



Department  
for Education

# **Skills Advisory Panels**

**Guidance on the Role and Governance**

**December 2018**

# Guidance on the Role and Governance of Skills Advisory Panels

This guidance sets out how the Government will support Skills Advisory Panels, and its expectations as to their role, structure and governance.

## Role of Skills Advisory Panels and how Government will support them

1. Skills Advisory Panels aim to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. This includes both immediate needs and challenges and looking at what is required to help local areas adapt to future labour market changes and to grasp future opportunities. This will help colleges, universities and other providers deliver the skills required by employers, now and in the future.
2. Almost all Local Enterprise Partnerships (LEPs) and Mayoral Combined Authorities (MCAs)<sup>1</sup> have an employment and skills sub-board. Where existing employment and skills boards are functioning well, they will take on the Skills Advisory Panel function (in addition to any other responsibilities they hold) rather than a new body needing to be created. The development of Skills Advisory Panels aims to strengthen the capability of LEPs and MCAs to carry out this new role.
3. LEPs and MCAs are responsible for decisions on how large amounts of public money are spent and have an important local leadership role in the skills system. Understanding current and future skills needs and labour market challenges in their local areas helps them do this more effectively. It allows LEPs and MCAs to draw up action plans to address skills issues which, in turn, can give more people in the local community access to high quality skills provision which leads to good jobs.
4. The introduction of Skills Advisory Panels will help LEPs and MCAs achieve this by ensuring all areas have strong governance arrangements in place for their employment and skills boards (or alternative bodies taking the Skills Advisory Panel role), meaningful analytical capability and access to the right data. This will allow them to:

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<sup>1</sup> References to Mayoral Combined Authorities in this guidance, also include and apply to the Greater London Authority (GLA).

- generate analysis of their local skills and labour markets to understand the local position
  - discuss and agree local skills needs priorities in the short-term and more longer-term
  - consider how these will be met through local provision over time
5. Skills Advisory Panels' analysis will also support strong Local Industrial Strategies, which all areas will have in place by early 2020<sup>2</sup>. By understanding likely future skills needs, Skills Advisory Panels will address skills gaps more effectively as it will take time to see the results of a more responsive skills system. The remit and responsibilities of Skills Advisory Panels is set out in more detail at annex A.
6. The consultation *Provider funding for the delivery of T Levels* was published in November 2018<sup>3</sup>. This proposes a requirement in provider funding agreements to have due regard to the skills analysis, local plans and strategies published by the Skills Advisory Panel, and expects providers to work together to provide the skills offer that is needed without undue duplication. It is proposed that this is reciprocated with a requirement on Skills Advisory Panels to have regard for providers' missions and capabilities in their planning work.
7. An analytical toolkit<sup>4</sup> has been published alongside this guidance to support Skills Advisory Panels to carry out high quality local skills analysis, which will be used by Skills Advisory Panels to identify their existing and future skills gaps and employment priorities. We will also provide £75,000 to each Skills Advisory Panel to grow their analytical capability. Where applicable, this will be after any resolution on LEP geography has been agreed in line with government expectations set out in *Strengthened Local Enterprise Partnerships*, published by the Ministry of Housing, Communities and Local Government (MHCLG) in July 2018<sup>5</sup>. In addition, the Department for Education's Skills Advisory Panels programme team will look at how to spread best practice across Local Enterprise Partnerships and Mayoral Combined Authorities, how to address concerns around data availability and what analytical support central government should provide.
8. In developing Skills Advisory Panels, we have worked with seven areas (Greater Manchester and West Midlands Combined Authorities, as well as Cornwall and

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<sup>2</sup> <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>

<sup>3</sup> <https://www.gov.uk/government/consultations/funding-for-the-delivery-of-t-levels>

<sup>4</sup> <https://www.gov.uk/government/publications/skills-advisory-panels-analytical-toolkit>

<sup>5</sup> <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>

the Isles of Scilly, Greater Lincolnshire, Lancashire, Leeds City Region and Thames Valley Berkshire Local Enterprise Partnerships). In developing this guidance, we have also sought the views of all LEPs and MCAs.

## Expectations around structure and governance

9. We expect the Skills Advisory Panels to reflect the geography of the Local Industrial Strategies. Where the MCA leads on the Local Industrial Strategy, we expect that it will lead on the development of the local Skills Advisory Panel. Where the MCA leads on the development of the local Skills Advisory Panel but the relevant LEP boundaries extend beyond the MCA area, we would expect that the Skills Advisory Panel analysis covers the full geography of those LEPs and for those LEPs to be appropriately represented on the Panel.
10. In areas where a strong and representative employment and skills board exists, in line with the requirements set out below, we expect LEPs and MCAs to nominate an existing board to take on the new role of the Skills Advisory Panel. Where they do not, we expect areas to reform existing boards so that they have a membership that represents:
  - all types of skills providers
  - employers (large and small, and representing both the private and public sectors)
  - the voluntary and community sector
  - other key local stakeholders (including at least one local authority for non-Mayoral Combined Authority areas and Greater London).
11. The board members should be able to identify local skills priorities, based on analysis of the local area, and agree how these will be met through local education and training provision, both in the immediate future and looking ahead to the next decade.
12. We also expect Skills Advisory Panels to be able to advise on, and help implement, funding and investment decisions for local skills and employment provision. Each Skills Advisory Panel will need to ensure that it has, through its membership, the capability to do this.
13. The governance expectations set out in *Strengthened Local Enterprise Partnerships*<sup>6</sup> apply equally to Skills Advisory Panels. Each Skills Advisory Panel, as part of the wider LEP, should adhere to the standards of transparency,

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<sup>6</sup> <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>

conflicts of interest, accountability and diversity, as set out in the *Local Enterprise Partnership: National Assurance Framework*<sup>7</sup> and *Strengthened Local Enterprise Partnerships*. Skills Advisory Panels in MCAs will be required to adhere to the governance requirements of their combined authority.

## Board Members

14. We expect the chair of the Skills Advisory Panel to be a member of the strategic MCA or LEP board, to ensure that the Skills Advisory Panel advice is reflected in strategic board discussions. We expect the arrangements for the chair's term to be in line with the arrangements for the LEP board's chair.
15. The board should be diverse and have members with the necessary knowledge and expertise to oversee influential skills and labour market analysis, advise on effective local strategies, and assist in the implementation of, effective local funding and investment decisions.
16. It is important that Skills Advisory Panels have a strong employer element with representatives from businesses of different sizes and different sectors.
17. To support the supply of skills into local areas we also expect that all the main types of education and employment services providers will be represented on the Skills Advisory Panel. This could include representatives of the local higher education institutions, colleges and independent training providers.
18. We expect that the Skills Advisory Panel will invite relevant local representatives of the Education and Skills Funding Agency, the Cities and Local Growth Unit and Jobcentre Plus to attend meetings periodically. Local Authorities should be represented in Local Enterprise Partnership-led Skills Advisory Panels. Where possible, other key local partners, such as from the community and voluntary sectors, should also be included.
19. The Skills Advisory Panel should reflect the needs of the local area in terms of its size and membership. However, we would normally expect the Skills Advisory Panel to have between 15 and 20 members depending on local circumstances, including those with specialist knowledge (such as analytical and financial experts).

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<sup>7</sup> <https://www.gov.uk/government/publications/local-enterprise-partnership-national-assurance-framework>

20. With respect to the MCA boards, there may need to be wider panel membership in order for the board to effectively address the full range of its responsibilities.

21. The government expects LEPs and MCAs to improve gender balance and representation of those with protected characteristics on all boards and sub-boards<sup>8</sup>.

## Next Steps

22. The DfE's Skills Advisory Panels programme team will work with local areas to support their progress in implementing these changes, which we expect to be in place by October 2019. We will review with them their progress both in developing robust governance structures and analytical capacity in summer 2019 to determine whether they are on track. If any further funding is made available to Skills Advisory Panels, it will be dependent on sufficient progress. In addition, levels of progress could have implications for any future requirements on skills providers and government agencies to make use of a Skills Advisory Panel's analysis.

23. We will work with local areas to determine:

- how to spread best practice across LEPs and MCAs
- how to address concerns around data availability
- what analytical support central government should provide
- and what influence Skills Advisory Panels might have over skills provision

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<sup>8</sup> <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>

## Annex A - Remit and Responsibilities of Skills Advisory Panels

We expect Skills Advisory Panels to have an advisory role with regard to their LEP or MCA with the following responsibilities:

1. Provide a strong leadership role on skills in the local area, engaging with employers and providers and providing skills advice to the accountable board of the LEP or MCA.
2. Developing a clear understanding of current and future local skills needs and local labour market as well as the present skills and employment support provision in the local area. We expect Skills Advisory Panels to do this by:
  - producing robust and authoritative evidence-based skills and labour market analysis which clearly identifies existing local skills and employment challenges, and identifies key areas of future needs relating to projected local employment growth areas
  - developing a sophisticated understanding of both the local labour market and skills provision in the local area, the extent to which labour mobility within, or into, a local economy can address skills needs, and the projected gaps between skills needs and skills provision
  - building knowledge of the range of both local, regional and national employment provision that exists or is planned
  - presenting the analysis at board level and sharing it with the wider employer and provider communities to ensure that their perspective on the local labour market and local employment and skills system is reflected in the prioritisation the board takes forward
  - providing analysis to inform the development and the implementation of the 'People' element of Local Industrial Strategies
3. Building on this high quality analysis to develop a clear approach to addressing skills and employment challenges within the local area, including by looking ahead to likely skills priorities in the coming decade. We expect Skills Advisory Panels to do this by:
  - building an understanding of the local area across a range of partners including employers (SME and larger employers from across the private and public sectors), all types of providers and other key partners (including the community & voluntary sector) to agree shared approaches to addressing the challenges the analysis has identified
  - working with the LEP or MCA to develop the 'People' element of the Local Industrial Strategy

4. Understanding the wider dependencies in the local area and working together with other parts of the LEP or MCA to:
  - link them to the skills and employment analysis as well as strategic plans
  - ensure the 'People' element of the Local Industrial Strategy is integrated effectively with the wider work of the LEP or MCA
  
5. Acting as co-ordinator of local skills providers. We expect Skills Advisory Panels to do this by:
  - fostering co-operation between providers in mix of provision
  - actively working with a range of local providers (Further Education, Higher Education and independent) to plan for how the skills needs are to be met
  - encouraging local providers to reflect the Skills Advisory Panel analysis when planning for T Levels implementation and delivery, and for the Skills Advisory Panel analysis to inform the investments that are made in the provider base to prepare for T Levels roll-out
  
6. Working closely with careers advisory services (National Careers Service and Careers Enterprise Company) to ensure that potential learners are informed about potential career routes within a local area, and that all careers information and guidance is informed by up-to-date local labour market information. This will involve Skills Advisory Panels working with:
  - the Careers & Enterprise Company's Enterprise Advisor Network, based in LEPs, to ensure that the Skills Advisory Panel analysis is shared through the network and informs the activities they support locally
  - the National Careers Service area-based contractors to ensure that Skills Advisory Panel analysis is embedded into advice and guidance given to adults
  
7. Raising the profile of apprenticeships with local employers and providers.
  
8. Advising where skills and labour market resource should be directed to support local employers and residents, using its understanding of existing employment support provision in the local area and the needs of the local labour market.
  
9. Sharing analysis and best practice, as widely and transparently as possible, with central government and other Skills Advisory Panels to learn from each other and tackle wider skills challenges.





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