



Department  
for Education

# Skills Accelerator pilot evaluation

Research report

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# 1 Executive Summary

The Department for Education (DfE) commissioned IFF Research and the Learning and Work Institute (L&W) to conduct an evaluation of the Skills Accelerator pilot. The Skills Accelerator pilot aims to better align technical education and training provision to local labour market needs. It includes 18 Strategic Development Fund (SDF) pilot areas, eight of which are also Local Skills Improvement Plan (LSIP) Trailblazers.

The evaluation addresses the following research questions:

- Research Question 1: Does the Skills Accelerator pilot help to better align technical education and training provision with local labour market needs?
- Research Question 2: What can be learned from how LSIP Trailblazers and SDF pilots were delivered?
- Research Question 3: What (perceived) impacts have been achieved and how?

The evaluation and this report focus on areas for learning from the implementation and delivery of the Skills Accelerator pilot (April 2021 to September 2022), to inform future skills policy development and delivery.

## Methodology

The evaluation comprises several research elements, including:

- A scoping phase including a review of the programme Theory of Change (ToC) and materials design;
- Interviews with SDF pilot area lead partners and Employer Representative Body (ERB) leads;
- Case studies (including interviews with a further 3-4 partners and key local stakeholders, as well as observations of key meetings);
- A small-scale online survey of wider partners;
- Follow up interviews with ERBs and SDF pilot leads in June 2022;
- Follow up interviews with SDF pilot leads in September 2022.

This is the main report for the evaluation and is based on the findings from the four rounds of fieldwork to date, including interviews with lead partners, ERB leads and wider partners. The follow up report will cover any programme outcomes and impacts identified between September 2022 and March 2023, as well as exploring if and how partnership working has continued in each area.

## **Does the Skills Accelerator pilot help to better align technical education and training provision with local labour market needs?**

**There is emerging evidence that technical education and training provision is being aligned with local labour market needs in SDF areas, and that LSIPs can play a future role in aligning provision with employer needs.**

LSIP Trailblazers have engaged a wider range of stakeholder in local areas to assess priority needs than previously, laying strong foundations for a greater understanding of skills needs in emerging sectors. The involvement of providers in Trailblazer activities such as regular employer forums has increased the potential for greater alignment between technical education and training provision relevant to local labour market needs. These activities have opened up discourse between providers and employers outside of providers' own networks and provided the opportunity for direct signposting between an employer with a specific training need, and a provider who can develop and deliver training to meet that need.

The extent to which LSIP Trailblazer reports have supported alignment however is unclear at this stage. Whilst LSIP reports were used to varying extents to inform SDF2 bids, some providers felt that reports lacked the necessary granularity to inform curriculum development in priority areas. Whether LSIPs are able to support greater alignment may only be measurable once LSIPs have become fully embedded into the skills landscape, although initial signs are positive.

Through the collaborative working model of SDF pilot areas, increased engagement with employers and focus on high-value, emerging priority needs for SDF pilot projects, lead providers were positive about SDFs supporting greater alignment between technical education and more relevant training provision to meet employer needs. The extent to which SDF pilot areas have been able to produce new courses that meet employer needs however is fairly limited at this stage. New courses have largely only been available to learners from September 2023, and there have been mixed reports on learner demand (assessed via enrolments), varying by sector areas. Whilst ongoing data on learner enrolments will provide some measure of progress over the rest of the academic year, the impact of SDF and LSIPs on alignment of provision and technical education may be best judged when both are more fully entrenched in the skills landscapes i.e. following national roll out of LSIPs and the completion of SDF2.

The combination of LSIP trailblazers and SDF pilot areas has supported greater alignment where there is consistent communication and updates on progress between lead ERBs and lead providers. There are opportunities for improved practice of LSIP outputs feeding in to SDF curriculum development in SDF2, where use of the LSIP Trailblazer report has been embedded in to the bid submission process.

## What can be learned from how LSIP Trailblazers and SDF pilots were delivered?

**Existing relationships were critical to the early stages of development for SDF proposals and LSIPs. Dedicated project managers as well as active support from DfE account managers helped to ensure smooth project delivery. Extended timelines for bid submission, as well as more clarity between other bodies in the skills arena on wider partnership working, would help to maximise impact and minimise any potential duplication of effort.**

Building upon existing relationships was essential to early development of SDF proposals and LSIPs. Pilot areas with a history of working together were likely to report high levels of partner commitment to the projects. However, in some cases, this may have limited new partners becoming involved.

Lead providers and lead ERBs noted the very tight timescales to put together bids and begin work. DfE may wish to consider longer timelines for bid submission from LSIPs and SDFs when considering a national rollout.

During the pilot programme, there was some lack of clarity as to how the relationship between LSIPs and SDFs should work. In future, DfE has confirmed that the development of LSIPs will precede SDF bids so that projects are informed by LSIP priorities and designed to meet the needs identified. There is potentially a longer-term risk around ensuring that Local Enterprise Partnerships (LEPs), Mayoral Combined Authorities (MCAs) and LSIPs work together effectively within the same skills space, without duplicating resource or effort. LSIPs should build on and add value to existing local strategies and plans, and seek to work closely with other bodies including LEPs (in line with the LSIP Statutory Guidance) to mitigate this risk.

SDF area pilot and ERB Leads and partners recognised the value of having project managers dedicated to LSIP or SDF project delivery. SDF areas highly valued the role of DfE account managers throughout the bid process and project delivery. This should continue in any extension of the SDF programme.

The funding model design for SDF pilot projects allowed lead providers to engage in significant capital and revenue spend related to new and emerging technologies. Providers felt that the SDF model enabled them to take 'risks' and try out new areas of provision that they had been unable to cover under mainstream FE funding. This is reflected in the fact that all SDF pilot areas targeted priority areas related to new or emerging technologies (e.g., electric vehicles, sustainable heating or using virtual reality (VR) to simulate working conditions in the National Health Service (NHS)), as opposed to supporting existing large volume provision areas such as hairdressing / beauty or retail.

Partners felt that some activity could continue without additional resource, but identified challenges in ensuring that LSIP plans did not become static documents following the end of planned funding for LSIP trailblazers.

## **What (perceived) impacts have been achieved and how?**

The Skills Accelerator Programme Theory of Change (ToC) was tested and refined at the start of the evaluation. It sets out inputs, activities, outputs, outcomes and impacts for the programme as whole, as well as underlying assumptions and risks. This evaluation focused on short term outcomes (to September 2022) and early indications of impact.

Progress against each of the Skills Accelerator programme's intended short-term outcomes is set out in the table below.



**Table 1: Progress against each of the Skills Accelerator programme’s intended short-term outcomes**

SDF / LSIP	Short term outcomes	Main sources	Progress against outcome	Key evidence for assessment of progress against outcome
LSIP	LSIPs viewed as making a valuable contribution to a responsive skills system	Partner and stakeholder consultations	Mixed evidence	<ul style="list-style-type: none"> <li>• Some examples of beginnings of establishing longer-term relationships between LSIP stakeholder.</li> <li>• At Trailblazer stage, it is too early to assess whether relationships will be sustained post-funding, and in general, how LSIPs’ contributions will be viewed following publications of their reports.</li> </ul>
LSIP	Increased employer confidence in responsiveness of skills system	Partner and employer representative body (ERB) consultations	Limited evidence	<ul style="list-style-type: none"> <li>• There are strong examples of high-quality employer engagement to inform high-value provision. Whilst this points to future increased employer confidence in the responsiveness of the skills system as LSIPs become fully embedded, it is unclear at this stage whether new provision aligns with employer expectations of how best to meet their skills needs, and how responsive provision can be to meet changing needs in the future.</li> </ul>
LSIP & SDF	Better understanding amongst providers of the skills that businesses need to move forward	Provider and ERB consultations	Strong progress	<ul style="list-style-type: none"> <li>• Strong examples of enhanced employer engagement to support development of provision that meets specific needs.</li> </ul>
SDF	Demand for new courses is stimulated in skills priority areas	Provider consultations Case studies	Limited evidence	<ul style="list-style-type: none"> <li>• Limited advertising and marketing of new courses as of June 2022 due to COVID-19 restrictions. Delay to initial plans with most advertising / marketing activity undertaken in September 2022.</li> <li>• Some areas reporting lower than expected enrolment in the first academic term of 22/23.</li> <li>• However, minority of areas showing high levels of enrolment for some courses e.g., where mobile or online learning was supported.</li> </ul>

<b>SDF / LSIP</b>	<b>Short term outcomes</b>	<b>Main sources</b>	<b>Progress against outcome</b>	<b>Key evidence for assessment of progress against outcome</b>
SDF	Stronger and more meaningful collaboration between local providers	Provider consultations	Strong progress	<ul style="list-style-type: none"> <li>• SDF funding model supporting collaborative approach.</li> </ul>
SDF	Curriculum shifts to high value, more specialised skills provision	Provider consultations (including comments on enrolment levels)	Mixed evidence	<ul style="list-style-type: none"> <li>• SDF pilot area projects largely focused on emerging or growth sectors.</li> <li>• Purchase of specialised equipment focused on new technologies.</li> <li>• No evidence yet to suggest high value, specialist provision will replace current more general, mainstream curriculum in provider portfolios.</li> </ul>
SDF	Provider staff are upskilled to deliver new provision	Provider consultations	Mixed evidence	<ul style="list-style-type: none"> <li>• Majority of new courses being delivered in first term of 22/23 academic year, with staff upskilled to support delivery. This is despite some initial delays to teacher training due to the knock-on impact of equipment for new curriculum being delivered later than initially planned.</li> <li>• However, SDF pilot areas face continuing challenges to upskilling staff in more niche areas (due to demands on staff time to teach mainstream curriculum), or recruiting staff to deliver new curriculum (due to salary competition in private sector).</li> <li>• Whilst this challenge commonly has not resulted in new courses not being able to be delivered, providers see this as a threat to sustainability of SDF pilot projects.</li> </ul>
SDF	Facilities are equipped to meet demands of new curriculum	Provider consultations	Strong progress	<ul style="list-style-type: none"> <li>• Despite some initial delays, SDF pilot areas have now all been able to secure required facilities to meet demands of new curriculum.</li> </ul>

SDF / LSIP	Short term outcomes	Main sources	Progress against outcome	Key evidence for assessment of progress against outcome
SDF	Increased appetite for innovative approaches amongst employers	Partner and stakeholder consultations	Mixed evidence	<ul style="list-style-type: none"> <li>• Providers have engaged employers with innovative approaches through SDF pilot projects e.g., equipment demonstrations, and facilitation of discussion of new practices in College Business Centres (CBCs).</li> <li>• Limited examples of whether this has resulted in measurable increased appetite for innovative approaches (e.g., take up of training courses on using new technologies).</li> </ul>

A more detailed analysis of evidence used to make an assessment of progress against outcomes is shown in Chapter 6 of this report.

## 2 Introduction

### Background and objectives

The government's Skills for Jobs White Paper set out plans for reforms to build a world-class further education (FE) system in England.<sup>1</sup> Underpinning the plans is a commitment to put 'employers at the heart of the system' – to align skills provision to local labour markets and ensure that skills gaps are filled, productivity is improved, and individuals have opportunities to progress their careers.

The plan for reform included the introduction of employer-led Local Skills Improvement Plans (LSIPs). These bring together employers, FE providers and other stakeholders to agree local skills needs and co-create a plan for providers to respond to these priorities, joining up with other parts of the skills system where needed. Local employer representative bodies (ERBs) play a key role in convening LSIPs and breaking down barriers between employers and providers.

To support providers to innovate and reshape their skills offer, to better meet employer skills needs, the government developed a £65m Strategic Development Fund (SDF) grant. This funding included the trialling of College Business Centres (CBCs), which were expected to take a strategic approach to meeting employer needs in a local priority sector.

The Skills Accelerator pilot included LSIP Trailblazers and SDF pilot areas. There were 18 Strategic Development Fund (SDF) pilot areas funded by the Skills Accelerator, eight of which were also LSIP Trailblazers. Whilst the scope of most pilot areas and trailblazers followed existing geographical boundaries (e.g., LEP areas), they had autonomy to decide where they operated. SDF pilots were initially given funding to run from Autumn 2021 to March 2022, with some areas continuing capital activity until July 2022, and revenue activity until 31 December 2022.

The aims of the LSIP trailblazers were: to better understand how ERBs can effectively lead the development of local skills planning; and to test new approaches to generate evidence on what works (as well as what does not) in articulating and responding to local skills needs. This evidence has been used to develop and inform statutory guidance for the wider rollout of LSIPs.

The aim of the SDF pilot was to provide a catalyst for change in local delivery systems, particularly to ensure skills provision is responsive to employer and labour market needs. SDF pilots, most of which were led by FE colleges, initially focused on relationship

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<sup>1</sup> [Skills for Jobs: Lifelong Learning for Opportunity and Growth \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/97822/skills-for-jobs-white-paper.pdf)

building and collaboration to meet local skills needs through a more coordinated approach.

## Methodology

In December 2021, the Department for Education commissioned this evaluation of the Skills Accelerator pilot, to help build an evidence base on how the LSIP and SDF policies have been implemented to inform future policy development and delivery.

The evaluation focused strongly on learning from pilot planning and delivery, and seeks to answer the following overarching research questions:

1. Does the Skills Accelerator pilot help to better align technical education and training provision with local labour market needs?
2. What can be learned from how LSIPs and SDF were delivered?
3. What (perceived) impacts have been achieved and how?

The evaluation runs to March 2023 and includes three main phases:

- **Inception phase (Dec 2021 – Jan 2022):** review of the original Theory of Change (ToC) for the evaluation, developing research materials, carrying out lead partner interviews, selection of case studies, and development of an analysis plan for programme monitoring data.
- **Fieldwork phase (Jan 2022 – Feb 2023):** comprising initial interviews with lead partners and ERB representatives, plus 1-2 further key partners in each of the 18 pilot areas, depth case studies in 8 selected areas; and follow-up interviews with partners to reflect on progress over time. We also ran a small-scale quantitative survey of partners.
- **Analysis phase (Jan 2022 – March 2023):** analysis was conducted over this period and this is the first report to be published. This report sets out findings to date, including early outcomes and impacts.

The evaluation adopted a largely qualitative approach, allowing for multiple phases of in-depth interviews with lead partners in SDF pilot areas, lead Employer Representative Boards (ERBs) in LSIP Trailblazer areas, and wider partners. This approach was chosen as it allowed for feedback across different stages of SDF pilot and LSIP Trailblazer development and delivery. This supported ongoing reflection on barriers and enablers around partnership formation, partnership working and progress against expected outcomes. A small-scale survey of all wider partners who were not involved in in-depth interviews was also undertaken. However, the primary evaluation approach was qualitative in order to capture detailed views from respondents around what worked well, what didn't work so well, and why, during the pilot stage.

**Table 2: Research elements and timings**

<b>Research element</b>	<b>Timing</b>	<b>Description</b>
Scoping phase	December – January 2022	Programme Theory of Change developed for the Skills Accelerator policy
Interviews with lead partners and Employer Representative Body (ERB) leads	February – March 2022	Interviews with lead partners and Employer Representative Body (ERB) leads in LSIP trailblazer and SDF pilot areas plus 1-2 further key partners in each of the 18 SDF pilot areas
Case studies	March – May 2022	Including interviews with a further 3-4 partners and key local stakeholders were interviewed, as well as observations of key meetings
Online survey	April 2022	Small-scale survey of wider partners and local stakeholders who were not interviewed in either the initial interviews or case studies
Follow up interviews with ERBs and lead providers	June 2022	Follow up interviews with the ERBs who led the LSIP trailblazers, and with providers who led bids for SDF2 in the LSIP trailblazer areas
Follow up interviews with SDF pilot leads	September 2022	Follow up interviews with SDF pilot leads finishing projects in July 2022 to reflect on progress
Follow up interviews with SDF pilot leads and wider partners	March 2023 (included in follow up report)	Follow up interviews with SDF pilot leads and wider partners to reflect on progress over time

This has led to the following two publishable outputs:

- A final report (this report). This covers the first 6 research elements listed in Table 2 listed above.

- A follow up report. A document updating the outcomes from the Skills Accelerator after 1 term of new provision.

A detailed methodology section is provided in Annex A.

## Skills Accelerator Theory of Change

A theory of change (ToC) sets out how a given programme of activities will lead to intended impacts, and considers potential risks as well as assumptions underpinning the model. The Skills Accelerator Programme ToC:

- sets out **how** Skills Accelerator will achieve the overall policy vision for the programme.
- illustrates the **mechanisms for change** and how activities and outputs will translate into impacts / ultimate goals.

The ToC was tested and refined at the start of the evaluation. Underlying risks and assumptions for the Skills Accelerator pilot were developed in an initial ToC workshop with IFF Research and DfE. These are shown in detail in Annex C: ToC assumptions and risks.

## Report structure

The remainder of this report is structured as follows:

- Chapter 3: Partnership formation
- Chapter 4: Experience of SDF delivery and LSIP development
- Chapter 5: Partnership working
- Chapter 6: Perceived Outcomes
- Chapter 7: Conclusions and recommendations
- Annex A: Methodology
- Annex B: List of Acronyms
- Annex C: ToC assumptions and risks

Throughout this report, illustrative quotes and case study insights are presented to evidence the findings.

### 3 Partnership formation

This chapter focuses on the 'activities' element of the ToC. It explores partnership formation of SDF pilot areas and LSIP Trailblazers. It begins by looking at the rationale for decisions made around geographical scope of the partnerships, and any implications this has had for working with other key players in the skills landscape, such as Local Enterprise Partnerships (LEPs), Mayoral Combined Authorities (MCAs) and local authorities (LAs). It goes on to discuss how priority skills areas were initially identified by SDF pilot areas and Trailblazers and how they shaped key objectives and areas of focus. Finally, this chapter covers the alignment between SDF pilot and Trailblazer priorities during partnership formation, and potential process learnings for how DfE can support partnership formation in a national roll out of the policy.

#### Rationale for geographical area

SDF pilot areas and LSIP Trailblazers were able to self-define the geographic boundaries of their projects in an attempt to best target local skills needs and priorities. The geographical areas selected by Trailblazers aligned with SDF pilot areas in almost all cases. However, there was a mix of views, with some pilot areas / Trailblazers feeling existing LEP boundaries were fit for purpose, and others who preferred to define the geographical scope of their partnership based on other criteria.

Where partnerships decided to move away from established LEP geographies, this was commonly due to one of three main reasons:

##### 1) Focusing on specific sector needs and pockets of innovation

In some cases, the geographies SDF pilots and Trailblazers selected were smaller than existing LEP / MCA boundaries, which enabled projects to be targeted towards specific sector skills needs prevalent in these smaller areas. The ability to set more focused boundaries was especially valuable in large LEP areas where the LEP's scope covered:

- a number of counties with different economic characteristics
- urban and rural areas
- larger numbers of providers
- a wide range of sectors with very different skills needs.



*“Because it was (County A), we are in full control, but when we do get work with (County B), (County C) and (County A) there are separate agendas and knitting those together can be difficult... the localisation of this and the ability to target that money on a local basis was really good.”*

**Lead provider, SDF and LSIP area**

Equally, areas that selected a narrower boundary than LEP areas were keen to focus on localities where they could have the largest impact and do ‘something new’. For example, some focused on what employer needs are in sectors that may have more agility to make changes coming out of the pandemic lockdowns, such as IT. Several areas also expressed concern about spreading their funding across SDF projects too thinly, and thus used the geographical scope of the SDF area as a means to ensure their aims were realistic and achievable:

*“Selecting the SDF geographical scope allowed a focus on what’s different for [area] employers. Hi-tech employers have come out of the pandemic earlier than other employers in rural areas, so the focus is on what they need to develop. Not having to try to deliver learning in 16 different organisations in six different counties with numerous providers!”*

**Lead provider, SDF area**

## **2) Focusing on areas with the largest concentration of businesses and providers**

For some SDF pilot / Trailblazer areas, geographic boundaries were largely based on the location of providers, students, and employers in sectors aligning with identified priority areas. Several partnerships described their chosen geographies as ‘functional economic areas’ suggesting that the scope was chosen in order to map onto existing concentrations of businesses, providers, and people (and commuter links).

*“It was based on where businesses lie... 80% of the businesses are in [area]. It’s where all of the colleges and higher education lie... so it made sense for the SDF and LSIP to be looking at that area. The sectors that we’ve looked at... they’re in that area.”*

**Lead ERB, SDF and LSIP area**

One area-based pilot / trailblazer based its geography on a wider regional area than the existing LEP boundary to ensure coverage of a larger concentration of businesses and providers. When reflecting on this decision, the lead ERB also questioned whether their internal capacity was sufficient to match their initial ambition:

*“If you ask me if we would do it again, I would probably define the area a bit more than we have because it has been a mammoth task with a very small team. It would have probably been better just to focus in on a smaller area if we’d known the challenges that we were going to face in terms of recruitment of people.”*

Lead ERB, SDF and LSIP area

### **3) Alignment with Mayoral Combined Authority (MCA) boundaries**

A few of the LSIP and SDF areas chose to follow the MCA boundaries as they were aware that MCAs had delegated responsibility for the Adult Education Budget (AEB).

*“It matches the boundaries of the combined authority; it was a very simple discussion and it made sense to cover the whole footprint. Being an area of devolved AEB also meant it made sense to align with that.”*

Lead provider, SDF and LSIP area

Where SDF and Trailblazer areas followed the existing LEP or MCA boundaries, this was usually for the following reasons:

- The LEP / MCA area was small enough to allow for a sector-specific focus and a clear identification of priority skills areas.
- Existing relationships amongst providers, employers, employer bodies and independent training providers within traditional LEP areas were well established, and there was little appetite to exclude common collaborators that had been involved in previous Education and Skills Funding Agency (ESFA) (or otherwise funded) projects, or had strong connections with Chambers of Commerce.
- There is considerable learner migration between localities in a LEP area. Therefore, it was important to consider the skills needs not only in areas where providers were located, but in the areas that learners travel from.
- The priority skills needs and sectors identified tended to be important for all localities within the full LEP area:

*“The demands of the automotive industry affect us all [within the LEP area], the demands of HS2 are affecting us all and the demands of the creative industry are affecting us all.”*

Lead provider, SDF area

## **Defining priorities**

LSIP Trailblazer and SDF areas predominantly used five routes to determine priority sectors and areas of activity:

## 1) Known area needs and primary research

Both lead ERBs and lead providers noted that priority areas for the LSIP Trailblazers and SDF pilots were to some extent selected based on known skills needs for employers in the area, and existing local economic strategies and skills plans. Structural labour market and skills challenges were commonly long-standing (e.g., over reliance on particular sectors, or areas of deprivation with limited business growth). All lead providers and ERB leads had a strong idea of the sectors and skills areas that needed addressing based on their ongoing relationships and discussions with employers.

*"It's not like we're coming to it cold, and we haven't talked to anybody in [area] before."*

Lead provider, SDF area

To some extent, Trailblazers and pilot areas built on known sector skills needs to identify key general areas of focus. Additional primary research and analysis of labour market information were then used to identify more specific priority skills needs within sectors. For example, whilst lead partners and ERBs may have been aware prior to Skills Accelerator pilot funding that electric vehicles would be an important area for growth in the region's automotive sector, there was initially limited evidence of what exact skills needs would be required to support entry-level learners in this field. Primary research with employers was therefore essential to 'fill in' these gaps.

Several lead providers engaged in primary research to support identification of employer skills needs. However, this activity was largely undertaken by Trailblazers and shared with pilot areas to a varied degree. During the SDF2 bid stage there was greater reference to evidence presented in LSIP reports, which were published for Trailblazer areas ahead of the SDF2 bidding round.

All Trailblazers engaged in a variety of primary research activities, throughout the partnership formation stage and to support the ongoing development of LSIP reports. These included:

- Discussions with employers via sector-based forums and panels
- Quantitative surveys of employers, inviting all employers within the geography of the Trailblazer to take part.
- Qualitative in-depth interviews, focus groups and workshops with employers (often sampled and conducted by commissioned third party organisations)
- Third party analysis of job posting data.

## 2) Labour market information from local stakeholders

Analysis of labour market information and relevant datasets was key to identifying priority skills areas of focus for both SDF pilot and Trailblazer bids. All Trailblazer and SDF pilot areas made use of existing labour market information from their LEPS, MCAs and local authorities to support or validate the identification of priority areas.

*“We have used many data sources – MCA have done a place-based review of all boroughs and [the City], which has helped in triangulating traditional sources, also used MZ, ONS, and data from LAs.”*

Lead provider, SDF area

*“Previous work, such as The Industrial Strategy process, produced a lot of work which identified the key sectors for the region, and this was one of them.”*

Lead ERB, LSIP and SDF area

*“Workforce skills evidence-based research for [area] was published in March. It was looking at work force challenges across the areas by sector and from that, we were able to deduce the need for decarbonisation as a priority for the research.”*

Lead provider, SDF area

Lead providers and lead ERBs often had strong relationships with the MCA, LEP or LAs through previous work, and there were no reported barriers in receiving datasets or full reports from these local stakeholders.

*“Because we work closely with the MCA and [the local authority] we have a lot of on-the-ground intelligence about what is going on.”*

Lead provider, SDF and LSIP area

## 3) Local provider expertise (SDF only)

Whilst provider expertise had less of an influence in terms of determining priority sectors, in some cases provider capacity and ability to deliver new courses also played a role in the selection of priority areas of work. For example, if a partner provider already had strong expertise and capacity in delivering courses around motor vehicles, pilots could identify electric vehicles as a priority need area and be secure that they had the capacity to deliver in this area. In other cases, providers developed new specialisms to meet gaps in provision.

#### **4) Unique local contexts**

Specific and often unique local contexts supported LSIP decision-making regarding sectors of interest. For example, one LSIP focused on low carbon, hydrogen and battery storage based on the fact that the geology in their area supported growth in this sector. Equally, for one SDF pilot, the NHS was the largest employer in the area, with a consequent high level of demand for health and social care staff. They therefore anticipated, prior to any analysis of labour market data, that it was highly likely pilot activity would focus on the broader Health and Social Care sector.

#### **5) Acknowledgement of cross-sector themes**

In general, whilst most LSIP areas identified specific sectors of focus, there was also some emphasis on macro-level trends such as 'green skills' relevant to most sectors in the area. As such, LSIPs generally felt they were able to find a good balance between focus on the macro skills needs in the area and specific sector needs (e.g., adapting to off-site manufacturing in the construction industry).

### **Focus and objectives for LSIP Trailblazer and SDF pilot areas**

Focus and objectives for LSIP Trailblazers and SDF pilot areas largely aligned in terms of their overarching themes and priorities. In a small number of cases, Trailblazers had a wider focus across multiple sectors, whilst the accompanying SDF area priorities focused on a specific sector or sectors. In these areas, there was acknowledgement that the LSIP function was to provide a road map for change to identify and recommend solutions for employer skills needs across all sectors in the region, whilst the SDF mandate (in these areas) tended to focus on delivering projects 'on-the ground' that targeted known, current employer needs.

In general, SDF pilot areas adopted a holistic approach to engaging employers. Engagement activities fed in to meeting learner need, supporting sectors, and delivering course-based activities for employers and learners around specific skills needs. An example of this approach is shown below:

## **Area case study: An SDF pilot's approach to employers' needs analysis**

**Consideration:** The SDF pilot area identified Sport and Physical activity as a priority sector. The LSIP area of focus was wider, incorporating Sport and Physical activity as well as manufacturing and logistics. In order to support future curriculum design in the Sport and Physical activity sector, the SDF pilot partnership felt that greater analysis on employer needs was required.

**Solution:** The partnership focused on two projects specifically aimed at furthering this understanding. The first project involved an employer training needs analysis, asking local employers in the sector about their training requirements and how FE provision could best support this. A training needs analysis was conducted via an online survey developed by a delivery partner, allowing for analysis by size of company, recruitment plans and job roles required, to gain an understanding of short and medium-term demand for specific roles and skill sets. This activity provided context to more general analysis of labour market information - for example, finding that work placements in the sector are more important to 'work readiness' for employers in the sector than previously acknowledged.

The second project involved a gap analysis of existing provision in the area, to match on to identified areas from the employer needs analysis. This covered:

- Design of materials required to upskill provider staff to deliver curriculum in 'gap areas'
- Helping careers and teaching staff to provide better support
- Guidance to learners around their career development.

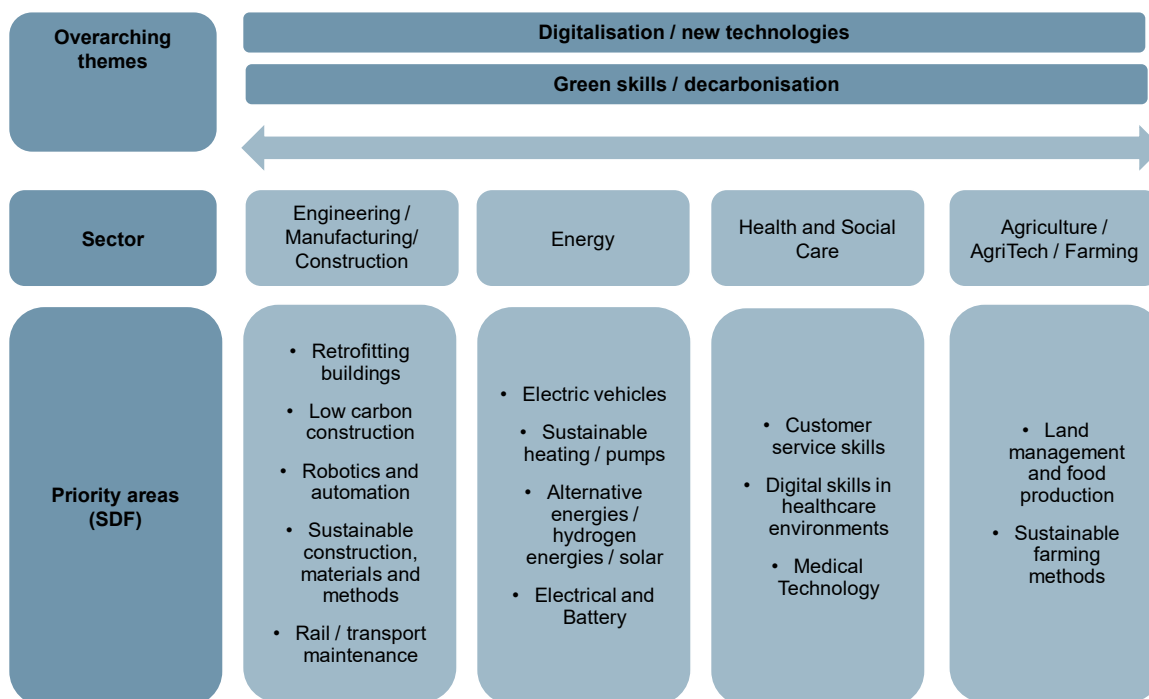
In general, there were four key sectors which Trailblazers and SDF pilots focused on:

- Engineering / Manufacturing / Construction
- Energy
- Health and Social Care
- Agriculture / AgriTech / Farming.

A minority of Trailblazers and SDF partnerships also focused on other sectors including Sport and the Visitor Economy.

Pilots also focused on new and high growth technologies with potential for supporting economic growth and a shift towards higher value skills and employment opportunities. This is opposed to focusing on established high volume subject areas such as business administration, retail and hair and beauty (see Figure 2).

**Figure 1: Areas of focus (SDF and LSIP)**



In addition, Trailblazers and SDF areas often identified a cross-sector focus for their LSIP or SDF projects, generally related to either green skills / decarbonisation (tying into the net zero agenda) or digitalisation / new technologies. These two overarching themes were prevalent across all priority sectors and areas shown in Figure 1.

In particular, the overarching theme of green skills / decarbonisation supported the identification of priority areas within specific industrial sectors. For example, Engineering / Manufacturing and Construction was a priority sector for many Trailblazers and SDF pilot areas. The shared focus on green skills / decarbonisation led to similarities in project focus for these SDF pilot areas, with curriculum design and development based around retrofitting and low carbon construction methods. Commonly, there was also cross-over with the energy sector, with construction and engineering related projects also focusing on heat pump technology, solar energy and electric vehicles.

An example of how two providers in an SDF area prioritised capital spend on development of buildings to demonstrate and encourage retrofitting of buildings to support low carbon and low energy household consumption is shown below. This is

followed by an example of why multiple SDF areas identified electric vehicles as a priority sector to fill skills gaps amongst local employers.

### **Sector case study: Retrofitting projects to support sustainable and low energy construction**

**Consideration:** Climate change, the zero-carbon agenda and rising energy bills mean an increased focus on energy use and efficiency in the existing building stock. Many SDF areas decided to focus on retrofitting for construction. Retrofitting was also a sectoral priority for some LSIP areas.

**Solution:** One SDF area opened a “Home energy centre” on a college campus to upskill apprentices and construction students in the area. The centre also aims to engage employers by hosting events for local businesses around decarbonisation, especially for the domestic market, such as retrofitting private homes to save on energy bills as way to reduce costs in the long term. Another FE provider’s approach to retrofit was to extend part of the college’s existing building, converting some of the space into a retrofit centre, and providing specialist training to students and the wider workforce.

### **Sector case study: Identifying priority employer needs around electric vehicles (SDF)**

**Consideration:** Many SDF pilot areas identified electric vehicles as a priority for area of focus for employers within the automobile manufacturing sector.

**Solution:** Project activities focused on new curriculum design, upskilling teaching staff and development of electric vehicle centres of excellence. All areas saw electric vehicles as a key priority area to tie into an overarching theme around green skills and the transition to the low carbon / Net Zero agenda. This was based on an understanding of ‘the direction of travel’ within the industry and the acknowledgement that skills around manufacturing and maintenance of electric and hybrid vehicles would be essential for employers in the sector over the coming years (given the government’s 2050 net zero pledge).

Provision was lacking across all these areas prior to the SDF pilot funding, due largely to the capital spend involved in purchasing electric vehicles, and the limited number of trained staff capable of delivering qualifications. SDF funding therefore filled a clear gap.



## Emerging skills needs

As discussed earlier in this chapter, Trailblazer and SDF pilot objectives both identified new priorities for development and built on existing known skills shortages and gaps. The balance between these two elements varied by area. In some cases, however, pilots and Trailblazers predominantly saw their work as responding to known skills priorities rather than identifying new ones. This was often because they were already aware of skills needs in new areas which partners had been working towards meeting (albeit often without sufficient funding to develop new courses or provision). Lead providers and lead ERBs had substantial knowledge of regional employer needs through regular engagement, prior to the submission of the pilot bids. Therefore, in several cases, the evidence gathered to inform initial objectives, largely took on a useful validation function, rather than uncovering previously entirely unknown priorities.

Although priority sectors were often on current issues, there was some innovation in approaches taken. SDF pilot areas were commonly engaged in new subject areas for curriculum design and delivery (e.g., Artificial intelligence (AI, hydrogen technology), or new pedagogical approaches (e.g., virtual reality)). Both of these had previously not been a direct focus for colleges. This is one way in which SDF funding has enabled new and innovative provision in some areas. Learner and employer demand for provision will become clearer, as patterns of learner enrolment and retention on courses which started in September 2022 play out.

## Partnership structures

The involvement of different stakeholder groups varied between LSIP Trailblazer and SDF pilot areas. All SDF pilots engaged widely with colleges (the majority of partners in most areas were colleges, and they tended to be the central stakeholder groups and drive the pilot), with some collaboration with independent training providers (ITPs) and Higher Education Institutions in most areas. Engagement with other local stakeholders such as LEPs, MCA, local authorities, employers, lead ERBs in LSIP Trailblazers, and other local ERBs was more variable.

LEPs, MCAs, Lead ERBs and local authorities tended to have a more 'advisory' function in SDF partnerships, attending board meetings and employer forums. LEPs and local authorities commonly had two main reasons for involvement in SDF and LSIPs:

- ensuring they aligned with local priorities
- avoiding duplication of work by providing relevant labour market information and existing reports around identification of employer priority needs where LEPs had particularly strong connections with local employers.

*“We are a government-endorsed body working with business. I’ve got a comprehensive governance structure that engages over 200 businesses day in, day out. We have significant engagement. Our labour supply working group has 45 businesses looking to say how do we work together to address these issues?”*

**Wider partner, LSIP and SDF area**

*“We’re a strategic unit working with providers trying to ensure that we’re meeting their need in terms of Future Talent Pipeline...so therefore the mechanisms for delivering that and DfE policy around the Lifetime Skills Guarantee and how those things are implemented is really quite important as to whether it does actually do what it needs to do in order for our businesses to be able to reskill.”*

**Wider partner, LSIP and SDF area**

LSIP Trailblazer partnerships largely involved the lead ERB, employers, local ERBs and LEPs / MCAs. Lead SDF providers participated in steering group meetings, but engagement between lead ERBs and other providers tended to be more limited (often reflecting time pressures on provider staff). Partnerships were often built upon pre-existing relationships with ERB member employers, suggesting that providers were actively engaging with ERBs prior to the Skills Accelerator programme. However, as mentioned previously with regards to primary research, lead ERBs used a range of activities to engage with a wider net of employers.

Lead providers, lead ERBs and wider stakeholders involved in the Trailblazer and SDF pilots felt that in general the ‘right’ stakeholders had been engaged, given the scope and timeline of the project. When considering a national rollout of the policy, a small number of lead ERBs and wider stakeholders suggested they would like to see greater engagement with ITPs and sixth form colleges (SFCs).

A small number of areas reported minor issues with some partners, including challenges in communication and (in a very small number of cases) partners not delivering on commitments. However, these were isolated incidents and in general relationships between partners were strong.

## **Alignment between SDF and LSIP priorities**

At the partnership formation stage, there was fairly limited engagement between LSIP Trailblazers and SDF areas aside from lead ERB and lead providers sitting on respective steering group boards, and in some cases collaboration when putting together a joint bid. There was, however, some desire amongst SDF providers for greater level of involvement with LSIPs.

*“The Chamber did support the strategic development fund bid, but I do think that we need to put in a little bit more work with them, especially now that we got this strategic development funding. So, I think we need to be a bit closer to the Chamber and to the LSIP and that is something where we have got a bit of work to do.”*

**Lead provider, SDF and LSIP area**

Equally, during the initial stages of LSIP and SDF development, whilst in some cases there was a general understanding around alignment of priorities (based on discussions between the lead provider and lead ERBs during the bid phase), there was a lack of clarity as to how the relationship between LSIPs and SDFs should work during the pilot programme. This was predominantly because the outcome of the LSIP was to produce recommendations around priorities for change, whilst SDF activities ran concurrently with LSIP development. When considering a national policy rollout, there was demand from both LSIP Trailblazers and SDF pilot areas for the LSIP reports to precede the SDF bid, such that projects could be designed to meet these needs.

*“In April we had the outcome of the LSIP and then of course you’ve got extra detail, information and research and you have to establish ‘what does that mean for our [SDF] work’...it caused the playing field to move a little bit.”*

**Lead provider, SDF and LSIP area**

Most providers felt that if this model was adopted, SDF activity would have been able to be more tailored to the specific local skills challenges identified by the LSIP.<sup>2</sup> One pilot area followed this model, placing SDF activities on hold until the LSIP was finalised.

*“Running the projects concurrently, it was never going to be possible to [adhere] to the original intention, that the LSIP finds out what’s needed, and the SDF responds to what the LSIP says is needed. If you don’t wait for the outcomes of the LSIP, how do you know that what you’re spending taxpayers’ money on in the SDF is directly responding to the LSIP?”*

**Lead provider, LSIP area**

## **Process learnings: How DfE could best support partnership formation in future**

Overall, Trailblazers and SDF areas were positive around the support provided by DfE during the partnership formation stage. Lead ERBs and lead providers felt that there was no specific requirement for DfE to play more of a facilitator role in supporting stakeholder

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<sup>2</sup> The Skills White Paper endorses this model, and policy is moving to implement it.

engagement, whilst account managers were considered responsive and open to queries around allocation of capital or revenue funding.

Extensions to capital and revenue funding were well received, as it was felt that without this extension, SDF areas would not be able to achieve expected outcomes in the initial timeframe. Suggestions around DfE process improvements largely revolved around the following changes to the bid process:

- Timing and clarity of communication around what is expected of LSIPs

*"The project was delayed due to communication being more geared to colleges. The DfE need to understand the organisations they're trying to contract with...The idea of LSIPs was very well established, but expressions of interest were expected while there was still a huge amount of thinking and decision making going on within DfE, which held the project up massively. We felt like we were bidding for one thing, but that isn't what we're now delivering because that got changed and refined over time...the same with the funding available to us."*

**Lead ERB, SDF and LSIP area**

- Ensuring enough specificity in the initial bid requirements to limit the need for additional detailed financial information following bid submission, supporting faster release of funds

*"Bids were more focused on track record and generalities rather than specific plans and budget. We had to wait for money to get approved - that didn't happen until October. What they should have done is at the outset is asked 'what are you planning to do' and we should have been able to bid for a budget. Then we could have gotten on with recruiting staff and delivery."*

**Lead ERB, SDF and LSIP area**

- Extended timelines for SDF project delivery

Several providers suggested that extended timescales for project delivery (including between grant award and start of delivery, and to the end of funded delivery) would be beneficial, arguing that designing and developing new provision, particularly when done in partnership with other providers, can be very time-consuming. They also observed that it can take a significant period of time to test and stimulate demand for new provision before mainstreaming provision through a wider rollout.

One provider suggested that matching delivery timescales to the academic year would have been beneficial to them. This was because assignment of SDF funding prior to the academic year start would support clearer timetabling of teacher's time, who are also engaged in mainstream curriculum teaching, in addition to SDF pilot project delivery. In

one of their projects, teachers' time had already been timetabled for the upcoming academic year by the time the SDF funding was agreed.

Furthermore, a couple of lead providers commented that it takes time to develop working partnerships, and short-term projects are not the best framework for forming sustainable partnership working across colleges. Short-term projects can also make it more difficult to recruit project staff, with short-term contracts not being as appealing.

*“Project 1 is doing all of the data findings, the training needs analysis. Ideally we would do that, and then be able to analyse it and look at what we do in project 2. Because of timescales, we had to prepare and start project 2 before we had the findings from project 1, so they're kind of running alongside each other whereas ideally you would want one after the other.”*

**Lead provider, SDF and LSIP area**

The next chapter covers the experiences of those developing and delivering pilot activity and developing LSIPs.

## 4 Experience of SDF delivery and LSIP development

This chapter explores the experiences of those developing and delivering SDF pilot and LSIP Trailblazer activity (broadly, the ‘outputs’ element of the ToC, i.e. products resulting from the activities). It begins by outlining good practice in SDF implementation, reflecting on what had enabled successful delivery. It then goes on to consider common challenges experienced during the implementation of pilot activity. It explores partner perceptions of the quality of LSIPs, considers experiences of interactions with DfE during the pilot, and reflects on how partners could be best supported.

### Examples of good practice in implementation (SDF)

There is clear evidence that SDF pilot area partnerships actively involved employers in the development of provision. This ensured that new curricula were designed with employer needs in mind, and that delivery reflected the skills needed in everyday working practice.

Employer involvement in curricula design often took place in two ways. In some cases, employers in sectors relevant to the curriculum area were asked to provide information about their internal learning and development offer to employees. For example, one lead provider of an engineering project, explained that they had engaged a local employer in the engineering sector to talk to learners about the research they conduct and training they provide to employees.

In other cases, employers were directly involved in the co-design of course content. For example, in one region the pilot had engaged a large local employer from the energy sector to support curation of a course. The provider was able to adapt course content (that would meet the needs of this employer), to meet the requirements of other local employers in the sector.

Partners recognised that this kind of activity was mutually beneficial to both employers and learners, with learners benefiting from course content directly relating to local employment opportunities and meeting local employers, and employers benefiting from an improved pipeline of potential recruits.

*“The ability to review and develop our curriculum for next year, to ensure it’s meeting the needs of employers, and therefore we know it’s right for our learners if we can put programmes on that means they’re going to be far more employable at the end of it. This has provided us with the opportunity to have that knowledge of what that looks like.”*

**Lead provider, SDF and LSIP area**

## **Area case study: employer involvement in curriculum development**

**Consideration:** Need to ensure new course curriculum delivers on precise needs of new NHS staff.

**Solution:** In acknowledging the large proportion of NHS employment in the region, one SDF pilot area felt it was essential to gain NHS input into course design. Alongside the requirement to best support sector employer needs, engagement in course design was felt to also support 'future proofing' of new courses, and the building of a strong relationship with regional NHS centres for continued partnership, and potential for future funding. As a result of this co-collaboration, 7 new short courses were designed and delivered in partnership with the NHS. The demand for these courses provided a clear validation of the approach, with the lead provider noting that through learners going through this curriculum, there has been a £1 million efficiency saving for the NHS to date.

SDF areas that established a College Business Centre (CBC) also felt that having a physical space cemented the relationship between the provider, local employers, chambers of commerce and other local stakeholders. There were delays in the establishment/setting up of CBCs for some SDF pilot areas, primarily due to supply chain issues. While this limited their use during the timeframe of the SDF pilot, there is strong initial evidence to suggest the CBCs are supporting collaborative working, whilst also establishing potential means of further revenue.

Several SDF areas with CBCs had experienced significant demand amongst employers for use of the CBC. Demand had been so high in one instance that a lead provider noted the challenge of ensuring that the CBC would be used for its initial purpose of supporting FE and employer interaction and knowledge sharing, as opposed to only venue hire, which would support its long-term financial sustainability. The success of CBCs in supporting collaborative working was often credited to speaking directly with employers about how such a space could support their training needs prior to its development, rather than assuming how employers might use the CBC.

As highlighted in the case study below, one lead provider explained how the CBC in the area has fostered greater links with local employers, as well as helping to support sustained collaborative working between colleges across the region.

## Area case study: College Business Centre areas

**Consideration:** Cementing relationships with key players in the skills landscape through a physical space.

**Solution:** One SDF pilot area worked closely with their local chamber of commerce in the development of their CBC, and the capital investment was used to co-locate the chamber on to the CBC site at the college. This was felt to be beneficial for the whole partnership as it established a real sense of collaboration between the LSIP Trailblazer and SDF pilot, whilst enabling a place where employers can co-work with staff and students on site. Whilst the provider feels the potential for the CBC has not yet been fully realised, they feel there are great opportunities for the CBC to act as a key hub in the area for employer-provider engagement, for example, making it easier for students and employers to discuss apprenticeship work placements.

*"The CBC has enabled us to deepen and strengthen our links with the Chamber of Commerce, as a college, but also working as a collective group of colleges across the region. It's a beginning of a relationship that I hope will get stronger over time...What we've ended up with is the CoC within a site in the college, with the college acting as an anchor for other colleges to support the development and implementation of the LSIP."*

Lead provider, SDF and LSIP area

Whilst, overall, CBCs were seen as positive examples of good practice in supporting employer / provider collaboration, a couple of SDF areas did note potential risks to their long-term sustainability. One area acknowledged that initial revenue pilot funding allowed them to hire a CBC Director, which they were unsure they would be able to keep now that funding has ceased. This role was seen to be critical in supporting employers to understand the pilot's offer, but was not seen to generate direct revenue for the college (and as such would not validate further internal college funds to for its continuation).

## Delivery challenges

The majority of challenges experienced during pilot delivery were caused by factors external to the design of the SDF pilots and LSIPs. This section begins with a reflection on the main external factors and then outlines how the design of the LSIP sometimes had an impact on delivery.



## External factors

The main external challenges to delivery for SDF pilot areas (some of which had also affected partnership formation) were EU Exit, coronavirus (COVID-19) pandemic, issues around staffing and developing SDF projects, alongside 'business as usual' operations.

### EU Exit and Covid-19 pandemic

Most partners interviewed sighted the EU Exit and COVID-19 pandemic as persistent challenges throughout the pilot. The key impacts of the EU Exit and COVID-19 pandemic on SDF pilot delivery were:

- Delays in delivery of specialist equipment, and knock on effect of delays to upskilling staff in specialist equipment
- Limited availability of specialist equipment
- Rise in costs of specialist equipment from initial quotations during bid stage

This mix of external factors is shown in the following quote related to difficulties in completing workforce exchange:

*“The reality is colliding with the pandemic, colliding with the economic situation of the country.”*

**Lead provider, SDF and LSIP area**

Some types of projects such as those relating to green energy, electric and hybrid vehicles, and advanced engineering, were more likely to be delayed than others. This was because they were more likely to require capital investment in specialist equipment as well as provider staff training and workforce industry exchange. Where this was the case, some providers sought to modify the timing of elements of pilot delivery to accommodate for the delays in receiving equipment and to minimise impact on pilot delivery. Despite this, it was not always possible to mitigate the impact of external factors.

*“There have been some barriers whilst this project has been progressing, mainly due to we found purchasing some of the materials [for sustainable construction] extremely hard.”*

**Lead provider, SDF area**

### Staffing issues

SDF pilot projects based on frequent knowledge sharing between employers and providers, or workforce industry exchanges, faced notable issues through the pandemic.

Fluctuating levels of absence meant that FE staff were not able to spend the amount of time in industry for upskilling as originally anticipated, or had to postpone this until lockdown restrictions were lifted, with a knock-on effect for learners:

*“It’s fine saying we’re going to develop these new routes, with a focus on certain skills and knowledge that employers need, but unless you’ve got the [FE] workforce who are ready and prepared to deliver that, the impact is going to be significantly less.”*

**Lead provider, SDF and LSIP area**

Several providers also noted that employers’ tight margins meant that they did not have the capacity to allow staff to be out of the business for extended periods of time to upskill. Providers however were thinking creatively to address this. For example, one partnership identified that in future, they would release college staff for one day a week, to deliver training on cyber security to employers in-house on a consultancy basis.

There was also some evidence that prolonged periods of remote learning had an impact on the development of skills valued by employers. For example, an FE provider delivering in the sport sector explained that a lack of in-person teaching had a negative impact on development of skills such as teamwork and leadership that they knew were important to local employers. Providers now face the challenge of shifting back to face-to-face or hybrid learning, and adapting provision that was designed to be delivered remotely to a classroom or in-person setting.

Another challenge identified, particularly amongst pilots with a focus on green skills and the technology sector, was not being able to offer a competitive salary to FE teaching staff compared to that which they could command in industry. This had an impact on the ability to deliver newly developed curriculum content. The case study below demonstrates how two SDF pilot areas attempted to overcome this challenge.

## Thematic case study: FE staff recruitment

**Consideration:** FE colleges are struggling to recruit people to come and teach. This is not necessarily a reflection on individual colleges as employers, but rather that experienced staff in specialised industries can command salaries of over £100,000 per year. Colleges cannot compete with this level of salary.

**Solution:** One college developed a 'Green Skills Trade to Teaching Programme' and are seeking to recruit participants from existing FE staff as well as recent university graduates who could help deliver the teaching.

One college had planned to overcome this with a "golden hello" to incentivise people to come and work for them. This would involve an incentive payment of £10,000, over and above the salary of £40,000, when starting work at the college.

## Time intensiveness of SDF pilot projects

Most lead providers also identified that pilot activities were time intensive, particularly for staff in senior leadership positions. This meant it was challenging to implement the pilots while also continuing with "business as usual."

*"Sometimes evidencing the true cost [of delivering the pilot] wasn't always easy...it does add another level of work for colleges."*

Lead provider, SDF area

## LSIP design factors

The key challenges for LSIP development largely revolved around the difficulties in engaging a wide range of employers, providers, and local stakeholders to support meaningful collaboration, and feed into the process of developing the LSIP report or LSIP activities (e.g., engagement in sector-based employer forums). These challenges and attempts to mitigate them are discussed in greater detail in the partnership working chapter of this report.

Other distinct challenges for LSIP Trailblazers during the development of the LSIP included:

- **Access and interpretation of data sets.** Several lead ERBs acknowledged the importance of using analysis of existing data sets or primary research to support a clear evidence base for specific employer needs in the region. Whilst lead ERBs did not experience any issue in receiving datasets from various sources (e.g., LEP / MCA), there were occasional delays in the process, or issues with data labelling

and quality of raw data files (used for internal analysis by the LSIP). Although this did not result in any long term 'blind spots' in Trailblazers data analysis, it did result in additional pressure in the context of meeting the LSIP report deadline.

- **Difficulties in recruitment of necessary roles for LSIP delivery.** As experienced by lead providers in SDF pilots, Trailblazers also struggled with recruitment in key personnel areas. This was largely due to the short timeframe of the LSIP Trailblazer project, and difficulty in finding people with significant expertise who were willing to take on a short-term role. As a result, there was considerable use of external consultancies for data collection and analysis, to limit contractual resource for the lead ERB.

*"Due to short term nature of the contract, and how long it took to get funding, we took the decision not to recruit and engaged a third-party external consultant to deliver employer research."*

#### Lead ERB, SDF and LSIP area

- **Time required for lead ERB during reporting.** For most lead ERBs the proportion of their time spent on LSIP related activities increased significantly as the reporting deadline neared. Some felt they had underestimated the time commitment needed and reflected on how they would try to involve other partners to a greater extent in report drafting if they were to repeat the process.

## Perceived quality of LSIPs

While ERB leads felt confident in delivering a quality LSIP which met all the key objectives, wider partners had more varied perceptions of quality. Common factors that affected perceptions of quality were:

- whether there was effective employer engagement
- whether focus was on the right sectors
- recognising the LSIP as a process and not solely a product
- whether the LSIP report was sufficiently granular

## Challenges

### Effective employer engagement

Effective employer engagement mechanisms were seen as central to developing a high quality LSIP. However, despite employing a range of engagement methods (as discussed in the partnership working partnership working chapter of this report), some

ERBs highlighted a range of difficulties in engaging with certain sectors. These included logistics, social care, energy and utilities, or types of business (particularly SMEs) which had proved more difficult to gather feedback from.

Some partners also commented that employers could not always easily identify their longer-term needs, with this being particularly difficult for smaller employers. This was challenging in the data collection phase of LSIP development, as it was hard for ERBs to gather a full picture of employer needs if businesses themselves could not easily articulate their requirements.

*"Employers can identify what they need now... We've got a lot of SMEs who don't have time to do that future planning so they need the support to identify what those skills needs are going to be in 5-10 years' time."*

ERB lead, SDF and LSIP area

## Sector focus

Lead providers were generally positive about the sectors and subject areas covered in the LSIP. Some argued that the LSIP plans missed out important sectors in the local economy, with wider partners having more mixed views about the priority skills identified. However, where they had concerns, this was mostly because their own sector was not included.<sup>3</sup>

## Recognising the LSIP as a process and not a product

Recognising the LSIP as a process and not a product had an impact on perceptions of quality. Some partnerships saw the finalised LSIP as one element of the evidence needed to meet skills needs in the region. Where this was the case, the broader information gathering exercise was also valued for its potential to inform future activity.

*"LSIP was a great source of information, but not just the final report. A lot of the detailed dialogue and feedback from employers behind the LSIP report was really good, rich information to inform SDF2 and ongoing curriculum development."*

Lead provider, LSIP area

There was some reflection on this process, with lead ERBs and partners reporting that their LSIP needed to evolve over time in order to keep pace with changing skills needs. Wider partners could see the potential of LSIPs to develop and incorporate data from different sources over time.

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<sup>3</sup> It is important to note that these concerns were addressed in the wider roll out of LSIPs where a fuller coverage of sectors was expected

## Level of LSIP report granularity

The level of detail of the LSIP reports was seen to be important to how pertinent they were to informing delivery. Participants who found the LSIP reports helpful commented on their level of detail and timeliness.

*“What the LSIP gave was a very rich vein of independent intelligence direct from the mouths of employers that was fresh, up-to-date and comprehensive.”*

Lead provider, LSIP area

The level of detail and clarity of recommendations contained within LSIPs had a significant impact on how providers planned to use them. Several partnerships were able to see how the LSIP could be a starting point for future work due to the level of detail contained in the plan. For example, when interviewed in September 2022, one lead provider stated that the LSIP has already proved very useful as it set out recommendations for change which will be the focus for the partnership going forward. Another area is in the process of turning the LSIP into a skills strategy for the region, and identifying which of the recommendations they can put into action without the need for additional funding from government.

Whilst some could use LSIPs to inform longer-term curriculum planning, others felt that the plan was not sufficiently detailed to achieve this. This was because they perceived that there was a lack of detail/granularity on specific sectors, along with a lack of information on potential/recommended next steps to help reshape curricula and better meet employer skills needs. Where this was the case, partners reflected that LSIPs contained more about the methodology of developing the plan, rather than detail about how the outcomes of it could be actioned.

*“The level of detail in the LSIP report was very small compared to the level of detail in a real deep dive and what we really need is deeper dive..... this is much more important to us as a key stakeholder and education provider.”*

Lead provider, LSIP area

Providers also reported that the level of detail in LSIPs varied depending on region, with some plans seen as being more focused on actionable recommendations than others. One area produced a 'people and skills manifesto' to communicate elements of the plan to stakeholders. This repackaged the LSIP recommendations into a shorter 12 page document and set out actions for different partners.

## Experience of interactions with DfE

Whilst, as noted in the previous chapter, lead ERBs and lead providers had positive experiences in their interactions with DfE, wider delivery partners would have preferred more direct contact. This seems to reflect different approaches between pilot areas on the part of both DfE and the lead provider, and the extent to which the lead provider had fully briefed wider partners on SDF/LSIP purpose, priorities and activities.

*“I don’t doubt whatsoever that we get a full briefing on what happens, it would be quite nice to ask questions directly to the DfE as an individual partner.”*

**ITP, SDF area**

There was limited evidence of wider partners’ views on DfE’s engagement with LSIP development. However, one MCA described regular meetings with DfE and the lead ERB which they highly valued and saw as essential to the future success of the LSIP.

*“It has been really good and it’s been an iterative process as well. So, I’ve met with them monthly as well as DfE and we’ve kind of identified strengths and weaknesses as we’ve gone along. They’ve addressed those.”*

**MCA, SDF and LSIP area**

More generally, some wider partners expressed concerns around how LEPs or SAPs would fit into LSIP development, and wanted DfE to take a more strategic approach in ensuring coherence across policies.

*“From a strategic perspective it’s really important that DfE has a wider recognition of the SAPs and how the LSIPs play into that...in terms of planning for the next couple of years it’s important that we don’t jump on LSIPs and undermine the great work of the SAPs.”*

**LEP, SDF and LSIP area**

Some ERBs would have valued additional guidance from DfE around their role and the procedures for gathering data and publishing the LSIP, as this had hampered initial levels of engagement with bodies such as LEPs.

Concern was also raised by some SDF lead providers that at times, it felt that pilot areas were having to provide the DfE with the same information but for different purposes (and therefore in different formats). It was felt that the data collection process could be more streamlined, with data sharing more cohesive within the Department.

## Process learnings: how DfE could support delivery going forward

Suggestions on how DfE could best support delivery going forward centred on funding, managing relationships, timescales and promotional activities.

- There was a desire for greater flexibility about how funding relating to SDF activity is spent, for example the ability to purchase different pieces of equipment if what was specified in the original proposal is no longer available. One lead provider also hoped that DfE would acknowledge expenses related to project management when it came to allocating funds.
- When **managing relationships**, some lead providers wanted the DfE to take greater action to encourage disengaged or non-committal partners to collaborate with them and engage in SDF activity. Some partners also felt it important that the DfE maintained a relationship with all providers, and not just the lead provider.
- **Delivery timescales** were important to most lead providers, with a clear appetite for future delivery to match academic rather than financial years, or to allow for a longer delivery period.
- In regard to **promotional activities**, lead providers would welcome the use and promotion of good practice case study examples, visits from ministers and policymakers to see the impact of the SDF projects personally. They would also value greater promotion of the collaboration agenda underpinning SDF more generally.
- Some areas would like to see **project management and auditing costs** built into funding going forward, as well as more guidance on auditing.

The next chapter explores the nature and efficacy of partnership working amongst LSIP Trailblazer and SDF pilot area partners.



## 5 Partnership working

This chapter explores the nature and effectiveness of collaboration between partners involved in the planning and delivery of the LSIP Trailblazers and, SDF pilot programmes. It assesses whether Trailblazers and SDF pilots enabled improved collaborative working between partners in their areas, focusing on barriers and enablers for collaboration, and how this worked in practice. The chapter also explores additional barriers and enablers for strong partnership working in the context of SDF2 projects being developed and delivered simultaneously with SDF pilot projects. Finally, the chapter looks at the potential for continued collaboration activities following the end of the SDF pilot and LSIP trailblazer funding.

### How SDF pilot / LSIP models contributed to collaborative working

There were several key enabling factors that supported strong engagement and laid the building blocks for collaborative working during the development stages of SDF areas and LSIP Trailblazers:

- **Previous working relationships with FE Colleges in the area (SDF).** Where providers in the region had previously worked together in collaborative projects, it was considered easier to ensure initial 'buy-in,' clear assignment of roles, and responsibility for specific project outcomes outlined in the bid stage. Some areas also had existing FE consortia covering the same geographical area. In cases where such organisations were already established, areas progressed more quickly to developing full bids as partners already had strong links and experience of working together.
- **A funding model based on collaboration (SDF).** A key enabler for engagement between lead providers and other delivery partners was the SDF funding model. The requirement for collaborative working reduced the potential for a competitive environment developing between providers, which allowed them to pool their employer networks, rather than engagement taking place in silos by individual colleges. Providers viewed the funding model as a key positive of the Skills Accelerator pilot programme, and a welcome change to mainstream funding rules which make it difficult to establish new provision and services.

*"In general, in in the world of Further Education, there's always been competition, but I think as a group of colleges, we do the right thing for the right employers so we're happy to introduce one of our partners to an employer, if it's an area that we don't currently offer as a college."*

Lead provider, SDF area

- **Lead ERBs and lead providers, sitting on both the LSIP and SDF steering group board, supported effective signposting.** This was felt not only to support alignment of priorities between Trailblazers and SDF areas, but also to allow for leveraging of contacts. These meetings provided key touchpoints for ERBs to agree to put a lead provider in touch with specific employers, or vice versa, for lead providers to suggest a potential collaboration with an LSIP stakeholder.
- **Engaging LEPs / MCAs at the start of the LSIP / SDF process to ensure alignment with local priorities and build on existing activity.** Engagement with LEPs / MCAs at an early stage (i.e., bid process), around priorities helped to reduce any initial tensions that arose due to the fact that LEPs / MCAs were unable to directly bid for Skills Accelerator pilot funding. It also provided both SDFs and Trailblazers with scope for building on existing activities such as employer engagement undertaken by LEPs and MCAs, given their regular contacts and established relationships with local employers.
- **Engagement with other ERBs.** Lead ERBs noted the importance of early involvement of other ERBs, to ensure a wider scope of engagement and sector-specific insights.

*"We've engaged with all of them [local ERBs]... they've got links with other local employers that we may not have."*

**Lead ERB, SDF and LSIP area**

## Case study (multiple areas): Local ERB engagement

**Consideration:** Need to engage stakeholders outside of lead ERB membership.

**Solution:** Whilst all Trailblazer areas used multiple sources to engage a wide range of employers, several trailblazers identified that local ERBs were best placed to reach small and medium sized businesses. Although it was acknowledged that small local ERB resource and capacity was limited, they were considered an integral part of initially casting a 'wide net' over all types of employers in the area. The main method of employer engagement involved a short quantitative survey being shared via local ERBs to their networks. This approach was also supplemented by employer focus groups and workshops. However, the survey was considered essential to ensuring that there were no 'blind spots' in employer coverage.

*"The approach of working through various representative bodies has been very effective in breaking new ground and gives a much broader base of knowledge than 1:1 engagement would be - not assuming we have access to every business."*

Lead ERB, SDF and LSIP area

However, there were also a number of barriers faced by Trailblazers and SDF pilot areas which limited the potential for wider stakeholder engagement and collaboration:

- **Time and capacity.** Both lead ERBs and lead providers noted that the short time frame of the pilot programme, coupled with limited internal resource meant that in some cases, engagement methods fell short of their ideal preferences. For example, sending employers in the region a short online survey, rather than engaging them in workshops around their skills needs. This was a particular barrier for smaller lead ERBs and SDF areas with smaller numbers of delivery partners, as there was less potential for delegation of engagement activities to other partner colleges. Partnership formation therefore often relied heavily on known contacts formed through previous working relationships.

*"On our project workstreams we have the Colleges, the ITP, the Integrated Care Systems (ICS) reps and the NHS reps, so to be honest including any more people in that mix would almost make the project unmanageable."*

Lead provider, SDF area

- **Engagement with ITP stakeholders.** SDF pilot areas in particular acknowledged there had been limited engagement with independent training providers, and that they would have liked there to be greater involvement. This barrier was largely felt to be in place due to the requirement of ITP business models to see immediate return on investment, in contrast to colleges who were looking to establish longer term relationships as part of the Skills Accelerator pilot programme.

*"ITPs are less engaged currently. Colleges see the longer-term benefit of this engagement, because there will be no financial return immediately. It will be building relationships for the future. Some of the ITPs, because of their business model, find it more difficult to engage in something which doesn't involve an immediate financial return."*

#### Lead provider, SDF and LSIP area

- **Limitations of partnership structure based on bid requirements.** Whilst the collaborative nature of the funding model (SDF in particular) was viewed positively, one lead provider felt that including sixth form colleges (SFCs) in the partnership bid would improve the potential for engagement with these stakeholders.<sup>4</sup>
- **COVID-19 restrictions.** In several cases, planned face-to-face engagement activities with various stakeholder groups had to be cancelled due to COVID-19 restrictions. Whilst in some cases these activities were moved online, lead providers and lead ERBs felt engagement with online activities was not as dynamic or productive as face-to-face sessions. Despite this limitation, there were multiple examples of lead ERBs and lead providers pivoting their engagement strategies to ensure strong levels of engagement with employers through online interaction. In these instances, innovative methods of engagement often supported lead ERBs and lead providers in moving beyond their pre-existing network of employers or other local stakeholders.

The following case studies provide examples of how lead providers and lead ERBs employed various online methods to engage employers and other stakeholders, considering the challenge of face-to-face engagement due to COVID-19 restrictions.

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<sup>4</sup> However, it should be noted that, as SFCs tend not to deliver technical education, their involvement in SDF activity may be too peripheral to be of value to the overall partnership.

## **Area case study: Tailoring employer engagement**

**Consideration:** Mitigating the restrictions of COVID-19 for face-to-face engagement and ensuring that employers are asked to engage via their preferred method of response

**Solution:** One SDF pilot area acknowledged changing expectations of employers as a result of the COVID-19 pandemic. As such their engagement approach was more targeted, using sectoral and local ERB networks to target specific employers via social media campaigns. The campaigns provided clear response mechanisms for employers, that were not time intensive, with information about the SDF delivered via short digital videos. Information had to be easily digestible, and avoid 'public sector speak'. Videos set out clear reasons for why employers should be involved in the SDF e.g. 'If you want to understand how to get funding for staff training', or 'how to find new staff with required skillsets'. The movement away from face-to-face events aligned well with what employers now expected, and was felt to have achieved higher response rates and engagement.

## **Area case study: Achieving input from unemployed people**

**Consideration:** One lead ERB acknowledged that obtaining the views of unemployed people was necessary to understand barriers involved in upskilling and reskilling

**Solution:** Initially the lead ERB wished to go in to job centres in order to speak directly to their clients. However, this was not possible due to restrictions around space and security. Unemployed people in the region were therefore engaged via a Facebook Bot campaign, using the lead ERBs databases. (A bot is a software application that is programmed to do certain tasks). This approach led to 300 online responses. A similar Bot campaign was also conducted for employed people in the region via LinkedIn, leading to 500 online responses.

## **Area case study: Creating an app to gather data from employers**

**Consideration:** 30% of employers in the Trailblazer geography had previous engagement with the Chamber of Commerce. Equally, the Trailblazer board were aware that employer priority skills needs can change very quickly, and as such quantitative surveys of employers may provide a 'snapshot' of employer views which could be out of date by the completion of the LSIP report.

**Solution:** In order to ensure that the employers involved went beyond 'the usual suspects' who had prior engagement with the Chamber of Commerce, and to capture 'real-time' employer views, a dedicated app was created by the Trailblazer. The app provides regular questions to employers across 3 sectors: Manufacturing, Sport and Health and Logistics. For each sector 'panel' there are 30-40 employers who are engaged in regular responses.

The Trailblazer found that this way of gathering information from employers on skills needs produced a high level of engagement (90% completion rate). It provides a new and innovative means of engagement for employers, with a more limited time requirement than that needed to engage with other data collection methods (e.g., sector panel meetings / focus groups). By marketing the employer groups as 'skills panels,' employers also felt they were part of a community of like-minded organisations in their sector.

To support data analysis, and wide usage of findings, an online 'Skills Observatory Hub' was also created. This allowed all stakeholders (including SDF partners, and those not directly involved in the Skills Accelerator programme e.g., careers advisors) to analyse employer feedback to draw their own conclusions, rather than the data only being available for interpretation by the Chamber of Commerce. The platform's data visualisation provided graphs and charts of 'topline data' in real-time, to enable stakeholders who may not have research expertise to get an immediate sense of employer perception around priority skills areas across the three sectors.

## Supporting collaborative working

Whilst the forementioned enablers and barriers laid the foundations for collaborative stakeholder engagement, the research identified further practical considerations that supported strong collaborative working on a day-to-day level.

- **Sharing expertise and resources.** Most SDF lead providers reported that partnership working had enabled them to provide a strengthened offer to employers and learners. A strengthened local offer was achieved through sharing expertise and pooling resources across providers. This included having enhanced opportunities to provide staff with continued professional development (CPD), or to develop shared digital resources drawing on the knowledge of staff across multiple providers.

Increased co-ordination among providers allowed for the development of curriculum and content that could better meet the skills needs of local areas. It also meant that all providers in an area could make use of a shared curriculum e.g., carbon literacy training qualification, rather than each provider having to develop its own curriculum.

Lead providers also said they had been able to learn from other providers more widely in terms of how they planned and delivered activities. They also reported engaging more with their own partner employers and stakeholders.

*"For me, it's been hugely beneficial just seeing how they work, how they react to things, how they network, how do they get involved in other businesses, what's their approach to planning?"*

**Lead provider, SDF area**

## **Area case study: Collaborating to deliver healthcare training**

**Consideration:** One SDF area is experiencing a considerable number of healthcare assistant vacancies having a negative effect on healthcare provision.

**Solution:** The area launched a Healthcare Academy, which is a two-week intensive bootcamp with work placements in local hospitals. Because of collaboration, and understanding of each other's provision, each college in the partnership specialised in one form of healthcare provision, to avoid overlapping. The development of the Academy has enabled a clear focus on specialised provision for each partner going forward and reduced the possibility of provision overlapping between the Colleges. This has had a direct influence on which health T-Levels will be offered by the colleges going forward. There is now a much better understanding from each of the partners on how the other organisations are set up and deliver provision.

## **Area case study: Developing a shared Carbon literacy curriculum**

**Consideration:** One SDF area decided to focus on carbon literacy and awareness. Carbon literacy was chosen to raise awareness among employers and students of the need to change the way all sectors and industries operate to become carbon neutral.

**Solution:** All colleges in the partnership agreed to embed carbon literacy into their curriculum as part of the SDF project. How this was operationalised varied across the group. One model was self-guided learning for students; another was embedding carbon literacy training in the curriculum provision of existing courses; another was to create brand new courses. Different approaches worked in different colleges. Employers were also included in the project, showcasing how carbon literacy is an important skill across a variety of industries going beyond tech and science. The carbon literacy and awareness project was very successful, with over 1,000 learners awarded the Carbon Literacy Award. The colleges which participated have decided to continue this project beyond SDF by jointly paying a shared course teacher's salary for the academic year. In this way, carbon literacy has become embedded into the curriculum of 5 colleges, which are now all currently offering the course as part of their curriculum.



- **Establishing clear aims and responsibilities.** On the whole, SDF pilot providers worked together well once a clear common goal was established and understood by all providers. In a minority of cases this was more challenging where partners had specialist and niche interests, and there were no clear areas of collaboration for the other partners. In areas with a larger number of partners, collaboration was fostered by the partnership developing smaller sub-groups based on specialist areas such as Agri-Tech or hydrogen.
- **Discrete project management.** A designated project manager to coordinate activities and organise meetings was seen as an essential part of good collaboration. Lead providers described organising regular project meetings to encourage partnership working. This coordination role was more evident in larger partnerships. Several providers who recognised the importance of a distinct project management role hired project managers specifically for SDF pilot activity (unattached to any of the day-to-day workings of the college).

*“Two colleges have brought in professional project managers. Professional project management has been critical to the success of this work as the biggest challenges we had is not the money which is unusual, instead it is the timing, and the other challenge is spending the money you have been originally put for.”*

**Lead provider, SDF and LSIP area**

- **Regular stakeholder ‘check-in meetings’.** A couple of lead providers identified regular meetings between partners to discuss and agree upcoming priorities as key enablers of success. One of the providers commented that these meetings enabled partners to establish a good working relationship, ensuring they had “the right people,” around the table, and allowed all partners to engage in transparent discourse as part of this process.

## **Partnership working in the context of SDF2**

Bids for the £92 million SDF2 Fund were due in May 2022, with successful bidders announced in September 2022. Individual bids were capped at £1.5 million of capital and £1.25 million of programme funding. Most areas reported no major changes in their partnership working following the launch of SDF2.

For those that did report changes, these were mainly minor changes to the structure, with some increasing the number of members within the partnership or expanding the geographical coverage for the project. A few areas decided to change the lead provider for SDF2, with one explaining this choice was taken to ensure it did not appear as if one particular partner was ‘dominating the group’. In another area, one of the main partners decided to take a step back when it came to their degree of involvement in the

partnership, with the lead provider suggesting this may have been due to capacity issues, or differing strategic priorities.

Several partners decided to make small changes to their approach to meetings, as a result of the learning from the SDF pilot. In one case, a lead provider indicated that they were now intending to make the meeting structure more formalised for SDF2 by holding a bi-weekly catch-up for wider partners, and by nominating a lead for each of the project's strands, with each lead holding strand-specific meetings. There was no suggestion however that this approach would be applied to meetings regarding existing SDF pilot programmes. In another case, the lead provider now spoke to partners less often about SDF pilot projects due to increased confidence and experience now that delivery was underway.

Most lead providers indicated that the main enabler for strong partnership working was having pre-existing strong relationships between delivery partners. The SDF pilot strengthened those pre-existing relationships, with one lead provider observing that providers now understood the challenges that each other faced and had an increased level of respect towards each other. In one area, the pilot's efforts were formalised through the shared drafting of a "collaboration agreement" between providers, which extended beyond the SDF pilot to establish a shared framework for working together.

*"[Partnership] is still working because of the nature of [region], [region] had long standing partnerships anyway amongst the colleges and the university, that have been formalized in various speeds..."*

**Lead provider, SDF and LSIP area**

Whilst working patterns remained largely similar, there were some difficulties that arose due to balancing commitments between SDF pilot and SDF2 activities (project design, delivery and procurement).

- **Shift of priorities by non-lead partners on to SDF2 projects.** In several cases, lead providers voiced some difficulties in engaging with specific partners following the successful SDF2 bid. In one area, SDF partners decided to create a collaboration partnership agreement to formalise their working relationship, but the lead provider did not feel confident they would be successful in engaging a more "challenging" partner, who had shown less interest in the sustainability of their SDF pilot projects following allocation of funding for their SDF2 projects.

*"It will be interesting going into SDF 2 whether that particular partner comes to the table and signs that document."*

**Lead provider, SDF area**

- **Continued collaboration.** One of the lead providers felt that SDF2 projects involved very limited college collaboration compared with the pilot, despite the DfE's emphasis on it. Lead providers in two areas where one or more partners were being non-committal suggested that perhaps more checks should be carried out by DfE to ensure that collaboration is taking place.
- **Continued lack of ITP involvement.** As previously noted, another issue identified with SDF pilot partnerships was the lack of engagement from ITPs. This issue remained present in the SDF2, with one lead provider commenting there was still a clear need to bring private providers on board. In order to do so, they allocated some funding for private providers.

*"I think one of the challenges for us, which we must address, is this idea that you have to engage more with the private providers as well [...], which is why we kind of put some of the funding for the private providers [...] To help with some funding [...]. So I think that is a kind of stakeholder engagement that we can do more on."*

Lead provider, SDF and LSIP area

- **Perceived dependency on lead partner for fund allocation.** One lead provider reported that their FE partners felt anxious about the new contracting process for SDF2 which they understood required all SDF2-related procurement to go through the lead college. In their understanding, this meant that, for example, if one institution in the partnership wanted to purchase equipment, they would have to do so through the lead provider. They also expressed concern regarding complexities around VAT and depreciation. These concerns were unfounded as DfE has confirmed that as was the case for the pilots, it remains the decision of providers in an area to have a single grant agreement with a lead provider or individual grants for a number of projects. In either case, a degree of subcontracting is likely to be necessary.

## Continued collaboration following end of SDF pilot / LSIP trailblazer funding

There was some evidence of continued collaboration between partners following the end of the SDF pilot and LSIP Trailblazer funding streams. However, this tended to be for activities that were relatively low cost and could be sustained without additional external funding. For example, lead ERBs felt there were certain Trailblazer activities which had become 'business as usual; and so did not require much additional funding. These activities included employer sector-based forums, ongoing discussions with FE Colleges and regular signposting to employers around provision being generated via SDF projects. Overall, there was a desire amongst lead ERBs to continue the working relationships with

LSIP partners, whether this be through an official LSIP structure, or a distinct formalisation e.g., employer needs working group.

For SDF pilot areas, impetus for collaboration following the end of the SDF pilot was perceived to have been secured due to the confirmation of SDF2 funding. Whilst lead providers were clear that there would continue to be some level of working relationship with delivery partners (as there had often been prior to the SDF pilot), there was less certainty with regards to continued working around specific SDF pilot projects, given that delivery required significant funding to continue. Equally, whilst there was a need for further collaboration on SDF2 projects that were in development, lead partners felt less need for future collaboration amongst partner colleges for continued delivery of SDF pilot projects. This was largely because they felt the SDF pilot project delivery approach would be embedded during the 2022-23 academic year, and they could then be run efficiently by individual colleges that had responsibility for them, Perceptions around sustainability of SDF pilots are discussed in more detail in the 'perceived outcomes' chapter (chapter 6) of this report.

One lead provider commented that they were continuing to work to keep stakeholders engaged to make sure that they were ready to implement streams of work if more funding was secured.

*"The SDF has continued to support that collaborative approach, so I can't see any reason why those relationships won't continue."*

**Lead provider, SDF area**

Another observed that their refreshed approach to engaging businesses meant that they would be having better and more focused conversations with businesses around skills needs and education. This sentiment was echoed by a lead provider, who commented that the relationships that were built between key stakeholders and colleges in SDF pilots would continue to reap rewards in the longer term.

The next chapter explores the outcomes and impacts identified to date by providers and employers.

## 6 Perceived outcomes

This chapter explores the outcomes and impacts identified to date by providers and employers. It considers the progress made towards intended outcomes by September 2022, including barriers faced and the solutions that areas have put in place to overcome barriers. It also considers the perceived sustainability of the pilot activities in each area and any plans to maintain activity post-funding.

### Outcomes achieved

The Theory of Change (ToC) for the Skills Accelerator pilot sets out short-term outcomes which were expected to be achieved by September 2022. These outcomes are set out in Table 3 below.

**Table 3: Short term outcomes for Skills Accelerator pilot**

<b>SDF / LSIP</b>	<b>Short term outcomes</b>
LSIP	LSIPs viewed as making a valuable contribution to a responsive skills system
LSIP	Increased employer confidence in responsiveness of skills system
LSIP & SDF	Better understanding amongst providers of the skills that businesses need to move forward
SDF	Demand for new courses is stimulated in skills priority areas
SDF	Stronger and more meaningful collaboration between local providers
SDF	Curriculum shifts to high value, more specialised skills provision
SDF	Provider staff are upskilled to deliver new provision
SDF	Facilities are equipped to meet demands of new curriculum
SDF	Increased appetite for innovative approaches amongst employers

## Overall progress towards achieving outcomes

Progress towards achieving outcomes varied by area and by outcome. Overall, providers and ERBs were positive about the progress made against outcomes, particularly around partnership working and employer engagement.

Barriers to achieving outcomes included: tight timescales particularly around contracting, meaning not enough elapsed time to deliver changes and measure impact; uncertain or – in some cases – limited learner demand; lack of staff time; data availability; and wider factors including COVID-19 and the increased cost of living from summer 2022.

The following section discusses each outcome in turn, and identifies the extent to which it had been met by the end of September 2022.

## Progress towards demonstrating outcomes

This section summarises some of the overall issues affecting delivery of the Skills Accelerator pilot. It then considers each outcome in turn, and assesses the extent to which it has been met. Each outcome is given a rating:

- limited evidence;
- mixed evidence; or
- strong progress.

Table 4 provides a summary of progress against each outcome.

## Overall issues

Progress has been made towards achieving each of the Skills Accelerator pilot outcomes. SDF leads provided examples of how partnership working and employer engagement activities have continued post SDF-funding, suggesting these outcomes have been fully met and new ways of working have been embedded in a more long-term way. Further progress has been made towards achieving some of the other outcomes, with many new courses up and running for the start of the 2022-23 academic year. Equally, LSIP Trailblazers have been able to contribute to building a responsive skills system, and increased employer confidence in it, through varied and employer engagement strategies.

However, there were challenges in relation to achieving some of the outcomes, including increased employer appetite for innovative approaches. COVID-19 prevented face-to-face events/engagement, so some areas had to downgrade their expectations of numbers of industry placements delivered. In addition, respondents reported that many employers have been struggling with increased costs, and as a result have been unable

to release staff for training. This has meant that attracting learners to certain courses has been challenging, as businesses have had to prioritise day-to-day operations to keep afloat during a difficult period.

SDF leads also reflected on the pace of the pilot implementation. Some had felt they had been inhibited in commencing delivery because the contracting process with DfE had been lengthy. Delays in putting project processes into place and agreeing grant letters means that projects were not always able to start as planned. One respondent reported that it took significant time to agree payment schedules with contractors for capital spend. Another mentioned difficulties in agreeing changes to curriculum design, because colleges need funding to deliver courses. Aspects of the wider FE reform programme set out in the Skills White Paper are still being implemented, colleges do not necessarily have certainty of funding for new/amended courses, so these are delayed. These issues have resulted in knock-on delays to curriculum design and set up, as well as communication of the new offer:

*"Even though the courses have started last week, we've got a low up-take at the moment, and that's simply because people haven't had a chance to respond... this was crammed into the minimum amount of time."*

**Delivery partner, SDF area**

Others noted that the (original) delivery timeframe for the pilot was relatively short and stakeholders were extremely busy.

*"The initial timelines of the project, if I'm being honest were fanciful."*

**FE College, SDF area**

The timeline for delivery was also a key challenge for LSIP Trailblazers. Lead ERBs commonly felt that the deadline for delivery of the LSIP report was very short, given the time required to engage employers, and produce analysis of primary and secondary data. In some cases, this contributed to report outputs that were not granular enough for providers to use for development of new courses for SDF2, or amending curriculum of SDF pilot projects that had already been developed.

### **(LSIP outcome) LSIPs viewed as making a valuable contribution to a responsive skills system: mixed evidence**

There was some evidence to suggest that LSIPs were making an important contribution to ensuring a responsive skills system. However, fully meeting this outcome is likely to require a longer period of elapsed time to build relationships, fully embed changes and maximise employer confidence in the LSIP process.

ERB leads were very keen to continue working with LSIP stakeholders in future. Some anticipated that they would be able to do this in a more comprehensive way than was possible during the trailblazer period. They have continued to keep stakeholders engaged to make sure that they are ready to implement streams of work if more funding is secured. However, it is currently too early to definitively assess to what extent LSIP Trailblazer activity will be sustained, given that future streams of work are predicated, in some cases, on further funding opportunities.

**(LSIP outcome) Increased employer confidence in responsiveness of the skills system: limited evidence**

Providers showed clear commitment to shaping provision in response to employer feedback. Respondents felt that employer confidence in the responsiveness of the skills system was likely to continue to improve as the LSIPs become fully embedded, provided employers see more evidence of their needs being listened to and provision reflecting these needs. Employer engagement was seen as an important first step in designing provision aligned with local employer needs, thereby stimulating demand for new courses in priority skills areas.

However, a number of factors, including lack of staff time (for providers and employers) limited potential impact. Providers mentioned multiple pressures on businesses, including post-COVID-19 recovery, which limited the extent to which businesses maximised the use of resources and support around skills development. Equally, there were instances where communication between lead ERBs, lead providers and other delivery partners could have been more effective.

**(LSIP and SDF outcome) Better understanding amongst providers of the skills that businesses need to move forward: strong progress**

SDF lead providers felt that this outcome had largely been met in June 2022, as a result of the initial consultation phase to develop priority areas of activity. Whilst to some extent the consultation built upon known skills needs, the SDF project gave lead providers the opportunity (outside of day-to-day college work) to engage other providers and stakeholders in finding solutions to how they can best meet local employer skills needs, and importantly provided the funds to implement changes. They felt it was an important first step in designing more employer-responsive provision. Equally, the fact that lead providers commonly sat on LSIP Trailblazer steering boards, and in some cases were involved in joint provider and employer forums, supported consistent and frequent communication around the skills businesses need. This promoted an open and honest



discussion on how providers can create new provision to support them, through innovative pedagogy and curriculum design.

However, by September 2022, some leads reflected that their understanding of employer needs is an ongoing process, with employer needs evolving as they respond to changing market conditions. One provider gave the example of changing their focus to provide more short, intensive, lower-cost courses in response to businesses reporting heightened pressure on their finances. Another SDF lead mentioned switching provision in response to employer feedback, increasing their focus on Management rather than Engineering courses.

Given the iterative nature of the process, providers stressed that it is important to build in sufficient time and capacity to schedules for genuine engagement with employers to take place. While providers recognised the importance of working in an iterative way and creating a 'feedback loop' to ensure that their provision is based on up-to-date employer needs, they also noted that this approach required them to regularly review the skillsets of their staff, and the need for potential retraining. This is potentially a barrier to ongoing upgrading of provision, in light of the challenges some providers are experiencing with attracting qualified staff. LSIPs can play an important role here in identifying and articulating changing employer need.

In some cases, providers were finding it difficult to fully adopt an employer-led approach to provision. For example, two areas separately reported having developed a Cyber Security course that they were trying to market to SMEs in their area. They were finding that take up was slower than expected due to some SMEs not necessarily recognising the importance of such skills (in the providers' views), and therefore not prioritising it for their staff. For these providers, the focus was on selling the course which they felt was a priority: a "provider led" approach, rather than responding to needs articulated by employers themselves.

## **Area case study: Responding to employer need for 'work ready' employees**

**Consideration:** An SDF area had discovered through an employer Training Needs Assessment that employers in their area felt that work placement and work readiness were often lacking in candidates coming into the job market.

**Solution:** This resulted in the area reviewing the curriculum and developing a workforce industry exchange. They flexed this to employer need in response to ongoing consultation, so that the programme ran during June/July, as opposed to the first few months of the year when college staff are heavily involved in curriculum delivery.

By June, most ERB leads were positive about how the process of developing the LSIP had seen them having good conversations with employers and in identifying agreed shared goals. Areas had adopted different mechanisms to ensure input from employers and providers in planning for local skills needs (e.g., employer panels).

The extended timetable for the SDF pilot was felt to have helped maximise the extent to which LSIP priorities are reflected in SDF projects. Providers felt that this flexibility has given areas time and space to incorporate learnings from the SDF pilot. One area noted that, initially, incorporating information from the LSIP to their own work had been challenging given time constraints. Ultimately, though, having the LSIP as well as their own Training Needs Assessment (TNA) had meant that the SDF pilot activities had been informed by an even stronger understanding of employer skills needs.

*"It has allowed us greater scope to say, 'if we're looking at the recommendations for change in the LSIP, how can we work on that now to get a head start'... it has given us an opportunity."*

**SDF lead, SDF and LSIP area**

### **Demand for new courses is stimulated in skills priority areas: limited evidence**

By June 2022 areas had not started to advertise their courses as expected. One reason for this is that COVID-19 had prevented face-to-face engagement. Lead providers expected they would be doing this come the new academic year. Indeed, by September 2022, areas were generally in the process of advertising their courses. For some, this attempt to stimulate demand was going well, and they were accepting learners onto their

courses in the volumes targeted. Some had fully embedded courses in their curriculum and had already accepted high volumes of learners.

However, for others, there were challenges in raising employer demand in skills priority areas and attracting the number of learners they had wanted. In part this may reflect the elapsed time required to raise employer demand for skills; efforts to raise demand for new courses may take several academic years to result in sustained increases in enrolment.

Some areas which were not seeing as much interest in new courses or training as they had faced external challenges, causing them to reprioritise how staff time was used. Some areas were finding that employers could not release staff onto training. For example, one area had developed a course for the NHS which incorporated a workforce exchange, but found that NHS staff workloads meant that targeted (shorter term) provision was more successful in terms of engagement.

*"In hindsight we would have done it in a different way. We underestimated the challenge for the NHS in terms of being able to release staff."*

**Lead provider, SDF area**

Areas were using different approaches to try and make it easier for employers to send learners on courses, for example developing mobile provision or sending college staff to deliver training on the employer's site. These approaches generally resulted in higher levels of enrolment when combined with short, 'stackable' course curriculum, where staff could fit attendance more easily within their work schedule.

However, one area who had invested in a mobile 'robots' training van so they could be agile were getting limited take up from local employers (only three employers had signed up for them to come to their workplaces) and were instead finding that schools and community venues were more receptive.

Similarly, one area had a target of 820 students for their bespoke employer curriculum but by September had only recruited 325 learners. They remained hopeful of reaching their initial target but had found attracting learners to be difficult; they attributed this to issues with getting referrals from local Job Centres. Fourteen attended the open day and 8 enrolled in the course; which as seen in the quote below had issues for the provider. They attributed the shortfall in numbers enrolling to the impact of COVID-19.

*"We can't run an extra 6 or 7 on the next course because we haven't got the capacity to do that, so we'll never make that shortfall up."*

**Lead provider, SDF and LSIP area**

One provider also noted that their key performance indicators (KPIs) included bespoke delivery into specific organisations, but some employers preferred a staggered process where learners engaged with a standard offer first, before the development of bespoke modules/courses. Another provider noted challenges in engaging existing NHS staff given COVID-19 related work pressures – an example of how external factors affect programme impact.

In general, areas felt that where they had faced challenges around demand for new courses, expected outcomes were often delayed, rather than now considered unachievable. The experience had led to providers acknowledging the need to be more mindful on which periods employers are not likely to release staff for training. As noted, this varied by sector. One area had developed a creative design course, which they had planned to run over the summer but had had no take up from businesses. They were therefore planning to run the course in October instead, and reported good interest in the new dates. Another area had decided to advertise their training activities for the start of the academic year to meet existing patterns of demand, rather than during the completion of the initial part of the SDF project; they reported that this had resulted in greater uptake.

### **Stronger and more meaningful collaboration between local providers: strong progress**

SDF lead providers largely had been able to demonstrate achievement of this outcome by June 2022. SDF areas gave detailed examples of stronger and more meaningful collaboration among partners, reporting that the SDF funding model has harnessed a sense of collaboration rather than the competition that may have been evident prior to the Skills Accelerator programme. By September 2022, most leads continued to reflect positively on their partnership working. There was also a recognition of the value of partnership working to avoid provision overlapping.

Some leads referenced keeping more formal collaboration in place. Examples of this included:

- monthly meetings between partners involved in the SDF
- data sharing agreements
- cross-promotion of courses on both their own and their partners' websites
- directing learners on any oversubscribed courses to another college in their area (and vice versa)
- an agreed pricing structure for unity across the county
- ensuring that courses are not scheduled for the same day

One area described how they continued to work closely with their partners, via regular meetings:

*"We meet on a very regular basis right from the get-go... from writing the bid right through to securing the contract right through to then working together with procurement to see if there's any extra value in working together... So, the partnership continues and I would say it is working really, really well."*

**Lead provider, SDF and LSIP area**

A small number of areas reported minor issues with some partners, including challenges in communication and (in a very small number of cases) partners not delivering on commitments. However, these were isolated incidents and in general relationships between partners were strong.

### **Curriculum shifts to high value, more specialised skills provision: mixed evidence**

The purchase of specialised equipment, focus on new technologies, and emphasis on emerging or growth sectors by June 2022 put SDF areas on track to ensure that the curriculum shifts to high value, more specialised skills provision. New courses are generally in specialist areas such as green skills, digital skills, decarbonization or engineering.

Some of the new courses in high specialist areas have seen a good initial uptake in learners, indicating that in some local areas, a shift may be beginning. Where other areas had lower levels of uptake of new courses, this was often framed around external employer issues (e.g. release of staff), rather than fundamental issues to do with the content of the provision.

Some courses however have not started yet due to facilities not being fully built, installed or integrated within new curriculum design. Equally, the purchase and implementation of new facilities alone will not be sufficient to evidence whether this outcome has been fully met. The impact of SDF pilot projects on shift to high value, specialist provision will only be known after several years of delivery e.g. if new courses, begin to replace more mainstream provision in FE providers.

### **Provider staff are upskilled to deliver new provision: mixed progress**

Most providers had started to upskill staff to deliver new provision for the September 2022 academic term. Several areas explained how the procurement of new technologies as part of SDF funding had resulted in upskilling of staff across a broad range of roles to

support delivery of new curriculum. This had occurred despite some initial hesitancy amongst existing teaching staff to engage in upskilling around new pedagogy e.g. online teaching platforms or virtual reality equipment, in addition to delivery of mainstream curriculum.

However, some were finding it challenging to upskill staff, or find and hire new staff, in certain areas, for example in more niche specialised areas (or relating to new technologies). One area described having booked their staff onto training courses which were then cancelled due to lack of demand:

*"[it's been] challenging to source training programs for some of the staff... the training programs were in things such as solar panel heating, biomass boilers, water competing, wind turbine training, electrical hybrid vehicle training. Hard because they sourced them, then they were cancelled and then we had to re-book them, then there were some that weren't on again for another 6 months as the volume of interest wasn't where it should be."*

**Lead provider, SDF area**

Another area acknowledged that their staff skillset was not yet aligned with the new curriculum they had developed. This provider had approached their SDF activities sequentially: now that they had completed the refurbishment of their facilities and planned their curriculum, they were looking to upskill their staff.

Some providers were finding it challenging to recruit learners onto teacher training courses, particularly in more specialised topic areas such as decarbonisation. Areas experiencing this issue reported that they were finding uptake to these courses was slow.

As more of the new provision goes live, SDF leads have also found that staff can be reluctant to move into teaching from industry, given that a role in industry (particularly in some of the specialised skills areas) pays more than a career in FE teaching. This presents a challenge not only for recruiting target numbers to teaching training courses but also hiring staff to deliver the new curriculum.

Providers were concerned that challenges of these could be ongoing as they continued to respond to employer needs for cutting-edge content and skills when designing their provision.

### **Facilities are equipped to meet demands of new curriculum: strong progress**

SDF areas had already made good progress with this by June 2022. By September, most were almost finished with their refurbishments or had already developed their new facilities. However, many had faced delays – some quite significant – due to supply chain

issues. This was felt to be a consequence of the COVID-19 pandemic, contractors not having staff, not being able to bid for work, EU Exit, availability of equipment and contractors lacking capacity to take on projects.

*"There have been some barriers whilst this project has been progressing, mainly due to... we found purchasing some of the materials extremely hard."*

**Lead provider, SDF area**

Procurement tended to be more of an issue with specialist equipment. One area spoke of having designed and procured their Mobile Training Unit (MTU). However, this had not yet been delivered, which had led to an extension in capital and revenue for project.

Some areas had experienced increased costs which had meant the experience of redeveloping facilities had been more challenging. One area mentioned that the delays they had faced due to arranging planning permission, as well as delays in getting materials, had led to additional expense with the cost of materials going up. Another area spoke of having to make slight alterations to their initial plans due to the fluctuations in the prices of some of their supplies. However, most areas felt on track to complete their new spaces within budget, albeit to a delayed timeline for some.

SDF leads spoke of general excitement among employers in their area about using these new and upgraded facilities. Others were already using their new spaces, and this was going well. Those with College Business Centres (CBCs) saw huge potential for the spaces to allow employers to co-work on site at the college, to meet with students and staff, and make it easier for students to talk to employers to arrange work placements / apprenticeships. One area which had not yet opened their new building described how they had a list of large employers pre-registered to use the space. They described how the venue would be the first of its kind given its location in the centre of the local area and would allow all businesses to meet and develop decarbonization in construction. Whilst CBCs were viewed as important spaces to enhance ongoing employer engagement, it is currently less clear how this will formally support new curriculum. Although, it was felt there is considerable potential for co-development, when learners, provider staff and employers are able to share the same physical space.

### **Increased appetite for innovative approaches amongst employers: mixed evidence**

SDF pilots were funded to develop activity to encourage employers to move up the value chain. This was done by helping them to recognise how investment in new skills and technologies can help raise productivity, and by encouraging employers and individuals to adopt more entrepreneurial approaches. Supporting activities could include equipment demonstrations, providing incubation space and developing joint projects (in some

instances through use of the area CBC), and other bespoke services including consultancy.

While there was some evidence of relevant activity, it was felt to be still 'early days' in terms of whether the SDF funding had led to an increased appetite for innovative approaches. SDF leads gave anecdotal examples of employers engaging with 'innovative' approaches such as workforce exchanges, or mobile vans which allowed technologies to go to employers rather than requiring them to visit a geographical hub.

One SDF lead mentioned that employers were now approaching providers proactively with their skills needs, which reflected new types of relationships and innovative outreach activities on the part of providers, as well as perhaps increased entrepreneurial thinking by some employers. However, this was felt to be at a relatively early stage:

*"It will take time to filter through to employers that, if they want something initiate it, come and do something about it as well as we [FE sector] doing our bit - they can approach us."*

**Lead provider, SDF and LSIP area**



## **Sector case study: Introduction of new technologies to future-proof manufacturing and engineering employer needs**

**Consideration:** Most SDF pilot areas identified employer priority needs around engineering, manufacturing and construction sectors, noting concerns with mass usage of out-dated technology and a workforce unskilled in new technologies and processes, resulting in potential high levels of skills gaps.

**Solution:** SDF projects focused strongly on introducing new technologies in these sectors, encouraging buy-in from employers who previously may have been reluctant to invest in new equipment without a strong understanding of potential gained efficiencies. These projects centred around providing the space and opportunity for employers to trial and learn on new up to date equipment, without an immediate need to change processes and upskill employees 'overnight'. Examples included: creation of an industrial facility on a college site to support employers with new techniques for steel erecting competency, providing learners and employers access to electric training rigs and updated equipment for marine engineering, and development of a sustainable home heating centre on site in a refurbished college space.

*"There's a lot of businesses stuck in the 1980's using old processes and old-fashioned equipment... They don't have the wherewithal to invest and even if they do have the money they find it hard to get the right help. It's all about changing that situation that they're in. Enabling them to embrace new technology and support them to invest wisely in the right equipment and give them confidence that there is a skilled work force available."*

**Lead provider, SDF area**

## Summary of progress against outcomes

Table 4 sets out a summary of progress to end September 2022 against each of the intended short-term outcomes for the Skills Accelerator pilot.

**Table 4: Progress against each of the Skills Accelerator programme’s intended short-term outcomes**

SDF / LSIP	Short term outcomes	Main sources	Progress against outcome	Key evidence for assessment of progress against outcome
LSIP	LSIPs viewed as making a valuable contribution to a responsive skills system	Partner and stakeholder consultations	Mixed evidence	<ul style="list-style-type: none"> <li>Some examples of beginnings of establishing longer-term relationships between LSIP stakeholders,</li> <li>At Trailblazer stage, it is too early to assess whether relationships will be sustained post-funding, and in general, how LSIPs’ contributions will be viewed following the immediate aftermath of report publication</li> </ul>
LSIP	Increased employer confidence in responsiveness of skills system	Partner and employer representative body (ERB) consultations	Limited evidence	<ul style="list-style-type: none"> <li>There are strong examples of high-quality employer engagement to inform high-value provision. Whilst this points to future increased employer confidence in the responsiveness of the skills system as LSIPs become fully embedded, it is unclear at this stage whether new provision aligns with employer expectations of how best to meet their skills needs, and how responsive provision can be to meet changing needs in the future.</li> </ul>
LSIP & SDF	Better understanding amongst providers of the skills that businesses need to move forward	Provider and ERB consultations	Strong progress	<ul style="list-style-type: none"> <li>Strong examples of enhanced employer engagement to support development of provision that meets specific needs.</li> </ul>

<b>SDF / LSIP</b>	<b>Short term outcomes</b>	<b>Main sources</b>	<b>Progress against outcome</b>	<b>Key evidence for assessment of progress against outcome</b>
SDF	Demand for new courses is stimulated in skills priority areas	Provider consultations Case studies	Limited evidence	<ul style="list-style-type: none"> <li>• Limited advertising and marketing of new courses as of June 2022 due to COVID-19 restrictions. Delay to initial plans with most advertising / marketing activity undertaken in September 2022.</li> <li>• Some areas reporting lower than expected enrolment in first academic term of 22/23.</li> <li>• However, minority of areas showing high levels of enrolment for some courses e.g., where mobile or online learning was supported</li> </ul>
SDF	Stronger and more meaningful collaboration between local providers	Provider consultations	Strong progress	<ul style="list-style-type: none"> <li>• SDF funding model supporting collaborative approach</li> </ul>
SDF	Curriculum shifts to high value, more specialised skills provision	Provider consultations (including comments on enrolment levels)	Mixed evidence	<ul style="list-style-type: none"> <li>• SDF pilot area projects largely focused on emerging or growth sectors</li> <li>• Purchase of specialised equipment focused on new technologies</li> <li>• No evidence yet to suggest high value, specialist provision will replace current more general, mainstream curriculum in provider portfolios.</li> </ul>

SDF / LSIP	Short term outcomes	Main sources	Progress against outcome	Key evidence for assessment of progress against outcome
SDF	Provider staff are upskilled to deliver new provision	Provider consultations	Mixed progress	<ul style="list-style-type: none"> <li>Majority of new courses being delivered in first term of 22/23 academic year, with staff upskilled to support delivery. This is despite some initial delays to teacher training due to the knock-on impact of equipment for new curriculum being delivered later than initially planned</li> <li>However, SDF pilot areas face continuing challenges to upskilling staff in more niche areas (due to demands on staff time to teach mainstream curriculum) or recruiting staff to deliver new curriculum (due to salary competition in private sector).</li> <li>Whilst this challenge commonly has not resulted in new courses not being able to be delivered, providers see this as a threat to sustainability of SDF pilot projects.</li> </ul>
SDF	Facilities are equipped to meet demands of new curriculum	Provider consultations	Strong progress	<ul style="list-style-type: none"> <li>Despite some initial delays, SDF pilot areas have now all been able to secure required facilities to meet demands of new curriculum.</li> </ul>
SDF	Increased appetite for innovative approaches amongst employers	Partner and stakeholder consultations	Mixed evidence	<ul style="list-style-type: none"> <li>Providers have engaged employers with innovative approaches through SDF pilot projects e.g., equipment demonstrations, and facilitation of discussion of new practices in College Business Centres (CBCs).</li> <li>Limited examples of whether this has resulted in measurable increased appetite for innovative approaches (e.g., take up of training courses on using new technologies).</li> </ul>

## Sustainability

Lead partner participants were generally very positive about the activities undertaken as part of the pilot, and were keen to continue these. They mentioned several ways in which activities would continue post-pilot – for example, new curricula would continue to be delivered post funding, and providers had considered how to build longer-term sustainability into course design. Where capital funding had been used for equipment or new facilities, providers were working together to ensure that these continued to be used.

In June 2022, some areas had expressed concern that they would struggle to keep project activities going without clarity on continued funding. By September 2022, SDF leads had more ideas on avenues they could explore to fund activities going forward and there was a general feeling of cautious optimism about the sustainability of the pilot activities. Some partnerships were committed to funding posts set up during the pilot:

*"I'm absolutely confident that those posts that we've put in, we've put them in as permanent. We've committed to it."*

Lead provider, SDF and LSIP area

Most were looking to fund the activities in diverse ways including asking employers to pay for the full cost of the course.

One or two were feeling more pessimistic about the length of the pilot restricting long term change and the prospects of continuing to fund the activity going forward.

*"I'd hate to give up on it at this point and that's one of the frustrations that the time of this [SDF1 funding] is so short that we, you know, we've not had the chance to really give it a good test, so we'll probably get to the end of this and we'll never know whether it could have worked or not. I mean, we'll still have the van and we'll still try to find ways of doing this sort of thing. But we just need to be a bit more savvy now because we can't. We haven't got any money to do that."*

Lead provider, SDF area

### **Funding ongoing running of facilities, maintenance of equipment and upskilling of staff**

Many areas had spent their SDF funding on improvement of facilities or equipment. Ongoing running of the facilities (and future potential replacement of equipment) was something that providers had tended to have accounted for as part of their Business As Usual (BAU) plans. For facilities which related to green energy, the day-to-day running costs were expected to be very minimal as the facilities have been specifically designed

to be energy efficient through use of solar power panels, among other measures. For example, one area who had developed a home energy centre that the lead expected that it could be running close to Net Zero.

A similar arrangement was spoken of when it came to refreshing provider staff training to keep their skillset up to date: this was factored into BAU.

Others commented that they had agreed to share the ongoing running costs going forward among the colleges in the partnership. One area had not yet agreed this but reflected in the interview that they would be looking to do this.

### **Funding roles taken on as part of SDF activities**

Areas are generally keen to commit to the roles that they have taken on as part of the SDF pilot, including in one case colleges jointly funding a course teacher's salary.

However, a few areas referenced difficulties in keeping certain posts long-term. In the case of one provider, they had spent a long time training a young member of staff to carry out the employer engagement activities, who then left due to the focus and remit of their role changing once SDF funding was over (i.e., once the bulk of the employer engagement activities had completed). They then had to recruit someone else with a slightly different remit and start from scratch in training them up. Another area spoke of their uncertainty as to whether they would be able to continue to fund the post of the Director of the CBC long-term.

### **Funding the new provision**

Lead providers planned to use a combination of full-cost recovery from employers, using their Adult Education Budget (particularly for courses aimed at individual learners, rather than employees), Department for Work and Pensions (DWP) workplace training referrals (for unemployed learners), European Social Fund (ESF) funding and government/employer levy funding for apprenticeships. For those looking at offering courses for 16-18 year old learners, these would be funded by Education and Skills Funding Agency (ESFA) funding.

Some had questions over future use of the Adult Education Budget, and potential flexibility moving forward, in the context of the recently closed DfE consultation on 'Implementing a new FE funding and accountability system.'<sup>5</sup> In particular, there was

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<sup>5</sup> Details on the DfE consultation can be found here: <https://www.gov.uk/government/consultations/implementing-a-new-fe-funding-and-accountability-system>

concern whether short courses would be supported by Adult Education Budget (AEB) funding, and if so, whether funding rates would allow for these courses to remain financially sustainable. For example, one SDF area noted that even if some funding was available, there was a worry that they would need to ensure that all available places on a course were filled, in order to cover the risk of a shortfall. The lead provider did note however, that this was in line with more general concerns around FE funding and was not specific to SDF pilot projects.

*“I suppose I think we’ll have a chance of getting them funded, I’d say that’s probably better than 50/50. I’m worried that the funding rates will be so low that we will only be able to run them if we can fill them to, you know, 15 people and I’m worried we won’t find 15 people and therefore they’ll not be viable to run. That I guess is my worry and that characterizes so much of what we do. We are funded so badly that it stops us taking risks. That’s the problem. And that that’s not specific to this, it’s just our sector in general people think we can deliver lots for nothing.”*

**Lead provider, SDF area**

Lead providers would appreciate some further guidance over how AEB funding could be used. If it cannot be used for certain courses, then these courses would have to rely on full-cost recovery from employers.

Others were waiting to gauge employer demand before making final decisions about their funding strategy; some felt they would only run courses when they had sufficient numbers to do so, while others wanted to see whether the commercial interest would be enough to not require public funding.

Providers felt fairly cautious about employer demand: as described elsewhere in the report, providers are only just starting to see evidence of the uptake of their new provision. One provider was worried that once employers had sent their learners on the courses, they may not need to again. However, broadly the feeling was that (in areas such as sustainability) skills needs would be constantly evolving and as long as provision flexed to meet these needs, there would be employer demand.

One area mentioned that certain activities would have a ‘hard stop’ once the SDF funding came to an end. An example given was their industry exchange programme whereby college staff are loaned to industry for a placement.

## **Process learnings: Success factors to account for when designing future programmes/skills initiatives**

As noted above, several lead providers spoke of there being a tension between what FE colleges (as regulated academic institutions) can offer compared with what employers want (i.e., agility and responsiveness). This is compounded by the fact that some of the subjects in which colleges are developing new provision (sustainability in particular) are rapidly changing fields, with new technologies evolving constantly, requiring providers to flex and upskill themselves to ensure they can deliver the provision needed.

This has two implications for DfE planning similar initiatives: firstly, leads felt that programme activities and outcomes will inevitably evolve in such an environment, and this needs to be recognised. This may involve flexibility over targets, or the time taken to evidence progress against targets. Secondly, support is needed for providers to move at the pace needed, and to flexibly upskill their staff in the right areas. This may include flexibility over how funds are spent, or subsidising providers for a longer period to ensure that they can profitably run courses even with variable numbers of learners enrolled.

When offering provision in particularly niche or 'cutting edge' areas (such as Green Technologies), where a professional working in industry is likely to be very well remunerated, it is worth noting that providers will have to offer a very attractive package to make teaching in FE a serious consideration. This means more of their funds may go towards a 'golden hello' payment.



## 7 Conclusions and recommendations

This chapter summarises findings from the Skills Accelerator evaluation (December 2021 to October 2022) and sets out recommendations for changes and future activity. It covers each of the three key research questions in turn, before identifying what this means for policy and programme design and delivery in the skills arena. It also includes how learning from the Skills Accelerator pilot can best be shared.

### **Research Question 1: Does the Skills Accelerator pilot help to better align technical education and training provision with local labour market needs?**

**There is emerging evidence that the Skills Accelerator pilot has helped to align technical education and training provision with local labour market needs in some areas, and providers are working to raise employer awareness of the new offer.**

LSIP Trailblazers have engaged a wider range of stakeholder in local areas to assess priority needs than previously, laying strong foundations for a greater understanding of skills needs in emerging sectors. The involvement of providers in Trailblazer activities such as regular employer forums has increased the potential for greater alignment between technical education and training provision relevant to local labour market needs. These activities have opened up discourse between providers and employers outside of providers' own networks and provided the opportunity for direct signposting between an employer with a specific training need, and a provider who can develop and deliver training to meet that need.

The extent to which LSIP Trailblazer reports have supported alignment however is unclear at this stage. Whilst LSIP reports were used to varying extents to inform SDF2 bids, some providers felt that reports lacked the necessary granularity to inform curriculum development in priority areas. Whether LSIPs are able to support greater alignment between technical education and training provision and local labour market needs may only be measurable once LSIPs have become fully embedded into the skills landscape, although, as noted, although initial signs are positive.

SDF areas were positive about work to date on aligning technical education and training provision with labour market needs, and the extent and nature of engagement with local employers. Most SDF lead providers reported that partnership working had enabled them to provide a strengthened offer to employers and learners. Participants also noted that increased co-ordination among providers allowed for the development of curriculum and content that would better meet the skills need of the local area.

New courses designed as part of SDF projects are starting to take on learners. In some cases, student demand is lower than anticipated because of the challenging economic environment meaning firms are not releasing staff for training and study. It is still too early to assess learner outcomes and the extent to which employers are better able to meet their business needs through skills available in the local labour force. The extent to which learner demand at this stage points towards a sustainable medium- to long-term financial model for SDF pilot projects will also need to be addressed, once learner enrolment is known following the end of pilot funding. The follow-up evaluation report will provide this initial assessment, looking at learner enrolment of SDF pilot projects in the context of the first academic term without SDF-specific funding.

Providers were positive about the opportunities to reshape provision to meet employer needs, and felt that SDF pilot funding presented a genuine shift to build capacity to deliver technical education that meets employers changing needs in emerging and growing sectors. They provided examples of where this is happening in practice, but these are still at an early stage. In some cases, employers may not necessarily recognise their own training needs or skills gaps, which may result in lower than anticipated take-up of provision.

Ultimately, SDF pilot project impact to date has largely been limited to the introduction of new courses (making use of new technologies), upskilling of staff, and some amendments to existing courses to reflect identified priority needs (e.g., introducing carbon literacy across existing subject area provision). To date, the Skills Accelerator pilot has not resulted in overall FE provision shifting from 'low value,' high volume provision, to 'high value' provision; rather SDF pilot funded provision has been delivered in addition to high volume subjects, which are traditional key areas for FE delivery. However, the identification of priority areas for SDF project delivery has shown that providers chose to invest in high economic growth areas to support local labour market needs when appropriate funding is available.

The indication is that the work done to date through the Skills Accelerator pilot on curriculum planning and design has put a solid foundation in place which will enable greater alignment of provision with labour market needs, but it is still too early to come to any decisive conclusions. The follow up report will assess the extent to which this objective has been met in more detail.

The combination of SDF pilots and LSIP Trailblazers has supported alignment, where there is strong and consistent communication between Chamber of Commerce's and SDF lead providers, with regular feedback on progress. However, in some cases genuine collaborative activity has been limited, largely due to the simultaneous running of LSIP Trailblazers and SDF area pilots. This has made it difficult for LSIP outputs to feed into curriculum design of technical provision in SDF areas. However, as noted in this report there is greater potential for this to take place during SDF2.

## Research Question 2: What can be learned from how LSIPs and SDF were delivered?

### Collaboration

Given that both LSIP trailblazers and SDF pilots required an area-based focus, building upon existing relationships was essential to early development of SDF proposals and LSIPs. The evaluation found that pilot areas with a history of working together were more likely to report high levels of partner commitment to the projects. This was the case regardless of sector or size of partnership. However, in some cases this may potentially have limited the involvement of new partners. Lead providers and lead ERBs noted that the very tight timescales to put together bids and begin work on the SDF projects or LSIP resulted in a reliance on previously established relationships, at least initially and in some areas. For SDF areas, this meant projects mainly involved collaboration between providers. For LSIPs, interviewees in some areas were positive about the lead ERB's success in involving employers who were not usually involved, especially SMEs.

Lead providers, lead ERBs and wider stakeholders involved in the Trailblazer and SDF pilots felt that in general the 'right' stakeholders had been engaged, given the scope and timeline of the project. Having good levels of buy-in from partners and key stakeholders, especially employers, was identified as key for successful project delivery.

Changing geographies for SDF2 have impacted some areas. There is evidence of increased collaboration and joint working, as well as new partners engaging in the SDF2 bid process. However, a lack of capacity among delivery partners, employers and strategic bodies is a significant barrier to collaboration.

Whilst a degree of building on existing relationships is useful as partners can quickly begin work based on established ways of working, DfE may wish to consider longer timelines for developing LSIP plans when considering a national rollout. This would allow for wider consultation, ensuring that the make-up of partners is fully representative of employers in the area (including SMEs in particular). Effectively engaging employers is very resource intensive and was sometimes a challenge when developing LSIPs. Designated ERBs may wish to ensure that they have greater depth of employer engagement in planning and design of provision. This could include having more non-members sitting on the LSIP board, to act as a conduit to the wider business community in the area.

There was a lack of clarity as to how the relationship between LSIPs and SDFs should be working during the pilot programme.<sup>6</sup> In addition, participants suggest that there needed

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<sup>6</sup> This has been addressed for the national roll-out of LSIPs, with all areas across England due to have draft priorities in place by March 2023 ahead of the Local Skills Improvement Fund (LSIF).

to be better sequencing of activity. When considering a national policy rollout, there was demand from both LSIP Trailblazers and SDF areas for LSIP reports to precede SDF bids, such that projects could be informed by the LSIP report and designed to meet local needs (and LSIP reports will now precede SDF bids across all areas in England). In addition, participants felt that Lead ERBs and Lead providers sitting on both the LSIP and SDF steering group board would assist collaboration and support effective signposting.

## Identification of priority needs

SDF areas and LSIPs used a wide range of data to assist in identifying priorities, including data supplied by MCAs, LEPs and local authorities, as well as national-level supply data, such as ESFA data. They also built on ERB and Lead provider knowledge of historical skills needs in their areas (was often informed by previous employer engagement). In general, LSIPs engaged strongly with employers and ERBs to add context around existing labour market datasets, often engaging in face-to-face data collection activities, and developing short quantitative surveys to capture insight from the wider business community.

Lead providers in SDF areas had less engagement with employers and ERBs, both in identification of priority needs and throughout the delivery of their SDF. A few partners commented that this could be resolved by SDF bids being informed by and taking place after the LSIP, instead of the two happening concurrently.

## Role of LEPs and MCA

Participants noted the essential role that LEPs and MCAs played in both the provision of datasets when developing bids, and in informing the development of LSIPs throughout the funding period. Most had worked together closely to avoid duplication activity, and MCAs welcomed the potential for LSIPs to add value to their work. MCAs and LEPs saw a high level of involvement as essential to the success of LSIPs. Without this close engagement they felt that there was a real risk of LSIPs not aligning with existing strategies and risk duplicating resource or effort.<sup>7</sup>

## Funding timelines

Consideration should be given to extending funding timescales for skills initiatives in future. This includes the bidding windows and project or programme delivery. Designing and delivering new provision takes significant time, particularly where this provision is in new areas or focuses on new technologies. The Skills Accelerator pilot experience

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<sup>7</sup> The LSIP Statutory Guidance highlights how LSIPs should build on and add value to existing local strategies and plans, and designated ERB engage MCAs/LEPs to mitigate this risk.

suggests that funding timescale should be a minimum of 24 months from agreeing contracts to the end of the project funding period.

External factors such as supply chain issues due to the COVID-19 pandemic and EU Exit resulted in delays to beginning capital spend projects for SDF areas. This tended to have a knock-on effect on the delivery timeline, as staff upskilling, curriculum development and accepting learners on to courses were often dependent on the purchase of new equipment. When considering a potential national rollout for SDF areas, DfE may want to 'front load' the process of capital funds release following bid acceptance, in order to minimise risk of delays from such external factors.

Lead ERBs and lead providers were uncertain around whether or not to hire dedicated staff for their programmes, due to delays in release of funds from DfE following bid acceptance. These delays also contributed to initial difficulties in management of workload. DfE may also wish to review the process involved from bid acceptance to release of funds to ensure that partners can adequately resource needs.

Partners also noted that delays in delivery meant that timescales for curriculum development and delivery were constrained. They welcomed the SDF timetable extension, but noted that original timescales were unrealistic given the elapsed time required to build collaborative networks, collect employer views, develop coordinated responses, and put activities in place.

## **Resourcing and sustainability**

Leads and partners recognised the value of having project managers in place (whether hired externally or via seconding existing staff) dedicated to LSIP or SDF project delivery. In a future national rollout of LSIPs (and potentially SDF areas), this should be highlighted as an example of good practice for efficient working.

SDF areas (both the lead organisation and others in the partnership) highly valued the role of DfE account managers throughout the bid process and project delivery. This should continue in any extension of the SDF programme, subject to available resource.

Partners felt that some activity could continue without additional resource, but identified challenges in ensuring that LSIP plans did not become static documents. This reiterated the need for resources to continue employer engagement activities.

## **Research Question 3: What (perceived) impacts have been achieved and how?**

SDF areas have been able to demonstrate stronger and more meaningful collaboration between providers as well as with employers, reporting that the SDF funding model has

harnessed a sense of collaboration rather than the competition that may have been evident prior to the Skills Accelerator programme. Equally, Lead providers felt they have a better understanding of the skills businesses need moving forward as a result of the initial consultation phase to develop priority areas. Whilst to some extent the consultation built upon known skills needs, the SDF project gave lead providers the opportunity (outside of day-to-day college work) to engage other providers and stakeholders in finding solutions to how they can best meet local employer skills needs, and importantly provided the funds to implement changes.

Increased employer engagement is one of the most common outcomes of the SDF pilot to date, and seen as an important first step in designing provision aligned with local employer needs. Participants were positive about the extent to which employers had been involved in the pilot, while acknowledging there was more to do to bring in new employers, particularly SMEs.

Lead providers were positive about continued working with employers engaged in SDF pilots, but there was limited evidence as to whether sustainable, longer-term relationships had been built as a result of the pilot. Where employers were engaged in course delivery, and enrolled their employees as learners, there was a clear route to sustained relationships. However, where employers had a less engaged role, e.g., provided initial feedback on skills / gaps needs, or attended employer forums on an ad-hoc basis, there was less guarantee of a continued working relationship at this stage.

There is some evidence to suggest that SDF providers have been able upskill staff to deliver new provision, and purchase equipment and upgrade facilities to meet the demands of the new curriculum. Many new courses were up and running for the start of the new (2022/23) academic year. However, some challenges had been identified in relation to achieving others, such as stimulating learner demand.

The purchase of specialised equipment, focus on new technologies, and emphasis on emerging or growth sectors suggests SDF areas are on track to ensure that the curriculum shifts to high value, more specialised skills provision. However, as most new courses have recently started, and so learner numbers are uncertain, there is currently little evidence on which to judge the extent to which this intended outcome will be met.

There is some evidence to suggest that LSIPs' intended outcomes have been/are on target to be achieved. Most ERB leads felt confident that their data collection exercises had allowed them to deliver upon the key objectives of providing a strategic overview for the region, specifying employer skills needs, articulating what needs to change in local provision, and delivering a road map for change via the LSIP report. Partners and providers are also positive about LSIP work to date and feel there is a good opportunity to deliver the intended outcomes (and that in some cases, they already have been). However, it is still unclear at this stage as to whether the intended short-term outcomes

(increased employer confidence in responsiveness of the skills system or better understanding amongst providers of the skills businesses need to move forward) have been achieved fully across the LSIP trailblazers, as in many cases it is too early to make an assessment.

To some extent it was felt these outcomes would be dependent upon how well LSIP reports were received by stakeholders. SDF areas felt that ideally the LSIP would have fed directly into SDF delivery rather than running concurrently. In order to measure the intended outcomes of the LSIP in a timely manner, a national rollout should allow for the development of an LSIP prior to an SDF in each area.

LSIP plans were also used to inform SDF2 bids across almost all areas, but to varying extents. In some cases, the LSIP plans provided added significant value in developing SDF2 bids and plans of work, allowing increased understanding of employer skills needs and setting out a roadmap to reshape curriculum provision. In these areas, the plans were seen as clearly articulating the shape and direction of skills activity for providers and stakeholders. In others, LSIPs were referenced to support the bid but drew more on other local documents and plans to provide the substance of the bid.

Overall, lead ERBs were very positive about the process of developing the LSIP plan, and the extent to which it encouraged real collaboration and partnership working. However, some felt that LSIP reports give a useful steer for future activities, but in themselves are not sufficient to inform detailed curriculum planning and design. LSIP plans need to meet a wide range of employer and provider requirements beyond those of the SDF, and remain of interest and relevant to employers.

## **Considerations for future national policy rollout**

Engaging employers and encouraging collaboration between providers is a challenge in the skills arena. There are a number of lessons that can be learned from the Skills Accelerator pilot, as well as examples of good practice.

### **Commissioning and timelines**

- DfE may wish to consider longer timelines for delivery of LSIP reports when considering a national rollout, to allow for wider initial consultation with local partners.
- DfE may wish to consider how to ensure quicker allocation of funds to SDF areas, following bid acceptance, to support hiring of staff with an SDF specific role.
- National rollout should allow for the development of an LSIP prior to an SDF in each area.

- Partners should work together to identify appropriate roles when bidding for SDF. Setting the groups up as equal partners, with clear roles and areas of focus, is likely to result in more positive experiences of partnership working.
- Areas should continue to be allowed to set their own geographies, and smaller areas with a depth focus on particular sectors encouraged.
- Longer timelines for SDF pilot projects would allow a better assessment of project outcomes and early impacts.

## **Collaboration and employer engagement**

- LSIP partnerships should make use of existing employer networks while also making efforts to engage a broader range of employers, particularly SMEs.
- Providers should use their existing relationships with employers or trade bodies to widen their network of local employers and to involve them at each stage.
- Designated ERBs should ensure that they have non-members sitting on the LSIP board, to act as a conduit to the wider business community in the areas.
- Provider partnerships should use a range of formal and informal communication channels to build sustainable relationships.
- LSIPs should consider how best to continue to engage smaller employers in particular.

## **Aligning LSIP plans and SDF activity**

- DfE should consider how best to balance the requirement for LSIP plans to provide sufficient detail while remaining of interest and use to employers.
- LSIP plans should be produced before any SDF funding deadlines, so that SDF bids can be informed by the LSIP plans.
- LSIPs should consider how best to share data with partners and avoid duplication of work.
- Local stakeholders need to communicate effectively to ensure that LSIPs do not duplicate activity.

## **Next steps**

A follow up report will also be published. This additional report will draw on follow up interviews with SDF pilot leads and wider partners to reflect on progress following the end of SDF pilot funding. These will enable an assessment of the extent to which the pilot has met its objectives, learning, and areas for future work.



## Annex A: Methodology

The evaluation of the Skills Accelerator pilot ran from December 2021 to March 2023 in three main phases:

- **Inception phase (Dec 2021 – Jan 2022):** review of the original Theory of Change (ToC) for the evaluation, developing research materials, carrying out lead partner interviews, select of case studies, and development of an analysis plan for programme monitoring data.
- **Fieldwork phase (Jan 2022 – Feb 2023):** comprising initial interviews with lead partners and ERB representatives, plus 1-2 further key partners in each of the 18 pilot areas, depth case studies in 8 selected areas; and follow-up interviews with partners to reflect on progress. We also ran a small-scale quantitative survey of partners.
- **The analysis and reporting phase (Jan 2022– March 2023):** runs parallel to the fieldwork phase, and includes four main reports (April 2022, June 2022, October 2022 and March 2023). This is the third report and sets out findings to date, including early outcomes and impacts.

**Table 5: Research timeline**

Research element	Timing	Description
Scoping phase	December – January 2022	Programme Theory of Change (ToC) developed for the Skills Accelerator policy
Interviews with lead partners and Employer Representative Body (ERB) leads	February – March 2022	Interviews with lead partners and Employer Representative Body (ERB) leads in LSIP trailblazer and SDF pilot areas plus 1-2 further key partners in each of the 18 SDF pilot areas
Case studies	March – May 2022	Including interviews with a further 3-4 partners and key local stakeholders were interviewed, as well as observations of key meetings
Online survey	April 2022	Small-scale survey of wider partners and local stakeholders who were not interviewed in either the initial interviews or case studies
Follow up interviews with ERBs and lead providers	June 2022	Follow up interviews with the ERBs who led the LSIP trailblazers, and with providers who led bids for SDF2 in the LSIP trailblazer areas
Follow up interviews with SDF pilot leads	September 2022	Follow up interviews with SDF pilot leads finishing projects in July 2022 to reflect on progress
<i>Planned: Follow up interviews with SDF pilot leads and wider partners</i>	<i>March 2023</i>	<i>Follow up interviews with SDF pilot leads to reflect on progress over time</i>

## Sampling and achieved interviews

Sampling for wider partner interviews was undertaken based on the size of partnership (both with regards to partners and revenue and capital funding), and partnership structure. For example, in areas where there were both LSIP Trailblazers and an SDF pilot, there were a greater number of interviews with wider partners conducted. There were 18 SDF pilot areas, and eight LSIP Trailblazers.

Eight case study areas were sampled based on the following criteria: suggested case study areas as noted in preliminary research conducted by IES, partnership size and structure, region, urban / rural geography, type of project activity (SDF), whether a CBC was being established (SDF), and whether the partnership existed within an MCA area.

**Table 6: Completed interviews per fieldwork stage**

Phase of fieldwork	Audience	Number of interviews completed
Phase 1: February- April 2022	Lead ERBs	8
Phase 1: February- April 2022	Lead providers	16
Phase 1: February- April 2022	Wider partners	36
Phase 1: February- April 2022	Wider partners (part of case studies)	26
Phase 2: June 2022	Lead ERBs	8
Phase 2: June 2022	Lead providers	8
Phase 3: September 2022	Lead providers	13
Total	All	112 interviews

In addition to the above interviews, 5 observations were undertaken during phase 1 of meetings between both SDF pilot and Trailblazer partner members. These commonly involved updates on progress, which allowed for perspective on partnership working, and how partners were attempting to find solutions to barriers in delivery of the pilot SDF or development of the Trailblazer.

Furthermore, a short survey of wider partners was conducted in phase 1 of the research. The aim of the survey was to capture views of partners who may not have had as high-level involvement in the development and delivery of a Trailblazer or SDF pilot, and so

may not be able to contribute to a longer qualitative interview. The sample was collected by asking lead providers and lead ERBs to supply a list of potential partners. IFF then selected partners who were not involved in qualitative interviews, to send the online survey to. The survey was disseminated to 61 wider partners, resulting in 6 completed responses.

## **Data analysis and integration**

We adopted a largely inductive research approach. While the Theory of Change (ToC) set out a framework for the assumed operation of the Skills Accelerator Pilot, it was revisited and amended throughout the research to ensure it reflected the research findings. For each round of reporting, all interviews were written up into bespoke analysis frameworks, structured along the research questions and following the structure of the research topic guides. Interviews were coded by sources (LSIP/SDF, and interviewee type), size of partnership, location, funding, and sector focus. Interviews and survey data were analysed by members of the project team, and discussed in team meetings and analysis sessions to identify commonalities and differences between areas and projects.

## **Limitations of the study**

The study included interviews with lead providers in 16 SDF areas, all of which had chosen relatively similar sectors as the focus on activity. To some extent this reflects the economic importance of these sectors (either as large employers, or as rapidly growing sectors with significant needs for high level skills). However, it may limit the wider applicability of some findings to other economic sectors.

Several rounds of interviews were carried out as part of the evaluation, with some stakeholders interviewed multiple times. These stakeholders were generally project leads, but their views may not have fully reflected those of all members of their partnerships.

## Annex B: List of Acronyms

**Table 7: List of Acronyms**

Acronym	Meaning
AEB	Adult Education Budget
AI	Artificial Intelligence
BAU	Business as Usual
CBC	College Business Centre
COVID-19	Coronavirus disease 2019
CPD	Continuous Professional Development
DfE	Department for Education
DWP	Department for Work and Pensions
ERB	Employer Representative Body
ESF	European Social Fund
ESFA	Education and Skills Funding (Agency)
EU	European Union
FE	Further Education
HE	Higher Education
HS2	High Speed 2 (railway line)
ICS	Integrated Care Systems
IES	Institute for Employment Studies
IT	Information Technology
ITP	Independent Training Provider
KPI	Key Performance Indicator
LA	Local Authority
LEP	Local Enterprise Partnership
LSIF	Local Skills Improvement Fund

<b>Acronym</b>	<b>Meaning</b>
LSIP	Local Skills Improvement Plan
MCA	Mayoral Combined Authority
MTU	Mobile Training Unit
NHS	National Health Service
ONS	Office for National Statistics
SAP	Skills Advisory Panel
SDF	Skills Development Fund
SFC	Sixth Form Colleges
SME	Small and Medium Enterprise
TNA	Training Needs Assessment
ToC	Theory of Change
VAT	Value-added Tax
VR	Virtual reality

## Annex C: Theory of Change assumptions and risks

Tables 8 and 9 comment on the extent to which the assumptions and risks underpinning the ToC remained valid.

**Table 8: Assessment of Theory of Change (ToC) assumptions and risks (selected activities and outputs)**

Selected activities / outputs	Assumptions	Risks (and unintended consequences)	Assessment
Selection of LSIP Trailblazer and SDF pilot areas	Procurement processes have effectively selected the range of areas that will provide opportunities to learn and identify good practice ahead of a national roll out.	Delays in procurement limit the delivery timeframes and reduce the amount it is possible to deliver, thereby undermining the potential of the pilot to demonstrate value	COVID-19 and EU Exit-related delays impacted on SDF delivery timescales  Timescale extension mitigated against this challenge and allowed greater elapsed time for projects to demonstrate value
LSIP – Engagement with Employers / Providers / Stakeholders	There is demand and capacity amongst these groups to engage with the LSIP process.	Depth of engagement is limited to representative bodies and / or those ‘usual suspects’ that are already engaged with the skills system – limiting the additional value of the pilot.	There is evidence of engagement of wider groups of employers and partners across LSIP areas, but this could be strengthened further to engage more SMEs and new employers
SDF - Creation of provider partnerships	The explicit requirement to collaborate to receive funding removes competition and creates the impetus for collaboration.	Provider partnerships are limited to generalist FE colleges without sufficient engagement with wider partners.	Requirement to collaborate fostered real partnership and collaboration between providers. Private providers proved challenging to engage, but some areas did see engagement beyond generalist FE colleges.

Selected activities / outputs	Assumptions	Risks (and unintended consequences)	Assessment
Articulation of clear local priorities for skills development and to support economic growth	Employers are able to identify skills gaps in their current workforce and the training needed for new technologies.	LSIP report does not produce meaningful recommendations for providers to action	Some employers were able to identify workforce skills gaps, with support from providers. Employers sometimes initially struggled with identifying solutions. Providers / partnerships play a key role here in translating skills issues into training solutions.
More strategic & supportive DfE approach	<p>The flexibility in the funding model i.e., no set activity rates, less onerous clawback rules, fewer restrictions on how funding can be used creates the space for providers to take risks and innovate.</p> <p>More supportive less transactional approach taken by DfE i.e., recognising and celebrating collaborations of providers, dedicated account management, active encouragement to go beyond the traditional FE curriculum, creates the space for providers to take risks and innovate</p>	Providers do not deliver as planned and / or fail to deliver beyond Business As Usual (BAU) (i.e., high levels of deadweight).	<p>Partners are extremely positive about the support received from DfE account managers and recognise the flexibility of the fund. A small number of partners would have welcomed more support.</p> <p>There is emerging evidence that the additional funding means providers feel more able to innovate and take risks. Further enrolment/completions data is needed to assess deadweight.</p>

Selected activities / outputs	Assumptions	Risks (and unintended consequences)	Assessment
SDF project delivery	There is ongoing willingness amongst providers to deliver to their best endeavours.	<p>Factors affecting project delivery undermine the potential impact e.g.:</p> <ul style="list-style-type: none"> <li>• COVID-19 limits engagement from key partners e.g., NHS employers, education sector.</li> <li>• EU Exit impacts on ability to procure equipment / spend capital funding</li> </ul>	COVID-19 and EU Exit have impacted on project delivery, but partners and DfE have been flexible and adopted their approaches to increase impact



**Table 9: Assessment of Theory of Change (ToC) assumptions and risks (outcomes)**

Outcomes	Assumptions	Risks (and unintended consequences)	Key evidence	Commentary
<p>LSIPs viewed as making a valuable contribution to a responsive skills system</p>	<p>The stakeholders involved in the development of LSIP view it as a useful process and valuable output.</p>	<p>LSIPs duplicate and do not align with wider strategies guiding local skills investment.</p>	<ul style="list-style-type: none"> <li>• Some examples of beginnings of establishing longer-term relationships between LSIP stakeholders,</li> <li>• At Trailblazer stage, it is too early to assess whether relationships will be sustained post-funding, and in general, how LSIPs' contributions will be viewed following the immediate aftermath of report publication</li> </ul>	<p>LSIP reports are generally seen as useful, but in some cases there were concerns around potential duplication of work between partners. LSIP guidance should mitigate against this in future. Work is ongoing to ensure LSIP reports remain live documents and the focus is on LSIPs as a process rather than on LSIP reports.</p>
<p>Increased employer confidence in the responsiveness of skills system</p>	<p>Pilot provides employers with the chance to experience a direct impact of their engagement with providers i.e., curriculum change.</p>	<p>Employers are frustrated by pace of change and disengage</p>	<ul style="list-style-type: none"> <li>• Whilst strong examples of employer engagement to inform high-value provision exist, it is unclear at this stage whether new provision aligns with employer expectations of how best to meet their skills needs, and how responsive provision can be to meet changing needs in the future.</li> </ul>	<p>More time and sustained investment are needed to be able to evidence any change in this outcome. The assumptions and risks remain valid.</p>

Outcomes	Assumptions	Risks (and unintended consequences)	Key evidence	Commentary
Better understanding amongst providers of the skills that businesses need to move forward			<ul style="list-style-type: none"> <li>• Strong examples of enhanced employer engagement to support development of provision that meets specific needs.</li> </ul>	
Demand for new courses is stimulated in skills priority areas	Learner outreach projects are successful in creating sufficient engagement from learners to make new provision sustainable.	Learners and employers are unable to see the immediate relevance of courses targeted at future labour market need – leading to low take up.	<ul style="list-style-type: none"> <li>• Limited advertising and marketing of new courses as of June 2022 due to COVID-19 restrictions. Delay to initial plans with most advertising / marketing activity undertaken in September 2022.</li> <li>• Some areas reporting lower than expected enrolment in first academic term of 22/23.</li> <li>• However, minority of areas showing high levels of enrolment for some short courses e.g., where mobile or online learning was supported.</li> </ul>	It is still too early to assess the sustainability of new provision. Further data on take-up and enrolment will provide additional evidence.

Outcomes	Assumptions	Risks (and unintended consequences)	Key evidence	Commentary
<p>Stronger and more meaningful collaboration between providers</p>	<p>The explicit requirement to collaborate to receive funding removes competition and gives providers the impetus to work together on project delivery during the pilot.</p> <p>The experience of pilot collaboration leads to a change in mindset away from individual (financial) provider needs to the strategic needs of the local area, which leads to sustained, strategic collaboration.</p>	<p>Collaboration is limited to design and bid award stage.</p> <p>Long-held competitive mindset is hard to change.</p> <p>There is no direct financial incentive for providers to continue to collaborate once the pilot funding is complete.</p> <p>Broader funding model limits the extent of long-lasting change.</p>	<ul style="list-style-type: none"> <li>• SDF funding model supporting collaborative approach</li> </ul>	<p>The funding model encouraged collaboration rather than competition. There is emerging evidence that providers are continuing to collaborate following the end of SDF pilot funding, but it is too early to say if this is sustained and strategic. Funding remains a major challenge to shifting provision for providers.</p>

Outcomes	Assumptions	Risks (and unintended consequences)	Key evidence	Commentary
Curriculum shifts to high value, more specialised skills provision	The scale and flexibility of the investment allows providers to co-ordinate work at a pace and scale not previously achievable	SDF funding is used to plug holes left in gaps by other funding rather than anything new or additional.	<ul style="list-style-type: none"> <li>• SDF pilot area projects largely focused on emerging or growth sectors.</li> <li>• Purchase of specialised equipment focused on new technologies.</li> <li>• No current evidence to suggest high value, specialist provision will replace current more general, mainstream curriculum in provider portfolios.</li> </ul>	<p>SDF funding has been used to provide new, additional and more specialist technical provision. New provision has been developed at pace, although it is relatively small-scale. Further data on take-up and enrolment will provide additional evidence.</p> <p>To date, overall, FE provision has not shifted from 'low value,' high volume provision, to 'high value' provision; rather SDF pilot funded provision has been delivered in addition to traditional, high-volume subjects.</p>
Provider staff are upskilled to deliver new provision	Provider staff are upskilled, with a focus on delivery of high value, specialist provision	<p>Unable to train existing staff in time.</p> <p>Difficulties finding suitable candidates for external recruitment</p>	<ul style="list-style-type: none"> <li>• Majority of new courses being delivered in first term of 22/23 academic year, with staff upskilled to support delivery</li> </ul>	Providers are finding staff recruitment challenging, particularly in niche sectors. They have adapted recruitment and training models to upskill existing and attract new staff, but some have still faced shortages.
Facilities are equipped to meet demands of new curriculum		External factors (e.g., EU Exit) impact on ability to make capital improvements and procure equipment.	<ul style="list-style-type: none"> <li>• Despite some initial delays, SDF pilot areas have now all been able to secure required facilities to meet demands of new curriculum.</li> </ul>	COVID-19 and EU Exit impacted on project delivery, with some finding delays in procuring equipment.

Outcomes	Assumptions	Risks (and unintended consequences)	Key evidence	Commentary
Increased appetite for innovative approaches amongst employers	Employers understand how investment in skills, new technology and innovative practices can drive increased productivity	Increased use of technology reduces requirement for labour and increases local unemployment.	<ul style="list-style-type: none"> <li>• Providers have engaged employers with innovative approaches through SDF pilot projects e.g. equipment demonstrations, and facilitation of discussion of new practices in College Business Centres (CBCs).</li> <li>• Limited examples of whether this has resulted in measurable increased appetite for innovative approaches (e.g., take up of training courses on using new technologies).</li> </ul>	More time is needed to be able to evidence any change in this outcome. The assumptions and risks remain valid.



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