancies require Level 2 qualifications (or below), reflecting sectors with poor pay, insecure contracts and limited career progression, creating low incentive for economic re-engagement.

Changing Employer Demand: projections suggest that Level 4+ qualifications will be required for approximately 28.2% of jobs by 2050, while job roles requiring Level 1 and 2 qualifications are projected to decrease to 10% and 35% respectively. Changing employer demands puts pressure on Lancashire's skills landscape to adapt.

Increasing Health Demands: since 2022, there has been a 10% annual increase in the number of individuals assessed as unfit for work through DWP Health Assessments, with the majority of individuals with No Work Requirements citing mental health, musculoskeletal (MSK), and nervous system conditions (representing c.70% of all reported health issues).

An Ageing Workforce: approximately 61.5% of Lancashire residents are of working age (between 16 and 64), compared to 62.9% across England and Wales, with 20.1% aged 65 and over (18.6% nationally).

Labour Market Fragility: insecure and low-paid employment remains a structural issue within Lancashire's labour market, particularly in lower-skilled sectors such as retail, hospitality, cleaning, and adult social care.

In-Work Poverty: labour market fragility contributes to persistent in-work poverty, where individuals may be employed but unable to earn a stable or sufficient income to meet basic living costs.

Labour Market Churn: labour market churn is a key feature of Lancashire's employment landscape. While job vacancies remain high, this is driven less by net employment growth and more by elevated turnover rates.

Rurality: Access to employment opportunities via public transport remains a significant barrier in many of Lancashire's rural areas.

Youth Unemployment: the 16-24 claimant rate reached 6.2% (above the national average of 5.6%). In some districts, particularly coastal and post-industrial towns, youth unemployment is even more pronounced and entrenched. Lancashire is currently experiencing a marked decline in early labour market access for young adults aged 16-24.

NEET Rates and Early Disengagement: alongside youth unemployment, NEET rates remain high, with 8.3% of 16–17-year-olds in Blackpool classified as NEET in 2024 - among the highest rates in the Northwest. This indicates that early disengagement from education or training remains a systemic issue in some of Lancashire's most deprived communities

Priority Actions and Long-Term Goals

Priority Actions (2025 – 2027): Stabilising and Building Foundations

- Embed System wide Partnership Governance and Delivery Infrastructure
- Strengthen Partnerships

Target Key Priority Groups with Tailored Interventions

- WorkWell Expansion
- Connect to Work (CtW) Implementation
- Collaborate with NHS clinical teams and GPs
- Strengthen Provision for young adults and young people who are Not in Employment, Education and Training (NEETs)

Continue Upskilling and Training Initiatives

- Skills Bootcamps
- Apprenticeships and Levy Maximisation
- Higher Technical Qualifications (HTQs)
- Devolved Skills Budgets

Enhance National Programme Integration

- Restart
- Access to Work (AtW) including AtW Mental Health Support
- Flexible Support Fund (FSF)

Programme Integration

- Adopt a 'no wrong front door' approach
- Build on and align with successful models already in place, such as the Youth Hubs, the WorkWell Partnership Programme, and community-based employment initiatives.

Future Delivery Readiness

- The LCCA is particularly keen to act as a delivery partner for future trailblazers
- These offer a significant opportunity to build on Lancashire's infrastructure and evidence base, testing new approaches to engage under-served cohorts and scale what works

Embed Lived Experience in Design and Delivery

- Establishing co-design panels to support the development of new programmes
- Capturing user feedback to support continuous improvement and evaluation
- Using provider networks to amplify frontline feedback
- Engaging employers as lived experience partners, recognising the value of those who have supported individuals with complex needs into and in work

How Devolved Adult Skills Fund Delivery Advances the Lancashire LSIP

The devolution of the Adult Skills Fund (ASF) to Lancashire Combined County Authority (LCCA) provides an opportunity to advance the priorities set out in the refreshed Local Skills Improvement Plan (LSIP).

Lancashire has deliberately designed its devolved ASF approach to directly support LSIP priorities, strengthen employer alignment, and improve accountability for outcomes across the local skills system.

Through a combination of procured provision and targeted grant-funded activity, devolved ASF is being used to translate identified needs into practical, place-based delivery that responds to Lancashire's labour market and growth ambitions.

In support of LSIP priorities the following activity is being introduced:

- **A Dual Delivery Model Aligned to LSIP Priorities**
 1. Procured programmes
 2. Grant funded provision
- **Structured Delivery Plans and Accountability**

For all delivery funded through devolved ASF, Delivery Plans:

- set out agreed delivery volumes and sector coverage
- clearly demonstrate how provision aligns to LSIP priorities and priority sectors at a local level
- provide a transparent and consistent baseline for performance monitoring and review
- form part of the contractual or grant conditions for delivery

- **Alignment of Grant Funded Activity to LSIP Priorities**

Alongside procured provision, Lancashire will continue to use grant funded ASF activity in a targeted way to support LSIP delivery where:

- innovation or pilot activity is required
- specific sectors (such as social care or emerging clean energy) need tailored intervention
- rapid response is required to employer led opportunities.

- **Supporting Long Term System Change**

Devolved ASF supports this by:

- aligning curriculum development and delivery with employer identified need
- strengthening accountability through agreed delivery plans and KPIs
- creating clearer, more coherent learner pathways across programmes.

Over time, this approach will support:

- improved progression from learning into employment
- stronger employer confidence in the skills system
- better alignment between public investment and Lancashire's economic priorities.

How the LSIP will support the local economic plans

The Lancashire LSIP is already well embedded in the local economic environment, with representation on the Skills & Employment Partnership Panel and the LCCA Business Board (through the North & Western Lancashire Chamber of Commerce).

In both the *Growth Plan* and the *GLWP*, skills are featured heavily throughout with the *GLWP* referencing the LSIP throughout and demonstrates close alignment with the LSIP published in 2023.

As has already been demonstrated, the LSIP has already and will continue to inform devolved Adult Skills Fund decisions, as well as other funding and curriculum decisions made across the skills system.

The ongoing activities of the LSIP will provide an important conduit for employers to remain close to the development and delivery of new training and decisions made on funding, as well as being able to raise awareness of the various schemes that are available to support their recruitment and retention needs.

LSIP Priority Sectors

The sectors on which both the LSIP and *Growth Plan* have prioritized are closely aligned.

- Advanced Manufacturing & Engineering (Advanced Engineering and Manufacturing Excellence)
- Hospitality, Leisure & Tourism (Culture and Tourism as Economic Catalysts)
- Digital (Sustainable Digital and Artificial Intelligence)
- National Security & Resilience (A Strategic Role in National Security and Resilience)
- Clean Energy & Nuclear (Clean Growth and a Nuclear Renaissance)

These are also closely aligned with Industrial Strategy' Growth Driving Sectors:

- Advanced Manufacturing
- Digital and Technologies
- Defence
- Clean Energy Industries

Alongside the growth sectors highlighted in the Industrial Strategy, the LSIP also aligns with two additional sectors which underpin the economy:

- Construction
- Social Care

Summary

The Lancashire LSIP will continue to be an important element of the county's activity to encourage growth and support people into work with the right skills. The LSIP is employer-led, focusing on their needs from the skills system. However, it is important to ensure that they are link into local strategic priorities, programmes and activities.

Supporting businesses to access the right skills and develop a skilled talent pipeline will help them grow and protect them for the future, while working to achieve the goals of the *Lancashire Growth Plan*, the *Get Lancashire Working Plan* and the *UK Modern Industrial Strategy*.

Part One

Local Skills Needs

Extensive research has been carried out since the summer of 2025 to understand the needs of employers, how they compare to the LSIP of 2023 and what challenges they face. Over 500 organisations of different sizes and in different sectors responded to survey work providing quantitative information on their needs. Additionally, over 100 one-to-one interviews have been held with employers to get qualitative feedback on the current business environment, challenges they have faced and plans for the future.

The research has been supported by the Lancashire Skills & Employment Hub, part of the LCCA, providing a wealth of data including vacancy rates, employment projections and economic information.

The findings below have all come from the data gathered through these sources and further information about the methodology can be found in Annex C.

Cross-cutting themes

Through the research and conversation with employers a number of themes were common across all sectors.

Shortages in experienced staff

Employers have expressed they are operating in more difficult recruitment environment, primarily due to economic pressures reducing the need or desire to grow their teams. Many companies have effectively frozen their staffing levels and only recruiting to replace people leaving or only when need arises.

As a result, employers have expressed a preference to recruiting experienced staff to step into those roles rather than recruiting people with ability but little to no experience in order to train them.

This can be seen across sectors including manufacturing, construction and hospitality.

For example, manufacturers are reporting that they mainly recruit to fill existing roles (63%) with only 1 in 4 reporting that they will be recruiting for new positions in the next year. 41% of respondents may use apprenticeships for recruitment while only 6% will consider employing someone directly out of school or college.

So not only are employers finding it more difficult to recruit and retain experienced staff, a situation is also developing where new people are not being brought into entry-level or semi-skilled roles and gaining experience, thereby increasing the likelihood these problems will continue and worsen.

Key findings

- Tight recruitment environment with few offering new roles
- Less than half of employers planning to offer apprenticeships and hardly any willing to recruit direct from school or college
- Need to support employers in getting more involved with skills providers and young people

What needs to be done

- Support employers, especially SMEs, to engage with skills providers to better understand opportunities to work with young people, encouraging increased numbers placements and apprenticeships

Leadership & management

Training for all levels of management are still commonly required by employers across sectors. This ranges from new managers at supervisory level, through the more experienced middle-management, to higher-level leadership training. There are differing requirements across sectors with construction specifying roles such as site management.

Employers have requested through the research that training can be too long when training a new managers to the next level as they require certain types of training at certain times, not whenever it is covered in a lengthy course.

How such training is funded is undergoing changes with apprenticeships being de-funded meaning training is likely to have to either be funded through other means or become a commercial offering. In either case it is essential that the training available suits the needs of employers both in terms of length, accessibility and cost.

What needs to be done

- Work with employers and providers (FE, ITPs and HE) to develop shorter training
- Investigate potential funding options including Adult Skills Fund to understand what suitable training can be funded and what would have to be a commercial offering

Digital skills & AI

The rise in need of digital skills continues across all sectors with AI being of interest to nearly all employers interviewed regardless of the stage of implementation within their organisation. Although this is a cross-cutting theme this is dealt with in the dedicated Digital section below.

Priority Sectors

Next to all mentioned occupations through this section the four digit Standard Occupation Classification (SOC) code is noted. Further detail can be found in Annex A. There is a requirement to indicate whether the need is immediate or in the medium-term, however, the need for all of the main occupation needs cited below, employers have indicated both a need now and in the future. As such, they have been allocated an 'Ongoing' status. The level of provision required is also indicated next to the occupation types.

Advanced Manufacturing & Engineering

Context

Lancashire is a UK leader in advanced manufacturing, contributing significantly to national productivity through aerospace, automotive, and precision engineering.

- The aerospace cluster anchored by BAE Systems at Warton and Samlesbury drives high-value exports and innovation in the Global Combat Air Programme.
- Automotive and EV supply chains are expanding, with opportunities in lightweight materials and battery technologies.
- Manufacturing in Lancashire employed 85,500 people in 2024 and contributed £7.6 billion in gross value added (current prices) in 2023.
- Digitalisation and Industry 4.0 adoption—including robotics, additive manufacturing, and AI-driven production—are critical to future competitiveness.
- Skills demand spans CNC machining, robotics programming, composite materials, and data analytics for smart factories.

Research findings

Across manufacturing as a whole, the occupational need is similar to that of the last LSIP:

- Engineers (2122/2126/2129) – Ongoing - L3-6
- Machinists & production operatives including CNC (5223) – Ongoing – L3-4
- Fabricators & welders (5211/5213) – Ongoing – L3-4
- Electrical engineers (2123/3112) – Ongoing – L3

Within the more advanced manufacturing companies there is a significant increase in companies looking for digital skills, especially AI, data analysis, as well as supervisory, management and leadership skills.

Work has been ongoing within providers to increase provision and upgrade facilities in the areas of advanced manufacturing and digital/AI with investment from Strategic Development Fund (SDF), Local Skills Improvement Fund (LSIF) and the Lancashire & Cumbria Institute of Technology (IoT). It will be necessary to assess how well this has supported people into priority roles and what increases are necessary over the coming years.

The ‘Boosting Skills Project’ carried out by the Lancashire Careers Hub focused on advanced manufacturing and engineering to understand why, like in other sectors, the number of employers offering apprenticeships and technical education “does not fulfil the interest from young people in Lancashire”.

Employers contributing to the research cited barriers to engagement such as time pressure, resource constraints (physical and financial), perception of young people and, for SMEs, recruitment competition from large employers.

The project investigated these barriers and best practice making the following recommendations for areas of development, which are similar to those of this LSIP:

1. Strengthen Employer–Education Collaboration
2. Simplify processes and communicate brokerage
3. Build employer confidence in how to support Apprentices
4. Targeted outreach & perception change
5. Expand knowledge of T Levels
6. Address Sector-Specific Constraints

While existing skills shortages are seeing employers trying to recruit experienced, skilled staff, the medium to long-term solution remains the need to promote opportunities for young people, offering more placements and apprenticeships to better support them into employment and to develop a skilled pipeline of talent for the future.

Key findings

- Employers will still require the following occupations:
 - Engineers (2122/2126/2129) – Ongoing - L3-6
 - Machinists & production operatives including CNC (5223) – Ongoing – L3-4
 - Fabricators & welders (5211/5213) – Ongoing – L3-4
 - Electrical engineers (2123/3112) – Ongoing – L3
- Increasing need for skills in:
 - Digital & AI – including Essential Digital Skills and higher skills including cyber and coding
 - Data analysis (2133) – Ongoing – L3-6
 - Management (1121) – Ongoing – L4-6

What needs to be done

- Continual monitoring of new provision and outcomes for learners to understand how successful changes have been and how to improve for future delivery

- With AI being a rapidly developing technology and employers taking it up at differing rates, there is a need to keep talking to employers to keep them abreast of uses, safety and training as well as ensuring the training they need is available or developed
- Continue the growth in provision in skills supporting priority occupations

Construction

Context

The construction sector is a major driver of Lancashire's economic growth, supporting over 50,000 jobs across the county, yet it faces acute and growing skills shortages driven by rising housing targets, an ageing workforce, and increasingly specialised technical requirements.

The UK-wide picture reinforces this challenge: national forecasts indicate a need for 251,500 additional construction workers between 2024–28 to meet current output, alongside an estimated gap of almost 1 million workers by 2032 as retirements accelerate and demand increases for new infrastructure, retrofit and net-zero projects.

Government reforms and investment—including a £600m national construction skills package with expanded apprenticeships, Technical Excellence Colleges and Skills Bootcamps—aim to boost the supply of skilled workers, but local employers continue to highlight shortages across trades, supervisory roles and building services engineering.

These pressures underline the need for coordinated workforce planning, employer-led training pathways, and strengthened alignment with Skills England priorities to support Lancashire's future construction pipeline.

Research Findings

The occupational needs of the sector remain consistent with the previous LSIP with predictions for the next three years continuing to reference the need for trades of all kinds, electricians and electrical engineers, digital skills and sector-specific management roles.

As is seen in other sectors employers have responded regarding both difficulties on recruitment now and needs for the future specifying 'experienced' staff. The growth in need of staff, retirements within an ageing workforce and further losses due to ill health, physical injury and mental health has caused a situation where those with experience have become highly sought after with resulting wage inflation and difficulty recruiting.

The local skills system cannot, of course, suddenly produce a ready and waiting workforce with a minimum of 5-10 years experience. Local skills providers can focus on the development of a young talent pipeline, providing the people who will become the experienced workforce for decades to come. There is also the opportunity for adult skills provision to support people into the industry including career changers, unemployed people returning to work, veterans and ex-offenders.

A major concern is how successful courses are in developing that pipeline with indications of a large drop-off from completing full-time courses and embarking on a career in the industry.

Although a national report, the Home Builders Federation states that 60% of students enrolled in FE construction leave the industry shortly after finishing their training. From the conversations held with Lancashire employers this rings true to at least some extent. A lack of awareness about working conditions, transport difficulties and employers willing to hire straight from training have been support the impression that there is a significant drop-off.

We do not have local figures available for the drop-off for Lancashire learners but, if it is anywhere near the levels reported nationally, it will severely undermine the efforts to increase the workforce through training of young people. Work needs to be done with providers and industry stakeholders to better understand how successful courses are locally in getting those completing training into industry roles.

Since the last LSIP was published there has been a significant increase in 16-19 year old construction learners (from 1,900 in 2023/23 to 2,650 in 2024/25 – a 39% rise) in Lancashire. Through funding pots linked to previous LSIP work – the Strategic Development Fund and the Local Skills Improvement Fund – the Lancashire & Cumbria Institute of Technology and individual college programmes, investment has been made in construction facilities and provision over the last three years. This has supported the increase in learner numbers, introduced new courses and improved teaching facilities.

Providers have reported that there has been a significant increase in interest from school leavers in construction courses, often outstripping available spaces. This interest is welcome considering the future growing demand within the sector. Continuing the growth of available provision will help support the needed growth in the sector especially as the interest in these courses is there.

Feedback from employers points to a lack of preparedness and awareness of working conditions of those entering the workplace from education leading to early leavers from the sector. To help prepare learners for a career in construction, there is a need for closer engagement of employers with skills providers and learners. Increasing the numbers of apprentices, whether that is as their first course in construction or as a progression following a full time course, and T Level placements will give young learners essential experience in the workplace.

For full time learners, more exposure to employers whether through placements, workplace visits, or employers visiting the learning environment will help prepare them better for the workplace and, hopefully, reduce drop-offs.

Key findings

- Difficulty recruiting experienced people
- Increasing future need for:
 - Trades – bricklaying (5313), plumbing (5315), carpentry and joinery (5316), roofing (5314) – Ongoing – L2-3
 - Electrical (5241) – Ongoing – L3
 - Management (5330) – Ongoing – L3-6
 - Digital
- Increasing numbers on courses but questions about numbers then going on to careers in the industry
- Construction is becoming a more interesting destination for young people
- Need to engage more employers at more stages with the education/skills system

What needs to be done

- Continue the growth of construction training across the trades, in sector-specific management and in essential digital skills
 - Work with providers, industry stakeholders and employers to better understand how successfully the increases already in place have been in getting more people into relevant job roles and how rates can be improved
 - Engage construction employers of all sizes to engage more with providers and education to better prepare young people for the industry and to view young people as their future experienced workforce, offering more apprenticeships and placements
 - Through closer links with employers, be able to provide a clear line of sight to jobs for students while undertaking delivered courses
-

Hospitality, Leisure & Tourism

Context

Although not part of the Industrial Strategy, culture and tourism, incorporating hospitality and leisure is an important part of Lancashire's economy and features as a growth priority in the Lancashire Growth Plan.

- Lancashire's coastal towns (Blackpool, Morecambe, Fylde) are central to the UK visitor economy with 69,650 jobs in 2024 related to tourism and £1.7billion in gross value added (current prices) in 2023 (accommodation/food/arts/sports/recreation).
- Blackpool remains the UK's most visited seaside destination, with major investment in attractions, conferencing, and cultural venues.
- Eden Project Morecambe will transform the visitor offer, creating an estimated 650 jobs and boosting year-round tourism.
- Plans include modernising the seaside experience through digital ticketing, immersive attractions, and sustainable transport links.
- Cultural investment (theatres, museums, festivals) aims to diversify the offer beyond traditional tourism, driving higher-value overnight stays.

Research Findings

The priority occupations described by employers in the sector are:

- Chefs (5434) – Ongoing – L2-4
- Front of house (4216) – Ongoing – L2
- Managerial (1221/1222/5436) – Ongoing – L3-4
- General leisure and hospitality staff (6221/9265/9264) – Ongoing – L2

The recruitment and retention of chefs are the most frequently discussed issues by employer in the sector. Improving facilities, introducing new courses and increasing learner numbers in catering has been one area of focus of providers over the last few years, with investment from SDF and LSIF.

These developments are not likely to have fully filtered through to the workforce and will take some time to make an impact. How well they are getting young people into the industry and starting to fill shortages will need to be monitored.

Working with employers to be aware of the young people being developed by training will be important as few survey respondents expressed an interest in taking on apprentices or young people directly from school or college.

While not featuring in the priority occupations for the sector, essential digital skills have as has the implementation and use of AI.

What needs to be done

- Monitor and assess how successful increased numbers and changes to delivery have been in filling shortages.
 - Provide upskilling for staff in essential digital skills.
-

Social Care

Context

The health and adult social care sector represents one of Lancashire's largest and most pressured workforces, with around 45,000 posts in 2024/25 and vacancy and turnover rates that remain persistently high.

Demand is projected to increase significantly, with the North West requiring a 22% rise in adult social care roles by 2040, reflecting a rapidly ageing population and growing complexity of need.

Employers across Lancashire also report a shift towards digitally enabled, multi-skilled roles, particularly in community and homecare settings where staff increasingly require digital record-keeping and data-analysis capabilities.

These challenges are compounded by recent changes in immigration policy, with care-worker visa grants falling by 84% in early 2024, creating additional recruitment pressures for independent providers.

Research findings

Social care employers are reporting extreme pressures in both staffing and skills. Skills for Care have shared research with employers highlighting the urgent need to tackle major shortages that are already in place and to develop a longer term strategy to deal with growing need and an ageing workforce.

Existing vacancies across Lancashire are already at over 3,000 with particular shortages in care workers and managers. With high turnover rates, significant proportion of staff aged over 55 and the growth in need due to an ageing population, just to maintain the same level of staffing as now, Skills for Care predict a need for an extra 83,665 staff needed across Lancashire and Cumbria by 2040.

If the rate of new entrants to the care sector is not increased to cover the additional need there is real risk of rising vacancy rates and the system struggling to cope. Employers are already reporting serious struggles to maintain staffing levels with that pressure inevitably being felt by staff, exacerbating the high turnover rate within the sector.

As well as issues around staff numbers, getting well trained, qualified staff is difficult. The Skills for Care research states that across Lancashire and Cumbria 52% of care workers haven't engaged with the care certificate induction standards and 58% have no relevant qualification.

Other skills issues within the sector relate to difficulty in finding and arranging short course training for specific care skills. These are often required by staff only at certain points in their career when a new need in care delivery is identified based on the people they care for.

Key findings

- Current high vacancy rates creating pressure in staff and the care system
- Future need is certain to grow significantly
- Care is not typically considered to be a viable career option for younger people
- Skill levels need to be increased with better access to training in general care standards and development training

What needs to be done

- Need to address existing vacancies to relieve pressure
- Need to develop career pathways and promote to younger people, those changing career or returning to work
- Ensure there is available training in the following areas:
 - General care certificate standards
 - Ongoing development training in particular care skills
 - Management training allowing experienced staff to progress

Digital

Context

- Lancashire aims to be a national leader in digital innovation, leveraging assets like the Silicon Sands AI Growth Zone and Blackpool Enterprise Zone, which focus on data centres, AI, and advanced connectivity.
- Investment in high-capacity fibre and 5G infrastructure underpins ambitions for smart manufacturing, health tech, and digital public services.
- The region is developing AI-driven solutions for industry and public sector, including predictive maintenance, cyber security, and data analytics, to boost productivity and resilience.
- Digital sector expansion supports cross-cutting skills needs: coding, data science, cyber security, and AI ethics—critical for future-proofing Lancashire’s workforce.
- The opening and growth of the National Cyber Force HQ in Samlesbury will create in the region of 2,000 (potentially many more due through the multiplier effect up to 15,000) and embed cyber innovation locally.

Research findings

Digital skills are becoming embedded across all sectors and a wide variety of roles.

The most commonly required digital skills employers ask for are:

- Cyber security
- Web design, development and management
- Programming and coding
- Digital marketing, design and social media

Additionally, many require Essential Digital Skills and computing skills, often discussing the need for better knowledge of MS Office products. This frequently relates to those entering the workforce for the first time with employers suggesting that a basic understanding of common software packages for those leaving school and college or for those rejoining the workforce would be beneficial.

AI has become a standalone topic of discussion with nearly every employer interviewed in the research phase. There are distinct levels that organisations have reached with AI and each require some level of support to aid the implementation and development of skills:

- **Not started** – the organisation knows about AI in a limited way but is not sure how they would use it or if it would be of benefit to them
- **Wild West** – some team members have started using AI but this can often be them doing it themselves, the employer may not be sure who is using AI and for what.
- **Early stage implementation** – aware of its use in the organisation but it is in its very early stages and they are still exploring what to do with it, what platforms to use and how to do it safely.
- **Developing implementation** – started to fully implement AI in day-to-day tasks, have chosen consistent platforms, likely to have an awareness of safety and confidentiality but may require a better understanding, looking at how to further develop uses within the organisation and train staff accordingly.
- **Full implementation** – the organisation is totally on board with using AI across different processes and may be progressing to the use of agents. Some members of staff will need more in depth knowledge and training.

In order for Lancashire employers to take advantage of AI and use it enhance productivity, training support will be required at all of these stages and will range from initial introductions to AI including safety through, Essential Digital Skills in AI to in-depth training for implementing complex processes including agents.

Future Dot Now research into Essential Digital Skills identified the following 4 areas of need:

1. AI Literacy and understanding
2. Effective Communication with AI
3. Critical evaluation of AI outputs

4. Responsible and ethical use of AI

Key findings

- Digital skills remain important to Lancashire employers both in digital businesses and for those in other sectors.
- Essential Digital Skills are important including email and MS Office software.
- There is a need for more specific skills such as cyber security, web-related skills, programming and creative marketing.
- AI has become a huge topic for employers across sectors and there is a variety of support required.
- Difficulties for cyber graduates to enter roles asking for experience even for junior roles.

What needs to be done

- Develop more opportunities for delivery of Essential Digital Skills to young people, employed people and those looking for work.
- Create working groups to monitor development and usage of AI with employers and understand the impact on skills needs both in terms of AI and other job roles/skills needs.
- Better promote digital roles/skills.
- Ensure growth of provision to match continued growth of need.
- Engage employers with education including HE to understand the skills being developed and the abilities of young people.
- Foster close links with Defence Technical Excellence College which will be led by Blackpool & the Fylde College.

Skills for Life: Advancing Digital Inclusion and Essential Skills

The LSIP evidence confirms that digital capability remains a universal requirement across sectors, alongside ongoing challenges around confidence, work readiness and access to learning for disadvantaged residents.

As part of Lancashire's devolved ASF, the Skills for Life programme has been procured as Lancashire's primary delivery mechanism for:

- essential digital skills
- confidence building and foundation digital capability; and
- supported progression into further learning, employment or Skills for Growth provision.

Skills for Life directly supports LSIP priorities by:

- embedding digital skills as a core enabler across all sectors, rather than treating digital as a standalone issue
- supporting adults at different stages – new labour market entrants, returners to work, and those needing to adapt as digital requirements evolve
- addressing employer feedback around basic digital competence, including office software, digital communication and safe online working; and
- creating a structured progression route into sector specific provision, Skills Bootcamps or employment pathways.

Delivery is commissioned geographically, with providers required to demonstrate meaningful district level coverage and engagement of priority communities, particularly learners from higher deprivation areas.

National Security & Resilience

Context

Lancashire has an important role to play in the UK's planned growth in terms of defence with important manufacturing clusters and a growing cyber security role. The local Growth Plan incorporates these elements but also includes food security as part of a wider priority of national security and resilience.

- Strategic role in UK defence and resilience: Lancashire underpins sovereign capability and innovation, supporting the Integrated Review Refresh 2023: Responding to a more contested and volatile world.
- Defence manufacturing powerhouse: BAE Systems' Samlesbury and Warton sites drive advanced aerospace, supporting 20,000 NW jobs and 900+ apprentices, with productivity 15% above UK average.
- Cyber leadership: National Cyber Force HQ in Samlesbury (from 2025) will create 2,000 roles and embed cyber innovation locally.
- Samlesbury and Warton Enterprise Zones anchor advanced engineering, robotics, and UAS testing, boosting STEM talent pipelines.
- Food security – In 2024, there were over 25,000 jobs in agriculture and manufacture of food/beverage in Lancashire and this is forecast to increase by 7% in 2034. In 2022, this contributed over £900m in GVA.

Defence & Cyber

Lancashire employers involved with the defence sector are predominantly engaged in advanced manufacturing or digital/cyber security. The needs of these businesses are already incorporated in the LSIP through those sectors. Organisations responding to the LSIP that they are involved with the defence industry, either as their prime activity or as a part of the supply chain, have all fit within one of those sectors.

In order to best support the defence sector it will be important to develop ongoing working relationships to understand how their needs change and whether there is anything over and above the needs of manufacturers and the digital sector they require from skills to thrive.

A Ministry of Defence Digital and Cyber Bursary has already proved successful in the last 2 years incorporating 10 colleges training 500 students.

Blackpool & the Fylde College has also been named as one of 5 Defence Technical Excellence Colleges providing the opportunity to understand and support the sector further.

Food security

The primary focus in the national security and resilience priority area has been on defence and cyber security. However, farming and agriculture has been incorporated in previous LSIPs and, along with food production, remains an important element of the county's economy.

Investment was received through SDF and LSIF funding, part of which focused on sustainability in farming. As with other sectors that received such funding there is a need to understand over the next couple of years the impact of the investment and how to build on it.

Previous LSIPs have also fed into the Food and Agriculture study commissioned by the Lancashire LEP in 2022. While it is not necessary a new study at this stage it will be useful to identify any changes and new actions required.

What needs to be done

- Conduct further research in defence and cyber to explore the specifics for supporting sector growth over and above ensuring skills in advanced manufacturing and digital.
- Conduct further research into the broad food security requirement of the Growth Plan, incorporating farming & agriculture, food producers and manufacturers.

- Monitor and assess previous investment and new provision that supports advanced manufacturing, digital and farming to determine success and what further action to take in support of the national resilience and security priority.
-

Clean Energy & Nuclear

Context

- Lancashire has nationally significant nuclear capabilities, spanning the full lifecycle, anchored by Springfields Nuclear Fuels (Westinghouse UK), the National Nuclear Laboratory (Preston), and EDF's Heysham Power Stations.
- The county is positioned for next-generation nuclear technologies, including Small Modular Reactors (SMRs) and potential UK-based HALEU fuel production at Springfields, strengthening energy security and high-value jobs.
- Proximity to Irish Sea offshore wind farms and projects like Silicon Sands AI Growth Zone and Gateway for Clean Energy supports Lancashire's role in 24/7 low-carbon power generation and clean-tech diversification.
- Innovation clusters drive R&D in carbon capture (CCUS), hydrogen storage, advanced battery technologies, and EV supply chains, aligning advanced engineering with net-zero goals.
- The nuclear sector delivers strong economic impact: £16.1bn GVA nationally, 211,500 jobs, and a GVA multiplier of 2.6, with the North West accounting for £3.9bn GVA and 50,000 jobs.

Key findings

Clean energy and nuclear face a changing picture over the next few years causing an element of uncertainty over what will be required from skills providers.

- Extensions granted to Heysham 1 or 2 reactors until 2028 and 2030 respectively. With the future uncertain after those dates it is unclear at what point considerations about training staff for the decommissioning process will be needed.
- Although there is the potential of involvement in new SMRs it is still the early stages of development with the location of sites and the speed of rollout to be confirmed. The potential benefits and impact on Lancashire will depend on those decisions but require rapid support once agreed.
- There are plans for considerable increase in the offshore wind generation off the Lancashire and Cumbria coast. This is an ongoing development and will require more in depth research.
- Cyber security is an important element within this sector, especially with the nuclear sites at Heysham and Springfields Westinghouse.

What needs to be done

Primarily, this is a sector that requires close monitoring and reaction to new developments.

- Further, in depth research is required into how to best prepare for confirmation of Heysham's future beyond 2028 and 2030.
- Clean energy developments are closely linked with Cumbria, especially regarding offshore wind. Joint research into the impact and ongoing skills needs will be needed.

Main Priorities

Despite the differing sectors there are overarching themes that make up the priorities for the future work of the LSIP.

Priority 1: Develop long term solutions to shortages in experience

- Tackle the ongoing shortages described by employers for experienced staff
- Develop pipeline of skilled staff to ensure flow of experienced staff in the future and allow progression of existing staff
- Improve the flow of young people into the workplace with increased employer interaction, placements and apprenticeships

Priority 2: Ensure funding, curriculum changes and increases in provision are having an impact

- Understand how successful improvements made over the course of the last LSIP have been in filling shortage occupations
- Continual monitoring to see short and medium term impact
- Regular feedback to providers to support future curriculum development and investment

Priority 3: Undertake further research in changing sectors

- Defence – explore the specifics for supporting sector growth over and above ensuring skills in advanced manufacturing and digital
- Clean energy – developing sector requiring in depth research into new technologies and the off-shore wind cluster (possibly in collaboration with Cumbria)
- Food production/security – multi-faceted need to develop specific plans for farming & agriculture, producers and manufacturers building on previous study

Priority 4: Tackle persistent shortages in social care

- Work with care employers and groups to collaborate on solutions
- Assess how to best deal with current shortages
- Increase numbers of new entrants into the care sector
- Improve access to training

Priority 5: Improve digital skills both in Essential Digital Skills and job specific skills, in particular, AI

- Improve essential digital skills in new starters and existing staff
- Support the growth of digital and cyber in Lancashire with increased numbers of skilled people
- Support organisation in the various stages of AI implementation including ensuring all our businesses have the essential AI skills they need.

Part Two

Agreed Changes / Actions Needed

This action plan sets out clear, deliverable activity to address the priorities identified in Part One. It focuses on strengthening employer engagement, aligning provision to labour market need, monitoring impact rigorously, and addressing deep rooted shortages in priority sectors.

What good looks like overall:

- Employers are routinely engaged and shape careers activity and curriculum
- Skills provision is demonstrably aligned to real vacancies and future demand
- Young people and adults can clearly see and access pathways into priority sectors
- Public investment shows measurable progression into work, retention and productivity
- Lancashire is seen as proactive, coordinated and employer led

Activity to achieve these goals will fit into the following themes:

- Employer links with education and young people
- Skills provision aligns to employer need
- Monitor & impact review
- Further research in Defence, Clean Energy and Food Security
- Social care
- Digital (Essential & Advanced)

Below is an overview of each of these actions, aims, activities and the priorities they address. Further information is available in Annex B.

Employer links with education and young people

Priorities addressed:

- Priority 1: Develop long term solutions to shortages in experience

Improving the links between employers is needed to address the ongoing shortages in skilled and experienced staff by encouraging the development of a talent pipeline that will develop over the medium to long-term. This will require clear and simple routes for employers to engage, building on the existing Lancashire Skills Pledge as the 'front door' for engagement and support.

This is also an important element to tackling the youth unemployment, disengagement and rising NEET numbers highlighted in the *Get Lancashire Working Plan*.

This will require a coordinated approach with providers (FE, ITPs and HE) , schools, local authorities, local Youth Hubs/Zones and business groups.

Activities

Develop and implement new Careers Strategy

- Goal: to increase opportunities for businesses in priority sectors and employers offering entry level roles to engage with education and young people.

- Outputs: Published strategy and clear engagement routes for employers
- Long-term outcomes: Sustained employer engagement across all priority sectors and young people better informed and more likely to enter priority occupations

Promote Lancashire Skills Pledge as the single “front door” for employer engagement and recruitment support

- Goal: to provide one front door for skills and employment initiatives and easy access for employers to engage with a range of people looking for work or to develop/change career. This will include opportunities to engage with education and young people as well as those targeting adults, i.e. Job Centres, Connect to Work, veterans, ex-offenders, SEND programmes etc.
- Outputs: Increased number of signed pledges; visible employer activity across schools, colleges, universities; increased number of Lancashire residents gaining employment or upskilling
- Long-term outcomes: Employers see youth engagement as business critical; reduced fragmentation and duplication; employers access wider, more diverse talent pools

Talent pipeline campaign (young people, apprenticeships, T Levels, graduates)

- Goal: Develop a campaign with partners to promote developing a talent pipeline of young people to solve skills and experience shortages in the future. Encourage and support employers to employ and offer placements to young people, especially through apprenticeships, T Levels and employing at the completion of full-time courses including graduates.
- Outputs: Joint campaign with partners; employer case studies; increased placement offers including apprenticeships; increased willingness to recruit people directly from school, college and university (measurable through employer surveying)
- Long-term outcomes: Youth recruitment becomes a mainstream solution to shortages, not a short-term fix

University contribution via Access & Participation Plans

- Goal: To engage young people from disadvantaged backgrounds and groups in which there are low participation rates.
- Outputs: Coordinated outreach into schools/colleges; UniConnect and Future U activity
- Long-term outcomes: Increased participation of disadvantaged learners in HE and progression into work

Embed Work Ready Lancashire with employers

- Goal: To improve the work readiness / employability skills of people entering work for the first time. Using the Work Ready Lancashire framework for employers to better support people on placements, apprenticeships or starting work.
- Outputs: Employer facing framework; adoption by schools, colleges and placement hosts
- Long-term outcomes: Young people enter work with stronger behaviours, confidence and retention rates

Skills provision aligned to employer need

Priorities addressed:

- Priority 1: Develop long term solutions to shortages in experience
- Priority 2: Ensure funding, curriculum changes and increases in provision are having an impact
- Priority 3: Undertake further research in changing sectors

Although the need as expressed by employers is similar to the previous LSIP and provision is already well aligned in most areas there is a need for continual monitoring of need, especially in areas where there is rapid change such as digital and AI. There is also the need to review and develop leadership and management provision across the county.

Activities

Grow provision in priority areas

- Goal: to ensure that learner numbers in shortage areas continues to grow (or start to grow).
- Outputs: Increased starts and completions in shortage occupations
- Long-term outcomes: Skills supply keeps pace with demand; reduced vacancy duration

HE sector skills mapping under Civic Universities Agreement

- Goal: Work with the four universities across Lancashire to map higher level skills provision to labour market needs under the Civic Universities Agreement, prioritising defence, clean energy, nuclear, agriculture and food production
- Outputs: Completed mapping and joint action plan
- Long-term outcomes: Higher level skills provision aligned to Lancashire's economic strengths

Leadership & management provision review

- Goal: Consider how the changes to apprenticeship funding affects training uptake by employers. Work providers at different levels – colleges and ITPs for supervisory to middle management; universities for higher level upper management and leadership - alongside employers to develop suitable provision and potential barriers in uptake of commercial provision.
- Outputs: Evidence of employer need and barriers; revised offer across FE, ITPs and HE
- Long-term outcomes: Employers invest more in management capability; productivity and retention improve

Skills for Growth: sector aligned delivery

- Goal: The Skills for Growth programme is the primary vehicle for delivering LSIP sector priorities through devolved ASF, also aligned with the Industrial Strategy (8+2), Lancashire Growth Plan. Provision centred on regulated Level 2 and Level 3 learning aims, supporting progression into skilled employment, higher technical learning and priority occupations.
- Outputs: Coordinated ASF, Bootcamps, free courses for job (FCFJ) and Skills for Growth delivery
- Long-term outputs: Learners progress along the Skills Escalator into priority jobs and higher technical learning

Monitoring & impact review

Priorities addressed:

- Priority 2. Ensure funding, curriculum changes and increases in provision are having an impact
- Priority 1: Develop long term solutions to shortages in experience

With the investment and changes to curriculum that have taken place since the previous LSIP there is the need to fully understand how successful the current offering is in filling employer needs and moving learners into relevant occupations.

Activities

Develop post training outcomes methodology

- Goal: Develop an agreed methodology, understand the likely accuracy and gaps to better understand how successful provision is in filling roles in priority occupations.
- Outputs: Agreed framework; pilot with providers
- Long-term outcomes: Clear evidence of return on investment and impact on vacancies

Annual LMI sessions with FE and HE

- Goal: produce and disseminate to providers a report highlighting the findings of research into the outcomes of students following existing provision. Also, include any updates to employer need and expected vacancy rates. This will be produced in time for use in curriculum planning.
- Outputs: Delivered sessions; shared intelligence packs
- Long-term outcomes: Providers confidently adapt curriculum to emerging demand

Further research in Defence, Clean Energy and Food Security

Priorities addressed:

- Priority 3: Undertake further research in changing sectors
- Priority 2: Ensure funding, curriculum changes and increases in provision are having an impact

More in depth research is required in the following areas.

- Defence – explore the specifics for supporting sector growth over and above ensuring skills in advanced manufacturing and digital, fostering partnership with Defence Technical Excellence College led by Blackpool & the Fylde College
- Clean energy – developing sector requiring in depth research into new technologies and the off-shore wind cluster (possibly in collaboration with Cumbria)
- Food production/security – multi-faceted need to develop specific plans for farming & agriculture, producers and manufacturers – refresh of previous study

Activities

Establish sector research clusters (Defence, Food, Clean Energy)

- Goal: Gain participation from employers, providers and other key stakeholders including LCCA and relevant trade bodies to support the research in each sector
- Outputs: Active cluster groups with employers and providers; direct engagement from groups into coordinated into curriculum planning and new course delivery
- Long-term outcomes: Stronger employer voice in planning; reduced lag between change and response

Produce and disseminate in depth sector reports

- Goal: To develop reports which will further the understanding of how skills provision will support these sectors while providing the wider context for what will be needed for these sectors to develop. Share the information with all partners but especially providers at all levels to help with development of curriculum.
- Outputs: Published reports; provider briefings; recommendations for changes to curriculum and provision of new courses
- Long-term outcomes: New or revised provision directly linked to sector need

Social Care

Priorities addressed:

- Priority 4: Tackle persistent shortages in social care
- Priority 1: Develop long term solutions to shortages in experience

The current rate of vacancies within the sector and the growing need for staff requires dedicated activity to tackle ongoing shortage and prepare the support future growth.

Activities

Establish social care cluster group

- Goal: Gain participation from employers, providers and other key stakeholders including LCCA and relevant trade bodies to support the research in the care sector
- Outputs: Multi agency group with employers, Skills for Care, LCC and providers; recommendations for changes to curriculum and new courses; coordinated approach to promote careers in the sector
- Long-term outcomes: Coordinated response rather than fragmented initiatives

Develop clear pathways and careers campaign

- Goal: Work with the cluster group to agree on clear pathways into the sector and to progress. Promote careers in the sector to young people and adults looking for work.
- Outputs: Agreed pathways; targeted promotion to youth and adults
- Long-term outcomes: Increased entrants and progression; improved perception of the sector

Review training capacity and employer access

- Goal: Understand the ability of skills providers to respond to any increase in learner numbers for new entrants. Also, understand how employers can best access upskilling training and investigate best practice.
 - Outputs: Capacity assessment; recommendations for scaling
 - Long-term outcomes: Providers can meet demand; employers access training more easily
-

Digital (Essential & Advanced)

Priorities addressed:

- Priority 5: Improve digital skills both in Essential Digital Skills and job specific skills, in particular, AI
- Priority 2: Ensure funding, curriculum changes and increases in provision are having an impact

Digital skills remain a priority across all sectors and the plan aims to tackle and monitor these needs in the short and longer-term. Providing young people and adults alike with essential digital skills will enable greater access to the job market and progression while giving employers common skills they request.

As digital technology, especially the growth of AI, changes rapidly so does employer need. It is necessary to develop the means to continually monitor changing needs, supporting providers to keep provision relevant and up-to-date.

Activities

Establish digital cluster group

- Goal: Gain participation from employers, providers and other key stakeholders including LCCA and relevant trade bodies to keep up-to-date with how technology is being used and how training needs to alter to support.
- Outputs: Ongoing intelligence on digital and AI use; recommendations for changes to curriculum and new courses; coordinated approach to promote careers in the sector
- Long-term outcomes: System keeps pace with rapid technological change

Rollout of Skills for Life: “Click”

- Goal: The Skills for Life programme has been procured as Lancashire's primary delivery mechanism for essential digital skills, confidence building and foundation digital capability, and supported progression into further learning, employment or Skills for Growth provision.
- Outputs: Increased participation in essential digital skills
- Long-term outcomes: Fewer people excluded from work due to digital skills gaps

Employer engagement in digital careers activity

- Goal: To promote digital careers and skills, including the increasing importance of essential digital skills.
- Outputs: Employer led careers encounters and promotion
- Long-term outcomes: Increased take up of digital learning and roles

Further detail about each activity including activity lead, partners, timescales and monitoring are included in Annex B.

Accountability and next steps

Each theme will be regularly reviewed with the lead and partners to ensure progress. Progress and outputs will be reported to the Skills & Employment Partnership Panel, the LCCA Skills Advisory Board and through regular monitoring with Skills England.

There will also be a published annual progress update reporting on progress and any changes to need.

It must be noted when assessing success and the impact of LSIP activities that to just rely on the ending of shortages and skilled vacancies as measure would not be useful. Many external factors can affect the need to recruit and the growth of certain sectors (and therefore occupations) that the LSIP cannot control. The key is to create the environment in which existing and likely future priorities are being addressed with skills and careers provision able to respond to any changes.

Measurement and monitoring is therefore focused on the measurable outcomes of activity, not the just the reduction in shortages and vacancies.

Assessing success

While the above actions detail the activity to be undertaken it is important to bear in mind the main priorities, 'what good looks like' and how it can be assessed that progress is being made.

Priority 1: Develop long term solutions to shortages in experience

This priority aims to tackle ongoing skills shortages and gaps in experience through improving the flow of young people into jobs, allowing them to progress into the experienced required in the longer term.

Measuring success:

- Increased number of employers engaged in careers support measured through those signed up to the Lancashire Skills Pledge with a particular focus on priority sectors
- Increased numbers of young people gaining employment measured through labour market intelligence

- Increased placement offers and apprenticeship starts for young people measured through surveying of providers and employers, alongside ILR data
- Improving attitudes of young people towards priority occupations and sectors will be measured through the annual skills questionnaire conducted by the Careers Hub

Priority 2: Ensure funding, curriculum changes and increases in provision are having an impact

This priority aims to better understand whether current provision is successful in getting people to enter the workplace in needed occupations with the right skills.

Measuring success:

- Following the initial research, success of this activity will be the result of changes being implemented in provision and employer engagement in response to the reports and LMI information packs, measured through curriculum planning reviews and ILR data of new courses and starts
- In the longer-term, success will be measured in improving responses to the initial reports.

Priority 3: Undertake further research in changing sectors

This priority aims to understand the support required in the changing sectors of defence, clean energy and food security, providing the information to develop skills provision to assist growth and resilience in these sectors.

Measuring success:

- Following initial research and dissemination of reports, success will be measured by the response to the provision identified as detailed in curriculum changes and ILR data
- In the longer-term, continued surveying of employers regarding their needs, engagement with providers and careers activity will determine whether changes have been successful

Priority 4: Tackle persistent shortages in social care

This priority aims to start the process of improving recruitment, training and retention in the sector.

Measuring success:

- Skills for Care employer survey will be used to measure key success indicators including reductions in vacancy and leaver numbers, increases in percentage of staff with suitable qualifications and reduction in average age of staff
- ILR data will be used to measure increases in learner numbers
- Improving attitudes of young people towards careers within the sector will be measured through the annual skills questionnaire conducted by the Careers Hub

Priority 5: Improve digital skills both in Essential Digital Skills and job specific skills, in particular, AI

This priority aims to improve the digital skills of Lancashire employees in terms of essential digital skills and more specific, occupation-linked training, as well as ensuring provision of AI training is matched to the changing needs of employers.

Measuring success:

- ILR data will be used to measure increases in learner numbers and the introduction of new courses
- The response of providers to employer needs will be measured through changes to curriculum and accountability statements

Annex A

Further information on Skills Needs, Occupations and Industry Classification

This annex provides supplementary information to support the skills needs identified in the Lancashire Local Skills Improvement Plan (LSIP). It offers additional clarity where required by:

- defining the key occupations and industries in scope
- mapping these occupations and industries to the most relevant Standard Occupational Classification (SOC) and Standard Industrial Classification (SIC) codes; and
- transparently recording instances where emerging or highly specialised roles are not fully captured by existing SOC codes, together with the rationale for this approach.

This annex is intended to support consistency, comparability and auditability across LSIPs, while recognising that national classification systems may not always capture evolving local labour-market demand. It should be read alongside Part One (Local Skills Needs) and Annex C (Background, Methodology and Decision-Making).

Priority 1: Develop long term solutions to shortages in experience

Persistent shortages of experienced workers were identified across multiple sectors. The occupations below represent key roles where employers report difficulty recruiting individuals with sufficient experience, technical competence or supervisory capability.

Industry classification (SIC)	Occupation classification	Level	Notes
C – Manufacturing	2122 – Mechanical Engineers	Six	
C – Manufacturing	2123 - Electrical Engineer	Six	
C – Manufacturing	5223 - Metal machining setters and setter-operators	Three	Best proximate match to CNC machinists
C – Manufacturing	1121 – Production managers and directors in manufacturing	Four/ Five	Best proximate to team leaders in this industry
F - Construction	5330 – Construction and Building Trades Supervisors	Three	

Priority 2: Ensure funding, curriculum changes and increases in provision are having an impact

Significant investment has taken place in recent years to expand training provision. The roles below reflect occupations where learner volumes have increased, but employer-reported shortages persist, requiring closer monitoring of outcomes and progression.

Industry classification (SIC)	Occupation classification	Level	Notes
F – Construction	5241 – Electricians and electrical fitters	Three	
F – Construction	5315 - Plumbers and Heating and Ventilating Installers and Repairers	Three	

I – Accommodation & Food	5434 – Chefs	Three	
Q – Human Health and Social Work	6135 – Care Workers and Home Carers	Two	

Priority 3: Undertake further research in changing sectors

These sectors are of national and local strategic importance but are characterised by uncertain timelines, emerging technologies and evolving skills needs. The occupations below are included primarily for monitoring and research purposes rather than immediate system-wide change.

Industry classification (SIC)	Occupation classification	Level	Notes
C - Manufacturing	2126 – Aerospace engineers	Six	Proximate to defence manufacturing engineers
	2129 – Engineering professionals not elsewhere classified	Six – Seven	Proxy SOC used to reflect multi-disciplinary defence systems roles
	2482 – Quality assurance and regulatory professionals	Five – Six	Safety-critical and regulated defence manufacturing environments
	5223 - Metal machining setters and setter-operators	Three	Best proximate match to CNC machinists
	3112 – Electrical and Electronics Technicians	Four – Five	Electrical integration and testing within defence production
J – Information & Communication	2134 – Programmers and Software Development Professionals	Six – Seven	Defence embedded and cyber-physical systems, not general IT
D – Electricity, Gas & Steam Supply	2122 – Mechanical Engineers	Six	
D – Electricity, Gas & Steam Supply	3113 – Engineering Technician	Three – Five	Proxy SOC for wind turbine installation and O&M technicians
H – Transportation & Storage	2117 - Engineering Project Managers and Project Engineers	Six	Proxy SOC for Offshore and marine renewable energy engineering roles
M – Professional, Scientific and Technical	3582 – Health and Safety Officers Managers and Officers	Four to Six	Proxy SOC for statutory offshore safety and compliance roles
	2152 – Environmental professional	Four to Six	Proxy for consenting, environmental monitoring and compliance

F – Construction	2455 – Construction Project Managers and related professionals	Six to Seven	Proxy SOC for offshore wind and clean-energy infrastructure delivery
A – Agriculture	1211 - Managers and Proprietors in Agriculture and Horticulture	Three to Six	
	5111 – Farm workers	Two to Three	
	3119 - Science, Engineering and Production Technicians not elsewhere classified	Three to Five	Proxy SOC reflecting data-driven and automated farming
C – Manufacturing (Food & Drink)	8111 - Food, Drink & Tobacco Process Operative	Two to Three	
	3111 – Laboratory technicians	Four to Five	Proxy for food technologist - Product development, quality and food safety science
	3113 – Engineering technicians	Three to Four	Proxy for work associated to automation, reliability and plant uptime
	2482 - Quality Assurance and Regulatory Professionals	Five to Six	Proxy for food safety manager
	1243 – Managers in Logistics	Three to Four	Proxy for Food security logistics and cold-chain management

Priority 4: Tackle persistent shortages in social care

Social care continues to experience sustained vacancy and turnover pressures, with shortages affecting both frontline delivery and management capacity.

Industry classification (SIC)	Occupation classification	Level	Notes
Q – Human Health & Social Work Activities	6135 – Care workers and home carers	Two to Three	Core frontline social-care delivery roles
Q – Human Health & Social Work Activities	6136 – Senior care workers	Three	Supervision, mentoring and shift leadership
Q – Human Health & Social Work Activities	6131 – Nursing auxiliaries and assistants	Two to Three	Support roles in residential and supported-living settings

Q – Human Health & Social Work Activities	3560 – Public services associate professionals	Four to Five	Care coordination, caseload management and system navigation
Q – Human Health & Social Work Activities	2482 – Quality assurance and regulatory professionals	Five to Six	Safeguarding, CQC compliance and quality oversight
Q – Human Health & Social Work Activities	1171 – Health services and public health managers and directors	Five to Six	Registered care managers and statutory leadership
Q – Human Health & Social Work Activities	2461 – Social workers	Six	Professional roles at the health–care interface

Priority 5: Improve digital skills both in Essential Digital Skills and job specific skills, in particular, AI

Digital capability is increasingly required across specialist and non-specialist roles. The occupations below reflect both established digital roles and emerging AI-enabled functions identified through employer engagement.

Industry classification (SIC)	Occupation classification	Level	Notes
J – Information & Communication	2134 – Programmers and software development professionals	Four to Six	Core software development roles across digital sectors
J – Information & Communication	2133 – Business analysts, architects and systems designers	Four to Six	Data and systems analysis roles supporting digital transformation
J – Information & Communication	2139 – Information technology professionals n.e.c.	Five to Six	Covers specialist digital roles including solution and platform architects
Cross-sector	2136 – IT Quality and Testing Professionals	Five to Seven	Used to reflect AI-enabled and embedded systems development
Cross-sector	2141 – Web design and development professionals	Three to Five	Front-end, digital content and user-experience roles supporting adoption
Cross-sector	N/A – AI implementation lead (emerging role)	Six to Seven	Emerging role; no dedicated SOC code available
J – Information & Communication	2132 – IT managers	Six to Seven	Leadership of digital, data and AI delivery within organisations
J – Information & Communication	2137 – IT network professionals	Four to Six	Infrastructure, cloud and connectivity underpinning AI and digital systems
J – Information & Communication	3132 – IT user support technicians	Three to Four	Foundational digital capability supporting workforce adoption

Use of SOC and SIC Classifications

SOC and SIC codes are used throughout this annex to support consistency and comparability. However, it is recognised that:

- SOC codes may not fully capture **new, hybrid or highly specialised roles**, particularly in areas such as digital, AI and clean energy; and
- in such cases, **clear role definitions and proxy classifications** have been applied to reflect employer-reported demand.

Where no SOC code is available, roles are included as **qualitative insights**, in line with statutory guidance, to ensure emerging skills needs are accurately represented.

Annex B

Activities, Outcomes and Monitoring

Purpose of this Annex

This annex sets out the planned activities to support the identified priorities. This will be demonstrated through a table outlining all activities, lead organisations and partners, timescales and milestones, outcomes and how these will be measured.

There is also a framework that will be used to monitor progress against the priorities identified in the Local Skills Improvement Plan (LSIP) in the ‘Priority-to-Data Mapping’ section. The approach focuses on system-level outcomes, using existing national and local datasets and employer insight to track change over time.

The monitoring framework is designed to:

- assess alignment between skills provision and employer demand;
- support continuous improvement across the local skills system; and
- inform future LSIP updates.

The indicators set out in the ‘Priority-to-Data Mapping’ section below do not introduce new reporting requirements and are not intended to attribute outcomes to individual providers or interventions.

Activities

The following activities are structured under the actions listed in Part Two.

Employer links with education and young people

Activity	Lead	Partners Involved	Timescales & Milestones	Expected Outputs	Monitoring & Measurement	Priorities Addressed
Develop and implement new Careers Strategy	Lancashire Careers Hub	LSEH; ERB; Employers; providers	Activity to start in Autumn 2026. Deadline for implementation to be agreed with Careers Hub.	Published strategy; Clear engagement routes for employers	Quarterly review to assess development, subsequent implementation and employer engagement	1
Promote Lancashire Skills Pledge as the single “front door” for employer engagement and recruitment support	LSEH	ERB; DWP; Careers Hub; providers	Develop promotional material and approach by September 2026	Increased number of signed pledges; Visible employer activity across schools, colleges and universities; Increased number of Lancashire residents gaining employment or upskilling	Quarterly review against milestone target Annual report of Skills Pledge numbers, employer activity and LMI	1
Talent pipeline campaign (young people, apprenticeships, T Levels, graduates)	ERB	LSEH; Careers Hub; FE providers; HEIs	Develop campaign and material by March 2027 Start promotion by April 2027	Joint campaign with partners; Employer case studies; Increased placement offers	Quarterly review against milestone targets Annual review with providers for placement numbers and employers for intention and sentiment	1

University contribution via access & participation plans	Civic Universities Agreement	LSIP HE group	Ongoing activity increasing across term of LSIP (to mid-2029)	Coordinated outreach into schools and colleges; UniConnect and Future U activity	Annual review of activity undertaken with HEIs to assess increase in careers activity	1
Embed Work Ready Lancashire with employers	Careers Hub	ERB; LSEH	Promotion to start October 2026	Employer-facing framework; Adoption by placement host employers	Quarterly review to assess employer engagement and implementation by placement holders	1

Skills provision aligned to employer need

Activity	Lead	Partners Involved	Timescales & Milestones	Expected Outputs	Monitoring & Measurement	Priorities Addressed
Grow provision in priority areas	FE Providers	ITPs; HEIs	Ongoing – annual curriculum reviews	Increased starts and completions in shortage occupations	Annual review of starts and completions through providers reporting and ILRs	1 2
HE sector skills mapping under Civic Universities Agreement	Civic Universities Agreement		Initial mapping complete by June 2027 First review June 2029	Completed mapping and joint action plan Support reviews into Defence, Clean Energy and Food Security	Review whether activity complete by milestones	1 2 3
Leadership & management provision review	ERB	LSEH; FE Colleges; Universities; ITPs	Working group established by September 2026 Review complete by January 2027 Initial revised offer agreed by April 2027	Evidence of employer need and barriers; Revised offer across FE, ITPs and HE	Quarterly review against milestone targets Annual review of changes to curriculum through provider reports and ILR	1 2
Skills for Growth: sector aligned delivery	LSEH	Providers ERB	Ongoing activity to direct and coordinate new provision	Coordinated ASF, Bootcamps, free courses for job (FCFJ) and Skills for Growth delivery	Annual review to assess existing provision and plan new provision	1 2

Monitoring & impact review

Activity	Lead	Partners Involved	Timescales & Milestones	Expected Outputs	Monitoring & Measurement	Priorities Addressed
Develop post-training outcomes methodology	ERB	LSEH; FE Providers; HEI	Assessment of available data and identify methods of gathering extra information to support review by October 2026 Develop methodology and produce	Agreed framework; Pilot with providers	Quarterly review against milestone targets	2

			trial report by March 2027			
Annual LMI sessions with FE and HE	LSEH	ERB; FE Providers; HEI	Annual LMI sessions conducted each Jan/Feb incorporating new outcomes information from 2028	Delivered sessions; Shared intelligence packs	Annual review against milestone targets Review of subsequent curriculum plans and accountability statements to assess changes in response to intelligence	2 1

Further research in Defence, Clean Energy and Food Security

Activity	Lead	Partners Involved	Timescales & Milestones	Expected Outputs	Monitoring & Measurement	Priorities Addressed
Establish sector research clusters (Defence, Clean Energy, Food Security)	ERB	LSEH; Employers; Trade bodies; FE Colleges; HEIs	Groups established 6 months in advance of Report publication: September 2026, March 2027, September 2027	Active cluster groups with employers and providers; Contribute to research and response; Contribute to curriculum planning and new course delivery; Develop careers pathways to promote careers in sectors	Review whether groups are established and active by planned dates Annual review to assess impact on curriculum and careers guidance utilising provider curriculum planning and accountability statements	3 2
Produce and disseminate in depth sector reports	ERB	LSEH; Employers; Trade bodies; FE Colleges; HEIs	Published reports every 6 months: March 2027, September 2027, March 2028	Published reports; provider briefings	Review whether reports are produced by planned dates; Review dissemination of reports 3 month after publication	3 2

Social Care

Activity	Lead	Partners Involved	Timescales & Milestones	Expected Outputs	Monitoring & Measurement	Priorities Addressed
Establish social care cluster group	ERB	LCCA; LSEH; Employers; Skills for Care; FE Colleges; ITPs	Group formed and active by October 2026	Multi-agency group to drive activity; Contribute to curriculum planning and new course delivery; Develop careers pathways to promote careers in sector	Review if group established with agreed membership and terms of reference by planned date Annual review to assess impact on curriculum and careers guidance utilising provider curriculum planning and accountability statements	4 1
Develop clear pathways and careers campaign	Social Care Cluster Group	As above	Pathways and campaign agreed by May 2027 Campaign promotion to start by	Agreed pathways; Targeted promotion to youth and adults	Quarterly review of progress against milestones Assess impact of campaign through interest in sector careers through Future Skills Questionnaire, ne	4 1

			September 2027		learners through ILR and provider reporting	
Review training capacity and employer access	Social Care Cluster Group	As above	Review complete by end 2027	Capacity assessment; Recommendations for scaling	Quarterly review of progress against milestones	4 2

Digital (Essential & Advanced)

Activity	Lead	Partners Involved	Timescales & Milestones	Expected Outputs	Monitoring & Measurement	Priorities Addressed
Establish digital cluster group	ERB	LSEH; Employers; FE Colleges; ITPs HEIs	Group formed and active by November 2026	Ongoing intelligence on digital and AI use; Contribute to curriculum planning and new course delivery; Develop careers pathways to promote careers in sector	Review if group established with agreed membership and terms of reference by planned date Annual review to assess impact on curriculum and careers guidance utilising provider curriculum planning and accountability statements	5
Rollout of Skills for Life: "Click"	LSEH	Providers		Increased participation in essential digital skills	Quarterly review of progress of the programme including participant numbers	5 2 1
Employer engagement in digital careers activity	Careers Hub	LSEH; ERB; Employers; FE Providers; HEIs ITPs	Ongoing activity increasing across term of LSIP (to mid-2029)	Employer led careers encounters and promotion	Quarterly review of digital employer participation levels	5 1

Priority-to-Data Mapping

Priority 1: Long-term solutions to shortages in experienced workers

Monitoring focus: progression, retention and pipeline development.

Indicator	Definition	Data source	Frequency
Apprenticeship starts (priority sectors)	Number of apprenticeship starts by Lancashire residents within LSIP priority sectors, identified using relevant SIC and SOC mappings set out in Annex A	DfE Apprenticeship Statistics	Annual
Apprenticeship achievement rates (priority sectors)	Proportion of apprenticeships successfully completed by Lancashire residents in LSIP priority sectors, expressed as a percentage of starts	DfE Apprenticeship Statistics	Annual
16–18 destination measures	Percentage of 16–18 learners resident in Lancashire achieving a sustained destination in employment, apprenticeships or further	DfE Destination Measures	Annual

	learning within 6 months of completing education		
Employment rate (ages 16–64)	Percentage of working age residents (16–64) in employment within Lancashire	NOMIS / Annual Population Survey	Quarterly
Number of jobs held by employees	Total number of employee jobs located in Lancashire, across all sectors, used as a proxy for overall labour market capacity	Business Register and Employment Survey (BRES)	Annual

These indicators together provide insight into whether entry-level pathways and training routes are translating into **sustained participation and progression**, helping to address experience gaps reported by employers.

Priority 2: Ensuring curriculum investment and provision increases are having impact

Monitoring focus: outcomes from increased provision and investment.

Indicator	Definition	Data Source	Frequency
Apprenticeship achievements (priority sectors)	Used to assess whether increased starts are translating into successful completions, rather than just participation	DfE	Annual
Sustained destination measures	Used to assess whether expanded provision is improving post training outcomes, not just enrolment	DfE	Annual
Residents qualified at RQF Level 4+	Used to assess whether curriculum investment is contributing to a higher skilled resident workforce over time	APS	Annual
Graduate outcomes into priority sectors	Used to assess whether higher level provision aligns with priority occupational demand	HESA	Annual
Employer feedback on work-readiness	Used to test whether employers perceive improvements in skills relevance and preparedness following investment	LSIP employer engagement	Periodic

These indicators support understanding of whether **growth in provision is delivering improved labour-market outcomes**, rather than relying solely on activity or participation measures.

Many indicators are used across more than one priority; however, their interpretation varies by context, with Priority 1 focusing on pipeline development and Priority 2 focusing on outcomes and effectiveness of investment

Priority 3: Further research in changing and strategically important sectors

Monitoring focus: early demand signals and system readiness.

These measures allow emerging sectors to be **monitored proportionately**, informing future decisions on curriculum change or investment as demand becomes clearer.

Indicator	Definition	Data source	Frequency
Job postings in priority emerging sectors	Volume and trend of online job postings associated with defence, clean energy, and food production/security, identified using relevant SIC and SOC mappings in Annex A, used as an early indication of emerging or changing demand	Lightcast job postings	Annual
Graduate outcomes (relevant disciplines)	Employment and further study outcomes for graduates in disciplines aligned to emerging sectors, including engineering, digital, environmental and agri food subjects, with reference to occupational destination where data allows	HESA Graduate Outcomes	Annual
Employer intelligence and engagement	Qualitative intelligence from employers operating in priority emerging sectors on anticipated skills needs, timing of demand, technology adoption and workforce constraints, gathered through surveys, forums and structured engagement	LSIP employer engagement activity	Ongoing
Skills system mapping	High level assessment of existing FE, HE, apprenticeship and adult skills provision relevant to emerging sectors, used to understand system readiness and identify potential gaps or duplication	Provider intelligence / LSIP governance	Annual

Priority 4: Tackling persistent shortages in social care

Monitoring focus: workforce supply, stability and progression.

Indicator	Definition	Data source	Frequency
Employment by occupation (core social care roles)	Estimated number and proportion of Lancashire residents employed in social care occupations, (e.g. care workers, senior care workers, nursing auxiliaries). Used to monitor <i>workforce scale and stability over time</i> , rather than short-term change.	Annual Population Survey (APS) via NOMIS	Quarterley
Apprenticeship starts (care pathways)	Number of apprenticeship starts by Lancashire residents on standards aligned to social care roles, used to indicate the scale of new entrants to the care workforce pipeline.	Department for Education (DfE) Apprenticeship Statistics	Annual

Apprenticeship achievement rates	Proportion of social-care-aligned apprenticeship starts that result in successful completion, used as an indicator of progression, retention and workforce sustainability.	Department for Education (DfE) Apprenticeship Statistics	Annual
IMD – Employment domain	Measure of involuntary exclusion from the labour market at neighbourhood level, used to contextualise workforce supply challenges and access to employment in social care.	Ministry of Housing, Communities and Local Government (MHCLG)	Periodic
Employer feedback on vacancies and turnover	Qualitative feedback from social care employers on vacancy persistence, staff turnover and recruitment difficulty, gathered through LSIP employer engagement activity to interpret quantitative trends.	LSIP employer engagement activity	Periodic

These indicators help track whether actions are beginning to **stabilise and strengthen the care workforce**, recognising the structural nature of demand in the sector.

Priority 5: Improving digital skills, particularly artificial intelligence (AI)

Monitoring focus: digital capability across sectors and skill levels.

Indicator	Definition	Data source	Frequency
Residents qualified at RQF Level Four and above	Percentage of working-age Lancashire residents qualified at RQF Level Four or above, used as a proxy indicator of higher-level digital and technical capability across the workforce.	Annual Population Survey (APS)	Annual
Graduate outcomes (digital disciplines)	Employment and further study outcomes for graduates from digital-related disciplines (e.g. computing, data, engineering and related subjects), with reference to occupational destination where data allows. Used to monitor supply of advanced digital capability.	HESA Graduate Outcomes	Annual
Apprenticeship starts (digital courses)	Number of apprenticeship starts by Lancashire residents on digital and technology-related courses, used as an indicator of growth in structured digital training pathways.	Department for Education (DfE) Apprenticeship Statistics	Annual

Employer feedback on AI adoption	Qualitative insight from employers on the adoption of AI and advanced digital technologies, including changes to skill requirements, workforce readiness and demand for training.	LSIP employer engagement activity	Ongoing
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These indicators support monitoring of growth in **both foundational and advanced digital skills**, including responsiveness to rapidly evolving AI demand.

Cross-Cutting Indicators

The following indicators are used to provide broader labour-market context across all priorities:

- Employment rate (APS)
- Jobs density (NOMIS)
- Number of jobs held by employees (BRES)
- Gross Value Added (ONS)
- Index of Multiple Deprivation – Employment domain

Use and Review

Monitoring will be overseen through existing LSIP governance arrangements. Findings will be used to inform engagement with employers and providers, support curriculum planning discussions, and shape future updates to the LSIP.

Annex C

Background and Method

Overview of the Evidence Base

The LSIP has been developed using a mixed-method evidence base, combining quantitative labour-market data, qualitative employer insight, skills system intelligence, and relevant national and local strategy. This triangulated approach ensures that priorities are:

- employer-led;
- grounded in credible data;
- reflective of current and medium-term (three-year) skills needs; and
- proportionate to the purpose of an LSIP.

1. Labour Market Intelligence

A range of established national datasets was used to understand Lancashire's labour-market context, structural characteristics, and medium-term pressures. These included:

- Annual Population Survey (APS) via NOMIS, used to analyse employment, economic activity, occupations and qualification levels at local authority level;
- Business Register and Employment Survey (BRES), used to understand jobs by industry and overall employment structure;
- Jobs density statistics, used to assess labour-market capacity and competition;
- Qualification data, including residents qualified at RQF Level Four and above;
- Vacancy and demand signals derived from job postings data, used to identify patterns of occupational demand and persistence.

These datasets were used to:

- establish the scale and persistence of skills shortages;
- identify broad sectoral and occupational patterns;
- understand demographic and replacement-demand pressures; and
- provide context for employer-reported recruitment challenges.

Quantitative data was used to contextualise and test employer insight, rather than determine priorities in isolation.

2. Employer Engagement and Qualitative Insight

Employer engagement was a central component of the evidence base, reflecting the employer-led nature of the LSIP.

Evidence was gathered through:

- employer surveys;
- structured interviews and round-table discussions;
- sector- and theme-based employer forums; and
- ongoing intelligence from employer representative networks.

Employer feedback focused on:

- current and anticipated recruitment difficulties;
- the nature of skills gaps, including experience, progression and work-readiness;
- constraints on employer capacity to recruit and train;

- emerging skills needs linked to digitalisation and adoption of AI; and
- the effectiveness of existing training and apprenticeship routes.

This qualitative evidence was particularly important in:

- identifying cross-cutting themes, such as experience shortages rather than lack of qualification;
- understanding why increased provision has not always translated into workforce availability; and
- identifying emerging and evolving roles not yet fully captured by standard datasets.

3. Skills System and Provider Intelligence

The LSIP also drew on intelligence from across the local skills system, including:

- further education and higher education providers;
- apprenticeship participation and achievement patterns;
- adult skills and retraining provision; and
- recent curriculum change and investment activity.

This intelligence was used to assess:

- alignment between skills supply and employer demand;
- areas where provision has expanded since the previous LSIP;
- progression pathways between levels; and
- gaps, constraints or duplication within the current system.

Skills system intelligence was considered alongside employer and labour-market evidence to ensure that no single source dominated the decision-making process.

4. National and Local Strategic Context

The evidence base was complemented by relevant national and local strategic frameworks to ensure alignment with Lancashire's wider economic, employment and skills objectives.

At local level, the Lancashire Growth Plan was used to provide strategic context on long-term economic ambitions, sector priorities and productivity challenges. Evidence on workforce capability and sectoral demand was considered in light of these growth objectives.

The LSIP also reflects the aims of Get Lancashire Working, the countywide employment and skills programme focused on increasing participation, reducing economic inactivity and supporting progression into sustained employment. Evidence on destinations, workforce barriers and progression informed alignment with inclusive growth priorities.

In addition, the Lancashire Skills and Employment Hub Strategic Framework was used to inform understanding of system-level coordination, employer engagement mechanisms and delivery structures. This helped ensure that LSIP priorities support coherent, partnership-led change rather than duplication of activity.

Relevant national and sector-specific intelligence was also reviewed to contextualise local evidence, particularly in strategically important areas such as construction, social care, defence, clean energy and digital.

5. Sector-Specific Evidence

Where appropriate, authoritative sector intelligence was used to complement general labour-market data and employer insight. This included:

- Construction Industry Training Board (CITB) evidence, used to understand construction workforce dynamics, replacement demand and occupational skill requirements;

- Skills for Care workforce intelligence, used to contextualise persistent shortages, turnover and progression challenges within adult social care.

These sources provided additional depth where sector characteristics and structural issues are not fully visible through general datasets, and were used to support, not replace, employer-led evidence.

Use of Evidence in Identifying and Prioritising Skills Needs

Evidence from the sources above was triangulated to identify skills needs that were:

- consistently raised across multiple evidence sources;
- significant in scale, severity or persistence;
- expected to remain unresolved or intensify over the medium term; and
- locally distinctive or strategically important to Lancashire.

Where evidence indicated clear and persistent need, priorities were identified for system-level action. Where evidence pointed to uncertainty, rapid change or emerging demand, priorities were framed around further research, monitoring and system readiness, rather than immediate delivery.

This approach ensured that prioritisation reflected explicit judgement informed by evidence, rather than relying on any single dataset.

Occupational and Sector Classification

Priority occupations and industries identified through the evidence base are defined and mapped to Standard Occupational Classification (SOC 2020) and Standard Industrial Classification (SIC) codes in Annex A.

Where existing classifications do not fully capture emerging or highly specialised roles (for example in digital, AI or clean energy), proxy classifications and role definitions have been applied transparently to support consistency and comparability.

Limitations and Use of Professional Judgement

The LSIP recognises that:

- labour-market data is subject to time lag and sampling limitations;
- employer-led systems, including apprenticeships, are constrained by employer capacity;
- emerging skills needs may not yet be visible in published datasets.

Where these limitations apply, professional judgement has been exercised, informed by employer engagement and local intelligence, and recorded transparently through the LSIP narrative and annexes.

Conclusion

The LSIP is underpinned by a broad, credible and proportionate evidence base, combining quantitative data with employer-led qualitative insight and sector intelligence. This approach provides a transparent foundation for the priorities set out in the plan, while recognising both the strengths and limitations of available evidence.

Part 2: Alignment with the LSIP Guidance

Employer Engagement

To gather information from as wide a range of employers as possible the opportunity to take part was promoted through a number of channels outside those of the Chamber's membership.

As previous LSIP work has been successful in engaging significant participation from outside Chamber membership, those employers who have already been involved in LSIP research were approached, partaking in both survey work and interviews.

The survey was promoted through some of the LSIP's stakeholders including the LSEH, providers (colleges, HE and ITPs) and trade bodies. This ensured participation from organisations that are not only outside of Chamber membership but also from employers not previously engaged with LSIP activity.

Participation was also supported by an external agency conducting online promotion and telemarketing activity. This again increased engagement from organisations not previously involved.

Provider Engagement

The strong relationships built up with providers through the development of previous LSIPs has continued. All FE colleges and some of our independent providers were interviewed at the start of the research phase to understand existing challenges, areas they are seeing changes in demand and what their employer contacts are describing to them.

A group has been set up allowing the four Universities with sites in Lancashire (Lancaster University, University of Lancashire, Edge Hill University and the University of Cumbria) to engage with the LSIP and discuss how they fit into local priorities and can support future activity. There is a Universities Civic Partnership which enables the group to feedback into a formal collaborative body.

Providers at all levels have been involved in the governance of the LSIP throughout its development with representation of the Skills & Employment Partnership Panel which includes two FE College principals (one as the Chair of the Panel), two Universities and one independent provider (who is a director of the Lancashire Work Based Learning Executive Forum). This has enabled provider feedback into LSIP findings and priority development.

Stakeholder Engagement

Key stakeholders are embedded in the governance and the development of the LSIP. As part of the Skills & Employment Partnership Panel there was representation and direct feedback from the following stakeholders:

- DWP/JCP
- DfE
- Upper tier local authorities
- Public Health
- NHS
- Local voluntary and charity sector
- Trade bodies

Stakeholder engagement has been sought outside of the Panel through direct engagement with other trade bodies. Evidence of the support from stakeholders in the development of the LSIP can be seen in the utilisation of research from Skills for Care and the Careers Hub (in partnership with Northern Automotive Alliance, North West Aerospace Alliance and RedCat).

Trade union representation has proven difficult to access during the development of phase. However, early relationship have been developed and there is the intention to involve trade unions during the implementation phase.

In order to enhance stakeholder engagement through the implementation phase a Stakeholder Operations Group has been created to complement the work of the Partnership Panel. While the Panel has a wider remit covering the

whole skills and employment agenda in Lancashire, the stakeholder group will focus specifically on the LSIP priorities and actions.

The group will feature representatives from:

- ERBs (e.g. FSB)
- Trade Bodies (e.g. North West Aerospace Alliance, CITB, Skills for Care)
- Boost Lancashire
- DWP
- Lancashire Careers Hub
- The Lancashire Colleges
- Trade unions

Part 3: Environmental and Net Zero Goals

Clean Growth and Nuclear forms one of Lancashire's growth priority sectors. This has been adopted as a priority sector for the LSIP but has been designated an area that requires dedicated research beyond that which was possible in time given to develop the LSIP.

The Clean Energy Job Plan (2025) has been used to understand the scale of potential with significant jobs growth predicted across the North West. These link naturally into some of Lancashire's other priority sectors, namely construction, manufacturing and engineering, as well as in another LSIP priority around leadership and management.

The Plan also details a number of occupations expected to be required by 2030 with the following already matching the priority occupations:

- Engineers
- Machinists & production operatives including CNC
- Fabricators & welders
- Electricians and electrical engineers
- Trades – bricklaying, plumbing, carpentry and joinery (5316), roofing

It is important to build on the information featured within the Clean Energy Jobs Plan and understand what additional roles will support Lancashire's rapidly moving clean energy sector.

Part 4: Equality of Opportunity

Making opportunity available for all is an important element of local plans. The LSIP supports these plans with particular focus on economically excluded young people (NEETs). Activity to support young people into employment and training, gaining experience within the workplace is an important element of the LSIP, with the aim of tackling NEET numbers.

As NEET numbers are proportionately higher in the most disadvantaged communities, these activities will need to focus on those young people from the poorest backgrounds.

The LSIP will also work in support of the activity focused on getting people back into work some of whom will have been out of work for prolonged periods and facing barriers to return to work, including physical and mental health problems.

Working with the LCCA to help direct the devolved adult skills fund will help support adults gain the skills necessary to work in priority sectors.

Essential digital skills feature heavily in the LSIP and the aim to support people who face limitations entering the workplace or progressing in their career due to a lack of digital proficiency.

Part 5: Governance Structure

Contract management and accountability lies with the North & Western Lancashire Chamber of Commerce, as the designated ERB. This is managed day-to-day between the LSIP Project Lead, Chief Executive and the Company Secretary / Finance & Administration Manager. The Chamber Board takes bi-monthly reports of progress, updates and finances.

The Chamber has worked in partnership with the Lancashire Skills and Employment Hub – which is part of the Lancashire Combined County Authority (LCCA). The Chamber feeds into the Lancashire Skills and Employment Partnership Panel, administered by the Skills Hub, which acts as a 'think tank', bringing together a range of key stakeholders including authorities, colleges, universities, independent training providers, the third sector, the ICB, public health and employers – representing different sectors. The Partnership Panel, which acts as a steering group for the LSIP, meets regularly and has fed into the development of the LSIP, helping to shape the priorities and actions, and will continue to review collaborative actions and progress against the action plan.

The Partnership Panel feeds into the LCCA Skills Advisory Board, which is made up of authorities, technical experts, and Business Board representatives. The LCCA Skills Advisory Board has reviewed and commented on emerging priorities of the LSIP, as well as the final draft of the report, and will recommend that the LCCA provide a supporting statement at its meeting in June 2026 and will maintain strategic oversight of delivery.



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