



SKILLS COMMITTEE

Date: Monday, 06 July 2020

Democratic Services

Robert Parkin Dip. LG.
Chief Legal Officer and Monitoring Officer

14:00 PM

The Incubator
Alconbury Weald
Cambridgeshire
PE28 4WX

**Due to Government guidance on social-distancing and the Covid-19 virus it will not be possible to hold physical meetings of the Combined Authority Board and the Combined Authority's Executive Committees for the time being. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 allow formal local government meetings to be held on a virtual basis, without elected members being physically present together in the same place. Meetings will therefore be held on a virtual basis and the procedure is set out in the "Procedure for Combined Authority Virtual Decision-Making" which can be viewed at the foot of the meeting page under the "Meeting Documents" heading. That document also contains a link which will allow members of the public and press to attend the virtual meetings.
[Venue Address]**

AGENDA

Open to Public and Press

Part 1: Governance Items

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| 1.1 | Apologies for Absence and Declarations of Interest | |
| 1.2 | Minutes - 27 April 2020 | 5 - 12 |
| 1.3 | Action Log | 13 - 14 |
| 1.4 | Public Questions | |
| | Arrangements for public questions can be viewed in Chapter 5, Paragraphs 18 to 18.16 of the Constitution which can be viewed here - Cambridgeshire and Peterborough Combined Authority: Constitution | |
| 1.5 | Skills Committee - Agenda Plan - July 2020 | 15 - 16 |
| 1.6 | Combined Authority - Forward Plan | |
| | Combined Authority - Forward Plan | |

Part 2: Reports to Combined Authority Board

- | | | |
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| 2.1 | University of Peterborough - Full Business Case - Phase 1 | |
| | To follow | |
| 2.2 | Careers and Enterprise Company - Annual Review | 17 - 26 |
| 2.3 | Skills Brokerage Contract Extension | 27 - 32 |
| 2.4 | Integrated Business & Skills Insight Evaluation Programme | 33 - 38 |
| 2.5 | Corporate Governance for Growth Company | 39 - 66 |

Part 3: Delivery

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| 3.1 | Employment and Skills Board Update | 67 - 72 |
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Part 4: Date of Next Meeting

Monday 14 September 2020

The Skills Committee comprises the following members:

Councillor John Holdich

Councillor David Ambrose-Smith

Councillor Mike Davey

Councillor Lis Every

Councillor Jon Neish

Cllr Chris Seaton

Councillor Eileen Wilson

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

Clerk Name: Tamar Oviatt-Ham

Clerk Telephone: 01223 715668

Clerk Email: Tamar.Oviatt-Ham@cambridgeshire.gov.uk

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
SKILLS COMMITTEE: MINUTES

Date: Monday 27 April 2020

Time: 10:05 am to 11.22 am

Present: Councillors John Holdich (Chairman), David Ambrose-Smith, Mike Davey, Lis Every, Jon Neish, Chris Seaton and Eileen Wilson.

Apologies: None

62. APOLOGIES AND DECLARATIONS OF INTERESTS

No apologies received.

Councillor Chris Seaton declared an interest as his wife worked at the College for West Anglia in the Apprenticeships Division.

63. MINUTES – 9 MARCH 2020

The minutes of the meeting held on 9 March 2020 were agreed as a correct record and will be signed by the Chairman when next possible.

64. PUBLIC QUESTIONS

Three questions were received from the Overview and Scrutiny Committee. The Chairman explained that the questions would be addressed at the relevant item on the agenda.

65. SKILLS COMMITTEE AGENDA PLAN

The agenda plan was noted.

66. COMBINED AUTHORITY FORWARD PLAN

The Combined Authority Forward Plan was noted.

67. ADULT EDUCATION BUDGET (AEB) – INNOVATION FUND

The Committee received a report that recommend the establishment of an Adult Education Budget (AEB) Innovation Fund that supported providers to deliver education and training that addressed the AEB Commissioning Strategy priorities that aimed to reduce the skills and employment gaps of CPCA learners disproportionately underrepresented in the labour market. These groups included the unemployed, English for Speakers of Other Languages (ESOL), health volunteers, special educational needs and disabilities (SEND) learners and ex-offenders.

The Committee received a question from the Overview and Scrutiny Committee on this report and the written response was read out and can be found at appendix 1 of the minutes.



In introducing the report officers explained that the fund would be managed for funded delivery with immediate effect, and during the 2020-21 academic year. Officers highlighted that the fund would support all CPCA grant funded provision and contract services providers to apply for additional funding to deliver innovative provision that met the CPCA priorities for skills and training. Officers clarified that special priority would be given to the COVID-19 pandemic and the impact had on the delivery of learning for residents.

In discussing the report:

- A Member queried whether there was a criteria and expectation for the submission of proposals and sought clarification on who would make the final decision on which proposals would be taken forward. Officers explained that providers were required to set out ;
 - a) The priorities their proposed activity addressed (from the AEB Commissioning Strategy and the Skills Strategy)
 - b) A convincing account of how the proposed activity would address the challenges identified under the relevant priorities
 - c) The innovation they believe their proposed activity demonstrated
 - d) The learning, employment and/or social outcomes their proposed activity would deliver.

Officers clarified that a panel would decide on the final proposals to be taken forward which would comprise of members of the skills team and two independent panellists that had been used by the Combined Authority previously.

- A Member requested that a report on the outcome of the awarding of funding was brought to the next Committee meeting. **ACTION**
- A Member commented that they welcomed the report and queried which projects might be given priority. Officers explained that in the first instance the funding would be used to support local residents and employers through the COVID-19 pandemic and its aftermath. Officers highlighted that the funding provided to grant and contracted providers through the innovation fund would be eligible to use as match funding for the new CPCA COVID-19 small grant. Officers explained the types of projects that would be prioritised were set out in the appendix to the report and the learning outcomes were set out in table 1 of the appendix.

It was resolved unanimously to

- a) Approve the recommended approach for creation and management of the AEB Innovation Fund and;



- b) Recommend the Combined Authority Board approve the carry forward of 50% of the 2019- 20 underspend on the “AEB Devolution Programme – ITP and grant ” funding lines and ring-fence this for the Innovation Fund in the 2020-21 Budget, up to a maximum of £500k.

68. WORK READINESS AND CAREERS ASPIRATION PILOT – HAMPTON ACADEMIES TRUST FUTURE FUNDING ARRANGEMENTS

The Committee considered a report that outlined the future funding arrangements associated with the Work Readiness and Career Aspirations Pilot and outlined the good work achieved to date and gave assurance that this would continue through the Skills Talent Apprenticeships & Recruitment (STAR) Hub incorporating the Careers & Enterprise Company (CEC) contract and the Skills Brokerage contract) as well as the European Social Funds (ESF) funded programmes across the region.

The Committee received a question from the Overview and Scrutiny Committee on this report and the written response was read out and can be found at appendix 1 of the minutes.

In introducing the report officers explained that the Work Readiness and Careers Aspiration pilot was currently being undertaken at the two secondary academies within Hampton, namely the Hampton Academies Trust (Hampton College and Hampton Gardens School). Officers clarified that the pilot commenced in January 2019 and had been re-profiled by the Combined Authority in December 2018 and would run for 18 months. Officers explained that however due to Covid-19 the pilot was currently on hold as the schools remain closed and the completion date of August 2020 was now likely to be extended to December 2020. Officers highlighted that the NEET work continued and was being fully funded through the Growth Service from 1 August 2020 as it was crucial that these individuals had daily contact with their teachers as they were in the most vulnerable group. Officers explained that following the pilot it was envisaged that this would be a regional wide programme.

In discussing the report:

- A Member queried whether any of the individuals that were currently involved in the pilot would be school leavers and what support was being given to them in relation to their next steps. Officers explained that individuals were currently being supported with their college applications and this was part of the ongoing day to day support during the COVID -19 crisis.
- A Member questioned how many young people were included in the pilot. Officers explained that The Bridge was a small inclusion unit and had between 15-17 learners. Officers explained that these numbers would increase due to COVID-19.
- A Member sought clarification on how the pilot would be rolled out Countywide. Officers explained that this would be done through Countywide Skills Brokerage. Officers acknowledged that it was a very difficult time to make predictions on how successful the pilot would be as it was proving difficult to



engage with individual students during the lockdown. The Director of Business and Skills commented that procurement would be for three years from August 2020 and this would involve spend of £100k per annum. He clarified that bidders had been asked how they would take into account the situation post COVID-19.

- The Chairman queried how local businesses were being involved in the pilot. Officers clarified that Enterprise Advisors had been going into the schools to connect the schools with the local businesses.

It was resolved unanimously to:

- a) Note that the workstreams identified within this pilot will be subsumed into the Business Growth Service currently being procured and including; the Careers & Enterprise Company careers advice into schools, and the Skills Brokerage Services.
- b) Note the good work achieved through this pilot will continue through the Business Growth Service.
- c) Note the pilot benchmarking of achievements will be monitored and evaluated through externally funded provision and will be recorded in the Final Report due Spring 2021. As the pilot will finish by Spring 2021, no further funding is required

69. ADULT EDUCATION BUDGET TOP SLICE REVIEW

The Committee received a report that outlined a reduction in the top slice percentage of the Adult Education Budget to reinvest into delivery of learning for Cambridgeshire & Peterborough residents.

In introducing the report the Director of Business and Skills explained that the reduction from 4.9% to 3.4% allowed for £170k to be put back into front line delivery. He explained that the costs included 4.2 full time equivalent posts, management costs, data contracts, marketing, administration, training and travel expenses. He clarified that the reduction in costs put the CPCA amongst those Mayoral Combined Authorities with the lowest absolute cost of administration and with a similar percentage cost to the North of Tyne and West of England Combined Authorities.

In discussing the report:

- A Member queried the impact on individual posts in terms of staffing reductions. The Director of Business and Skills explained that there would be a staff consultation across the Business and Skills Directorate and that this could potentially result in redundancy costs.
- A Member queried how the £170K would be allocated in the budget going forwards. The Director of Business and Skills explained that there were a number of options and that he would bring a paper back to the Committee setting out the options with a recommendation to the Committee at the next



meeting. **ACTION**

It was resolved unanimously to:

Note the reduction in the top slice of the Adult Education Budget from 4.9% to 3.4%.

70. EMPLOYMENT AND SKILLS BOARD UPDATE

The Committee considered a report that gave an update on the Employment and Skills Board including the appointment of new members to the Board.

The Committee received a question from the Overview and Scrutiny Committee on this report and the written response was read out and can be found at appendix 1 of the minutes.

In introducing the report officers clarified that as part of the Combined Authority's response to COVID-19 the development of the Talent Portal on the Growth Hub had been prioritised. Officers explained that this had been born out of a need to support many businesses who had to adapt the way they operated in response to COVID-19 and as a result required new staff with different expertise. Officers explained that the planned National Retraining Scheme Pilot had been brought forward from September 2020. Officers clarified that this was a localised Retraining Scheme to respond to COVID-19 and had been designed by Officers and would be launched on the Talent Portal once fully developed. Officers explained that National data via the CBI, Chambers of Commerce and FSB had demonstrated that Management and Leadership and Project Management training and development were a major skills gap for employers that the CPCA Retraining Scheme would look to address these gaps. Officers commented that an update on the progress of the Retraining Pilot would be brought to the next Committee meeting. **ACTION.** Officers advised that an Expression of Interest was due to be submitted to the Careers & Enterprise Company (CEC) for the area to become a 'Careers Hub' area. Officers explained that there were currently 40 Careers Hub's nationally, which were in addition to Opportunity Areas. Officers highlighted that Careers Hub's brought together a consortium of a minimum of 35 schools to attract funding to the area to support schools, CPD for Careers Leaders and adding strength to the school network.

In discussing the report:

- A Member queried what the process the bid for the Careers Hub would have to go through and when the results would to be known. Officers explained that the Mayor had supported the expression of interest and that officers were waiting to hear back on the results of the bid at the end of May. Officers explained that in the meantime they had been in touch with 42 schools to seek initial interest in being part of the Careers Hub, if the bid were to be successful. Officers had received positive responses from the majority of schools and officers hoped that this could be used as a hook to keep the momentum going in relation to career progression and the prevention of NEETs. Officers commented that currently Cambridgeshire and Peterborough were the only Combined Authority area that did not have a Careers Hub.



- The Chairman commented that the landscape of careers and the workforce would see a fundamental change due to the COVID-19 outbreak and young people would reflect on their careers due to the impact it was having on their parent's careers.
- A Members questioned how Businesses would be involved in the Careers Hub. Officers explained that this would be done through the Employment and Skills Board, Business Advisory Panel and various Business Networks which were connected to the CA Business Board. Officers clarified that there were also strong relationships with FE Colleges where the hub could be promoted.

In bringing the debate to a close the Director of Business and Skills brought to Members attention the creation of an Economic Recovery Sub Group by the Combined Authority as part of the response to COVID-19 and that all Local Authorities were involved with this work. He explained that through this group there would be an economic survey and the Local Industrial Strategy, and Skills Strategy would be reviewed to reflect the outcomes of the review. This work would take place in the Autumn.

It was resolved unanimously to:

- a) Note the updates from the Employment & Skills Board
- b) Note the appointment of new Board members
- c) Note the launch of the Combined Authority Talent Portal
- d) Note the introduction of a Retraining Scheme Pilot
- e) Be advised of the Expression of Interest being submitted to bid to have a Careers Hub

71. BUDGET AND PERFORMANCE REPORT

The Committee received a report on the actual expenditure to date and forecast outturn position against the budgets for the Business & Skills Directorate as at 29 February 2020. Officers explained that the report highlighted where potential carry forward of underspends from the 2019-20 budget into the 2020-21 budget were likely to be requested. Officers clarified that a report would be taken to the CPCA Board meeting in June to formally request the carry forwards where they were realised.

In discussing the report:

- A Member queried the funding for the Health & Social Care Work Academy. Officers explained that it was anticipated that the budget would have been fully spent this year with a drawdown being made during March. Officers clarified



however that further to protracted negotiations with the DWP this project would now be remaining with the CPCA and it was unlikely that this funding would be drawn in March.

It was resolved unanimously to:

- a) Note the February budget and performance monitoring update.
- b) Note the forecast underspends as set out in the report.
- c) Note that a recommendation to approve the carry forward of unspent budget to enable the work on projects to be completed in 2020/21 will be made to the Combined Authority Board in June once the outturn position has been finalised.

72. DATE OF THE NEXT MEETING

The date of the next meeting is 6 July 2020

Chairman

Skills Committee Action Sheet 27 April 2020

Date	Minute Ref	Report Title	Action	Delegated officer	Status	Date completed
27.03.20	67.	ADULT EDUCATION BUDGET (AEB) – INNOVATION FUND	A Member requested that a report on the outcome of the awarding of funding was brought to the next Committee meeting.	Francis Lawlor	Report scheduled for September Meeting	22.05.20
27.03.20	69.	ADULT EDUCATION BUDGET TOP SLICE REVIEW	A Member queried how the £170K would be allocated in the budget going forwards. The Director of Business and Skills explained that there were a number of options and that he would bring a paper back to the Committee setting out the options with a recommendation to the Committee at the next meeting	John T Hill	Report scheduled for September Meeting	22.05.20
27.03.20	70.	EMPLOYMENT AND SKILLS BOARD UPDATE	Officers commented that an update on the progress of the Retraining Pilot would be brought to the next Committee meeting	Fiona McGonigle	Report scheduled at July Meeting	22.05.20

SKILLS COMMITTEE AGENDA PLAN

Updated 25 June 2020



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Notes

Committee dates shown in bold are confirmed.

Committee dates shown in italics are TBC.

The definition of a key decision is set out in the Combined Authorities Constitution in Chapter 6 – Transparency Rules, Forward Plan and Key Decisions, Point 11 <http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/CPCA-Constitution-.pdf>

- * indicates items expected to be recommended for determination by Combined Authority Board
- + indicates items expected to be confidential, which would exclude the press and public.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.
The agenda dispatch date is five clear working days before the meeting.

The following are standing agenda items which are considered at every Committee meeting:

- Minutes of previous meeting and Action Log
- Agenda Plan
- Budget and Performance Report
- Employment and Skills Board Update

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
06.07.20	University of Peterborough – Full Business Case	Kim Cooke	Yes	N/A	19.06.20	26.06.20
	Careers and Enterprise Company Review	Fiona McGonigle	Yes	N/A		
	Skills Brokerage Extension	Fiona McGonigle	Yes	N/A		

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
	Integrated Economic, Business & Skills Insight Programme	Alan Downton	Yes	N/A		
	Growth Company Corporate Governance	Alan Downton	Yes	N/A		
14/09/20	Adult Education Budget (Innovation Fund) Update	Francis Lawlor	No	N/A	27/08/20	04/09/20
	Adult Education Budget Top Slice Update	Francis Lawlor	No	N/A		
	Business Growth Service FBC	John T Hill	Yes	N/A		
	Skills Strategy Delivery Plans Update	Kim Cooke	No	N/A		
	Covid Evidence Base & Insight Report	John T Hill/Kim Cooke	Yes	N/A		
	Covid Economic Recovery Strategy	John T Hill/Kim Cooke	Yes	N/A		
	University of Peterborough – Phase 2 Update	Kim Cooke	No	N/A		
09/11/20	University of Peterborough – Phase 3 Funding Strategies for further phases of the University of Peterborough	Kim Cooke	Yes	No	22/10/20	30/10/20
	Adult Education Budget Annual Review	Francis Lawlor	Yes	No		
11/01/21					14/12/20	22/12/20
15/03/21					25/02/21	05/03/21
28/04/21					11/04/21	20/04/21

To be programmed:



SKILLS COMMITTEE	AGENDA ITEM No: 2.2
DATE: 06 JULY 2020	PUBLIC REPORT

CAREERS AND ENTERPRISE COMPANY (CEC) – ANNUAL REVIEW

1.0 PURPOSE

- 1.1 To provide an annual review update to the Skills Committee on the decision made by the Combined Authority Board on the 29th May 2019, to retain the CEC contract that was due to be terminated on 31st March 2019.

DECISION REQUIRED	
Chair of the Committee:	Councillor John Holdich
Lead Director:	John T Hill, Director of Business and Skills
Lead Officer:	Fiona McGonigle Business Skills Manager
Forward Plan Ref: N/A	Key Decision: No
The Skills Committee is asked to: a) Note the Annual Review applicable to the decision by the Combined Authority Board on 29th May 2019, to retain the Careers and Enterprise Company (CEC) contract a year on. b) Note the update on the decision made on the management and delivery of the Careers and Enterprise Company contract, on 29th May 2019. c) Recommend the Annual Review report to the Combined Authority Board.	Voting arrangements Simple majority of all members

2.0 REVIEW OF THE CAREERS AND ENTERPRISE COMPANY CONTRACT

- 2.1 This paper gives an update to the Skills Committee on the decision made by the Combined Authority Board at the 29th May 2019 Board meeting, to retain the CEC contract that was due to be terminated on 31st March 2019.

- 2.2 This paper will demonstrate why that decision was made and the positive progress the contract has achieved in supporting schools and businesses to improve careers opportunities and increasing potential workforce.
- 2.3 The purpose of this paper is to review that decision, it is not a comprehensive review of the contract. The CEC continue to review progress at their monthly meetings with the Contract Manager.

3.0 **RECOMMENDATION AND DECISION MADE BY THE COMBINED AUTHORITY BOARD IN MAY 2019**

- 3.1 On 29th May 2019 the Combined Authority Board:
- a) agree to the grant of £272,500 for Skills Brokerage to Peterborough City Council as accountable body for Opportunity Peterborough for the delivery of the Skills Contract.
 - b) agree to a revised contract with CEC to August 2020 and linking the match funding provided to Peterborough City Council for Opportunity Peterborough.
 - c) agree to the grant of £37,500 to Form the Future, funded via the revised CEC contract, to provide 50% funding for 1.5 FTEs for Cambridge and South Cambridgeshire skills brokerage delivery.

4.0 **BACKGROUND**

- 4.1 A decision was taken in October 2018 as part of a realignment of priorities and as a cost saving exercise to terminate the CEC contract. This was due to the previous CEC team being redeployed into new roles. The contract was due to terminate on 31st March 2019.
- 4.2 As the Skills Strategy was being developed during this time and this was a period of pause and reflection and discussion around priorities, it was apparent that the CEC contract was a key element in the skills agenda.
- 4.3 It was agreed by the CA Board on the 29th May 2019 that the Careers and Enterprise Company contract should remain in Cambridgeshire and Peterborough (see background paper attached to Board paper) however the priorities and focus of the Combined Authority had to be realigned and hence new delivery partners were sought to deliver the CEC contract. The CPCA did not have the capacity internally to deliver the contract, due to the LEP merging with the Combined Authority. The delivery partners identified were the Skills Service and Form the Future.
- 4.4 The Combined Authority would retain the member of staff from the Opportunity Area of Fenland and East Cambs as this was a priority area for the Combined Authority. The Enterprise Coordinator post, is fully funded up until August 2020. As part of the review, a new Grant Offer Letter has been

received from the Careers and Enterprise Company (CEC) to extend the contract until August 2021 with an addition of 17 further schools.

- 4.5 The contract is for 4 FTE's; 1 FTE within the Combined Authority (OA) 1.5 FTE's within the Skills Service (North) and 1.5 FTE's within Form the Future (South). Each of the delivery partners have received funding from CEC via CPCA for £37.5k each. This must be 50% match funded by each partner.

5.0 FEEDBACK FROM CEC REGIONAL LEAD ON PROGRESS

- 5.1 Feedback on the new delivery model of the contract received from the CEC Regional Lead for progress to date up to March 2020 has been positive and encouraging. This has now led to the CEC adding 17 additional Special Educational Needs (SEND) Pupil Referral Units (PRU) and Alternative Provision (AP) schools to the contract as part of the Grant Offer Letter due to commence in September 2020. This is a positive sign that the contract is performing well, which has resulted in great feedback from schools and employers.
- 5.2 An Appendix has been attached to this paper as **Appendix 1** which benchmarks local and national data from the September 2019 of this year's contract to the end of March 2020. It is the most accurate reflection of performance to date. The next quarter data will be due at the end of July 2020.
- 5.3 The contract was restarted in May 2019 after the LEP merged with the CPCA and the associated staff were redeployed into new roles, leaving only one member of staff delivering on the contract in the OA.
- 5.4 A quote from the CEC Regional Lead on 8th June 2020 on progress of the contract stated "what was a slow start I am pleased to see how well the ECs have engaged with schools and businesses. It is clear that you have managed to focus both of the brokerage services who are now starting to achieve some very stretched targets".
- 5.5 "Schools sign-up and Enterprise Adviser (EA – Business Volunteers) matching is ahead of what I was expecting during this reporting period. Compass data shows an increase in benchmark completions for both benchmark 5 and 6. Given that some schools have only just been matched with an Enterprise Advisor, I would expect to see these scores improve further as EA support gets embedded in the school".
- 5.6 "The Opportunity Area (OA) continues to be one of the best performing in the country, with great support and buy-in from schools and local employers. School sign-up and EA matching is better than expected and compass data shows the OA schools outperforming the schools outside of the OA".

6.0 THE IMPACT OF COVID-19

- 6.1 At this point it is worth noting that Covid-19 will have a big impact on employer engagement, and we would expect to see a dip in benchmark 5 and 6 scores.

However, with more employers looking at how they can support schools virtually we should start to see things level out mid-way through the next academic year.

- 6.2 The 1.5FTE based within Opportunity Peterborough have been furloughed as of 10th June 2020. This will impact the progress with schools during this period, as signs have shown across the network that Careers Leaders are now in a better position to review their Careers Strategies.

7.0 THE GATSBY BENCHMARKS

- 7.1 To date all of our schools are engaged in the programme with a number of businesses/employers working with the schools. The remit is to connect each of the schools and colleges to an Enterprise Adviser who will support the Senior Leadership Team with their strategic careers plans, workforce development and curriculum planning.
- 7.2 The 8 Gatsby benchmarks that each school has to achieve are set out below in order to support careers progression for students and the National Careers Strategy. It is the role of the Enterprise Coordinators to support each school to achieve this.

Benchmark	Description
1	A Stable Careers Programme
2	Learning from Career & Labour Market Information
3	Addressing the Needs of Each Pupil
4	Linking Curriculum Learning to Careers
5	Encounters with Employers and Employees
6	Experiences of the Workplace
7	Encounters with Further & Higher Education
8	Personal Guidance

8.0 FUTURE PLANNING

- 8.1 The CPCA region has an Opportunity Area (OA) in Fenland and East Cambridgeshire. This OA has been recognised in the top performing Opportunity Area's in the UK out of 12 Opportunity Areas nationally. This is due to the hard work and commitment by the Opportunity Area Enterprise Coordinator, employed by the CPCA.

- 8.2 The CPCA are working hard with the CEC to define deliverables to ensure quality across all schools in all areas as well as sharing best practice. Work has already begun to do some work with the additional 17 schools that will be added to the contract in September 2020.
- 8.3 It is the CPCA's intention through the STAR Hub (once procured) to flatline the offer to ensure a consistent message for all through the most appropriate Skills Brokerage service locally and linking the CEC contract to all CEIAG delivery. A paper will be taken to Skills Committee and CA Board in September 2020 with the Full Business Case (FBC) to seek final approval as part of the Business Growth Service.
- 8.4 The implementation plan for delivering a Skills Brokerage, CEC contract and cohesive Careers Advice is tabled below;

Work Stages for Delivery	Timescale
1. New contract with CEC signed	April 2019 Actual: Decision at 29.5.19 CPCA Board
2. Skills Service delivery of part of the CEC contract funded by CEC for 1.5 FTE's and 50% matched funded	April 2019 – Aug 2020
3. Form the Future delivery of part of the CEC contract funded by CEC for 1.5 FTE's and 50% matched funded	April 2019 – Aug 2020
4. New Contract start; with an additional 17 schools made up of SEND, PRU and AP	September 2020
5. Award of the Skills Brokerage Provider via the Growth Service Procurement – Mobilisation 1 st October 2020	August – October 2020

9.0 FINANCIAL IMPLICATIONS

- 9.1 Current CEC funding covers 50% of the posts that are currently within the budget, and the continuation of the contract will maintain this, thereby having no direct financial implications. Future funding will be paid to the Growth Service/STAR Hub for the provision of these services and therefore will not impact on the CPCA budgets.

10.0 LEGAL IMPLICATIONS

- 10.1 There are no legal implications associated with the activities outlined in this Report.
- 10.2 This Skills Committee meeting shall be conducted in accordance with Parts 2 and 3 of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (SI 2020 No.392).

11.0 APPENDICES

Appendix 1 - CEC Annual Review Data up to March 20 report

<u>Background Papers</u>	<u>Location</u>
Combined Authority Board Decision 29 th May 2019	Link to the paper attached on the Board reports is here . Page 342 of the document pack.

Cambridge and Peterborough EAN Report

This document contains key metrics and indicators relating to the Enterprise Adviser Network, Compass and EAN Evaluation survey in the Combined Authority.

Enterprise Adviser Network Overview

Table 1. Overview of the Enterprise Adviser Network using the end of March 2020 EAN Register return.

	Key metrics	Cambridge and Peterborough	Network Average	Target
Enterprise Advisers	No. of EAs	47		
	No. of current matched EAs	42		
	% matched	89%	92%	
	Minimum no. EAs for full coverage based on Grant Funding Agreement Year 2 target	56		
Mainstream schools and college network coverage	Total mainstream schools in LEP	48		
	No. mainstream schools signed up to EAN	42		
	No. mainstream schools matched to EA	34		
	Total colleges in LEP	4		
	No. colleges signed up to EAN	3		
	No. colleges matched to EA	2		
	Total no. mainstream schools + colleges in LEP	52		
	Total no. mainstream schools + colleges in EAN	45		
	Percentage of mainstream schools and colleges in the network that are matched	80%	79%	
Additional network coverage	Total Alternative Provision in LEP	5		
	No. AP signed up to EAN	1		
	No. AP matched to EA	1		
	Total SEND in LEP	18		
	No. SEND signed up to EAN	4		
	No. SEND matched to EA	3		
	Total no. AP & SEND in LEP	23		
	Total no. AP & SEND in EAN	5		
	Percentage of AP & SEND schools in the network that are matched	80%	60%	
Total network coverage (excluding other schools)	Total institutions in LEP	75		
	Total No. of institutions signed up to EAN	50		56
	Total No. of institutions matched to EA	40		56
	Percentage of schools and colleges in the network that are matched	80%	76%	100%
Percentage satisfaction rate (based on annual EA Survey completed between December 2019 – March 2020)	% EAs satisfied with support they have received from their Enterprise Coordinator to deliver on their role as Enterprise Adviser	71%	93%	70%

* The Careers Strategy set out a number of targets for the Careers & Enterprise Company, including that all mainstream schools and colleges will have access to an Enterprise Adviser by 2020.

* EA Survey - due to GDPR we are unable to share survey results where we received less than 10 responses. Survey responses also include 'blanks'.

Table 2. Number of Enterprise Co-ordinators

	Enterprise Coordinators total	OA Enterprise Coordinators	Senior Enterprise Coordinators	HUB Leads
Number of staff (according to EANR as of 31 st Mar 2020)	3	1		

Compass

All data used in the analysis below relates to Compass (version 2) responses from October 2017 – March 2020.

Table 3. Overview of Compass completions

	Cambridge and Peterborough	National average
Total number of Compass completions for matched institutions	37	
% of matched institutions completed Compass	93%	98%
Total number of Compass completions by EAN institutions	47	
% of institutions in EAN completed Compass	94%	97%
Total number of institutions in LEP completed Compass	60	
% of institutions in LEP completed Compass	80%	84%
Average no. of benchmarks achieved (matched institutions)	3.5	3.8
Average no. of benchmarks achieved (EAN institutions)	3.5	3.7
Average no. of benchmarks achieved by all institutions in LEP	3.3	3.5

Table 4. Progress against targets

	Target (Y1)	Target (Y2)	Cambridge and Peterborough	National average
% of currently matched institutions achieving BM5	50%	70%	56.76%	63.87%
% of currently matched institutions achieving BM6	45%	55%	64.86%	54.45%
% of currently matched institutions partially achieving BM6	35%	40%	32.43%	42.79%

Compass Self-Assessment Data for all Benchmarks

Figure 1. Benchmarks achieved, partially achieved and not achieved – Nationally

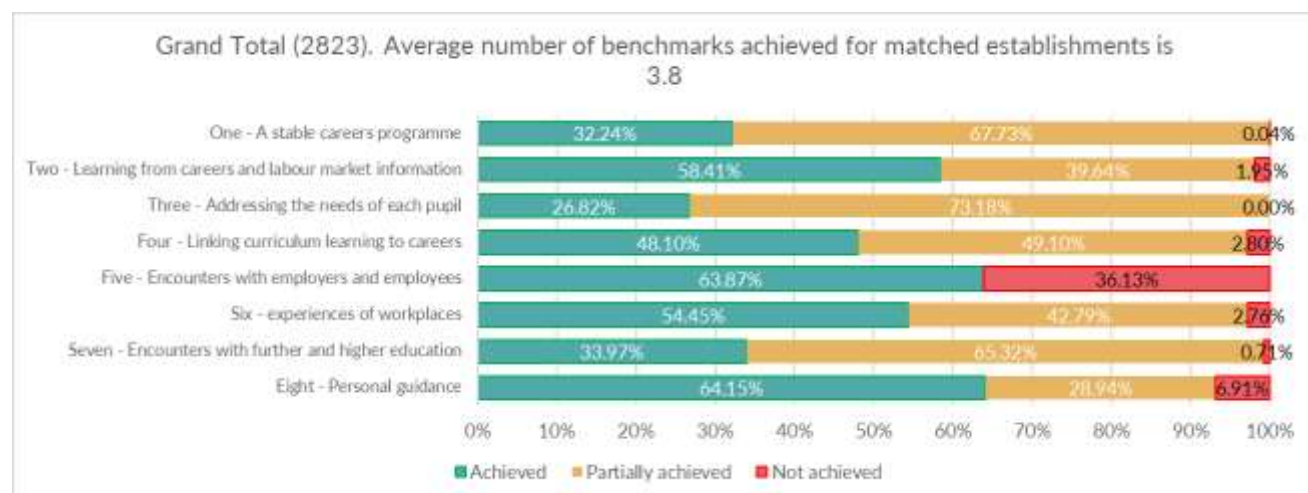
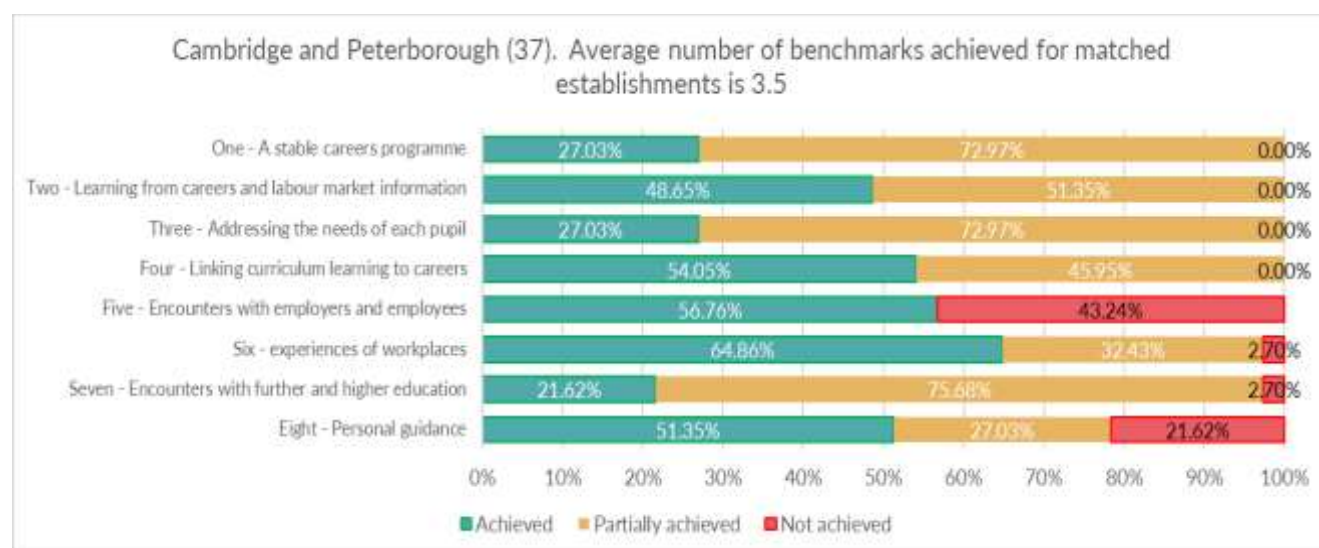


Figure 2. Benchmarks achieved, partially achieved and not achieved – Cambridge and Peterborough LEP





SKILLS COMMITTEE	AGENDA ITEM No: 2.3
06 JULY 2020	PUBLIC REPORT

SKILLS BROKERAGE CONTRACT EXTENSION

1.0 PURPOSE

- 1.1. This report is to request that the Skills Committee approve a 3-month extension for the Skills Brokerage contract delivered by Opportunity Peterborough on behalf of Cambridgeshire and Peterborough Combined Authority.
- 1.2. To note that a European Social Fund bid has been submitted by Officers for 3 years of funding to support the continuation of the Skills Brokerage activities via the Skills Talent Apprenticeship & Recruitment (STAR) Hub.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor John Holdich
Lead Director:	John T Hill - Director of Business and Skills
Lead Officer:	Fiona McGonigle - Business Skills Manager
Forward Plan Ref: N/A	Key Decision: No
<p>The Skills Committee is invited to:</p> <ol style="list-style-type: none"> a) Recommend that the Combined Authority Board agree a three-month extension to the Skills Brokerage Contract with Peterborough City Council as accountable body for Opportunity Peterborough and approve the release of the £23k of 'subject to approval' funds on the Skills Brokerage budget line to part meet these costs. b) Note a European Social Fund (ESF) bid has been submitted to support the continuation and connectivity to Skills Brokerage activities. 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1 A significant part of the Combined Authority's emerging role in the skills system will be to ensure there is a coordinated and holistic approach to apprenticeships, education and training that makes it easier for businesses to engage with.
- 2.2 Opportunity Peterborough (OP) has been an effective delivery agent for Skills Brokerage in Peterborough, Huntingdonshire, Fenland and East Cambridgeshire. OP aims to support schools, and colleges in signposting between providers, employers and partners to implement strategic and operational plans. This includes a range of activities as outlined within the current contract such as work experience, mentoring, CV writing and careers fairs. This report recommends approving an extension of up to 4 months for the Skills Brokerage Contract with OP.
- 2.3 OP covers and delivers services to the north of the Combined Authority area, Peterborough, Fenland, East Cambridgeshire and Huntingdonshire. The Greater Cambridge Partnership (GCP) Brokerage 'Form the Future' provides a brokerage model in Cambridge and South Cambridgeshire. The Skills Strategy Evidence Base 2018 has stated that two different services allow the opportunity to tailor responses to appropriate geographies, sectors and learners, and therefore this model should also be considered when deciding on the future structure of delivery.
- 2.4 The Skills Brokerage Contract with Opportunity Peterborough via Peterborough City Council is a legacy contract inherited from the GCGP LEP who had previously funded the contract for 5 years. With the merger of the LEP into the Combined Authority in accordance with the CPCA Board Decisions of 25 July 2018 and 26 September 2018 and the new priorities set, it was agreed to extend the Skills Brokerage contract until the new Growth Service was mobilised.
- 2.5 The OP Skills Brokerage contract has continuously been awarded as an annual contract, which had been reviewed every year and then a new contract awarded. The contract had been awarded as an annual contract from 1st March 2019 to 29th February 2020. As the Growth Service was due to go to procurement in March 2020, it was agreed to award an extension of 4 months from the period, 1st March to the 30th June 2020. This extension was agreed by the Skills Committee on the 17th January 2020.
- 2.6 The Skills Strategy recommends that the brokerage and facilitation role bringing employers, learners and providers together is an important intervention for the Combined Authority to undertake. The Combined Authority and its partners already have strong collaboration with Schools, Colleges, Providers, Universities, Business and Local Networks. The Combined Authority now needs to build on that success to make it a more sustainable model.
- 2.7 Creating a 'one stop shop' Skills Talent Apprenticeship & Recruitment (STAR) Hub that connects all these partners will help us achieve our targets and

outcomes. This will strengthen and add real value to what is already happening in our region. Coming together as an integrated offer to all students, parents, businesses and skills providers will help increase supply and better match it to business and learner demand to better equip our young people and those looking for work with the skills for success.

3.0 GROWTH SERVICE PROCUREMENT TIMELINE

- 3.1 The Skills Brokerage - Skills Talent Apprenticeships & Recruitment (STAR) Hub, part of the Growth Service was due to be mobilised on 1st August 2020 as a three-year programme from August 2020 to July 2023, through an application for ESF funding. Due to the current COVID-19 pandemic, it has become necessary to extend the procurement period for a Prime Contractor to be awarded to deliver the Growth Service due to a number of delays occurring. It is vital that the ongoing work undertaken by OP is continued in the short term between their current contract end of 30th June 2020 and the beginning of the newly procured contract of 1st October 2020. This will allow time for the Combined Authority to award the contract to the Prime Delivery Provider via the current procurement.
- 3.2 Officers have negotiated a short extension to the contract with Opportunity Peterborough to cover Peterborough, Huntingdonshire, Fenland and East Cambridgeshire areas for up to 3 months at a cost of £36,609.
- 3.3 The ESF bid is now at the last phase of being approved and once secured, the newly procured Skills Brokerage Service will take over the continuation of the contract, either from Opportunity Peterborough (OP), if OP are successful in the procurement, or under TUPE transfer to an alternative supplier, if applicable/ required. This would provide a Skills Brokerage offer for the Peterborough, Huntingdonshire, Fenland & East Cambridgeshire area, whilst 'Form the Future' would continue with Skills Service delivery in South Cambridgeshire and Cambridge for the remaining year of their contract with GCP, after which a joined-up provision would be offered through the newly procured all-Cambridgeshire service.

4.0 OUTLINE TIMELINE FOR THE NEXT STAGES IN DEVELOPING THE SKILLS BROKERAGE SERVICE VIA THE STAR HUB (MAYOR'S GROWTH SERVICE)

- 4.1 As an overview to the Committee of developments for the future Skills Brokerage Service via the STAR within the Mayor's Growth Service; the key stages of development are as follows:
 - (i) SOBC – July 2019
 - (ii) OBC – November 2019
 - (iii) FBC – September 2020
 - (iv) Procurement of Skills Brokerage (STAR Hub part of Mayors Growth Service) - between March and September 2020

- (v) Initial contract start - 1st July 2020
- (vi) Revised Contract start date – 1st October 2020

5.0 FINANCIAL IMPLICATIONS

- 5.1 As stated in the report the un-budgeted costs of the proposed extension is £36,609.
Officers are recommending that, in order to meet this pressure, the £23k of funding still 'subject to approval' in the budget be released for use, and that the balance of the costs (£13,609) can be met through careful management of the existing, 'approved to spend', budget of £84k.
- 5.2 As the costs are being managed within the overall (approved and subject to approval) budget for Skills Brokerage there is no impact on the CPCA's wider budgets.

6.0 LEGAL IMPLICATIONS

- 6.1 The proposed extension to the Contract is in accordance with the Combined Authority's Contract Procedure Rules.
- 6.2 This Skills Committee meeting shall be conducted in accordance with Parts 2 and 3 of the Local Authorities and Police and Crime Panels (Coronavirus)(Flexibility of Local Authority and Police and Crime Panel Meetings)(England and Wales) Regulations 2020 (SI 2020 No.392).

7.0 SIGNIFICANT IMPLICATIONS

- 7.1 The skills landscape is going through many changes; in particular the reforms in Technical Education with the introduction of the Apprenticeship Levy, Trailblazers and T Levels. This has created a more complex system to an already complicated skills eco-system. The Combined Authority needs to ensure it future proofs its investment and ambitions for a skills solution fit for purpose to support the Skills Strategy, LIS and CPIER recommendations.

8.0 APPENDICES AND BACKGROUND DOCUMENTS

- 8.1 No appendices

<u>Background Papers</u>	<u>Location</u>
1. Skills Committee 3 April 2019	<u>Skills Committee 3 April 2019</u>
2. Skills Committee 17 January 2020	<u>Skills Committee 17 January 2020</u>

3. CPCA Board Decision 25 July 2018	<u>CPCA Board Decision 25 July 2018</u>
4. CPCA Board Decision 26 September 2018	<u>CPCA Board Decision 26 September 2018</u>
5. CPCA Board Decision 29 May 2019	<u>CPCA Board Decision 29 May 2019</u>



SKILLS COMMITTEE	AGENDA ITEM No: 2.4
06 JULY 2020	PUBLIC REPORT

INTEGRATED BUSINESS & SKILLS INSIGHT & EVALUATION PROGRAMME

1.0 PURPOSE

1.1 To propose the consolidation of all Business & Skills activities to provide:

- (a) Economic, sector and place insight to inform the focus of current and future programmes, and
- (b) Monitoring and evaluation of the efficacy of current and past projects to inform the selection of the most effective intervention types for that focus

1.2. This consolidation will integrate currently separate activities as below to create an Integrated Business & Skills Insight & Evaluation Programme:

- (a) The current COVID-19 Impact Survey (co-funded with GCP)
- (b) The planned COVID-19 Impact Econometric Assessment
- (c) The planned COVID-19 refresh of the LIS, Skills and Sector Strategies
- (d) The planned Growth Observatory to identify clients for Growth Service
- (e) The ongoing skills market insight for workforce skills and adult education

1.3. The report recommends resourcing the commissioning exercise through existing MTFP budgets and seek authorisation to consolidate these.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor John Holdich
Lead Officer:	John T Hill, Director of Business & Skills
Forward Plan Ref: N/A	Key Decision: No
<p>The Skills Committee is recommended to:</p> <ol style="list-style-type: none"> 1. Approve the Integrated Business & Skills Insight & Evaluation Programme and the commissioning of the programme; 2. Recommend the Combined Authority Board approve the consolidation of the SME Observatory budget and the LGF Top Slice and BEIS Support Funding as detailed in Table 1, to resource the commissioning: 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

<p>3. Recommend the Combined Authority Board approve the consolidation of the AEB Programme costs, National Retraining scheme and Apprenticeships as detailed in Table 2, to resource the commissioning.</p>	
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2.0 BACKGROUND

- 2.1 In April 2020 the Greater Cambridge Partnership (GCP) and CPCA jointly resourced and commissioned a study into the short-term implications of COVID-19 on business and the economy, through a telephone and virtual meeting survey process. This is led by the GCP and scheduled for completion and sign off in early July 2020. The survey findings will assist the CPCA and Partners in the design of the medium term COVID-19 recovery focus and intervention portfolio.
- 2.2 A more detailed, econometric analysis is required over a period of 6 months to ensure initial interventions are based on quantitative as well as qualitative data and to take account of secondary and tertiary impacts on the local economy.
- 2.3 Other regular insight is undertaken by separate teams for the Employment Skills Board and to inform the commissioning strategy for AEB.
- 2.4 On 27th January 2020, the Business Board approved a further piece of insight work to complement the launch of the Business Growth Service to provide a data driven approach to identifying potential scale-ups for inclusion within the Growth Coaching Service – This was named the SME Observatory.

3.0 THE COMMISSIONING AND TIMELINE

- 3.1 It is proposed that independent and specialist support will be commissioned through a procurement exercise by the end of June 2020 in order to undertake detailed research, review and evaluation.
- 3.2 The outputs planned is a detailed report published in September 2020, followed by an updated refresh of recovery status in April 2021.
- 3.3 These detailed reports will enable the CPCA to better design the focus of interventions, the form of interventions and how those should develop and adapt as recovery progresses.
- 3.4 Key to this work will be partnership working with all constituent authorities in the CPCA, business organisations and partner agencies such as Opportunity Peterborough and GCP.

4.0 COVID-19 ECONOMIC IMPACT ASSESSMENT

- 4.1 The proposed assessment will be undertaken to define the impacts of COVID-19 in the short to medium term. This will include reviewing key CPCA Strategies and Plans including the Local Industrial Strategy, the Skills Strategy, and Sector Strategies. It will also include detailed econometric assessment of COVID-19 impacts on the economy, by sector and place.
- 4.2 The Assessment will build upon the programme undertaken in partnership with the Greater Cambridge Partnership (GCP) to review economic recovery, growth and prosperity.

5.0 EVALUATION OF ALL LGF PROJECTS

- 5.1 The LGF Monitoring and Evaluation plan was agreed by the Business Board at its meeting in January 2020.
- 5.2 The LGF team were due to commence delivery, this financial year, of the Evaluation part of the plan (phase one; historical completed projects) which included procurement of a contractor to provide data analysis, output/outcome modelling and impact reports for each project.
- 5.3 Due to COVID-19 the LGF team have been refocussed to support COVID-19 grant schemes and support for existing in delivery and pre-contract projects. This has meant that the team have not been able to enact an evaluation plan yet and an update will be taken to Business Board in July 2020.
- 5.4 The work will include the activity of the two temporary staff taken on to assess the success, and efficacy of all LGF funded projects, this is in order to identify which project types and interventions deliver effectively, and which do not.
- 5.5 As part of this joint procurement of a single contractor to provide insight, data analysis and economic impact data in light of COVID-19 across the whole of Business and Skills directorate – will include the LGF Evaluation data analysis, outputs/outcomes modelling, and reporting provision for each project wrapped into this procurement.

6.0 INSIGHT FOR CURRENT DELIVERY PROGRAMMES

- 6.1 The SME Observatory will act as a Research, Analytical and Market Intelligence function to identify the Combined Authority's target clients at a total cost of £80,000 over 2 years. As part of a parallel procurement of the Business Growth Service, the CPCA will carry out a review of the current, but dispersed evidence base on the flags, characteristics and features within firms and their activities, that indicate the potential for high growth and scale-up businesses. We will make this body of evidence available to the winning bidders.

- 6.2 Skills Insight – funded through the HMG budgets provided to the CPCA for the Employers Skills Board and AEB, this will allow programmes of activity the CPCA undertakes to reorient and adapt, these include Adult Education Budget (AEB), National Retraining Scheme (NRS) and Apprenticeships.

7.0. RESOURCING

- 7.1 The CPCA Business & Skills Directorate currently have budgets that include insight, as well as monitoring and evaluation as cost elements within their expenditure. The report outlines what could be achieved through pooling these currently disparate budgets into a consolidated and integrated insight and evaluation programme. The pooling of these budget elements will provide a more cost-effective resource and provide for a more comprehensive procurement rather than undertake a piecemeal approach. It is proposed that the following budget lines contribute towards this commissioning. All budget holders with Business & Skills have been involved with this proposal and fully support it.

Business Board – Table 1			
Budget Line	Amount	Budget	Comments
LGF Top Slice	£80,000		Evaluation & Monitoring and Pre & Post Scheme Business Engagement Segments of the budget to be transferred
SME Observatory	£40,000	£40,000	Whole Budget
BEIS Support Funding	£19,000	£290,000	Recently announced funding
Total	£139,000		

Skills Committee – Table 2			
Budget Line	Amount	Budget	Comments
AEB Programme Costs	£25,000	£394,100	Partial Budget
National Retraining Scheme	£15,000	£81,400	Partial Budget
Apprenticeships	£10,000	£110,000	Partial Budget
Total	£50,000		

- 7.2 A paper has already been taken to the Business Board on 26th May 20 and approved budget lines under their delegation detailed in table 1. It is proposed the Skills Committee approve the recommendation to the CA Board for the consolidation of budgets detailed in table 2.

8.0 FINANCIAL IMPLICATIONS

- 8.1 This paper proposes a virement of funds from current budgets as detailed in Tables 1 and 2 into one new consolidated budget line. £50k of current Skills budgets and £139k from current Business Board budgets will be vired to

create the Integrated Business & Skills Insight Programme of £189k. There is no request for additional funding and therefore there is no net impact on the CPCA's overall budget. The Business Board have agreed this proposal is recommended to the CA Board and should this be approved by Skills Committee, it will be presented for approval at the next Combined Authority Board.

9.0 LEGAL IMPLICATIONS

9.1 There are no direct legal implications.

10.0 SIGNIFICANT IMPLICATIONS

10.1 There are no specific implications within the decisions recommended. As part of the commission. Officers will ensure a comprehensive and robust consultation and engagement exercise is undertaken with key partners and stakeholders to ensure that the reports presented have both value in the specialism and knowledge acquired and are trusted, implemented and prized by stakeholders and partners.

11.0 APPENDICES

11.1 None

<u>Source Documents</u>	<u>Location</u>
A paper has already been taken to the Business Board on 26 th May 20 and approved budget lines under their delegation detailed in table 1	The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX



SKILLS COMMITTEE	AGENDA ITEM No: 2.5
06 JULY 2020	PUBLIC REPORT

CORPORATE GOVERNANCE FOR GROWTH COMPANY

1.0 PURPOSE

- 1.1 On 27th November 2019, the Cambridgeshire and Peterborough Combined Authority (CPCA) Board endorsed the 'Business Growth Service Outline Business Case' and agreed to the establishment of the Growth Service Management Company initially to be a wholly owned subsidiary of Angle Holdings Limited.
- 1.2 This paper seeks approval of the corporate governance arrangements for the Growth Company (Growth Co).

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor John Holdich
Lead Officer:	John T Hill, Director of Business & Skills
Forward Plan Ref: N/A	Key Decision: No
<p>The Skills Committee is invited to recommend the Combined Authority Board:</p> <ul style="list-style-type: none"> (a) approve the business case in Appendix 1 (b) approve the business plan in Appendix 2 (c) approve the composition of Growth co Board of Directors to include an independent director (d) delegate authority to the Director of Business and Skills to approve the appointment of the Independent Director 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

<p>for the Growth Co, following an open and transparent recruitment process</p> <p>(a) Delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, the Section 73 and the Monitoring Officer, to develop the necessary legal documentation for the Growth Co</p> <p>(b) Approve the execution of the deed adherence and accession, contained within the shareholder agreement for Angle Holdings Ltd.</p>	
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2.0 BACKGROUND

- 2.1 On 27th November 2019, the Cambridgeshire and Peterborough Combined Authority (CPCA) Board endorsed the 'Business Growth Service Outline Business Case' and agreed to the establishment of the Growth Service Management Company initially to be a wholly owned subsidiary of Angle Holdings Limited.
- 2.2 The Business Case sought support from the Combined Authority for local business growth and development and to do so through a new subsidiary of the CPCA called Growth Co. Growth Co will act as a fund management and contracting vehicle to procure the private sector to deliver growth coaching, skills brokering and inward investment promotion as well as managing an allocated amount of Local Growth Fund finance which may be used as grant or equity investment in businesses in the area.

3.0 STRUCTURE AND GOVERNANCE

- 3.1 Growth Co will initially be wholly owned by Angle Holdings Ltd. via an initial allocation of 100 shares of £1 each issued to Angle Holdings Ltd on incorporation. Once the conditions on the LGF investment are met, specifically that the ESF and ERDF funding mentioned in 3.3 being confirmed, the Growth Co will issue 5.407m additional shares to the CPCA in return for the £5.407m LGF investment. At this point, the CPCA will become the majority shareholder and will operate control directly rather than through Angle Holdings Ltd. The Full Business Case will set out full details of the contractors and financial.
- 3.2 As Growth Co will initially be a subsidiary of Angle Holdings Ltd, it falls under the shareholder agreement approved by the Combined Authority Board in July

2019. That agreement contains a deed adherence and accession and when executed, Growth Co will become a subsidiary of Angle Holdings Ltd.

3.3 As identified above, the release of the LGF investment is dependent on the two EU funding bids (ESF and ERDF) being approved. The CPCA is awaiting formal notification of its ESF grant offer and it is imminent. The CPCA submitted an outline application for the ERDF and it was approved. MHCLG then requested a full application, which was duly submitted but due to COVID 19, MHCLG ceased all appraisals and these are only just being processed now. Therefore, a delay in attaining this funding, although there is a relatively high confidence level in the CPCA attaining this.

3.4 The business case for establishing the Growth Co is provided at Appendix 1. Appendix 2 contains the business plan. The business provides a framework for the strategic operations of the proposed Growth Co, specifically:

- a) Benefits and advantages of Growth Co
- b) Governance structure for the Growth Co
- c) Financial overview of the Growth Co
- d) Board and management structures

3.5 The shareholder agreement for Angle Holdings Ltd requires Combined Authority consent prior to adoption of the business plan.

3.6 The directors of Growth Co will consist of an Independent Chairperson, the Deputy Chief Officer of the Business Board and the Chief Finance Officer for the CPCA. It is proposed that the Independent Chairperson will have specialist knowledge in high growth & scale up businesses and an in depth understanding of interventions in the business and skills arena, while removing the risk of conflict of interest and will be recruited following an open and transparent recruitment process. No less than 3 directors will be sufficient for quoracy of Board decisions. The shareholder agreement requires Combined Authority consent to the appointment of Directors. A company secretary will also be appointed.

3.7 Members or officers of the CPCA who are appointed directors of a company have a fiduciary duty to the company, which could conflict with responsibilities to the CPCA. Where a conflict is identified the director's substitute Member, or deputy officer, will act on behalf of the CPCA. They have the powers and duties of company directors while they are appointed directors, and as directors, they are answerable to the membership of the company in accordance with the company's articles of association. The Growth Co Board of Directors will be responsible for the strategic direction and success of the company. Growth Co will seek to enhance CPCA's reputation and brand for

high standards. Growth Co will establish and maintain an effective service and financial performance management reporting system which will include reports to Angle Holding Ltd and the CPCA Board as applicable.

3.8 Growth Co will be subject to any audit and inspection requirements of the CPCA.

3.9 There are a number of key documents that need to be drafted for the Growth Co which will include:

- the articles of association
- the share subscription agreement
- the management agreement
- investment agreement
- services agreement

Delegated authority is sought for these documents and any other relevant legal documents pertain to Growth Co, to be developed and drafted. Those documents will be brought back to the Skills Committee for recommendation to the Combined Authority Board, for approval to adopt and/or approve entering into these agreements, as applicable.

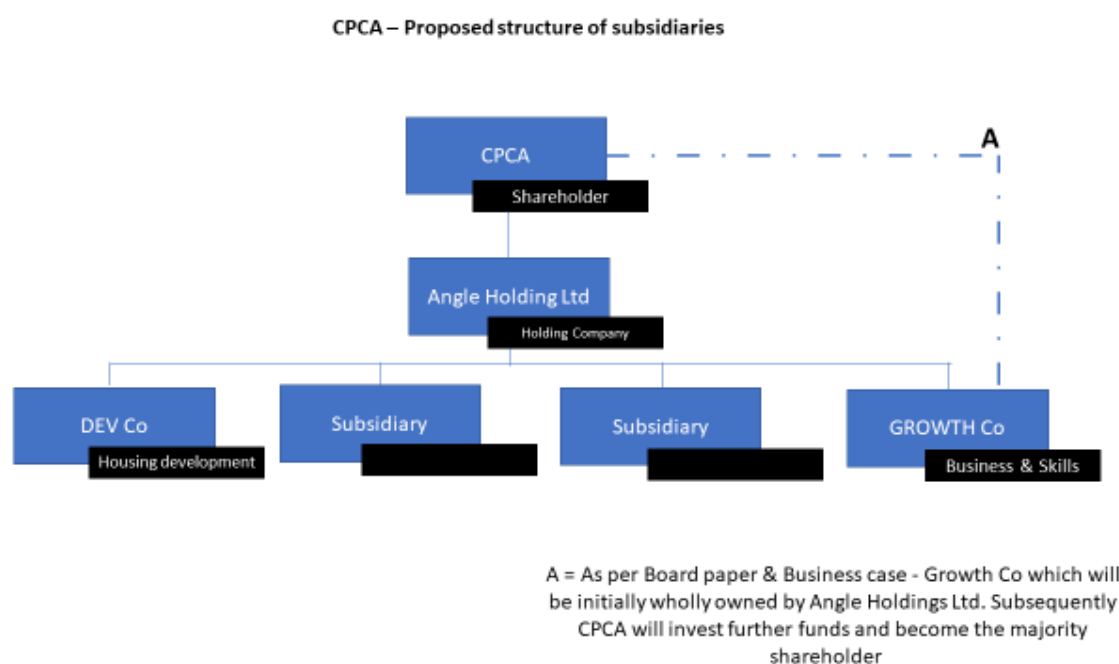


Figure 1 – CPCA and how the subsidiaries sit below it

4.0 FINANCIAL IMPLICATIONS

4.1 The Business Growth Service is a three-year contract, spread over four financial years.

4.2 This table shows the projected funding and expenditure profile.

	Year 1	Year 2	Year 3	Year 4	Total
Funding	£7.3m	£7.35m	£8.84m	£3.41m	£26.92m
Expenditure	£2.99m	£10.19m	10.16m	3.33m	£26.69m

Table 1 – Projected income & expenditure

4.3 There will be initial set up costs, which will be incurred between the Skills Committee, BB Board and CA Board meetings in July 2020 and the date when the Growth Co commences trading, potentially September 2020. It is proposed that the CPCA funds the work which includes but may not be limited to Incorporation (£1,300), Article of Association for growth Co (£7,000), Shareholder Agreement for Growth Co (£10,250) and report on duties of directors, indemnity agreements and presentation to the directors (1,500). This totals appx £20,050. Costs already included and accounted for in the Pinsent Masons legal costs which are being met by CPCA budgets within the 20/21 MTFP. The costs are divided across two budget lines and they are skills strategy implementation and LIS Implementation

4.4 The Business Plan in Appendix 2 details.

- Cash flow
- Proposed operating costs
- Proposed costs including overhead recharge from Growth Co to CPCA

5.0 LEGAL IMPLICATIONS

- 5.1 By virtue of Section 1 Local Government Act 1999 a Combined Authority is a best value authority. Best value authorities are permitted to trade, through a company, to carry out their functions for a commercial purpose. The creation of the company structure permits the Combined Authority to make a profit.
- 5.2 Growth Co will initially be a subsidiary of Angle Holdings Ltd and will be bound by the shareholder agreement, therefore some decisions will require Combined Authority Consent or consent of Angle Holdings Ltd Board.

6.0 EQUALITIES AND HEALTH AND SAFETY

- 6.1 Growth Co will adopt and adhere to all equalities and H&S policies and procedures.

7.0 APPENDICES

- 7.1 Appendix 1- Business Case for establishing Growth Co.

7.2 Appendix 2 – Growth Co Business Plan.

<u>Source Documents</u>	<u>Location</u>
CA Board paper 31 July 2019 HOUSING DEVELOPMENT COMPANY: APPROVAL OF SHAREHOLDER AGREEMENT	<u>CA Board paper 31 July 2019 HOUSING DEVELOPMENT COMPANY: APPROVAL OF SHAREHOLDER AGREEMENT</u>
CA Board paper Growth Co Nov 2019- LOCAL INDUSTRIAL STRATEGY DELIVERY PLAN: THE BUSINESS GROWTH SERVICE OUTLINE BUSINESS CASE	<u>CA Board paper Growth Co Nov 2019- LOCAL INDUSTRIAL STRATEGY DELIVERY PLAN: THE BUSINESS GROWTH SERVICE OUTLINE BUSINESS CASE</u>

Business Case for setting up the Growth Service Management Company ("Growth Co")

Executive Summary

1.1 Introduction

This Business Case assesses the business and financial basis for the setting up of the Growth Service Management Company (Growth Co) which will act as a fund management and contracting vehicle to procure the private sector to deliver growth coaching, skills brokering and inward investment promotion as well as managing an allocated amount of Local Growth Fund finance which may be used as grant or equity investment in businesses in the area.

The Local Government Act 2003 restricts local authorities from making a profit from its services, although they are able to offset on costs. The Localism Act 2011 enables local authorities to undertake activities to make a profit but only if delivered within a company

This business case is supported by a Business Plan for the Growth Co, in Appendix 2.

1.2 Core Purpose

The CPCA was established in 2017 under a devolution deal with the Government. In order to achieve its purpose of ensuring Cambridgeshire and Peterborough is a leading place in the world to live, learn and work, the CPCA produced its 'Growth Ambition Statement' with a focus on growth as part of its 'Local Industrial Strategy'.

To deliver on this strategy, a comprehensive Growth Service has been designed to fuel growth in Business & Skills across all three of our sub-economies. The vehicle to accommodate this service will be a dedicated Legal Entity.

Under the CPCA's ownership and control, the purpose of the Company (Growth Co), will be to manage the Growth Service, its Delivery Fund and with it, procure the delivery of the Growth Service itself from the private sector.

1.3 Strategic Objectives

The Business Board does not have significant revenue funding at its disposal to finance the procurement of the Business Growth service, in addition to its Core LEP activities between 2020/21 and 2022/23. Hence, the aim of the Business Board is to free-up and leverage a proportion of its MTFP, to create a revenue fund to enable it to procure the Business Growth Service. To achieve this, the Business Board has devised a strategy to build a Growth Service Delivery Fund of £19.5m to deliver the Business Growth Service. Growth Co seeks:

- To deliver value for money

- To deliver against the CPCA's overall Vision and Values
- To contribute to CPCA's Corporate objectives
- To deliver sustainable and inclusive business growth

1.4 Financial Summary

1.4.1 The Business Growth Service is a three-year contract, spread over four financial years.

1.4.2 This table shows the projected funding and expenditure profile.

	Year 1	Year 2	Year 3	Year 4	Total
Funding	£7.3m	£7.35m	£8.84m	£3.41m	£26.92m
Expenditure	£2.99m	£10.19m	10.16m	3.33m	£26.69m

Table 1 – Projected income & expenditure

1.4.3 The Business Plan in Appendix 2 details.

- Cash flow

1.5 How will Growth Co be funded?

Growth Co will be financed as follows:

- 1.5.1 In early 2020, the Combined Authority was successful in its application to the Business Board for £5,407,000 capital investment from the LGF to be made into the Growth Co.
- 1.5.2 The shares in Growth Co held by the Combined Authority will be managed by the Combined Authority and the Combined Authority will exercise all shareholder voting rights. The value of the shares and any dividend will be ringfenced for the objectives of the Business Board as part of the Single Pot approach to the LGF.
- 1.5.3 Subsequently, the Combined Authority will apply for £7,248,556 of revenue funding from European Structural and Investment Funds ("**ESIF**") including both European Regional Development Fund at £5,204,000 ("**ERDF**") and European Social Fund ("**ESF**") programmes at £2,044,556, which it shall provide as grant to the Growth Co.
- 1.5.4 The Combined Authority shall itself allocate £2,265,000 of revenue funds from its own budget to be paid to the Growth Co. This comprises £738,000 from Growth Hub, £150,000 from CA Skills Implementation, £150,000 CA LIS Implementation and £927,000 from CA Enterprise Zone Receipts.
- 1.5.5 £3,000,000 of the funds will be used by the Growth Co to provide grants to fund growth coaching services delivered by third party coaches during the contract duration. This will be match funded by service users, so that the services

delivered by third party coaches will be funded 50% by the grants from the Growth Co and 50% from fees paid to the third-party coaches by the service users.

- 1.5.6 One of the funds that the Growth Co will be charged with managing is the Small Business Capital Growth Investment Fund from the LGF. This is a pot of £12,000,000 which the Growth Co will use to provide grant to businesses and to make equity investments into businesses of between £150,000 and £250,000 in return for a commensurate amount of equity in those businesses. The Growth Co will exercise all shareholder rights for these shares acquired in equity investments, although the value and any dividend received will be ringfenced for Business Board objectives as with the equity investment into the Growth Co itself.

2.0 INTRODUCTION

2.1 Purpose of the Business Case

The purpose of the business case is to assess the case for setting up the Growth Co as a subsidiary of Angle Holdings Ltd and the CPCA.

2.2 Reasons for establishing a wholly owned company

- 2.2.1 Single focused vehicle: The vehicle would have a single focus on delivering growth to the region. The proposed portfolio of growth support will better enable our academic ideas and inventions to be more rapidly commercialised and spun-out, whilst ensuring our most exciting entrepreneurs are supported to scale-up new services, products, and markets.
- 2.2.2 To ensure growth is inclusive, meaning delivering the benefits of economic growth to everyone across our economy. Currently, areas have high levels of disparity, with pockets of both urban and rural deprivation. The Local Industrial Strategy and its delivery is an opportunity to address the inequalities that are undermining economic growth. We will ensure that new growth in the future promotes an inclusive and diverse economy, with good jobs and greater earning power for all. We will ensure that all communities are able to benefit from the opportunities of economic growth and greater collaboration. An inclusive growth strategy which improves absolute standards of living is vital for the long-term economic sustainability of our economy; as such it represents a risk mitigation strategy as well as an opportunity.
- 2.2.3 Enabling the doubling of our economy in a way that increases inclusivity of place-based growth, improves productivity and facilitates better global market access for our businesses cannot be done through more of the same quality and quantity of business support. The volume of engagement with firms must be increased along with the intensity of support and the ambition of outcome

impacts. To support this, we need an approach to targeting firms and offering growth support to them, that is tailored to the very different needs of our three sub-economies and each individual customer.

2.2.4 A vehicle that is able to develop and deploy more efficiently and more effectively new and innovative forms of growth support to encourage individual business leaders, sectors, and places to join to build an economy-wide business support eco-system to enable one another.

2.2.5 Ability to sell for profit in the future: Having separate vehicles means that the CPCA has the flexibility to sell its ownership (wholly or partly), of any vehicle to a third party, hopefully for a profit, if it no longer wishes to engage in the activities or just realise the value that has been created within a vehicle.

3.0 OPTIONS APPRAISAL

The Local Government Act 2003 restricts local authorities from making a profit from its services, although they are able to offset on costs. The Localism Act 2003 enables local authorities to undertake activities to make a profit but only if delivered within a company.

A brief summary of the options considered is provided in the table at Appendix A.

At the CA Board meeting on 27th November 2019, the Business Growth Service Outline Business Case was presented and as part of that, the incorporation of the Growth Co was approved.

4.0 STRUCTURE AND GOVERNANCE

4.1 Growth Co will initially be wholly owned by Angle Holdings Ltd. via an initial allocation of 100 shares of £1 each issued to Angle Holdings Ltd on incorporation. Once the conditions on the LGF investment are met, specifically that the EU funding has been confirmed, the Growth Co will issue 5.407m additional shares to the CPCA in return for the £5.407m LGF investment. At this point, the CPCA will become the majority shareholder and will operate control directly rather than through Angle Holdings Ltd. The Full Business Case will set out full details of the contractors and financial information.

4.2 Consent to the appointment of directors of Growth Co is reserved to the Combined Authority. The Growth Co Board of Directors will be responsible for the strategic direction and success of the company. Growth Co will seek to enhance CPCA's reputation and brand for high standards. Growth Co will establish and maintain an effective service and financial performance management reporting system which will include reports to Angle Holding Ltd and the CPCA Board. Growth Co will be subject to any audit and inspection requirements of the CPCA.

- 4.3 The directors will consist of an Independent Chairperson, the Deputy Chief Officer of the Business Board and the Chief Finance Officer for the Combined Authority. The Independent Chairperson would bring the specialist knowledge while removing the risk of conflict and will be recruited following an open and transparent recruitment process. No less than 3 directors will be sufficient for quoracy of Board decisions.

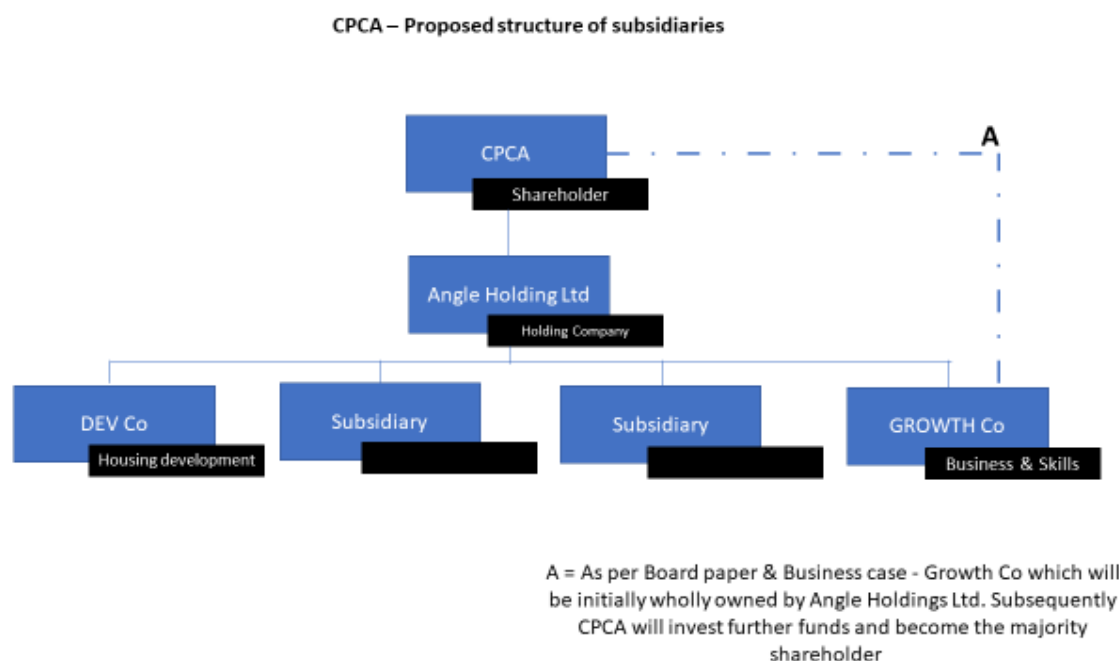


Figure 1 – CPCA and how the subsidiaries sit below it

5.0 FINANCIAL CASE

5.1 Set Up Costs

- 5.1.1 There will be initial set up costs, prior to incorporation and the date when the Growth Co commences trading, potentially September 2020. It is proposed that the CPCA funds the work which includes but may not be limited to Incorporation (£1,300), Article of Association for growth Co (£7,000), Shareholder Agreement for Growth Co (£10,250) and report on duties of directors, indemnity agreements and presentation to the directors (1,500). This totals appx £20,050. Costs already included and accounted for in the Pinsent Masons legal costs which are being met by CPCA budgets within the 20/21 MTFP. The costs are divided across two budget lines and they are skills strategy implementation and LIS Implementation

5.2 Operating costs

This table below details the proposed operating costs of the Growth Co.

Column1	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13
	20/21		21/22		22/23		23/24		Comments
	Inflation	102%		104%		106%		108%	
CPCA Seconded/Recharged Staff									
Role	FTE	£ Cost	FTE	£ Cost	FTE	£ Cost	FTE	£ Cost	
Director	0.5	£28,107	0.5	£57,315	0.5	£58,418	0.5	£29,760	
Chair of Board	1	£5,738	1	£11,700	1	£11,925	1	£6,075	
Company Secretary	1	£3,188	1	£6,500	1	£6,625	1	£3,375	
Managing Director	1	£3,188	1	£6,500	1	£6,625	1	£3,375	
LGF Management	0.2	£10,209	0.2	£20,819	0.2	£21,219	0.2	£10,810	
Skills Management	0.2	£9,465	0.2	£19,302	0.2	£19,673	0.2	£10,022	
Finance Manager	0.2	£6,341	0.2	£12,930	0.2	£13,179	0.2	£6,714	
		£66,236		£135,067		£137,665		£70,132	
Growth Company Staff									
Role	FTE	£ Cost	FTE	£ Cost	FTE	£ Cost	FTE	£ Cost	
Programme Manager - ESF	1	£38,034	1	£77,560	1	£79,052	1	£40,272	
Programme Manager - ERDF	1	£38,034	1	£77,560	1	£79,052	1	£40,272	
Project Co-ordinator- ESF	1	£16,582	1	£33,815	1	£34,465	1	£17,558	
Project Co-ordinator - ERDF	1	£16,582	1	£33,815	1	£34,465	1	£17,558	
		£109,233		£222,749		£227,033		£115,658	
Combined Staffing Costs		£175,468		£357,817		£364,698		£185,790	
Operational Overheads for CPCA Staff only = 20% of :		£13,247		£27,013		£27,533		£14,026	

Table 2 – Proposed operating costs of the Growth Co

This table details the proposed costs including overhead recharge from Growth Co to CPCA

Title	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Totals	Column1
Insurance	£ 1,000	£ 2,000	£ 2,000	£ 1,000	£ 6,000	
Audit	£ 10,000	£ 20,000	£ 20,000	£ 10,000	£ 60,000	2 levels required for ESF funding so costs may be higher. Local & EU Audi
Banking	£ 1,000	£ 2,000	£ 2,000	£ 1,000	£ 6,000	
Legal	£ 2,500	£ 5,000	£ 5,000	£ 2,500	£ 15,000	
Central Overheads	£ 13,247.10	£ 27,013.49	£ 27,532.98	£ 14,026.34	£ 81,820	20% overhead charge for CPCA staff
Totals	£ 27,747	£ 56,013	£ 56,533	£ 28,526	£ 168,820	

Table 3 – Proposed costs including overheads recharged by CPCA

Please note that the Growth Co staff and many of the other costs within the operating costs in the tables above will be incurred by the CPCA in any event, whether or not Growth Co is set up. Those costs are effectively being allocated away from the CPCA overhead and into Growth Co as a cost.

5.4 Support Functions

Support functions will be provided through a Service Level Agreement (SLA) with the CPCA. The following support functions will be provided to the Growth Co:

- HR support, including recruitment and training,
- Payroll,
- Finance- transactional finance functions and financial controller activities,
- IT- provision of IT equipment and services (including helpdesk support),
- Insurance provision (buildings, vehicles, employers and public liability), and
- Legal support (as and when required).

This will be reviewed annually to ensure the level of support is sufficient for the Growth Co to operate functionally.

5.5 Property and Assets

Growth Co will operate from the Mayor's Office, 72 Market Street, Ely, Cambridgeshire. CB7 4LS and a reasonable rent will be charged by the CPCA to Growth Co for space it occupies. To be flexible, office accommodation arrangements will be reviewed annually.

5.6 Policies and Procedures

Policies and procedures will be aligned to those in the CPCA and Angle Holdings Ltd.

5.7 Information Sharing

An information sharing protocol will be developed during implementation.

5.8 Data Protection

Growth Co will comply with the relevant legislation and guidance concerning Data Protection including The General Data Protection Regulation (EU) 2016/679 (GDPR). Growth Co will adopt suitable policies and procedures to ensure data is adequately safeguarded.

5.9 Freedom of Information

Growth Co will be subject to requests for the disclosure of information under the Freedom of Information Act 2000 (FOI) in its own right. As such, Growth Co will maintain a record management system that complies with the relevant guidance concerning the maintenance and management of records.

Growth Co will liaise with CPCA as appropriate to ensure consistency in answering FOI requests and provide such information to CPCA as it may require to answer requests it has received.

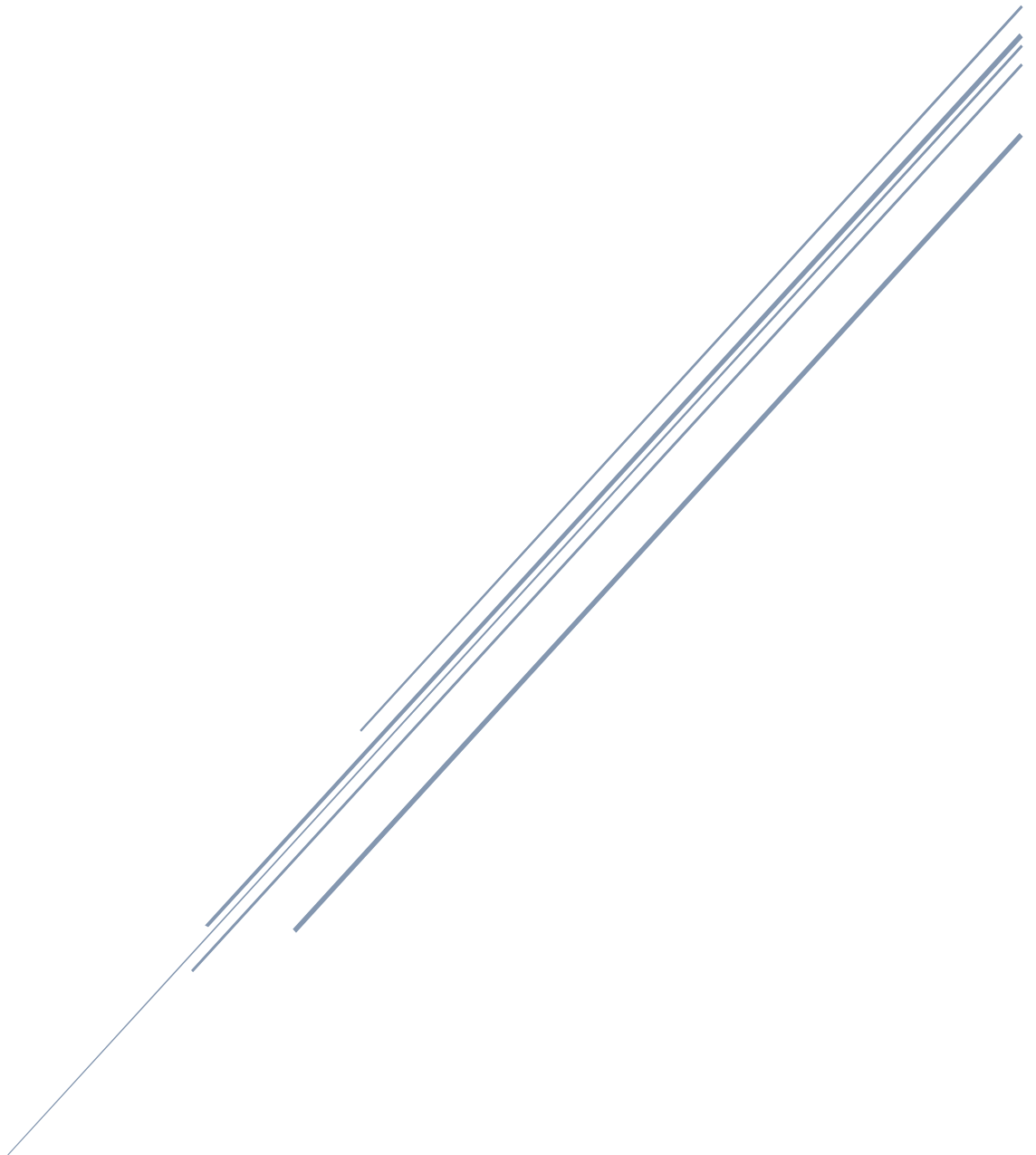
KEY FEATURES	FINANCIAL	LEGAL	TAX
Company Limited by Shares Creation of a wholly owned company with the CPCA holding all the shares with full commercial freedom to trade	Financial returns limited by commercial capability	Governance through Articles of Association and Shareholder Agreement CPCA appoints Directors Liability limited to value of shares Procurement required for above EC threshold contracts	Subject to corporation tax Important to understand the nature of property activities undertaken to model precise tax impacts Will need to register for VAT
Company Limited by Guarantee Creation of a charitable company for the development and management of property	Will not generate surpluses	Governance through Articles of Association and Member Agreement CPCA appoints trustees Trustees run the company in pursuit of its objects (duty is to the Charity not the CPCA) Typically non-profit making entity Procurement required for above EC threshold contracts Difficult to attract equity funding	Subject to Corporation Tax Important to understand the nature of property activities undertaken to model precise impacts Will need to register for VAT

KEY FEATURES	FINANCIAL	LEGAL	TAX
<p>Limited Liability Partnership</p> <p>CPCA enters into partnership with a third party</p> <p>Provides greater flexibility but with the safeguard of limited liability</p>	<p>Profits or losses are allocated directly in relation to the proportion of capital invested by each partner</p>	<p>Transparent entity generating profits for its partners</p> <p>Requires multiple parties coming together</p> <p>Limited Liability Partnership Act 2000 applies</p> <p>Procurement required for above EC threshold contracts</p>	<p>Tax transparent- income and gains allocated directly to members- provides Corporation tax benefit to CPCA</p> <p>Specialist partnership SDLT rules apply- minimal/nil SDLT rules apply on transfer of assets from CPCA to LLP but beware of clawback rules</p> <p>LLP can register for VAT in its own right</p>
<p>Joint Venture</p> <p>Establishment of JV owned with partners</p> <p>Ownership split dependent on risk assessment</p> <p>Element of profit share</p> <p>Benefit from partner's expertise</p>	<p>Cost reduction can be significant (typically 10-20%) and investment if mature partner</p>	<p>Governance through Articles of Association and Shareholders' Agreement</p> <p>Council and partner appoint Directors</p> <p>Profit making entity</p> <p>Liability limited to value of shares</p> <p>Addition of further shareholders is straightforward</p> <p>Procurement require for above EC threshold contracts</p>	<p>Choice of vehicle will determine Corporation Tax</p> <p>Timing of transfers eg pre or post planning will impact tax liability</p> <p>JV vehicle likely to have to register for VAT</p>

GROWTH COMPANY

Business Plan

Appendix 2



June 2020

1.0 EXECUTIVE SUMMARY

1.1 Purpose

The CPCA was established in 2017 under a devolution deal with the Government. In order to achieve its purpose of ensuring Cambridgeshire and Peterborough is a leading place in the world to live, learn and work, the CPCA produced its 'Growth Ambition Statement' with a focus on growth as part of its 'Local Industrial Strategy'.

To deliver on this strategy, a comprehensive Growth Service has been designed to fuel growth in Business & Skills across all three of our sub-economies. The vehicle to accommodate this service will be a dedicated Legal Entity.

Under the CPCA's ownership and control, the purpose of the Company (Growth Co), will be to manage the Growth Service, its Delivery Fund and with it, procure the delivery of the Growth Service itself from the private sector.

This business plan is designed to provide an overview and detail of the:

- Benefits and advantages of Growth Co
- Governance structure for the Growth Co
- Financial overview of the Growth Co
- Board and management structures
- Strengths, Weaknesses, Opportunities and Threats

1.2 Drivers for establishing the Growth Co

- To assist with delivering current and future objectives of the CPCA
- To manage the growth service delivery funds
- To procure the delivery of services from the private sector to support business growth and development in the area.
- To capture any surpluses or profit that maybe generated

1.3 Benefits of the Growth Co

Creating a Growth Co will a key part of providing a structure that will support and help to achieve the aims of the CPCA. Establishing a Growth Co will provide the CPCA with a vehicle to:

- Accelerate and provide a vehicle for the delivery of growth
- Procure goods and services locally
- Use any profit generated to meet the aims of the CPCA
- Hold and manage investments

2.0 INTRODUCTION

2.1 Background

On 27th November 2019, the Cambridgeshire and Peterborough Combined Authority (CPCA) Board adopted the 'Business Growth Service Outline Business Case'. The Business Case sought the Authority's support for local business growth and development and to do so through a new subsidiary of the CPCA called Growth Co. Growth Co will act as a fund management and contracting vehicle to procure the private sector to deliver growth coaching, skills brokering and inward investment

promotion as well as managing an allocated amount of Local Growth Fund finance which may be used as grant or equity investment in businesses in the area.

The Local Government Act 2003 restricts local authorities from making a profit from its services, although they are able to offset on costs. The Localism Act 2011 enables local authorities to undertake activities to make a profit but only if delivered within a company. The CPCA has established a trading company, Angle Holdings Ltd.

The Authority as its accountable body is to incorporate a new company limited by shares which will be called the Growth Service Management Company ("**Growth Co**"). Growth Co will be wholly owned by Angle Holdings Ltd. Growth Co will have an initial allocation of 100 shares of £1 each issued to Angle Holdings Ltd on incorporation. The directors of Growth Co will be appointed by the Combined Authority and the purpose of the company will be to manage growth service delivery funds and procure the delivery of services from the private sector to support business growth and development in the area.

To accept an application from the CPCA, to the LGF capital fund administered by the Business Board, for a capital equity investment from the LGF into the Growth Service Management Company, in return for 99 of the 100 shares in the Growth Service Management Company, held on behalf of the LGF by the CPCA. Through this investment, working capital within the Growth Service Management Company, will be generated as revenue which can then be used to part fund the procurement of the delivery of the Business Growth Service.

2.2 STRATEGIC FIT

The Business Board does not have significant revenue funding at its disposal to finance the procurement of the Business Growth service, in addition to its Core LEP activities between 2020/21 and 2022/23. Hence, the aim of the Business Board is to free-up and leverage a proportion of its MTFP, to create a revenue fund to enable it to procure the Business Growth Service. To achieve this, the Business Board has devised a strategy to build a Growth Service Delivery Fund of £19.5m to deliver the Business Growth Service.

3 VISION

Through Growth Co, the Business Growth Service is a key part of the CPCA Local Industrial Strategy, this inclusive growth strategy is designed to shift more of our future growth into a wider economy and diversify our economic base to mitigate the place-concentration risks to our economy.

4 MISSION STATEMENT

The CPCA Local Industrial Strategy will connect the growth, investment and skills support resources of Cambridge, and elsewhere, to firms across the economy, creating a marketplace for growth, investment and skills services. All our towns and cities will form this network of well-connected economic and business clusters centered on key sectors, collaborating across geographical boundaries and accessing world-class growth support. When connected and enabled through the marketplace of growth-support we will provide, including coaching, mentoring and finance; businesses in our towns and cities will interact within and between them in new ways that enhance their productivity, creativity and competitiveness.

5 GOVERNANCE & MANAGEMENT

Growth Co will initially be wholly owned by Angle Holdings Ltd. via an initial allocation of 100 shares of £1 each issued to Angle Holdings Ltd on incorporation. Once the conditions on the LGF investment are met, specifically that the EU funding has been confirmed, the Growth Co will issue 5.407m additional shares to the CPCA in return for the £5.407m LGF investment. At this point, the CPCA will become the majority shareholder and will operate control directly rather than through Angle Holdings Ltd. The Full Business Case will set out full details of the contractors and financial.

Directors will be appointed -please see section 10.

This Business Plan provides for sufficient support and leadership from Directors and an Independent Chairman. Additional Support will be provided by Finance, HR, Legal and IT.

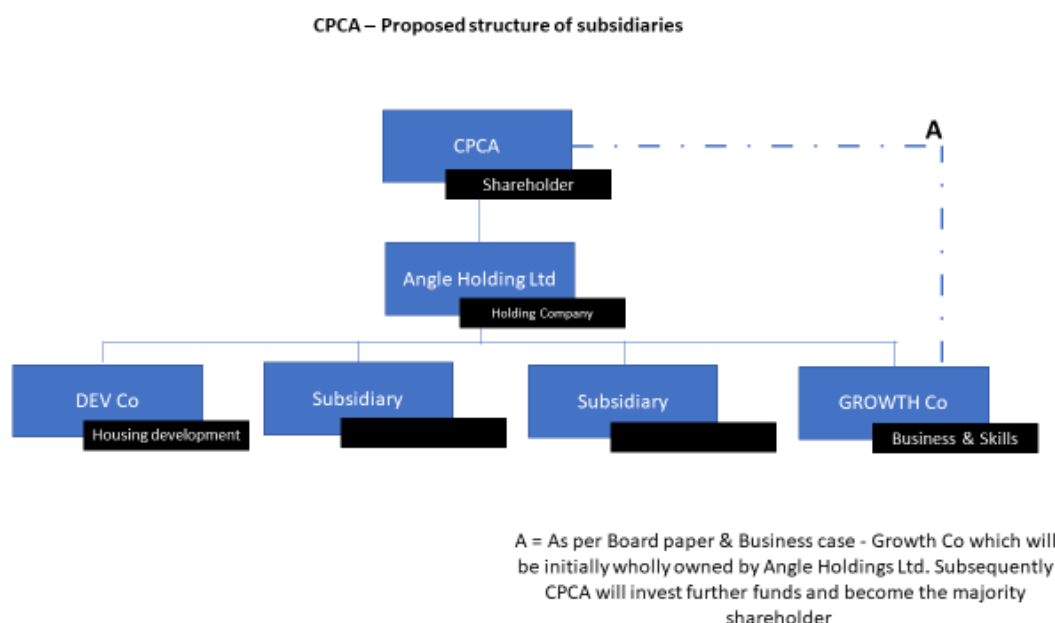


Figure 1 – CPCA and how the subsidiaries sit below it

Annex 1 has a diagram and a table which sets out the proposed contracts in the contracts structure, with details of what each agreement would do, and a high-level outline of terms to be included in each agreement

6. FINANCIAL

6.2 Financial Assumptions

The Business Growth Service is a three-year contract, spread over four financial years.

This table shows the projected funding and expenditure profile.

	Year 1	Year 2	Year 3	Year 4	Total
Funding	£7.3m	£7.35m	£8.84m	£3.41m	£26.92m
Expenditure	£2.99m	£10.19m	10.16m	3.33m	£26.69m

Table 1 – Projected income & expenditure

This table shows the cash flow

	FY 20/21 Total	FY 21/22 Total	FY 22/23 Total	FY 23/24 Total	Grand Totals
Income					
LGF Equity Investment	£ 5,407,000	£ -	£ -	£ -	£ 5,407,000
CA Growth Hub	£ 123,000	£ 246,000	£ 246,000	£ 123,000	£ 738,000
CA Skills Implementation	£ 50,000	£ 50,000	£ 50,000	£ -	£ 150,000
CA LIS Implementation	£ 50,000	£ 50,000	£ 50,000	£ -	£ 150,000
CA Contract with CEC	£ 50,000	£ 100,000	£ 100,000	£ 50,000	£ 300,000
CA Enterprise Zone Receipts	£ -	£ 230,000	£ 279,000	£ 418,000	£ 927,000
ERDF Funding	£ -	£ 1,801,000	£ 2,500,000	£ 903,000	£ 5,204,000
ESF Funding	£ -	£ 800,000	£ 944,556	£ 300,000	£ 2,044,556
LGF Investment Fund	£ 1,620,000	£ 4,080,000	£ 4,680,000	£ 1,620,000	£ 12,000,000
Totals	£ 7,300,000	£ 7,357,000	£ 8,849,556	£ 3,414,000	£ 26,920,556
Expenditure	FY 20/21 Total	FY 21/22 Total	FY 22/23 Total	FY 23/24 Total	Grand Totals
Staffing (see tab for details)	£ 175,468	£ 357,817	£ 364,698	£ 185,790	£ 1,083,773
Administration (see tab for details)	£ 27,747	£ 56,013	£ 56,533	£ 28,526	£ 168,820
Capital Growth Fund Administration	£ 125,000	£ 250,000	£ 200,000	£ -	£ 575,000
Innovation & Relocation Grant Administration	£ 25,000	£ 25,000	£ -	£ -	£ 50,000
Capital Growth Grants	£ 1,000,000	£ 4,500,000	£ 4,500,000	£ 925,000	£ 10,925,000
Innovation & Relocation Grants	£ 25,000	£ 200,000	£ 200,000	£ 25,000	£ 450,000
Skills Brokerage Operational Budget	£ 643,000	£ 1,370,000	£ 1,420,000	£ 643,000	£ 4,076,000
Inward Investment Service Budget	£ 497,370	£ 1,325,635	£ 1,310,235	£ 497,370	£ 3,630,610
Growth Coaching Business Engagement Budget	£ 480,063	£ 911,910	£ 911,910	£ 431,847	£ 2,735,730
ERDF Nudge Grants	£ -	£ 1,200,000	£ 1,200,000	£ 600,000	£ 3,000,000
Totals	£ 2,998,648	£ 10,196,375	£ 10,163,376	£ 3,336,533	£ 26,694,933
Opening Balance	£ -	£ 4,301,352	£ 1,461,976	£ 148,156	£ -
Total Income	£ 7,300,000	£ 7,357,000	£ 8,849,556	£ 3,414,000	£ 26,920,556
Total Expenditure	£ 2,998,648	£ 10,196,375	£ 10,163,376	£ 3,336,533	£ 26,694,933
Closing Balance	£ 4,301,352	£ 1,461,976	£ 148,156	£ 225,623	£ 225,623

Figure 2 – Cash flow

This table below details the proposed operating costs of the Growth Co.

Column1	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13
	20/21		21/22		22/23		23/24		Comments
	Inflation	102%		104%		106%		108%	
CPCA Seconded/Recharged Staff									
Role	FTE	£ Cost	FTE	£ Cost	FTE	£ Cost	FTE	£ Cost	
Director	0.5	£28,107	0.5	£57,315	0.5	£58,418	0.5	£29,760	
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		£66,236		£135,067		£137,665		£70,132	
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Role	FTE	£ Cost	FTE	£ Cost	FTE	£ Cost	FTE	£ Cost	
Programme Manager - ESF	1	£38,034	1	£77,560	1	£79,052	1	£40,272	
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Project Co-ordinator- ESF	1	£16,582	1	£33,815	1	£34,465	1	£17,558	
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		£109,233		£222,749		£227,033		£115,658	
Combined Staffing Costs									
		£175,468		£357,817		£364,698		£185,790	
Operational Overheads for CPCA Staff only = 20% of :									
		£13,247		£27,013		£27,533		£14,026	

Table 3 – Proposed operating costs of the Growth Co

This table details the proposed costs including overhead recharge from Growth Co to CPCA

Title	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Totals	Column1
Insurance	£ 1,000	£ 2,000	£ 2,000	£ 1,000	£ 6,000	
Audit	£ 10,000	£ 20,000	£ 20,000	£ 10,000	£ 60,000	2 levels required for ESF funding so costs may be higher. Local & EU Audi
Banking	£ 1,000	£ 2,000	£ 2,000	£ 1,000	£ 6,000	
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Central Overheads	£ 13,247.10	£ 27,013.49	£ 27,532.98	£ 14,026.34	£ 81,820	20% overhead charge for CPCA staff
Totals	£ 27,747	£ 56,013	£ 56,533	£ 28,526	£ 168,820	

Table 4 – Proposed costs including overheads recharged by CPCA

Please note that the Growth Co staff and many of the other costs within the operating costs in the tables above will be incurred by the CPCA in any event, whether or not Growth Co is set up. Those costs are effectively being allocated away from the CPCA overhead and into Growth Co as a cost.

6.3 How will Growth Co be funded?

Growth Co will be financed as follows:

- In early 2020, the Authority was successful in its application to the Business Board for £5,407,000 capital investment from the LGF to be made into the Growth Co.
- The shares in Growth Co held by the Authority will be managed by the Authority and the Authority will exercise all shareholder voting rights. The value of the shares and any dividend will be ringfenced for the objectives of the Business Board as part of the Single Pot approach to the LGF.
- Subsequently, the Authority will apply for £7,248,556 of revenue funding from European Structural and Investment Funds ("ESIF") including both European Regional Development Fund at £5,204,000 ("ERDF") and European Social Fund ("ESF") programmes at £2,044,556, which it shall provide as grant to the Growth Co.

- (d) The Authority shall itself allocate £2,265,000 of revenue funding from its own budget to be paid to the Growth Co. This comprises of £738,000 from Growth Hub, £150,000 from CA Skills Implementation, £150,000 CA LIS Implementation and £927,000 from CA Enterprise Zone Receipts.
- (e) £3,000,000 of the funds (a & c) will be used by the Growth Co to provide grants to fund growth coaching services delivered by third party coaches during the contract duration. This will be match funded by service users, so that the services delivered by third party coaches will be funded 50% by the grants from the Growth Co and 50% from fees paid to the third-party coaches by the service users.
- (f) One of the funds that the Growth Co will be charged with managing is the Small Business Capital Growth Investment Fund from the LGF. This is a pot of £12,000,000 which the Growth Co will use to provide grant to businesses and to make equity investments into businesses of between £150,000 and £250,000 in return for a commensurate amount of equity in those businesses. The Growth Co will exercise all shareholder rights for these shares acquired in equity investments, although the value and any dividend received will be ringfenced for Business Board objectives as with the equity investment into the Growth Co itself.

7 STRATEGIC OBJECTIVES

- To deliver value for money
- To deliver against the CPCA's overall Vision and Values
- To contribute to CPCA's Corporate objectives
- To deliver sustainable and inclusive business growth

8 OPERATING MODEL

Growth Co will manage the Growth Service Delivery Fund and with it, procure the delivery of the Growth service itself from specialist supplier(s) in the private sector.

9 OBJECTIVES

- To deliver the agreed outputs of the Business Growth Service over the duration of the contract
- To manage Growth Co effectively and efficiently
- To performance manage through excellent contract management the external supplier(s) of the Business Growth service

10 STAFFING

10.1 The Board

The directors will consist of an Independent Chairperson, the Deputy Chief Officer of the Business Board and the Chief Finance Officer for the CPCA. The Independent Chairperson would bring the specialist knowledge while removing the risk of conflict

and will be recruited following an open and transparent recruitment process. No less than 3 directors will be sufficient for quoracy of Board decisions.

Expectations of the directors, which are statutory duties owed by each director to the company:

1. A director must act within their powers under the company's constitution
2. A director is to promote the success of the company
3. A director must exercise independent judgement
4. A director must exercise reasonable skill, care and diligence in their role
5. A director must avoid or manage conflicts of interest which may affect their objectivity
6. A director must not to accept benefits from third parties
7. A director must declare interest in proposed transactions or arrangements

Director will be legally responsible for the running of the company including filing responsibilities to Companies House. A company secretary will also be appointed.

10.2 Other resources

10.2.1 Support services in the form of HR, Finance, Legal, HR and I.T as per table 3 and 4 in section 6

Employed personnel – four ERDF / ESF programme managers & co-ordinators to monitor and contract manage the delivery of the Business Growth service through the procured supplier(s). Refer to table 3 section 6.0.

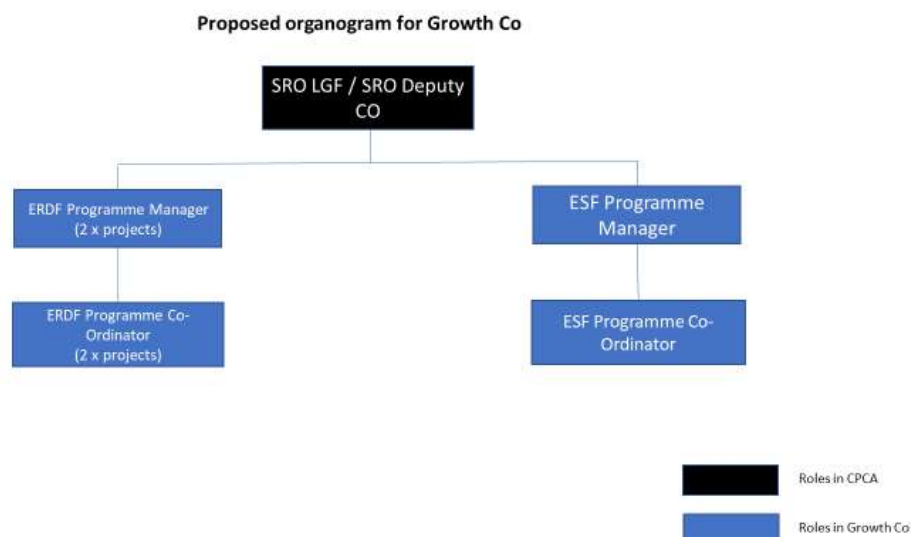


Figure 2 – Proposed full time employed resource in Growth Co

11 SUPPLIES, SYSTEMS, AND INFRASTRUCTURE

CPCA will continue to provide support services to Growth Co through a managed Service Level Agreement (SLA). Growth Co will establish contractual SLAs with each support service. This will include measurable performance indicators, break clauses and remedies for non-performance.

Once Growth Co is operational there will be an annual review process whereby SLAs are refined to reflect the support Growth Co needs more accurately.

12 USE OF EXTERNAL SUPPLIERS

Growth Co will seek to use local external suppliers where the appropriate service can be competitively sourced.

13 PROPERTY AND ASSETS

Growth Co will operate from the Mayor's Office, 72 Market Street, Ely, Cambridgeshire. CB7 4LS and a reasonable rent will be charged by the CPCA to Growth Co for space it occupies. To be flexible, office accommodation arrangements will be reviewed annually.

14 INFORMATION SHARING

An information sharing protocol will be developed during implementation.

15 DATA PROTECTION

Growth Co will comply with the relevant legislation and guidance concerning Data Protection including The General Data Protection Regulation (EU) 2016/679 (GDPR). Growth Co will adopt suitable policies and procedures to ensure data is adequately safeguarded.

16 FREEDOM OF INFORMATION

As a company wholly owned by CPCA, Growth Co will be subject to requests for the disclosure of information under the Freedom of Information Act 2000 (FOI) in its own right. As such, Growth Co will maintain a record management system that complies with the relevant guidance concerning the maintenance and management of records.

Growth Co will liaise with CPCA as appropriate to ensure consistency in answering FOI requests and provide such information to CPCA as it may require to answer requests it has received.

17 MARKETING STRATEGY

In line with our Vision and Values, Growth Co will develop its Brand and Marketing Strategy with the new external procured supplier(s) of the Business Growth Service, with a view to clearly articulating its proposition to the marketplace.

18 SWOT AND RISK ANALYSIS

The Localism Act 2011 requires the CPCA to include a risk assessment as part of the business plan for the establishment of Growth Co.

In order to properly assess the risks associated with establishing a new company a high level PESTLE Analysis and SWOT Analysis have been prepared.

PESTLE Analysis

The PESTLE is a high-level analysis that examines the external environment and identifies the Political, Economic, Social, Technological, Legal and Environmental factors that could impact the Growth Co.

Political <ul style="list-style-type: none"> - Funding streams & values - Changes in political priorities 	Economic <ul style="list-style-type: none"> - Economic growth - Impact of COVID 19
Social <ul style="list-style-type: none"> - Mitigating jobs losses 	Technological <ul style="list-style-type: none"> - Innovative technology to administer grants
Legal <ul style="list-style-type: none"> - Statutory obligations 	Environmental <ul style="list-style-type: none"> - Sustaining green recovery

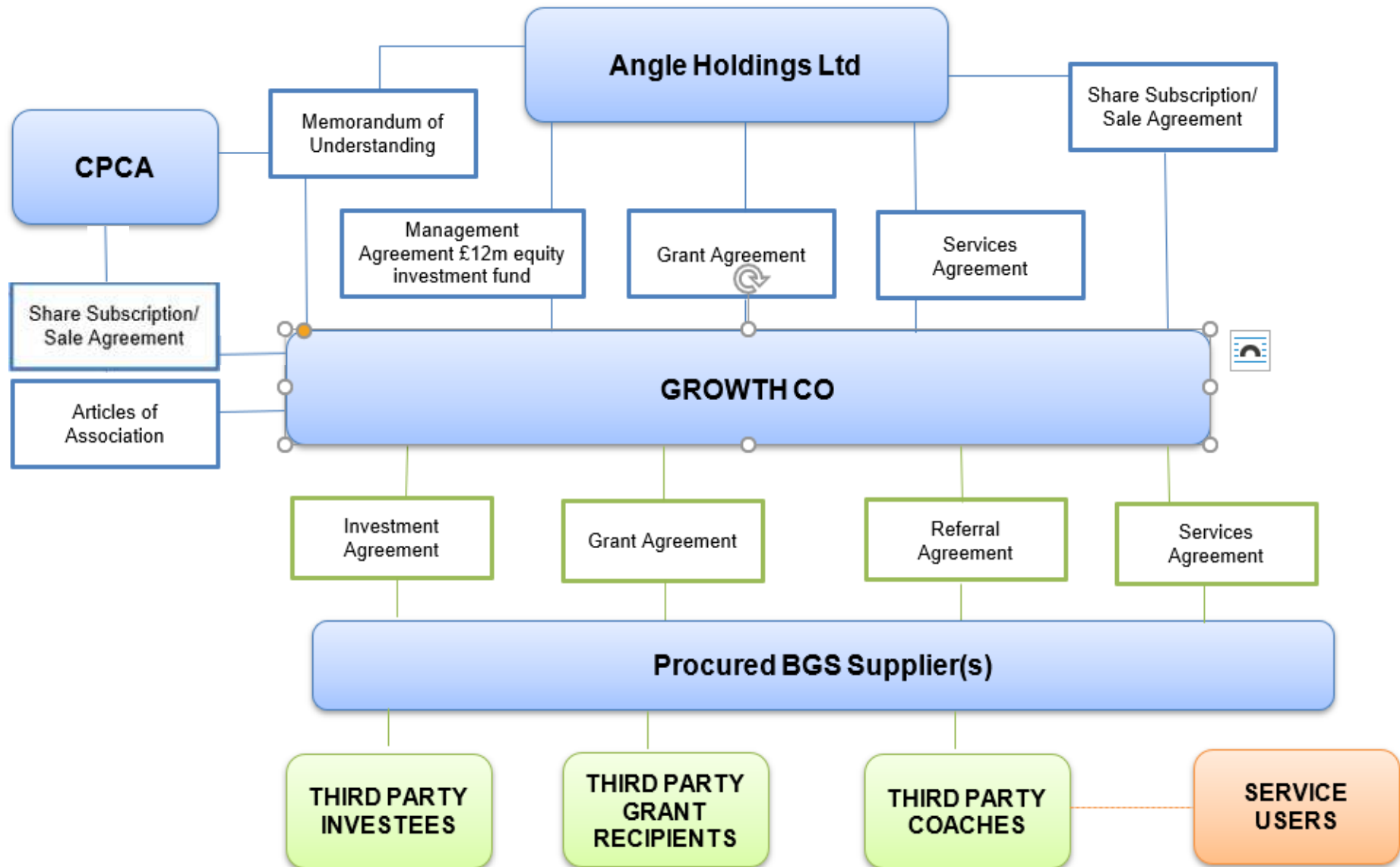
SWOT Analysis

Strengths <ul style="list-style-type: none"> - Local market knowledge - Assists CPCA with delivering its objectives - Connection with communities - Existing expertise available to provide early stage support - Compliant and rigid vehicle 	Weaknesses <ul style="list-style-type: none"> - Start up costs (Money and time)
Opportunities <ul style="list-style-type: none"> - Rapid response to COVID 19 recovery - Closer to marketplace for new interventions - Positive impact across Market Towns 	Threats <ul style="list-style-type: none"> - Funding

Risk Management

Commercial risks such as venture failure and financial loss ultimately resides with the Growth Co. Wherever possible the Growth Co shall put in place measures to mitigate risks.

Annex 1 - DRAFT CONTRACT STRUCTURE FOR THE PROPOSED ARRANGEMENTS





SKILLS COMMITTEE	AGENDA ITEM No: 3.1
06 JULY 2020	PUBLIC REPORT

EMPLOYMENT & SKILLS BOARD UPDATE PAPER

1.0 PURPOSE

- 1.1 To give an update on progress of the Employment & Skills Board (ESB)
- 1.2 To give an update and advise on the appointment of a new Chair and members of the Employment & Skills Board (ESB)

DECISION REQUIRED	
Chair of the Committee:	Councillor John Holdich
Lead Officer:	John T Hill, Director of Business and Skills and Fiona McGonigle Business and Skills Manager
Forward Plan Ref: N/A	Key Decision: No
The Skills Committee is recommended to: (a) note the updates from the Employment & Skills Board (b) note the appointment of a new Chair and Board members	Voting arrangements Simple majority of all Members

2.0 OUTLINE

- 2.1 This paper gives an update and overview to the Skills Committee on the Cambridgeshire & Peterborough Combined Authority Employment & Skills Board (ESB), also known as a Skills Advisory Panel (SAP).

- 2.2 The paper also gives an update on how the ESB Members are responding to COVID-19 in their respective businesses and sectors.

3.0 APPOINTMENT OF NEW CHAIR FOR THE ESB

- 4.1 A new Chair Al Kingsley has been nominated by the Business Board and subsequently appointed by the ESB. This follows the recommendation and guidance from DfE and within the CPCA Constitution that states the Chair needs to be from Business and from one of our Skills Committee or LEP Board.
- 4.2 As there was only one member from the Business Board who put themselves forward to be Chair, there was no vote needed.
- 4.3 Al Kingsley is a passionate believer in the exciting possibilities of educational technology. He is the Group Managing director of NetSupport, who develop software solutions that support the use of technology in classrooms alongside eSafety tech to safeguard students online.
- 4.4 Al chairs a Multi-Academy trust, has worked on delivery of new Free Schools, sits on the Head Teacher board for the Regional Schools Commissioner and is a regional Apprenticeship Ambassador for businesses across the East of England.

5.0 NEW BOARD MEMBERS

- 5.1 As part of the guidelines and expectations from Department for Education (DfE) there is a requirement to ensure that all groups are represented on the Board. Representatives are sought from Business, Further Education, Higher Education. Independent Training Providers and the Voluntary and Community sectors.
- 5.2 The ESB that took place on the 30th April 2020 had three new members attend, they were:
- a. Sharon Keogh, Head of Community Action at Kingsgate Community Church
 - b. Jane Thomas, Regional Lead, East of England for BT Group PLC, and
 - c. Rosie Shisler, Stakeholder Engagement Programme Lead for Anglian Water
- 5.3 Two new Board Members from the Life Science and Manufacturing Sectors have now joined the Employment and Skills Board. They are Tony Jones, CEO from One Nucleus and Greg Harding, Managing Director from Peter Brotherhood.
- 5.4 Gaps identified by the Lead Officer and the ESB members are Agri-tech, Life Science and business representation from Peterborough. The ESB members have put forward some suggestions, which were followed up and due diligence was carried out and as a result, we have met two of the three gaps

within the ESB. The only remaining gap is representation from the Agritech Sector. The Lead Officer is progressing with this.

- 5.5 Strategic Evidence for Skills is an ongoing reporting requirement of the Department for Education (DfE). A query from a Board member asking; whether data held by Cambridgeshire County Council could provide information relating to the profile of claimants in employment. The Lead Officer is working with the data team to create COVID Impact Data to establish a monthly picture of the unemployment figures and job vacancies and to understand which sectors are affected.

6.0 FOCUS OF NEXT EMPLOYMENT AND SKILLS BOARD – 9th AUGUST 2020

- 6.1 The next ESB is scheduled for 9th August 2020 as a Keep in Touch meeting, the agenda will focus on COVID-19, sharing how others are dealing with the situation in relation to their business, any impacts and how the ESB can support.
- 6.2 At that meeting, an update will be shared with the ESB on the Combined Authority's response to COVID-19 and the different interventions to support this:
- a) A New Redundancy/ Furlough Register has been added to the Talent Portal on 15th June 2020
 - b) Levy Pooling Update – Levy Transfers are still progressing, with 13 Transfers complete and 11 in progress
 - c) Wilmott Dixon new Employer Pledge to Transfer Levy into Region. HSBC considering CPCA Proposal to Pledge Levy.
 - d) Working closely with DfE and M9 Colleagues on a Skills and Apprenticeships Recovery Package. Potential Golden Hello's, £3k Salary Incentives for new Apprentices.
 - e) Re-design of the Traineeship Programme to extend from 6 to 12 months and increase from level 1 to include level 2 and 3 as an 'Access to Apprenticeships' programme
 - f) Talent Portal – more engagement with employers including LA's advertising vacancies and a lot more applicants coming through
 - g) Retraining Scheme approved via CA Board 3rd June 2020. Developing an employer focussed model supporting Talent entrants into NHS.
 - h) Redundancy Register will direct applicants onto the Retraining Scheme and other CPCA Skills Programmes, i.e. Apprenticeships, AEB,
 - i) Monthly COVID Impact Data for Unemployment and Vacancies

7.0 ESB BOARD MEMBERSHIP

- 7.1 The Employment and Skills Board currently comprises the following members:

Name	Title	Organisation
------	-------	--------------

Al Kingsley (CHAIR)	Group Managing Director	NetSupport
Pat Carrington	Executive Principal Assistant Director Skills and Employment	City College Peterborough Cambridgeshire County Council Peterborough City Council
Martin Lawrence	Commercial Director	Stainless Metalcraft
Jane Paterson-Todd	Chief Executive	Cambridge Ahead
Claire London	Programme Manager Workforce System Delivery Unit (STP)	Cambridgeshire and Peterborough Sustainability & Transformation Partnership
Bob Ensich	Area Director	Morgan Sindall
Rebecca Tarbox	Head of Funding & Vocational Training	Marshall ADG
Stuart Searle	Managing Director	First Mailing Co.
Joe Crossley	Chief Executive	Qube Learning Ltd.
Julia Nix	District Manager	Dept for Work & Pensions (DWP/ JCP)
Catherine Condie	External Affairs Manager	The Welding Institute (TWI)
Jane Thomas	BT Group Regional Lead East of England	BT Group Plc
Rose Shisler	Stakeholder Engagement Programme Lead	Anglian Water
Sharon Keogh	Head of Community Action (multi-site)	Kingsgate Community Church
Mark Robertson	Principal and CEO	Cambridge Regional College
Tony Jones	Chief Executive	One Nucleus
Greg Harding	Managing Director	Peter Brotherhood
Tracey Cox	Head of the East of England ESFA territorial team	Education Skills Funding Agency (ESFA Standing Invite)
Officers		
Fiona McGonigle	Business and Skills Programme Manager Lead Officer for ESB	Combined Authority
John T Hill	Director Business and Skills	Combined Authority
Kim Cooke	Skills Strategy Manager/ UoP Lead	Combined Authority
Francis Lawton	AEB Strategy Executive	Combined Authority
Rochelle White	Deputy Monitoring Officer	Combined Authority
Rachel Hallam	Senior Analyst – Research	Cambridgeshire County Council
Jamie Leeman	Senior Analyst – Research	Cambridgeshire County Council
Tamar Oviatt-Ham	Democratic Services Officer	Cambridgeshire County Council

8.0 EMPLOYMENT AND SKILLS BOARD MEETING DOCUMENTS; Including ToR, Minutes and Agenda

- 8.1 All of the documents for the recent Employment & Skills Board are on the link for the CPCA website below:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1961/Committee/74/SelectedTab/Documents/Default.aspx>

9.0 FINANCIAL IMPLICATIONS

- 9.1 There are no financial implications associated with the activities outlined in this report

10.0 LEGAL IMPLICATIONS

- 10.1 There are no legal implications associated with the activities outlined in this report
- 10.2 This Skills Committee meeting shall be conducted in accordance with Parts 2 and 3 of the Local Authorities and Police and Crime Panels (Coronavirus)(Flexibility of Local Authority and Police and Crime Panel Meetings)(England and Wales) Regulations 2020 (SI 2020 No.392).

<u>Source Documents</u>	<u>Location</u>
None	The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX



SKILLS COMMITTEE	AGENDA ITEM No: 3.2
06 JULY 2020	PUBLIC REPORT

BUDGET AND PERFORMANCE REPORT

1.0 PURPOSE

1.1. This report provides budget and performance reporting to the Skills Committee.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor John Holdich
Lead Officer:	John T. Hill, Director, Business & Skills
Forward Plan Ref: n/a	Key Decision: No
The Skills Committee is recommended to: (a) Note the May budget and performance monitoring update.	Voting arrangements Simple Majority of all Members

2.0 BACKGROUND

- 2.1. Budget and performance reporting should be seen in the round.
- 2.2. At the June 2020 Combined Authority Board Meeting, the Board approved an updated Medium Term Financial Plan (MTFP), including balanced revenue and capital budgets for 2020/21. This report shows the actual expenditure to date and forecast outturn position against those budgets.
- 2.3. The outturn forecast reflects costs incurred to date, accrued expenditure and the impact on the current year assumptions made on staffing, overheads and workstream programme delivery costs as set out in the revised MTFP.

3.0 BUDGET

Revenue Budget

3.1 A breakdown of the Business & Skills Directorate 'Revenue' expenditure for the period to 31st May 2020, is set out in the table below.

Skills Revenue 2020/21							
Skills Revenue Programmes	MTFP	Budget Adjustments	Revised 20/21 Budget		Actuals to 31st May 2020	Forecast Outturn (May)	Forecast Outturn Variance
	£'000	£'000	£'000		£'000	£'000	£'000
AEB Devolution - Grants	11286.0	336.7	11622.7		1345.5	9622.7	2000.0
AEB Devolution - ITP's	0.0	0.0	0.0		338.4	2000.0	-2000.0
AEB Innovation Fund	0.0	336.7	336.7		0.0	336.7	0.0
AEB Programme Costs	564.1	-163.6	400.5		25.8	400.5	0.0
Careers & Enterprise Company	80.5	0.0	80.5		-9.4	80.5	0.0
Health & Social Care Work Academy	1100.0	1067.8	2167.8		0.0	2167.8	0.0
Skills Advisory Panel	75.0	39.0	114.0		0.0	114.0	0.0
Skills Brokerage	75.0	9.0	84.0		0.0	84.0	0.0
Skills Brokerage - Subject to Approval	23.0	0.0	23.0		0.0	23.0	0.0
Skills Strategy Programme Delivery	125.0	-4.5	120.5		2.5	120.5	0.0
University of Peterborough	0.0	4.2	4.2		3.4	4.2	0.0
University of Peterborough - Legal Costs	0.0	0.0	0.0		14.0	150.0	-150.0
Work Readiness Programme (Hamptons)	0.0	52.8	52.8		0.0	52.8	0.0
Total Skills Revenue	13328.6	1678.1	15006.7		1720.2	15156.7	-150.0

3.2 The Forecast Outturn as set out in the table above shows an increase in expected costs for the year of £150k compared to the budget. The details are outlined in 3.3.b and 3.3.c below. 'Actual' figures are based on payments made and accrued expenditure where known. The year to date costs may therefore be understated due to the delay between goods and services being provided by suppliers, and invoices being raised and paid.

3.3 The budget adjustments identified above are due to a combination of the following:

- (a) The AEB topslice budget was reduced reflecting a revised structure of the team, approved by the Skills Committee in April.
- (b) The AEB innovation fund was created with half the 19-20 underspend on the AEB programme as presented to the Skills Committee in April.
- (c) The Work Readiness Programme adjustment reflects the report presented to the Skills Committee in April.
- (b) The remaining 6 adjustments are due to carried forward underspends (or deducted overspend) from 2019-20 budgets as approved by the June CPCA Board

3.4 Variances between the predicted revenue outturn position and the annual budget for the main budget headings are set out below:

- (a) AEB Devolution Grants and ITP's are split for reporting purposes but not split within the MTFP. If both figures are taken together, there is no variance to the MTFP.
- (b) University of Peterborough Legal Costs – These costs were identified late in 2019/20 and have been partially met by other budgets within Business & Skills. There has been an allocation within the Corporate budget to meet these costs but this will be the subject of an internal transfer. The costs are shown here for clarity.

Capital Budget

3.4 A breakdown of the Business & Skills Directorate 'Capital' expenditure for the period to 31st May 2020, is set out in the table below.

Skills Capital 2020/21							
Skills Capital Programmes	MTFP	Budget Adjustments	Revised 20/21 Budget		Actuals to 31st May 2020	Forecast Outturn (May)	Forecast Outturn Variance
	£'000	£'000	£'000		£'000	£'000	£'000
University of Peterborough - Business Case	11150	1150	12300		112.3	12300.0	0.0
Total Skills Capital	11150.0	1150.0	12300.0		112.3	12300.0	0.0

3.5 The University of Peterborough project is proceeding as planned and is the subject of a separate paper presented to this Committee.

4.0 PERFORMANCE REPORTING

- 4.1 The Cambridgeshire and Peterborough Devolution Deal is about delivering better economic outcomes for the people of Cambridgeshire and Peterborough and commits us to specific results. The Combined Authority needs to monitor how well it is doing that.
- 4.2 Appendix 1 shows the Skills Performance Dashboard, with an update on delivery against the following growth outcomes at the heart of the Devolution Deal (of which outcomes are embodied in the business cases which the Board and Committee consider):
 - Prosperity (measured by Gross Value Added (GVA))
 - Housing
 - Jobs
- 4.3 These metrics are updated to align with the Board Performance Reports
- 4.4 Appendix 1 also shows the current RAG status for Skills' projects, as at the end of May 2020.
- 4.5 Since the last meeting in April, the three Red rated projects have been upgraded to Amber due to improvements whilst working within the COVID-19 outbreak. The status of the projects is at the end of May, as the June highlight reports have not yet been updated.

5.0 FINANCIAL IMPLICATIONS

- 5.1. There are no other financial implications other than those included in the main body of the report.

6.0 LEGAL IMPLICATIONS

- 6.1 The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

7.0 SIGNIFICANT IMPLICATIONS

- 7.1 There are no implications for nature.

8.0 APPENDICES

- 8.1. Appendix 1 – Performance Dashboard.

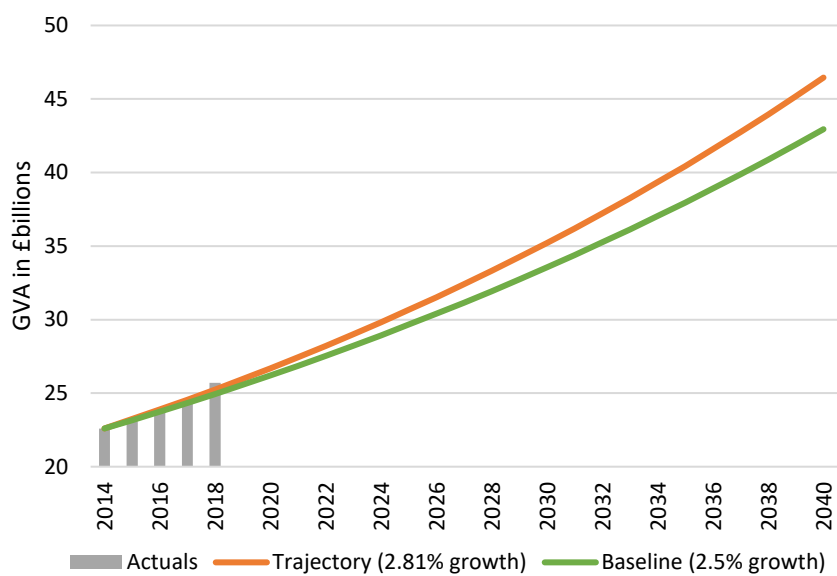
<u>Background Papers</u>	<u>Location</u>
None	N/A

Sources:
Baseline: Current trend without Devolution Deal interventions
Outturn data source: GVA and Jobs - Office of National Statistics (ONS);
Housing - Council Annual Monitoring Reports/CambridgeshireInsights.

SKILLS COMMITTEE

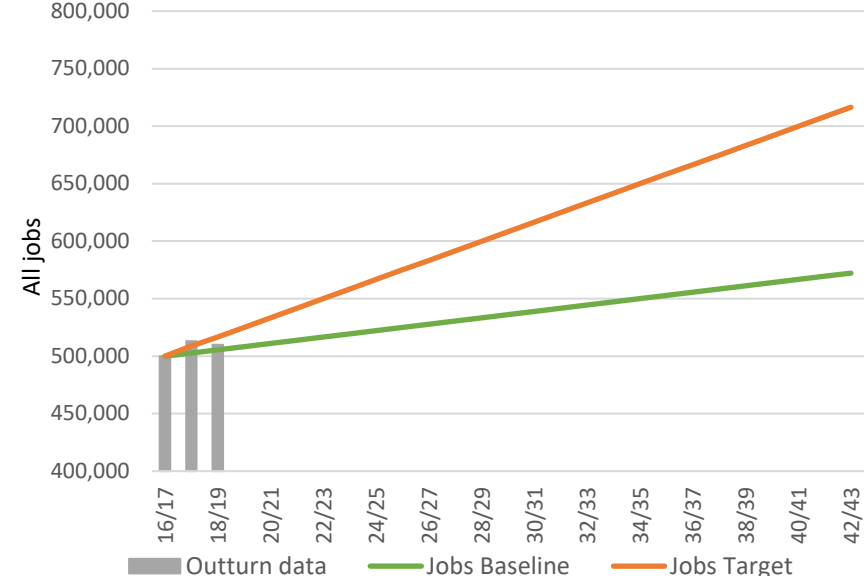
COMBINED AUTHORITY PERFORMANCE DASHBOARD
DEVOLUTION DEAL TRAJECTORY

GVA TRAJECTORY V BASELINE



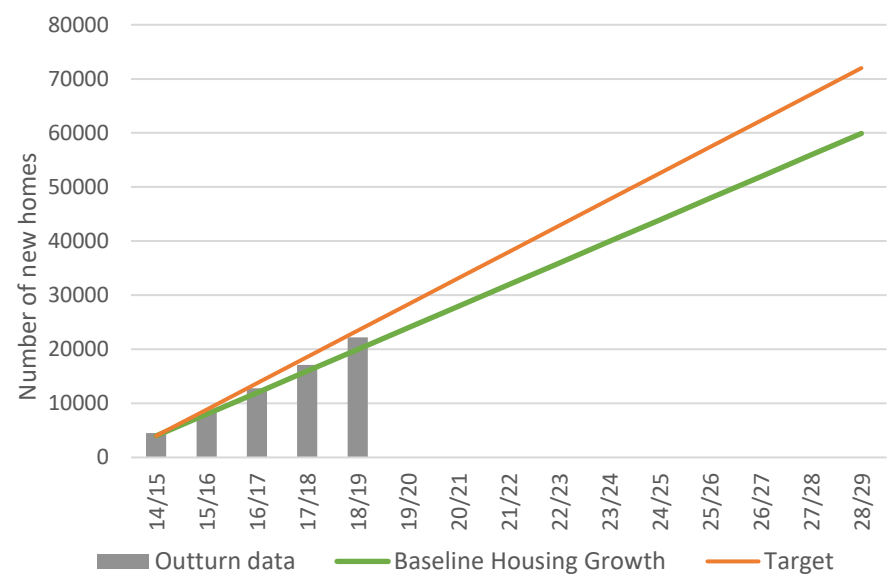
This has been updated in line with National Reporting standards. The CPCA Devolution Deal committed to doubling GVA over 25 years with 2014 as the baseline. To achieve this target the CPIER identified the region would require annual growth of 0.31% on top of the 2.5% baseline growth.

JOBS TRAJECTORY V BASELINE



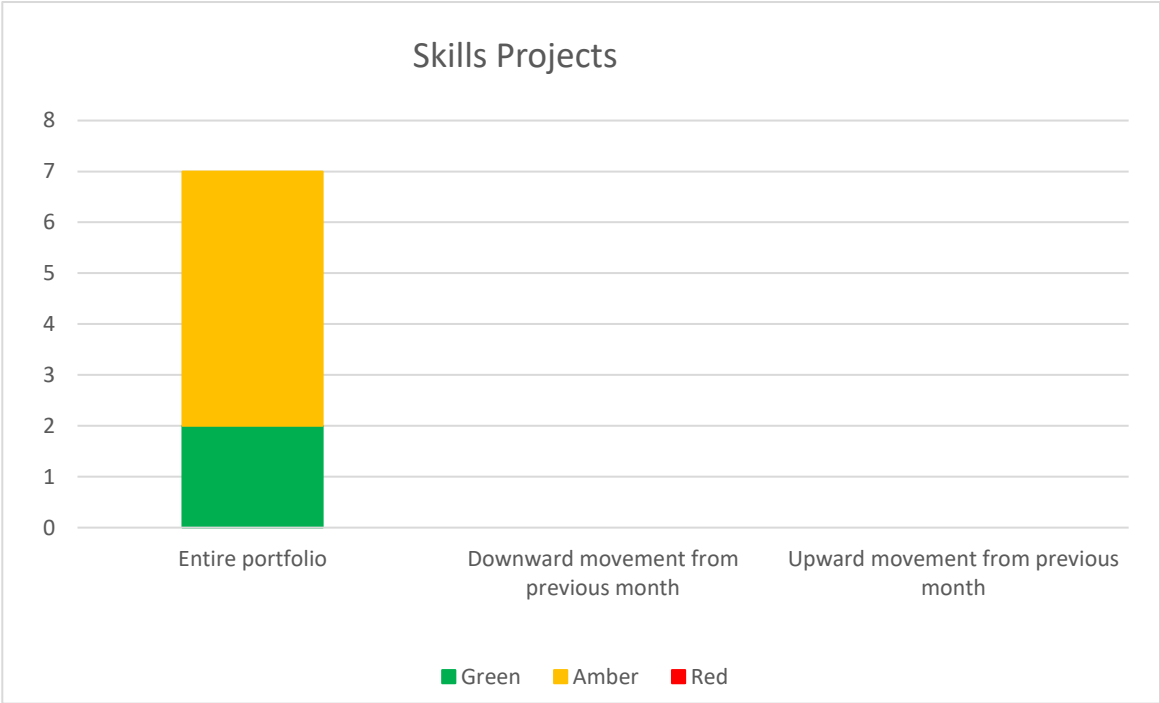
Target is derived through the CPIER by the GL Hearn report with a high growth scenario of 9,400 additional job growth per annum and a baseline of 4,338 jobs per annum.

HOUSING PERFORMANCE (*cumulative figures)



Devolution Deal target to deliver 72,000 new homes over a 15-year period. £170m affordable homes programme is expected to deliver over 2,500 additional homes.

Combined Authority Key Project Profile:



Skills projects	
Project	RAG status
Adult Education Budget (AEB)	Green
University of Peterborough	Green
Apprenticeships	Amber
Careers & Enterprise Company (CEC) Contract	Amber
HAT Work Readiness – Hamptons Academy Trust	Amber
Health & Care Sector Work Academy (HCSWA)	Amber
Skills Brokerage	Amber

Data as at the end of May 2020

