Funded by UK Government

South Midlands
Local Skills Improvement Plan (LSIP)

Annexes D-G
June 2026

Annex D – Regional Labour Market data

D1 – Context

This section is for information. The LSIP brings together national policy objectives and regional opportunity to deliver a three-year priorities framework that supports better jobs, higher productivity, and stronger local growth. National policy anchors include Invest 2035: The UK's Modern Industrial Strategy, the Net Zero agenda, and Skills England governance for LSIPs. At the local level, the LSIP integrates evidence from the South Midlands ecosystem, including the IS-8+2 frontier-sector framing, place-based clustering, and major regional projects such as The Oxford Cambridge Growth Corridor/East West Rail, Universal UK, Luton Airport expansion, and the Silverstone Technology Cluster.

It is a key mechanism for aligning training provision with employer needs, helping ensure that future skills provision reflects both sector-specific and economy-wide workforce requirements. Alongside this, the South Midlands Get Britain Working Plan (GBWP) narrative underscores joint governance, devolution readiness, anchor institutions, and Health/work integration—lessons that can be applied to the LSIP to inform governance design, stakeholder engagement planning, and cross-sector collaboration (e.g., Health/human services alignment with local employment support).

D1.1 – Assets and Labour Market Intelligence

The LSIP recognises the significant regional assets (e.g., our Regional Universities, Silverstone Technology Cluster, SEGRO and DIRFT/industrial estates, and the MK-Milton Keynes/Bedford Logistics network) and includes these within a coherent skill strategy that spans Level 2 to Level 8, including core funding areas such as T Levels, V levels, Skills Bootcamps, Free Courses for Jobs, Adult Skills Budget and HTQs. It also aligns with the South Midlands Get Britain Working Plan (GBWP) and the growing devolution narrative, readying the LSIP for joint ownership as governance evolves.

Labour-market intelligence and employer engagement show that demand for skills in the South Midlands is both broad and deep. Logistics and Warehousing continue to grow, driven by the South Midlands' strategic location within the national transport network and proximity to major road and rail infrastructure. Engineering and Manufacturing employers require increasingly advanced technical capability, whilst Construction faces rising demand linked to housing delivery, infrastructure investment and retrofit activity. Health and social care remains the largest employer by headcount, with ongoing recruitment and progression challenges. Together these sectors illustrate the breadth of employment across the South Midlands economy and reinforce the importance of both technical and service-based skills pathways.

D2 - Occupational data

This indicates particularly high employment in professional, associate professional and technical roles, alongside significant demand for skilled trades and caring occupations, reflecting the diverse skills requirements of employers across the region. Vacancy data further highlights ongoing recruitment pressures in areas such as Health and social care, Logistics, retail and Digital roles, demonstrating continued demand for both entry-level and higher-level skills.

D2.1 - Evidence from the Get Britain Working – South Midlands Plan

The scale and growth of the regional economy.

- The South Midlands supports around 881,000 jobs within a £56 billion economy, which has grown by 19% over the past five years. Between 2014 and 2024, employment increased by 122,000 jobs (+14.3%), significantly outpacing national growth. Key sectors include transport and storage (87,000 jobs), Health and social care (102,000 jobs), and professional services, reflecting the region's strategic location and economic diversity.

- Despite this growth, the region faces structural challenges, including a shortfall in higher-level qualifications (35.8% Level 4+ compared with 39% nationally) and lower productivity levels (£34.30 GVA per hour compared with £36.50 nationally). Employment projections indicate that around 89,000 additional workers will be required by 2034, reinforcing the need for a strong skills system to support economic growth and labour market participation.

- The South Midlands labour market performs relatively well overall but faces structural challenges.

Labour market indicator	South Midlands	England
Employment rate (16–64)	76.8%	75.5%
Economically inactive population	217,000 residents	
Inactivity rate	20.1%	21.3%

However, the data masks significant local variation, with areas such as Luton recording an employment rate of just 66.6%. This suggests that skills shortages exist alongside untapped labour supply, reinforcing the importance of skills and employment support.

- Economic growth has been accompanied by substantial job creation.

Indicator	Value
Jobs supported 2014–2024	+122,000 jobs
Growth rate	+14.3%
UK comparison	10.8% national growth

This indicates that the South Midlands has grown faster than the national average, reflecting strong investment and economic expansion.

- Productivity across the South Midlands is below the national average.

Indicator	Value
GVA per hour (South Midlands)	£34.30
UK average	£36.50

There are also significant local variations, with Milton Keynes performing above the national average while other areas fall below it. Lower productivity is often linked to skills shortages and workforce capability.

D2.2 - The Get Britain Working agenda

(Department for Work and Pensions, local authorities, and regional growth strategies). The data focuses on increasing labour market participation, improving access to employment and skills, and aligning provision with employer demand. The combined evidence highlights a dual labour market challenge:

- Persistent skills shortages and unfilled vacancies
- High levels of economic inactivity and underutilised labour

This matters for the LSIP because it shows the South Midlands challenge is not only which sectors are growing, but also whether local people can access those opportunities. In other words, the LSIP needs to work with stakeholders and commissioners to develop a response to both:

- Key regional and IS8 sector demand, especially in Logistics, Care, Construction, Advanced Manufacturing, Digital and Technologies, Clean Energy, Financial Services, Professional and Business Services, and Defence; and
- The Get Britain Working agenda of reducing economic inactivity, improving progression, and connecting people with growth sectors through a more joined-up local system.

D2.3 - Priority Cohorts Identified

The Get Britain Working agenda identifies system challenges with consistent themes across national and regional evidence, including fragmented provision and complex system navigation, insufficient employer coordination, limited progression pathways, underfunded support for high-need learners and mismatches between training provision and job demand.

Alongside system challenges, there are priority groups requiring targeted intervention:

- NEET young people
- SEND learners and those with LLDD - Apprenticeships (LLDD learners): increased from 11.9% to 16.1% (2020–2025)
- Long-term unemployed and economically inactive adults
- Refugees and ESOL learners
- Individuals with Health or mental Health barriers
- Ex-offenders
- FE sector trends: increasing demand for alternative provision for disengaged learners

The LSIP Implication is that provision must be inclusive, flexible and supported by wraparound services, not just standardised delivery.

D2.4 - Department for Education Local Skills Dashboard

Data (see Annex D for further details) highlights the scale and diversity of employment across the South-East Midlands LSIP area.

- The largest employment sector is public administration, education and Health, employing around 252,000 people, reflecting the importance of public services and Health provision within the regional labour market.
- The distribution, hotels and restaurants sector employs approximately 153,300 people, while banking, finance and insurance accounts for around 151,600 jobs, indicating the strength of both service and professional sectors.
- The region also demonstrates a significant industrial and Logistics base, with 106,500 jobs in transport and communications and 82,500 in Manufacturing, alongside 61,000 jobs in Construction.

Together, these sectors illustrate the broad and diverse demand for skills across the South Midlands economy. Looking ahead, employment projections suggest sustained growth across several sectors. By 2035, sectors such as Health, Construction, hospitality/accommodation, Logistics and transport, business and other services, are expected to support more than one million jobs across the region, while public services including Health and education are projected to remain major sources of employment. These trends underline the importance of ensuring the regional skills system can respond to employer demand by supporting a pipeline of workers with both technical and higher-level qualifications, alongside opportunities for progression and reskilling throughout working life.

D3 - Future Employment Demand (Projected to 2035) - From the Projected Employment dataset:

Sector	Projected Employment (2035)
Food, drink, hospitality, accommodation and transport	311,809 jobs
Business and other services	309,722 jobs
Non-marketed services (public sector including Health & education)	221,626 jobs
Wholesale and retail trade	153,813 jobs

The largest employment growth areas are expected to be transport and Logistics, business and professional services and public services (including Health and education)

This analysis includes a combination of current data and extracts from the South Midlands Economic Growth Strategy Evidence Base Report for employment, employment sectors and changes in employment sectors. It also draws from https://www.southmidlands.org.uk/get-britain-working/ the DWP "State of the Region" data reports and DfE Local Skills Dashboard

https://department-for-education.shinyapps.io/local-skills-dashboard/?_inputs_&splashGeoType=%22LSIP%22&jobMapSwitch=%22Map%22&jobTableSwitch=%22Emerging%20Demand%22&navbar=%22local_skills_data%22&geoChoiceOver=%22South-East%20Midlands%20LSIP%22&geoChoice=%22South-East%20Midlands%20LSIP%22&splashMetric=%22inemploymentRate%22&jobGeoChoice=%22England%22&jobMetric=%22volume%22

The Business Register of Employment Survey (BRES) publishes employee and employment estimates at detailed geographical and industrial levels and is regarded as the official source of employee and employment estimates by detailed geography and industry. **This analysis uses BRES data to:**

- Show how 2024 employment in key priority sectors varies across regions/LSIP areas
- Highlight local sector strengths and emerging hotspots
- Shows IS8 sector employment in relation to South Midlands
- Support in understanding employer demand, future demand and identifying where skills needs are likely to be concentrated.

D3.1 - Occupations in demand (Key Labour Market Data - Source: DfE Local Skills Dashboard export).

https://explore-education-statistics.service.gov.uk/find-statistics/occupations-in-demand/2025

Employment by Industry (Most Recent Period). The largest employment South-East Midlands Sectors are:

Industry	Employment
Public administration, education and health	252,000
Distribution, hotels and restaurants	153,300
Banking, finance and insurance etc.	151,600
Transport and communication	106,500
Manufacturing	82,500
Construction	61,000
Other services	46,800
Energy and water	6,900
Agriculture and fishing	4,900

Employment in these sectors align closely with those identified through LSIP stakeholder engagement

https://department-for-education.shinyapps.io/local-skills-dashboard/?_inputs_&splashGeoType=%22LSIP%22&jobMapSwitch=%22Map%22&jobTableSwitch=%22Emerging%20Demand%22&navbar=%22local_skills_data%22&geoChoiceOver=%22South-East%20Midlands%20LSIP%22&geoChoice=%22South-East%20Midlands%20LSIP%22&splashMetric=%22employmentProjection%22&jobGeoChoice=%22England%22&jobMetric=%22volume%22

D3.2 - Regional Employment by Sectors – Local Strengths

Figure 2: The mining, quarrying and utilities industry showed the largest percentage increase in businesses

Percentage change in businesses by broad industry group, UK, 2024 to 2025

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

D3.4 - Future Skills Questionnaire Data - Using data from the Careers Enterprise Network Future Skills Questionnaire we can see the current industry interests, pathways understanding and essential skills of young people in the region.

Advanced Manufacturing	Student interest in manufacturing grows steadily from Year 7 through post-16 (4.30% → 6.95%). Although the overall levels remain mid-range, the upward trend suggests strong potential to convert this interest into pathways aligned with advanced manufacturing careers. Engagement is still needed to differentiate “advanced” manufacturing from traditional perceptions and to highlight high-tech opportunities.
Construction	Construction interest increases through KS3 and GCSE years (5.33% → 7.41%) but then drops post-16 (to 6.18%). This suggests early curiosity but potentially weakening commitment at the stage where routes like T Levels or apprenticeships become real options. More outreach at Year 10–12, particularly around modern, sustainable construction could help retain learners.
Creative Industries	Interest in creative industries declines at every stage (14.50% → 11.94%). Despite the sector being a regional growth priority, this trend shows sustained disengagement, potentially due to misconceptions about job security or limited knowledge of digital and commercial creative roles. This is a clear area requiring stronger student engagement and employer input.
Defence	While the data doesn’t list aerospace separately, interest in Armed forces/police increases at every stage (5.93% → 8.09%), indicating a positive direction for defence-linked careers. However, aerospace which is typically STEM-heavy would more closely align with Research/science and Manufacturing, both of which rise strongly. Targeted engagement could help students recognise aerospace-specific pathways rather than defaulting to uniformed services.
Digital and Technologies	Student interest in core digital roles shows a downward trend through secondary school. IT drops slightly from 6.52% to 6.04%, and Software/web developer falls during KS3 and GCSE years before only a small recovery post-16. This suggests that many students lose confidence or visibility around tech career pathways during key decision stages. In contrast, digital-enabled roles such as Researcher/analyst (rising to 15.23%) and Communications (up to 5.78%) see strong growth, indicating students are more engaged with data, analysis, and digital media than with pure technical roles. Overall, interest in dedicated tech careers is not keeping pace with interest in broader digital-related jobs, highlighting the need for earlier and more engaging digital careers education to strengthen the tech talent pipeline.
Financial and Services	Interest nearly triples from Year 7 to post-16 (5.51% → 16.10%). Students become much more aware of commercial and financial pathways as they progress through school. Engagement is strong, so the focus should be on widening access and ensuring learners from all groups understand the routes available.
Life sciences	Life Sciences are reflected through Research/science, which shows major growth from 5.62% to 17.88%. This is one of the biggest increases across all sectors, showing strong alignment with growth priorities. Engagement efforts should support this momentum, especially through lab experiences, employer talks, and university pathways.
Professional and Business	Interest grows consistently from 4.35% to 10.39%, showing a strong upward trend as students better understand career options. This aligns well with sector growth. Engagement seems effective, though there is room to showcase the breadth of the sector earlier in secondary.

Annex E – Job Posting demand by Sector

This Section is for information_- drawing data from https://www.southmidlands.org.uk/get-britain-working/ and the DWP "State of the Region" data reports**.** The following pages provide an analysis of regional job postings. The key sectors are:

- Health and Social Care
- Business administration & support services
- Transport & storage
- Manufacturing
- Education
- Professional, scientific & technical
- Accommodation & food services
- Wholesale
- Construction
- Information & communication
- Motor trades
- Financial & insurance

The proportion of the total job postings for the focus sectors are (high demand highlighted):

SOC	Occupational Group	Total
11	Corporate managers and directors	71%
12	Other managers and proprietors	67%
21	Science, research, engineering and technology professionals	80%
22	Health professionals	84%
23	Teaching and other educational professionals	71%
24	Business, media, and public service professionals	73%
31	Science, research, engineering and technology associate professionals	79%
32	Health and care associate professionals	58%
33	Protective service occupations	57%
34	Culture, media and sports occupations	63%
35	Business and public service associate professionals	71%
41	Administration occupations	75%
42	Secretarial and related occupations	71%
51	Skilled agricultural and related trades	66%
52	Skilled metal, electrical and electronic trades	82%
53	Skilled construction and building trades	74%

54	Textiles, printing and other skilled trades	69%
61	Caring personal service occupations	52%
62	Leisure, travel and related personal service occupations	52%
63	Community and enforcement occupations	60%
71	Sales occupations	58%
72	Customer service occupations	69%
81	Process, plant and machine operatives	82%
82	Transport and mobile machine drivers and operatives	79%
91	Elementary trades and related occupations	77%
92	Elementary administration and service occupations	70%
	Proportion of all job postings	72%

Source: Lightcast

Occupations most in demand and with high demand across a number of focus sectors include:

- Sales Related Occupations n.e.c.
- Cleaners and Domestics
- Large Goods Vehicle Drivers
- Managers and Directors in Retail and Wholesale
- Warehouse Operatives
- Customer Service Occupations n.e.c.
- Vehicle Technicians, Mechanics and Electricians
- Programmers and Software Development Professionals
- Roundspersons and Van Salespersons

Other occupations in demand across all sectors and hence transferable, include;

- Chartered and Certified Accountants
- Human Resources and Industrial Relations Officers
- Fork-lift Truck Drivers
- Advertising and Marketing Associate Professionals
- Construction and Building Trades n.e.c.
- Receptionists
- Buyers and Procurement Officers
- Security Guards and Related Occupations
- Health and Safety Managers and Officers

The Retail sector also contributes to the high demand for a number of occupations, from customer services through to management/supervisory, data analysis, tech/IT, financial and stock control

Specialist Digital Skills - Programming languages in demand in order of need are:

1. SQL
2. Python
3. JavaScript

4. C#
5. C++
6. Java

Other top specialist digital skills in demand are described as:

1. Data Analysis (high growth in demand)
2. Software Development (high growth in demand)
3. Microsoft Azure
4. AI (General)
5. Cyber Security
6. Data Management (high growth in demand)
7. Scrum (Software Development)
8. Information Technology Infrastructure Library
9. Systems Engineering
10. Computer Science
11. Windows PowerShell (high growth in demand)
12. Software Engineering

The number of online job adverts in South-East Midlands LSIP has decreased slower than the national average in the last 4 years.

https://department-for-education.shinyapps.io/local-skills-dashboard/?_inputs_&splashGeoType=%22LSIP%22&jobMapSwitch=%22Map%22&jobTableSwitch=%22Emerging%20Demand%22&navbar=%22local_skills_data%22&geoChoiceOver=%22South-East%20Midlands%20LSIP%22&geoChoice=%22South-East%20Midlands%20LSIP%22&splashMetric=%22vacancies%22&jobGeoChoice=%22England%22&jobMetric=%22volume%22

South-East Midlands LSIP has a lower projected employment volume change in Primary sector and utilities than the national average

https://department-for-education.shinyapps.io/local-skills-dashboard/?_inputs_&splashGeoType=%22LSIP%22&jobMapSwitch=%22Map%22&jobTableSwitch=%22Emerging%20Demand%22&navbar=%22local_skills_data%22&geoChoiceOver=%22South-East%20Midlands%20LSIP%22&geoChoice=%22South-East%20Midlands%20LSIP%22&splashMetric=%22employmentProjection%22&jobGeoChoice=%22England%22&jobMetric=%22volume%22&nav_click=%22local_skills_data%22

Annex F - Alignment with the Modern Industrial Strategy, Local Authorities and LSIP area analysis, Wider skills eco-support systems

F1 – Context

This Section looks at our region in the context of the IS8 Sectors and supporting eco-systems. It is informed by several datasets, many of which show that, although quotient employment numbers in our region for each IS sector are lower than the UK figures, when analysing the South Midlands economy, it is evident that **the area economy has high employment and growth potential in key, specific regional sectors alongside the IS8+2 priority sectors**, the strongest location quotients across the South Midlands (see detailed data diagram on P.83) being with advanced manufacturing and professional & business services with clusters and/or key businesses in each of the sectors identified:

- Advanced manufacturing – High in Central Bedfordshire, Luton, North and West Northamptonshire, primarily manufacture of military fighting vehicles, motorsport and vehicle components, Silverstone Technology cluster;
- Clean energy industries – High in West Northamptonshire and Kettering Energy Park, and Chelveston Renewable Energy Park in North Northamptonshire;
- Construction - High in Bedford and Central Bedfordshire, both trades and civil engineering;
- Defence – High in Central Bedfordshire with military facilities;
- Digital & technologies – High in Milton Keynes with focus on artificial intelligence ('AI') and digital technologies in, Bletchley Park being a strong brand and focal point;
- Financial services – High in Milton Keynes with Santander and Xero headquarters and vehicle leasing. Barclaycard and Nationwide head offices in West Northamptonshire;
- Health – High in Bedford and West Northamptonshire;
- Life sciences – High in Bedford for research and development. AstraZeneca's global corporate functions in Luton;
- Professional & business services – High in Luton, Milton Keynes and West Northamptonshire through high quotient of temporary employment agencies;
- Social Care – High in Bedford and West Northamptonshire with high residential care and childcare.

The evidence shows that South Midlands local authority growth priorities have good alignment with the Modern Industrial Strategy, particularly in Advanced Manufacturing, Digital and Technologies, Financial Services, Professional and Business Services, and in related strategic activity around defence/aerospace, logistics, construction and clean growth. Alignment is strongest where local growth plans identify developing sector clusters, strategic employment sites, inward investment priorities and workforce challenges linked to those sectors.

At a regional level, the South Midlands Economic Growth Strategy explicitly states that the area leads in logistics and distribution, defence and aerospace, advanced manufacturing (including motorsport), research and development, and a rapidly expanding digital and technology sector, and says these strengths are "well-aligned" with the ambitions of the Modern Industrial Strategy. The same strategy identifies local specialisms including financial services in Milton Keynes, wholesale in North Northamptonshire, and logistics in West Northamptonshire, and highlights sector opportunities in advanced manufacturing, aerospace and defence, digital and technologies, financial services, and professional and business services.

This regional picture is consistent with the South Midlands' longer-term strategic role. The historic Milton Keynes and South Midlands Sub-Regional Strategy identified the area as a major cross-regional growth area requiring co-ordinated delivery, transport, housing and economic planning, which helps explain why current local authority priorities still emphasise strategic infrastructure, growth corridors, employment land and skills coordination across local boundaries.

F1.1 - Where local authority priorities align most clearly

1. Advanced Manufacturing

This is one of the clearest areas of alignment. The South Midlands strategy identifies advanced manufacturing, including motorsport, as a major regional strength and a source of high-value exports, inward investment and skilled jobs. It also references the region's concentration of Formula 1 teams, precision engineering firms, electric and hybrid vehicle R&D, and advanced materials capability.

West Northamptonshire's strategy similarly states that it wants to attract more businesses in high-value sectors, improve productivity and innovation, and align growth with national priority sectors. This is also an industry specific area of progressive growth for North Northamptonshire, informing the regional alignment of stakeholders to support employer networks such as AI growth zone within digital technologies

These activities align directly with the Modern Industrial Strategy's Advanced Manufacturing sector and supports Skills England's focus on higher technical routes, engineering capability, modular upskilling, and workforce development linked to technological change.

2. Digital and Technologies

The South Midlands strategy identifies digital and technologies, including AI, as a major growth area, citing Milton Keynes' digital reputation, the South Central Institute of Technology, and partnerships with firms including Microsoft. This is strong evidence that local authority and regional priorities are already aligned with the national Digital and Technologies sector.

This also aligns closely with Skills England priorities around digital capability, AI-related skills, flexible higher-level provision, and employer-responsive technical education. The need for digital infrastructure, digital adoption and workforce digital confidence is also reinforced in Bedford's prosperity plan, which identifies modern integrated transport and digital infrastructure as essential to local growth.

3. Financial Services

The South Midlands strategy explicitly identifies financial services as a regional specialism, referencing major employers including Barclaycard and Nationwide in Northampton, and Santander and Xero in Milton Keynes. That gives a clear evidence base for alignment with the Modern Industrial Strategy's Financial Services sector. For the LSIP, this means local skills needs in data, business systems, compliance, digital finance and professional capability are not peripheral; they are part of a nationally recognised growth sector already embedded in the South Midlands economy.

4. Professional and Business Services

The South Midlands strategy identifies professional and business services as one of the sectors aligned with the Modern Industrial Strategy, and it also notes the region's high proportion of microbusinesses and the need for support to help firms grow, innovate and survive beyond the early years. Bedford's plan also stresses business support, business growth, strategic sites and local employment, all of which are closely linked to the wider professional and business services ecosystem.

This aligns with the national Professional and Business Services sector and with Skills England's interest in management, progression, higher technical learning, and employer engagement that improves productivity and business resilience.

5. Defence and Aerospace

The South Midlands strategy identifies a rapidly expanding aviation and defence hub, supported by firms including Marshall Aerospace, Lockheed Martin, Leonardo and HMGCC, and links this directly to increased defence spending and national security supply chains. While “aerospace and defence” is framed regionally rather than as a standalone local authority sector in every strategy, the alignment with the national Defence sector is very strong.

6. Logistics

Logistics is a major South Midlands strength, with the regional strategy describing the area as a key anchor for the Golden Triangle, including DIRFT and Northampton Gateway, and stating that logistics supports over 80,000 jobs across the region. Logistics is not one of the IS-8 sectors, but it is clearly a major enabling sector for regional growth and for the success of manufacturing, retail, professional services and inward investment. For the LSIP, this matters because Skills England priorities are not restricted to IS-8 alone; they also recognise the need to support sectors essential to economic functioning and labour market participation. In South Midlands terms, logistics is one of those foundational sectors.

7. Construction and clean growth

Construction is not prominently framed as a standalone IS-8 sector in the regional growth strategy, but local authority and regional evidence consistently points to major development, regeneration, employment land, transport and place-shaping, all of which imply significant construction demand. Bedford’s plan prioritises strategic sites, infrastructure and town centre development. MKDP’s plan prioritises placemaking, development and delivery, including major Central Milton Keynes growth sites. Luton’s employment and skills planning is already linking economic growth to logistics development and green construction equipment. This aligns more closely with Skills England’s “IS8+2” framing, where Construction is treated as a priority sector because of national delivery pressures even though it is not one of the original eight Industrial Strategy sectors.

8. Health and Social Care

Health and social care is another area where the strongest alignment is with Skills England priorities rather than the original IS-8 list. Luton 2040 explicitly identifies growing demand across health, social care and education, and the town’s skills strategy includes targeted pathways such as Passport to Health and Social Care. This is a strong fit with Skills England’s decision to treat Health and Social Care as a priority alongside the IS-8 sectors, particularly because it links labour market demand, inequality, participation and progression.

F1.2 - Local authority skills and employment challenges that match national priorities

The local authority and regional material also aligns with central government priorities on the conditions for growth, not just the sectors themselves.

The Local Government Associations “A Force for Growth” report argues that councils are important economic actors because they hold levers around business support, transport, skills, procurement, health and employment, and that integrating employment support with adult learning and health services helps people furthest from the labour market build skills and confidence. That is highly relevant to the South Midlands because local strategies are already trying to link growth, skills and inclusion rather than treating them separately.

Examples include: Luton’s public documents show this most clearly: the town’s Employment and Skills Plan has four priorities — skills driving economic recovery and growth; developing a pipeline of talented and resilient people; tackling long-term inequality and economic inactivity; and creating an adaptable, upskilled workforce. The 2025 annual report also gives concrete examples, including a logistics development at Junction 10 that generated 103 local jobs, 2 apprenticeships, 10 school and college events, 2 work experience placements and £2.43 million in social value, alongside major construction/engineering and green-skills equipment investment at Barnfield College.

Similarly, Bedford's plan says local people must be equipped with the skills needed for employment "now and in the future," and links that directly to investment, business growth, strategic sites, infrastructure and place shaping.

Central Bedfordshire contributes significantly to the South Midlands economy through its strong logistics, advanced manufacturing, food production, construction and health and care sectors. It is characterised by a diverse employment base, with strengths in logistics and distribution, food manufacturing, advanced engineering, construction and health and social care. Major employment locations such as Biggleswade, Dunstable, Leighton Linslade and Houghton Regis support significant numbers of entry-level, technical and supervisory roles, while proximity to Milton Keynes, Luton, and the Oxford–Cambridge Growth Corridor increases labour mobility and employer demand.

The Council's economic priorities emphasise sustainable growth, regeneration, infrastructure delivery, and inclusive access to employment. Housing growth, town-centre regeneration, and major infrastructure projects generate sustained demand for construction, retrofit, digital and professional skills across multiple levels. LSIP 2.0 provides a critical framework for ensuring local training provision supports these long-term pipelines rather than short-term recruitment alone.

F1.3 - Main Industrial Strategy areas for the South Midlands

Based on the accessible evidence, the main Modern Industrial Strategy areas for the South Midlands are:

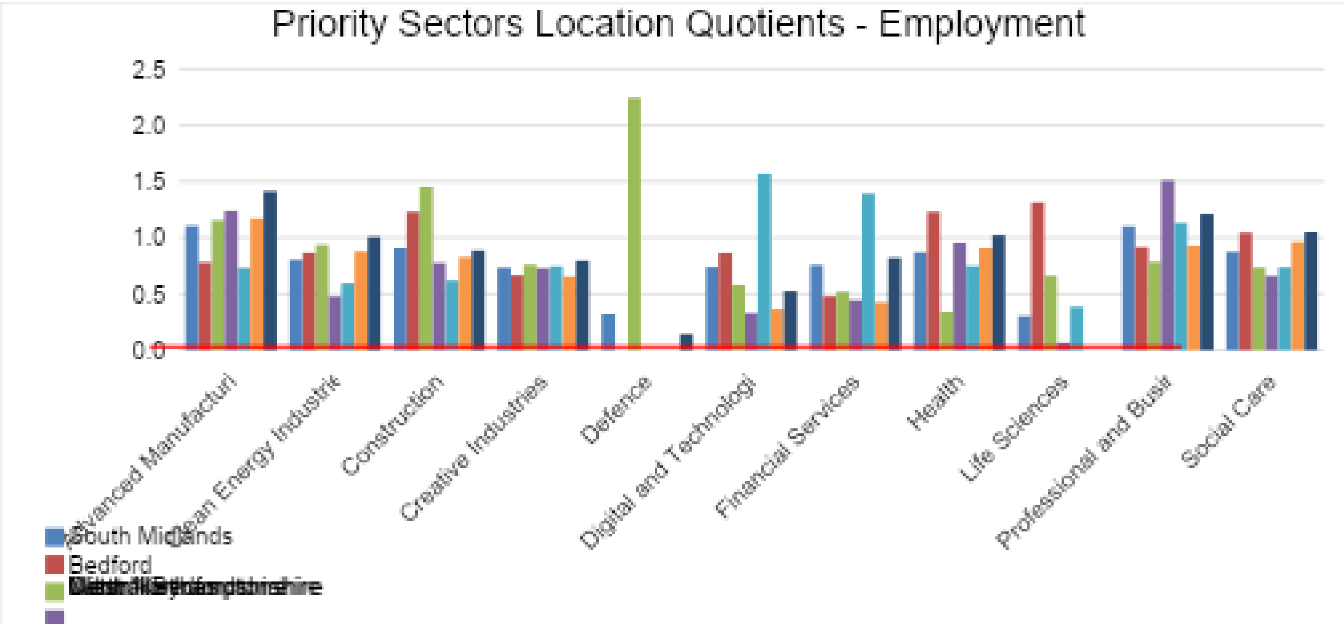
- Advanced Manufacturing
- Digital and Technologies
- Financial Services
- Professional and Business Services
- Defence

with strong supporting relevance in Construction, Health and Social Care and Logistics as a foundational enabling sector rather than an IS-8 sector.

Although employment numbers in our region are shown to be lower than the UK percentages in all IS8 sectors, we do have high numbers in Construction and Health/Care. However, these are the "+2" in the IS8+2 definitions and are excluded in this section

F1.4 - Summary of Regional employment figures and quotients against IS Sectors

Sector	England % of employment	SE midlands % of employment
Professional and Business Services	14.7	14.0
Digital and Technologies	7.3	6.1
Creative Industries	5.0	3.1
Financial Services	3.3	2.7
Advanced Manufacturing	2.2	2.5
Totals	**32.5**	**28.4**



Sources: ONS (2023), Business Register and Employment Survey. Department for Business & Trade (2024), Invest 2035: the UK's modern industrial strategy

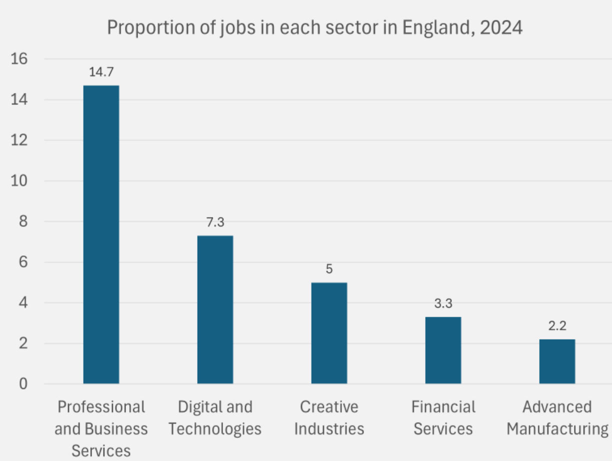
F1.5 – Regional (LSIP) employment distribution by Industrial Sectors (IS8):

Employment distribution, regional overview and LSIP area breakdown for our region in: Advanced Manufacturing, Creative Industries, Digital and Technologies, Professional and Business Services, and Financial Services. (As defined in the Industrial Strategy Sector Definition List.)

Caveats:

- Defence and Life Sciences are excluded due to low sample sizes in the BRES data.
- Clean Energy is excluded because it cannot be clearly defined by SIC codes.

Overall employment distribution by sector

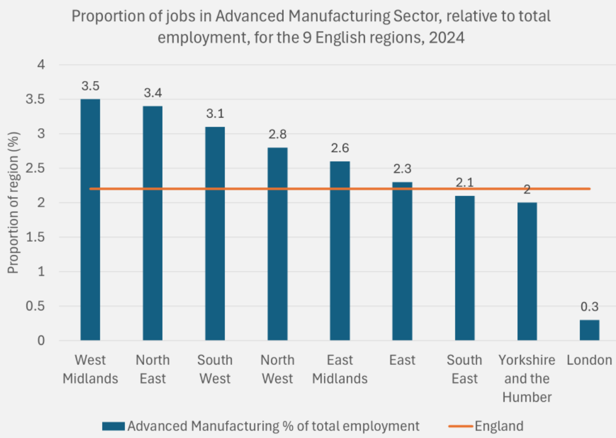


Professional and Business Services has the largest share of employment in England (14.7%), followed by Digital & Technology (7.3%) and the Creative Industries (5%).

Financial Services (3.3%) and Advanced Manufacturing (2.2%) make up smaller, but still significant, proportions of total employment.

4

Regional overview



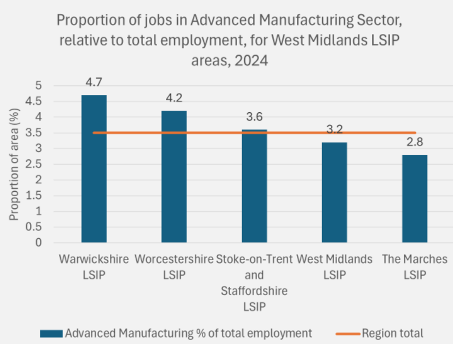
The West Midlands, North East, and South West regions have the highest proportion of employment in the Advanced Manufacturing sector compared to their total employment base.

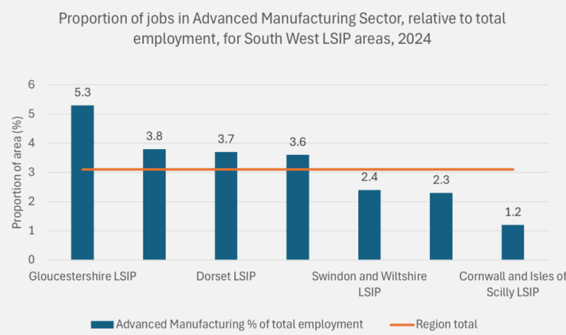
In contrast, London has very low representation, reflecting its more service-driven economy.

6

LSIP Area breakdown

- Within regions, there are also local labour market nuances, with some LSIP areas demonstrating a higher proportion of jobs in Advanced Manufacturing compared to the regional baseline.
- Areas such as Gloucestershire and Warwickshire stand out as significant hubs, helping to identify where skills supply may need strengthening to meet employer demand.





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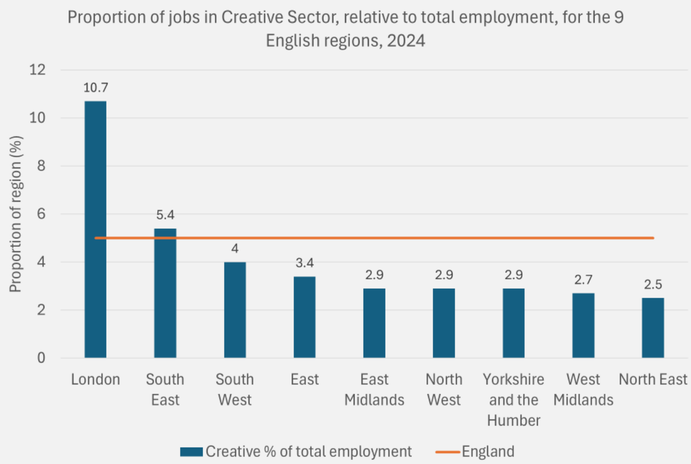
Regional overview



London has the highest proportion of jobs in the Creative sector compared to its total employment base, with employment levels more than double the national average.

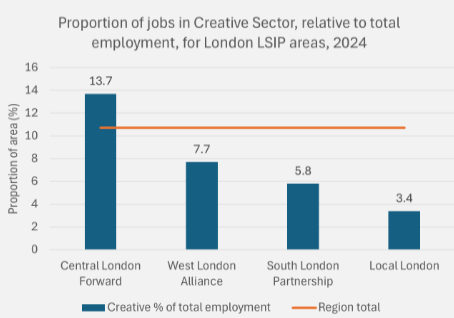
The surrounding regions of South East and South West also show slightly higher employment than the rest of England.

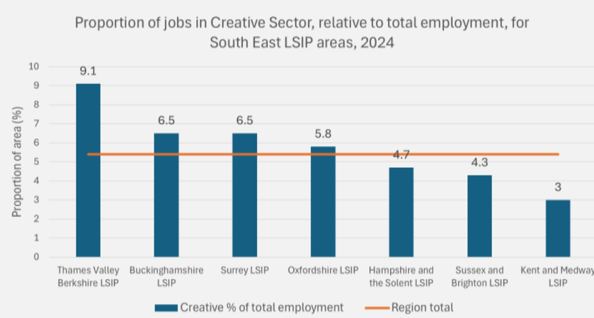
This pattern points to strong creative clusters across the South of England.

9

LSIP Area breakdown

- Employment in the Creative sector varies widely across LSIP areas, even within regions with high proportion of employment in the sector.
- In London, Central London Forward LSIP area shows a particularly high concentration of Creative sector employment, while the Local London area sits below the England average.
- In the South East, several LSIP areas exceed the regional average, reflecting established creative clusters.





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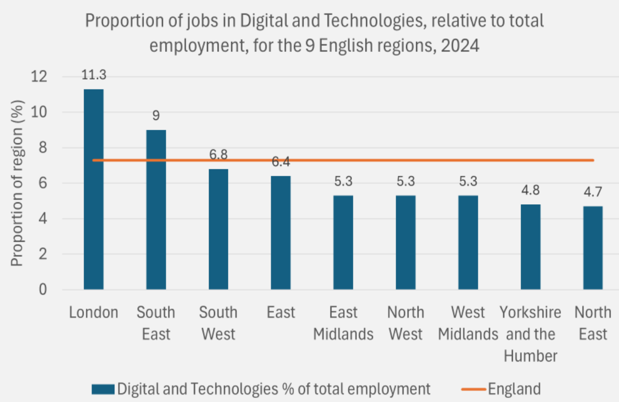
Regional overview



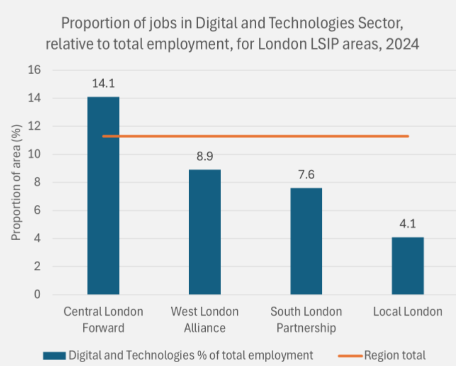
Digital and Tech employment is highest in London and South East.

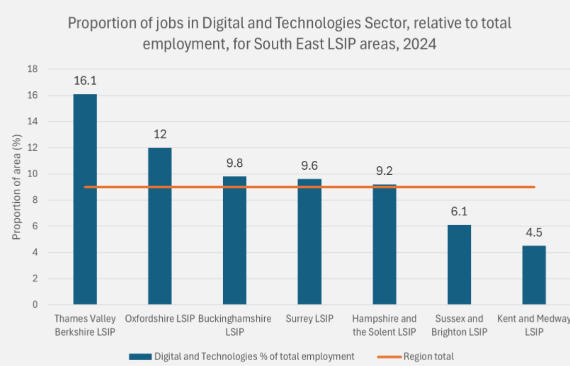
These patterns reflect the geographic distribution of digital and tech clusters.

12

LSIP Area breakdown

- Within London, again the Central London Forward and West London alliance areas have a higher proportion of Digital and Technology employment.
- In the South East, Thames Valley Berkshire again stands out as a major hotspot, with Oxfordshire, Buckinghamshire and Surrey also showing high concentrations of employment.





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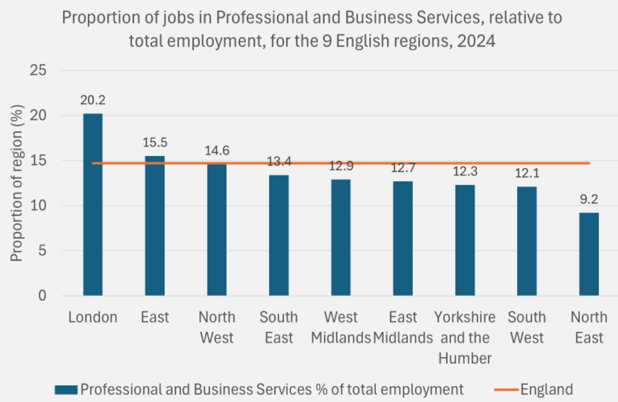
Regional overview



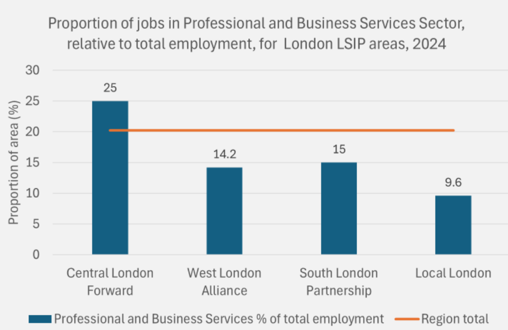
Again, London has the highest proportion of jobs in Professional and Business Services, compared to the England average. This reflects its profile as a global services hub.

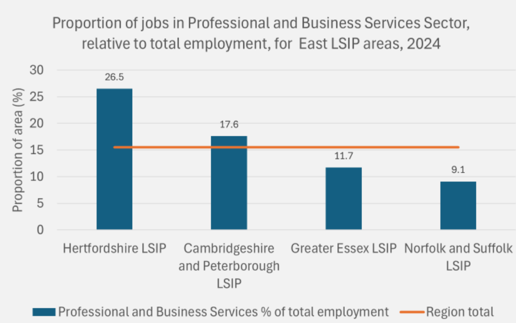
Regions such as the East and North West also have a high proportion of employment in the sector, demonstrating a broader national footprint than other sectors.

15

LSIP Area breakdown

- There is significant variation in Professional and Business Services employment across LSIP areas. In London, the Central London Forward LSIP area has a notably higher proportion of jobs in the sector than the regional baseline.
- In the East of England, Hertfordshire and Cambridgeshire & Peterborough also exceed the regional baseline, highlighting strong local clusters within the sector.





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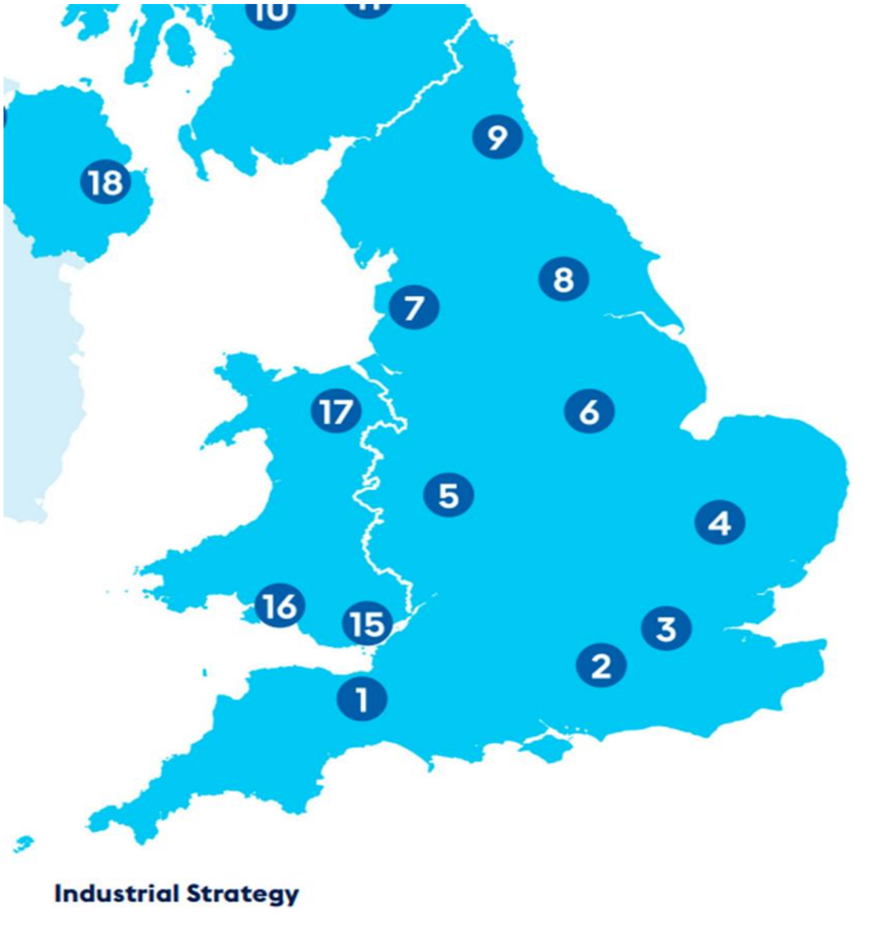
F1.6 - Industrial Strategy map and growth Clusters in England

(Source: The UK's Modern Industrial Strategy



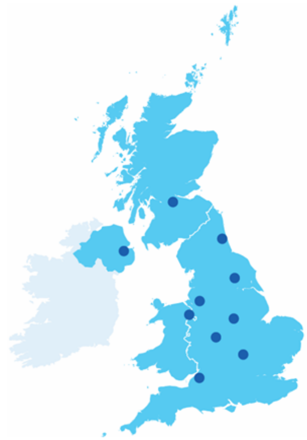
1. South West
2. South East
3. Greater London
4. East of England
5. West Midlands
6. East Midlands
7. North West
8. Yorkshire and the Humber
9. North East

There are no defined IS8 Growth Clusters in our LSIP region

The Industrial Strategy focuses effort on the city regions and industrial clusters where the IS-8+2 concentrate

Advanced Manufacturing

- East Midlands (East Midlands Combined Authority (CA), Leicestershire, Lincolnshire)
- North East (North East CA)
- North West (Greater Manchester CA, Liverpool City Region, Cheshire, Lancashire)
- Northern Ireland (Belfast)
- Oxford to Cambridge Growth Corridor
- Scotland (Edinburgh, Glasgow)
- South West (West of England CA, Somerset, Gloucestershire)
- Wales (Wrexham and Flintshire)
- West Midlands (West Midlands CA, Warwickshire)
- Yorkshire (South Yorkshire CA, York and North Yorkshire CA)



Clean Energy Industries

- East Midlands (East Midlands CA)
- East of England (Freeport East, Cambridgeshire and Peterborough CA)
- Greater London (City of London, Thames Freeport)
- North East (North East CA, Tees Valley CA)
- North West (Greater Manchester CA, Liverpool City Region, Cheshire, Lancashire)
- Northern Ireland (Belfast)
- Scotland (North Sea, Aberdeen, Central Belt, Highlands and Islands)
- South East (Oxford, Solent)
- South West (West of England CA, Plymouth, Cornwall, Somerset)
- Wales (Anglesey, Celtic Sea (including Port Talbot and Milford Haven))
- West Midlands (West Midlands CA, Black Country)
- Yorkshire and the Humber (South Yorkshire CA, York and North Yorkshire CA, Humber)

Creative Industries

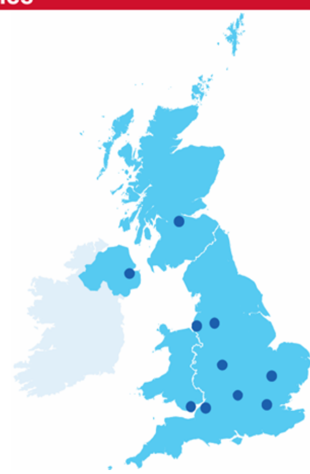
- Belfast
- Cardiff
- Dundee
- Edinburgh
- Glasgow
- Greater London Authority
- Greater Manchester CA
- Liverpool City Region
- North East CA
- West Midlands CA
- West of England CA
- West Yorkshire CA

Defence

Barrow
Belfast
East Midlands CA
Glasgow, Edinburgh
Greater London Authority
Greater Manchester CA, Liverpool City Region, Cheshire, Lancashire
Oxford to Cambridge Growth Corridor
Plymouth
Solent
South Wales
South Yorkshire CA
West Midlands CA
West of England CA, Cheltenham, Gloucestershire

Digital and Technologies

Northern Ireland (Belfast)
Greater London Authority
Greater Manchester CA
Liverpool City Region
Oxford to Cambridge Growth Corridor
Scotland (Dundee, Edinburgh, Glasgow)
Wales (Cardiff, Swansea, Newport)
West Midlands CA
West of England CA



Financial Services

Belfast
Cardiff
Cheshire
Edinburgh
Glasgow
Greater London Authority
Greater Manchester CA
Norwich and East Norfolk
South of England (Swindon, Brighton, Bournemouth, East Surrey)
West Midlands CA
West Yorkshire CA

Life Sciences

Northern Ireland (Belfast, Derry/Londonderry)
East Midlands CA
Greater London Authority
North East CA, Tees Valley CA
North West (Greater Manchester CA, Liverpool City Region, Cheshire)
Oxford to Cambridge Growth Corridor
Scotland (Edinburgh, Glasgow, Dundee, Aberdeen)
Wales (Cardiff, Swansea, Wrexham)
West Midlands CA
Yorkshire and the Humber (South Yorkshire CA, York and North Yorkshire CA, Humber)

Professional and Business Services

Edinburgh and Glasgow
Greater London Authority
Greater Manchester CA
Liverpool City Region
West Midlands CA
West Yorkshire CA

F1.7 - English city regions and clusters identified in Sector Plan

Sector	
Advanced Manufacturing	East Midlands (East Midlands Combined Authority (CA), Leicestershire, Lincolnshire); North East (North East CA); North West (Greater Manchester CA, Liverpool City Region, Cheshire, Lancashire); Northern Ireland (Belfast); Oxford to Cambridge Growth Corridor; South West (West of England CA, Somerset, Gloucestershire); West Midlands (West Midlands CA, Warwickshire); Yorkshire (South Yorkshire CA, York and North Yorkshire CA)
Clean Energy Industries (Jobs Plan already published)	East Midlands (East Midlands CA); East of England (Freeport East, Cambridgeshire and Peterborough CA); Greater London (City of London, Thames Freeport); North East (North East CA, Tees Valley CA); North West (Greater Manchester CA, Liverpool City Region, Cheshire, Lancashire); South East (Oxford, Solent); South West (West of England CA, Plymouth, Cornwall, Somerset); West Midlands (West Midlands CA, Black Country); Yorkshire and the Humber (South Yorkshire CA, York and North Yorkshire CA, Humber)
Construction	No Sector Plan
Creative Industries	Greater London Authority; Greater Manchester CA; Liverpool City Region; North East CA; West Midlands CA; West of England CA; West Yorkshire CA
Defence	Greater London Authority; Greater Manchester CA; Liverpool City Region; Cheshire; Lancashire; Oxford to Cambridge Growth Corridor; Plymouth; Solent; South Yorkshire CA; West Midlands CA; West of England CA; Cheltenham; Gloucestershire
Digital and Technologies	Greater London Authority; Greater Manchester CA; Liverpool City Region; Oxford to Cambridge Growth Corridor; West Midlands CA; West of England CA
Financial Services	Cheshire; Greater London Authority; Greater Manchester CA; Norwich and East Norfolk; South of England (Swindon, Brighton, Bournemouth, East Surrey); West Midlands CA; West Yorkshire CA
Life Sciences	East Midlands CA; Greater London Authority; North East CA; Tees Valley CA; North West (Greater Manchester CA, Liverpool City Region, Cheshire); Oxford to Cambridge Growth Corridor; West Midlands CA; Yorkshire and the Humber (South Yorkshire CA, York and North Yorkshire CA, Humber)
Professional and Business Services	Greater London Authority; Greater Manchester CA; Liverpool City Region; West Midlands CA; West Yorkshire CA

F2 – Wider Skills eco-support systems

F2.1 - Further and Higher Education providers (FE and HEP)

The next generation of employers and employees are still at school or in Education. In order to support the delivery of change we have to recognise that the changes needed to support future generations begin in our education system.

Further and Higher Education providers are engaged in helping to develop a clear understanding of an area's technical skill needs, and the actions needed (at the collective and individual institution level) to address any gaps. This includes sharing intelligence from their own research and engagement with employers, together with information about their current skills provision and skills pipeline. This will be integrated with broader Labour Market Intelligence and input from employers, ensuring skills planning is robust and forward-looking.

This proactive involvement of **Further Education providers** is essential for maximising the impact of the LSIP. We expect all providers of technical education and training, including those who do not have duties under the Act, to:

- help identify the skills needs in an area and the actions needed to address them, using and feeding in intelligence from their connections with employers, local authorities and other organisations to help build a cohesive, well-informed and shared interpretation of skills and the shifts needed to drive better outcomes for learners, employers and the local economy
- be a strong partner in the governance structure, as appropriate, bringing both operational and strategic insight to the skills challenges facing the area, and helping to establish the overall strategic goals and outcomes that need to be achieved through the LSIP
- translate LSIP priorities into practical outcomes on the ground, including reviewing and actively considering the most appropriate programmes to address the skills gaps identified in the LSIP, this could include the introduction of V Levels or the expansion of qualifications such as T Levels, which were introduced in 2020, developed in close collaboration with employers and are based on occupational standards, or other bespoke provision which addresses these skills gaps. Data also shows that only 34% of Year 11 students understand what a T Level is – there is big piece of work to do raising awareness so that informed choices are made on pathways.
- Ensure we are fully engaged with current offers and provision to help create a more coherent post-16 education system with better pathways and opportunities to progress from entry up to higher level skills, enabled by the Lifelong Learning Entitlement (LLE), V Levels, T Levels, 2-year L2 qualifications, Skills Bootcamps, Apprenticeships

Higher education providers (HEPs) are focal points for higher level technical skills, research and innovation. HEPs support the development and delivery of the LSIP by:

- helping to build an understanding and to map technical skill needs at higher education level (levels 4+), including future pipeline skills based on their own work in driving technological change / research led innovation
- sharing information about their current skills offer and identifying what changes are needed to increase their own responsiveness to local, regional and national skills needs
- developing and delivering provision aligned with the local skill needs identified in the LSIP
- collaborating with other further and higher education providers to identify ways to support access and participation; build new skills arising from research led innovation into training provision programmes; and undertake joint further and higher education engagement with employers / employer networks in order to gain a shared understanding of skill needs

- using its subject expertise and industry links to help develop the specialist technical skills of staff in further and higher education providers, including co-designing enhancements for industry relevant skills, work experience, and work with employers to support industry exchanges

F2.2 - Current Further Education LSIP delivery interventions include (see Annex G – CTEC (Construction Excellence Technical College) for additional information)

- Across all of Bedfordshire - the introduction of Industry Advisory Boards (IABs). These boards bring together employers from key sectors such as advanced Engineering, Construction, Logistics, Digital and Health to provide direct, recurring input into curriculum design and skills planning. The Bedford College Group has explicitly aligned its curriculum planning to labour market intelligence and LSIP priorities. Its latest accountability statement confirms that provision is being reviewed and adapted in response to employer demand, with particular focus on sectors such as Engineering, Construction, Digital and Health. In addition, the Group is developing employer academies and sector-based training models, co-designed with industry partners, ensuring that provision reflects real workplace requirements. This demonstrates a direct translation of LSIP-identified needs into structured training pathways.

  Bedfordshire Employment & Skills Academy (BESA) are also delivering a range of skills bootcamps in Central Bedfordshire in key sectors - Construction/Groundworks, Trades and Green Skills. Digital – AI, Cybersecurity and Data Analysis. Logistics & Distribution – Warehousing and HGV Novice to Cat C and Health & Social Care – Early Years

- Luton, Barnfield College plays a leading role in both identifying and responding to local skills needs through its central position within the Luton Employment and Skills Partnership Board. This board brings together FE, local authorities, employers and other stakeholders to develop a shared understanding of labour market challenges and required interventions. This provides a strong example of LSIP priorities being converted into visible curriculum delivery. There has also been an investment of around £68m in the Barnfield campus in Luton, including industry-standard facilities in a new Construction and Engineering building. https://www.barnfield.ac.uk/whats-on/news/new-construction-engineering-centre-officially-open

  According to Luton Council's Employment and Skills Plan Annual Report, the college has invested over £220,000 in Green Construction equipment and more than £600,000 in Health and clinical skills facilities. These investments support training in areas such as renewable energy (solar, heat pumps), electric vehicles and Healthcare—directly aligned to identified local and national skills shortages. Overall, FE and local authority providers across the South Midlands are demonstrating a clear ability to move from LSIP intelligence to delivery. This is evidenced through:

  - Expansion of T Levels and reformed technical qualifications aligned to occupational standards
  - Development of employer-led programmes (e.g. SkillUp:MK, Skills Bootcamps)
  - Significant capital investment in priority sectors (e.g. Green skills, Health)
  - Introduction of bespoke and flexible provision targeting identified gaps
  - Alignment of adult learning programmes to support inclusion and progression

- Milton Keynes - Post-16 Planning Strategy Group, employer forums and SkillUp:MK, where Milton Keynes College works alongside local partners such as Milton Keynes City Council, The Open University and Santander to respond to identified skills gaps in Digital, leadership, and Green skills. These platforms enable the college to gather real-time intelligence from employers in key sectors such as Logistics, Digital, and professional services. This reflects a move toward short, modular and employer-responsive provision, complementing longer technical qualifications such as T Levels.

- Northamptonshire, FE providers are taking a collaborative, system-wide approach. Northampton College and Moulton College are key partners in Futureskills Northamptonshire, a strategic collaboration with the University of Northampton. This partnership is explicitly designed to align skills provision with employer demand and LSIP priorities across the county. Skills Bootcamps in Logistics, Tourism and Hospitality and Construction are also being delivered. Moulton College is aligning its specialist provision (e.g. land-based, environmental and Construction skills) with emerging Green economy needs, reflecting LSIP priorities around sustainability and environmental skills.

This ensures that LSIP priorities are not only identified but are actively translated into practical, funded and measurable outcomes on the ground, improving responsiveness to employer demand and supporting economic growth across Beds, Milton Keynes, Northamptonshire and Luton. This ensures that the LSIP is not developed in isolation, but is underpinned by cohesive system wide collaboration in which FE providers actively help define the strategic goals, outcomes and interventions required to address skills challenges across Beds, Milton Keynes, Northamptonshire and Luton.

F2.3 - Examples of current Higher Education Providers LSIP delivery interventions include:

- In Bedfordshire and Luton, the main higher education anchors are Cranfield University (postgraduates) and The University of Bedfordshire. Cranfield's research is concentrated in sectors directly linked to future pipeline demand and work focuses on aerospace, Defence and security, environment and agrifood, energy and sustainability, Manufacturing and materials, transport systems and water. Courses and research programmes are informed and directed by industry needs and challenges. The University of Bedfordshire works with businesses and public-sector organisations on higher-level skills, offers CPD, and has the largest offer of apprenticeships in the area. That matters for LSIP delivery because degree apprenticeships and CPD are one of the clearest ways a university can identify and respond to Level 4+ technical demand in workforces already in employment

- In Milton Keynes the main providers is The Open University. It's Institutional strategy says that one important route to impact is to work with employers on innovation and workforce skills so that new knowledge can be applied in practice. In Milton Keynes, that role has been formalised through the Civic University Agreement, led by the OU, Cranfield University and Milton Keynes College, with backing from Milton Keynes City Council and major employers. Both Cranfield and the OU describe the agreement as a mechanism to drive skills, growth and innovation and support the city's position in the Oxford-Cambridge Growth Corridor. That is important for LSIP purposes because it shows HEPs helping shape a forward-looking understanding of the city's future higher-level skills base, especially in technology and innovation-led sectors.

- The University of Northampton provides both partnership-based skills planning and innovation analysis. The Futureskills Northamptonshire strategy, is intended to build a unified and future-focused skills system and align provision to employer demand across the county, coordinating education and training across levels "from entry to degree and postgraduate study" and aligning it to employer needs in sectors including Advanced Manufacturing, clean energy, Construction, Health, Digital and Logistics. That gives the university a clear role in mapping where Level 4+ provision is needed within the local skills pipeline.

Higher Education providers in the South Midlands are contributing to the LSIP not simply as course providers, but as system intelligence partners: they help identify current and future Level 4+ technical skill needs through research, employer engagement, knowledge exchange, innovation activity and strategic collaboration with FE, local authorities and business networks.

By taking a coordinated approach to raising awareness of available skills provision and improving understanding of progression pathways, ensuring that employers and learners can navigate opportunities for upskilling and reskilling more effectively, they are actively developing and delivering provision that aligns with the priority sectors and skills gaps identified through the LSIP, particularly in areas such as Advanced Manufacturing, Digital, Health, Logistics and Green skills.

This alignment is evidenced through curriculum design, degree and higher apprenticeships, research-informed programmes, and place-based partnerships with FE, employers and local authorities. See Annex G for more details

Local Authority support in delivering LSIP priorities include targeted adult learning programmes. Local Authority Adult Learning teams confirm that curriculum has been shaped using LSIP findings and labour market data, leading to the introduction of courses focused on employability, Digital skills, and progression pathways for disadvantaged groups. This ensures that LSIP priorities are translated into inclusive provision, not just higher-level technical routes.

F3 - Other parts of the local eco-skills support system

Alongside existing local networks we will continue to support stakeholders to engage with:

- **Dept of Work and Pensions/Jobcentre Plus** to help delivery of Connect to Work, Jobs Guarantee and Workwell programmes, the Adult Skills Budget, Apprenticeships and the Local Skills Improvement Plans over the next 3-5 years and ensure alignment with emerging priorities.

- **National Careers Service** and the new Jobs and Careers Service - The National Careers Service (NCS) remains the main national adult careers guidance service in England, offering careers advice through advisers, webchat and telephone support, together with job profiles and course information. The service currently operates nationally and is still live.

  Before the new Jobs and Careers Service is fully established, engagement with Jobcentre Plus, NCS and local adult careers networks is necessary so that local skills priorities are reflected in advice and referral routes. Once the DWP-led Jobs and Careers Service is implemented, we will help ensure that careers advice, employment support and technical skills provision are more tightly linked to local priority sectors and pathways.

- **The Careers & Enterprise Company (CEC)** is the main national delivery body for careers education in schools and colleges in England. CEC reports that 96% of secondary schools and colleges are now members of Careers Hubs, and that those that have been in a hub longer achieve stronger Gatsby Benchmark performance. Evidence from Careers Education in England, 2024/25 shows that better careers education is associated with stronger work-readiness and a lower likelihood of being NEET, but also says that more employers need to engage, and at greater scale, to provide equitable access to high-quality work experience. Locally, The South Midlands Careers Hub is the strategic arm of the Department for Education (DfE) responsible for supporting schools and colleges to improve the careers provision in schools and colleges for all young people to find their 'best next step'. Their role is to support the education system to connect to the world of work and build an intelligence led careers provision that views school improvement through the lens of careers and builds a talent pipeline for industry.

  Their Careers Hub operates three Cornerstone Employer Groups – in Bedfordshire, Milton Keynes and Northamptonshire – specifically to reflect the geography and sector mix of the South Midlands. South Midlands Careers Hub states that these Cornerstone groups work to target disadvantage, promote pathways, upskill and inform educators, parents and carers, and drive better outcomes for young people. The South Midlands Careers Hub is also using employer-facing tools such as Employer Standards, which it describes as a way to raise the quality of employer engagement in careers education, codify best practice and provide a roadmap for businesses to improve their careers outreach. In practice, this is highly relevant to

the LSIP because it provides an existing local mechanism for translating sector priorities into employer encounters, work experience and careers awareness among young people.
https://careershub.southmidlands.org.uk/about-us/
This coordinated approach between education and industry leads to improved transition and retention rates post-16, a reduction in NEET rates and ultimately in unemployment rates. It is the best way to close local, regional and national skills gaps, and is a key for economic development both short and long term.

- **Growth Hub** - The South Midlands Growth Hub is an important business-facing partner because it already engages directly with employers and provides intelligence on skills, growth barriers and workforce issues. In a September 2025 update to the South Midlands Business Board, the Growth Hub reported 1,108 enquiries from 874 businesses, 1,792 hours of support, 359 referrals involving 192 businesses. That makes the Growth Hub relevant to the LSIP in two ways: it is a source of real-time employer intelligence, and it is also a practical channel for helping employers understand what support and training is available.

- **National innovation networks, including Catapults** - The Innovate UK Catapult Network says it consists of nine sector-based technology and innovation centres operating from more than 65 locations across the UK, providing research and development facilities and technical expertise to support business innovation. For the LSIP, Catapults matter because they can provide insight into future-facing skills in areas such as Advanced Manufacturing, clean energy, transport systems, Digital, AI and innovation-led sectors. In the South Midlands context, they are especially relevant where local priorities overlap with national growth sectors and corridor-based innovation, for example in Advanced Manufacturing, transport innovation, clean energy and connected places.

- **Trade unions** are important stakeholders because they play a regional role in connecting employment and skills. This is also reflected in the Work and Pensions Committee's report on the Jobs and Careers Service, which records evidence from UNISON and PCS, and notes union concerns that the new service must focus on long-term progression and support for barriers such as ESOL, literacy, numeracy and Digital skills, not just short-term job outcomes. For the LSIP, trade unions can add value by bringing workforce insight on pay, conditions, progression, retention and in-work training, especially in sectors such as Health and social care, local government, transport and Manufacturing. Engagement with Unions will be developed through the life cycle of the LSIP

- **Recruitment agencies** and specialist labour-market intermediaries play a useful role in publicising priority occupations and helping under-represented groups access jobs. Several specialist organisations are active in this space as labour-market intermediaries. For the LSIP, they are useful because they can help connect employers in priority sectors to groups that are currently under-represented in the labour market, including disabled people, people with convictions, refugees and returners.

- **National bodies representing groups with protected characteristics** -a practical example is Action for Race Equality, which works to promote young people from Black, Asian and Mixed Heritage backgrounds to employers to improve representation in the workplace. Inclusive specialist organisations such as Evenbreak, Career Returners and Breaking Barriers are also relevant because they combine employer engagement with direct insight into barriers affecting disabled people, returners and refugees.

- **The Apprenticeship Ambassador Network** in England continues to provide peer-to-peer support to SMEs to recruit and deliver high-quality apprenticeships, and that these ambassadors will be linked to the Business Growth Service. Alongside this, the T Level Ambassador Network is also being regionalised. The T Level employer site says a new regional structure was introduced from 1 October 2025 to support local engagement and strategy, while a Contracts Finder notice says the network has over 800 ambassadors drawn from employers, providers, students, universities and other organisations. For the LSIP, both networks are useful channels for building employer confidence in apprenticeships, T Levels and technical pathways, especially among SMEs

- **Chambers of Commerce, FSB and other employer groups** remain one of the most important employer evidence channels in the LSIP process because they provide regular business sentiment and skills intelligence through Economic Surveys and local networks. They also provide an established route into SMEs, which are often the hardest firms to reach consistently. In practice, they are useful not just for evidence collection, but also for testing priorities, promoting provision and helping employers navigate the system.

F4 - Recent related Government announcements linked to local skills issues

These changes are expected to support local needs and incentivise employers to provide significant pathways of employment and skills development. The LSIP promotes these to employers and refers into providers. Regionally, there is already direct support from the South Midlands career hub network on Modern work experience – working with networks to create opportunity for employers to engage with secondary schools in promoting opportunity for young people.

F4.1 - Apprenticeship changes

- Recent announcements that the Department for Work and Pensions (DWP) who are now the budget holders for apprenticeship provision are defunding Operations Manager level 5, Team Leader level 3 and Chartered Manager (Degree level 6 apprenticeship) from September 2026.
- Levy paying employers will have 12 months to spend their levy (reduced from 24 months).
- Apprenticeship Units have been launched in select pathways in Manufacturing, Construction and Ai but only ‘strong’ providers will be able to deliver them initially. The focus is to channel the funding to 16-24 year olds to reduce the high levels of NEET nationally.
- An Apprenticeship Incentive of £2,000 for each new employee aged 16-24 taken on by an SME. As part of wider reforms, this will drive progress to our target of creating 50,000 more apprenticeships.
- Further reforms to the Growth and Skills Levy to prioritise young apprentices, secure value for money and give school and college leavers more opportunities than ever to build careers in cutting edge industries

F4.2 - Youth Guarantee

- A new Youth Jobs Grant, through which businesses will receive £3,000 for every young person they hire aged 18-24 who has been on UC and looking for work for six months. This is expected to support 60,000 young people over three years.
- Expansion of the Jobs Guarantee nationally from late 2026 to a wider age range, from 18-21 to 18-24, to create more than 35,000 extra subsidised jobs and a total of over 90,000 to be supported through the scheme in the next 3 years.
- Labour market participation is also influenced by wider social and structural factors. Health-related issues are a significant contributor to economic inactivity, with rising levels of long-term Health conditions, mental Health issues and musculoskeletal disorders affecting people’s ability to work.
- In addition, around 4,600 young people aged 16–24 are currently not in education, employment or training (NEET) across the South Midlands, highlighting the need for stronger pathways into education, training and employment.
- There is also a drive to create an extra 50,000 work experience opportunities over next 3 years. This can open the door for better ways to recruit i.e. “try before you buy” and where potential is shown the skills journey can begin.

F5 - Delivering the skills needs for priority sectors

This will require a joint effort between His Majesty's Government and regional and industry partners. Jobs Plans are the tool for Government and business to work together to solve this challenge. As part of the Industrial Strategy, Jobs Plans will set out how government, business, local and regional partners and trade unions will work together to collectively address the workforce needs in each sector. Each Jobs Plan will:

- Comprehensively set out the scale of the workforce challenge (skills, pay, conditions, etc.) in the sector. This will be a joint effort across government and our partners including Skills England, the devolved administrations, and industry stakeholders.
- Clearly set out how government is supporting to growth-driving sectors alongside commitments from industry, as part of a new partnership model, which deliver within the next three years.

Jobs Plans actions will respond to an evidence-based analysis of workforce and skills issues and be written in partnership between government, industry, local government, trade unions, and devolved nations. The Jobs Plans are not intended to be set in stone – actions will evolve over the three years according to what works and changing labour market demand.

Jobs Plans will be grounded in place, informed by robust regional labour market data and developed in collaboration with our regional local authorities and Skills England. Jobs Plans will tailor their place-based interventions to the specific challenges and opportunities of each area type and deliver them in partnership with local institutions, aligning with local initiatives, ensuring coherence with regional skills programmes, employment support schemes, and Local Authority funding streams.

They will be building on existing local work such as Local Skills Improvement Plans, Local Growth Plans and Local Get Britain Working Plans. Jobs Plans should be built around four pillars:

- Skills: Increase starts on priority courses
- Hiring: Declining unemployment rate, particularly amongst NEETs & youth.
- Good Jobs (Pay & conditions): Increase job satisfaction, decreased absenteeism.
- Institutions: Making it easier for businesses (particularly SMEs) to collaborate amongst themselves & with gov on these issues.

Actions to increase job satisfaction, decrease absenteeism, and improve workforce retention and Health are critical to Jobs Plans.

F6 - Helping employers and learners understand the pathways and standards available for upskilling and re-skilling

The LSIP will continue to bring regional stakeholders together to support the delivery of priorities and provide a conduit that focuses on converging skills "supply and demand". Key to this is are our workstreams and networking which will continue to:

- identify the current and future skill needs of employers operating within the local area – particularly in priority sectors – by drawing together data and insights from employers about their unmet and emerging skills needs, particularly amongst SMEs, with the ERB taking a lead role in interpreting and articulating employer views
- support employers in better understanding and navigating the local skills systems, encouraging increased investment in training - this includes helping them understand different types of skills provision and how it can meet their workforce needs; and promoting the benefits of offering apprenticeships, work-based learning opportunities and industry placements for learners, including T Level students, Higher Education graduates and other groups of learners

- facilitating employer engagement with providers in the design, development and delivery of provision to ensure it meets the needs of the sector - this includes encouraging employers to offer work placements for teaching staff, second industry staff to support curriculum design and delivery, contributing to facilities and specialist equipment needed to address skills needs

Stakeholders across the three counties include employers (including the MK tech sector, Logistics and Manufacturing firms around DIRFT and Silverstone, aviation and Engineering in Beds, and the Health and care employers around MK and Beds), sector bodies, FE/HE providers, Jobcentre Plus, Growth Hubs, and the VCSE sector. The priority is to ensure cross-county collaboration, reduce replication, and drive co-design of skills provision.

As well as existing employer engagement channels, we will build on the IS8 supply-chain mapping we have done and AI/Green course mappings to integrate major IS8 (and other) local employers and sites (Red Bull Racing, Mercedes High Performance, Luton Airport expansion, Universal Studios Bedford etc.) into industry-facing engagements to create clear labour-market signals for training providers (e.g., Cranfield, MK Open University, University of Northampton, Northampton College, Moulton College, The Bedford College Group, Barnfield College, MK College) are engaged in shaping curriculum and pipeline development:

- Helping employers to become more actively involved in pre and post-16 careers education, including signposting them to the South Midlands Careers Hub and encouraging them to offer modern work experience opportunities and workplace visits
- Supporting employers to self-assess against the Employer Standards framework enabling them to plan and structure engagement, ask the right questions, connect and share peer expertise and engage effectively with young people in schools, special schools and colleges. The Employer Standards framework provides a rigorous framework that enables businesses to understand what good careers education outreach looks like, benchmarking against others and providing access to resources to support progress.

F6.1 - Driving greater employer involvement and investment in skills, mobilising employers, providers and other partners to work together in co-creating solutions to local skills needs.

LSIP 2.0 is designed to tackle skills issues directly. Building on two years of employer-led evidence gathering, it shifts the focus from strategy to delivery and alignment. At its core, LSIP 2.0 acts as a connector bringing employers, colleges, universities, training providers, local authorities and trade bodies together around shared, evidence-based priorities. Key actions include:

- Employer-led priorities shaped by vacancy data, Growth Hub intelligence and direct business engagement Task & Finish groups that convert employer feedback into agreed provider actions, curriculum changes and delivery plans
- A strong emphasis on work-attached learning, including apprenticeships, Skills Bootcamps, V Levels, T Levels, placements and sector based Work Academy Programmes
- Simplifying the language of skills so training offers are understandable and meaningful to employers Actively addressing licence-to-practice and compliance gaps by convening providers, awarding bodies and partners
- Feeding rural (and some urban) access and transport barriers into local authority planning and commissioning Importantly, LSIP 2.0 recognises that skills shortages are not only technical. Leadership, management, Digital and transferable skills are treated as integral to sector productivity, not optional extras.
- Stakeholder commitment to resources, funding and accountable collaboration, developing a system approach to focused employer engagement that will help join up all parts of the provision landscape and deliver a better service to employers.

F6.2 - Why this all matters for local businesses

For employers, LSIP 2.0 is not another policy document. It is a practical mechanism to ensure the skills system responds to how South Midlands businesses actually operate. It offers:

- Clearer routes into apprenticeships, Bootcamps and funded provision
- Stronger brokerage and signposting through the Growth Hub
- Training that reflects real roles, industry approved licences and progression pathways
- A stronger employer voice in shaping local provision
- Better alignment between skills investment and business growth plans
- LSIP 2.0 also supports a wider economic truth: investment in people underpins sustainable growth. When businesses can recruit and develop the right skills locally, productivity improves and communities benefit.

F7 - What this means for LSIP implementation

Taken together, these stakeholders show that the South Midlands already has much of the infrastructure needed to support a more joined-up skills system: a national careers service in transition, a Careers Hub with local employer networks, a Growth Hub with direct business reach, employer ambassador networks, specialist inclusive intermediaries, and access to innovation networks such as Catapults.

The gap is not the absence of organisations, but the need to connect them more systematically around LSIP priorities

Annex G – Additional commentary: Major infrastructure, CTEC's, stakeholders

G1 - Major infrastructure:

G1.1 - The Oxford–Cambridge Growth Corridor (often described as the "Supercluster" region) is one of the fastest-growing economic areas in the UK, adding 125,000 jobs since 2015 and outperforming national employment and productivity growth. This growth is driven largely by knowledge-intensive sectors such as life sciences, IT, advanced manufacturing and research-led services, which employ over 150,000 people in the region and represent a much higher concentration than the UK average. These sectors rely heavily on highly skilled workers, research capability and innovation ecosystems linked to universities and research institutions. For regional skills planning, this demonstrates the need to strengthen the pipeline of advanced technical, digital, engineering and research-related skills that support these high-growth sectors and the wider supply chains they generate.

https://www.supercluster.org.uk/reports

Simplify access to skills to boost economic growth

The corridor includes key economic centres such as Oxford, Cambridge, Milton Keynes, Luton, Bedford and Stevenage, creating a connected regional economy with strong innovation clusters and growing demand for skilled labour. However, the benefits of this growth depend on the ability of the workforce to access training and opportunities across the region. Improving access to education, skills and mobility will be essential to ensure that local residents can benefit from the expanding knowledge economy, particularly as major infrastructure such as East West Rail strengthens connectivity across the corridor and supports further economic expansion.

Mobilise employers and partners to co-create solutions

The success of the Growth Corridor is closely linked to collaboration between universities, businesses, research institutes and investors, which has created a strong pipeline of innovative companies and spin-outs in emerging technologies such as AI, battery technology, nuclear fusion and quantum computing. This demonstrates the importance of mobilising employers and partners to co-design skills pathways that align with emerging industries and innovation clusters. By working with employers, universities and regional partners, the skills system can better respond to national industrial priorities while supporting the specific economic strengths of the corridor and the wider South Midlands region.

G1.1.1 - Oxford Cambridge Growth Corridor - (EASTWEST MAINLINE (rail))

Transport Manufacturing Skills: Strategic Importance for the South Midlands and why this matters

The UK transport manufacturing sector – including rail, automotive, aerospace and advanced mobility systems – is a critical driver of economic growth. However, a recent Parliamentary report highlights significant skills shortages across these industries at the same time that they are undergoing major technological transformation.

For the South Midlands region – which includes Milton Keynes, Bedfordshire, Northamptonshire and the Oxford–Cambridge Growth Corridor – this issue is particularly significant because the area is at the centre of several major infrastructure and innovation programmes.

Transport infrastructure developments such as East West Rail, growth in advanced manufacturing clusters, and expansion of logistics and supply chain industries are expected to significantly increase demand for skilled workers in the coming decade. Rail infrastructure in particular plays a central role in supporting regional economic growth, labour mobility and freight connectivity across the corridor. The East West Rail programme will create new connections between Cambridge, Bedford, Milton Keynes and Oxford, linking major innovation centres and improving regional productivity. Improved rail connectivity is expected to strengthen labour market access, support housing growth and enable businesses across the region to recruit from a wider talent pool. At the same time, freight improvements connecting ports such as Felixstowe to the Midlands and North will support national supply chains and logistics operations.

However, the Parliamentary report highlights that transport manufacturing companies are already facing serious workforce shortages, particularly in technical roles such as:

- electrical and systems engineers
- advanced manufacturing technicians
- digital and data specialists
- welders and fabrication specialists
- project and systems integration engineers

These shortages are expected to intensify as industries transition towards net zero transport systems, electrification technologies and digital infrastructure. For the South Midlands economy, this presents both a significant risk and a major opportunity. If skills shortages are not addressed, infrastructure investment and industrial growth may be constrained. Conversely, building a strong regional skills pipeline could position the region as a leading hub for advanced transport technologies and engineering.

Skills Transformation in Transport and Rail - Transport manufacturing is undergoing rapid technological change driven by three key trends:

> **Electrification and net zero technologies** - The shift towards electric vehicles, battery technology, hydrogen propulsion and sustainable aviation fuels is reshaping workforce requirements across the sector.
>
> **Digitalisation and automation** - Modern transport systems increasingly rely on digital technologies. These systems require workers with strong digital and software capabilities alongside traditional engineering skills.
>
> - data analytics
> - artificial intelligence
> - digital signalling systems
> - autonomous control technologies
>
> **Systems integration** - As vehicles and transport infrastructure become more technologically complex, employers increasingly require workers who can operate across disciplines, combining expertise in mechanical engineering, electrical systems and digital technologies.

This shift in the skills profile means that the future workforce must possess both technical expertise and adaptable, cross-disciplinary capabilities.

Link to Local Skills Improvement Plan priorities -understanding employer demand and regional skills needs

Employers across transport manufacturing sectors are struggling to recruit workers with the technical and digital skills required for emerging technologies. For the South Midlands, this aligns with LSIP priorities to ensure that training provision reflects the needs of key regional industries, particularly those linked to advanced manufacturing, engineering and infrastructure.

Major regional projects such as East West Rail and developments across the Oxford–Cambridge Growth Corridor will require a highly skilled workforce in areas such as:

- rail engineering
- electrical and mechanical systems
- digital transport technologies
- project and asset management
- infrastructure construction and maintenance

Understanding these emerging skills demands is essential to ensure that local colleges, universities and training providers develop relevant technical programmes.

Improving pathways into technical and engineering careers

Reports, data and discussions also highlight the importance of strengthening vocational education and apprenticeships to address skills shortages.

Key recommendations include:

- reviewing the effectiveness of vocational training systems
- restoring funding for Level 7 apprenticeships in strategic sectors
- improving flexibility in the apprenticeship levy system
- enabling modular training and upskilling opportunities

These proposals align strongly with LSIP objectives to simplify pathways from education into employment, particularly in sectors experiencing rapid technological change.

Strengthening apprenticeships and technical training will help ensure that local residents can access high-value careers in transport engineering and advanced manufacturing.

Supporting workforce mobility and transferable skills

Data also proposes introducing a national competency passport, enabling workers to transfer skills between different transport sectors such as rail, automotive and aerospace. This approach recognises that many technical skills are transferable across industries. For the South Midlands, this could support workforce mobility across key sectors including:

- rail infrastructure
- logistics and supply chain industries
- advanced automotive manufacturing
- aerospace and defence technologies

Improving workforce mobility would help employers respond more quickly to skills shortages and enable workers to progress across different industries.

Expanding the talent pool and improving diversity

The report also highlights the need to increase workforce diversity, particularly by encouraging more women to enter transport manufacturing and engineering careers. Currently, women represent around 20% of the advanced manufacturing workforce, and the government has set a national target to increase this to 35% by 2035. Improving diversity is an important LSIP priority, as it helps expand the available talent pool and ensures that economic opportunities are accessible to a wider range of communities.

Strategic implications for the South Midlands

The findings of the Parliamentary report highlight that the South Midlands is entering a period of significant economic transformation driven by infrastructure investment, technological change and industrial growth. Key strategic implications include:

- growing demand for advanced engineering and technical skills
- increasing importance of digital and systems integration capabilities

- stronger collaboration between employers, colleges and training providers
- improved workforce mobility across transport and manufacturing sectors

Addressing these challenges will be essential to ensuring that the region can fully realise the economic benefits of major infrastructure projects, industrial innovation and transport modernisation. Developing a strong regional skills ecosystem will therefore play a critical role in supporting productivity, enabling sustainable growth and ensuring that local communities benefit from emerging employment opportunities.

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G1.2 - UNIVERSAL BEDFORD THEME PARK – Skills / Economic Impact for the South Midlands

Why this matters to our local and regional economy

The proposed Universal theme park and resort in Bedford represents one of the largest private investments in the South Midlands, with the potential to significantly reshape the region's labour market, infrastructure demand and skills requirements. The development is expected to generate around £50 billion in economic benefit to the UK, create 20,000 jobs during construction, and 8,000 permanent jobs once operational, while attracting up to 12 million visitors annually. Importantly, around 80% of employees are expected to be recruited from Bedfordshire, Milton Keynes and surrounding areas, ensuring the project directly benefits the local labour market.

This scale of investment will drive demand across a wide range of sectors including:

- Construction and infrastructure
- Engineering and technical design
- Hospitality, tourism and visitor economy
- Digital and creative industries
- Transport and logistics
- Facilities management and utilities

The project will also deliver major infrastructure upgrades, including new power infrastructure, water treatment systems, low-carbon energy systems and EV charging networks, which will strengthen regional capacity and support wider economic growth across Bedfordshire and neighbouring areas.

Taken together, these developments will position the South Midlands as a major visitor economy and infrastructure hub, creating long-term employment opportunities while strengthening supply chains across Milton Keynes, Bedfordshire, Northamptonshire and the wider Oxford-Cambridge corridor.

Simplifying access to skills to boost economic growth

The Universal development will create thousands of new jobs across multiple sectors, many of which will be accessible to people entering the workforce or seeking to retrain.

However, to maximise local benefit, there will need to be:

- Clear local training pathways
- Accessible technical education and apprenticeships
- Strong collaboration between colleges, universities and employers
- Skills provision aligned with construction, hospitality, engineering and digital sectors

By aligning training provision with the development timeline, local skills providers can ensure that residents across Bedfordshire, Milton Keynes and neighbouring South Midlands areas are prepared to access these opportunities.

This approach supports the LSIP objective of simplifying access to skills and improving progression routes into employment, particularly in sectors experiencing rapid growth.

Mobilising employers and partners to co-create skills solutions, the Universal project demonstrates the importance of partnership-led skills development. The development is already bringing together:

- Global employers (Universal Destinations & Experiences)
- Infrastructure providers (utilities, energy and engineering companies)
- Local government
- Regional employers and supply chains
- Training providers and education institutions

Universal has committed to developing training and career pathways with local partners to ensure local people benefit from the employment opportunities created by the project. For the LSIP, this provides a strong example of how major infrastructure and investment projects can act as anchor employers, supporting collaborative approaches to skills development across the region. This also reinforces the importance of aligning regional skills planning with other major developments affecting the South Midlands, including:

- East West Rail
- London Luton Airport expansion
- The Oxford-Cambridge Growth Corridor
- Advanced manufacturing and logistics growth in the region

Strategic relevance for the South Midlands LSIP

The Universal Bedford project highlights several key considerations for regional skills planning:

- Major investments create new skills ecosystems. Large-scale developments reshape local labour markets and require coordinated training responses.
- Infrastructure projects drive cross-sector demand. The project will create demand across engineering, construction, tourism, digital and transport sectors.
- Early engagement is essential. The recruitment of specialist roles years before opening demonstrates the need for early workforce preparation.
- Local workforce participation must be prioritised. With 80% of the workforce expected to come from the local region, strong local skills pipelines will be essential.

Link to LSIP Priorities - understanding skills needs and improving the regional skills offer

The Universal development highlights the need for forward-looking workforce planning across the South Midlands. The project will require new and emerging skillsets including:

- Ride and show engineering
- Digital media and immersive technologies
- Hospitality and visitor experience management
- Low-carbon infrastructure and utilities engineering
- Large-scale event and destination management

The early recruitment of specialist roles such as Ride & Show Engineering management positions demonstrates that highly specialised technical skills will be required well before the park opens. This provides an opportunity for education providers to develop targeted training programmes aligned with these future workforce needs.

For the LSIP, this reinforces the importance of anticipating demand linked to major regional investments, ensuring that the local workforce can access training pathways aligned to emerging opportunities.

The Universal Bedford development represents a transformational economic opportunity for the South Midlands, creating thousands of jobs, strengthening infrastructure and expanding the visitor economy. For the LSIP, it demonstrates the importance of aligning skills provision with major regional investments, simplifying access to training pathways, and working collaboratively with employers to ensure local people can benefit from emerging opportunities.

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G1.3 - LUTON AIRPORT

Education and Skills Programme - why this matters to the South Midlands economy

London Luton Airport is one of the most significant economic assets in the South Midlands, acting as a major regional employer and driver of economic activity across Bedfordshire, Hertfordshire, Milton Keynes and surrounding counties.

The airport supports a wide range of employment opportunities across aviation operations, engineering, logistics, hospitality, retail, customer services and professional roles. Importantly, jobs directly supported by the airport have an estimated average salary of £41,100, around 34% higher than the UK national average, highlighting the airport's role in supporting higher-value employment locally.

The Department for Transport and Civil Aviation Authority funding will expand the airport's 'Classroom to Careers' programme, which includes:

- Apprenticeships and work experience placements
- Environmental education programmes
- Essential skills workshops
- Partnerships with universities and training providers
- STEM and aviation career awareness activities

The programme aims to reach around 2,000 young people over three years, helping to create a local pipeline of talent for aviation and related sectors. For the South Midlands economy, this investment is important because it strengthens links between education providers, employers and future workforce demand, ensuring local residents can access high-value careers within the region rather than talent being drawn elsewhere.

The programme also aligns with broader regional economic growth ambitions, including airport expansion, the Oxford-Cambridge growth corridor and infrastructure developments that will increase demand for skilled workers across engineering, transport, digital and environmental sectors.

Link to LSIP Priorities - understanding skills needs and improving the regional skills offer

The aviation sector represents a high-skill, high-productivity industry that requires specialised skills including:

- Aerospace engineering
- environmental and sustainability technologies
- aviation operations and logistics
- digital and data systems
- customer service and hospitality

The outreach programme helps to build early awareness of these career pathways, ensuring local training providers can align curriculum development with future labour market needs. Evidence from Luton's employment and skills strategy also highlights the need to align skills provision with major local employers such as the airport, ensuring local residents are better positioned to access skilled jobs.

Simplifying access to skills and employment pathways

A key objective of the programme is to reduce barriers to entry into aviation careers, particularly for young people from disadvantaged or underrepresented backgrounds. Initiatives such as essential skills workshops, work experience placements and literacy programmes aim to improve access to careers by:

- strengthening foundational skills

- improving awareness of career opportunities
- supporting progression from school into employment or training

This approach reflects LSIP priorities around simplifying pathways from education into employment, ensuring learners understand the opportunities available in their local economy.

Mobilising employers and partners to co-create skills solutions

The initiative demonstrates a strong example of employer-led skills development, bringing together:

- London Luton Airport
- Department for Transport
- Civil Aviation Authority
- Cranfield University
- local schools and colleges
- community organisations

Collaboration with Cranfield University's National Flying Laboratory Centre also strengthens regional capacity for research, innovation and workforce development within aviation and aerospace.

Such partnerships align closely with LSIP guidance encouraging employers, education providers and public sector partners to co-design skills provision that responds directly to labour market demand.

Strategic relevance for the South Midlands

The investment in London Luton Airport's education and skills programmes highlights several important themes for the South Midlands LSIP:

- Anchor employers shaping regional skills demand
- Major infrastructure assets creating high-value employment opportunities
- The need to build local talent pipelines to access skilled jobs
- Strong collaboration between employers, universities and training providers

By strengthening pathways into aviation and associated sectors, the programme supports the broader regional ambition to improve productivity, address skills shortages and ensure local people benefit from economic growth.

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G1.4 - SILVERSTONE

Advanced Engineering Skills and the Silverstone Technology Cluster - Importance to the South Midlands Economy

The Silverstone area forms the centre of "Motorsport Valley", one of the world's most concentrated clusters of high-performance engineering and advanced manufacturing companies. The cluster supports sectors including automotive, motorsport, aerospace, electronics, software and advanced manufacturing, forming a key part of the South Midlands innovation economy. The Silverstone Technology Cluster (STC) alone represents more than 150 member businesses, collectively employing over 6,000 people and generating more than £2 billion in turnover, highlighting the sector's economic significance to the regional economy.

Silverstone Park itself hosts around 90 companies employing approximately 1,500 people, with ambitions to expand to over 250 businesses and 8,000 jobs by 2030, further strengthening the region's role in high-technology manufacturing and engineering innovation. However, this growth is increasingly constrained by skills shortages. Nationally:

- 49% of engineering firms report difficulty finding skilled workers
- The UK faces a shortfall of around 173,000 engineers
- 18,000 more engineers retire each year than enter the profession

These challenges are reflected locally. Surveys of companies within the Silverstone Technology Cluster show that while 59% expect workforce growth, around 38% report increasing recruitment difficulties, particularly in engineering and technical roles.

Skills shortages are particularly acute in areas such as:

- advanced engineering and manufacturing
- digital and software development
- AI and automation technologies
- green and low-carbon technologies
- leadership and management capabilities

Without addressing these gaps, the region risks limiting its ability to fully capitalise on emerging opportunities in future mobility, electric vehicles, digital engineering and sustainable technologies.

Strategic Importance for Regional Growth

The South Midlands economy is built around a number of globally competitive clusters, including:

- motorsport and advanced engineering around Silverstone
- logistics and supply chain industries
- aerospace and defence technologies
- digital and software development sectors

The Silverstone cluster alone contributes an estimated £507 million in gross value added (GVA) to the UK economy and demonstrates significantly higher productivity levels than many other sectors. Maintaining this competitive advantage depends on ensuring a strong pipeline of skilled workers. If skills shortages persist, smaller engineering companies in the supply chain may struggle to compete for talent with larger motorsport teams or multinational firms, creating recruitment challenges across the wider regional economy.

At the same time, the transition towards digital technologies, AI, automation and green engineering will increase demand for higher-level technical skills, requiring closer collaboration between employers, training providers and education institutions.

Industry-Education Collaboration to Address Skills Gaps

To respond to these challenges, the Silverstone Technology Cluster has introduced a dedicated Skills Workstream aimed at strengthening the regional talent pipeline and improving collaboration between industry and education.

Key initiatives include:

- expanding STEM engagement with schools to encourage interest in engineering careers
- supporting programmes such as Primary Engineer (ages 4–11) and the Silverstone Park Schools Programme (ages 11–16)
- developing apprenticeship pathways and project placements for students
- creating industry-education forums to align training provision with employer needs
- supporting communal training and workforce development initiatives for companies
  Local institutions such as Silverstone University Technical College (UTC) and the National College for Motorsport already play a key role in delivering specialist engineering education and apprenticeships, although demand for places is growing and capacity may need to expand to meet future workforce needs.

Future proposals such as the Silverstone Incubation Village aim to further strengthen the regional innovation ecosystem by creating a collaborative campus environment where businesses, researchers and students can work together to develop new technologies and skills.

Alignment with DfE Local Skills Improvement Plan (LSIP) Priorities - understanding regional employer demand

The skills challenges identified by the Silverstone Technology Cluster reflect wider priorities identified in Local Skills Improvement Plans across the South Midlands. LSIPs highlight the need to address skills shortages in engineering, advanced manufacturing, digital technologies and green industries, which are critical to regional economic growth.

The STC Skills initiative provides direct employer insight into these needs and demonstrates how industry can work collaboratively with education providers to develop targeted training pathways.

Strengthening technical skills provision

LSIPs emphasise the importance of strengthening technical education in STEM subjects to support growth sectors.

Initiatives such as Silverstone UTC, the National College for Motorsport and industry-led training programmes provide specialised education aligned with regional employer needs, helping to strengthen the pipeline of skilled engineers and technicians.

However, oversubscription and recruitment challenges indicate that additional training capacity and expanded provision may be required to support future sector growth.

Improving pathways into engineering careers

The STC Skills Workstream focuses on improving awareness of engineering careers from an early age and creating clearer pathways into employment through apprenticeships, placements and work-based learning.

This approach aligns with LSIP priorities to:

- improve careers education
- strengthen employer engagement with schools and colleges
- ensure learners develop the technical and employability skills required by industry.

Expanding participation and diversity in engineering

The engineering workforce remains under-represented by women and some minority groups, which limits the available talent pool. Industry-education initiatives delivered through the STC seek to address this challenge by encouraging participation from under-represented groups and challenging stereotypes about engineering careers. Increasing diversity in engineering will be essential to meeting future workforce demand and supporting inclusive economic growth.

Strategic Implications for the South Midlands

The Silverstone Technology Cluster represents a globally recognised centre of advanced engineering and innovation, with significant potential to drive economic growth across the South Midlands.

However, the success of the cluster will depend on addressing the growing mismatch between employer skills requirements and the available workforce.

Strengthening collaboration between industry, education providers and policymakers will therefore be essential to:

- expand the regional talent pipeline
- develop future-focused technical and digital skills
- support emerging technologies and green industries
- ensure that local communities benefit from high-value employment opportunities.

By aligning skills provision with the needs of advanced engineering and technology industries, the region can strengthen its position as a leading hub for innovation, manufacturing and high-value economic growth in the UK.

Reference Datasets

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G2 - Construction and Digital Technical Excellence Colleges (TEC's)

https://www.gov.uk/government/news/next-generation-empowered-through-technical-excellence-colleges

G2.1 – Context

TECs are designed to break down barriers to opportunity and deliver the pathways young people deserve, helping the government to reach the Prime Minister's target for two thirds of young people to be in higher level learning by age 25. This investment is part of the government's commitment to ensuring high-quality technical routes which are valued as highly as university, supporting homegrown talent across the country to develop the skills employers need.

G2.2 – Digital

In our region we have two Technical Excellence Colleges, one for Digital and for Construction. The new Technical Excellence College for Digital (as announced 14 April) is managed by Milton Keynes College and is one of only five across the country. It is aimed at ensuring the government's digital ambitions translate into real opportunities for real people – learners, employers, and communities across our region

Its delivery and operating model will be expected to deliver through a hub and spoke model. The TEC will be expected to become a hub of excellence and will identify and work closely with a range of further education (FE) providers regionally and nationally (for example, FE Colleges, independent training providers, University Technical Colleges) to raise quality, standards, and capacity across the sector in Digital and Technologies skills provision.

These providers will be the 'spokes' or delivery partners of the TEC hub

The LSIP is already engaged with MK College. Delivery groups, work strands, outcomes/outputs etc. will form part of future modelling for the LSIP

G2.3 – Construction

The Construction Technical Excellence College (CTEC) was announced on 12 August 2025 and delivery channels are already in place. Its activity is managed by The Bedford College Group and is focused on building a robust, future-ready construction skills system that directly responds to LSIP priorities. The CTEC is strengthening the talent pipeline by widening access to construction pathways—from foundation level through to higher technical training—and embedding a regional Construction Skills Passport to ensure learners gain competencies aligned with real industry needs.

CTEC work includes coordinated outreach to all Colleges across the region around skills and employment opportunities schools and adults, employer engagement at scale, and the integration of green, retrofit and MMC capabilities to reflect emerging demand. We are also developing progression routes for higher-level digital and technical skills, while supporting inclusive employment through closer partnerships with the prison estate. Alongside this, we are investing in teaching quality through workforce development, industry exchange, and shared regional practice.

Strands of work are as follows:

1. Attracting Learners - Increase visibility and attractiveness of construction careers for young people, adults retraining, and underrepresented groups; strengthen the talent pipeline.

- New foundation pathways feeding into technical routes.
- Regional skills competitions.
- Targeted outreach to underrepresented groups.
- Promotion of a Construction Skills Passport.

2. Industry Demand & Green Skills - Align provision with regional industry demand and timing, supporting providers to plan for upcoming projects. Develop green construction skills, aligning with net zero targets and employer needs; foster collaboration for real-world learning.

- Regional 3–5 year skills demand timeline.
- Employer input via UKREiiF.
- Modular Skills Passport mapped to employer needs.
- Green skills embedded into all pathways, retrofit bootcamp, teacher CPD

3. Teacher Recruitment & Retention - Improve teacher recruitment and retention, including dual-professionalism to bring industry expertise into FE.

- Workforce mapping, improved recruitment models.
- Teacher Industry Exchange placements.
- Consistent induction, mentoring and CPD.

4. Higher-Level Skills - Expand higher-level technical skills capacity (digital, project management, MMC) and raise awareness among learners and employers.

- Clear L3–5 progression ladders in digital, MMC, project management.
- Advanced competitions and employer-led masterclasses.
- Collaboration with HEIs.

5. Ex-Offender Pathways - Support ex-offenders into construction roles through partnerships with prisons, FE providers, and employers.

- Mapping prison training, stronger transition routes.
- Employer engagement inside prisons.
- Skills Passport integrated into offender progression.

Delivery group:

Bedford College, MKC, Bucks College Group, Northampton College, Moulton College, Cambridge Regional. Each strand is being led by a different college, and these leads are now working on their individual plans. We are due to meet this month to go through the specifics which will include conformation of outputs (the CTEC programme is focusing on outputs rather that outcomes at this point)

Attracting learners - Northampton College and Barnfield College

Outputs

- Increased applications to L2–L4 construction programmes; improved diversity indicators.

- Providers adopt foundation E3/L1–2 specification; learners issued Passport (Foundation) within year one.
- 1 regional competition event

Identifying Industry demand and supply - Buckinghamshire College Group
Green Construction skills development - Northampton College

Outputs

- v1.0 Passport (modules & assessment matrix) endorsed by regional employers, linked to site entry requirements including CSCS cards for Tier 1 and 2 contractors.
- Annual update to Skills Demand Timeline with passport alignment notes.
- Employer contributions captured via UKREiiF and roundtables (published in an Employer Insights report).
- Increased enrolment in employer lead green construction courses
- Teachers equipped with advanced green skills, sustainability and MMC knowledge.
- Stronger employer partnerships driving curriculum relevance.
- A scalable model for retrofit and green skills training aligned with regional housing and infrastructure priorities.

Best practice in teacher recruitment -Northampton College

Outputs

- Increased recruitment of construction specialists into FE roles.
- Improved retention rates in the first 1–3 years of teaching.
- Adoption of a consistent regional CPD and mentoring approach.
- Increase in the number of teachers who progress from technician and other support roles into a sustained teaching career

Raising awareness and capacity for higher level skills - The Bedford College Group and Barnfield College

Outputs

- Increased delivery of Level 3–5 construction programmes.
- Teachers with enhanced capabilities in digital and advanced construction topics.
- More learners progressing into higher technical training or supervisory roles.

Supporting ex-offenders – Milton Keynes College

Outputs

- Increased number of ex-offenders entering construction training and employment.
- Strengthened relationships between FE providers, probation services and employers.
- More consistent, structured transition pathways across the region.

G3 - ADDITIONAL REGIONAL DATA FROM STAKEHOLDERS

Land-based sectors cover a wide range of activities across agriculture, horticulture, aquaculture, forestry and environmental services. Together they provide the backbone of major industries, shape the use of land and the quality of the environment, support rural economies, deliver significant health benefits to the population, and affect the country's resilience to climate change.

This section highlights the key economic features of these sectors, the wider social and environmental benefits they generate and how they are represented in the national policy agenda.
Foundational economic sectors Land-based sectors are custodians of over 82% of the UK land area, with 69% (17m hectares) of land used for agricultural activities (Defra, 2025a) and 13.5% (3.3m hectares) covered by woodlands and forests (Forest Research, 2025a).

Supply and value chain

Business demography	• 132,000 business units; 5% of UK businesses (ONS, 2025c) • 209,000 farm holdings • Main types of businesses: grazing livestock farms (42% of total), general cropping farms (21%), cereal farms (16%) (Defra, 2025a).
Employment	• 452,900 people work in agriculture in the UK (Defra, 2025a), with 280,800 in England (Defra, 2025b). This is 1% of total employment. • The sector provides jobs in areas where other employment opportunities are often limited: 8% of employment and 3% of Gross Value Added (GVA) (Defra, 2025c) in rural economies is in agriculture and forestry compared to 1.2% (ONS, 2024a) and 0.7% (Defra, 2025c) in England as a whole. This does not include employment in other sectors supported by land-based activities such as food manufacturing or tourism.
Economic value generated	• The total UK GVA figure was £2.5 trillion in 2023, of which agriculture contributed £15.9bn (0.6%) (ONS, 2025b). • The major contributors to agricultural GVA are: dairy products, which account for 20%; beef (13%); vegetables/flowers (12%); cereals and poultry (both 11%) (Defra, 2025a).

Beyond its direct impacts, farming (including horticulture and aquaculture) underpins and enables a far larger UK agri-food supply chain worth £150 billion or 6% of the total UK economy while generating 4.2 million jobs, from manufacturing to retail and catering (Batters, 2025). The UK food system includes multiple activities which add value to raw materials at all stages of the supply chain.