



**CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY**

Cambridgeshire and Peterborough Combined Authority

Adult Education Budget

Commissioning Strategy 2020-2025

**A Framework for Partnership: Working together to
ensure a world class offer for adult education.**

Cambridgeshire and Peterborough Combined Authority

The Incubator 2
First Floor
The Boulevard
Enterprise Campus
Alconbury Weald
Huntingdon
PE28 4XA

Tel: 01480 277180

Email: AEBDevolution@cambridgeshirepeterborough-ca.gov.uk

Website: <http://cambridgeshirepeterborough-ca.gov.uk>

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1.0 Executive Summary

The Cambridgeshire & Peterborough Combined Authority Adult Education Budget Commissioning Strategy ensures there is an intrinsic link between the priorities set out in the national industrial strategy, the UK social mobility commission, the CPCA independent economic review, the CPCA 2030 ambition statement, the local industrial strategy and the local skills strategy. It adopts a holistic, integrated approach that reinforces the role of skills and the inclusivity of all residents to benefit from economic growth and for nobody to be left behind. It is an opportunity to do something special and to truly make a difference in adult education for the region.

Through consultation and partnership with leaders in adult education and from an analysis of the latest AEB data and research in Cambridgeshire & Peterborough, we have established

i) A move towards

a more strategic, transformational, outcome, impact focused local adult education programme that maintains a strong community learning core. It will be a more place-based and people delivery model that reflects the priorities and needs of the sub-economies of Cambridgeshire & Peterborough. It will show what success looks like in five years time.

ii) a vision

To be the UK's most innovative and adaptive adult education system; for high quality learning that leads to sustainable employment for the low skilled; for prosperous businesses and communities with adult learning at their centre.

iii) A set of priorities

- to target low skilled and low paid residents in the workforce;
- to target people in priority communities by increasing participation in Peterborough and Fenland;
- to target sustainable employment for residents during learning and after learning is completed;
- to improve learning progression onto higher qualifications and onto Apprenticeships;
- to increase self confidence for the low skilled and those furthest from the labour market including ESOL residents and the unemployed
- to increase digital skills for residents with no basic digital skills.

iv) An AEB Commissioning Cycle

It will analyse overall performance, develop policy, commission provision, deliver through the providers and review links to other skills activities

v) Strategic and operational dialogue with the education and training providers

The CPCA will be working in partnership with the education and training providers to achieve the priorities through regular contact and performance reviews

vi) A collective desire to explore changes in policy developments such as

Initiate an innovation fund that develops collaborative projects; extend the low wage pilot for free education beyond £16,009; better destination data and fully fund first full level 2 and 3 for all ages.

It places employers and learners at the heart of the AEB skills system and creates a culture for individual and collective responsibility to deliver better outcomes. It will be an important conduit for progression beyond entry level and level 1 qualifications and onto level 2 and 3 qualifications and Apprenticeships. The AEB Commissioning Strategy will forge a new way of working between learning

and skills providers, employers, adult residents and communities. Its success will be measured against meeting these priorities.

2.0 Introduction

- 2.1 For Cambridgeshire & Peterborough it is an economic and societal necessity that we improve the skills for adults as they continue throughout life as individuals, members of a community and within their employment career. The areas for improvement for adult education to tackle include lifelong learning, workforce development for the low skilled and low paid, education and training that match labour market needs and in particular for individuals to aspire to progress and be inspired by others.
- 2.2 However, there are challenges to charting the employment landscape in modern economies; creating and reinvigorating a different education and training pathway and how to best develop a culture of lifelong learning. There are ways of facilitating and adapting to a skills environment in which employment needs are rapidly changing as new technologies enter at an ever-growing pace.
- 2.3 To meet these challenges purposeful relationships and partnerships between education, local communities, individuals and employers are key. The aim in this strategy is to create an environment whereby all residents, learning, education and skills establishments and employers are empowered to create economic value added and sustainable employment that benefits the local economy and is supported by an inclusive and dynamic skills offer.
- 2.4 Economic development and technology changes make improving our adult skills vitally important. Future generations are set to face significant tests as they navigate increasingly complicated labour markets influenced by demographic pressures on the nation's productivity as the older non-working population grows and as the challenges of Brexit start to unravel.
- 2.5 The world of work is changing. Digitilisation, globalisation and population ageing are having profound impacts on the type and quality of jobs that are available and the skills needed to perform them. The extent to which individuals, businesses and communities can reap the benefits of meeting these challenges will substantially depend on the readiness of our local adult lifelong learning environment and its ability to help people develop and maintain relevant skills over their working careers for the benefit of businesses and communities. The adult lifelong environment should give adults more and better access to upskilling and reskilling opportunities to increase resilience from rapid structural changes in the economy.

3.0 Commissioning Strategy

- 3.1 To ensure the strategy is inclusive and comprehensive, local training and skills providers have been come together in workshops with CPCA staff to give their input and guide the forma, shape and goals of the strategy. All will be able to see aspects of their thinking and guidance in the resulting document and all have "bought-in" to it as a future direction for AEB in our region. opinions on the strategic direction of adult learning along with locally elected members who have a skills and training brief so that all can see some aspects of the strategy that relate to their local circumstances and successes. this included agreeing a shared set of values, a shared mission for AEB and a jointly held vision of future provision, and the benefits that will bring to citizens, businesses, society and the economy.
- 3.2 We discussed the strategic perspective of AEB or seeing behind; the strategic thinking or seeing ahead and the strategic planning or seeing it through. In other words, the past, present and future of AEB in the region. It was about accepting the past; the present was not acceptable, and the future was the only option. We agreed to champion each other and to craft a set of shared values and beliefs.

- 3.3 As a result this commissioning strategy for the adult education budget seeks to be a vital component in alleviating and overcoming the specific challenges to our society and economy locally. to Cambridgeshire and Peterborough and at the same time understand and work within the challenges of a specific locality context.
- 3.4 It attempts to focus on the key competencies that will impact on individual life chances and economic growth the most such as literacy and numeracy, digital capabilities and employment skills. It will seek to show an education pathway throughout adulthood that will improve the productivity, agility and flexibility of the local labour force, especially in The Fens and Greater Peterborough where the need for this change is greatest.
- 3.5 It will play a key role in creating inclusive economic growth and it sets out an active holistic approach to equipping Cambridgeshire and Peterborough for globalisation by making sure we have the foundation skills that underwrite the services and industries of our future. The strategy seeks to build new bridges between the workplace and progression through learning and engaging employers to a much greater extent in communicating the skills existing and potential employers need for the world of work.
- 3.6 An outstanding education and training market reflects the skills needs of employers, communities and the expectations of learners and the workforce and sets in place clear benchmarks of high quality for education and training.
- 3.7 It will build a new and higher quality capacity within the provider base through fewer, more strategic local partners than in 2018/19, with deeper competences in the development of the skills that will meet our strategic priorities, including social and economic developments; filling the gaps currently present in both capacity to transfer those skills and capability to deliver them.
- 3.8 It will set new standards to meet a new outstanding quality of providers through a forensic monitoring and evaluation of
- Ability and willingness to invest in course and delivery model development for increased outcome efficacy
 - Understanding the local circumstances particular to Cambridgeshire & Peterborough including an integrated approach for economic, social and health and wellbeing priorities
 - Capacity to deliver and grow, demonstrating the existing availability of competent staff
 - Strong leadership capability to deal with unexpected market and capacity issues and adapt in an agile manner to focus on outcomes
 - Current Providers who will be helped to focus and develop their delivery capacity, as part of an integrated skills delivery eco-system, coordinating and collaborating more and competing less, to conserve resources, reduce waste and focus better the right skills in the right place for the local economy and community
- 3.9 To support this, and to bring fresh ideas and approaches in the region, new Independent Training Providers, consortia and community groups will be encouraged to establish a meaningful presence as strategic partners in economic and skills development.
- 3.10 Improving the workforce development and the skills of adults entering and already within the local workforce is crucial to achieving the economic development of Cambridgeshire and Peterborough. There will be a locally responsive adult education budget that reacts to the needs of local

communities, employers and learners so that skills can be a driver for economic growth.

4.0 Key messages

4.1 The key messages in the CPCA AEB Commissioning Strategy will be to develop the future readiness of the local adult learning system in Cambridgeshire & Peterborough by

- moving towards a more strategic, transformational, outcome, impact focused local adult education programme that will concentrate on sustainable employment; social confidence; learning, education and training progression from entry level to level 4; more participants in Peterborough and The Fens. It will significantly contribute to reducing the skills gap in the sector priority areas set out in the Local Industrial Strategy
- using the Ofsted education inspection framework as a means for structuring our strategic approach and in particular the 3i's – intent, implementation and impact or the start, middle and end.
- moving towards a place-based and people delivery model that reflects the priorities and needs of Cambridgeshire & Peterborough including the needs of ESOL, the hard to reach, learners with learning difficulties, loneliness and ex armed forces
- moving towards an agile Adult Education Budget that promotes innovation and collaborative projects that improves the economic, social and health and wellbeing of adult residents
- focusing on the low skilled and the low paid be that in the existing workforce or the unemployed
- recognising the vital social and economic value in community learning and the role AEB has to play in it
- recognising that 2019/20 is a year for developing relationships between the CPCA, stakeholders, businesses and providers with an expectation that 2020/21 and 2021/22 will be the years where outcomes will be embedded and more clearly achieved
- understanding that an honest, trusting and effective working local partnership between local businesses, individuals, education and training providers, communities and the CPCA is vital to achieve a successful adult learning programme
- reducing barriers and enhancing the opportunities for adult education participation by making education and training provision flexible and adaptable to meeting the needs of businesses and resident adults
- ensuring there is a connectivity with the local schools network and other skills programmes including Apprenticeships, the local skills brokerage service, the University of Peterborough and the National Retraining Scheme
- being clear what success looks like through a greater impact of AEB on learner progression, more sustainable employment, more pay, reduced skills gaps and more socially confident and effectively contributing residents

5.0 National Skills Context

- 5.1 As the economy changes and progresses towards 2030, the more able who can develop their skills and adjust their career path to take advantage of the high skilled jobs which will be created will benefit and those who cannot are more likely to be trapped in insecure, low level, low paid non-routine jobs. As the demand for jobs needing academic knowledge and information processing skills increases, adults need to spend longer in formal education be that part time or full time. There needs to be a balance between equipping adults with a general education to prepare for further study and providing more employment specific skills.
- 5.2 The importance of a wider set of skills is being increasingly recognised internationally such as finding people who can manage time and prioritise tasks, possess customer handling skills and are a good team worker. It is about how
- skills are promoted that matter for the economic prosperity and social cohesion of Cambridgeshire and Peterborough;
 - we ensure all adults are empowered to equip themselves for future jobs;
 - we raise the recognition amongst employers of the value of investing in the workforce skills;
 - we improve the quality and business relevance of all educational and training establishments.
- 5.3 Career paths today are more dynamic than in the past; spanning multiple roles in multiple fields. For some this is life enriching but for others it can be daunting. There are clear links to lifelong learning, national prosperity, reduced inequality, improvements in emotional wellbeing and social cohesion. The role of the adult education budget is to assist in inspiring adults to aspire and reach their maximum potential as a resident and a learner.
- 5.4 To meet this, the national industrial strategy aims to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industry and infrastructure; building a Britain fit for the future. The industrial strategy deliberately strengthens the five foundations of productivity: ideas, people, infrastructure, business environment and places. The CPCA AEB Commissioning Strategy will assist the national industrial strategy by enhancing the skills of its residents particularly residents with low skills and improving their sense of place and belonging.
- 5.5 To look at how any national funding changes could assist the progression from secondary education to further and higher education and the skills demands of the future the Augar Report was published in May 2019. It was a detailed analysis of post 18 education in the UK and the funding issues faced by the sector. The view of the report was that post 18 education should be a lifelong experience available to all, irrespective of age, situation or income. It highlights that further education holds the key to improving social mobility and improving productivity. One of its primary headline recommendations was to offer a first free full level 2 and 3 qualification for all learners. This recommendation is one the CPCA will seek to explore introducing locally by 2021/22.
- 5.6 To assist our sense of place and belonging, the social mobility commission in the state of the nation annual reports has turned the spotlight on areas which stop disadvantaged people being able to fulfil their full potential. They highlight the need to making sure there are informed choices to find a job that is fulfilling and the choice to stay where you grew up. It exposes there is no longer a simple north – south divide but many hotspots and coldspots in all parts of the country including Cambridgeshire & Peterborough.

- 5.7 To inform adult and community learning, the national Integrated Communities Strategy and the latest ESOL strategy reflect the importance of English language in achieving a number of different social and economic outcomes and how we must all work with businesses to encourage learning in the workplace. At the heart of the matter is learning. It emphasises stage not age and a fair and equitable rebalancing of resources to reflect need to support people to lead productive and fulfilling lives for longer.
- 5.8 In association with these is a national strategy for tackling loneliness. It understands the link between having strong and meaningful social connections and living a healthy and successful life. Having more connected communities means a more thriving, productive economy in which we can all contribute. It sets out a powerful and positive vision of how we can support people to build stronger relationships and it is for everyone to play a part in making regions like Cambridgeshire & Peterborough a more friendly and supportive place where we can all flourish.

6.0 Local strategies for skills

- 6.1 The Cambridgeshire and Peterborough region plays an important part in the UK economy overall. With its strong knowledge base and prosperous communities, Cambridgeshire & Peterborough's Ambition 2030 is to make our region the best place in the world to live, learn and work.
- 6.2 Within the CPIER, the CPCA region is uniquely defined by three distinct economies with differing sector specialism and social and economic skills needs. Namely, Greater Cambridgeshire (Cambridge and South Cambridgeshire); Greater Peterborough and the Fens. It is a microcosm of the UK; along with impressive internationally renowned success there is significant spatial inequality. It is one unified economy with three quite different ones within it who are seeking to strengthen their linkages but recognise that differences exist and each wants to ensure an approach tailored to its own needs.
- 6.3 As a consequence, the CPCA Skills Strategy aims to grow a successful, globally competitive economy grounded in high skilled, better paid jobs, increased productivity and strong communities through an inclusive world class local skills eco-system that matches the needs of our employers, learners and communities. The strategy is a blueprint for maximising the skills of its residents to drive up productivity, enable economic growth and support social inclusion.
- 6.4 To meet the aims there are three primary themes
1. Achieve a high-quality offer tailored to the needs of the three sub economies
 2. Empower local people to access education and skills to participate fully in society, to raise aspirations and enhance progress into further learning or work
 3. Develop a dynamic skills market that responds to the changing needs of local business
- 6.5 The key challenge relates to the underlying need to broaden the base of economic growth whilst securing the continued success of Greater Cambridge; raising productivity across the wider economy. This will ensure that the whole of the Cambridge and Peterborough grows more high-quality jobs, improving business output and providing better opportunities and outcomes for people. In the local industrial strategy, there are five pillars to enhance productivity, one of which is People, which sets out how education and training will be improved to ensure business has the supply of skills it needs and that people are provided more and better opportunities to fulfil their potential.
- 6.6 There is an overriding imperative to make sure all individuals in employment reach their full potential and an understanding of the planning and activity that is required to achieve this such as jobs with

achievable career pathways; inclusive workforce development strategies and implementation plans; higher value jobs with realistic chances of promotion and better pay and a recognition of an employee's role in improved productivity, and as part of that, the vital role of the local community.

- 6.7 Specifically, the adult education budget will change how it is invested and the related outcomes for individual opportunity and business needs in order to meet the People's objective. The focus on lifelong learning will ensure there is an inclusive system for adult education that enables local people to upskill or retrain at any point in their lives and helps to close the gap between the skills people have and the skills the economy needs.

7.0 AEB Context

- 7.1 Devolution of the Adult Education Budget to the CPCA was agreed in the Devolution Agreement of November 2015. Local devolution has put the Combined Authority in control of AEB funding delivery from the 2019/20 academic year. It has enabled a closer link between employers, local communities and the education and training curriculum offer.
- 7.2 AEB will engage adults and provide them with the skills and learning needed for work or further learning. It will improve employability skills including communication, self-confidence and attitude to work and enable people to contribute to the social wellbeing of their community. It will enable more specific programmes of learning to help those furthest away from the market place of work and learning.
- 7.3 Providers of adult education currently deliver a range of important learning in our community, including: literacy, numeracy, English Language, skills for employment, family literacy and learning. Most is through colleges, local authorities and independent training providers and much of it has been successful in transforming lives for learners with people acquiring knowledge and skills that has helped them to secure employment and progress into work and to further learning.
- 7.4 The CPCA has an opportunity to work with providers, learners and employers in simplifying the system and to demonstrate the advantages of a devolved skills administration and delivery.

8.0 Context Conclusion

- 8.1 The national, local and AEB context stresses the vital role of skills to a holistic approach for improving no matter what their circumstance.
- 8.2 The AEB Commissioning Strategy logically flows from the vision, key priorities and messages of the Cambridgeshire & Peterborough Independent Economic Review; the CPCA 2030 Ambition Statement; the National Industrial Strategy; Local Industrial Strategy and the local Skills Strategy. It is heavily influenced by the social mobility commission report: the state of the nation and recognises the strategic priority for upskilling the least qualified in the area and how that assists community cohesion and a sense of place and belonging for local residents.

9.0 Vision

From the national, local and AEB context, the Cambridgeshire & Peterborough Combined Authority adult education vision is

- **to be the UK's most innovative and adaptive adult education system**

- for high quality learning leading to sustainable employment for the low skilled
- for prosperous businesses and communities with adult learning at their centre

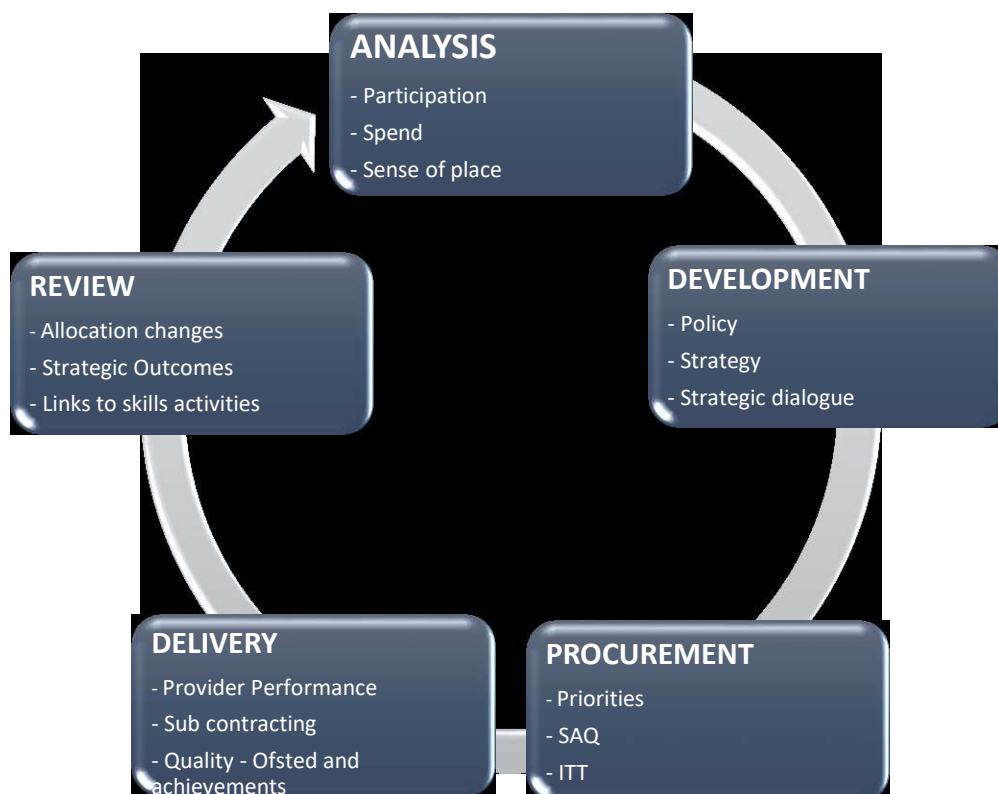
10.0 Overview of an AEB Commissioning Cycle

To meet the vision and to ensure the AEB is commissioned, allocated, procured and appropriately spent, the CPCA has developed a commissioning cycle that will have a central role in ensuring the provision we offer sufficiently meets local need. It is designed to support the residents of Cambridgeshire & Peterborough and to ensure effective monitoring and evaluating of the delivery of the AEB education and training providers in meeting the CPCA's AEB strategic priorities.

2019/20 will be the first year of a commissioning cycle that will have five components –

- i) analyse
- ii) development,
- iii) procurement,
- iv) delivery
- v) review

AEB COMMISSIONING CYCLE



11.0 Purpose and Principles of the Commissioning Strategy

11.1 Purpose

- 11.2 The purpose of the commissioning strategy is to set out Cambridgeshire & Peterborough Combined Authority's priorities for allocating and funding the devolved Adult Education Budget (AEB) which will have a vital role in Cambridgeshire and Peterborough's growth and reform agenda. Our

commissioning approach will involve a combination of plan-led grant funding and procured provision. In Cambridgeshire and Peterborough, this means high quality provision which leads to demonstrable improvements in opportunities, positive outcomes for individuals and clear progression pathways for our residents, with a clear line of sight into the local labour market and future economic development opportunities.

11.3 Key Principles

- 11.4 The CPCA strategic ambitions from the Cambridgeshire Peterborough Independent Economic Review and the Skills Strategy have given rise to clear adult education budget principles for managing the devolved AEB, for both procured and grant funded provision;
- Employers and learners are at the heart of the AEB skills system
 - A mutually beneficial system that improves social and economic development
 - Create a culture for individual and collective responsibility to deliver better outcomes.
 - The focus is on achieving positive outcomes and a positive impact for residents supported by robust initial assessment, individual learning plans and careers advice and guidance to aid progression within learning and into work.
- 11.5 The AEB devolution is a long-term journey of transformation towards making commissioning decisions on a learner centred and forward looking strategic priority basis rather than on a historic transactional basis in the delivery of learning aims.
- 11.6 The CPCA will ensure the AEB market is open to high quality providers of all kinds who want to build a strong place, focused relationships with the CPCA and with local businesses and residents in order to provide the best value for money through alignment with the wider skills and employment system. The CPCA will encourage more collaboration between providers through consortium projects and even Commissioning into the future and proactively generate interest from local community groups.

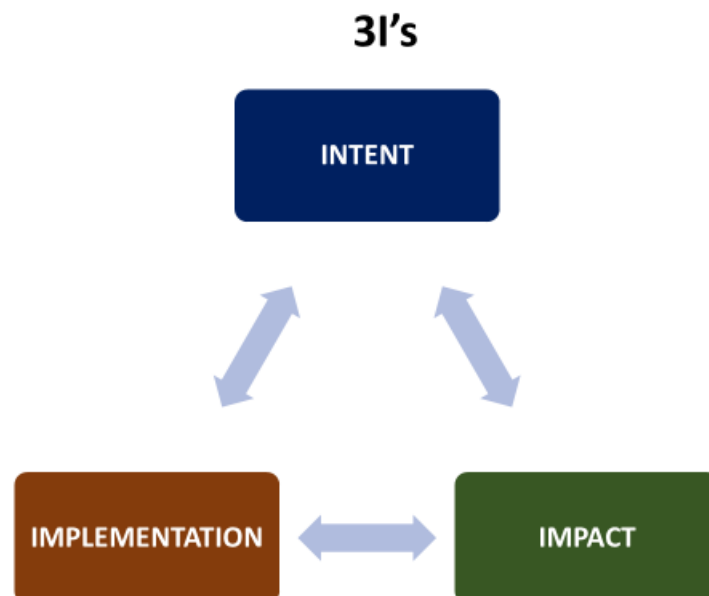
Within 2 years we expect all our providers to e will expect all providers to have at least a good grade at their last Ofsted inspection and any new providers a strong quality assurance and improvement process. The Education Inspection Framework for adult education stresses the importance of **intent, implementation and impact** of learning on behalf of the learner. This framework will be used as a structure to inform the strategy namely:

- **Intent** builds on curriculum design, coverage, planning and appropriateness. It sets out for this adult commissioning strategy
 - a harnessing of partnership and togetherness between learning providers, local authorities, the CPCA, employers, residents and communities
 - it puts lifelong learning at the heart of a community and employer
 - it moves more from low skills to wider skills including communication and self confidence
 - an improved set of social skills and a better social contribution from adult learners
 - better physical, mental health and wellbeing of learners.
 - productivity improvement so that hard work in learning pays off for both the employ in efficiencies and the learner raised wages
 - a specific focus on the rising ESOL population and to improve ESOL progression
 - an adaptable and agile adult learning environment for residents, employers and communities
- **Implementation** assesses delivery and in particular the inputs and outputs or funding

expenditure, adult learning participation and achievement

- A funding distribution shift that drives a more purposeful and impactful adult and learning education and training system
- Independent and impartial careers education information advice and guidance
- Pursuing outstanding quality of teaching, learning and assessment with continuous improvement
- Qualifications and non-qualification provision that match sectors locally
- Increased employer specified and commissioned provision
- Cross supplier commissioning and collaboration as an integrated offer that maximises expertise whilst providing choice
- More inclusive participation from programmes such as family learning
- **Impact** sets out the success of the intent, the destination of the learners, their progress and knowledge and skills development so that
 - More people move into employment especially in Peterborough and Fenlands where unemployment is highest
 - More people progress through employment
 - More people progress in learning and onto higher qualifications and Apprenticeships
 - More people access higher pay
 - More people socially self confident and societally contributing
 - More employers have their skills needs met
 - More integrated communities with people learning new skills in adult education
 - More people with basic digital skills
 - A more inclusive economy where the societal and economic difference are reduced
 - A robust adult learning environment that provides a foundation for lifelong learning

Each year we will show that AEB has changed people's lives for the better.

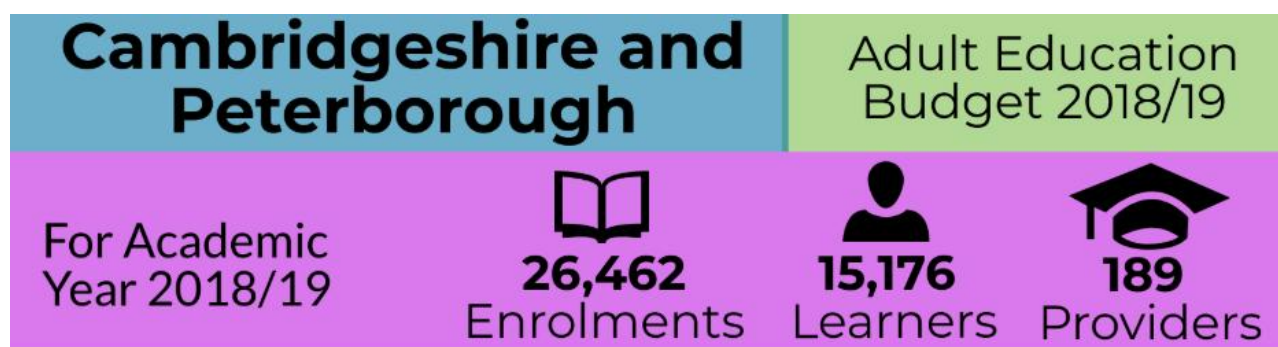


12.0 Adult Education Budget data and research analysis

- 12.1 By analysing the impact of the 2018/19 adult education budget, before it was devolved to the CPCA and the level of skills and education deprivation, it will provide a sense of place and

understanding of the issues in Cambridgeshire & Peterborough and provide a baseline of data to determine the AEB priorities for the next five years.

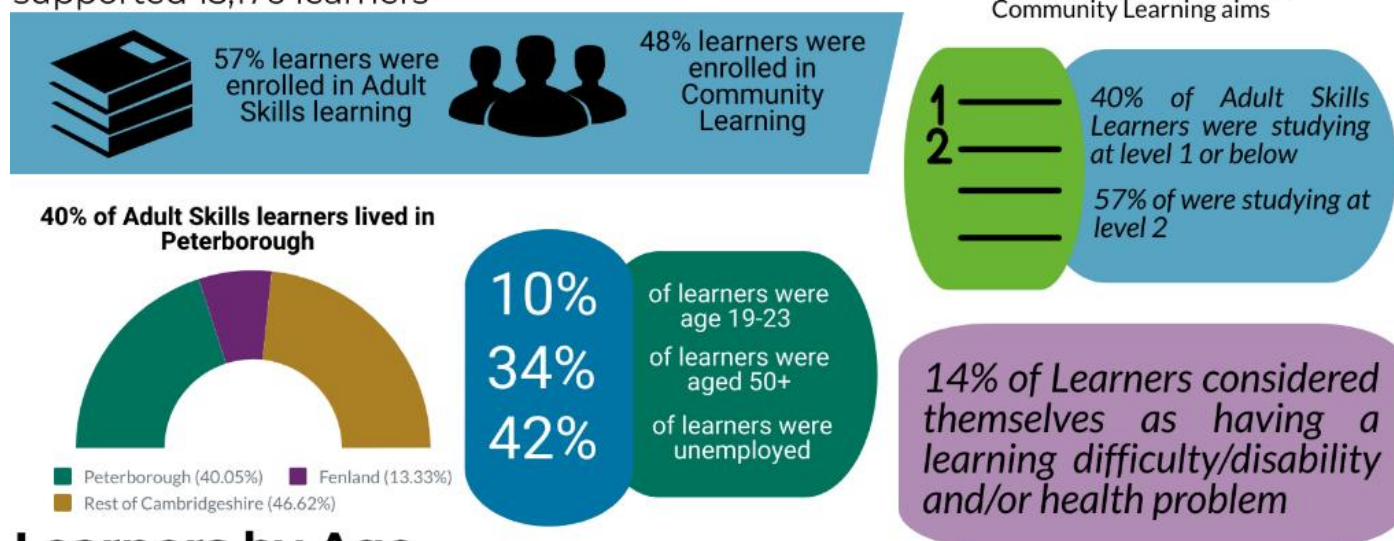
- 12.2 The information shows how many learners participated in adult education, their age profile and how many were unemployed and met their statutory entitlement. It sets out the clear geographical deprivation hotspots for education and skills; the share of low and high qualifications; the split of the AEB expenditure across the three sub economies; the earning disparities and the subject areas studied.



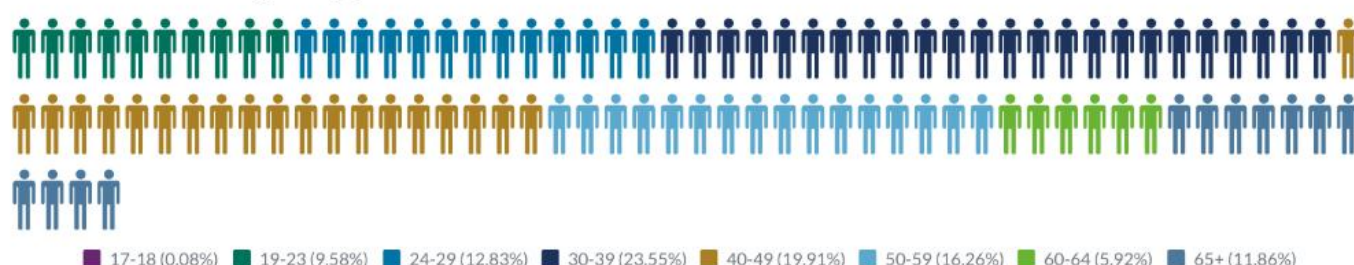
Learners

In 2018/19 the Adult Education Budget supported 15,176 learners

Note: As a learner can enroll in multiple learning aims an individual may have taken part in both Adult Skills and Community Learning aims



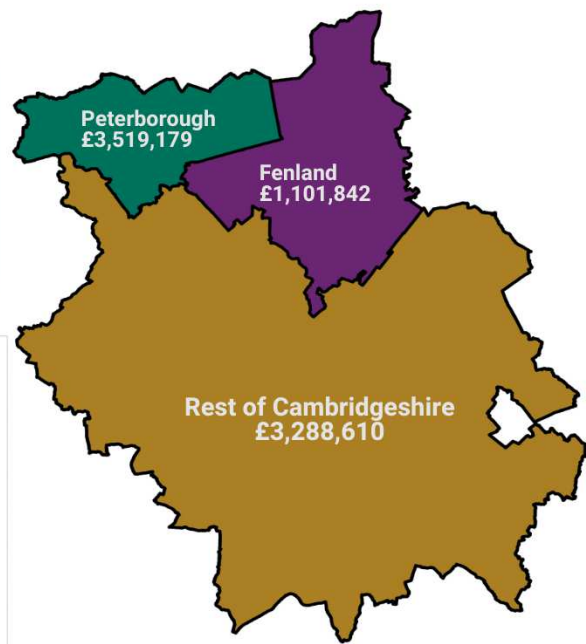
Learners by Age



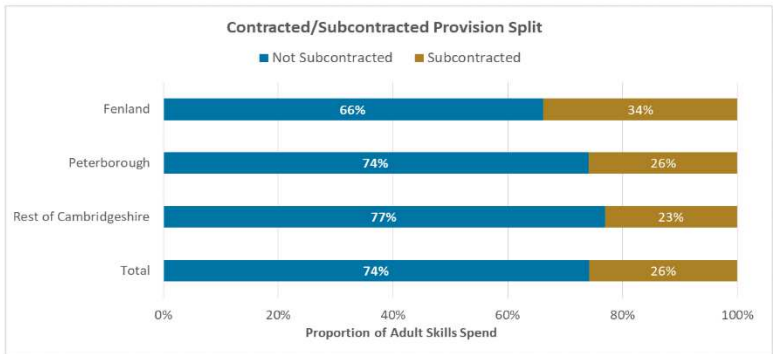
Adult Skills Funding

£7.9 million Adult Skills funding was allocated to Cambridgeshire and Peterborough in 2018/19 (Aug-July):

- 44% of the allocated Adult Skills spend went to Peterborough learners and 14% to Fenland learners
- 26% of the Adult Skills spending was subcontracted.



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Enrolments and Learning Aims



Change in Number of Learning Aims by Type - 2015/16-2017/18

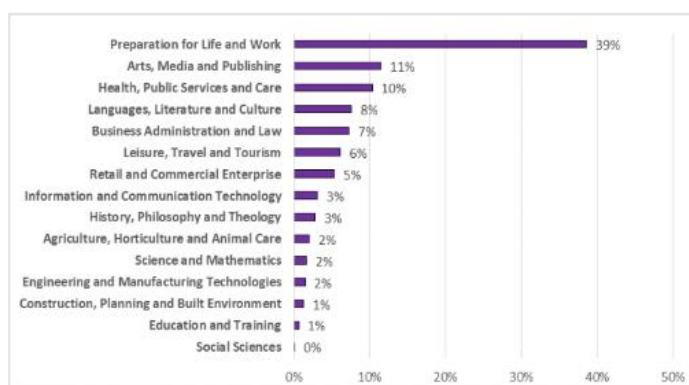


Compared to 2017/18

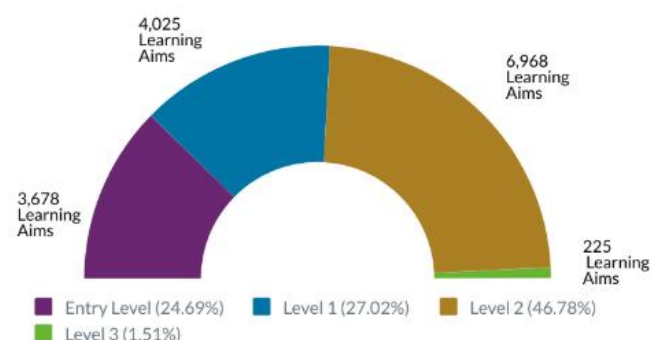


Learning Aims by Subject Sector

39% of Learning Aims were on Preparation for Life and Work



Adult Skills Learning Aims by Level



Employment

Unemployment

4% of working age population are unemployed, compared to 5% nationally.

Peterborough (6%) and Fenland (5%) unemployment are both equal to or higher than the national average.

Source - Annual Population Survey, Three Year Average 2016-2018, ONS

Earnings

£10,665



Difference between the highest average annual wage in South Cambridgeshire and the lowest in Peterborough.

Source Annual Survey of Hours and Wages, 2018 ONS

Top Employment Sector



14% of CPCA employment is in the wholesale and retail trade

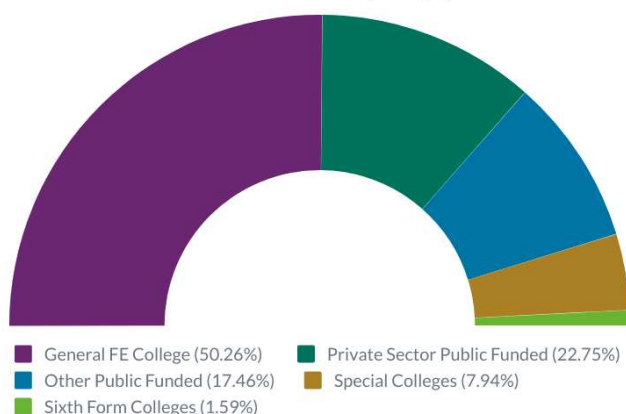
Providers

- Out of 189 Providers 15 were headquartered in or within 10 miles of Cambridgeshire and Peterborough
- 109 had 10 learners or less

Top Five Adult Skills Providers (By Funding)

Provider Name	Adult Skills Enrolments	Adult Skills Funding
Cambridge Regional College	3,910	£2,146,746
Peterborough Regional College	2,081	£1,431,691
Peterborough City Council	1,894	£770,173
Cambridgeshire County Council	1,238	£570,177
The College of West Anglia	324	£312,410

Providers by Type



2018/19 Adult Education Provider Headquarters



13.0 Transformation

- 13.1 AEB is the foundation for achieving the corporate CPCA skills priorities and for ensuring all residents have the opportunity and realistic potential to equally share in the region's economic growth and ambitions to 2030.
- 13.2 To move to a more transformational outlook from AEB expenditure and learning activity, the focus of the priorities is on long term sustainable outcomes and impact. The data analysis and the national and local context for adult education show the polarisation of skills and education levels in Peterborough and Fenland to Cambridge and the south of the region; the enhanced need to progress through learning as the economy grows; the drive towards a more productive higher skilled economy; a holistic integrated approach to economic development that must include community cohesion and an improvement in self confidence for residents further from the labour market.
- 13.3 The devolution of AEB offers an historic opportunity to simplify the system and make it easier to navigate for learners and employers. It also provides a means to strengthen the local provider base by developing longer-term and deeper relationships with fewer providers.
- 13.4 Devolution of the AEB is the beginning of a journey towards creating a local skills strategy to support Cambridgeshire & Peterborough overarching ambitions for its residents and the local industrial strategy. We are determined to ensure it delivers on its crucial role in securing skills that employers require and delivering better outcomes for residents, aligning the devolved AEB with other reform initiatives such as Apprenticeships and the national retraining scheme.

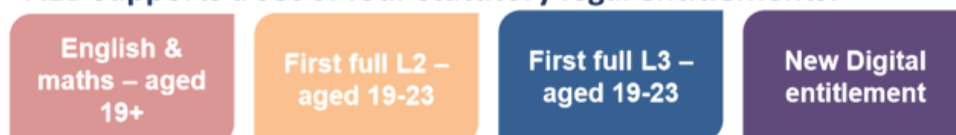
- 13.5 To increase productivity and promote an inclusive and evenly distributed economic growth dynamic in Cambridgeshire & Peterborough there must be a flexible and responsive skills and employment system which puts the needs of learners and employers at the centre of what we do and have a strong focus on a sense of place for Cambridgeshire and Peterborough.
- 13.6 In support of these ambitions, devolution of the AEB formed a landmark agreement within Cambridgeshire and Peterborough's ground-breaking devolution deal. Providers will need to understand how much of their delivery is to residents of devolved and non-devolved areas.

14.0 AEB Background

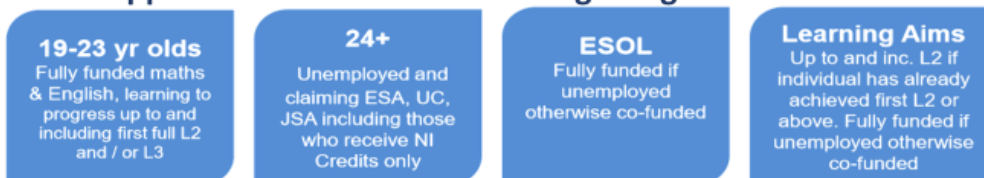
- 14.1 The AEB is a single funding stream replacing what had previously been three separate budget lines: The Adult Skills Budget (namely skills provision for adults aged 19 years and above), Community Learning and Discretionary Learner Support. It encompasses a range of statutory entitlements for learners, including the right to fully funded provision for basic English and maths qualifications and depending on the resident's age and employment status, an entitlement to a first full level 2 and first full level 3 qualification.

What does the AEB currently fund?

AEB supports a set of four statutory legal entitlements:



AEB supports learners in the following categories:



Devolved AEB will not support:

- Apprenticeships / 19-23 Traineeships and related provision.
- Adult offender learning and related provision.
- 16-18 provision.

- 14.2 It is part of a wider education and skills landscape most of which is not devolved but will be retained by central government and its agencies, including apprenticeships and traineeships for learners of all ages, 16-18 activity, technical and higher education, offender learning and student loans.
- 14.3 We must respond to sudden changes in the employment and business landscape and for priority cohorts of residents who might need additional support to access the opportunities that are available who are disadvantaged in some way or who disproportionately face barriers in learning and employment.
- 14.4 The devolved AEB will be part of a transformational education, skills, employment and health system that delivers an incremental improvement in the basic and general skills needed for life and work particularly for English, maths and digital skills. In addition, the local skills system will deliver the higher level and technical skills needed to drive productivity and in particular in the priority sectors

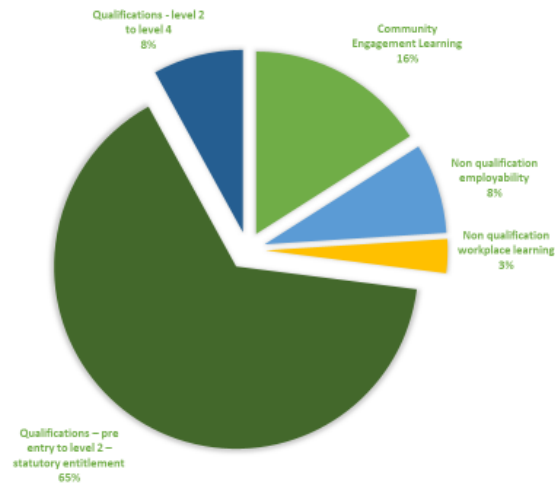
set out in the CPIER and the skill strategy. The AEB will be a key strand of activity supporting the progression within the broader delivery of CPCA skills and employment system linking other provision including technical education and apprenticeships.

The funding in 2018/19 was analysed across community learning and adult skills as

AEB FUNDING

2017/18 AEB funding split

- 0% innovation funding
- minimal leverage funding

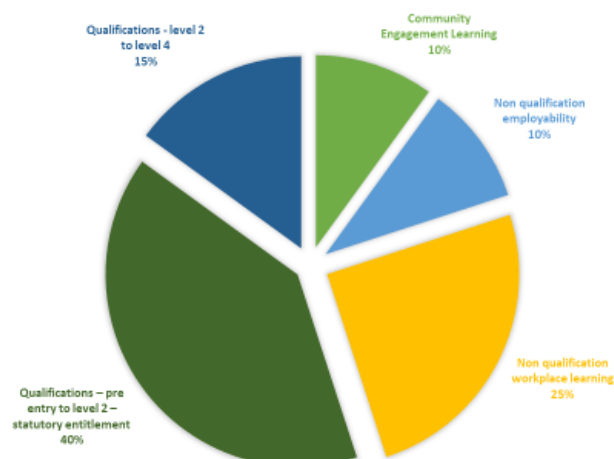


From 2020 the aim is to change the AEB funding into

AEB FUNDING

2020/21 onwards

- Innovation funding 10%
- Leverage funding



15.0 Community Learning

- 15.1 Community Learning is an essential component of the AEB. AEB is often the sole or the largest provider of funding for community learning in a locality. It is delivered in the local community. It often fits within a local authority and with other services and partners who work with adults. The CPCA recognises the many benefits non regulated Community Learning activity brings in supporting the

removal of barriers to employment. The successful local authority providers demonstrate how any initial engagements activities will support progression and ensure there is a clear pathway of education and learning even where there is a very short timescale of provision.

15.2 Community Learning Providers share a mission to provide education, skills and learning that give adults a second chance and support their employment prospects and well-being. They have the capacity to support those most disadvantaged and are cost effective and entrepreneurial, using their funding to generate other forms of funding. They provide a unique service and have been vanguards in working with local communities on difficult issues such as securing employment for long term unemployed, supporting community cohesion, troubled families, refugees, improving mental health and family learning through education.

15.3 Community Learning allows social integration, civic engagement and increased volunteering. It enables a decline in anti social behaviour, reduced costs in welfare and supported progression for people on low incomes with low skills. It provides a transformative opportunity to those who are least likely to participate and helps to develop their motivation and improves their wellbeing. It encourages collaborate working and brings people together from different backgrounds, cultures and income groups.

16.0 Low wage pilot

16.1 The government announced a new one-year trial for the 2018/19 funding year to enable more eligible adults to access Adult Education Budget funding. The aim is to help increase adult education participation and lift social mobility barriers to learning for those who would not otherwise engage due to course fees being unaffordable. It will also support those that are in low paid employment and are wanting to further progress in work and in their chosen career.

16.2 The current AEB rules do not take pay into consideration, so to assist, the eligibility rules in the CPCA will be relaxed for individuals over the age of 19 earning less than £16,009.50 annual gross salary and AEB will pay for the full cost of a course. This is in line with other Mayor Combined Authorities and the Greater London Assembly. We will review increasing the threshold on an annual basis.

17.0 Challenges

17.1 The demand for skills provision outstrips the resources available. We will take the opportunity presented by devolution to enhance the focus on place, on the impact and outcomes for learners and employers and on making certain that provision aligns as closely as possible with the skills needs of CPCA employers and the priority sectors set out in the local industrial strategy and the skills strategy namely **life sciences, digital and informational technologies, advanced manufacturing and materials, agri-tech and health and social care.**

17.2 The AEB and the skills provision that it purchases warrants a strong strategic focus, recognising the important proactive role that can be played by training providers of all types; not just as receivers of funding but as vital strategic planning and delivery partners at the centre of the communities and economies they serve. The CPCA are seeking to build stronger links between AEB provision and the local economy, assisting local residents to enter and progress within learning that is relevant to jobs in the local labour market.

18. Performance Evaluation and monitoring – the nature and pace of change

- 18.1 AEB devolution will involve working with providers to focus on individual learners, progression and positive outcomes. There will be a focus on improving the intelligence that is available about progression and outcomes. A better balance is required between the volume of qualifications being delivered and evaluating the qualitative impact that AEB learning has for individuals and for the local economy.
- 18.2 As more robust and reliable information about 2018/19 becomes available, it is still not prudent in the first year of operation to make significant and substantial changes to funding policies and model. Our sole change in 2019/20 has been to honour the low wage pilot commitment. However, we will not be viewing previous years as a year zero but will be expecting a smooth transition from a transactional relationship to more transformational agenda that through incremental changes better meets the skills priorities and more extensive learner outcomes. There will be quarterly reviews with providers and the CPCA to understand performance and to influence future funding allocations.
- 18.3 The importance of developing an effective operational and strategic dialogue between CPCA, the AEB providers and our major stakeholders such as the local authorities and community groups cannot be overstated. This is where there will be substantial difference from before August 2019 with a clear expectation that local priorities are well understood in the devolved area and that the AEB is focused towards meeting the priorities.
- 18.4 There is the option in Devolution, however, for local freedoms and flexibilities that were not previously available in the national model for making a local set of offers available to respond to local employer, learner and community skills needs. It will support adults at lower skills levels who want to re-engage with learning and their local labour market but for whom qualifications are not the key goal. The CPCA is seeking to extend the freedom and flexibility approach by enabling providers to outline the packages of support that the learner requires to support progression. The CPCA will through dialogue with providers and local stakeholders and partners will enact changes to funding in the second and third year that will enhance the possibility of achieving our AEB priorities. There will be a consultation on any proposals before the end of 2019.
- 18.5 Funding support for learning and the learner is an indispensable part of the funding mechanism and crucial for enhancing the quality of provision for learners in disadvantaged area and for learners with a learning difficulty and/or disability. We will explore in partnership with education and training providers if learning support can be expanded to improve retention and learner attainment and achievement rates.

19.0 Strategic dialogue - working with providers

- 19.1 In the first year, the principal changes planned will be around working closely with providers, whether funded through a grant agreement or contract for services, to develop improved analysis of learner journeys and destinations with a focus on positive outcomes for individuals and tracking learner progression or **transformational** rather than simply measuring delivery and achievement of learning aims or **transactional** without understanding whether those achievements improve an individual's employability and quality of life.
- 19.2 In 2019/20 there was a dual approach to commissioning in the first 3 years, building on the principle that AEB is for the long term and will be part of a skills system that supports the local industrial strategy, there will be a combination of a grant funding agreements and procured contracts for services.

- 19.3 The key considerations for each approach for the Combined Authority were;
- CPCA established grant funding arrangements with further education colleges based in the area or with substantial delivery sites and with a main office within a 10 miles radius which currently deliver AEB funded provision.
 - They were part of the CP state-maintained system of public education and its associated asset base and infrastructure which is funded wholly or mainly from the public purse and which has CP residents and place as the primary focus of their activity.
 - These providers cannot choose not to engage with policy changes nor can they shift their core business focus or suddenly cease operating; the FE regulatory framework and FE insolvency regime recognise the particular position of colleges and provide additional protection for learners which does not apply to learners in other education institutions.
 - The memorandum of understanding between DfE and CPCA requires CPCA to minimise the risk of insolvency of any further education institution in the combined authority area.
 - They are subject to different and stronger strategic priority arrangements than are currently set out by the ESFA.
- 19.4 Other providers that intended to deliver CPCA funded provision to Cambridgeshire and Peterborough residents in 2019/20 were required to tender for a contract for services; 43 national providers applied and 5 providers were successful who were allocated a total of £2.053m; the largest received £537,000 and the smallest £131,000. The CPCA does not wish to limit learner choice or exclude valuable specialist provision and niche provision from the market.

20.0 Value and Beliefs

- 20.1 We are determined to develop effective high trust relationships with providers and partnerships or consortia delivering positive long-term impact for local residents.
- 20.2 The shared beliefs and values will be part of the adult learning communities culture.

We will

- Bring opportunity and prosperity to all
- Change People's lives by enabling progression
- Develop better individuals who make a positive contribution to society
- Raise aspirations for all
- Put the community, business and individuals at the heart of what we do
- Transform lives through learning

20.3 We will provide together

- An absolute focus on quality and value for money
- A constant pursuit to achieve the best outcomes and impacts for residents, employers and communities

20.4 We will be

- Creative
- Adaptable

21.0 Funding Rules, Rates and Eligibility

- 21.1 The AEB allocation from the DfE to the CPCA was calculated on the basis of residency within the CPCA

area. From 2019/20, CPCA's devolved funding can only be used to support CPCA residents.

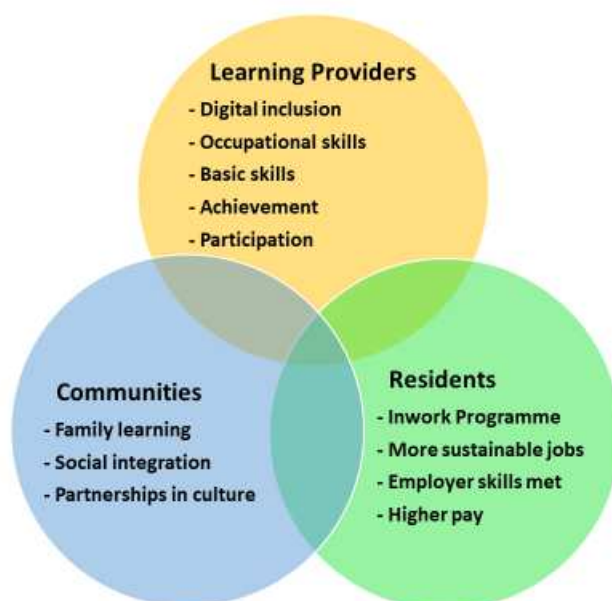
- 22.2 CPCA will make use of the freedoms and flexibilities afforded by devolution in relation to its funding rules, rates and eligibility criteria. In the first year, however, the focus will be on working with providers to build robust evidence which will underpin any future changes.
- 22.3 The CPCA will work with providers who have a strong performance focus on the outcomes we are seeking. We want to develop and test changes to elements of the policy entitlements e.g. fully fund some provision or increase the rates for particular priority sectors or geographical areas through a joint and agreed approach.
- 22.4` Contracts were awarded from the procurement process will last for one year and thereafter we reserve the right to extend contracts on an annual basis up to and including 2021/22 which is a maximum period of three years (or one year plus one year plus one year). Any contract extensions will be subject to funding availability, the provider's delivery and performance against contract and skills policy. This should enable providers to plan and build capacity with a level of surety.

23.0 Sub-contracting

- 23.1 Many providers tender on a sole basis but based on our analysis of 2018/19 26% of learners access provision from a sub-contractor of a main provider. As such we expect that collaborative partnerships and consortia of providers and sub-contracting arrangements will be a feature of the CPCA AEB landscape.
- 23.2 Sub-contracting arrangements and the associated fees are a contentious area of discussion. Providers and colleges may work with supply chains of their choosing and good subcontracting can add real value for learners, providing an opportunity for niche providers to for example work priority cohorts in isolated geographical areas in a flexible way. On the other hand, excessive subcontracting can lead to funding diverting from the front line to pay management fees.
- 23.3 In the AEB pre-information notice sent out prior to the AEB soft market testing event in October 2018, the questionnaire beforehand and subsequent feedback suggested that the vast majority of providers accepted a management fee limit of 20% for any sub-contracting and the CPCA enacted this as official local policy. The CPCA will consider an increased limit for sub-contracting but only under exceptional circumstances for the future following a detailed discussion with the provider.
- 23.4 Also, sub-contracting towards the end of the funding year was often used by some providers in the past as a means of avoiding returning unspent AEB money and can result in significant volumes of poor quality sub-contracting. For this reason, the CPCA put a 20% contract value limit on sub-contracting and anything above this value requires CPCA approval.

24.0 Outcome Commissioning

Outcome Diagram



- 24.1 To meet and influence a more transformational strategic priority dialogue between the CPCA and providers and in dialogue with the adult education sector the CPCA is exploring the possibility of an incremental shift to payments by results. The results will be more outcome driven rather than output driven and the outcomes will match the local AEB priorities.
- 24.2 The intention is to have a contract with no payments by results in the first year, then to have it as part of the contract in later years. The exact details need to be finalised. The CPCA has initially investigated where there has been successful outcome commissioning process such as education in Scotland or in the National Health Service for stopping smoking but recent experience in the probation service means that we and other combined authorities want it to be part of the commissioning process but need more clarity on how it will work in practice.

We will research with other MCAs and the GLA the impact of introducing an AEB outcome commissioning process.

25.0 Conclusion

- 25.1 The intention is to deliver a world class offer for adult education and learning that mirrors and works in harmony with the internationally renowned higher education offer in Cambridge. The CPCA AEB commissioning strategy will help to achieve this success and maximise the return on investment in skills but in order to do so, we must influence and increase both the demand for, and supply of, relevant training provision including community learning and relevant skills pathways and in the context of the economic ambitions of Cambridgeshire & Peterborough as set out in the CPIER.
- 25.2 The strategic dialogue with education and training providers will play a pivotal role through concentrating on the outcomes and in particular on the intent, implementation and impact of AEB and how this is achieving the corporate CPCA priorities of a holistic and integrated approach to economic growth and development.

- 25.3 Signs of success from implementing the commissioning strategy will be a clear and cogent achievement of AEB through a partnership focus on the outcomes of learning achievements on business needs, community needs and the needs of residents. There will be an obvious and direct link between AEB and more sustainable employment; an increase in average pay that is less polarised; more self-confident residents who need the most support to find employment or contribute to their community or family living; more progression through learning that results in more level 2, level 3 and level 4 learners and more adult education participants in Peterborough and the Fenlands. The key to success will be to work in partnership across the region.

Reference

OECD – February 2019 – Future-Ready Adult Learning Systems

Cambridgeshire & Peterborough Combined Authority – Skills Strategy Framework – Developing Talent – Connecting the Disconnect – June 2019

CPCA – July 2019 – Local Industrial Strategy

FETL – Adopting global skills innovation for the UK – RSA – May 2019

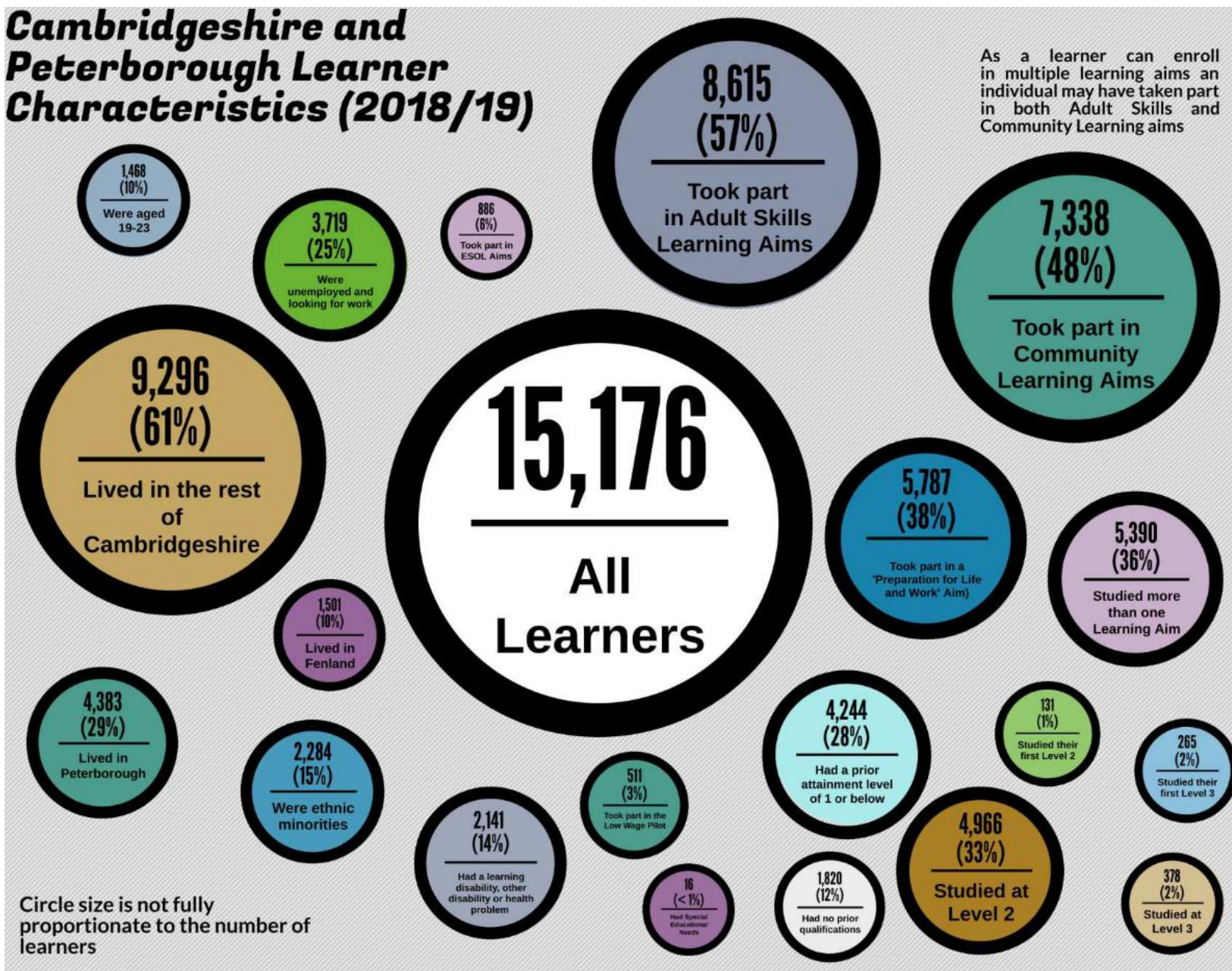
CPIER – Cambridgeshire & Peterborough Independent Economic Commission – September 2018

Strategy on Loneliness

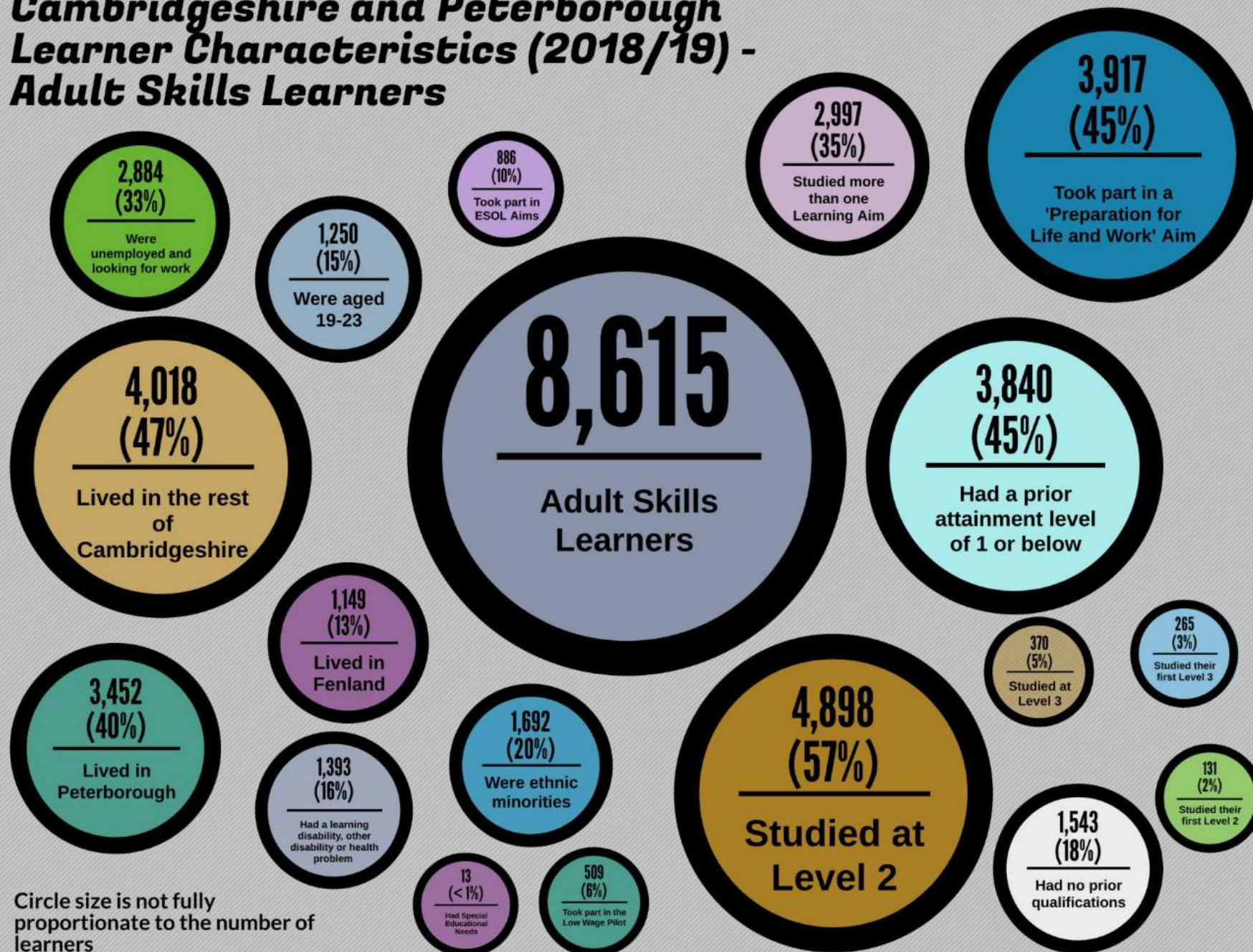
Integrated Communities Strategy

FETL on Leadership

Cambridgeshire and Peterborough Learner Characteristics (2018/19)



Cambridgeshire and Peterborough Learner Characteristics (2018/19) - Adult Skills Learners



Cambridgeshire and Peterborough Learner Characteristics (2018/19) - Community Learning Learners

- No learners took part in ESOL learning Aims

