



## **SKILLS COMMITTEE**

**Date: Monday, 15 March 2021**

**Democratic Services**

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

**10:00 AM**

72 Market Street  
Ely  
Cambridgeshire  
CB7 4LS

**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

### 1.1 Apologies for Absence and Declarations of Interest

At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests.

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### 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 - [Constitution](#)

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### 1.6 Combined Authority Forward Plan

[Combined Authority Forward Plan](#)

## Part 2: Reports to Combined Authority Board

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#### **Part 4: Date of Next Meeting**

June 2021: Date TBC

The Skills Committee comprises the following members:

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

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.

Councillor John Holdich

Councillor David Ambrose-Smith

Councillor Mike Davey

Councillor Lis Every

Councillor Jon Neish

Cllr Chris Seaton

Councillor Eileen Wilson

Clerk Name:	Tamar Oviatt-Ham
Clerk Telephone:	01223 715668
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## Skills Committee Minutes

Date: Monday 11 January 2021

Time: 10.00am – 10.56am

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

Apologies: Councillor Mike Davey

### Part 1 - Governance Items

#### 114. Announcements, Apologies for Absence and Declarations of Interest

Apologies received from Councillor Mike Davey.

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

#### 115. Minutes of the Skills Committee meeting on 9 November 2020

The minutes of the meeting on 9 November 2020 were approved as an accurate record. A copy would be signed by the Chairman when it was practical to do so.

#### 116. Petitions

No petitions were received.

#### 117. Public Questions

No public questions were received.

#### 118. Skills Committee Agenda Plan

It was resolved to note the agenda plan.

#### 119. Combined Authority Forward Plan

It was resolved to note the forward plan.

## Part 2 – Delivery

### 120. University of Peterborough – Incorporation of Propco2

The Committee received a report that gave an update on the progress of the University Phase 2 Research and Development project.

Introducing the report officers explained that the report covered three key aspects of the project; the project's legal arrangement, the governance and ownership, and the procurement approach to appoint the building contractor, commercial operator and the project management agreement. Officers stated that Phase 2 of the project was to deliver an Advanced Manufacturing Innovation Eco-system for Peterborough and the north of the economy. Officers explained that the Research and Development building would be a 3,283m<sup>2</sup> build across 3 floors and would facilitate a mix of high-quality technical laboratory and office space for incubations and start-ups. Officers highlighted that the Combined Authority element of the budget for the project was made up of £14.6m Getting Building Fund (GBF) from Ministry for Housing Communities and Local Government (MHCLG) and the award of the funding followed a formal joint application process by the Combined Authority and its partner Photocentric, which was approved by the Business Board and Combined Authority Board in November 2020

In discussing the report Members:

- Stated that it would be helpful to have an organigram that showed the interdependencies of the different elements of the overall project. **ACTION**
- Queried how Photocentric had become a partner in the project. The Director of Business and Skills stated that the project was put forward and selected for the Getting Building Funding last year. He explained that the project was subject to the local framework and there had been a mini call out to all organisations in the CPCA area. He stated that Photocentric had put forward and application through this process and that application had been verified by independent advisors and then was scrutinised by the Entrepreneurs Panel, before the contract was awarded

It was resolved unanimously to:

To note the content of the report.

### 121. Adult Education Budget Statutory Annual Return

The Committee received a report that gave an overview of the first submission of the Adult Education Budget (AEB) Statutory Annual Return to the Department for Education (DfE), in relation to the 2019/20 academic funding year and the first year of devolution.

Introducing the report officers explained that a full evaluation of the Adult Education Budget (AEB) was tabled for the March Committee. Officers explained that in 2019-20 there had been 14,067 enrolments and that 8,848 had benefitted from the Adult Education Budget. Officers explained that the Combined Authority were looking to be more transformational and that there was a shift to invest in more deprived areas in the region which had seen an increase of funding from 22% to 35% of the total budget. Officers stated that there had been an increase in individuals from businesses approaching the Combined Authority to become mentors. Officers clarified that as part of the Growth Coaching Programme, which was part of the Growth Service, there had been 45 Coaches register so far with another 20 applicants. Officers updated the Committee on the impact of apprenticeship numbers due to COVID and stated that the detailed data would not be available until the end of the month. Officers explained that there had been a 38% decrease in the take up of apprenticeships locally with a 46% decrease nationally since the start of the pandemic. Officers stated that the Kickstart Scheme had helped to counteract this in terms of starting to advertise apprenticeship vacancies and that there was a dedicated resource available for this scheme within the Growth Service.

In discussing the report Members:

- Requested a drill down by district on the strategy in relation to COVID. Officers explained that District information would be available through the evaluation report coming to Committee in March. Officers highlighted that there had been some good stories in relation to the Kick Start Scheme and that they did not want to lose momentum. Officers explained that the enrolment offer was due to be promoted in the next few weeks with a new social media campaign. Officers clarified that most providers had successfully moved on line and that work was ongoing to tackle digital exclusion, including seeking funding for devices. Officers explained that the Combined Authority Website was being refreshed and that this would revitalise the channels and tools on offer to promote the AEB.
- Highlighted the need to use District Councillors who were place based to promote the AEB.
- Sought clarity on whether the evaluation of the AEB would involve looking at outcomes that promoted the improvement of job opportunities and focus on levelling up across the County. A Member highlighted that there were pockets of deprivation in prosperous areas such as South Cambridgeshire and that all areas of deprivation should be considered. Officers explained that the evaluation would be a deep dive down to local levels. Officers clarified that the report would focus on the wider outcomes including Community Cohesion, engagement and family learning. Officers explained that Community Learning was still a key part of the agenda and would be crucial in levelling up in terms of the wider outcomes. Officers highlighted that the destination data was a challenge nationally and that providers had not been systematically collecting the data. Officers explained that the Combined Authority would be providing support in collecting the data going forwards and that intelligence from local members was also key in improving the reach.

- Highlighted the problems that SME's were facing in terms of retaining individuals but taking people on due to COVID and some individuals were unable to fulfil their needs at college as they needed to keep businesses afloat. Officers explained that there was ongoing lobbying through the M9 in this area and that there was a whole package for SMEs through the Growth Service. The Chairman commented that there had been a recent announcement in relation to redundancies at the Debenhams's Warehouse in Peterborough and sought clarity on if the Combined Authority were aware of any support being provided to the individuals affected. He explained that Opportunity Peterborough had started to look at the support that could be provided. The Director of Business and Skills explained that this was a recent announcement and that an action plan was being developed through the Growth Hub, working with Opportunity Peterborough and the action plan would be circulated imminently to both Skills Committee and Business Board.
- ACTION**

It was resolved unanimously to:

- a) Approve the AEB Statutory Annual Return for sending to the Department for Education. This is the first Statutory Return since devolution of the AEB which provides an overview of performance of the first year of devolution
- b) Note the planned Annual Review of AEB 2019/20 has been carried forward to the March 2021 meeting of the Skills Committee.

## 122. Budget and Performance Report

The Committee received a report that gave an update and overview of the revenue and capital funding lines that are within the Business & Skills Directorate as of 31 October 2020.

Introducing the report officers highlighted that in all future reports there would be a summary of the forecast income for each year.

In discussing the report Members;

- Queried the legal costs for the University of Peterborough outlined in 3.1 of the report. Officers explained that the costs would be recharged and that this had been a holding area for the costs due to the set-up of the Propco being finalised.

It was resolved unanimously to:

- a) Note the update and financial position relating to the revenue and capital funding lines within the Skills Committee remit

## Part 3 – Date of the next meeting



123. It was resolved to:

Note the date of the next meeting as Monday 15 March 2021.



Skills Committee Action Sheet 11 January 2021

Date	Minute Ref	Report Title	Action	Delegated officer	Status	Date completed
11.01.21	120.	University of Peterborough – Incorporation of Propco2	Members stated that it would be helpful to have an organigram that showed the interdependencies of the different elements of the overall project.	Mahmood Foroughi	Circulated to Skills Committee and the Employment and Skills Board	24.02.21
11.01.21	121.	Adult Education Budget Statutory Annual Return	The Chairman commented that there had been a recent announcement in relation to redundancies at the Debenhams's Warehouse in Peterborough and sought clarity on if the Combined Authority were aware of any support being provided to the individuals affected. He explained that Opportunity Peterborough had started to look at the support that could be provided. The Director of Business and Skills explained that this was a recent announcement and that an action plan was being developed through the Growth Hub, working with Opportunity Peterborough and the action plan would be circulated imminently to both Skills Committee and Business Board.	John T Hill	Circulated to the Skills Committee and Business Board	24.02.21



<b>SKILLS COMMITTEE AGENDA PLAN</b>	Updated 5 March 2021	 <b>CAMBRIDGESHIRE &amp; PETERBOROUGH</b> COMBINED AUTHORITY	<b>JAMES PALMER</b> CAMBRIDGESHIRE & PETERBOROUGH MAYOR
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**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
<b>15/03/21</b>	Business Growth Service	Alan Downton	Yes (via BB)			<b>05/03/21</b>
	Adult Education Budget Annual Review 2019-20	Parminder Singh Garcha	No			
	Local Economic Recovery Strategy: Updated refresh	Domenico Cirillo	Yes (via BB)			

<b>Committee date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Report to CA Board for decision</b>	<b>Reference if key decision</b>	<b>Deadline for reports</b>	<b>Agenda despatch date</b>
	Lifetime Skills Guarantee	Parminder Singh Garcha	Yes			
	Adult Education Budget Covid Response	Parminder Singh Garcha	No			
<b>June 2021 Date TBC</b>	Sector-Based Work Academies and High Value Courses Update	Fliss Miller	No			
	National Retraining Scheme Pilot	Fliss Miller	No			
	iMET Relaunch	Steve Clarke	Yes (via BB)			
	Energy Hub – Creating a green skills cluster	Alan Downton	No			
	Further Education Capacity Building Strategy	Parminder Singh Garcha / Fliss Miller	No			
	University Future Phases Funding and Planning Strategy Update	Mahmood Foroughi	No			
	AEB Devolution Funding Flexibilities	Parminder Singh Garcha	No			
	Skills Advisory Panel – Local Skills Report	Fliss Miller	No			
	Skills White Paper Response	Fliss Miller / Parminder Singh Garcha	No			
	Business Growth Service Update	Alan Downton / Fliss Miller	No			
	CPCA Skills Strategy	Fliss Miller / Parminder Singh Garcha	No			
	AEB 2021-22 Funding Allocations	Parminder Singh Garcha	Yes			
	Careers Hub	Fliss Miller	No			

<b>Committee date</b>	<b>Agenda item</b>	<b>Lead officer</b>	<b>Report to CA Board for decision</b>	<b>Reference if key decision</b>	<b>Deadline for reports</b>	<b>Agenda despatch date</b>
<b>13/09/21</b>	Business Growth Service Update	Growth Co Chair	No			<b>03/09/21</b>
<b>10/11/21</b>						<b>02/11/21</b>
<b>17/01/22</b>	Business Growth Service Update	Growth Co Chair	No			<b>07/01/22</b>
<b>16/03/22</b>						<b>08/03/22</b>
<b>27/04/22</b>	Business Growth Service Update	Growth Co Chair	No			<b>19/04/22</b>

To be programmed:







## Adult Education Budget – Lifetime Skills Guarantee (Level 3 Adult Offer)

To:	Skills Committee
Meeting Date:	15 March 2021
Public report:	Yes
Lead Member:	Councillor John Holdich OBE, Lead Member for Skills
From:	Parminder Garcha, Senior Responsible Officer, AEB
Key decision:	Yes
Forward Plan ref:	2021/005
Recommendations:	<p>The Skills Committee is invited to recommend the Combined Authority:</p> <ul style="list-style-type: none"><li>a) note the additional funding from the Department for Education (DfE), delegated to Mayoral Combined Authorities as part of the Government's Lifetime Skills Guarantee, to deliver free Level 3 courses for adults aged 24+.</li><li>b) Approve the approach to spending this additional ring-fenced funding through the AEB Commissioning Principles set out in this Paper, including creation of a 'Level 3 courses' budget line as shown in Table 2, and applying a 3.4% top slice.</li></ul>
Voting arrangements:	A simple majority of all Members

## 1. Purpose

- 1.1 Skills Committee are requested to approve the proposed commissioning approach for the additional funding received by the CPCA to deliver a new Level 3 Adult Offer in our region.
- 1.2 The additional funding allocation notified by the Department for Education (DfE) to the CPCA is **£207,838** for the period 1 April 2021 - 31 July 2021, and a further **£833,623** for the period 1 August 2021 to 31 July 2022. In addition, **£4,423** as an 'uplift' to the funding rate for 19–23-year-olds for the period 1 April 2021 – 31 July 2021. This equates to additional funding of **£1,045,844** for the region between 1 April 2021 – 31 July 2022.

## 2. Background

- 2.1 As reported at the November 2020 meeting of the Skills Committee, the Government are introducing a new Lifetime Skills Guarantee. The Prime Minister announced the new Lifetime Skills Guarantee at a speech made at Exeter College in September 2020. The Chancellor subsequently announced £375 million for the National Skills Fund at the Spending Review in November 2020 would be released from the £2.5bn fund.
- 2.2 This was followed by publication of the Skills for Jobs White Paper in January 2021, which set-out further detail of the Lifetime Skills Guarantee, which includes three elements:
  - Introduction of a new fully funded Level 3 course offer for adults aged 24+
  - Introduction of a flexible four-year loan entitlement for adults to study part-time in FE or HE, to re-train from a list of approved technical courses
  - Opening-up Student Loans for FE Colleges, for specific technical courses.
- 2.3 Mayoral Combined Authorities (MCAs) have continued dialogue with DfE to press for devolution or delegation of the National Skills Fund to mitigate against the risk of competing programmes and ensuring local coherence and successful implementation. Ministers have agreed a delegated approach to the new Level 3 Adult Offer, to ensure a consistent offer for adults spanning both devolved and non-devolved areas.
- 2.4 DfE have now issued grant funding letters to MCAs, confirming funding from the National Skills Fund to deliver a Level 3 Adult Offer from April 2021 – July 2022. £118m out of the £375m National Skills Fund has been allocated to devolved and non-devolved areas for the ring-fenced Level 3 Offer.
- 2.4 In line with the national AEB devolution formula, CPCA is allocated 0.9% of the national budget. This equates to **£1,045,844**, as set-out in point 1.3 above.
- 2.5 Currently, learners aged over 24 years, are not entitled to fully funded Level 3 courses. They must either self-fund, take-out an Advanced Learner Loan to fund their learning or finance their learning through employer sponsorship.

### 3. What does the Level 3 Adult Offer include?

- 3.1 The targeted Level 3 Offer has been developed to support adults without an existing full Level 3 qualification (equivalent to three A Levels). From April 2021, it introduces free fully funded Level 3 qualifications for learners aged 24 and over from a national list of 'approved' qualifications. The offer includes 400 Level 3 qualifications in 20 sector subject areas, identified by government as beneficial for the economy, including:
- Engineering
  - Building and construction
  - Manufacturing technologies
  - Transportation operations and maintenance
  - Business management
  - Public services
  - Accounting and finance
  - Medicine and dentistry
  - Horticulture and forestry
  - Health and social care
  - ICT practitioners
  - ICT for users
  - Mathematics and statistics
  - Science
  - Agriculture
  - Nursing and vocations and subjects allied to medicine.
  - Child development and wellbeing
  - Environmental conservation
  - Teaching and lecturing
  - Warehousing and distribution
- 3.2 There is an opportunity for MCAs to request further Level 3 courses to be added to the 'approved' learning aim list, which can be found at the following link:  
<https://www.gov.uk/government/publications/qualifications-in-new-funded-offers>
- 3.3 All MCAs are undertaking course-mapping, to identify any gaps to the above list and ensuring alignment with our local Growth Sectors. There is an opportunity to submit suggested courses to the DfE as they make regular updates to the list. The Annual AEB Stakeholder Consultation includes questions on the Lifetime Skills Guarantee and an opportunity for courses to be proposed.
- 3.4 In order to incentivise colleges and providers to deliver the Level 3 Offer, funding rate 'uplifts' are being provided. It is expected that this additional funding will support the building of capacity to increase the places available for Level 3 courses and the higher costs for delivering these courses.
- 3.5 In addition, as part of devolved flexibilities, the CPCA pay a four per cent uplift for learners living in our target postcodes for education deprivation, in line with the Indices of Multiple Deprivation 2019. This includes wards in Peterborough, Fenland, and wider Cambridgeshire. This policy has helped to better target funding into deprived areas and incentivise colleges and providers to work with communities who need the most support.

- 3.6 The Level 3 Adult Offer is a flagship government policy and therefore, DfE are encouraging providers to over-deliver on their allocations and ensure all funding is utilised to successfully deliver the Guarantee. Providers commissioned by the CPCA will also be able to over-deliver and DfE funding will be provided to cover over-performance. Conversely, funding for under-delivery will be recovered.

## 4. Level 3 Adult Offer – Commissioning Approach

### 4.1 Context

The CPCA's Industrial Strategy, set-out the CPCA's policy intent to increase the proportion of residents upskilled to Level 3. Numerous studies have shown the correlation between Level 3 skills, productivity, and social mobility. According to analysis by the Centre for Business and Economic Research, the gains for a Level 3 qualification equate to a 20% increase in average wages and a 14% increase in employment prospects.

Overall, the proportion of residents qualified to Level 3 in the CPCA region is higher than the national average at 60.1% compared to 58.5% nationally. However, this headline performance masks the educational deprivation in Peterborough and Fenland, where 49% and 45% of the working age population respectively are qualified to Level 3.

**TABLE A: Proportion of residents qualified to Level 3 in CPCA districts:**

Cambridge City	75.90%
South Cambridgeshire	69.70%
East Cambridgeshire	61.90%
CPCA average	60.10%
Huntingdonshire	59.00%
Great Britain	58.50%
East of England	55.00%
Peterborough	49%
Fenland	45%

Source: ONS Annual Population Survey, 2019

- 4.2 Current AEB delivery highlights our low base of Level 3 course enrolments and qualification achievements. Analysis of AEB 2019/20 delivery, shows:
- Only 5% of AEB funding was spent on Level 3 courses
  - Only 1% of enrolments were onto Level 3 courses
  - Out of 14,000 enrolments only 132 enrolments were onto Level 3 courses
  - Only 25 out of the 132 enrolments were for courses on the 'approved' list for the new Level 3 Adult Offer
  - 19% of Level 3 learners withdrew from learning
- 4.3 Adults aged 24+ are currently not eligible for full funding for Level 3 courses and can take-out an Advanced Learner Loan. For 2019/20, the following volumes were delivered through loans:
- 680 enrolments onto Level 3 courses through Advanced Learner Loans

- 180 enrolments (or 26% of all Level 3 Advanced Learner Loan enrolments) onto courses from the 'approved' DfE list
- The top five subject sectors for enrolments to CPCA residents were:
  - Health, Public Services and Care
  - Leisure, Travel and Tourism
  - Business, Administration and Law
  - Agriculture, Horticulture and Animal Care; Education and Training; and Social Sciences in joint fourth place
  - Retail and Commercial Enterprise.

Detailed analysis of the 2019/20, the current Level 3 offer and the courses being offered under the Level 3 Adult Offer, mapped to CPCA's Growth Sectors is included in **Appendix 2**, to this paper. This analysis provides a useful baseline for CPCA to demonstrate the impact of the Lifetime Skills Guarantee and highlighting potential gaps. It also highlights the significant capacity that will be required to accelerate Level 3 delivery, particularly within CPCA's Growth Sectors (and Foundation Sectors) in the future.

- 4.4 Given the low take-up of Level 3 courses by adults within the region, highlighted in this paper and the importance of Level 3 to our Skills Strategy, the development of a marketing and communications plan, co-designed with Further Education (FE) colleges and providers is proposed to promote the free courses. A proportion of the top-sliced funding will be utilised for this purpose.

#### 4.4 Funding Approach

An agile and responsive approach will be taken. For our existing grant-funded providers: colleges and local authority adult education services, additional funding for the Level 3 Adult Offer will be made in addition to their main AEB allocation via:

- An in-year funding allocation for April 2021 - July 2021
- A full year allocation for 2021/22 academic year

A base-line Level 3 funding allocation for 2021/22 will be calculated from providers' 2019/20 delivery for eligible Level 3 courses compared with their 2020/21 R04 Return. Given the low take-up of eligible courses in 2019/20, providers will submit a Delivery Plan for additional growth funding for the Level 3 Offer. Funding for each provider will be apportioned from the available budget. Given the need to grow Level 3 provision, a flexible approach with grant-funded providers will be taken to enable them to mobilise and build sustainable capacity for the future. For Independent Training Providers, a Delivery Plan for the Level 3 Offer will be negotiated. The commissioning approach for procuring new providers is detailed in **Appendix 1**.

## 5. Financial Implications

- 5.1 There are no wider impacts on the CPCA's finances or core budgets as an additional ring-fenced grant has been delegated by the DfE, in addition to the devolved AEB grant.
- 5.2 The Level 3 Adult Offer grant is ring-fenced to delivery against the approved qualification list and additional conditions specified by the DfE in the Section 31 Grant Letter. Ineligible and under-delivery is subject to clawback from the DfE. The DfE have not confirmed

funding for the Level 3 Adult Offer, for the 2022/23 academic year and beyond, hence no figures entered into Table 2 for future years at this point.

- 5.3 The intention is to top-slice the grant at 3.4%, in line with the larger AEB funding, to support CPCA administration, provider capacity building, audit, quality assurance and marketing of the offer to residents. The 3.4% top-slice is taken from the total amount of AEB funding received, with the increase detailed in Tables 1 and 2.
- 5.4 To assist in better understanding these changes, two tables are shown below with the relevant data. Table 1 illustrates the current approved MTFP position as agreed at the January 2021 CA Board. Table 2, presents the amendments requested as per the new funding offered from the DfE.
- 5.5 The addition of the 'Level 3 Courses' budget line, and an increased 'AEB Programme Costs' budget due to the top-slice of this funding, can be seen in Table 2. The other changes to the budgets between the tables, such as the carry forwards of funding relating to High Value Courses and Sector Based Work Academies, and the increase to the AEB Devolution Programme budgets, are addressed in other papers. It should be noted that all changes to expenditure budgets require approval by the Combined Authority board.

Table 1					
<b>Current Approved MTFP Budget</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>
AEB Devolution Programme	£ 11,646,293	£ 10,449,000	£ 10,449,000	£ 10,449,000	£ 10,449,000
AEB Innovation Fund - Revenue	£ 336,684	£ 500,000	£ 500,000	£ 500,000	£ 500,000
AEB Programme Costs	£ 433,916	£ 367,000	£ 367,000	£ 367,000	£ 367,000
High Value Courses	£ 148,527	£ 88,000	£ -	£ -	£ -
National Retraining Scheme	£ 65,100	£ -	£ -	£ -	£ -
Sector Based Work Academies	£ 146,801	£ 86,000	£ -	£ -	£ -
<b>Grand Totals</b>	<b>£ 12,777,322</b>	<b>£ 11,490,000</b>	<b>£ 11,316,000</b>	<b>£ 11,316,000</b>	<b>£ 11,316,000</b>

Table 2					
<b>Proposed MTFP Budget</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>
AEB Devolution Programme	£ 11,585,061	£ 11,367,638	£ 11,048,307	£ 11,052,394	£ 11,052,394
AEB Innovation Fund - Revenue	£ 336,684	£ 500,000	£ 500,000	£ 500,000	£ 500,000
AEB Programme Costs	£ 433,916	£ 442,124	£ 413,548	£ 406,606	£ 406,606
High Value Courses	£ -	£ 236,608	£ -	£ -	£ -
Level 3	£ -	£ 808,811	£ 201,320	£ -	£ -
National Retraining Scheme	£ 65,100	£ -	£ -	£ -	£ -
Sector Based Work Academies	£ -	£ 233,154	£ -	£ -	£ -
<b>Grand Totals</b>	<b>£ 12,420,761</b>	<b>£ 13,588,335</b>	<b>£ 12,163,175</b>	<b>£ 11,959,000</b>	<b>£ 11,959,000</b>

## 6. Legal Implications

- 6.1 The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 (SI 2018/1146) transferred functions from the Secretary of State to the Combined Authority. Funding for the Level 3 Adult Offer is ringfenced in accordance with Section 31 of the Local Government Act 2003. The Grant for the Level 3 Offer will have additional conditions, which will need to be included in grant funding and contracts for services.

## 7. Other Significant Implications

7.1 There are no other significant implications.

## 8. Appendices

8.1 Appendix 1 – Commissioning Approach for New Level 3 Providers

8.2 Appendix 2 – Analysis of Current Level 3 Provision

## 9. Background Papers

9.1 DfE Guidance about the National Skills Fund: [National Skills Fund - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/national-skills-fund)

# Appendix 1 - Commissioning New Providers for Adult Education

## 1. Purpose

This document summarises the Cambridgeshire and Peterborough Combined Authority's policy intent for commissioning new adult education provision in-year where a gap in provision has been identified or there is a need for additional capacity. This approach recognises that a wide learning offer has already been procured through grant funded colleges and local authorities across the region and future in-year commissioning should therefore be focussed on addressing gaps or niche or specialist programmes. Existing providers will be approached first to meet gaps or provide new provision, prior to commissioning of new providers.

## 2. Guiding Principles

- **More targeted and intelligent commissioning** – identifying local need and demand from learners and employers. Utilising CPCA agile procurement processes and flexibilities to commission more local providers.
- **Accelerating 'levelling up' and social mobility** – targeting wards identified by the Indices of multiple Deprivation (IMD) 2019 within the 10% most deprived in the region.
- **Doubling the number of Level 2 and 3 enrolments, particularly in growth sectors.** Commissioning specific qualifications rather than generic adult learning.
- **Identifying provision in 'cold spots'** – brokering existing providers in the first instance and/or commissioning new local entrants where existing providers are unable to meet need.
- **A focus on quality** – existing education providers wishing to be awarded a contract for Adult Education, must be judged 'good' or 'outstanding' at their most recent inspection by Ofsted.
- **Building local capacity** – enabling market-entry for new local providers based within the CPCA geography, where current providers cannot meet need or sub-contract. New providers will be supported with Quality Assurance to meet Ofsted requirement.
- **Attracting new providers** – where existing providers cannot meet need, procuring new providers, external to the region.

## 3. Utilising CPCA's procurement flexibilities:

Under the Public Contract Regulation 2015 the procurement of training provisions is covered under the Light Touch Regime which has a higher regulated threshold for public advertisement. This has been incorporated in the Constitution (Chapter 16, paragraph 18) to allow a simplified, less burdensome, process of inviting either a single or 3 quotes, without advertisement, for allocations under £200,000. The constitution, and Public Policy,



where required also allows for low value advertisement where beneficial to be mandated for local delivery within the target county - PPN11/20.

New provider due-diligence processes will be followed. Providers will be paid retrospectively for training delivered.

Quality Assurance support, brokerage of peer-review from other providers and rigorous monitoring of new providers will be undertaken in line with existing CPCA procedures.

## Appendix 2 - Analysis of Level 3 Provision for Adults in CPCA

The purpose of this Appendix is to provide additional analysis of the Lifetime Skills Guarantee Level 3 Offer and the current delivery in Cambridgeshire and Peterborough. This analysis has been undertaken independently by Cambridgeshire Insights on behalf of CPCA. The source of the data is the Individualised Learner Record (ILR) returned by providers as part of their funding claim. This analysis will support the Skills Committee and the CPCA in their decision making and to provide baseline data to inform evaluation and impact of the Lifetime Skills Guarantee in the region. The data highlights the low-take-up of Level 3 provision in the area.

**TABLE A: Composition of the Lifetime Skills Guarantee – Level 3 Offer**

The table below shows how the 375 qualifications that make up the Life Skills Guarantee Level 3 Adult Offer are divided across Subject Sector.

<b>Tier 1 Subject Sector</b>	<b>Number of Qualifications under National Skills Fund - Level 3 Adult Offer</b>	<b>Proportion of all Qualifications under National Skills Fund - Level 3 Adult Offer</b>
Agriculture, Horticulture and Animal Care	27	7%
Arts, Media, and Publishing	0	0%
Business Administration and Law	29	8%
Construction, Planning and Built Environment	61	16%
Education and Training	10	3%
Engineering and Manufacturing Technologies	79	21%
Health, Public Services and Care	97	26%
History, Philosophy and Theology	0	0%
Information and Communication Technology	23	6%
Languages, Literature and Culture	0	0%
Leisure, Travel and Tourism	0	0%
Preparation for Life and Work	0	0%
Retail and Commercial Enterprise	4	1%
Science and Mathematics	49	13%
Social Sciences	0	0%
<b>Total</b>	<b>379</b>	

- Over a quarter (26%) of qualifications within the Offer are in Health, Public Services and Care subject sector
- A fifth (21%) of qualifications are in Engineering and Manufacturing Technologies
- Some subject sectors are not represented in the offer, including Arts, Media and Publishing, and Leisure, Travel and Tourism. The CPCA may wish to submit suggested qualifications for funding under the Level 3 Adult Offer

**TABLE B: Mapping the Level 3 Offer to CPCA Growth Sectors**

The following table shows which qualifications in the Offer correspond to Cambridgeshire and Peterborough's long-term growth sectors according to the Combined Authority's Local Industrial Strategy.

<b>CPCA Growth Sectors</b>	<b>Corresponding Tier 2 Subject Sectors</b>	<b>Number of Qualifications included in Level 3 Adult Offer</b>	<b>Proportion of all Qualifications included in Level 3 Adult Offer</b>
<b>Life Sciences</b>	Science	32	8%
<b>Digital &amp; AI</b>	ICT for Practitioner Science	53	14%
<b>Agritech</b>	Agriculture Horticulture and Forestry	26	7%
<b>Advanced Manufacturing and Materials</b>	Manufacturing Technologies Engineering	57	15%
<b>Total *</b>		136	36%
Total does not double-count qualifications which could fall under multiple priority sectors			

**TABLE C: Level 3 Enrolments and the Lifetime Skills Guarantee**

Table C summarises Level 3 qualifications, funded via CPCA's devolved AEB during 2019/20, and the proportion of qualifications included in the Level 3 Offer:

	<b>Level 3 Qualifications</b>	<b>Included in Level 3 Adult Offer</b>	<b>Level 3 Offer as a % of all Level 3 Qualifications</b>
Enrolments	132	25	19%
Learners	129	24	19%
Adult Education Budget	£394,218	£81,167	21%
Source: Individualised Learner Record 2019/20 (R14) – Education and Skills Funding Agency			

- Out of the entire CPCA's Adult Education Budget 1% (132 out of 14,067) of enrolments, 2% of learners (129 out of 8,421) and 5% of spend (£394,217.74 out of £7,337,311.38) are Level 3 qualifications. All of the enrolments were fully funded
- The average spend per Level 3 qualification in the 2019/20 year was £2,986, compared to eligible enrolments under the Level 3 Offer, the spend per enrolment was £3,247

**TABLE D: Level 3 Enrolments in 2019/20 by Subject sector**

Tier 1 Subject Sector	Enrolments	Proportion of Total Level 3 Enrolments	Adult Education Spend*	Proportion of Total Level 3 Adult Education Spend
Agriculture, Horticulture and Animal Care	1	1%	£0.00	0%
Arts, Media, and Publishing	12	9%	£42,047	11%
Business Administration and Law	14	11%	£42,002	11%
Construction, Planning and Built Environment	12	9%	£35,106	9%
Engineering and Manufacturing Technologies	7	5%	£36,039	9%
Health, Public Services and Care	19	14%	£47,093	12%
Information and Communication Technology	9	7%	£34,204	9%
Leisure, Travel and Tourism	2	2%	£4,991	1%
Retail and Commercial Enterprise	8	6%	£22,994	6%
Science and Mathematics	29	22%	£81,996	21%
Social Sciences	19	14%	£47,745	12%
<b>Total</b>	<b>132</b>		<b>£394,218</b>	
* Based on actual funding. Some enrolments will not have generated any funding Source: Individualised Learner Record 2019/20 (R14) – Education and Skills Funding Agency				

- The subject sectors with the most enrolments were in Science and Mathematics (22% of enrolments and 21% of spend) Social Sciences (14% of enrolments and 12% of spend) and Health, Public Services and Care (14% of enrolments and 12% of Spend)

**TABLE E: All Level 3 Enrolments in CPCA Growth Sectors in 2019/20**

Growth Sector	Corresponding Tier 2 Subject Sectors	Level 3 Enrolments	Proportion of all Level 3 Enrolments	Adult Education Spend	Proportion of Total Level 3 Adult Education Spend
<b>Life Sciences</b>	Science	29	22%	£81,996	21%
<b>Digital and Artificial Intelligence</b>	ICT for Practitioners Science	37	28%	£112,715	29%
<b>AgriTech</b>	Agriculture Horticulture and Forestry	0	0%	0	0%
<b>Advanced Manufacturing and Materials</b>	Manufacturing Technologies Engineering	0	0%	0	0%
<b>Total *</b>		<b>37</b>	<b>28%</b>	<b>£112,715</b>	<b>29%</b>
*Total does not double-count enrolments which could fall under multiple priority sectors Source: Individualised Learner Record 2019/20 (R14) – Education and Skills Funding Agency					

- Around 28% of Level 3 enrolments, and 29% of Level 3 Adult Education spend on Level 3 qualifications corresponded to Subject Sectors which we could directly tie to the CPCA's long-term growth ambition
- All these enrolments were either in Science or ICT for Practitioner qualifications, corresponding to Life Sciences and Digital and AI qualifications

**TABLE F: Level 3 Enrolments within eligible courses in the Level 3 Offer**

The tables below show Level 3 enrolments and spend by subject in all sectors for 2019/20.

<b>Tier 1 Subject Sector</b>	<b>National Skills Fund Applicable Enrolments</b>	<b>Proportion of Level 3 Enrolments in Subject Sector</b>	<b>Adult Education Spend – National Skills Fund Applicable</b>	<b>Proportion of Level 3 Adult Education Spend in Subject Sector</b>
Business Administration and Law	1	7%	£2,650	6%
Construction, Planning and Built Environment	10	83%	£32,188	92%
Engineering and Manufacturing Technologies	7	100%	£36,039	100%
Health, Public Services and Care	5	26%	£7,005	14%
Science and Mathematics	2	7%	£3,285	4%
<b>Total</b>	<b>25</b>	<b>19%</b>	<b>£81,167</b>	<b>21%</b>
Source: Individualised Learner Record 2019/20 (R14) – Education and Skills Funding Agency				

- 19% of Level 3 enrolments and 21% of spend were for qualifications which are approved as part of the Level 3 Adult Offer. This ranged from 100% of Engineering and Manufacturing Technologies Qualifications (a subject sector which also includes Transportation Operations and Management) Level 3 enrolments to Business, Administration and Law, Science and Mathematics where 7% of Level 3 enrolments would have been covered by the offer

**TABLE G: CPCA Level 3 eligible Enrolments from the Level 3 Offer within Growth Sectors**

Growth Sector	Corresponding Tier 2 Subject Sectors	National Skills Fund Applicable Enrolments	% of Total National Skills Fund Offer Enrolments	Adult Education Spend	% of Total National Skills Fund Offer Enrolments
Life Sciences	Science	2	7%	£3,285	4%
Digital & AI	ICT for Practitioners Science	2	7%	£3,285	4%
Agritech	Agriculture Horticulture and Forestry	0	0%	£0.00	0%
Advanced Manufacturing and Materials	Manufacturing Technologies Engineering	0	0%	£0.00	0%
<b>Total *</b>		2	7%	£3,285	4 %

\*Total does not double-count qualifications which could fall under multiple priority sectors

Source: Individualised Learner Record 2019/20 (R14) – Education and Skills Funding Agency

- Out of the 25 Level 3 Adult Offer, 7% (2) enrolments fall under the CPCA's growth sectors
- All these enrolments were under the 'Science' Tier 2 Subject classification

**TABLE H: Providers delivering Level 3- enrolments and level of spend**

The tables below outline the providers who delivered Level 3 qualifications in the 2019/20 academic year, and those which delivered the qualifications which fall under the National Skills Fund offer.

Provider Name	Level 3 Enrolments	% of all Level 3 Enrolments	Adult Education Spend	% of Total Level 3 Spend
Bedford College	5	4%	£13,057	3%
Cambridge Regional College	29	22%	£93,151	24%
College of West Anglia	12	9%	£32,830	8%
New College Stamford	14	11%	£29,339	7%
Peterborough Regional College	72	55%	£225,840	57%
<b>Total</b>	132		£394,218	

Source: Individualised Learner Record 2019/20 (R14) – Education and Skills Funding Agency

- More than half of all level 3 qualifications, and the associated funding, was delivered by Peterborough Regional College (now a part of Inspire Education Group)

**TABLE I: Delivery of eligible Level 3 enrolments by provider in 2019/20**

<b>Provider Name</b>	<b>Eligible Enrolments</b>	<b>% of Provider's Level 3 Enrolments</b>	<b>% of Total National Skills Fund Offer Enrolments</b>	<b>Spend on eligible courses</b>	<b>% of Provider's 3 Adult Education Spend</b>	<b>% of Total National Skills Fund offer Spend</b>
<b>Bedford College</b>	1	1%	4%	£2,650.00	1%	3%
<b>Cambridge Regional College</b>	2	2%	8%	£5,878.00	1%	7%
<b>New College Stamford</b>	4	3%	16%	£10,056.00	3%	12%
<b>P'borough Regional College</b>	18	14%	72%	£62,583.00	16%	77%
<b>Total</b>	25			£81,167.00		

Source: Individualised Learner Record 2019/20 (R14) – Education and Skills Funding Agency

- Peterborough Regional College (now a part of Inspire Education Group) delivered 72% of all enrolments eligible in the Level 3 Adult Offer through AEB.







## Business Growth Service

To: Skills Committee

Meeting Date: 15 March 2021

Public report: This report contains an appendix which is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendix.

Lead Member: Cllr John Holdich, Chair of the Skills Committee

From: Director of Business and Skills, John T Hill

Key decision: No

Forward Plan ref: N/A

Recommendations: The Skills Committee is recommended to:

Note the report from Business Board.

## 1. Purpose

- 1.1 Recommend to the Combined Authority Board approval to raise the maximum grant limit from £150,000 to £500,000 on the Business Growth Service Capital Grant scheme as an exception for this one application.
- 1.2 Note the Business Board Urgency Procedure and Mayoral Decision Notice.
- 1.3 Note the Business Growth Service contractual and financial position.

## 2. Background

### 2.1 As an exception to increase the Capital grant from £150k to £500k

At the Business Board on 10<sup>th</sup> November 2020 under item 2.2 'Local Growth Fund Programme Management Review - November 2020' the Business Board recommended to the Combined Authority the proposed grant scheme into which to allocate the remaining £2,043,178 of Local Growth Fund (LGF).

The recommendation was to allocate the remaining Local Growth Funding of £2,043,178 into the Growth Grants strand of the new Business Growth Service which will be targeting companies with rebound and regrowth potential, seeking to create higher value sustainable jobs and this service is contracted to achieve a target value for money ratio on new jobs created per grant given of £6,000 per output. The delivery of these grants would be negotiated as a contract variation for the new Business Growth Service contractor to award the grants out to businesses in the Combined Authority area and those grants claimed before end of March 2021. The contractor would be asked to manage the targeting of the relevant businesses in the key sectors that have the highest potential for rebound and regrowth.

The Business Board recommendation was subsequently approved at the Combined Authority Board on 25<sup>th</sup> November 2020. The Business Growth Service contract was signed on 12<sup>th</sup> February 2021 and service commenced on 15<sup>th</sup> February 2021. The terms on the grant limit within the contract for the Business Growth Service (BGS) were set as per the BGS Full Business Case (FBC) approved by the Business Board and Combined Authority Board, at a maximum of £150,000 per business application.

Since commencement on 15<sup>th</sup> February Gateley's, the BGS contractor, has been working on several 'hot' business inward investment enquiries for the Cambridgeshire and Peterborough area and one particular business has now moved into an advanced investment decision making position. The business has provided feedback that the current maximum grant of £150,000 as an incentive would not shortlist Cambridgeshire and Peterborough in their UK site options but should they be allocated a significantly higher grant of £499,000 then Peterborough would become the only UK site under consideration for the investment. The detail of the business investment proposal is in the confidential appendix 4 attached.

The business is investing in new production methods and a new manufacturing facility of energy storage batteries for several sectors. This would be new to the UK. This represents a fantastic opportunity for the creation of new high value R&D and manufacturing jobs in Peterborough and represents great value for money with a job ratio of £3.5k per job in the first year rising to less than £1k per job over 5 years - well above the hurdle rate of £6k per job. The business has formally confirmed to Gateley's that they would commit very quickly to a site in Peterborough if the grant of £500,000 was made available.

This recommendation is a request to raise the maximum grant amount for this application only based on the merits of the applicant's business proposal and this recommendation is not seeking to raise the maximum limit of the whole BGS capital grants scheme beyond the £150,000 limit as per the approved BGS Full Business Case.

## **2.2 Business Board Emergency Procedure and Mayoral Decision Notice**

On 18<sup>th</sup> October 2019 an LGF application was made to the Business Board and duly accepted. A copy was attached to the Business Board Urgency procedure documentation of 10<sup>th</sup> February 2021.

At its meeting on 30 September 2020 the Combined Authority Board approved the Full Business Case, conditional, among other things, upon the confirmation of EU funding. The officer report confirmed that contracting with the preferred delivery consortium would be delayed until that confirmation was received.

On Wednesday, 10<sup>th</sup> February 2021 a report was made to the Business Board, seeking a recommendation to the Mayor, to approve the project change request and proceed with the contract for the Business Growth Service, given that the loss of ERDF funding would reduce the scope of the Inward Investment service line. That report, and change request form, are attached to Appendices 1 and 2 respectively. The Business Board, through the urgency procedure, made that recommendation. As a result, the Mayor approved the recommendation via Mayoral Decision Notice (Appendix 3) and made the decision to remove the condition set out in the Full Business Case of having all the ERDF and ESF funding approved before the Business Growth service contract could be signed. This outcome allowed the Business Growth Service contract to be signed and the whole programme to commence delivery as of Monday, 15<sup>th</sup> February 2021.

## **2.3 Contractual and Financial Plan**

### **Allowance for Omission of Costs in the FBC Financial Tables**

Subsequent to approval of the Full Business Case, an oversight in the financial tables was identified relating to the omission of £1.5m of costs associated with the provision of grants, to be used to 50% fund local firms to purchase Business Growth Coaching. These grants were designed to "Nudge" smaller firms, where it is needed, to encourage them to take-up commercially available services from the private sector, which they would otherwise not normally use.

To correct this omission, and allow for the cost of these grants, the available funding to the contractor to deliver the wider Business Growth Service was reduced by an equivalent £1.5m. This in turn reduced the jobs outcomes forecast at FBC by 5.7% (365 jobs)

compared to the 6,326 forecast. The impact of this was negotiated with Gateley's and felt to be an immaterial change to the overall programme.

### **Allowance for Removal of the ERDF Funding Contribution into the Inward Investment Service Line**

The impact of reducing the inward investment service line by £1.96m, reduces the service line to £1,729,205 which is a reduction of 53%. This gives a commensurate reduction from 1,283 new jobs down to 600 new jobs as a result – refer to table 2 below.

### **Overall impact to the programme**

Reducing the overall programme by c.£3.5m required considerable commercial negotiations with Gateley's to ensure the impact on new jobs and apprenticeships was kept to an absolute minimum and they remained on-side. This meant discussions with Gateley's had to be focused on reducing and rebalancing the funding across service lines holistically, which resulted in some service lines reducing by less than others, or even increasing, to ensure value and maintain 5,278 new jobs and 1,400 apprenticeships refer to table 2.

## Financial table – income and expenditure

	FBC Board paper 30/09/20	Post Nudge Grant Rework 12/01/21	Post ERDF Non Agreement 05/02/21
<b>Income</b>			
LGF Equity Investment	£ 5,407,000	£ 5,407,000	£ 5,407,000
BEIS Growth Hub	£ 738,000	£ 738,000	£ 738,000
CA Skills Implementation	£ 150,000	£ 150,000	£ 150,000
CA LIS Implementation	£ 150,000	£ 150,000	£ 150,000
CA Contract with CEC	£ 240,000	£ 240,000	£ 240,000
CA Enterprise Zone Receipts	£ 927,000	£ 927,000	£ 927,000
ERDF Funding	£ 2,291,061	£ 2,063,673	£ -
ERDF Nudge Grants	£ 3,000,000	£ 3,000,000	£ 3,000,000
ESF Funding	£ 2,035,547	£ 2,035,547	£ 2,035,547
LGF Investment Fund (Capital & Revenue Combined)	£ 9,499,995	£ 11,543,000 **	£ 11,543,000
Business & Skills Funding	£ -	£ -	£ 267,000
<b>Total Income</b>	<b>£ 24,438,603</b>	<b>£ 26,254,220</b>	<b>£ 24,457,547</b>
<b>Expenditure</b>			
Staffing	£ 786,573	£ 866,136	£ 791,936
Administration (see tab for details)	£ 435,444	£ 336,218	£ 327,106
Capital Growth Fund Administration	£ 666,469	£ 770,000	£ 780,000
Capital Growth Grants	£ 8,450,000	£ 10,150,000 **	£ 10,270,000
Innovation & Relocation Grants	£ 394,611	£ 100,000	£ 93,000
Skills Brokerage Operational Budget	£ 2,822,314	£ 3,250,000	£ 3,308,569
Inward Investment Service Budget	£ 3,444,467	£ 3,650,000	£ 1,729,205
Growth Coaching Business Engagement Budget	£ 2,689,723	£ 2,729,179	£ 3,140,000
Prime contractor fees	£ 1,301,905	£ -	£ -
BGS Nudge Grants (matched SMEs)	£ -	£ 1,400,000	£ 1,000,000
ERDF Nudge Grants (matched SMEs)	£ 3,000,004	£ 3,000,000	£ 3,000,000
<b>Balance</b>	<b>£ 23,991,510</b>	<b>£ 26,251,533</b>	<b>£ 24,439,816</b>
<b>Balance at end of Project</b>	<b>£ 447,093.00</b>	<b>£ 2,687.00</b>	<b>£ 17,731.00</b>
<b>** As per November Business Board an additional £2.043m</b>			

**Table 1 – Financial movement summary**

The table above plots out the financial expenditure originally set out in the Full Business Case, then adjusted for the £1.5m omission, shown as 'Post Nudge Grant rework 12/01/21'. Then, to the current position where the £1.96m of ERDF funding has been removed from the inward investment service line (from both the income and expenditure) shown as 'Post ERDF non agreement 05/01/21'.

The prime contractor costs shown in the table above under the FBC on 30<sup>th</sup> Sept should have been apportioned across all the four service lines and this was reflected in further discussions on 12<sup>th</sup> Jan 21.

## Job Outcomes

Service Line	Full Business case 30th September 2020	BGS nudge grant 12th Jan 2021	Removal of ERDF inward investment 05th Feb 2021
Equity and grants investment service	1500	1455	1455
Growth Coaching	3498	3223	3223
Inward Investment	1328	1283	600
<b>Total new jobs</b>	<b>6326</b>	<b>5961</b>	<b>5278</b>
Skills Brokerage Apprenticeships	1600	1400	1400
<b>Total apprenticeships</b>	<b>1600</b>	<b>1400</b>	<b>1400</b>

**Table 2 – Job Outcomes**

Having adjusted the financial aspects of the programme, the table above plots the movement in jobs outcomes from the Full Business Case, then adjusting for £1.5m omission reducing jobs outcomes by 385 and then further adjusting for the removal of the ERDF funding for the inward investment service line, reducing jobs outcomes by a further 683.

### Next steps

A workshop will be set up to look at 'lessons learned' relating to the production and approval processes for Full Business Cases and how they might be improved to reduce or eradicate omissions and errors in the future, with a report back to Business Board in July 2021.

## Significant Implications

### 3. Financial Implications

- 3.1 Whilst there is no change to the funding sought from the Business Board, the changes to the project do reduce the overall outcomes achieved by the project, and thus reduce the efficiency of the Business Board's investment in terms of jobs per £ invested. As stated in the change request paper which preceded this report the project as a whole still achieves a satisfactory level of value for money.

## 4. Legal Implications

- 4.1 The contract with Gateley sets out the £150k limit on capital grants. A single departure to the capital grant maximum, for this application, by way agreement with Gateley does not present a risk to the CPCA and a formal process for agreement will be implemented.

## 5. Other Significant Implications

- 5.1 None

## 6. Appendices

- 6.1 Appendix 1 – Business Board Urgency Procedure
- 6.2 Appendix 2 – Project Change Request Form
- 6.3 Appendix 3 – Mayoral Decision Notice
- 6.4 Appendix 4 (Exempt) – Basic Information on Company and Potential Outcomes  
(*There is more information, although 0068 parties have had to sign NDAs*)





## Business Growth Service –Project change request

To: Business Board – Process for Urgent Decision Making

Date: 10 February 2021

Lead Member: Austen Adams, Chair of the Business Board

From: John T Hill Director of Business and Skills

Key decision: No

Forward Plan ref: **N/a**

Recommendations: The Business Board is invited to recommend the Mayor approve the project change request for the Business Growth Service

### 1. Purpose

- 1.1 At its meeting on 25 November 2019 the Business Board considered an application for funding on behalf of the Cambridgeshire and Peterborough Growth Service together with the Outline Business Case for the Growth Service. The application sought £5.4m of equity funding and £997k of enterprise zone receipts to fund Growth Coaching, Inward Investment and a Skills Service as well as £12m of capital grants to fund a connected SME grant and small equity scheme. The total cost of the project was estimated at £19.5m of revenue costs for the three services and £12m of Business Board Capital Growth Funds. The application confirmed that the balance of the revenue was to be provided from other sources including £7.2m of funding from the European Regional Development Fund and the European Social Fund. The Business Board recommended that the Combined Authority approve the Outline Business Case and the requested funds. At its meeting on 27 November 2019 the Combined Authority Board agreed these recommendations.
- 1.2 At its meeting on 30 September 2020 the Combined Authority Board approved the Full Business Case, conditional, among other things, upon the confirmation of EU funding. The officer report confirmed that contracting with the preferred delivery consortium would be delayed until that confirmation was received. To date the MHCLG have not confirmed approval of the £1.815m Inward Investment element of the ERDF funding. Given the delays in approval there is now a significant likelihood that approval will not be forthcoming for the ERDF inward investment funding. The purpose of this report is for the approval of the project change request, namely asking the Business Board whether it wishes to proceed with its investment into the Business Growth Service, given that any loss of ERDF funding would reduce the scope of the Business Growth Service.

## 2. Background

- 2.1 The issue for consideration is whether the Business Board wish to proceed with its investment of £5.4m of LFG equity, £9.5m of recycled growth funding, £997k of Enterprise Zone receipts and £2.0m of LGF grants, in advance of confirmation of whether the ERDF inward investment funding will be approved. This would involve agreeing to proceed on the assumption that the ERDF inward investment funding will not be forthcoming, and the project scope reduced accordingly.
- 2.2 Of the not yet confirmed ERDF funding £1,815,305 is for the inward investment service and £135,600 top sliced for part-funding 2 FTE Growth Co staff. Both these lines of funding would be lost if the bid were not to be approved.
- 2.5 The situation is urgent in that the Growth Service provider wishes to proceed to execute the main contracts for the Business Growth Service as soon as possible and requires certainty as to whether the ERDF inward investment funding is to be part of the contract. They are open to the option of the ERDF element of the inward investment funding being removed from the contractual documents at this time with the option of a change control process being used to add the funding back in to the contract if approval is ultimately forthcoming. This means removing c.£1.96m of funding for inward investment from the contract, leaving a reduced budget of c£1.66m for the inward investment service line.
- 2.6 While it is now considered highly likely that the ERDF inward investment funding in question will not be approved, this is not yet certain; if it is approved the Business Growth Service could scale up its inward investment service, back to the original specification.

## 3. Reason for Change

- 3.1 The Full Application for £1.9m of European Regional Development Fund (ERDF) to part-fund the BGS Inward Investment Service was submitted to MHCLG on 17<sup>th</sup> March 2020. From April 20 to August 20, the CPCA went out to market, to procure a delivery partner to deliver the Business Growth Service using a procurement process compliant with EU regulations. On 22<sup>nd</sup> September 2020 we were advised that the appraisal was complete but that MHCLG had decided to undertake a compliance review of the CPCA's procurement process for the Business Growth Service. During the SSQ (Standard Selection Questionnaire) stage of the process, one potential candidate encountered a technical issue with the procurement portal and was unable to submit their response by the deadline. The potential bidder raised the issue with the CPCA and the portal provider. In response the CPCA fully investigated the issue, took both internal and external legal advice, and allowed an extension so that the SSQ stage response could be submitted. To ensure a level playing field, the extension period was notified to all potential candidates. The CPCA provided a full set of procurement documents to MHCLG in September 2020 and have subsequently provided additional evidence on the specific technical issue at SSQ stage and its response. This has been backed up by internal and external legal advice.
- 3.2 MHCLG have raised a concern relating to the evidence that a technical fault occurred. The CPCA have now carried out a further investigation and provided them with a report and additional evidence of the sequence of events and the CPCA's response. This further response was submitted to MHCLG on 1<sup>st</sup> February 2021 and an urgent decision requested. MHCLG agree that the CPCA acted in good faith but have a concern that a future European Commission audit of the process may raise the issue again. The risk to

MHCLG is that the independent Audit Authority may take the view that the issue compromised the procurement process which would lead to identification of a financial irregularity and possible claw back of funds. This would negatively impact the MHCLG Programme error rate. The CPCA's position is that the strong evidence supplied mitigates this risk and provides the basis for satisfying any future audit process. A decision is awaited from MHCLG, but no deadline has been given for when the decision will be made.

3.3 The CPCA has considered the option of continuing to pause the project until the ERDF inward investment bid is formally rejected or accepted. This would add further delay to the commencement of the BGS service which was due to be launched in October 2020 and has been delayed since September 2020 due to this procurement issue.

3.4 Approval of the material change to the Business Growth Service project is being sought, to enable the Service to be commenced without the ERDF contribution to the inward investment service line funding. If the ERDF funding is subsequently approved then this could be reincorporated into the contract, following approval of a subsequent change request.

#### **4. Changes to the project.**

4.1 With no confirmation of the ERDF contribution to the inward investment service line, it is proposed that the forecast £1,950,905 of ERDF funding is removed from it, leaving £1,667,205 of non-EU funding for the inward investment service line. The commensurate changes to the inward investment outputs, are a reduction in new jobs from 1,283 to 600, a loss of 683 new jobs. Table 1 shows the cost effectiveness calculation across the whole project.

4.2 Despite, the reduction in job numbers, there is a good case that continuing to support the inward investment element of the Service would still be a good use of Business Board funding, as it will create an excellent inward investment service to attract firms across the world and the UK to relocate into our economy and better connected into overseas investor networks to promote our strategic investments in transport infrastructure and higher education.

4.3 For the first year of the three-year service, the contractor will target foreign and national relocating firms, as well as regional firms. These businesses are currently adapting to greater remote working and downsizing their premises requirements (in both terms of space and costs). This possibly permanent shift to more remote working, will create a large population of firms in transit, between premises and potentially towns and cities. These will include high potential firms, that we should engage and build tailored packages of support to overcome barriers to growth. The service will operate a tiered model to attract regional relocations into The Fens, national relocations into Greater Peterborough and global relocations into Greater Cambridge. Key specialist staff from the contractor, will bring both private and public sector experience with over 10-years' experience each covering the UKs largest inward investment markets of Americas, Asia Pacific and Europe.

4.4 The proposed Inward Investment Service within the wider BGS Service, will create the central role of coordinating Inward Investment support across the CPCA area. Pragmatic improvements will substantially improve CPCA impacts on growth, including the

attraction into our economy of high potential overseas companies as set-ups, as well as overseas investors to drive forward our start-ups and scale-ups.

4.5 With a cost reduction of 53% in the inward investment service line, the key features of the reduced service will still include:

- Targeting: A strategy for which type of investment is most desirable for the CPCA area (sectors; business, functions, company culture) and targeted outreach programmes to actively approach target companies
- Lead Generation: Prospecting of high potential inward investment opportunities both existing companies invested into UK (but not necessarily in CPCA area), Global Growth companies seeking to open up the UK market to their services and entrepreneurial scale-ups.
- A digital portal to provide efficiency, insight and data capture for the service.
- Sector Specialisms: Positioning a team of Inward Investment Specialists as trusted and impartial experts with a remit to help companies consider CPCA area for their location of UK investment, identify and develop packages of advice, direct support and solutions to land the companies investment and better realise their full growth potential.
- Strategic Account Management: Expert Account Managers with over 10 years expertise in FDI to invest more time with existing company investors with a presence in CPCA and also those already in UK/London with no presence in CPCA, understanding needs, encouraging, informing & connecting firms to sources of commercial advice and support to secure the investment. Developing longer-term relationships with the strategic target companies with whom the CPCA would want to see investing in the area.
- Place Offer: Leveraging the private sector advisory market much more effectively through Place based Specialists, like the Cambridge & able to deliver deeper, broader and bespoke Inward Investment support services to each individual firm.
- Excellent Client handling: A sales process to capture and nurture all leads, building links to multiple individuals in target companies and managing them through evaluation and decision phases to investment commitment with a follow-up facilitation service to help companies install and get connected quickly.

4.6 Cost effectiveness

- Table 1 below, shows the jobs outcomes per £ invested by the Business Board of the Business Growth Service project at various stages in its development. The project was originally approved in November 2019 based on the Outline Business Case, A procurement was undertaken, and there was a net reduction of £0.5m of capital grants approved by the Business Board across two decisions, which results in the post-procurement figures in the table.
- The table shows that, while the average cost per job of the project without the ERDF is higher than what was projected when the project was approved, based on the Outline Business Case, the revised project is still significantly more cost effective for jobs outcomes

than the average local LGF project, and well above the hurdle rate of £5k per job set in the 2019 prospectus.

	Jobs forecast	Total BB funds (£)	£ per job
<b>Approved in Outline Business Case</b>	5,890	18,404,000	3,125
<b>Post-Procurement with ERDF</b>	5,961	17,947,000	3,011
<b>Post-Procurement without ERDF*</b>	5,278	17,947,000	3,400

#### Comparators

Overall LGF project average	24,143	136,669,484	5,661
LGF average excl. transport, enabling and health projects	15,181	71,477,036	4,708
Benchmark per 2019 prospectus	1	5,000	5,000

\*this represents the project as-of February 2021.

Table 1 – Cost effectiveness calculation at stages throughout the Business Growth Service development and comparators

## Significant Implications

### 5.0 Financial Implications

- 5.1 The options for the Business Board are to either approve or reject the project change. Rejection would release all the funds currently allocated to the project to be reallocated to other endeavours. In total this would release £7.45m of Local Growth Funds, £9.5m of recycled growth funding and £997k of Enterprise Zone receipts.
- 5.3 Approving the change request does not have any direct financial implications for the Business Board, as the funding requested has not changed. The comparison in Table 1 shows that the project still provides sufficient value for money in terms of the jobs outputs forecast and the strategic fit of the project is unchanged.
- 5.3 Rejecting the revised project would significantly impact the deliverables that could be badged against the LGF programme in the short term, which may have a detrimental impact on BEIS' view of the performance of the Business Board. That said, our current understanding is that this would not have a direct impact on any current funding in terms of claw-back so does not present a financial risk, and public funding should be used in the most effective way, not the most expedient.

### 6. Legal Implications

#### 6.1 None

#### 5.

#### 6. Appendices

Exempt Appendix removed

### 7. Background Papers

#### 7.1 [Meeting papers for Business Board 25 November 2019](#)



## Project Change Request Form

This document should be used to seek approval to change one or more of the agreed parameters of the project e.g. budget, deadlines.

It can also be used for changes that have already happened or that are already within planned work that will mean the project falls outside of the agreed tolerances ("slippage"). For example, if additional or reduced finances is required, a change request should be completed.

The Change Request will be considered in line with the agreed parameters and delegations and may need to be referred to the Combined Authority Board, depending on the level of change being requested. The change should not be implemented until Project Board/CPCA approval is obtained.

Please ensure a copy Project Change Request form is saved down in the project folder on SharePoint and that changes are recorded on the project highlight reports.

Details of change request	
<b>Project Name</b>	<b>Date of change request</b>
Business Growth Service	09 February 2021
<b>Project Manager</b>	<b>Project Director</b>
Alan Downton, Interim Programme Manager	John T Hill Director of Business & Skills
<b>Background</b>	
<p>The issue for consideration is whether the Business Board wish to proceed with its investment of £5.4m of LFG equity, £9.5m of recycled growth funding, £997kof Enterprise Zone receipts and £2.0m of LGF grants, in advance of confirmation of whether the ERDF inward investment funding will be approved. This would involve agreeing to proceed on the assumption that the ERDF inward investment funding will not be forthcoming, and the project scope reduced accordingly.</p> <p>Of the not yet confirmed ERDF funding £1,815,305 is for the inward investment service and £135,600 top sliced for part-funding 2 FTE Growth Co staff. Both these lines of funding would be lost if the funding were not to be approved.</p> <p>The situation is urgent in that the Growth Service provider wishes to proceed to execute the main contracts for the Business Growth Service as soon as possible and requires certainty as to whether the ERDF inward investment funding is to be part of the contract. They are open to the option of the ERDF element of the inward investment funding being removed from the contractual documents at this time with the option of a change control process being used to add the funding back in to the contract if approval is ultimately forthcoming.</p> <p>This would mean reducing the inward investment workstream budget from c.£4m to c£1.66m.</p> <p>While it is now considered highly likely that the ERDF inward investment funding in question will not be approved, this is not yet certain; if it is successful the Business Growth Service will scale up its inward investment service to the original specification.</p>	
<b>Reason for change</b>	
<p>The Full Application for £1.9m of European Regional Development Fund (ERDF) to part-fund the BGS Inward Investment Service was submitted to MHCLG on 17<sup>th</sup> March 2020. From April 20 to August 20, the CPCA went out to market to procure a delivery partner to deliver the Business Growth Service and this went through the OJEU process. The proposal underwent an appraisal as</p>	



part of MHCLG's usual compliance process. On 22<sup>nd</sup> September 2020 we were advised that the appraisal was complete but that MHCLG had decided to undertake a compliance review of the CPCA's procurement process for the Business Growth Service. During the SSQ (Standard Selection Questionnaire) stage of the process, one potential candidate encountered a technical issue with the procurement portal and were unable to submit their response by the deadline. The potential bidder raised the issue with the CPCA and the portal provider. In response the CPCA fully investigated the issue, took both internal and external legal advice, and allowed an extension so that the SSQ stage response could be submitted. To ensure a level playing field, the extension period was notified to all potential candidates. The CPCA provided a full set of procurement documents to MHCLG in September 2020 and have subsequently provided additional evidence on the specific technical issue at SQ stage and our response. This has been backed up by internal and external legal advice.

MHCLG have raised a concern relating to the evidence that a technical fault occurred. The CPCA have now carried out a further investigation and provided them with a report and additional evidence of the sequence of events and the CPCA's response. This further response was submitted to MHCLG on 1<sup>st</sup> February 2021 and an urgent decision requested. MHCLG agree that the CPCA acted in good faith but have a concern that a future audit of the process may raise the issue again. The risk to MHCLG is that the independent Audit Authority may take the view that the issue compromised the procurement process which would lead to identification of a financial irregularity and possible claw back of funds. This would contribute the Programme error rate. The CPCA's position is that the strong evidence supplied mitigates this risk and provides the basis for satisfying any future audit process. A decision is awaited from MHCLG, but no deadline has been given for when the decision will be made.

The CPCA has considered the option of continuing to pause the project until the ERDF inward investment bid is formally rejected or accepted. This would add further delay to the commencement of the BGS service which was due to be launched in October 2020 and has been delayed since September 2020 due to the procurement issue.

The CPCA is considering its options for addressing the potential shortfall in ERDF funding, but none are available at the present time.

All agreed changes to scope, outcomes and financial parameters will be recorded in the CPCA's PMO function

#### **Other options considered**

##### **The pre-condition is applied and the contract for delivery of the Service is delayed until confirmation of ERDF inward investment funding.**

This is not a viable option, as no deadline has been provided for confirmation or refusal of the ERDF funding. This would result in additional delay to the delivery of the Service which was due to be launched in October 2020.

##### **Withdraw the Business Growth Service**

Withdrawing the Business Growth Service would significantly impact the CPCA's ability to deliver against it's Local Industrial Strategy and would result in the loss of two other EU grants and significant leveraged private sector funding for investment and business coaching in the Combined Authority area.

#### **Costs of implementing the change**

Approving the change request does not have any direct financial implications for the Business Board, as the funding requested has not changed, however the cost effectiveness of the Business





Board's investment will be reduced due to the inward investment activities being reduced in line with a smaller overall budget.

The expected result is a reduction of 683 in the number of jobs forecast to be achieved by the inward investment service, this is 58% of the total jobs forecast for this area of the project and reduced the overall jobs outcome from 5,961 to 5,278.

#### **Risk of implementing the change**

There are no specific risks associated with implementing the change, rather this would mitigate risks associated with continued delay to the mobilisation of the project. In particular it would allow for delivery to begin, reducing the risk of other time-limited grant funds not being fully spent.

#### **Decisions/approval for change**

##### **Business Board decision**

Name of Director:	
Decision:	
Date of Decision:	





## OFFICER DECISION NOTICE (ODN)/MAYORAL DECISION NOTICE (MDN) FORM

1. Officer Decision or Mayoral Decision No.	MDN 29-2020
2. Decision Title	Business Growth Service –Waiver of pre-condition for the execution of Business Growth Service Contract and approval, on behalf of the Combined Authority as accountable body, of the project change request for the Business Growth Service agreed by the Business Board
3. Name of Officer/Mayor making the decision	Mayor James Palmer
4. Date of decision	12/02/2021
5. Responsible Director, if applicable. Please leave blank if this is a decision to be made by the Mayor.	John T Hill Director of Business and Skills
6. Form author and contact details:	Alan Downton Interim <a href="mailto:alan.downton@cambridgeshirepeterborough-ca.gov.uk">alan.downton@cambridgeshirepeterborough-ca.gov.uk</a>
7. Does your form include exempt or confidential information?	No .
8. Is it a key decision?	No
<b>9. KEY DECISIONS ONLY</b>	<b>N/A</b>
Insert forward plan ref number	N/A



Date of decision	<input type="text" value="N/A"/>
Date report published on the website	<input type="text" value="N/A"/>
Implementation Date	<input type="text" value="Click or tap to enter a date."/>
Does the report have an annex that contains exempt information?	<input type="text" value="No"/>

<p>10. Description of decision/proposal</p> <p><b>Please consult with Legal prior to completing this section.</b></p>	<p>Business Growth Service</p> <p>When the Combined Authority Board approved the Full Business Case for the Business Growth Service at its meeting on 30 September 2020 it did so subject to pre-conditions. One precondition was confirmation of EU funding, via the European Regional Development Fund and European Social Fund of £7.237m, before completing the contract for delivery of the Service. The current position is that £1.815m of ERDF funding for the inward investment element of the Service has not yet been approved by MHCLG and continuing delays in approval suggest that approval is not likely to be forthcoming.</p> <p>The proposed decision is to waive the precondition relating to ERDF funding of inward investment and to proceed with the contractual arrangements for the Service in advance of the MHCLG decision on confirmation. This will involve removing the ERDF inward investment funding from the contract with the service provider. Should the funding subsequently be confirmed the intention is to add the funding back into the contract via a change notice procedure.</p> <p>The Business Board approved £5.4m of Local Growth Fund equity funding for the Service, including £1.66m funding for the inward investment element. The Business Board in an Emergency Procedure 10 February 2021 have considered whether to agree a project change request for the Business Growth Service to enable it to continue with the LGF funding for inward investment given the uncertainty about the matching ERDF funding for inward investment. The Business Board have agreed to the project change request so that the Business Growth Service can continue with the LGF funding of £1.66m whether or not the ERDF funding is forthcoming.</p>
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<p>11. Authorisation</p> <p><b>Please consult with Legal prior to completing this section.</b></p>	<p><b>This decision has been taken under:</b></p> <p>1.5. The Mayor may exercise a general power of competence (section 1 Localism Act 2011) to do anything that the Combined Authority may do</p> <p>1.5.1. Where the general power of competence: (a) involves the transfer of property, rights or liabilities of the Combined Authority to or from the Constituent Councils, or (b) is used to prepare and publish a statement setting out a strategy for spatial development in the Combined Authority area, the Mayor must secure the unanimous consent of all Members of the Combined Authority, or Substitute Members acting in their place.</p> <p>1.5.2 The Mayor may otherwise individually exercise a general power of competence to do anything that the Combined Authority may do subject to the restrictions which apply to the exercise of that power and after having due regard to advice from the Monitoring Officer and Chief Finance Officers.</p> <p>And the Mayor has had due regard to the advice he has received from the Monitoring Officer and the Deputy Section 73 Officer on the exercise of the general power.</p> <p><a href="#">Click or tap here to enter text.</a></p>
<p>12. Background Information</p>	<p>See section 10 above.</p> <p>There is an urgent need to sign the contract for the Service as soon as possible.</p> <p>The service provider has made it clear that they require contractual certainty as to whether the ERDF Inward Investment funding is to be included in the contract for the Service or not. The mechanism for proceeding to execute the contract in advance of MHCLG approval of the ERDF inward investment funding would be to remove reference to the ERDF inward investment financial element of c.£1.96m, from the contract between the Growth Company and the service provider. This would leave c£1.66m of Local Growth Fund funding for inward investment in the contract. The loss of the</p>



	<p>ERDF funding would also result in the additional loss of c£136k of ERDF funding for staffing in the Growth Company.</p> <p>Some of the significant negative implications of further delay in the execution of the contract for the delivery of the business growth service are;</p> <ol style="list-style-type: none"><li>1. CPCA's original intention was for the duration of the BGS Contract to be for three (3) years but instead it will now terminate for operational and commercial reasons on 31<sup>st</sup> December 2023.</li><li>2. With the huge impact of COVID 19, the operational imperative is to launch the Service as soon as practicable.</li><li>3. Of the overall Contract value of £26M the sum of c.£2.3M is funded directly by CPCA and must be allocated to businesses by 31<sup>st</sup> March 2021 (the end of the Financial Year 2020-2021)</li><li>4. A further delay to signing the contract for delivery of the service may be accompanied by a risk that the service provider might decline to execute the contract.</li></ol> <p>The removal of the ERDF inward investment funding will reduce the inward investment service line down to £1,667,205 of Local Growth Fund funding. It will also have an impact on the job outcomes in the contract for Inward investment, reducing them from 1283 to 600. But, by proceeding immediately with completion of the contract the consequences of further delay in delivering the Service can be avoided. The reduction in job outcomes would only be permanent if the MHCLG confirmation were to not be forthcoming.</p> <p>Should this decision be approved then the next step would be for the Growth Company and the service provider to complete the contractual documentation for delivery of the Service on Friday, 12<sup>th</sup> February 2021 with a service commencement date of Monday, 15<sup>th</sup> February 2021.</p> <p>The CPCA is considering its options for addressing the potential shortfall in ERDF funding, but none are available at the present time.</p>
13. Alternative options considered.	<p><b>List alternative options considered and rejected including the reason for rejection.</b></p> <ol style="list-style-type: none"><li>1. <b><u>The pre-condition is applied and the contract for delivery of the Service is delayed until confirmation of ERDF inward investment funding.</u></b></li></ol> <p>This is not a viable option, as no deadline has been provided for confirmation or refusal of the ERDF funding. This would result in additional delay to the delivery of the Service which was due to be launched in October 2020.</p>



	<p><b>2. <u>The pre-condition is waived and the contract for delivery of the Service is completed in advance of confirmation of ERDF inward investment funding from MHCLG. This would remove £1.96m of funding from the contract.</u></b></p> <p>As above this would enable the Service to commence on Monday 15<sup>th</sup> February 2021. If confirmation of ERDF inward investment funding were subsequently received, then a change control process would be used to add the funding back into the contract for delivery of the Service.</p>	
14. Financial Implications	There is net nil financial impact to CPCA as below at section 15.	
15. Comments from finance team	<p>The loss of one element of the ERDF grant has no material effect on the CPCA's finances as the funding will neither be received, nor paid out.</p> <p>However, the reduction in the scope of the project will reduce the cost effectiveness of the CPCA's investment into the project as a whole.</p>	
16. Comments from legal team	Legal comments are contained within the body of this report.	
17. Consultation  <b>Please retain emails to show the relevant officers have approved the decision/proposal.</b>		<i>Please insert the name of consultee and date of written approval or insert N/A</i>
	Chief Executive	Kim Sawyer 9/2/21 Choose an item.
	Responsible Director/Chief Officer	John T Hill 9/2/21 Choose an item.
	Deputy Senior Officer	Robert Emery 10/2/21



	<i>Monitoring Officer</i>	<i>Robert Parkin 12/2/21</i>
	<i>Lawyer</i>	<i>Rochelle Tapping 11/2/21</i>
18. Declarations/Conflicts of Interests (only if the decision falls under the 'Express authorisation' category)	Click or tap here to enter text.	



19. Supporting documentation - please include any relevant reports	<p>Click or tap here to enter text.</p> <p><b><i>NOTE - all of this information must be retained for public inspection for a period of at least 4 years – there is no provision for the release of exempt/confidential information).</i></b></p>	
20. Officer/Mayor signature	<p>Signature:</p> <p>Name: Click or tap here to enter text.</p>	<p><b>Date</b></p> <p>Click or tap to enter a date.</p>
<p><b>21. Please send the completed, signed form to Sue Hall. The Decision will be recorded on the Decision Notice Register and published on the website.</b></p>		





## Local Economic Recovery Strategy (LERS) – Updated Refresh

To: Skills Committee

Meeting Date: 15 March 2021

Public report: Yes

Lead Member: Cllr John Holdich, Chair of the Skills Committee

From: Director for Business & Skills, John T Hill

Key decision: No

Recommendations: The Skills Committee is recommended to:

Note the updated version of the Local Economic Recovery Strategy for Cambridgeshire & Peterborough.

Voting arrangements: A simple majority of all Members

## 1. Purpose

- 1.1 The first iteration of the CPCA's Local Economic Recovery Strategy (LERS) was approved by the Combined Authority Board in September 2020. This followed on from discussions by the Combined Authority Board, Skills Committee, and Business Board that the LERS should be a live document.
- 1.2 The first iteration was further updated to reflect the evolving impact of the economic shock and the further national and global restrictions that are being imposed, and to help prioritise the rollout of interventions. The second iteration was approved by the Combined Authority Board in November 2020.
- 1.2 This latest, third version of the LERS (attached at Appendix 1) is now presented to the Boards for approval following further updates to reflect new and emerging impacts of COVID-19. To ensure the LERS reflects local recovery priorities, the strategy has been further developed with Local Authority officers and local business organisation representatives through the Local Economic Recovery Sub-Group (ERSG). It has also undergone review and development through workshops held with the ERSG, Business Board and the Employment & Skills Board during February 2021.

## 2. Background

- 2.1 In early 2020 Government asked Combined Authorities to develop recovery strategies, focussed on getting people back to work, into jobs that are skilled and sustainable, and into sectors that are projected to grow. The ERSG was formed to respond to the Economic and Business Impacts of COVID-19 and to support economic recovery planning.
- 2.2 The ERSG brought together economic, policy and business expertise to co-create a LERS for Cambridgeshire & Peterborough in September 2020. At that time, it was widely accepted that the LERS would be a live document which would be adapted to respond when new impacts on the local Economy and Business emerge and become clearer. The strategy was then subsequently updated in November 2020, based on further and more in-depth impact analysis.
- 2.3 The November 2020 LERS prioritised interventions taking into consideration their positive impact, cost and funding availability. It focussed on the immediate initiation and delivery of fully funded interventions that had maximum, immediate impact on both businesses and people, whilst contributing to laying the foundations for longer term recovery and future growth. It also identified several projects where further consideration of funding, deliverability and impact would be needed.

## 3. New and emerging strategic context

- 3.1 The context of the LERS in March 2021 is very different now to in the Autumn of 2020, when the previous version was drafted. These changes were based on issues including:

- **The winter COVID-19 spike affected the CPCA area more than previous outbreaks.** COVID-19 cases reached a new peak at the start of January and have since gradually started to decline, matching the national picture.
- **The January national lockdown had more of an impact on movement in the CPCA area than the November restrictions.** More businesses are showing signs of distress, with increased numbers reporting lower cash reserves and reduced profitability, while commercial property vacancy rates are increasing.
- **The extension of the employment support schemes has continued to act as an effective break on increasing unemployment.** Universal credit claims continue to rise month on month (67,000 in December) but vacancies have rebounded after a decline in November, with 10,500 online job postings in December.
- **The impact on many businesses and households, as they focus on managing the impacts of a longer than anticipated economic downturn.** Whilst the Bank of England's latest forecast is for a strong and rapid economic recovery as vaccination levels rise and we get into late Spring and Summer, the economy contracted again in November following earlier recovery and is likely to have performed weakly in January through to February.
- **The 2020 Brexit deal has brought in new trade rules** which are focussing business attention on supply chains and managing new regulatory requirements.
- **A range of surveys show that most businesses plan to accelerate their adoption of new technology.** Consumer preferences have also changed, with an accelerated shift to online / delivery shopping and digital services. This will create new opportunities but also displace roles. Young people and women are particularly likely to be in at-risk roles.
- **The Government's shift away from local to nationally administered and awarded support programmes,** such as the Levelling Up Fund, Shared Prosperity Fund, into which the CPCA, Local Authorities and businesses will need to make the best possible case, to secure resources in a nationally competitive funding environment.

3.2 Our recovery strategy therefore needs to continue to evolve to reflect the economic impacts of the pandemic and now includes:

- New response actions and support schemes that Local Authorities have put in place, both with Government and unilaterally, since November 2020.
- The need for renewed support for reopening as restrictions are lifted.
- Clearer objectives for each phase – e.g. continuing to protect jobs and viable businesses whilst also supporting investment in future skills and retraining.
- Building the case for future support from Government, including through the Levelling-Up Fund and Shared Prosperity Fund, by being clear about how the three different parts

of the CPCA economy are priorities for levelling up, overall UK growth and recovery and zero carbon transition.

## 4. Next steps and future iterations of the LERS

- 4.1 The CPCA will continue to work with Local Authorities, GCP and other partners to further develop this iteration of the LERS, whilst continuing to deliver on those interventions already agreed and to ensure that the implementation of this iteration of the LERS meets longer term recovery requirements alongside the ongoing economic response needs.

## 5. Financial Implications

- 5.1 The LERS includes a broad range of interventions (explained in Appendix 2 (Appendix 1 of the LERS)) each of which have financial implications; however, these interventions are approved individually by the relevant authority outside of the strategy as a whole, thus there are no direct financial implications to this report.

## 6. Legal Implications

- 6.1 None

## 7. Other Significant Implications

- 7.1 None

## 8. Appendices

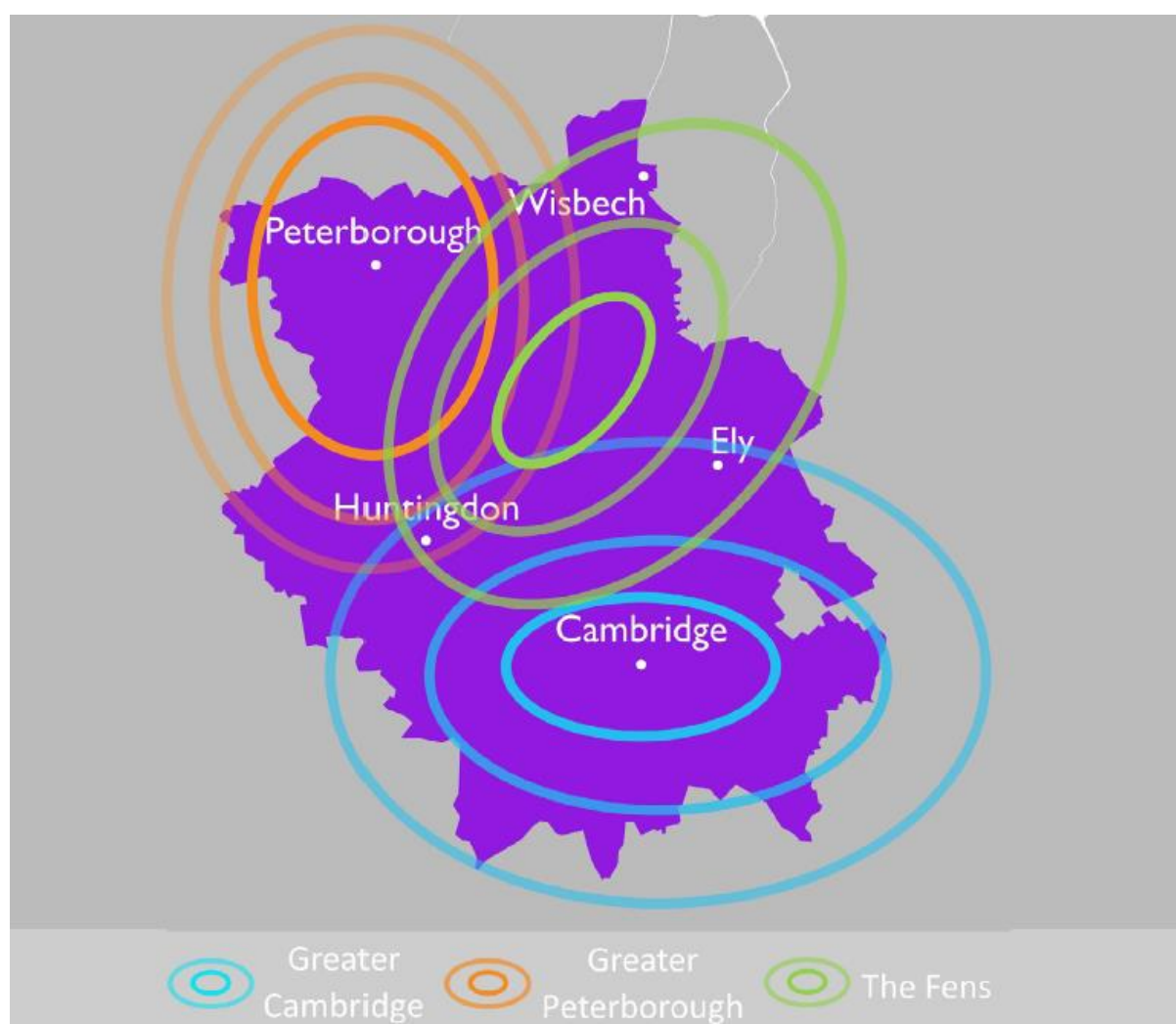
- 8.1 Appendix 1 – Local Economic Recovery Strategy (LERS) – Draft March 2021 Update
- 8.2 Appendix 2 – Interventions Explained (Appendix 1 to LERS)

## 9. Background Papers

- 9.1 'Covid-19 Economic Recovery Strategy Update' – [Agenda Item No. 6.3, Combined Authority Board Meeting – 30<sup>th</sup> September 2020](#)
- 9.2 'Covid-19 Local Economic Recovery Strategy – Business Board (November 2020)' – [Agenda Item No. 3.2, Combined Authority Board Meeting – 10<sup>th</sup> November 2020](#)

## **Cambridgeshire & Peterborough** **Local Economic Recovery Strategy (LERS)**

**March 2021 Update**



*The three interconnected economies of Cambridgeshire and Peterborough*

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## EXECUTIVE SUMMARY

**Our goal is to make a leading contribution to the UK's recovery from the Covid-19 pandemic and to its future success, accelerating the recovery, rebound and renewal of our economy and achieving our ambition to double GVA by 2042 in a digitally enabled, greener, healthier and more inclusive way.**

### **Why our economy matters**

Cambridgeshire and Peterborough is core to the UK's future growth, competitiveness and zero-carbon transition. We are a major economic engine of the national economy and the Oxford to Cambridge Arc and in normal times a net contributor to the public finances of the UK.

Our Independent Economic Review (2018) identified three, interdependent sub-economies across our geography. Each has distinctive strengths and challenges, but the global competitiveness of our area depends on the future success of all.

In the South, Greater Cambridge is a global centre for life sciences, technology, AI and advanced manufacturing. It hosts some of the best-known names in those fields, along with world-renowned research institutes and laboratories. It generates more patents than the next three cities in the UK combined<sup>1</sup>. In the north, Peterborough is a fast-growing hub of green engineering and manufacturing, part of the supply chains of the Midlands and the energy and agri-food sectors of the East of England. It too performs strongly in innovation, ranking 13<sup>th</sup> among UK cities for patents registered per capita. And linking them together is The Fens, which reinforces the global potential of our economy with a world-leading agri-tech sector and innovative micro businesses, alongside the most productive agricultural land in the UK. The Enterprise Zone at Alconbury, Huntingdonshire, is a focus for growth in our economy and the towns and villages of the Fens are also home to many who work in Cambridge and Peterborough.

### **Covid-19 Impact and Response**

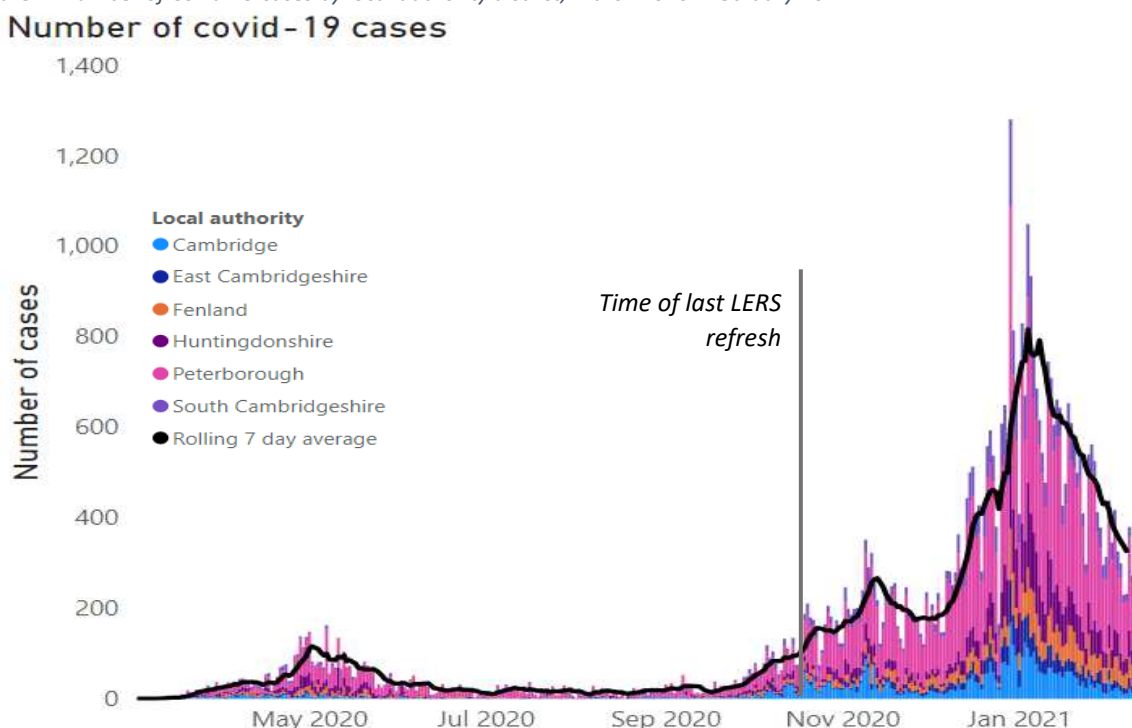
With the rest of the world, since March 2020 residents and businesses across our economy have had to manage the unprecedented restrictions to business and movement introduced to manage the threat to public health from Covid-19.

The health impacts of the winter 2020 Covid-19 spike were particularly severe across the Cambridgeshire & Peterborough, with case numbers peaking in early January 2021.

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<sup>1</sup> <https://www.centreforcities.org/city-monitor/?path=table&themes=business-dynamics,productivity,industrial-structure>

Figure 1: Number of Covid-19 cases by local authority district, March 2020 - February 2021



Source: Metro Dynamics Dashboard, data up to 16<sup>th</sup> February. Cases in the last few days should be disregarded due to reporting delays

Alongside the impacts on individuals of the virus itself, the economic impacts on our population have been severe and concentrated on the most vulnerable. The evidence suggests that people in Cambridgeshire and Peterborough have been harder hit than elsewhere. Whilst the Government's extensive employment support schemes have protected jobs, Universal credit claims increased by a further 2.7% in December, with an overall increase across Cambridgeshire & Peterborough from March 2020 of 117.6% compared to 96% across the UK. Our young people have been most effected, with the claimant count rising by more than 115% for 18-29 year olds between January 2020 - 21. Women and older people are also more at risk, particularly to longer term loss of roles in the service sector due to further automation and retail decline.

**INSERT SENTENCE ON SECTOR DATA WHEN ANNUAL NUMBERS ARE AVAILABLE DURING MARCH**

Businesses based here, such as AstraZeneca, have been at the forefront of the national and international fight against the disease, through uncovering new medical treatments and equipment to developing and testing vaccines. Across the wider business population many more adopted new technology and approaches to maintain and improve productivity and resilience. Data from the State of Small Business Britain 2020 (ERC) suggests that most SMEs now see introducing new processes and digital technologies as higher priority because of the pandemic.

The Trade and Cooperation Agreement reached between the UK Government and European Union in December 2020 has further changed the business landscape in

terms of trade, supply chains and the labour market. Businesses will need to continue to adapt as the UK and EU economy reopens.

### **Strong Recovery Potential**

We have the right mix of innovation, knowledge and assets to recover quickly. But the right interventions must be in place to ensure this. Before the pandemic, the Cambridgeshire & Peterborough economy had been growing faster than the UK since the 2008/09 recession. Cambridge in particular recovered the economic value lost during the 2008/09 recession much faster than other areas, with further very strong growth in South Cambridgeshire and Peterborough from 2015/16 onwards. The circumstances of the post Covid-19, post-Brexit era are different to the aftermath of 2008/09. There are new opportunities for growth. For example, demand for laboratory space in Cambridge is at a five-year high<sup>2</sup>, but the economic potential of this will only be realised with new facilities.

We set an ambitious, achievable, goal of doubling GVA by 2042 whilst leading the transition to a zero-carbon economy<sup>3</sup>. Making sure that our places and communities do more than just recover is therefore a national as well as local imperative. Pre-Covid-19 growth was led by the four priority sectors identified in our Local Industrial Strategy: **Life Sciences, Digital and AI, Advanced Manufacturing and Materials and Agri-Tech**. All these sectors are central to the UK's strategy of building back a better, greener economy post Covid-19, and all forecast strong future global growth. This strategy sets out the interventions we need to regain this leading growth trajectory as quickly as possible.

At the same time, the sectors that have been hardest hit are also those that provide most of our jobs and are having to adapt fast to trends in consumer habits, market structure and technology. These include **Retail, Hospitality and Leisure, Health and Care, Education, Construction, Transport and wider manufacturing**. For example, prior to the pandemic, 50% of UK internet retail sales were tied to visits to brick-and-mortar shops through 'click and collect' and in-store ordering. Restrictions on movement have lessened this dependency as the share of online in retail grew from 20% by value in January 2020 to 36% by January 2021<sup>4</sup>.

Our recovery plan recognises that, for all of our communities to benefit, we must connect them to the opportunities of the post-pandemic age, such as changing patterns of work; new business models and markets; new job openings. It takes a wider view than our Local Industrial Strategy, including wider support for business and people needing to adapt, innovate and develop new skills as the whole economy moves to a greener, different future. But it also addresses the serious labour market impacts of this crisis and the new hardships many across our area now face.

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<sup>2</sup> NEED REF FROM CAMBRIDGE AHEAD

<sup>3</sup> Cambridgeshire and Peterborough Independent Economic Review (2018)

<sup>4</sup> CACI (2019); ONS Retail Sales data (February 2021)

## Recovery Phases and Objectives

In common with many major economies in the UK and globally we have identified three phases of action, based on the evolving impacts of the public health response. The timing of each will overlap and alter depending on the course of the pandemic. We have agreed our overall mission for each phase and set clear objectives against which we have prioritised interventions. These are summarised in figure 1 below:

The **Response** phase will last well into 2021. Our mission in this phase is to help people and businesses manage the impact of the pandemic, and to adapt to both temporary changes and emerging new norms in employment, sectors and markets. Our objectives include minimising redundancies and viable business closures and ensuring high quality advice and immediate support is available for people and businesses, through delivering Government and locally designed and funded schemes. Businesses will be supported in understanding where and how staff can be tested and how to operate in a Covid-19 safe way.

The **Recover and Rebound** phase is likely to begin with reopening of the economy in 2021 and accelerate through 2022/23. **Renewal and Future Growth** will follow from 2023 onward. Our missions for these phases are to:

- Help people at risk of unemployment by accelerating retraining and upskilling
- Build back faster by accelerating start-ups, scale ups and set ups
- Build back better and greener by accelerating hi-tech jobs and cluster growth, focussing on green, digital and net zero technologies.

We have set objectives for each of these missions and phases, including reopening our retail, tourism and hospitality businesses and increasing footfall in repurposed town and city centres; revitalising FE and HE provision for new ways of learning. As we look to the renewal phase our objectives include building Peterborough as a leading centre for net zero tech and advanced manufacturing and consolidating Greater Cambridge as a global centre for science and technology.

## Interventions and Investment

This strategy sets out the interventions and investment we are taking now and the investment and interventions we will need in the future. In our response phase Local Authorities have led the delivery of a wide range of Government and locally funded support and grants for businesses and individuals effected. Together, we have also established new business coaching and investment programmes, reinforced our inward investment service to new employers, upskilled volunteers to help people made unemployed through local job clubs, continued to deliver major transport investment and put in place a new start up and entrepreneur support programme

In the recovery and rebound phase, for example, we will invest in repurposing and regeneration plans for 11 Market Towns; major affordable housing and transport infrastructure in Greater Cambridge, new learning for displaced employees or people having to adapt to new technology in their existing or new careers. We will invest in a new Green Skills FE centre in Peterborough and new Construction Skills centres in Hunts and Wisbech.

## **Funding**

This strategy builds on the Ox-Cam Arc Economic Prospectus, and the CPCA submission to the postponed 2020 Spending Review, which set out the major strategic investments needed to underpin our leading contribution to the UK's zero carbon future.

Local Authorities and the CA are using existing funding alongside central Government support to deliver the interventions that are already in place or confirmed. Our Future High Streets Fund (FHSF) and Town's Fund schemes are also core to delivering recovery and renewal. Looking ahead, this strategy also shows how Levelling Up, Shared Prosperity Fund and FE Capital Transformation Fund investment, alongside a potential growth deal for the OxCam Arc is needed to deliver renewal and transition in Cambridgeshire & Peterborough.

## OUR APPROACH - WORKING TOGETHER FOR RENEWAL

The immediate response to Covid-19 has involved partners across Cambridgeshire & Peterborough working collaboratively and with huge determination to help residents and businesses. We are now all taking this same spirit of joint effort and endeavour into our recovery and renewal work, working together to monitor impact and update our economic recovery plans as the situation develops. This is a living document that will evolve with the progress of the pandemic. It has been co-created and maintained by the Covid-19 Local Economic Recovery Sub-Group, comprising Local Authorities and representatives of all major local business organisations. Strategy development has also involved a sub-group of the CPCA's Business Board and the CPCA Employment and Skills Board. See [\[link\]](#) for full list of organisations that contributed to the LERS and its ongoing development.

The strategy is further underpinned by a common understanding that economic recovery will require many organisations and behaviours to continue to change. The combination of Covid-19, the imperative of climate change and continuously evolving technology will mean major changes to the way that our economy functions and how business and people approach life and work. All those involved in our economic recovery share a steadfast commitment to working together to take the action that is needed if we are to take the opportunities and make the changes necessary. We are determined that all the Cambridgeshire & Peterborough economy will be a trailblazer and exemplar of sustainable and sustained economic recovery and renewal for the rest of the UK.

As the longer-term implications of Covid-19 emerge our plan will continue to be updated, alongside other strategies from local authorities across Cambridgeshire & Peterborough; the Ox-Cam Arc Prospectus and UK Innovation Corridor; LEPs across the wider region (the Arc and neighbouring counties); the CPCA Investment Prospectus and LIS.

### Timeline

Infographic (to be designed) overlaying history of:

- Coronavirus lockdown rules in England<sup>5</sup>:
  - Phase 1 (late March – mid May 2020): first national lockdown
  - Phase 2 (mid May – mid September 2020): staggered transition to minimal lockdown restrictions
  - Phase 3 (mid September – early November 2020): reintroduction of stricter social distancing rules, new controls on hospitality venues, tiered local restrictions
  - Phase 4 (early November – early December 2020): second national lockdown
  - Phase 5 (early December 2020 – early January 2021): reintroduction of tiered local tiered restrictions
  - Phase 6 (early January – present): third national lockdown

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<sup>5</sup> House of Commons Library, A history of English lockdown laws (January 2021)

- LERS development, publication and review
  - Published: September 2020
  - First update: November 2020
  - Second update: March 2021

### **Monitor, review, update cycle for LERS:**

**Graphic showing committee cycle + strategy development process (to be designed):**

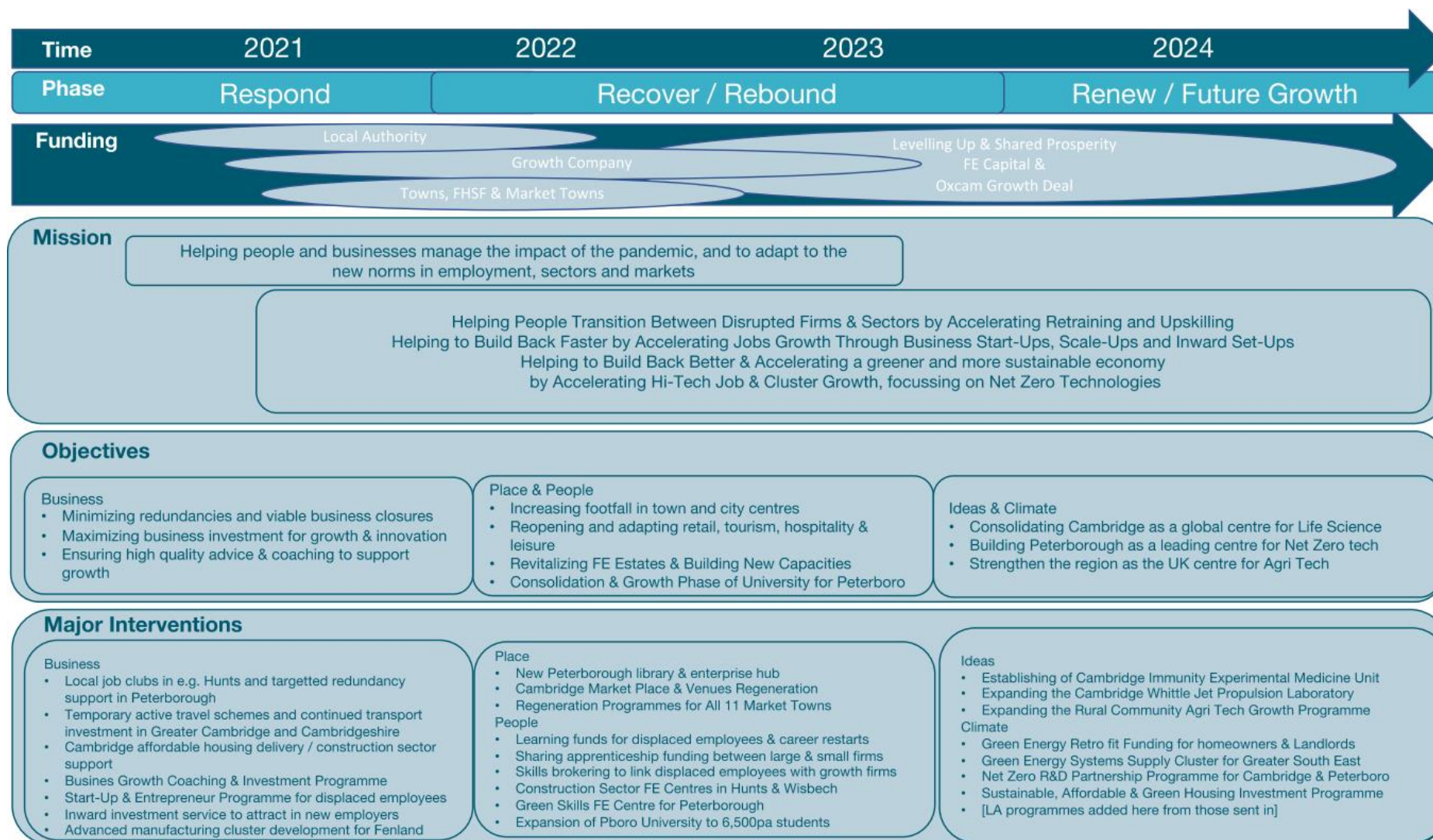
Economic Recovery Sub Group → Skills Committee → Business Board → Leaders  
→ Combined Authority Board

### **We have also drawn on insights from national and global experience and research:**

- Local economic recovery planning across the UK: Mayoral Combined Authorities; LEP Network; M9 group of elected Mayors; Local Government Association; national business groups
- UK-based think tanks and research programmes: Institute of Economic Development; Enterprise Research Centre; What Works Centre for Local Growth; Centre for Cities; Productivity Insights Network
- Best practice from across the globe: OECD LEED programme; US Economic Development Administration; Economic Development New Zealand



## OUR RECOVERY STRATEGY IN SUMMARY:

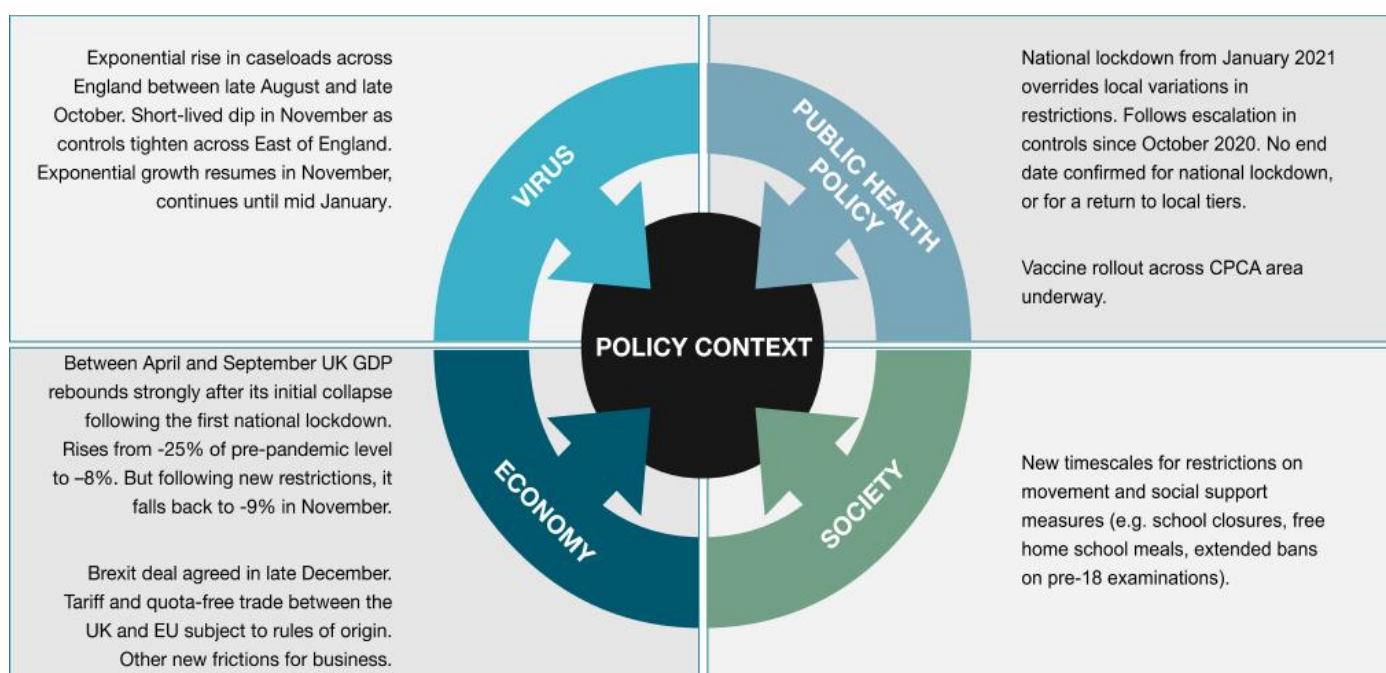




# 1. CONTEXT AND DATA – WHERE WE ARE NOW

## 1.1 A changing context for our recovery plan

The national and local context has changed significantly since we last revised the LERS in November 2020. These changes are summarised below. The latest data is then explored in more detail in the following sections and in the Appendices.



## 1.2 Public health

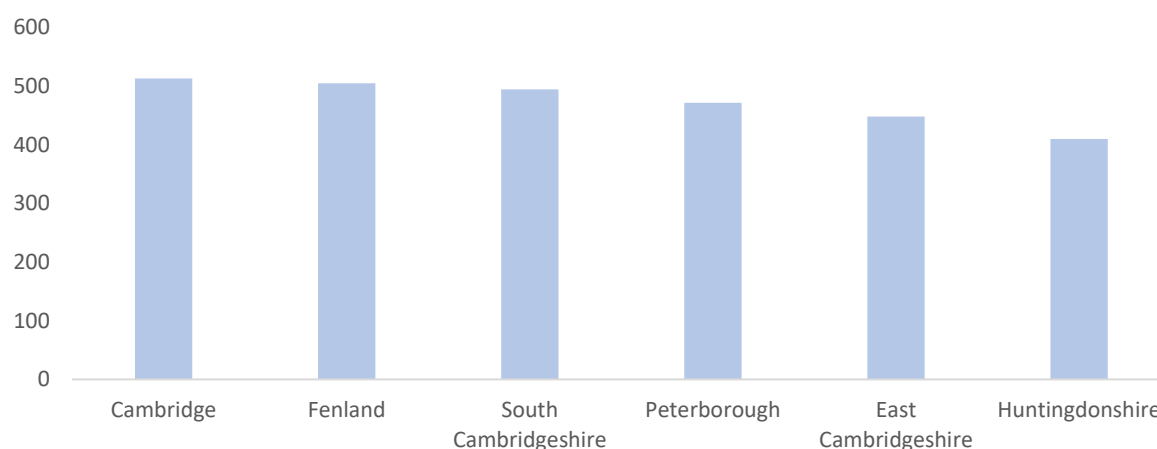
When the LERS was refreshed in November 2020 a total of 8,373 Covid-19 cases had been recorded in the Combined Authority, and all districts were in 'Tier 1' of the regional restrictions. In the three months since there have been an additional 43,000 cases recorded, reaching a total of 51,000 cases – a five-fold increase in the cumulative case load.

Daily cases reached a new peak in early January at a sustained level above 800 new cases each day, although the national lockdown has since reduced the number of new cases. As of 16 February 2021, the 7-day rolling average of new cases across Cambridgeshire & Peterborough sits at 224 cases per day, a 72% decline from the January peak.

Peterborough has had the largest number of cases overall (26,218), accounting for just over half the total for Cambridgeshire & Peterborough. East Cambridgeshire has had the lowest number of confirmed cases at 2,731. Mass testing for positive Covid-19 cases continues to be a central part of the public health response to the crisis. Across the Combined Authority testing levels are reasonably consistent, from a high

of 513 individuals tested per 100,000 population in Cambridge, to 410 individuals tested per 100,000 population in Huntingdonshire.

*Figure 2: Individuals tested per day per 100,000 population, February 2021*

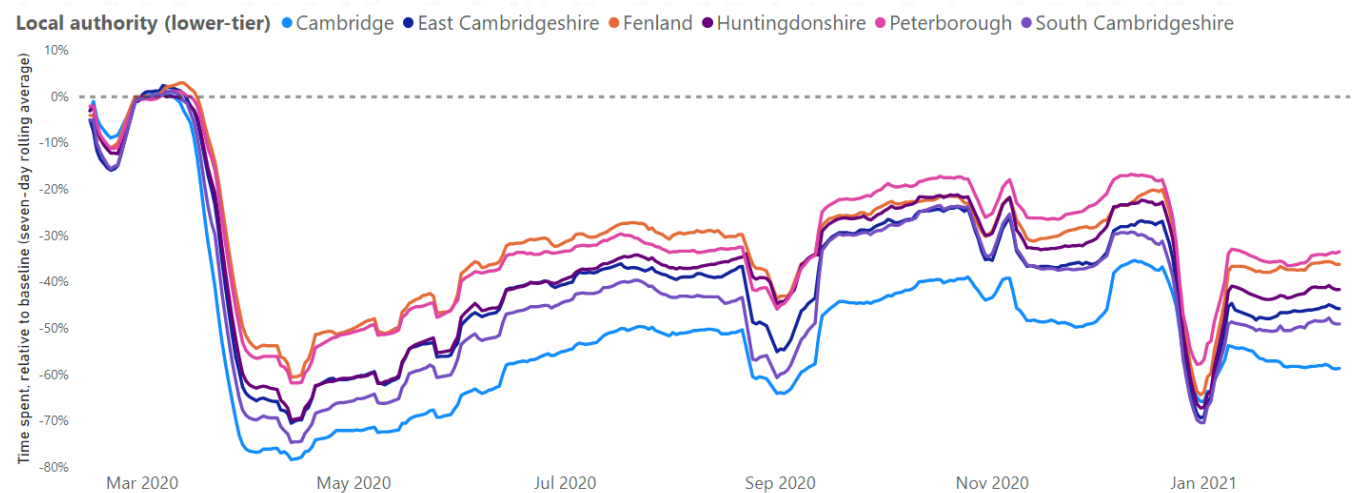


National and regional lockdowns introduced since March 2020 have substantially reduced the movement of people from pre-pandemic levels, as shown in the charts below. The first chart tracks the movement of people for retail purposes, while the second chart shows movement of people into workplaces. The charts show the particular effects of the three national lockdowns which have occurred – in March 2020, November 2020 and again in January 2021. Each time the lockdowns have resulted in a substantial reduction in movement, with gradual returns to pre-pandemic levels of movement each time a lockdown is lifted.

The January 2021 lockdown has been particularly effective in subduing movement for retail purposes, as shown by levels of movement that were last seen in June 2020 when the UK was emerging from the first national lockdown. All non-essential retail remains closed and after a spike of activity in the lead up to Christmas, movement appears to have stabilised at levels 60% – 80% below pre-pandemic levels.

In contrast, movement into workplaces has been slightly less subdued by the January 2021 lockdown. Movement has varied by local authority districts but stabilised at levels 40% - 70% below pre-pandemic levels. This potentially indicates that a greater number of workplaces are now able to operate under 'Covid-19 safe' conditions, and the expanding definition of essential workers allowing more workers to operate from their workplaces than in the first national lockdown. Local movement data suggests that Cambridge retail businesses will have been particularly hard hit, due to the reduction in tourist as well as local retail expenditure.

Figure 4: Movement for workplace purposes across Cambridgeshire & Peterborough, March 2020 - February 2021



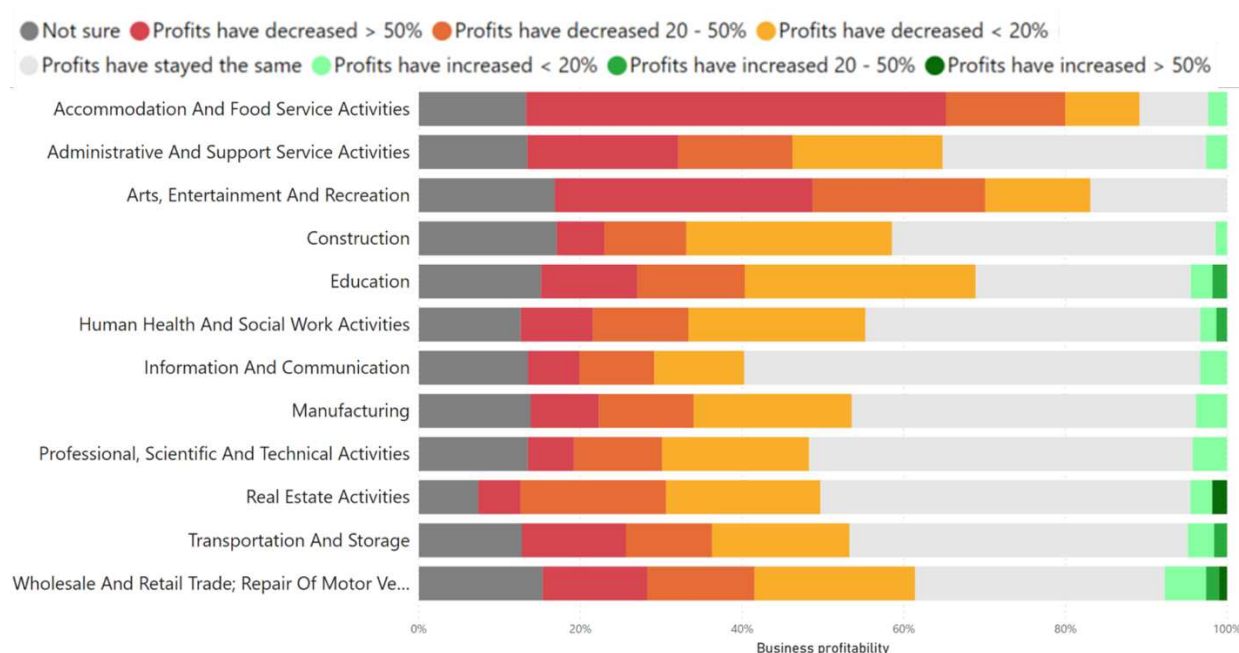
### 1.3 PEOPLE, BUSINESSES AND JOBS

Nearly twelve months into the crisis the impact on the Cambridgeshire & Peterborough's economy remains acute. The latest data shows that businesses continue to show signs of distress, with extended restrictions eating away at the contingencies in cash and margins that were in place.

75% of Cambridgeshire & Peterborough's businesses are currently trading, down from 90% in October 2020. Most businesses which have paused trading are concentrated in the hospitality, entertainment and retail sectors. Although many of these businesses are likely to have temporarily paused trading rather than to have ceased permanently, upticks in commercial property vacancy rates (driven by increasing volumes of vacant office space in particular) indicate that short-term distress may be translating into longer-term scarring.

The chart below shows business profitability in the first fortnight of January 2021 compared to January 2020. Across most businesses, regardless of sector, profitability has been substantially negatively impacted, with the greatest reductions in profitability in hospitality, entertainment and retail trade businesses. That said, businesses in sectors where remote working has made it more possible to adapt to restrictions (such as in IT and in the professional, scientific and technical sector) and businesses in sectors which have been able to continue trading normally during lockdowns (such as construction and manufacturing) have seen lower proportions of businesses reporting reduced profitability and a higher proportion of businesses which – if not making increased profits – have at least returned to pre-pandemic levels of profitability.

Figure 5: Business profitability by sector in January 2021 compared to January 2020 (BICS data modelled to local area)



In Cambridgeshire & Peterborough's labour markets the extension of employment support schemes (particularly the CJRS and SEISS) have continued to act as an

effective break on increasing unemployment. However, it appears increasingly likely that some structurally higher unemployment is locked in for at least the short / medium term. With subdued activity occurring in job markets (particularly in lower paid / skilled roles) it is likely that some people who have recently lost their jobs, or those whose job is currently supported through an employment scheme (some 10% of the total workforce across Cambridgeshire & Peterborough in January 2021), will remain unemployed for some time to come. One important indicator to watch will be the extent to which the Universal Credit claimant count increases once employment support schemes are eventually wound down.

- Universal credit claims increased by a further 2.7% in December, with an overall increase from March 2020 levels across Cambridgeshire & Peterborough of 117.6% compared to 96% across the UK.
- Online job postings increased by 13.1% in December compared to November 2020, with a total of 10,500 online job postings advertised in the month – a level broadly similar to the five year average of monthly online job postings made throughout Cambridgeshire & Peterborough.
- Furlough numbers saw a spike between October and November rising from 24,000 to 41,800. They have since declined by 3.1% in December to 40,500.

	Claimants	Proportion of labour market		Rate of increase	
District	Total UC claims in November 2020	Workforce	UC claimants per 100 workers	Increase in UC claims since March	+/- % increase since March compared to UK average (+93%)
Cambridge	7,920	109,000	7 : 100	138%	+ 45%
East Cambridgeshire	4,600	33,000	14 : 100	124%	+ 31%
Fenland	9,010	38,000	24 : 100	103%	+ 10%
Huntingdonshire	10,840	79,000	14 : 100	142%	+ 49%
Peterborough	25,560	118,000	22 : 100	88%	- 5%
South Cambridgeshire	7,490	87,000	9 : 100	161%	+ 68%
<b>Cambridgeshire &amp; Peterborough</b>	<b>65,000</b>	<b>464,000</b>	<b>14 : 100</b>	<b>113%</b>	<b>+ 19%</b>

## 1.4 RESIDENTS AND BUSINESSES – ADAPTING TO A VERY DIFFERENT WORLD.

The period 2020-21 is most likely to stand out as epoch-defining for the UK. Brexit and the unprecedented impact on economic and social life of the pandemic is the backdrop to this strategy for economic development. These events forced the government, organisations and households to adapt in ways that will shape behaviours, expectations and decisions for many years to come.

The missions, objectives and actions of the LERS respond to these factors, but also recognise then uncertainties surrounding them (see Section 2 on timescales, scenarios and uncertainties).

### People and households

*People and households face new challenges and opportunities from a changing labour market and disruption to finances. The impacts of these challenges and the ability of people to take the opportunities are unequally distributed, both in terms of income groups and spatially:*

- Place of work and learning vs place to live

Enforced working and learning at distance for those able to do it is now reflected in job search behaviours. Job aggregator websites show that after the first national lockdown in 2020 applicants became less likely to make geography a qualifying criterion for roles<sup>6</sup>.

- Changing preferences for housing

Increased home working is showing up in real estate markets as increased demand for properties with access to private and public green spaces<sup>7</sup>.

- Managing finances for new phases of the crisis

The number of financially-fragile households unable to meet payments rose in the first national lockdown<sup>8</sup>. The later lockdowns will have exacerbated this, but also added to the stock of unanticipated savings from in-work households.

- Reduced job opportunities for young people

Across age groups, 18-24 year-olds are the most likely to have been furloughed. The fall in graduate openings during the first lockdown was almost twice the rate for the job market<sup>9</sup> and apprenticeships appear to have continued to fall in Cambridge and Peterborough faster than the national decline.<sup>10</sup>

- Re-skilling as tech adoption accelerates

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<sup>6</sup> Indeed Hiring Lab, May (2020)

<sup>7</sup> Dataloft (May 2020),

<sup>8</sup> Citizens Advice Research (September 2020)

<sup>9</sup> ONS, Labour Market Statistics

<sup>10</sup> INSERT SOURCE TO FINAL AND UOUPDATE FULL YEAR FIGURE WHEN AVAILABLE

Surveys show most businesses intend to accelerate their adoption of technology. This will create new opportunities but also displace roles<sup>11</sup>. Research suggests that jobs at most risk of automation are held by young people and women<sup>12</sup>.

## **Businesses**

*Businesses must manage new lockdown threats to cashflow and survival, while re-fitting for a post Covid-19, post-Brexit world that makes greater use of technology to power sales and operations:*

- Brexit

The EU-UK Trade and Cooperation Agreement (TCA) agreed in 2020 brings new rules for cross-border trade. This will focus traders' attention on supply-chain management, business models, new regulatory and fiscal requirements.

- Business continuity in lockdown

For some, national lockdown re-introduced immediate challenges to cashflow from fallen / absent markets. Financial scarring and continued uncertainty will influence capacity planning as the economy reopens.

- Getting 'match-fit' for a post Covid-19 economy

Data from the Enterprise Research Centre's State of Small Business Britain 2020 surveys suggest that most UK businesses see improving processes, cutting costs, developing new products and markets as higher priority post Covid-19.

- Managing disruptions to public spaces and services

As with the staggered exit from the first national lockdown in 2020, a return to pre-pandemic normality in transport capacity, schooling and health services will be gradual. Businesses will need to work around the demands this puts on resource management.

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<sup>11</sup> Enterprise Research Centre, State of Small Business Britain 2020

<sup>12</sup> ONS, Research for National Retraining Scheme (2019)

## **1.5 NATIONAL POLICY CONTEXT**

### **Net Zero**

As well as being a leading centre for research, innovation and environmental technologies our area is low-lying and vulnerable to unpredictable weather patterns and rising sea levels. So even before the LERS was first published in 2020, emissions-focused initiatives were central to economic strategies across Cambridgeshire and Peterborough. Over 77% of CPCA's major initiatives are climate-focussed.

Meeting the new national target to reduce greenhouse gas emissions by at least 68% by 2030, getting to net zero by 2050, demands an even greater focus on measures that deliver economic growth through sustainable choices, business models and jobs. The LERS embeds the UK's environmental ambitions across all three phases of the strategy with actions including:

- Green Skills FE Centre for Peterborough
- Construction Sector FE Centres in Hunts & Wisbech
- Net Zero R&D Partnership Programme for Cambridge & Peterborough

### **Levelling-up, delivering for left behind communities.**

The LERS builds on the established evidence base of the Cambridgeshire and Peterborough Independent Economic Review (CPIER). The CPIER identifies the spatial disparities across our area and (also within) the three distinctive, but overlapping economies of Greater Cambridge, Greater Peterborough and the Fens.

The interventions in this Recovery Strategy, alongside our 2019 Local Industrial Strategy, seek to release the full potential of the region's economy by targeting disparities within our three economies as well as our spatially-diverse strengths: Peterborough's rapid growth, Cambridge's global leadership in life sciences, technology and research, and the innovative micro and agricultural businesses of the Fens. At the core of the LIS were interventions aimed at better linking up the region economically: the LERS delivers on this ambition by prioritising actions that best achieve 'levelling-up' across the three phases of the strategy, including:

- Advanced manufacturing cluster development for Fenland
- Targeted retraining, upskilling and employability support
- Expansion of Peterborough University to 6,500 students per annum
- Revitalizing FE Estates & Building New Capacities

### **Increasing the rate of investment in R&D (2.4%)**

This strategy aims to position our area to benefit from the increased focus on technology development in public policy, such as planned new Advanced Research and Innovation Agency (ARIA). It also capitalises on the increased appetite of businesses to invest in new processes, products and markets with programmes to support business expenditure on R&D across the three phases of the strategy.



These will complement the interventions of partners, such as Innovate UK, and include:

- Business Growth Coaching & Investment Programme
- Establishing an Immunology Centre in Cambridge with Astra Zeneca
- Expanding the Cambridge Whittle Jet Propulsion Laboratory

## 2. OPPORTUNITIES, CHALLENGES AND TIMESCALES

### 2.1 OPPORTUNITY AND CHALLENGES

**Cambridgeshire and Peterborough is core to the UK's future growth, competitiveness and zero carbon transition.** We are a major economic engine of the national economy and the Oxford to Cambridge Arc and in normal times a net contributor to the public finances of the UK.

Many of the UK's most important knowledge, research and business assets are located here. The UK has major opportunities and challenges as it positions itself for success in a post-Brexit and post Covid-19 world. The implications of very different global power structures, markets, emerging technology and behaviours are only just beginning to be understood. Climate change is now widely accepted as not only the greatest challenge effecting humanity but also one that requires increasingly urgent and radical change.

The Cambridgeshire & Peterborough Independent Economic Review (2018) identified three, interdependent sub-economies across our geography. Each has distinctive strengths and challenges, but the global competitiveness of our area depends on the future success of all: Greater Cambridge, Greater Peterborough and The Fens. Together, they form arguably the only part of the UK with all the natural assets, research strengths and business expertise needed to secure future success, whilst also being a global location of choice for the most talented and somewhere everyone can succeed on a global scale

**Greater Cambridge** is a globally leading centre for education, life sciences, technology, and advanced manufacturing. It has the largest share (16%) of the UK's knowledge intensive business services. It generates more patents per head of population than any city in the UK and more than all the EU put together. Before Covid-19, the CPIER had identified a number of investment requirements to sustain the continued growth of Greater Cambridge and its continued success as a world-leading centre of innovation and a global business location. CPIER put a particular focus on housing, including affordable housing across all tenures, and transport, over and above that which was currently in the pipeline at the time.

**Greater Peterborough** is a major high tech manufacturing cluster that has grown and become more concentrated, representing 18% of its businesses, compared to 9% nationally. Core to this success is a growing sub-cluster of green and environmental innovative engineering businesses, focussing increasingly on zero carbon technology.

**The Fens** supports the global potential of our economy by playing a dual role. It is a global centre for agri-technology and environmental management, with 50% of the UK's highest productivity agricultural land. It is home to innovative micro businesses and the Enterprise Zone at Alconbury, Huntingdonshire, is a new focus for growth in our economy. But the towns and villages of The Fens are also home to many who work in Cambridge and Peterborough.

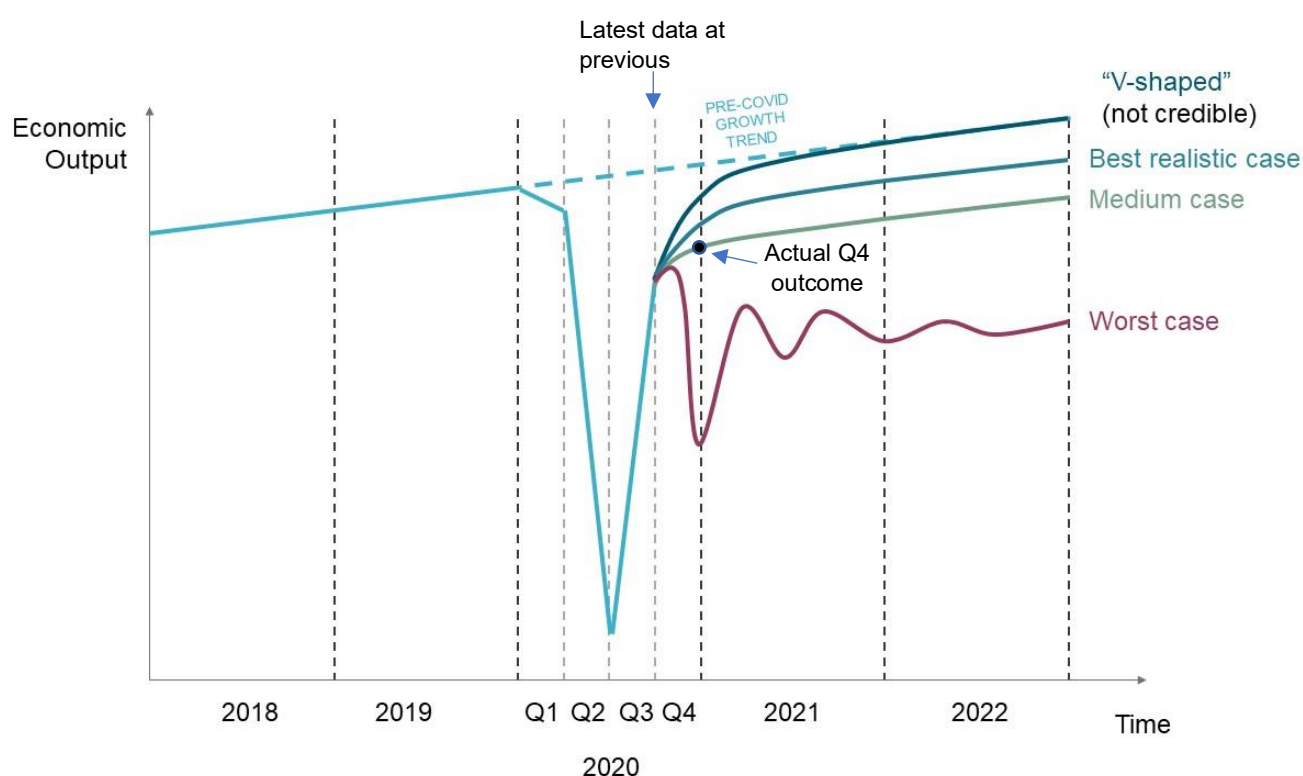
Both Peterborough and Fenland have lower levels of highly skilled jobs and lower wages overall. Core to all our investment and the actions in this plan is the aim of ensuring at all three areas of our economy succeed in the future.

As described above, the context within which people and business are taking decisions about location and lifestyles are changing.

Changes in employment practice resulting in more flexibility in working from home for some, the demographic changes which see us living for longer but having changing needs in housing as we age, as well as evolving demands for younger generations, will see developing requirements for different tenures. The desired trajectory towards net zero carbon homes, the use of innovative automation to make our lives easier, reducing the need to travel or promoting easy public, pedestrian and cycle access, and increasing the part the environment for the housing plays in supporting health and wellbeing as well as amenity space etc, are all increasingly important.

## 2.2 SCENARIOS

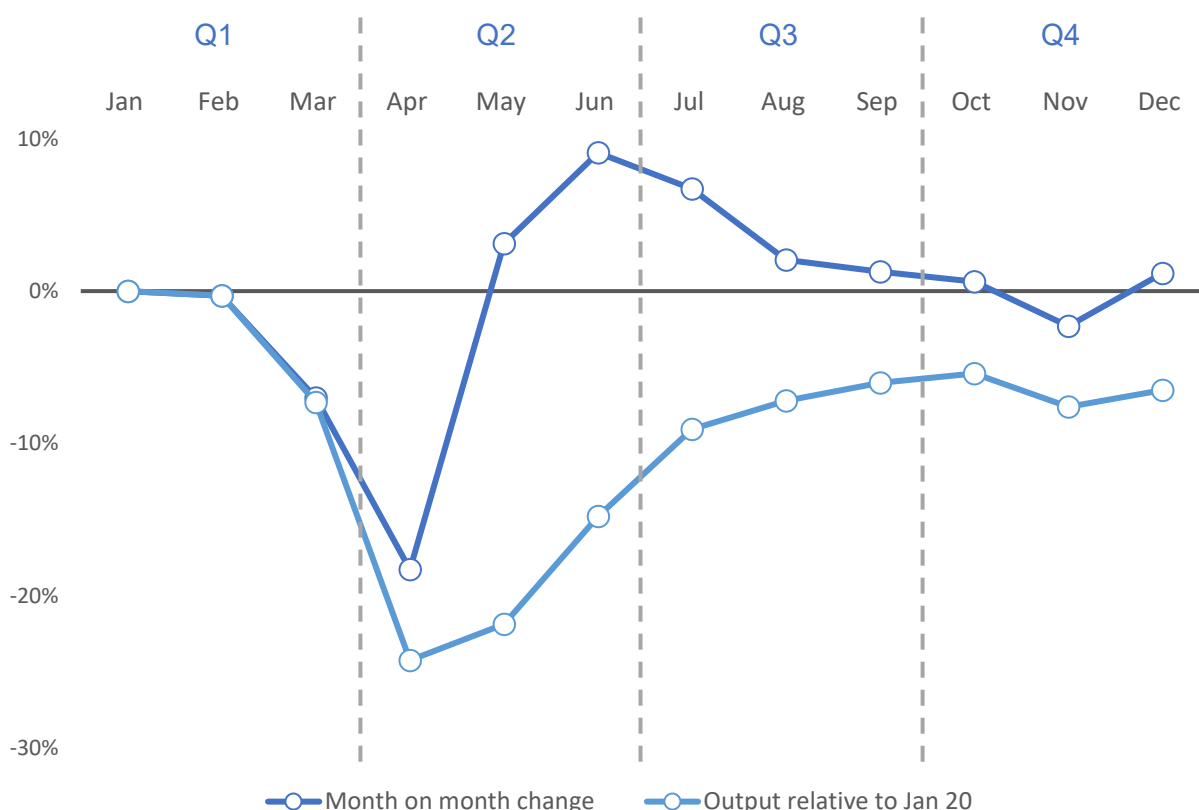
In the November response and recovery plan we set out three economic scenarios:



Source: November update of the Cambridgeshire & Peterborough Local Economic Recovery Strategy

We ruled out the V-shaped scenario of sort term return to trend output levels given tightening restrictions. **The eventual position in the fourth quarter of the year was closest to our medium case prediction.** Although quarter four included four weeks of lockdown (largely in November), and the introduction of tier four at the end of December, this didn't appear to dent output as much as might have been feared – and certainly not to the levels of the first lockdown. But it did put an end to the recovery as

is shown by looking at *monthly* output data for the UK (not reliably available at a more local level):



*Source: Metro Dynamics analysis of ONS quarterly GDP data*

The light blue line shows the output position for each month, relative to January. Since April, this had been consistently recovering, with the month-on-month change (dark blue line) always above zero. However, even before the second lockdown, in October, growth was slowing, (shown by the blue line returning to zero) while output was still over 5% below the start of the year. During this time, many areas, including part of Cambridge and Peterborough, were subject to escalating Tier based restrictions.

In November, growth turned negative again as the second lockdown reduced activity. The impact, however, was less severe than in April. December brought a small recovery, likely driven by Christmas sales.

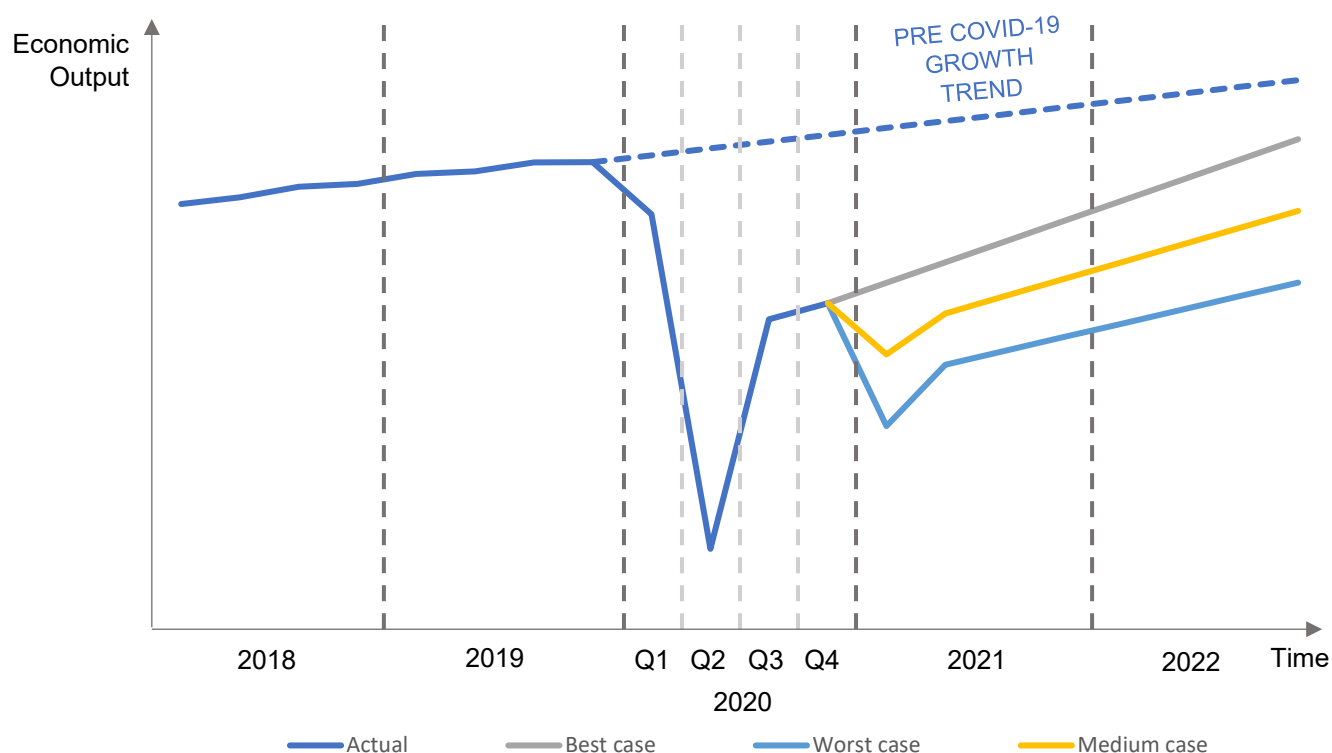
There is still much uncertainty over the future and the overall impact of the most recent restrictions and the successful vaccination programme. To reflect changes since November we have used three revised scenarios:

**Best case: An accelerating recovery.** In this scenario, the growth seen between Q3 and Q4 2020 continues. The vaccine rollout is successful in covering most of the adult population, and effective in reducing transmission of the virus, encouraging the Government to move faster than their original plan. Because of the spare capacity in

the economy, this growth is significantly faster than the pre Covid-19 growth trend rate, beginning to close the gap. Spurred by strong business and consumer confidence, by the end of 2022 output is higher than it was at the end of 2019, though still below the pre-crisis growth trend – indicating this is not a V-shaped recovery (an outcome that seems even more unlikely given recent data).

**Worst case: Tumbling consumer confidence dents recovery.** In this scenario, the three months of heavy restrictions at the start of the year depress output significantly. The outcome is still not as bad as Q2 2020, due to businesses having adapted to new ways of working. But on the demand side, concerns about new variants cause people to refrain from economic activity, having a more dampening effect than the second lockdown. As Spring arrives and moves into Summer, the virus begins to ebb, but cases of resurgence cause Government to be slow in lifting restrictions, and the continued scarring of the economy reduces overall capacity.

**Medium case: A cautious return to growth.** The lockdowns in Q1 and concerns about new variants cause a fall in output, but not in such a severe way as was envisaged in the worst-case scenario. As the vaccine rollout takes place, the Government moves at the pace set out in the original roadmap, with sectors of the economy opening gradually. However, by the end of 2022, output has still not caught up with levels at the end of 2019.



## 2.3 PHASES OF RECOVERY AND INTERVENTION

We have defined three phases of action. These will overlap and different sectors and parts of our economy may experience elements of each phase at different times. This will depend on the progress of the pandemic and the situation in different national and global markets and trading arrangements, as other countries manage their own responses.

### **Respond:**

This phase covers our immediate response to the economic impacts of the virus itself and associated restrictions on our people and businesses. It will have lasted from March 2020 through to at least Summer 2021, as restrictions are cautiously lifted from March 2021 onwards.

### **Recover and Rebound:**

This phase covers our reopening of the economy in stages and supporting people and businesses to continue to adjust to both the impacts of the restrictions and the changes in behaviour, markets and business models that have happened and will continue to emerge as a result. It will involve us reopening high streets, the visitor, leisure, hospitality, education and cultural sectors and encouraging safe public transport use. It is likely to last from March 2021 through into 2023.

### **Renewal and Future Growth:**

In this phase we expect to see returns to pre Covid-19 Growth rates well established, but with significant progress towards zero carbon and the transition to new skills and technologies associated with a cleaner, more inclusive future growth.

## 2.4 UNCERTAINTIES

We are clear that there are major uncertainties ahead for the local, national and global economy:

### **Short/Medium Term (Respond and Recover / Rebound phases of LERS)**

<b>Economy</b>	<b>Society</b>
<ul style="list-style-type: none"><li>• Pathways for transition out of publicly funded financial support measures for businesses, employees and households</li><li>• Path of government spending, investment and borrowing</li></ul>	<ul style="list-style-type: none"><li>• Impacts on economic, social and spatial inequalities</li><li>• Disruptions to public spaces and services as they return to 'new normal' patterns of regular operation (e.g. school terms, examinations, public transport timetables)</li></ul>

<ul style="list-style-type: none"> <li>Continued caution by households vs running down excess savings as economy reopens</li> <li>Business and consumer adaptation to UK's changed trading relationship with the EU and other global partners</li> </ul>	
<b>Coronavirus</b> <ul style="list-style-type: none"> <li>Mutations in the virus</li> <li>Global progress in controlling the pandemic</li> <li>Development of new vaccines, therapeutics, protective equipment</li> </ul>	<b>Public health policy</b> <ul style="list-style-type: none"> <li>Duration and nature of social distancing measures</li> <li>Restrictions on sales, trading, movement, and international travel</li> </ul>

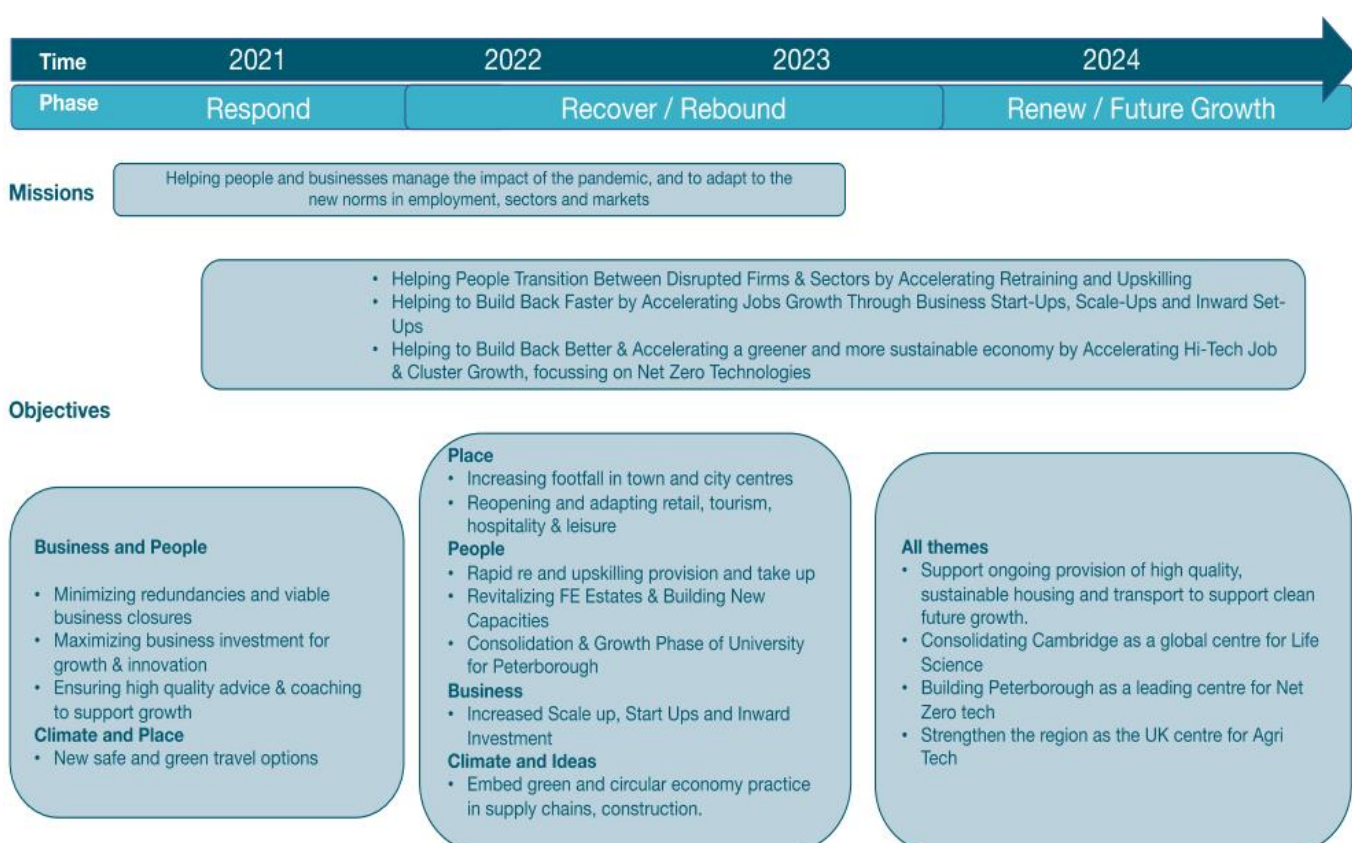
### Long Term (Renewal and Future Growth phase of LERS)

<b>Economy</b> <ul style="list-style-type: none"> <li>Reversion vs reimagining in economic behaviours (e.g. remote working; online versus high-street shopping; consumption of home-prepared food etc)</li> <li>Extent to which post Covid-19, post-Brexit conditions drive labour-saving automation</li> <li>Demand for, and design of employment spaces</li> <li>Structural unemployment left after output recovers and labour market stabilises</li> <li>Reliance on contingent labour (freelancers, ZHCs etc) as firms rebuild or change business model</li> <li>Sector focus of economy (e.g. on-shoring of production, shortening of supply chains, changes to UK state aid rules)</li> </ul>	<b>Society</b> <ul style="list-style-type: none"> <li>Reversion vs reimagining in social behaviours (e.g. housing preferences; attendance at social functions etc)</li> <li>Post-pandemic fear of contagion – will this drive location of office-based work (and its associated spending) outside town and city centres</li> <li>Impact on self-employment as a favoured choice of work mode</li> </ul>
<b>Coronavirus</b> <ul style="list-style-type: none"> <li>Impact of ongoing rules and programmes of activity to manage the disease (hygiene requirements; test and trace; vaccination programmes)</li> <li>Indirect, delayed impacts from displaced care and self-reporting of health issues during the pandemic</li> </ul>	<b>Public health policy</b> <ul style="list-style-type: none"> <li>Integration with other policy areas (e.g. social policy and welfare)</li> <li>Public expectations about role and powers of government to support livelihoods and business in a force majeure crisis</li> <li>Funding models for health and social care</li> </ul>

### 3.WHERE WE WANT TO BE: MISSIONS AND OBJECTIVES

**3.1 Our overall goal is to make a leading contribution to the UK's response and future success, accelerating the recovery, healthier and more inclusive way.**

We have defined clear missions for the different phases of our recovery plan and specific objectives that will show when and how our missions are achieved. These are set out below. Interventions have then been prioritised for each phase that deliver the highest impact on the relevant objectives.



### 3.2 LOCAL INDUSTRIAL STRATEGY AIMS.

These objectives align with and reflect the aims of the Local Industrial Strategy:

- People:** Through local collaboration and strong leadership, deliver a fair and inclusive economy by empowering local people to access the education and skills needed to meet the needs of the local economy and business, both now and in the future.
- Ideas:** Ensuring that the area's economic base grows by harnessing innovation, enhancing Cambridge's position nationally and globally, especially



around life science, artificial intelligence and data technologies, whilst bringing innovation-based growth to Peterborough and the Fens too.

- **Business:** Accelerating and sustaining higher levels of business growth in start-ups and scale-ups, whilst attracting new and more knowledge intensive firms to our economy, to drive both growth and productivity.
- **Infrastructure:** Enhancing the current transport and housing infrastructure that is hampering growth in the south, whilst investing in commercial infrastructure to bring inclusive growth to the north.
- **Place:** Tailoring interventions to meet the needs of our cities and districts at local level.

### 3.3 SECTORS

The LIS identified four priority sectors upon which to focus our strategy for long-term, innovation-based growth. These included:

- **Life Science:** Consolidating Greater Cambridge as a Global Centre for discovery and connecting it across the Arc to create a Global Player in diagnostics markets.
- **Digital & AI:** Establishing Greater Cambridge and the Arc as the preferred base for firms across the world to create and adopt the technologies of tomorrow.
- **Agri-Tech:** Strengthening the university spin-out culture and capability in Cambridge and developing a scale-up and tech-transfer capacity in Peterborough and the Fens.
- **Advanced Manufacturing & Materials:** Expanding the Greater Cambridge science base northward to rejuvenate Peterborough's manufacturing heritage to establish a manufacturing innovation eco-system to spread high-value, inclusive growth.

These sectors will continue to provide the largest scope for long term growth. However, Covid-19 has affected a much wider set of sectors, including those that employ a far higher number of our residents than our growth sectors. To support short and long term recovery, we must therefore balance support for our hardest hit sectors, with investment into those with the greatest potential for long-term growth. Our recovery strategy therefore includes these wider sectors, will embrace additional sectors as a priority upon which to focus the interventions we design and develop to drive recovery and support regrowth. Post Covid-19 there may be new and emerging sectors and we need to be able to rapidly respond to these as and when they materialise. Currently, the identified sectors and our recovery priorities for each include:

- **Retail, Hospitality and Leisure:** Helping firms to deal with the continuing and long-term social distancing and behaviour change, especially in the Visitor Economy.
- **Construction:** Helping firms to adapt to a new commercial market as businesses adopt remote working longer-term, helping developers stimulate demand in the homeowner market and creating new demand through infrastructure investments.
- **Transport:** Helping operators to shift current public perception of mass-transit safety that threaten a structural shift in the commercial operation of public transport
- **Education:** Supporting HE and FE to transition permanently towards greater digital delivery for remote learning, embracing more business model innovation to harnesses blended learning to embed more of the curriculum in businesses.
- **General Manufacturing:** Helping firms deal with the disruption in their supply chains, the slow recovery in demand and the potential impacts of a no deal Brexit.
- **Health & Care:** Early indications were that there was likely to be greater demand for health care professionals, potentially on the back of more people being supported in the community and greater use of technology – trends that were well evidenced in health care pre Covid-19 but which are likely to now accelerate, potentially creating additional health and care jobs, construction and education roles (associated with retraining).

# 1. ACTION AND INTERVENTIONS - HOW WE WILL GET THERE

## 4.1 GOVERNMENT RESPONSE

Across Cambridgeshire and Peterborough, a huge range of actions by partners has already contributed to supporting the economy during the pandemic. Many continue to be important to the 'Respond' and 'Recover/Rebound' phases of the LERS. The actions to deliver this strategy take account of these interventions, either by adding local focus and value to them, or by identifying gaps and opportunities for additional support.

Summary of Government Response:

<u>Wage and income support</u> <ul style="list-style-type: none"> <li>• Coronavirus Job Retention Scheme (CJRS)</li> <li>• Self-Employed Income Support Scheme (SEISS)</li> <li>• Statutory sick pay support</li> <li>• Tax credits automatic renewal and relaxation of hours rules</li> </ul>	<u>Welfare</u> <ul style="list-style-type: none"> <li>• Universal credit - minimum income floor</li> <li>• Weekly Universal Credit increased by £20</li> <li>• Weekly tax credit increased by £20</li> <li>• Employment and support allowance: removing 7 day wait</li> <li>• Local Housing Allowance measures</li> <li>• Stopping all health assessments and job centre appointments</li> <li>• Stopping conditionality reassessments</li> </ul>
<u>Business grants</u> <ul style="list-style-type: none"> <li>• Small business grant schemes</li> <li>• Business rates package</li> <li>• Job Retention Bonus – for employers of furloughed staff brought back to work</li> <li>• Local and Additional Restrictions Grants</li> </ul>	<u>Business loans and guarantees</u> <ul style="list-style-type: none"> <li>• Coronavirus business interruption loan scheme (CBILs)</li> <li>• Coronavirus large business interruption loan scheme (CLBILs)</li> <li>• Bounce Back Loan Scheme (BBLS)</li> <li>• Covid-19 Corporate Financing Facility (CCFF)</li> <li>• Support for start-ups (Future Fund and Innovate UK) Trade credit insurance</li> </ul>
<u>Tax</u> <ul style="list-style-type: none"> <li>• VAT deferral</li> <li>• Temporary reduced rate of VAT for hospitality, holiday accommodation and attractions</li> <li>• Self-assessed income tax deferral</li> <li>• HMRC Time To Pay (TTP) arrangements</li> <li>• Import duty exemptions for medical products</li> <li>• Domestic VAT reverse charge for construction services – delay</li> <li>• Off-payroll working: delay extension of IR35 to private sector by 1 year</li> </ul>	<u>Other measures</u> <ul style="list-style-type: none"> <li>• 'Eat Out To Help Out': vouchers to support spending in food establishments</li> <li>• Apprenticeship Recovery Package: wage subsidies for apprentices</li> <li>• Kickstart - wage, employer NI and pension subsidies for new jobs filled by 16- to 24-year-olds on Universal Credit</li> <li>• Traineeship employer incentives to support a young person access a skills development programme and gain work experience.</li> <li>• DWP Midlife MOT: A service aimed at those age 50+ that will offer information on a range of issues, including health, pensions, retraining and retirement.</li> </ul>



## **4.2 HOW WE WILL GET THERE: OUR INTERVENTIONS**

In the November Local Economic Recovery Strategy, we prioritised interventions, focussing on the delivery of those that were funded and had the biggest impact on Covid-19 response and early recovery.

We also identified longer term projects, including those where funding was not in place and the benefits were less certain. Since November we have carried out further development work on those long-term interventions and also delivered the enhanced business support and grant schemes that were put in place by Government and local partners in response to the January 2021 national restrictions.

As we move towards cautious reopening of the economy, we are committed to continuing to invest in the major interventions that will underpin longer term competitiveness, productivity and the transition to zero carbon.

We have therefore now grouped our interventions into two categories:

### **1. Actions we are taking now:**

These are interventions which are funded, approved and are either already being delivered or which will be delivered during the Recover and Rebound Phase. We have not included locally led delivery of nationally funded support schemes for the response phase, these are summarised in the table on the previous page.

### **2. Longer term:**

These are the interventions which are needed to underpin longer term renewal and future green growth, for which we will need additional Government investment in the period ahead.

### **Impact assessment methodology**

We have further refined our indicative assessment of the impact of each intervention to reflect the longer than originally anticipated response phase and our gradual move during 2021 from a “Response” phase to “Recovery and Rebound” and then, in the longer term to “Renewal and Future Growth” 1 is lower impact and 3 is higher. It is important to note that many projects have higher impact in some phases than others. This should be a strength not a weakness. It means they are targeted at a specific need or opportunity. Some projects also score relatively low, simply because they were immediate recovery projects and relatively small scale - but again, that does not mean that they were not worth doing.

## ACTIONS WE ARE TAKING NOW - FUNDED SHORT AND MEDIUM TERM INTERVENTIONS

No.	Description	Funding / Lead	Impact on Recover and Rebound	Impact on Renew and Future Growth	Delivery Timetable	Comments	Intervention theme / LIS aims
1	A TOTAL OF £29M INVESTMENT INTO NEW BUSINESS GROWTH SERVICE TO DELIVER REBOUND & GROW COACHING SERVICES	BGS APPROVED AND FUNDED	3	3	From February 2021	As the scale of scaring on businesses become clear, the growth service may have to focus on helping firms access financial support ahead of ambitions for long-term growth	Business
2	£4M OF TARGETED INVESTMENT INTO NEW INWARD INVESTMENT SERVICE TO ATTRACT MORE FIRMS  GCP WORKING WITH THIS NEW SERVICE THROUGH CAMBRIDGE & TO FURTHER INCREASE IMPACTS ONTO GREATER CAMBRIDGE	BGS APPROVED AND FUNDED	2	3	From February 2021	While the outlook remains uncertain, firms may be cautious about making major new investments. At the same time, competitor areas globally are also ramping up their efforts to secure investors.	Business

No.	Description	Funding / Lead	Impact on Recover and Rebound	Impact on Renew and Future Growth	Delivery Timetable	Comments	Intervention theme / LIS aims
3	£18M EQUITY INVESTMENT INTO THREE NEW LIFE SCIENCE AND TRANSPORT TECH-ACCELERATORS	LGF APPROVED AND FUNDED	2	3	From February 2021		Ideas / Business
4	£500K OF CAPITAL GRANTS & START-UP ADVICE FOR EMPLOYEES & DISPLACED WORKERS TRANSITIONING TO ENTREPRENEURSHIP	BGS APPROVED AND FUNDED	3	3	From February 2021	-	People
5	FOCUSING RECOVERY & GROWTH WHERE IT CAN IMPROVE HEALTH & WELLBEING MOST	EXPANDED ACTIVITY WITHIN BGS	1	3	From February 2021	-	People
6	£30M INVESTMENT INTO A NEW UNIVERSITY FOR PETERBOROUGH (PHASE 1) PLUS FURTHER £20M INVESTMENT INTO R&D CENTRE (PHASE 2)	APPROVED AND FUNDED BY CPCA, LGF, ARU AND PCC	2	3	From March 2021 (Bid to Government in Spring 2021)	Many of the courses offered will not be easily deliverable online, so delivery will need to virus resurgence may challenge delivery	People

No.	Description	Funding / Lead	Impact on Recover and Rebound	Impact on Renew and Future Growth	Delivery Timetable	Comments	Intervention theme / LIS aims
7	£2.5M INVESTMENT TO INCREASE SKILLS CAPACITY IN THE CONSTRUCTION SECTOR TO SUPPORT A BOOST IN INFRASTRUCTURE INVESTMENT	LGF APPROVED AND FUNDED	3	2	Underway	-	Business
8	CONNECTING DISPLACED TALENT	BGS APPROVED AND FUNDED	3	1	Underway	-	People
9	£125K INVESTMENT INTO MORE RESOURCES INTO SCHOOLS TO BETTER CONNECT LEAVERS WITH JOBS	BGS AND CAREERS AND ENTERPRISE COMPANY – APPROVED AND FUNDED	3	1	Underway	-	People
10	LEVERAGING THE ADULT EDUCATION BUDGET TO IMPROVE DIGITAL SKILLS	AEB APPROVED AND FUNDED	3	1	Underway	-	People
11	£450K OF INNOVATE TO GROW GRANTS FOR SMALL FIRMS WITH BIG IDEAS	BGS APPROVED AND FUNDED	3	2	Underway	-	Ideas/ Business



No.	Description	Funding / Lead	Impact on Recover and Rebound	Impact on Renew and Future Growth	Delivery Timetable	Comments	Intervention theme / LIS aims
12	£5M INVESTMENT INTO NEW MANUFACTURING & AGRI-TECH INNOVATION LAUNCH PADS	£5M LGF APPROVED AND FUNDED  £20M APPROVED AND FUNDED BY GBF, PCC AND PHOTOCENTRIC	3	3	Underway	-	Ideas
13	£715K INVESTMENT INTO A SMART MANUFACTURING ASSOCIATION IN THE NORTH OF THE ECONOMY	LGF APPROVED AND FUNDED	1	3	Underway	-	Business
14	TOWN CENTRE AND HIGH STREET REOPENING, INCLUDING THINK LOCAL PROMOTIONS	LA FUNDED IN HUNTINGDONSHIRE AND FENLAND	3	2	Underway		Place
15	£100M INVESTMENT IN HOUSING MARKET INNOVATION	CPCA APPROVED AND FUNDED	1	2	Underway and ongoing	Possible developers may have a lower appetite for trying new products if pessimistic about the future	Place / Infrastructure

No.	Description	Funding / Lead	Impact on Recover and Rebound	Impact on Renew and Future Growth	Delivery Timetable	Comments	Intervention theme / LIS aims
16	CONTINUED AND ACCELERATED DELIVERY GCP TRANSPORT PROGRAMME, TRANSFORMING TRAVEL AROUND AND TO GREATER CAMBRIDGE	GCP LED. £200M UNLOCKED THROUGH AUTUMN GATEWAY REVIEW	2	1	Underway		Place / Infrastructure
17	SMART CAMBRIDGE PROGRAMME – EMBEDDING DIGITAL TECHNOLOGY TO SUPPORT DEMAND FOR PUBLIC TRANSPORT				Underway		Place / Infrastructure
18	£13.9M OF INVESTMENT TO SUPPORT FOR CITY & TOWN CENTRES TO REBOUND	CPCA APPROVED AND FUNDED	3	1	Underway	Town centre recovery will need to be carefully linked to longer term changes in consumer behaviour and business models.	Place
19	GUARANTEED TRAINING & INTERVIEWS FOR JOBS IN HEALTHCARE & CONSTRUCTION (SECTOR BASED WORK ACADEMIES PILOT)	DFE APPROVED AND FUNDED	3	1	Underway	-	People

No.	Description	Funding / Lead	Impact on Recover and Rebound	Impact on Renew and Future Growth	Delivery Timetable	Comments	Intervention theme / LIS aims
20	NEW FUNDING FOR TRAINING FOR SCHOOL & COLLEGE LEAVERS UNABLE TO FIND A JOB	DFE APPROVED AND FUNDED	2	1	Underway	-	People
21	JOB CLUBS – UPSKILLING VOLUNTEERS TO DELIVER SERVICES AND SUPPORT TO THE UNEMPLOYED ACROSS THE DISTRICT	HUNTINGDONSHIRE	3	2	Underway		People
22	£80.1K INVESTMENT INTO LOCAL PILOTING OF A NEW RETRAINING SCHEME	DFE APPROVED AND FUNDED	3	1	Underway	Some uncertainty as to new growth sectors and professions post Covid-19	People
23	CAMBRIDGESHIRE COUNTY COUNCIL TRANCHE 1 and 2 ACTIVE TRAVEL SCHEME PROJECTS.	AP	2	2	Underway		Infrastructure / Place

No.	Description	Funding / Lead	Impact on Recover and Rebound	Impact on Renew and Future Growth	Delivery Timetable	Comments	Intervention theme / LIS aims
24	GREATER CAMBRIDGE HOUSING STRATEGY AND AFFORDABLE HOUSING DELIVERY ACTIONS.	SCDC AND CITY	3	3	Underway		Infrastructure / Place
25	ESTABLISH NEW BUSINESS SUPPORT AND ECONOMIC DEVELOPMENT CAPACITY IN SCDC AND CITY TO SUPPORT RESPONSE AND RECOVERY / REBOUND	SCDC AND CITY	2	2	Underway		Business
26	CAMBRIDGESHIRE COUNTY – FIBRE DUCTING BY DEFAULT ON ALL INFRASTRUCTURE SCHEMES	CAMBRIDGESHIRE COUNTY			Underway		Infrastructure
27	£1M CPCA DIGITAL INFRASTRUCTURE PROGRAMME “KEEPING EVERYONE CONNECTED”	CPCA APPROVED AND FUNDED	3	1	Underway		Infrastructure

## LONGER TERM INTERVENTIONS FOR WHICH WE NEED FURTHER INVESTMENT

No	Description	Funding	Impact on Recover and Rebound	Impact on Renewal and Future Growth	Timescale	COMMENTS	Intervention theme / LIS aims
L1	<p>MAJOR INNOVATION PROJECTS – PROSPECTIVE OXCAM GROWTH DEAL BID 2023-25</p> <p>INC: EXPANSION OF WHITTLE LAB AT UOC – SUSTAINABLE JET PROPULSION</p> <p>UOC AND ASTRA ZENECA IMNOLOGY CENTRE</p>	PROPOSED ACTIVITY FUNDED FROM OXCAM ARC	1	3	<p>From 2023/24</p> <p>From 2024/25</p> <p>From 2022/23</p>	Major opportunities to lock in UK global leadership in Life Sciences and future aerospace. Low impact on recover simply reflects funding timescales.	Ideas
L2	CITY CENTRES AND TOURISM / CULTURE AND LEISURE PROGRAMME	SPF (CPCA, CITY and BID	3	3	Potential bid to Government in 2022-24	Social distancing into the longer term may make it very challenging for the creative sector to recover, but demand likely to be high, including from increased UK based tourism.	Place
L3	NEW MARKET TOWNS RENEWAL PROGRAMME 2023-25.	SPF	3	3	Current Phase underway (new phase potential bid to	Future Funding Certainty will increase confidence in the short term. Evidence some	Place

					Government in 2022-24)	market towns well placed post Covid-19	
L4	PETERBOROUGH STATION QUARTER – NEXT PHASE	LUF	2	3	Potential bid to Government in 2022-24		Place
L5	FENLAND ADVANCED MANUFACTURING CLUSTER	LUF	2	3	Potential bid to Government in 2022-24		Business / Place
L6	WISBECH DEVELOPMENT ENTERPRISE	LUF	2	3	Potential bid to Government in 2022-24		Business / Place
L7	UNIVERSITY OF PETERBOROUGH RESEARCH ASSETS AND EXPANSION	LUF	2	3	Potential bid to Government in 2022-24		Ideas / Business
L8	FE CAPACITY BUILDING PROGRAMME, 2023/25 COORDINATED BID FROM FE COLLEGES ESP ON ADDRESSING SKILLS DEPRIVATION IN THE NORTH AND TECHNICAL SKILLS CAPACITY IN THE SOUTH	FE Capital Transformation Fund	3	3	Potential bid to Government in 2022-24	Availability of future FE capital will support wider confidence and skills investment.	People
L9	FRAMEWORK FOR SUSTAINABLE ECONOMIC DEVELOPMENT	PROPOSED BY CAMBS COUNTY COUNCIL - FUNDING TBD	2	3	Ongoing	-	Business / Place
L10	RESOURCE AND WASTE CIRCULAR ECONOMY BUSINESS MODELS	PROPOSED BY CAMBS COUNTY	2	3	Ongoing	-	Business / Place

		COUNCIL - FUNDING TBD					
L11	START UP AND SCALE UP INCUBATOR AND ACCELERATOR PROGRAMME, INCLDING DIGITAL ADOPTION / EZ DEVELOPMENT	SPF	2	3	Potential bid to Government in 2022-24	-	Business
L12	ADVANCED DIGITAL INFRASTRUCTURE FOR ACCELERATORS AND INCUBATORS	SPF	1	3	Potential bid to Government in 2022-24	Low score in Rebound and Recover just reflects timescales for delivery	Business / Infrastructure
L13	BUSINESS EXPANSION AND LANDING PROGRAMME –INWARD AND BUSINESS INVESTMENT SUPPORT – REFLECTING CAMBRIDGESHIRE & PETERBOROUGH GLOBAL COMPETITIVENESS	SPF	3	3	Potential bid to Government in 2022-24	Businesses taking decisions now that will have long term spatial consequences globally. Real first mover advantage with short term impacts as well as longer term	Business

## **4.3 DELIVERY: THE NEED FOR PARTNERS IN GOVERNMENT TO INVEST**

### **In partnership with the UK Government**

Whilst designed for the Cambridgeshire & Peterborough economy, taking into consideration the strengths, weaknesses, opportunities and threats for each of our three sub-economies this strategy recognises that there are complementary challenges and plans above and below our scope of operation.

Centrally, the UK Government has produced its **National Economic Recovery Strategy** and we have worked intensively with Ministers, as well as officials in the Whitehall Economic Recovery Working Group, and partners in the M9 Group of Mayoral Combined Authorities and the LEP Network to input into that strategy.

CPCA and its partners understand that UK-level plans and funding streams for economic development are evolving. The post Covid-19, post-Brexit context is different from when the first national industrial strategy was published in 2017. Events since then have accelerated some existing trends and introduced others. There are new drivers of policy, new opportunities and challenges.

The LERS accounts for this by aligning with the big-picture themes of national focus: from supporting businesses to adapt to new international trade rules to accelerating jobs growth in our technology champions in Life Sciences, Digital, Advanced Manufacturing & Materials and Agri-Tech; from investing more to green our economy to supporting the young people whose career prospects were hit hardest by the pandemic.

### **In partnership with local authorities and the GCP**

Locally, councils and the GCP have or have planned to produce city, town or district recovery plans and each of these partners has worked to co-create the LERS to ensure it complements theirs and adds value to them through the additional resources that the Combined Authority can bring to bear, both directly and through the influence of the Mayor in central government and through the M9. Within local areas the engagement with town councils particularly on reopening the high street and parish councils on supporting local communities will be important.

Whilst there are many ways that the recovery work can be cut the alignment between the different layers of the Local Resilience Framework will also be critical. Various thematic groups have been established including the Business Recovery Group that oversees this work and whilst the focus of each group will be thematic there will also be many cross-cutting themes such as unemployment, skills, travel, safety and funding that will be captured and aligned wherever possible.

### **In partnership with pan-regional partners, the OxCam Arc**

Regionally, the OxCam Arc has produced an Arc Economic Prospectus for recovery, and the Combined Authority has been working through the Arc's structures, and especially with the three LEPs and universities group to formulate and agree this. The prospectus, builds on the vision for the Arc, contained within all four constituent Local Industrial Strategies for the Arc, and amplifies the themes in our Recovery



Strategy, to bring together greater levels of resource to ensure recovery here and across the Arc is built on growth that is:

- Innovative and based future of industries;
- Greener through a transition to net zero-carbon emissions;
- Small business based, backing start-ups, scale-ups and unicorns;
- Inclusive, levelling up economic performance and skills;
- Global, open for business and international.



## **CAMBRIDGESHIRE & PETERBOROUGH LOCAL ECONOMIC RECOVERY STRATEGY: APPENDIX 1 – INTERVENTIONS EXPLAINED**

**NB: THIS APPENDIX PROVIDES FURTHER DETAILS ON A NUMBER OF  
INTERVENTIONS IN THE LERS - MANY OF WHICH ARE SUBJECT TO  
ONGOING DEVELOPMENT**

In the November Local Economic Recovery Strategy, we prioritised interventions, focussing on the delivery of those that were funded and had the biggest impact on Covid response and early recovery.

We also identified longer term projects, including those where funding was not in place and the benefits were less certain. Since November we have carried out further development work on those long term interventions and also delivered the enhanced business support and grant schemes that were put in place by Government and local partners in response to the January 2021 national restrictions.

As we move towards cautious reopening of the economy, we are committed to continuing to invest in the major interventions that will underpin longer term competitiveness, productivity and the transition to zero carbon.

We have therefore now grouped our interventions into two categories:

### **1. Actions we are taking now:**

These are interventions which are funded, approved and are either already being delivered or which will be delivered during the Recover and Rebound Phase. We have not included locally led delivery of nationally funded support schemes for the response phase, these are summarised in the table on the previous page.

### **2. Longer term:**

These are the interventions which are needed to underpin longer term renewal and future green growth, for which we will need additional Government investment in the period ahead.

## ACTIONS WE ARE TAKING NOW

### 1. A New Rebound & Growth Coaching Service

Ready for launch in October this service will be harnessed to strengthen the “business bounce” in our economy by targeting and engaging our highest potential growth firms into **Rebound & Grow Coaching**. To adapt the service for the rebound phase of recovery, the coaching offerings are being redesigned around the “ROAR” approach to regrowth, comprising four elements: Recover–Orient–Adapt–Regrow:

- **Recover:** Rebooting and rebuilding the corporate systems and management processes that enable the core customer acquisition and service fulfilment of the company. Rebuilding new, and possibly lower, steady state revenue lines and adjusting the organisations costs base to them.
- **Orient:** taking time to fully understand the longer-term shifts in markets and customer behaviours –
  - **Reduced customer access** brought about by a more permanent shift in behaviours towards online and distance buying.
  - **Extended and fluctuating periods of social distancing** impacting productivity and causing supply chain consolidation & localisation
  - **New opportunities for faster growing product and service lines** and more efficient and cost-effective modes of delivery and working practices.
- **Adapt:** Harnessing the medium and longer-term shift in the business environment to create new product and service differentiation and organisational strengths.
- **Regrow:** Harnessing an accredited pool of experienced entrepreneurs and business coaches to help local business leaders to orient & adapt to the permanent shifts in their business and identifying and capture regrowth opportunities, including supporting micro and SME’s with toolkits and advice that can help them thrive in an increasingly digital and e-commerce landscape. A potential further £20m of growth grants and investment to businesses.

### 2. A New Inward Investment Service to Attract More Firms

A new service to strengthen the economic “bounce” in our economy by targeting and engaging not just international foreign investors, but also national firms. These businesses are currently adapting to greater remote working, and downsizing their premises requirements (in both terms of space and costs). This possibly permanent shift to more remote working, will create a large population of firms in transit, between premises and potentially towns and cities. These will include high potential firms, that we should engage and build tailored packages of support for, based on

the many elements of this recovery strategy. This will be a free of charge service to SMEs and offered commercially to large international investors to: “Attract, Develop, Deliver and Support firms to relocate into our economy. This £4m investment from the CPCA, will replace a much smaller, pre-Covid-19 service that operates only in Peterborough, and will operate a tiered model to attract regional relocations into The Fens, national relocations into Greater Peterborough and global relocations into Greater Cambridge. The Covid-19 adapted service is expected to generate over 1,200 new jobs during the rebound phase of recovery. This Inward Investment service will work together with the Department for International Trade, to develop and promote a strong brand for our two core cities that represent our unique proposition. It will set out how our individual industry clusters work together to create a whole that is significantly greater than the sum of its parts. This brand will also promote the area’s quality of life offer, the diversity of towns and cities, and the opportunities for communities and businesses to locate here.

### **3. Three New Life Science and Transport Tech-Accelerators**

A total of £7m of CPCA investment will form part of an £18m bundle of public and private sector growth funding in the form of equity investments for our highest potential and fastest growing small firms. This innovative public-private sector partnership will share risk with global and local investors in growing 80 new technology-based spin-outs and start-ups in Cambridge and contributing 2150 new jobs to accelerate our economies rebound potential. This includes:

- A Start Codon Tech-Accelerator to invest equity and mentor high potential life science firms supported by the Start Codon team at the Milner Institute on Cambridge Biomedical Campus. This will create 1700 jobs over investment period of 5 years through investing and mentoring 45 companies.
- An Illumina Genomics Tech-Accelerator to support and mentor high potential start up med tech firms at Granta Park, providing financial investment in equity shares of £100k per company for accelerated development of research and technology in genomics applications. This will create 400 jobs from 30 companies mentored.
- An Ascendal Transport Tech-Accelerator to create a Special Purpose Vehicle for the testing and proof of concept development of future transport technology options just off the A14, north of Cambridge. This will initially support 9 start-up or early stage companies with technologies that require real-world testing and commercialisation through this programme. This will create 200 jobs.

### **4. Capital Grants & Start-Up Advice for Employees & Displaced Workers Transitioning to Entrepreneurship**

Post Covid-19 labour market conditions, created by a significant increase in displaced workers coupled with a contraction in job opportunities will produce fierce competition for new, re-growth jobs. However, large-scale re-employment could also

be supported by encouraging entrepreneurialism and self-employment with both young adults as well as mature, displaced workers.

Whilst there are many layers of existing support for potential **company start-ups** and the **self-employed sole traders**, the landscape needs to be simplified and localised to the specifics of our sub-economies and market towns to address and harness local opportunities. Both types of new entrepreneur can be supported through mentoring, grants, incentives and leveraging other programmes such as the National Skills Fund and AEB Funding to design specialised courses for aspiring entrepreneurs.

From a financing perspective, Young Adults over recent years have faced similar challenges to establish themselves on the Housing Market but have successfully done so through programmes such as Help to Buy/Shared Ownership/Parental Guarantees etc. Similar models could be explored and developed locally, in partnership with HMG and HMRC to grant finance start-ups, alongside local interventions such as business rate discounts and local capital equipment grants.

More mature displaced workers, who are some years short of retirement and keen to explore entrepreneurship, might also be encouraged to embark on a start-up venture through finance unlocked from their home-equity, through tax breaks or early access to pension pots. Each of these cohorts of potential entrepreneurs, offer an exciting mix of talent, attributes, and experience, and should be proactively harnessed for the benefit of local economies. The CPCA will refocus its Growth Hub to encourage potential entrepreneurs to start new businesses and provide 50% grants to fund the capital costs of start-up and professional advice to help them scale-up, from successful entrepreneurs and business consultants.

## **5. Focusing Growth Where it Can Improve Health & Wellbeing Most**

Community Learning, a funding stream that has a remit to support those furthest away from learning and work, is also a route to support social wellbeing and the skills required to live healthier and longer lives. It is the conduit on which to engage people into learning and move them towards more economic sustainability. Working with Think Communities and the LA Adult Education providers, a Community Learning strategy will be developed to help develop skills that support sustainable and adaptable communities. This will also include initiatives that remove the barriers to work, help address low pay and in-work poverty, give access to wider education and develop the skills needed for parents to support their children in school resulting in improved social and economic well-being. Furthermore, Public Health England (PHE), Cambridgeshire County Council and Peterborough City Council will partner with the CPCA's Skills Brokerage to promote to learners, schools, colleges and employers the important link between having access to "good work" and improving health and wellbeing in individuals and communities. These partners will work together to build evidence and understanding around the links between economic growth, skills, employment, and health outcomes, and to what extent these are fairly and inclusively distributed across our cities, towns and villages.

They will use this expanded understanding to progressively focus the work of the CPCA and its partners onto the places in which increased economic growth, skills and access to employment will have the greatest impact on health and wellbeing improvements for specific communities and groups, such as those with health conditions or disabilities. The partners will also work to develop health and wellbeing programmes for employers to implement, along with a scheme for accreditation for employers to aspire to and attain. This scheme, once developed, will be rolled out through the CPCA's business Growth Service, which will engage 15,000 firms over the next three years. In the longer-term, and as part of the Levelling-Up Agenda, they will work through the Mayor and the M9 group of Mayors to influence central Government and establish a joint call for a more comprehensive measure of prosperity that goes above and beyond traditional metrics such as GDP, to include economic growth inclusivity and its impacts on health and wellbeing of places.

## **6. A New University for Peterborough**

### **Phase 1**

The establishment of a new university in Peterborough to remove the higher education cold spot, that has contributed to the Post-COVID economic vulnerability of the City and will make it more difficult to recover in the longer term. In comparison to the average city in the UK, and within a workforce of 103,000, Peterborough needs be able to mobilise 17,000 more workers at these higher skills levels, to become competitive as a place, and arrest four decades of decline in prosperity and health outcomes and be able to recover from the COVID economic in the longer term. The CPCA has procured Anglia Ruskin University to deliver a new university for Peterborough. The university phase 1 building will enable delivery of a curriculum matched to the growth needs of local businesses, providing new opportunities for communities to gain access to higher level skills, better paid employment and enhanced life-chances.

The core strategy has been developed to tackle the current market failure in HE in Peterborough include:

- A clear focus on under-represented groups and those “left behind” i.e. those who cannot or will not travel to existing providers.
- A solution based on a limited physical experience and a relatively modest campus development with 60% off-campus teaching provision.
- A phased approach which evolves with the needs of the region and is facilitated by successive successful phases of development
- An effective and collaborative relationship between education providers in the city to build a clear pipeline of students and raise aspirations

The CPCA, ARU and PCC will invest £30m to create a facility to deliver 3,000 graduates per annum and 14,000 jobs over a decade. Although the new University will help to address the higher level skills gap we have in the north of the County, it is critical that pathways to HE exist for local residents to access these opportunities by develop their skills and qualification levels thus creating a pipeline of University students. Therefore, working with the Local Authority, T-Levels and Access courses

for adults will be developed to ensure that the opportunities offered by the new University can be maximised to the benefit of local business and people.

## **Phase 2**

The establishment of a Place based, and integrated university and innovation eco-systems that act as a focus for sector-cluster development have been developed successfully around the world, and ours will be based on the Franhofer Model for Technical Universities. It has been chosen for its powerful partnership approach between the university itself, and a co-located independent Research Institute. This will provide the platform for a high value manufacturing innovation eco-system with a Technical University at its core. This in turn will drive place-based, sector cluster, growth founded in technological innovation, that will transform the knowledge intensity of products, services and jobs, which will in turn, arrest four decades of decline in prosperity and reset Peterborough's potential rate of recovery. The research centre will be operated by a partner with a global manufacturing sector network of 700 research and technology customers, across 4500 sites in 80 countries, with combined revenues of £35bn and an annual R&D activity of £1.5bn pa. In addition, residing in the Research Centre, there will be 6 academic partners operating 8 University Innovation Centres to create a Multi-University Research Super-Hub.

## **7. Increasing Skills Capacity in the Construction Sector**

The Combined Authority will increase the prioritisation of its Local Growth Fund's to focus more on capital investments to grow local FE capacity to raise skills quality and volumes in the construction sector. Resulting from the forecast upsurge in infrastructure investment locally and across the OxCam Arc, the forecast local labour demand is for 108,500 by 2022 with around 61% of these being employed in skilled trades. This is to support a £1.3bn housing market and a £764m roads investment, set to rise further with the planned upgrading of the A428, A47, A10, A505 and A428 OxCam Expressway. Construction, therefore, is forecast to grow over the coming period, during which several other sectors will struggle to recover - notably retail, leisure and hospitality. As a result, significant labour flows are predicted between these sectors, creating the need for reskilling of workers in transit between sectors. The CPCA intends to respond to this through £2.5m of capital investments in an FE Construction Hub in Huntingdon, with further, similar investments targeted for Wisbech and Peterborough.

## **8. Connecting Displaced Talent into Re-Skilling & Jobs Faster**

Skills Brokers will specifically target, through our partners in Job Centre Plus, those displaced workers from the hardest hit sectors. The will, for each displaced worker, create a bespoke pathway into retraining and on into a job. This will include spreading funding more effectively across businesses using the Apprenticeship Levy Pooling Mechanism to fund workers and job seekers for apprenticeships. Skills Brokers will also connect employers and job seekers with the new additional funding to cover the costs of targeted training.



## 9. More Resources into Schools to Better Connect Leavers with Jobs

As well as supporting the “Class of 2020” into employment right now, we need to build for the future by much better connecting careers guidance in schools to the local labour market. Young people coming through school need to be provided with a clear line of sight to the range of options available to them, and employers need a better pipeline of homegrown talent ready to fill the jobs that our local economy will be generating. The improvements and enhancements to careers advice in schools in this strategy, are drawn from the Cambridge Ahead report<sup>1</sup>.

This research finds that there is significant disconnect between career guidance in schools and the workplace. If not addressed this disconnect will continue to undermine recovery. Addressing the disconnect needs to focus on the capacity of schools themselves, and the ways providers and employers can support schools to do more. More resources will be channelled into schools to better connect leavers with jobs through:

- **Increasing funding for the engagement and coordination** of employers to provide Careers Advice into schools in partnership with the Careers Enterprise Company. This will be co-funded by the GCP and the CPCA in Greater Cambridge and the CPCA alone, elsewhere, and available from October 2020.
- A Greater Cambridge pilot for the wider economy to **encourage more large local employers to generate more active engagement with schools**, leading to more work mentoring, work experience, and industry placements. Cambridge Ahead will deliver this pilot through its 48 Members across the Greater Cambridge sub-economy.
- The Mayor will carry forward local demands into government for **dedicated budgets for schools to build their in-house capacity, as the foundation for better and more balanced career education**, and to enable lasting connections to be built with local employers. This will include the potential to devolve pilots or such interventions, co-designed between the M9 Mayors and Ministers

The three interventions above will be specifically focused on addressing recommendations set out by the Cambridge Ahead report, namely:

- To ensure all schools to have a dedicated careers leader to coordinate career guidance and access to funding for improved guidance.
- To raise awareness and understanding amongst teachers and staff of technical education pathways for learners, giving them equal emphasis.

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<sup>1</sup> [https://www.rand.org/pubs/research\\_reports/RR4491.html](https://www.rand.org/pubs/research_reports/RR4491.html)

- To facilitate more engagement with employers, building closer relationships between providers, schools and businesses, to improve learners understanding of the skills required in the labour market locally.
- To engage more employers through regular events to highlight the benefits associated with school engagement and to work with Government, through the Mayor, to develop potential tax or business rates incentives around schools engagement.
- To encourage more mentoring by employers, of older learners relating to job demands and working life, enabled through a significant increase in high quality industry placements.
- To engage more parents in helping learners make key career decisions by integrating them into and strengthening their role in the career guidance process and activities.
- To make the Department for Education's Career Enterprise Company (a whole owned subsidiary of the DfE) the default partner for schools for the provision of information about providers of career guidance, through an online portal and Careers Hub offering a comprehensive list of providers available, a clear and comprehensive comparison of their services and the cost associated with them (including funding where available).
- To use the DfE's Career Enterprise Company to establish sector-wide measures of quality for career advice in schools and monitor local providers of against them, including schools and employer feedback to continue to improve provision.
- To use Ofsted to review the effectiveness of the Gatsby Benchmarks and to develop new standard metrics to assess and monitor the quality of career guidance provision and programmes as an integral part of the Ofsted evaluation of all secondary schools.

## **10. Leveraging the Adult Education Budget to Improve Digital Skills**

While digital inclusion and connectivity is critical to underpinning growth, productivity and an inclusive economy, the importance of this agenda has grown significantly through the emerging impact of Covid-19 on people, of all ages and backgrounds. The requirement to stay at home, coupled with social distancing measures upon peoples return to work, has meant that the connectivity, hardware and skills to be digitally included are critical to maintaining any form of social and family connection, education, and financial security – beyond this many services essential to the wellbeing and support of residents have had to shift to online channels.

Underspend from the first year of devolved Adult Education Budget were being matched with Local Growth Fund in a new £660,000 Innovation Fund to improve digital access, connectivity and devices for those that need it most, along with a call

for innovative new ways of delivering the education and skills in a changing environment.

This fund is to be used by the existing AEB Adult and Community Learning (local authority), colleges and independent training providers to finance the costs of digital transformation within FE delivery, through capital grants for IT equipment, as well as revenue funding for additional staff to adapt courses for remote delivery and provide rapid response for redundancies.

Subject to approval, an Innovation Fund will be created for 2021/22, following evaluation of the 2020/21 year, with a focus on COVID-19 recovery.

## **12. New Manufacturing & Agri-Tech Innovation Launch Pads**

These will be innovative co-investments between local firms and the CPCA's Local Growth Fund into buildings and equipment to deliver town and city-based innovation centres. Each will comprise all or some of the key features of; apprenticeship academies, technology research centres and spin-out or scale-up incubators. The CPCA's £20m of funding will enable 4 centres to be built across Cambridge, Peterborough and The Fens, all complete by spring 2021. In the meantime, they will provide vital construction employment to support short-term recovery, along with new technology, products, skilled workers and incubated firms, contributing 1000 new jobs and 350 Apprenticeships to accelerate rebound.

The centres will include:

1. A Metalcraft Advanced Manufacturing Launchpad to create incubator space within Chatteris and the redevelopment and expansion of the Apprenticeship training facility currently on site for advanced manufacturing businesses across Fenland. This centre will create 50 new jobs and 300 Apprenticeships
2. A Photocentric Additive Manufacturing Launchpad in Peterborough to create a new head office including R&D space focusing on the development of new 3D printing technology. This centre will create 1000 jobs over next 4 years and 50 Apprenticeships.
3. A NIAB Agritech Launchpad in Cambridge to create start-up business space for Agritech firms, offering access to labs and scientific support. This centre will create 50 new jobs and new opportunities for collaboration amongst Agri-Tech businesses and Academics/Scientists.
4. Composites, Chatteris – establishment of a composite repair centre to complement the main composite development, design and build business.

## **13. A Smart Manufacturing Association in the North of the Economy**

Manufacturing is a key sector in Cambridgeshire/Peterborough's economy, as recognised within CPIER/Local Industrial Strategy. Manufacturing produces 13% of

the economic output, was responsible for 13% of the area's economic growth (2010-2016), and provides employment for 40,500, (9% of workforce). The CPCA Advanced Manufacturing and Material Sector Strategy identifies as one of its key recommendations the creation of a sector-focused network as vital to the future growth and competitiveness of this sector. The Smart Manufacturing Association (SMA) strategically aligns the region to the:

- East of England Science & Innovation Audit through focusing on advanced manufacturing and identifying cross sector opportunities with developing sectors such as Agritech.
- Make UK AME Growth through focusing on accelerating productivity and innovation, and through providing businesses with the individual support they need as each business moves along its journey.
- Clean Growth Strategy in considering the opportunities and implications in growing in a sustainable and viable manner. Supporting businesses move from embracing green behaviours to smart technologies and ultimately develop low carbon products and services.

Delivered in partnership with Opportunity Peterborough, the SMA will focus on providing members with specific benefits including:

- Supporting businesses to identify and adopt Industry4.0 technologies such as IoT, automation, and digitisation, as well as new business models such as Circular Economy and Product as a Service, to drive innovation, productivity, and competitiveness.
- Better connecting and strengthening relationships between industry, universities, researchers, training providers, centres of excellence, and schools in a coordinated and collaborative cluster to drive sector growth.
- Sharing of knowledge, best practice, and ideas. Providing benchmarking, training workshops, and learning programs to develop better informed leaders and a higher skilled workforce.
- Providing evidence-based analysis to promote the development of supporting infrastructure such as Launchpads, incubators, innovation labs and maker spaces, as well identifying comparative advantages and supply chain opportunities to help attract new investors to the area.
- Supporting the development of place-based maker communities to achieve more effective networking and sharing of best practice and build stronger collaborations and supply chains at the local level.
- Promoting career opportunities in the sector to young people, challenging perceptions to help inspire and inform the future workforce.

#### **14. Town Centre and High Street Reopening, including promotions to think and spend locally.**

Local Authorities have put in place a range of supports intervention measures for a Covid-19 secure reopening of high streets and town centres, including:

- Effective and coordinated social distancing
- Enhanced cleaning and hygiene
- Changes and improvements to physical infrastructure
- Clear unambiguous guidance to businesses and visitors.

## **15. Stimulating the Housing Market - £100k Homes**

The Centre for Economics and Business Research think tank predicted in early June that 'house prices will fall by 13 per cent by the end of the year' due to the pandemic. It has revealed that the effect will vary across the country depending on how badly a region's workforce was hit. The think tank predicts that house prices in Yorkshire and the Humber and Northern Ireland will fall most. In these regions the main industries of manufacturing, construction, retail and hospitality have been hit the hardest - 'Although the government have offered up a vast package of support, this lack of demand will mean some businesses cease to operate,' explains the CEBR, many workers will lose their jobs and a lot more will face a cut in incomes.' 'Housing is the single biggest expenditure item for most households, which means that the shortfall in incomes has a tremendous potential to disrupt the UK's housing markets,' the CEBR adds". The May 20 Nationwide housing data showed a month on month fall in house prices of 1.7%, further evidence of an ongoing market decline. To forecast the potential impact going forward, there is merit in looking at previous recessions and house price crashes, the most recent and significant being 2007. From Jun 2007 to Dec 2008, prices dropped 20% and recovered only after 6 years. New home sales declined from the beginning of the recession in December 2007 and failed to fully recover until 2012. This resulted in a significant loss of economic housing output and capacity.

As the market for private sale units shrank with higher risk and uncertainty about the volume of sales, anticipated sale prices and any profit that might be achieved, housebuilders downsized their operations to match. The effect was the loss of capacity and production. However, the CPCA's current £100k Homes programme could be expanded and harnessed to encouraging housebuilders to keep building at higher rates, at least temporarily for 1-2 years to build majority or wholly affordable housing schemes instead of market housing.

This would allow developers the opportunity to complete (and still start) building market units and convert them to a shared ownership or affordable rental tenure. Such a scheme would maintain developers cashflows, contractors' workloads and provide continuity for the housing market whilst simultaneously increasing the overall long-term pool of affordable housing and maintaining overall economic activity from the housing sector, avoiding the worst excesses of a contraction of the housebuilding industry. An even more powerful stimulus is being pursued by the CPCA to deliver potentially three new garden towns linked to the Mayors proposed Cambridge Autonomous Metro scheme. Each scheme could deliver approximately 6,000 new houses, including affordable houses & commercial space, all connected by the CAM. This would require around £20m over the next few years to harness the delivery expertise and leadership of the private sector and demonstrating public-sector commitment to attract private investment.

## **16. GCP Transport Programme**

We are accelerating delivery of the GCP transport, Immediate measures (ETROs) to respond to need for more space for pedestrians and cyclists to travel during pandemic, supporting people and businesses to restart/recover.

## **18. Support for City & Town Centre Firms to Rebound**

**City Centres** - a new city centre improvement fund, provided by the CPCA Business Board, through its Local Growth Fund to support the regeneration of the City Centres moving to outside entertainment and socialising. The applications will follow the LGF process and will be required to meet the outputs and outcomes identified in LGF increasing jobs, safeguarding jobs and improving the estate grades and access to the City Centres. Furthermore, local authority partners are actively looking at longer term assessments on change of use from retail to other use.

**Town Centres** - an adaption of the existing Market Towns Fund provided by the CPCA through its devolved Gainshare Funding as a ringfenced fund will enable a co-ordinated approach to the changes required post Covid-19 to management of people meeting and socialising, maintaining the retail, leisure, hospitality and environmental sectors in town centres. A commitment was made by the CPCA to work in partnership with district and town councils to produce masterplans for key towns.

## **21. Training for School & College Leavers Unable to Find a Job**

Local facilitation of the Government's High Value Courses initiative through a £150k pilot to support school and college leavers into work and enabling them to gain the skills they need to get jobs. The new service will do this by helping leavers access the Government's additional funding for selected level 2 and 3 qualifications in specific subjects and sectors in response to Covid-19. It will work with local FE colleges and independent providers to create proposals to retain young people in a high value training. The one-year offer will enable 18 and 19-year-olds leaving education and training who are unable to find employment or work-based training.

## **23. Local Piloting of a New Cambridgeshire & Peterborough Retraining Scheme**

The CPCA will fund an £80k pilot for adults to retrain into better jobs, and be ready for future changes to the economy, including those brought about by increasing automation or have been disrupted due to Covid-19. The Pilot aims to meet the needs of businesses to create a multi-skilled workforce for the future. We will work with employers who have identified skills needs within their workforce, or future recruitment needs as their businesses adapt to changes within the working environment. We will develop bespoke support package of workforce training for each of the business we work with.

- **Engineering/ Advanced Manufacturing** - Working with Marshall Cambridge and their supply chain to create **50 Apprenticeships and 30 Adults** retraining in Engineering.
- **Health and Care** - Working with Cambridgeshire & Peterborough NHS Trusts to create **100 new entrant jobs** for those displaced to retrain into Health and Care sector.

The pilot will support and retrain individuals at risk of their jobs changing or disappearing as a result of automation, and Covid-19. It will facilitate individuals gaining the skills they need to move into a new occupation or move into more stable, higher value - more productive job.

## **28. CPCA Digital Infrastructure Programme “Keeping Everyone Connected”**

This workstream encompasses both initial response and recovery from the Covid-19 pandemic in the context of digital infrastructure, helping to support businesses and communities as well as public service delivery. This workstream includes:

- Disseminating information to businesses, communities and public agencies to ensure continued access to digital connectivity in early stages of Covid-19 crisis. Limiting the delays and disruption to digital infrastructure roll-out during lock-down by close liaison with telco's and highways and planning teams.
- £500k CPCA funding to be matched with residual ERDF funds to provide grants to SMEs to support greater take-up of technology in businesses adapting to new ways of working.
- Top up provision for the government's rural gigabit voucher scheme to help support businesses and communities in some of the most hard to reach areas of Cambridgeshire and Peterborough assessing gigabit capable digital connectivity – supporting remote working, education and training, access to healthcare and social inclusion.

## **LONG TERM INTERVENTIONS**

### **L1. Major Innovation Projects in Greater Cambridge**

Coordination of bids from our key science and research organisations to ensure Cambridgeshire & Peterborough play a substantial role in any largescale investment by Government into the OxCam Arc, including:

- Expansion of the University of Cambridge Whittle Lab to develop sustainable jet propulsion systems working in partnership with local manufacturers
- Expansion of the University of Cambridge Life Science Laboratories around immunology working in partnership with Astra Zeneca

### **L2. City Centres & Tourism Programme**

The Towns Fund will be subsumed into the Levelling Up fund, and a bid from Cambridge is possible, but will need to be argued well, on the basis it will struggle against a levelling-up agenda. However, ideas for investment around culture, leisure and tourism are in early stages of development with the City Council and Cambridge BID, and with the help of the CPCA around that sector's impact on employment drawn from the surrounding area within the wider economic context could strengthen the case.

### **L3. Market Towns Programme**

The Future High Streets Fund will be subsumed into the Levelling Up fund, and bids to improve high streets and public realm to promote recovery and growth, like those through the CPCA Market Towns Programme could be developed into a multi-year programme and match funded by gainshare from Mayoral/Devo funds (as a potential roll-on of the Mayors Market Towns Fund). These could include current Local Authority ideas for:

- Regeneration of the Bus Station quarter in Huntingdon and St Neots Market Place.
- Further enhancements to town centres as part of the Growing Fenland Towns plan.
- Others to be confirmed in dialogue with LA officers.

**The next interventions L4-L7 could be subject to co-ordinated bids to the Levelling Up fund:**



**L4. The Peterborough Station Quarter** – which is about to receive £30m of investment from Network Rail and LNER, which will free-up the current car park for development.

**L5. Fenland Advanced Manufacturing Cluster** – around which early Officer dialogue is helping to formulate ideas for an expansion of an Advanced Manufacturing Park, centred on Chatteris and Metalcrafts with a focus on attracting inward investors to develop a nuclear sector cluster, including an incubator, inward investor landing fund and expansion of a cluster skills training centre, already established as a partnership between Metal Craft and inward investing FE provider.

**L6. Wisbech South Development Enterprise Company** – as a special purpose vehicle to manage a revolving loan fund to acquire business park development sites, partner to develop them and collaborate with the CPCA Inward Investment Agency to attract firms into them, to benefit from planned improvements to the A47 and provide manufacturing sites for technologies developed within the evolving Peterborough Net Zero Research Cluster on the University Campus.

**L7. The university of Peterborough** – which has been firmly established but needs to be expanded to reach commercially sustainable critical mass, including two more teaching buildings, an R&D programme and a second research building to ensure future graduate volumes are matched with higher level job creation to provide employment locally.

## **FE Capacity Building Programme**

**L8.** Coordination of bids from FE Colleges into the FE Capital Transformation Fund (FECTF), especially around addressing the skills deprivation in the north and skills capacity gaps in the south (lab technicians and construction)

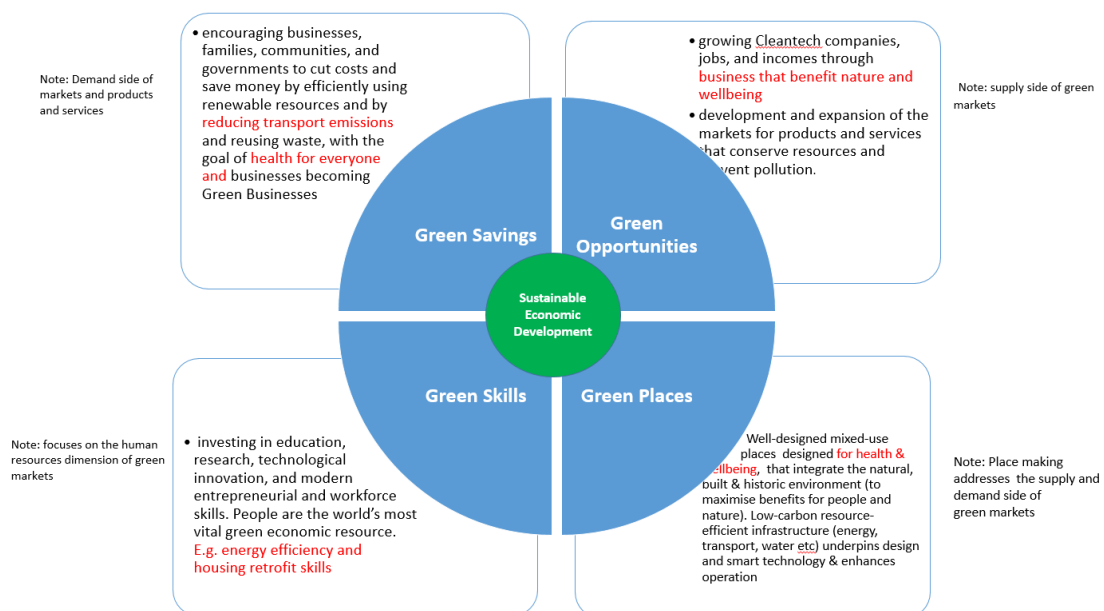
- Cambridge - Cambridge Regional College are submitting a proposal to enhance their campuses in Cambridge City and Huntingdon, by improving the building condition, environmental performance of the estate, workshop teaching space and equipment. An enhancement of the following curriculum areas: Digital, Construction Skills (for Green industries - heating and retrofit), electric vehicle diagnostic and maintenance.
- Peterborough - Peterborough College are developing a proposal for Green Skills Technology Centre utilising £2m from the Towns Fund and leverage of a potential £8m from FECTF.
- Peterborough - Development of a Centre of Excellence for Science, Health and Social Care, training for specialist roles in adult social care, rehabilitation, counselling, therapy, mental health, wellbeing and nutrition.

- Peterborough - Enhancement of training facilities and capacity for the delivery of vocational pathways into employment for young adults with Special Educational Needs and Disabilities.
- Peterborough – Investment of £1m of SPF into a T-Level Training Centre in the town centre and connected into progression to university through ARU.
- Huntingdon – Further development of construction sector skills facilities and partnering with an inward investing college to develop the iMET centre.
- Wisbech - Development of plans already agreed with College of West Anglia for improvements to the town campus.

## L9. A Framework for Sustainable Economic Development

Sustainable recovery policies offer several advantages in spurring growth during economic downturn. In comparison to traditional fiscal stimulus, which maintains business-as-usual GHG emissions, green projects can create more jobs, deliver higher short-run fiscal multipliers and lead to higher long-run cost savings. Similarly, construction projects, like insulation retrofits and building wind turbines, are less susceptible to offshoring than traditional stimulus measures. In the long term, as the operation and maintenance of more productive renewable technologies makes them less labour intensive, they generate higher long-run multipliers arising from energy cost savings; with obvious flow-on effects to the wider economy.

This means reducing greenhouse gas emissions, phasing out the burning of fossil fuels and other high polluting sectors, building resilient infrastructure (e.g. energy, water, digital, housing and transport) that is adapted to climate change impacts and at the same time significantly increasing the efficient use of resources and productivity whilst making space for nature in everything must be central to how we plan a thriving economy for the 21<sup>st</sup> Century.



## **L10. Resource and Waste Circular Economy Business Models**

The Government's 2018 Resource and Waste Strategy (RAWS) sets a clear direction towards a more circular economy in managing waste and how it can deliver the double benefit of contributing to managing the climate crisis and deliver economic opportunity.

It will see us keeping resources in use as long as possible, so we extract maximum value from them by recovering and regenerating products and materials whenever we can, giving them a new lease of life. Circular economy business models may be of particular benefit to restate and reinvigorate in the post Covid-19 economic environment as the flows of waste production have shifted to households during lockdown. It should form a key element of a green led economic recovery from Covid-19 reviewing, testing and pursuing the possibility of new revenue streams, markets and product lines.

Opportunities should be taken to shape new policy, for example second stage consultations on three areas of proposed waste and recycling legislation (a deposit return scheme (DRS) for drinks packaging in England, extended producer responsibility (EPR) for packaging and consistency in recycling collections) are set to take place in early 2021 so the new legislation can be rolled out from 2023. Not only will the RAWS reduce the amount of waste generated, minimise the depletion of natural resources, increase recycling and reduce our carbon emissions, it also aims to stimulate innovation, create new job opportunities and boost economic activity which can form a key element of a green led economic recovery from Covid-19.

## **L11. Start-Up & Scale-Up Incubator & Accelerator Programme**

Re-purposing commercial space left redundant by changing major office demand, linked to a forecast increase in start-ups and entrepreneurial activity as individual transition post Covid and into new markets and zero carbon opportunities, provide a real opportunity and demand. To be met by potentially 3 new incubator centres and 3 accelerators, to further drive scale up and start up success in our renew and future growth phases.

## **L12. Advanced Digital Infrastructure Deployments to Support Accelerators and Incubators**

Emerging technologies and advanced data techniques which can fuel innovation and high value growth in areas such as transport, life sciences, healthcare and Agri-Tech are critically dependent on having leading edge digital connectivity infrastructure and services readily available for small businesses and research institutes as well as larger more established businesses. All new accelerators and incubator spaces require leading edge digital infrastructure services.

This includes gigabit capable full fibre infrastructure for all new buildings established as part of these workstreams (7,18,19) and the installation of 5G networks in all locations to support testing, trials and innovation. These include the provision of private 5G networks where required, integrated with commercial 5G deployments as needed.

### **L13. Business Expansions & Landings Programme**

A programme fund to which existing firms in our region might apply for major expansions of their operations and to use to attract high value inward investors, by sharing the costs of establishing in the UK and our region. Candidate business already expressing interest include a medical equipment manufacturer with ambitions to expand significantly in our region and in particular into some of our levelling-up locations.



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**JAMES PALMER**  
CAMBRIDGESHIRE &  
PETERBOROUGH MAYOR

Agenda Item No: 3.1

## Adult Education Budget Evaluation 2019/20

To:	Skills Committee
Meeting Date:	15 March 2021
Public report:	Yes
Lead Member:	Councillor John Holdich OBE, Lead Member for Skills
From:	Parminder Garcha, Senior Responsible Officer, AEB
Key decision:	No
Forward Plan ref:	N/A
Recommendations:	<p>The Skills Committee is recommended to:</p> <ul style="list-style-type: none"><li>a. note the Adult Education Budget (AEB) 2019/20 Evaluation Report as required under the CPCA's Monitoring and Evaluation Framework.</li><li>b. note the additional district level analysis requested by Members at the January 2021 Skills Committee.</li></ul>
Voting arrangements:	A simple majority of all Members

## 1. Purpose

- 1.1 To recommend to the Skills Committee, the independent evaluation of the first year of devolved AEB, for academic year 2019/20. The Evaluation Report highlights the progress made, lessons learnt, the focus for future strategy, policy, and delivery of adult education in the region. The Evaluation also captures the views of colleges and providers on CPCA's commissioning and contract management process.
- 1.2 To report that an independent evaluation of the 2020/21 academic year delivery and programme management has been commissioned and will be reported in January 2022. It is proposed that the 2020/21 report will include thematic 'deep-dives' into learner characteristics, such as learning difficulties and disabilities, benchmarking with other areas, case studies, destination data and further district and ward-level analysis as that provided in Appendix 1.

## 2. Background

- 2.1 As part of the original devolution deal that created the Combined Authority, there was a requirement for maintaining a monitoring and evaluation framework. The main purpose of the framework is to ensure that programmes funded by the authority are properly assessed after implementation to check achievement of the stated benefits for residents, business, and the economy.
- 2.2 The requirement for evaluating AEB is set out in the Ministry of Housing, Communities and Local Government's (MHCLG) National Local Growth Assurance Framework (January 2019) which is also reflected within the Local Assurance Framework.
- 2.3 The evaluation looks at performance of devolved AEB, considering both quantitative and qualitative data and intelligence. It considers how well devolution of AEB is working and the extent to which it is being implemented as designed, looking at delivery in the first year in 2019/20 and the underpinning processes within CPCA.
- 2.4 The evaluation was completed independently of the CPCA by Cambridgeshire Insights.
- 2.5 **District Level Analysis**

At the Skills Committee meeting on 11 January 2021, members requested additional district level analysis, which would help to inform local impact and provision planning. Appendix 1 has been created for this purpose and it is proposed to append this to the published Evaluation Report.

### 2.6 **Publication of 2019/20 AEB Evaluation**

To raise the profile of devolution, report on progress and share successes with wider stakeholders and the public, it is proposed to publish the Evaluation

Report on the CPCA's new website. The publication will aim to showcase devolved AEB.

## Significant Implications

### 3. Financial Implications

- 3.1 There are no financial implications highlighted by the Evaluation itself. However, as the report identifies, provider delivery has been impacted by COVID-19. During the pandemic, CPCA provided assurance to providers that reconciliation of grant-funded colleges would not be undertaken. This is a different approach taken by other MCAs and the ESFA. Members should note that over £2m of funds are retained by providers against overhead costs during the lockdown, rather than through earned delivery. Three providers agreed to 'carry-over' c£0.5m from 2019/20 to deliver training courses within 2020/21.
- 3.2 The annual costs of undertaking the independent evaluation are included within the Service Level Agreement with Cambridgeshire Insights, which is accounted for within the AEB Programme Delivery Budget line.

### 4. Legal Implications

- 4.1 There are no legal implications from the Evaluation Report. The requirement to produce an Evaluation as part of the Monitoring and Evaluation Framework has been fulfilled.

### 5. Other Significant Implications

- 5.1 None

### 6. Appendices

- 6.1 Appendix 1 – Ward and District Level Analysis 2019/20
- 6.2 Appendix 2 – Adult Education Budget Annual Evaluation 2019/20

### 7. Background Papers

- 7.1 National Local Growth Assurance Framework (MHCLG, January 2019)
- 7.2 [CPCA Local Assurance Framework \(2019\)](#)

Document title, web link or address where it can be obtained:  
72 Market Street Ely, Cambridgeshire CB7 4LS

## Appendix 1 - Additional District level data to support Adult Education Budget Evaluation

2018/19 and 2019/20 Academic Year – Comparison of Learners and Adult Skills Funding

The following tables show the proportions of learners in each of the CPCA Local Authority areas for 2018/19 and 2019/20 academic years by funding model.

<b>TABLE 1: Analysis of Learners by Local Authority of Residence for each Funding Model</b>			
<b>2018/19</b>			
<b>Local Authority of Learner Residence</b>	<b>Adult Skills and Community Learning</b>	<b>Adult Skills</b>	<b>Community Learning</b>
	<b>% of All Learners in CPCA Area</b>	<b>% of Adult Skills Learners in CPCA Area</b>	<b>% of Community Learning Learners in CPCA Area</b>
Cambridge	13%	12%	15%
East Cambridgeshire	11%	8%	13%
Fenland	10%	13%	7%
Huntingdonshire	18%	15%	22%
Peterborough	29%	40%	15%
South Cambridgeshire	19%	11%	28%
<b>2019/20</b>			
<b>Local Authority of Learner Residence</b>	<b>All Funding Models</b>	<b>Adult Skills</b>	<b>Community Learning</b>
	<b>% of All Learners in CPCA Area</b>	<b>% of Adult Skills Learners in CPCA Area</b>	<b>% of Community Learning Learners in CPCA Area</b>
Cambridge	14%	13%	19%
East Cambridgeshire	8%	8%	5%
Fenland	13%	12%	16%
Huntingdonshire	14%	14%	13%
Peterborough	41%	40%	38%
South Cambridgeshire	11%	12%	9%
Unknown	1%	2%	0%
Percentages will not necessarily total 100% as a learner can take multiple learning aims in an academic year. Source - Individualised Learner Record, 2018/19 (R14) and 2019/20 (R14) - Education and Skills Funding Agency			



<b>TABLE 2 – Proportion of Learners by Funding Model for each Local Authority</b>		
<b>2018/19</b>		
<b>Local Authority of Learner Residence</b>	<b>% of Learners Taking Adult Skills Learning Aims</b>	<b>% of Learners Taking Community Learning Aims</b>
Cambridge	51%	55%
East Cambridgeshire	45%	61%
Fenland	77%	34%
Huntingdonshire	47%	59%
Peterborough	79%	25%
South Cambridgeshire	34%	70%
Cambridgeshire and Peterborough	57%	48%
<b>2019/20</b>		
<b>Local Authority of Learner Residence</b>	<b>% of Learners Taking Adult Skills Aims</b>	<b>% of Learners Taking Community Learning Aims</b>
Cambridge	76%	27%
East Cambridgeshire	89%	13%
Fenland	80%	28%
Huntingdonshire	85%	20%
Peterborough	82%	20%
South Cambridgeshire	86%	17%
Unknown	97%	3%
Cambridgeshire and Peterborough	83%	21%
Percentages will not necessarily total 100% as a learner can take multiple learning aims in an academic year. Source: Individualised Learner Record, 2018/19 (R14) and 2019/20 (R14) - Education and Skills Funding Agency		

<b>TABLE 3: AEB funding by local authority, comparing 2018/19 and 2019/20 Academic Years</b>				
	<b>2018/19</b>		<b>2019/20</b>	
<b>Local Authority of Learner Residence</b>	<b>Adult Skills Funding*</b>	<b>% of total Adult Skills Funding</b>	<b>Adult Skills Funding</b>	<b>% of total Adult Skills Funding</b>
Cambridge	-	12%	£826,700	13%
East Cambridgeshire	-	6%	£356,800	6%
Fenland	-	14%	£827,800	13%
Huntingdonshire	-	13%	£766,700	12%
Peterborough	-	44%	£2,813,700	44%
South Cambridgeshire	-	10%	£637,200	10%
Unknown	-	0%	£131,900	2%
<b>Cambridgeshire and Peterborough</b>	-	100%	£6,360,600	100%
All Adult Skills Funding figures are rounded to the nearest £100 *Adult Skills Funding data not available for public release for 2018/19. Source: Individualised Learner Record, 2018/19 (R14) and 2019/20 (R14), Education and Skills Funding Agency				

## 2019/20 Learner Employment Status

<b>TABLE 4 - Learners by Employment Status on First Day of Learning (2019/20)</b>				
<b>Local Authority of Learner Residence</b>	<b>Employed</b>	<b>Unemployed, Looking for Work</b>	<b>Unemployed, Not Looking for Work</b>	<b>Employment Status Unknown</b>
	% of Learners in Local Authority	% of Learners in Local Authority	% of Learners in Local Authority	% of Learners in Local Authority
Cambridge	49%	20%	15%	18%
East Cambridgeshire	67%	21%	8%	4%
Fenland	49%	33%	14%	8%
Huntingdonshire	65%	21%	9%	6%
Peterborough	39%	36%	13%	15%
South Cambridgeshire	68%	13%	11%	10%
<b>Cambridgeshire and Peterborough</b>	51%	28%	12%	12%
Percentages will not necessarily total 100% as a learner can take multiple enrolments throughout the year and may have a different employment status				
Source: Individualised Learner Record, 2019/20 (R14), Education and Skills Funding Agency				

<b>TABLE 5 - Age at Start of Learning (2019/20)</b>							
<b>Local Authority of Learner Residence</b>	<b>19-23</b>	<b>24-29</b>	<b>30-39</b>	<b>40-49</b>	<b>50-59</b>	<b>60-64</b>	<b>65+</b>
	% of learners in Local Authority	% of learners in Local Authority	% of learners in Local Authority	% of learners in Local Authority	% of learners in Local Authority	% of learners in Local Authority	% of learners in Local Authority
Cambridge	9%	19%	28%	23%	15%	4%	2%
East Cambridgeshire	10%	11%	29%	25%	20%	4%	2%
Fenland	15%	14%	28%	21%	14%	5%	4%
Huntingdonshire	13%	17%	26%	24%	15%	3%	2%
Peterborough	13%	15%	33%	22%	13%	3%	2%
South Cambridgeshire	9%	13%	27%	30%	17%	2%	2%

<b>Table 6 - Prior Attainment of Learners on First Day of Learning (2019/20)</b>					
<b>Local Authority of Learner Residence</b>	<b>Level 1 and Below</b>	<b>Level 2 - 3</b>	<b>Level 4+</b>	<b>Other qualification level not known</b>	<b>Unknown/Missing</b>
	% of Learners	% of Learners	% of Learners	% of Learners	% of Learners
Cambridge	25%	17%	39%	5%	16%
East Cambridgeshire	27%	29%	32%	4%	10%
Fenland	36%	37%	13%	2%	16%
Huntingdonshire	24%	32%	25%	4%	17%
Peterborough	54%	20%	11%	8%	8%
South Cambridgeshire	17%	25%	43%	4%	12%
<b>Cambridgeshire and Peterborough</b>	<b>37%</b>	<b>25%</b>	<b>22%</b>	<b>6%</b>	<b>12%</b>
Percentages will not necessarily total 100% as a learner can take multiple enrolments throughout the year and may have a different prior attainment at this point Source: Individualised Learner Record, 2019/20 (R14), Education and Skills Funding Agency					

<b>TABLE 7 - Learners Self-Reporting as having a Learning Difficulty and/or disability and/or health problem (2019/20)</b>			
<b>Local Authority of Learner Residence</b>	<b>Considers themselves to have a learning difficulty and/or disability and/or health problem</b>	<b>Does not consider themselves to have a learning difficulty and/or disability and/or health problem</b>	<b>No Information provided by Learner</b>
	% of Learners in Local Authority	% of Learners in Local Authority	% of Learners in Local Authority
Cambridge	18%	61%	23%
East Cambridgeshire	15%	75%	11%
Fenland	28%	68%	5%
Huntingdonshire	19%	74%	9%
Peterborough	20%	76%	5%
South Cambridgeshire	18%	70%	13%
<b>Cambridgeshire and Peterborough</b>	<b>20%</b>	<b>72%</b>	<b>9%</b>
Source: Individualised Learner Record, 2019/20 (R14), Education and Skills Funding Agency			

<b>TABLE 8 - Learners by Ethnicity and Local Authority (2019/20)</b>							
<b>Local Authority of Learner Residence</b>	<b>Arab</b>	<b>Asian</b>	<b>Black</b>	<b>Mixed/ Multiple Ethnicities</b>	<b>Other Ethnic Group</b>	<b>White</b>	<b>Not Provided</b>
	% of Learners	% of Learners	% of Learners	% of Learners	% of Learners	% of Learners	% of Learners
Cambridge	3%	12%	4%	6%	2%	68%	5%
East Cambridgeshire	0%	3%	1%	2%	1%	90%	2%
Fenland	0%	1%	2%	2%	0%	94%	2%
Huntingdonshire	0%	4%	5%	2%	1%	86%	2%
Peterborough	2%	17%	8%	4%	4%	62%	4%
South Cambridgeshire	1%	8%	2%	2%	1%	83%	1%
<b>Cambridgeshire and Peterborough</b>	2%	11%	5%	4%	2%	75%	3%
Source: Individualised Learner Record, 2019/20 (R14), Education and Skills Funding Agency							

## Enrolments

The following tables show the proportion of enrolments for the 2019/20 academic year by Local Authority Area and funding model.

<b>TABLE 9 - Enrolments by Local Authority for each Funding Model</b>						
<b>Local Authority of Learner Residence</b>	<b>Adult Skills and Community Learning</b>		<b>Adult Skills</b>		<b>Community Learning</b>	
	Number of Enrolments	% of All Enrolments in CPCA Area	Number of Adult Skills Enrolments	% of Adult Skills Enrolments in CPCA Area	Number of Community Learning Enrolments	% of Community Learning Enrolments in CPCA Area
Cambridge	1,800	13%	1,400	12%	400	16%
East Cambridgeshire	800	6%	700	6%	100	4%
Fenland	1,600	11%	1,200	10%	300	14%
Huntingdonshire	1,800	13%	1,500	12%	300	15%
Peterborough	6,800	48%	5,800	49%	1,000	43%
South Cambridgeshire	1,300	9%	1,100	9%	200	7%
Unknown	200	1%	200	1%	*	0%
Enrolment counts have been rounded to the nearest 100. Figures marked as an * are small enough to be negligible Source: Individualised Learner Record 2019/20 (R14), Education and Skills Funding Agency						

<b>TABLE 10 - Enrolments by Funding Model for each Local Authority</b>		
<b>Local Authority Area of Learner Residence</b>	<b>% of Enrolments classified as Adult Skills</b>	<b>% of Enrolments classified as Community Learning</b>
Cambridge	79%	21%
East Cambridgeshire	87%	13%
Fenland	79%	21%
Huntingdonshire	81%	19%
Peterborough	85%	15%
South Cambridgeshire	87%	13%
Unknown	96%	4%
<b>Cambridgeshire and Peterborough</b>	<b>83%</b>	<b>17%</b>
Source: Individualised Learner Record 2019/20 (R14), Education and Skills Funding Agency		

**Table 11** below shows the proportion of Adult Skills Enrolments taken in 2019/20 by notional NVQ level, split by local authority where the learner resided. The majority (76%) of Community Learning enrolments do not have an NVQ level associated with them.

<b>TABLE 11 – Enrolments by notional level, split by local authority residency.</b>				
<b>Local Authority of Learner</b>	<b>Entry Level</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>% of Adult Skills Enrolments in LA</b>			
Cambridge	30%	22%	48%	0%
East Cambridgeshire	24%	15%	61%	1%
Fenland	14%	24%	59%	2%
Huntingdonshire	15%	23%	60%	1%
Peterborough	43%	24%	32%	1%
South Cambridgeshire	17%	17%	65%	1%
Unknown	43%	18%	32%	7%
<b>Cambridgeshire and Peterborough</b>	32%	22%	45%	1%
Source: Individualised Learner Record, 2019/20 (R14), Education and Skills Funding Agency				

# Adult Education Budget Devolution Evaluation

Version: 1.2  
November 2020

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On behalf of:	The document has been produced by the CRG, on behalf of Cambridgeshire and Peterborough Combined Authority (CPCA)
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## INTRODUCTION

Devolution of the Adult Education Budget (AEB) to the Cambridgeshire and Peterborough Combined Authority (CPCA) was agreed in the Devolution Agreement of November 2015. The AEB is a single funding stream replacing what had previously been three separate budget lines:

- The Adult Skills Budget (namely skills provision for adults aged 19 years and above),
- Community Learning,
- and Discretionary Learner Support.

It encompasses a range of statutory entitlements for learners, including the right to fully funded provision for basic English and maths qualifications and, depending on the resident's age and employment status, an entitlement to a first full level 2 and first full level 3 qualification.

The Devolution Agreement gave the Combined Authority responsibility for ensuring high quality adult education is available for Cambridgeshire and Peterborough residents from 1 August 2019 for the 2019-2020 academic year and beyond.

The primary purpose of the CPCA AEB fund is to engage adults and provide them with the skills and learning needed for work or further learning. In addition, it will improve employability skills including communication, self-confidence and attitude to work and enable people to contribute to the social wellbeing of their community. It will enable more specific programmes of learning to help those furthest away from the market place of work and learning.

The Combined Authority, in line with local devolution, aim to enable a closer link between employers, local communities and the education and training curriculum offer.

### Evaluation

This evaluation was first and foremost a formative exercise, designed to help the Combined Authority and wider stakeholders and partners understand how the first year of devolution of the budget has gone, what works, lessons to be learnt and the potential for impact.

There were three main stages involved in the work:

- Desk review of background documentations
- Analysis of monitoring data
- Stakeholder survey and follow up consultations with providers

The online stakeholder survey was sent to all 17 providers and a response was received from 16 providers. To ensure that detailed feedback was gathered from a range of different providers, a purposive sampling approach was used to select providers for in-depth telephone consultations. Factors which informed sampling included:

- Provider size (contract value)
- Type of contract (grant/ITP)
- Provider delivery (adult skills/community learning)
- Previous experience of AEB delivery.

Telephone consultations were carried out with five providers. All fieldwork was completed between June – August 2020.

## OVERVIEW OF FUNDED ACTIVITY

CPCA were awarded £11,513,052 in AEB funding for delivery in the 2019/20 academic year by the Education and Skills Funding Agency (ESFA).

Without robust and reliable information about delivery locally, and wanting to reduce the impact on providers, the CPCA decided it would not be practical in the first year of operation to make significant changes and therefore adopted the same funding policies and models in 2019/20 as the ESFA.

### First year changes

Previous pre-devolution data showed a 176 ESFA provider base in 2016/17 delivering to Cambridgeshire and Peterborough residents.

Of the 176 providers:

- the top ten funders made up 84% of the total AEB funding;
- 107 providers had 10 or less learners resident in Cambridgeshire and Peterborough;
- 158 providers were based out of the CPCA area by more than 10 miles;
- and 38 providers were delivering to only 1 resident learner.

Based on this information, and in line with local devolution, the Combined Authority decided to make a change for the 2019/20 year and reduce the number of delivery providers.

### 2019/20 Bidding Process

For the 2019/20 year, the CPCA decided to allocate £8.9million in grant funding arrangements with further education colleges and local authorities based in the CPCA area or with substantial delivery sites and with a main office within a 10 miles radius which currently deliver AEB funded provision.

In addition, a procurement process was undertaken in autumn 2018 to allow independent training providers to come forward with flexible and innovative approaches which will maximise the opportunities presented by AEB devolution.

Following completion of a procurement process, for the 2019/20 year, the Cambridgeshire and Peterborough Combined Authority awarded contracts to:

- Five independent training providers; Back 2 Work Complete Training, Nacro, Steadfast, The Consultancy Home Counties (TCHC) and The Skills Network.
- Twelve colleges and local authorities; Cambridge Regional College, Cambridgeshire County Council, Central Bedfordshire, College of West Anglia, Peterborough City Council (City College), Peterborough Regional College, New College Stamford, North Hertfordshire College, Rutland County Council, Hills Road Sixth Form, West Suffolk College and Bedford College.

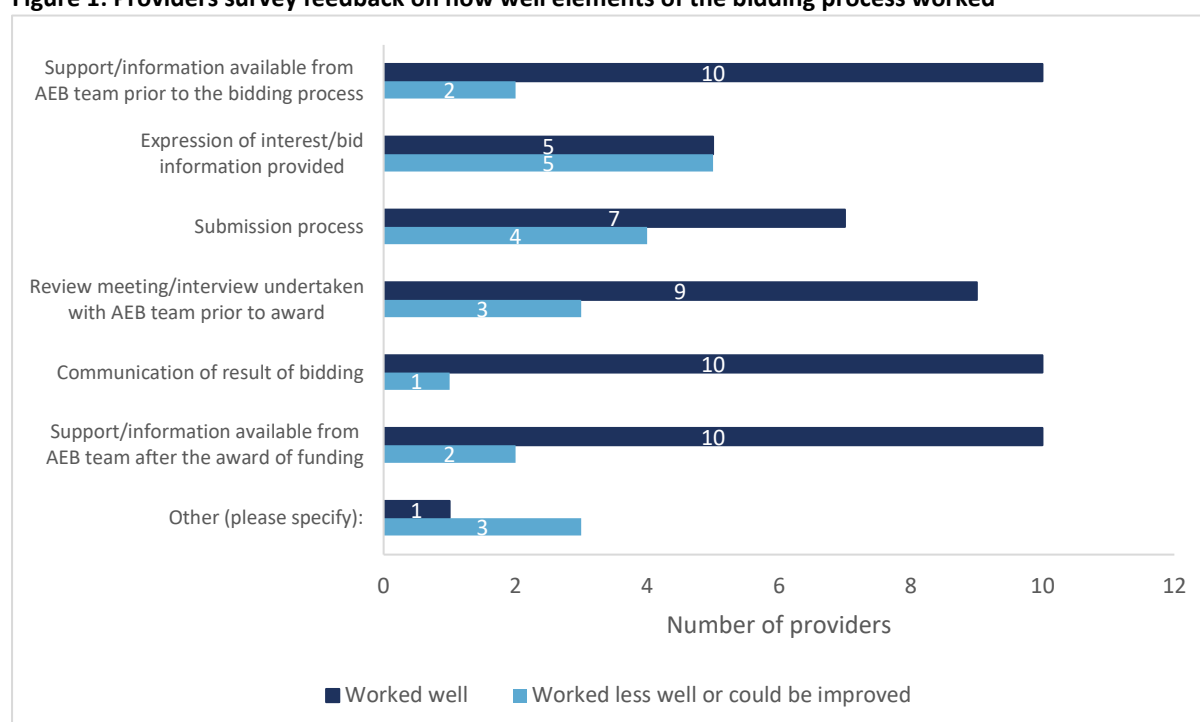
### Feedback on the bidding process

The CPCA received 35 applications during the ITP bidding process.

In the survey the majority of providers (nine) reported being satisfied overall with the bidding/application process, with just two providers reporting that they were somewhat unsatisfied. The survey also asked respondents which elements worked well and which elements worked less well or could be improved for specific stages of the bidding/application process. The chart below

summarises the results of these two questions and shows that for all but one element of the bidding process more providers stated that it worked well than stated that it worked less well/could be improved.

**Figure 1: Providers survey feedback on how well elements of the bidding process worked**



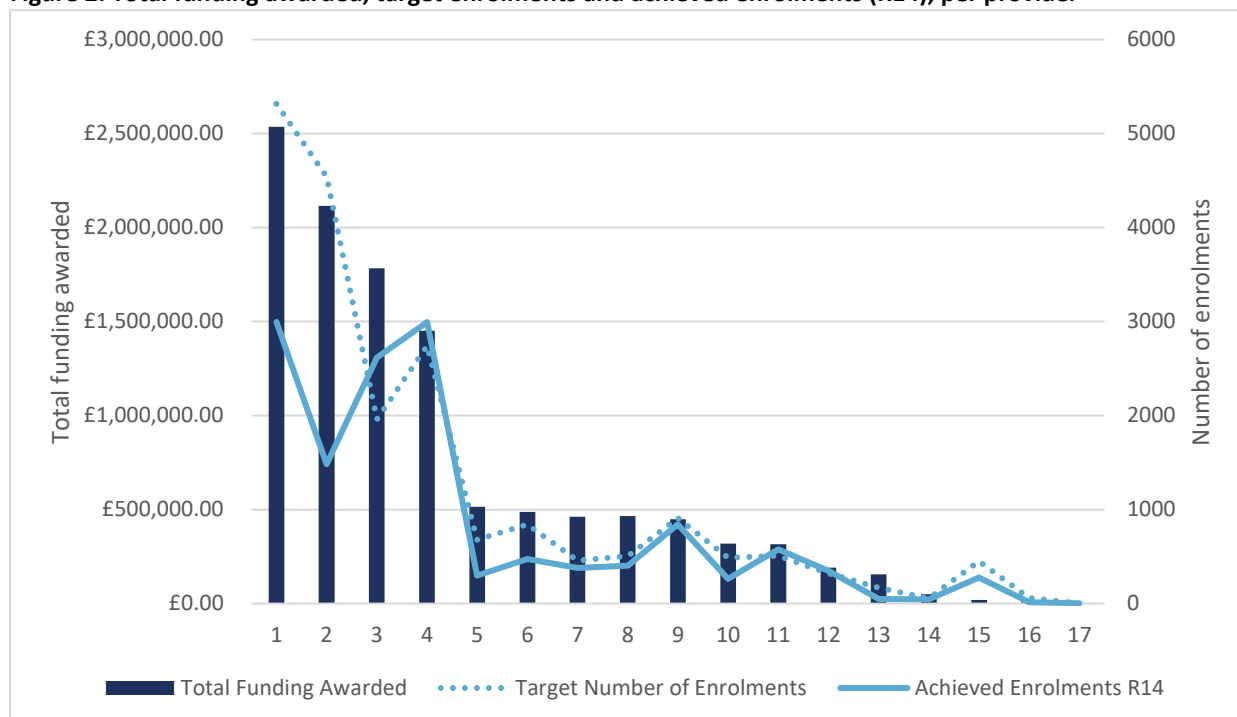
The 'support/information available from the AEB team' both prior to the bidding process and after the award of funding as well as the 'communication of the result of the bidding' were the elements with the highest number of providers who stated that they worked well (10 providers). Qualitative comments relating to elements that had worked well mostly constituted positive feedback about the guidance and communication from CPCA.

The 'expression of interest/bid information provided' was the element with the lowest number of providers (5) stating it worked well and the highest number of providers stating it worked less well or could be improved. Qualitative feedback in both the survey and the consultations highlighted issues with the requirement to provide individual proposals for each learning aim/programme. Providers found that this was an onerous process which involved duplication and limited their ability to provide information on their delivery offer as a whole. It was also suggested that this requirement at the bid stage limited provider's flexibility to respond to needs as they develop throughout the year. A suggestion for improvement was to have general questions on provision and then information on the delivery model specific to an area, such as sector or qualification level, rather than specific to each individual programme.

## Awards

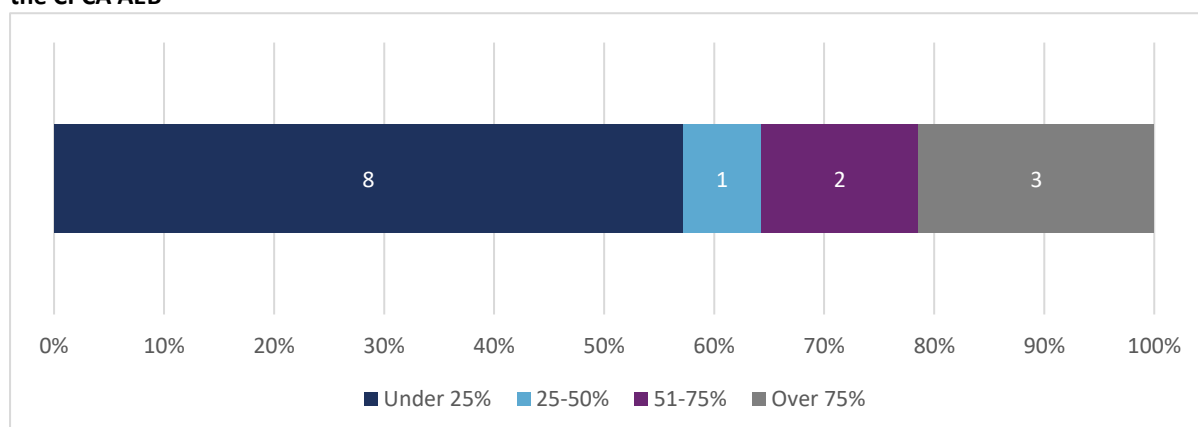
AEB funding was awarded to 17 different providers in 2019/20. Of these, 12 were grant providers (existing providers within a 10 mile radius) and 5 were Independent Training Providers (ITP's), all had previous experience of AEB delivery with one ITP having previously been a subcontractor. The total amount of funding awarded ranged from £2,535,600 to £2,259 for grants and from £515,325 to £154,731 for ITP's. The chart below shows the total funding award amount for each provider along with the total number of targeted and achieved enrolments.

**Figure 2: Total funding awarded, target enrolments and achieved enrolments (R14), per provider**



The profile of providers varied in terms of the extent to which they delivered in the CPCA delivery area versus elsewhere, their previous experience of delivering AEB in the CPCA and the extent to which they subcontracted. The survey asked providers what proportion the CPCA AEB made up of their total Adult Education budget. Of the 14 providers who answered this question just over half (eight providers) stated that it made up under 25% of the overall budget, illustrating that a number of providers have significant delivery elsewhere. Three providers stated that the CPCA AEB made up over 75% of their total budget, these providers are all in the top four for contract size with total budgets of over £1 million. The fact that the CPCA AEB accounts for the majority of provision for these providers with high value contracts mitigates risk for the CPCA.

**Figure 3: Provider survey response on the proportion of their total Adult Education budget accounted for by the CPCA AEB**



In response to the survey question on the amount of funding received, half of providers (eight) indicated that they received the same amount of funding as they had expected, with one provider receiving more than expected and the remaining seven providers receiving less than expected. The proportion of providers indicating that they had received less funding than expected was lower for ITP's with just one provider reporting this. In the consultations providers who had received less

funding than expected discussed the impacts which included not being able to expand provision in the way they had hoped or having to wind back provision. Some providers expressed frustration with receiving less funding than they had bid for and consequently not being able to meet existing learner demand. A concern was raised that moving the additional delivery to later years due to funding not being received in year one could lead to pressures from the condensing of learners into later years.

Just over half of providers who responded to the survey indicated that they would like to receive more funding in year 2 (2020/21), with the remaining seven providers indicating that they would like to receive the same amount of funding. Providers were asked about their plans for any additional funding, specifically whether they would: increase provision, provide alternative provision, or anything else. Half of providers indicated that they would use additional funding to both increase provision and provide alternative provision. Five providers would use the funding just to increase provision. Qualitative feedback from providers highlighted that they would like more funding to meet existing (primarily employer-led) demand, with specific areas of demand including digital skills programmes and pathways onto apprenticeships. Providers expressed the view that funding was needed to ensure new courses did not come in at the expense of existing provision.

### Additionality

Providers were asked what would have happened to their delivery if their bid to the Adult Education Budget had been unsuccessful. The findings were that the majority of providers (nine) would not have delivered provision at all, five would have delivered but at a smaller scale and two would have delivered provision as intended. Looking specifically at grants, seven out of 11 providers would not have delivered provision at all had their bid been unsuccessful which points to a reasonably high level of additionality associated with the budget.

## DELIVERY AND OUTPUTS

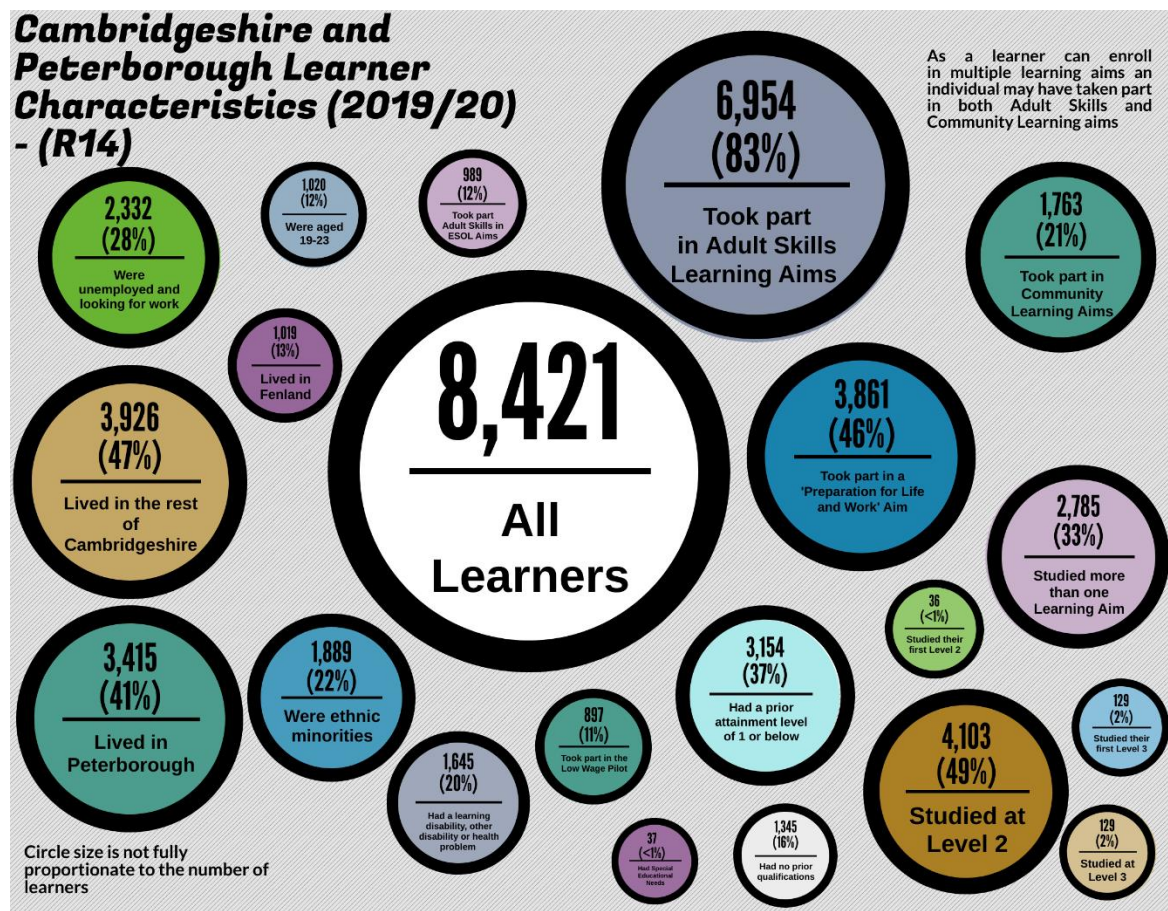
### Delivery

The following section provides an overview of AEB delivery based on data at quarter 4 (R14). The data for quarter 3 and 4 will include impacts of the COVID-19 pandemic.

- £7,838,039 spent so far<sup>1</sup>
- 14,067 enrolments
- 8,421 learners

CPCA Adult Education Budget money has reached a total of 8,421 people. The key characteristics across these learners were as follows:

- 83% took part in Adult Skills learning aims and 21% took part in Community Learning aims<sup>2</sup>
- 12% were aged 19-23
- 22% were ethnic minorities
- 28% were unemployed and looking for work
- 37% had a prior attainment of 1 or below
- 33% studied more than one learning aim
- 46% took part in a 'Preparation for Life and Work' aim



<sup>1</sup> Includes estimated Community Learning funding per enrolment

<sup>2</sup> As a learner can enrol in multiple learning aims an individual may have taken part in both Adult Skills and Community Learning aims



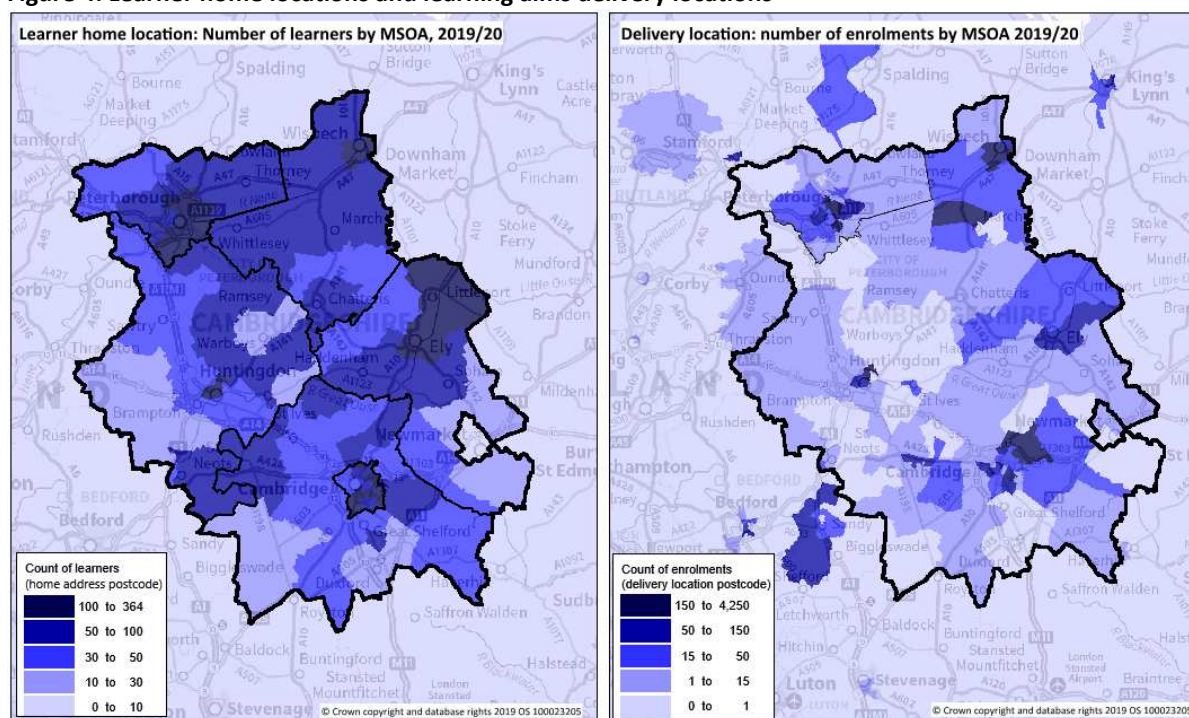
Just under half of all enrolments in 2019/20 were for learners whose home postcode was in Peterborough, as illustrated in the table below.

**Table 1: Proportion of all enrolments by learner's home district**

Learner's home district	Percentage of all enrolments
Cambridge	13%
East Cambridgeshire	6%
Fenland	11%
Huntingdonshire	13%
Peterborough	48%
South Cambridgeshire	9%
Unknown	1%

The maps below displays the count of learners by home location (left) and count of enrolments by delivery location (right) at the Middle Super Output Area (MSOA) level. Comparison between these maps illustrates that learners are more evenly distributed across the CPCA area compared to delivery, which is more concentrated in a few hotspots around Peterborough, Cambridge, and the East Cambridgeshire and Fenland market towns of Ely, Littleport, Wisbech Chatteris and March. Learners are also concentrated in the Cambridge, Peterborough, Fenland and northern part of East Cambridgeshire with cold spots for learners in the South and West of the region.

**Figure 4: Learner home locations and learning aims delivery locations<sup>3</sup>**



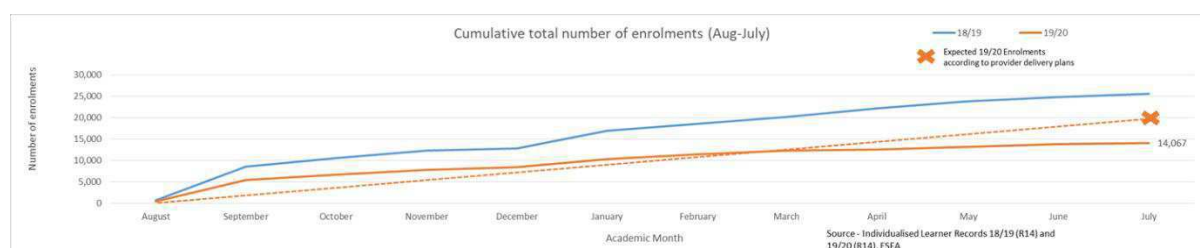
<sup>3</sup> 18% of learning aims did not have a delivery location postcode attached

### Performance against targets

Of the total 14,067 learning aims recorded in the 2019/20 (R14), 78% had been achieved. Of the learning aims which were recorded as completed, 94% had been achieved.

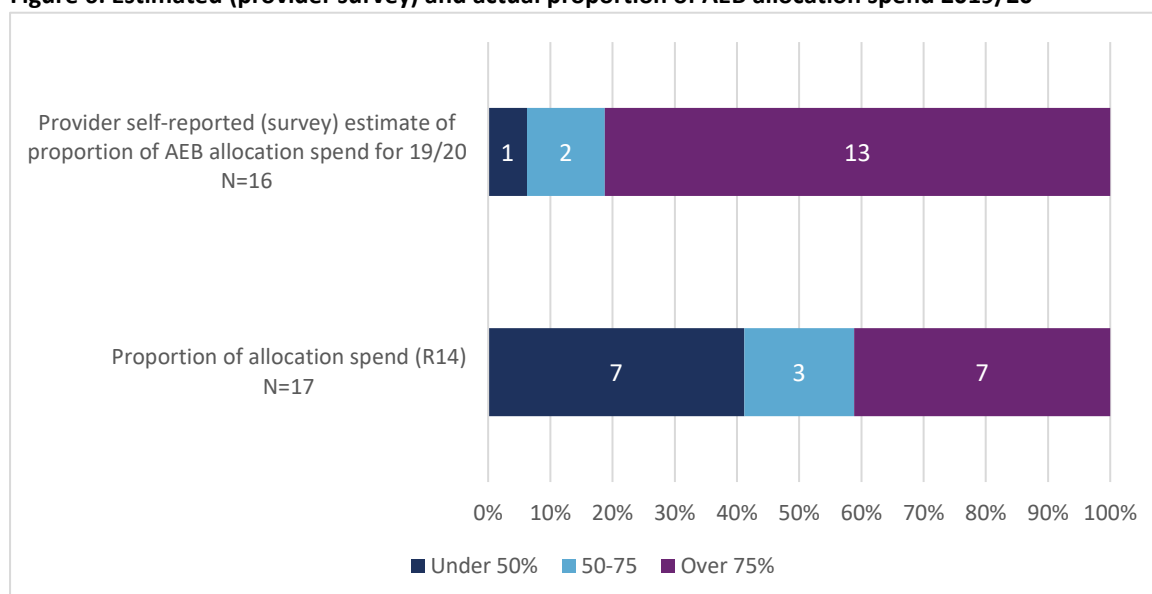
The chart below shows the cumulative total number of enrolments between August and July for 2018/19 and 2019/20. The dotted orange line shows the projected target number of enrolments required to reach the total target of 20,002 enrolments by July 2020, and shows that prior to the COVID-19 pandemic the cumulative monthly number of enrolments was consistently ahead of target. Since April the number of enrolments has plateaued meaning the total of 14,067 cumulative enrolments for July is below target.

**Figure 5: Cumulative total number of enrolments (Aug-July), 2018/19 and 2019/20**



The majority of providers (13 out of 16) stated in the survey that they anticipated spending over 75% of their year one allocation. The actual allocation spend for 2019/20 shows a mixed picture across providers with seven providers having spent under 50% of their allocation and seven having spent over 75%.

**Figure 6: Estimated (provider survey) and actual proportion of AEB allocation spend 2019/20<sup>4</sup>**



### Provider Feedback on Delivery

Providers were asked in the survey how they felt their delivery was going in the year-to-date, prior to the COVID-19 pandemic. The majority of providers felt that their delivery had been going either 'very well' (five providers) or 'quite well' (seven providers). Two providers felt that their delivery was going moderately well and two felt it was going not very well. No providers selected the 'not at all well' option. Qualitative feedback in relation to delivery working well included providers indicating that

<sup>4</sup> Includes estimates of Community Learning spend



they were on track to deliver their profile or deliver ahead of profile. The factors which were highlighted during consultations as being key to successful delivery primarily centred on the identification of demand (for example through employer, stakeholder, community and learner engagement) and the targeting of provision to appropriately meet that demand.

A few providers raised challenges in relation to delivery which included: matching delivery to demand (demand being higher than expected, uncertainty around whether enough funding would be received to meet demand), transitioning to a new service and employer engagement.

### **COVID-19 Impact**

Provider feedback in the consultations indicated that the impact of COVID-19 had varied between providers depending on their circumstances. Some providers felt that their delivery model had protected them from negative impacts, for example, being involved with sectors that had seen employment demand remain stable or even grow, or through having a delivery model which easily adapted to online learning. Providers who specialised in mostly face-to-face provision referred to the difficulties involved in having to rapidly scale up for online provision but were hopeful that their new systems would be sustainable in the long term.

An increase in demand due people being furloughed and spending more time at home was highlighted as a possible opportunity for Adult Education. The main challenge raised was in learner engagement to gain new enrolments, with providers mentioning investing in marketing channels such as social media to reach learners where typical engagement methods such as through the job centre were no longer available. Concerns were also raised about the supply of new learners as residents focused on coping with the economic impact of the virus rather than learning new skills.

### **Other feedback from providers**

The majority of providers (13 out of 16) were satisfied with the support available to them from the AEB team with 11 of these providers indicating they were very satisfied. During the telephone consultations most providers expressed positive feedback about their relationship with the AEB team, particularly highlighting levels of communication, access to support and the opportunity to work more closely than under the pre-devolution system. One issue highlighted as an area for improvement was the communication of short-notice changes to guidance and rules, providers suggested that earlier engagement and communication would be beneficial to mitigate the impact of such changes on them.

The majority of providers (11 out of 15) were satisfied with the level of administration involved in the process. The majority of providers (12 out of 18) indicated that they found the quarterly reviews helpful, rating between 6-10 on a scale of 1 (not helpful) to 10 (extremely helpful).

In the survey and in the telephone consultations providers were asked if they had any recommendations for the CPCA for future commissioning. Recommendations included: an online portal where providers could access all documentation relating to their bid, an ITP/AEB group to network and cross-refer, more flexibility to change learning offers to meet local demand, allowing more than 20% of contract to be sub-contracted, more clarity and guidance on performance measurement and adequate funding for ESOL.

### **Notable changes to delivery 2018/19 (pre devolution) – 2019/20**

Devolution has led to an active shift in the provision of adult education in Cambridgeshire and Peterborough which is evidenced by the figures in table 2 (below) which relate to pre-devolution (2018/19) and during devolution (2019/20). Whilst specific funding changes were not introduced in 2019/20 there was an encouragement under devolution for providers to deliver adult education in

line with local priorities outlined in the CPIER and this is reflected in some of these changes noted below.

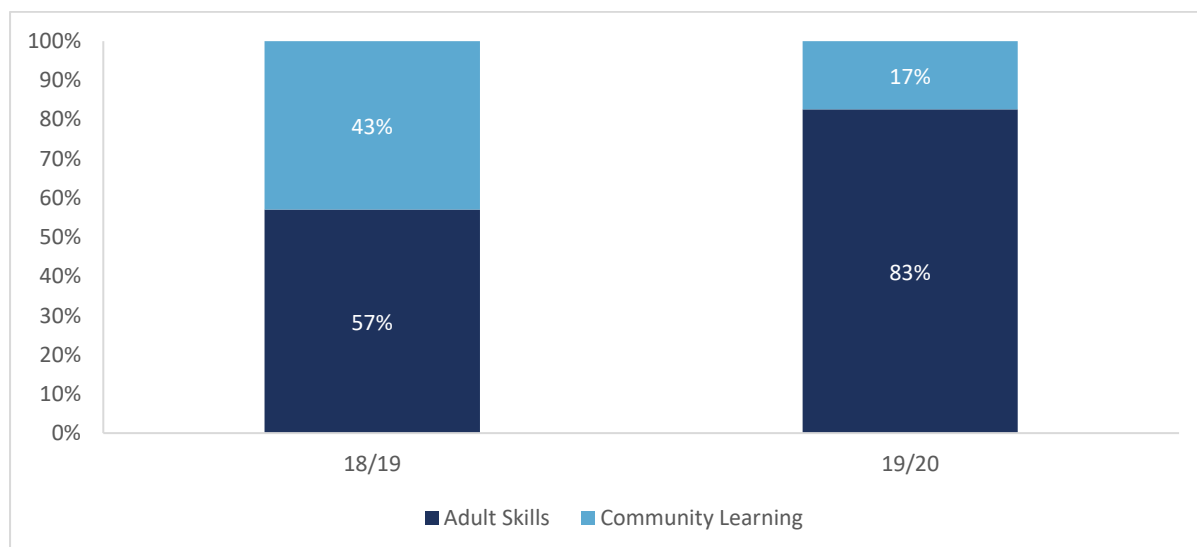
**Table 2: Comparison of provision between 2018/19 and 2019/20**

	2018/19 (pre-devolution)	2019/20 (first year of devolution)
Average Funding per learner*	£909.85	£914.67
Number of providers	190	17
Proportion of learning aims subcontracted	41%	17%
Proportion of Community Learning	43%	17%
Proportion of Adult Skills	57%	83%
Proportion of learning aims delivered to learners who reside in areas of deprivation <sup>5</sup>	22%	34%

\* data only available for Adult Skills learners.

The total number of providers has decreased markedly, as previously outlined, and the proportion of learning aims that are subcontracted has reduced from 41% in 2018/19 to just 17% in 2019/20, simplifying provision in the area. There has also been a significant shift in the type of provision delivered between 2018/19 and 2019/20 with the proportion of Adult Skills provision rising from 57% to 83% and Community Learning decreasing correspondingly from 43% to 17%, as illustrated in figure 7. Community Learning provision in 2019/20 has become more evenly spread across the CPCA area, having previously been disproportionately focused in South Cambridgeshire and Huntingdonshire prior to devolution.

**Figure 7: Proportion of learning aims which were Adult Skills/Community Learning**



One further change observed between 2018/19 and 2019/20 is an increase in the proportion of learning aims delivered to learners who reside in areas of deprivation from 22% to 34%. This shift has in part been driven by an increase in Community Learning in Fenland and particularly Peterborough,

<sup>5</sup> Enrolments where learner resided in top 20% most relatively deprived areas (2019 IMD)

which are the CPCA districts that have the highest number of areas falling in the top 20% most deprived nationally.

These changes to provision were discussed during the consultation with one provider which had gone through a substantial transformation in 2019/20. This provider explained that achieving a significant shift in provision from Community Learning to Adult Skills had involved a major service transition. A new model was developed based on the foundation of programmes meeting CPCA skills needs and being tailored to the needs of local learners. The shift in provision was achieved through an active reduction in 'leisure style' offers within Community Learning (including from subcontractors) and the development of relationships with stakeholders and community groups, including through geographically based development workers, to help tailor the delivery offer to local skills needs. A particular focus on the development of relevant programmes in areas of high deprivation was also discussed.

### Impacts

Providers were asked in the survey whether they had seen any impacts of the devolution of the Adult Education Budget to date. There was an even split in providers with half stating that impacts were already being seen locally and the other half stating that it was too early to see impacts. In the follow up consultations providers were asked to elaborate on any impacts that were already be seen as well any impacts anticipated for the future. Impacts already being seen could broadly be split into positive impacts of provision in the year-to-date on learners and the impact of devolution on ways of working.

Positive impacts on learners had been identified from a range of sources including: the number of learners who had gone into work, anecdotal feedback from employers/stakeholders/tutors and feedback from learners both anecdotally and through formal course completion surveys. Providers mostly felt that it was too early at this stage to attribute these impacts to devolution.

Providers discussed how devolution had led to greater communication when compared to the ESFA which was felt to be beneficial. Some providers highlighted that devolution had allowed them to have a better evidence base and facilitated more focused local delivery. There was a discussion about how longer-term these changes to ways of working had the potential to impact positively on both learners and the local economy.

### Learner destination data

Providers were asked whether they were collecting feedback or destination data from individual students and all 15 providers who answered this question indicated that they were. The follow-up consultations showed that the feedback being gathered varied notably between providers, ranging from feedback forms on course completion to structured follow up's up to 6 months after course completion. Providers emphasised the challenges associated with making contact with learners after they had exited programmes, with resource implications highlighted.

## CONCLUSIONS (KEY FINDINGS)

Assessing the impact of the first year of devolution on the Adult Education Budget is very challenging due to the impact of COVID-19 on all adult education provision nationwide. The number of enrolments had been on track prior to the pandemic and the vast majority of providers felt that their delivery was going well, with many providers delivering at or ahead of profile for the first part of the year. **As of July 2020, across all providers, £7.8 million of funding had been delivered to 8,421 learners.**

The key findings of the AEB devolution evaluation were:

- **The total number of providers has reduced significantly from 190 in 2018/19 to 17 in 2019/20, with an additional notable reduction in the subcontracting of learning aims. Providers reported being satisfied with the processes associated with the devolution of the budget and particularly highlighted the beneficial impacts of a closer working relationship with the AEB team.** The more localised network has helped providers tailor their provision successfully to existing employment and skills-based demand. There was a suggestion that this localised approach could be built on in the future through greater communication between providers, potentially through the formation of an AEB group, to work together in developing quality provision across the CPCA area.
- **Adult education delivery in the CPCA area has shifted considerably with a lower proportion of Community Learning and a higher proportion of Adult Skills learning in 2019/20.** Whilst COVID-19 has likely played a role with a reduction in Community Learning enrolments for the summer months, provider consultations identified an active shift away from the previous 'leisure/pleasure' provision and towards provision targeting local skills needs. **Community Learning provision in 2019/20 has become more evenly spread across the CPCA area having previously been disproportionately focused in South Cambridgeshire and Huntingdonshire prior to devolution.**
- **The proportion of all learning aims which were delivered to learners from areas of high deprivation increased from under a quarter (22%) in 2018/19 to just over a third (34%) in 2019/20.** This shift has in part been driven by an increase in Community Learning in Fenland and particularly Peterborough, which are the CPCA districts that have the highest number of areas falling in the top 20% most deprived nationally. Provider feedback in consultations described active community engagement in deprived areas and the targeting of specific relevant programmes in these locations.
- The majority of providers (over 80%), would not have delivered provision to the same extent if their bid had been unsuccessful, pointing to **a reasonably high level of additionality associated with the budget.**

The challenge for the CPCA AEB team, local providers and adult education delivery going forward into year two will be understanding skills demand within the post-Covid labour market, and matching provision to local skills need to help continuing to engage individuals to retrain, upskill or into learning.

## ANNEX – AEB EVALUATION PROVIDER SURVEY: SUMMARY OF FINDINGS

### Question 1: Please select your institution from the list below

All 16 respondents answered question 1, which asked which institution they belonged to.

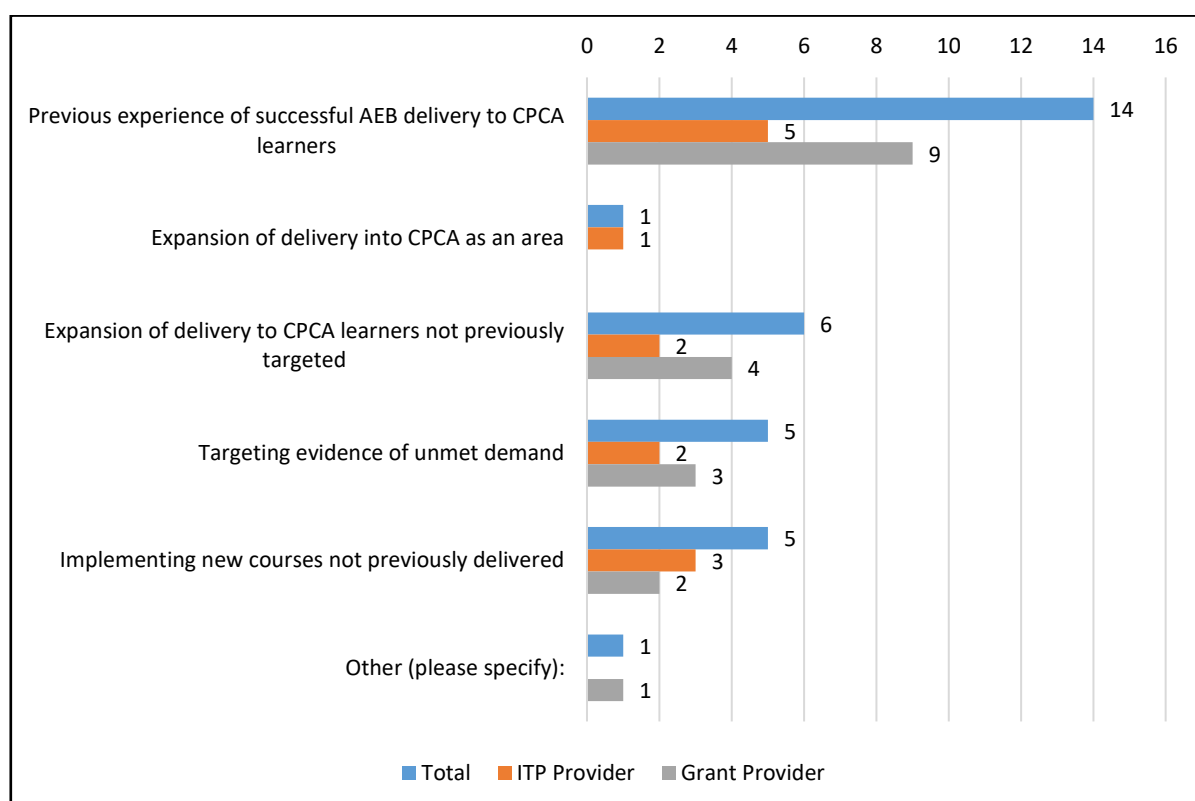
- 5 respondents were **ITP providers**
- 11 respondents were **Grant providers**

### Question 2: What was the reason behind your initial bid for funding from the Cambridgeshire and Peterborough Combined Authority Adult Education Budget?

Please tick all that apply

15 respondents answered question 2<sup>6</sup>, which asked them to select what the reason behind their initial bid for funding from the CPCA AEB Budget. Respondents could select multiple answers.

**Figure 1: Reasons for initial bid for funding from CPCA AEB Budget**



- The majority of respondents indicated they initially bid for funding due to **‘previous experience of successful AEB delivery to CPCA learners’ (14 respondents)**
- Over a third of respondents indicated they initially bid due to **‘expansion of delivery to CPCA learners not previously targeted’ (6 respondents)**
- A third of respondents indicated they bid due to **‘targeting evidence of unmet demand’ (5 respondents)**

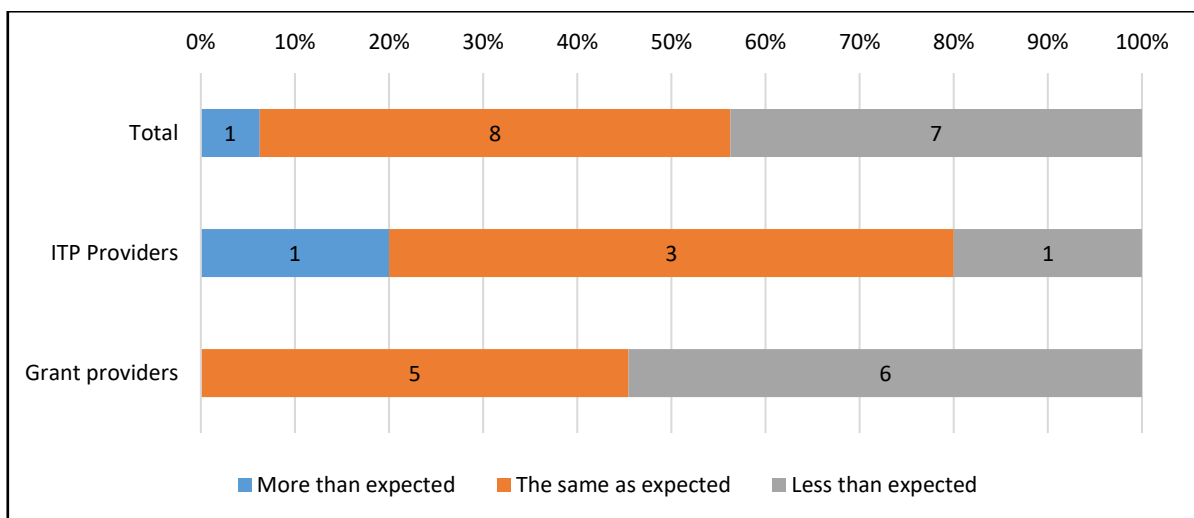
<sup>6</sup> One respondent was removed at their request

- A third of respondents indicated they bid due to **‘implementing new courses not previously delivered’ (5 respondents)**
- **1 respondent** indicated they bid due to **‘expansion of delivery into CPCA as an area’**
- **1 respondent** indicated they bid due to **‘other’** reasons. The comment they left for this answer was “Devolved area response”

### Question 3: How did the amount of funding received compare to what you would have hoped for?

All 16 respondents answered question 3, which asked how the amount of funding received compared to what they would have hoped for.

**Figure 2: Funding received compared to expectations**

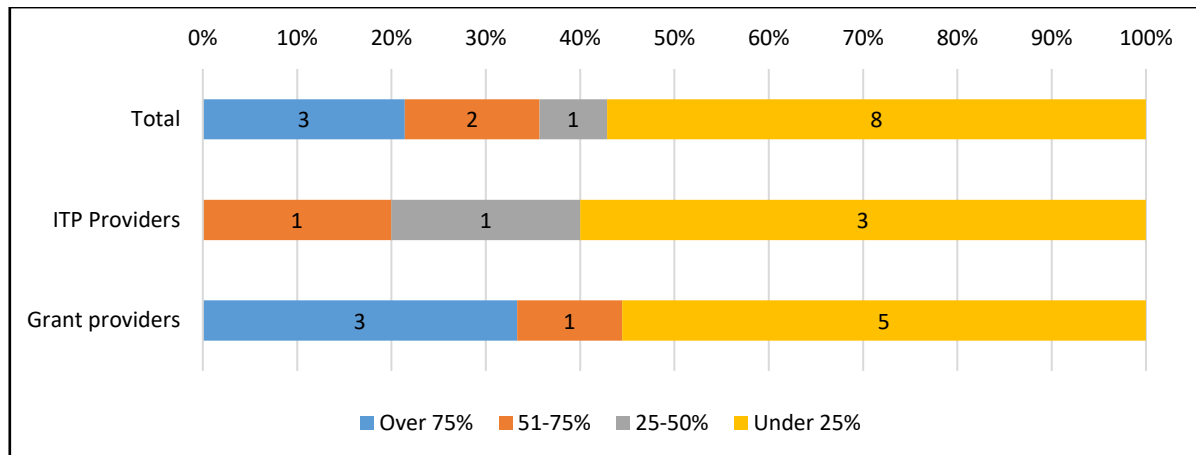


- Half of respondents indicated the funding they received was **‘the same as expected’ (8 respondents)**
- Just under half of respondents indicated the funding they received was **‘less than expected’ (7 respondents)**
- **1 respondent** indicated the funding they received was **‘more than expected’**

#### Question 4: What proportion of your overall Adult Education budget does the CPCA AEB budget make up?

14 respondents answered this question, which asked what proportion of their overall Adult Education budget the CPCA AEB budget made up.

**Figure 3: Proportion of AEB made up from CPCA AEB**

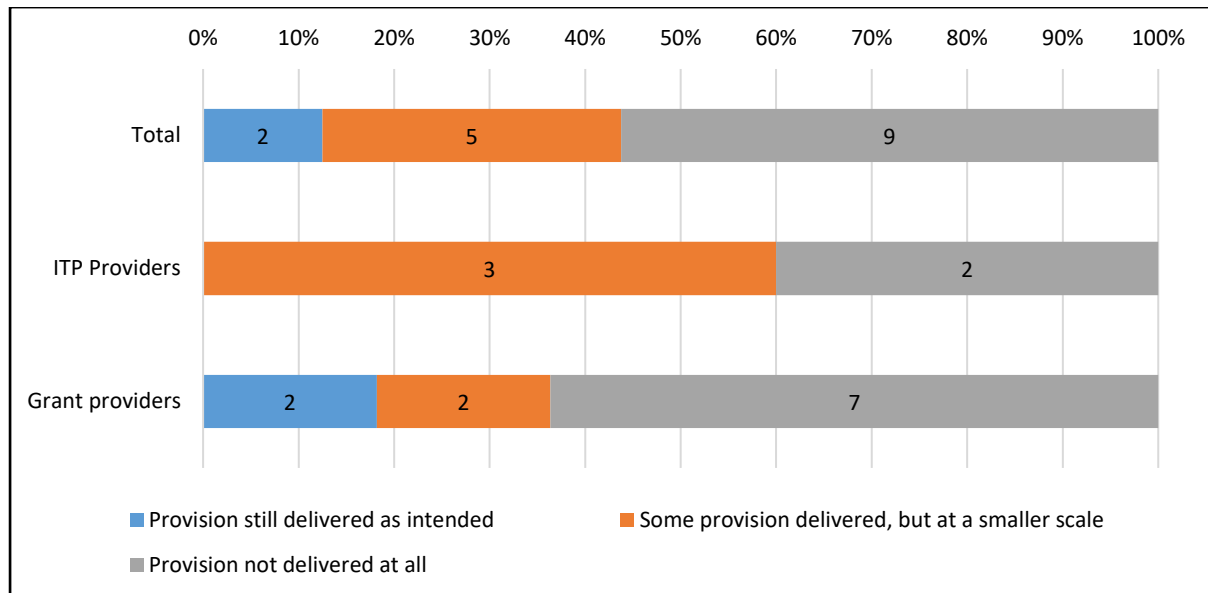


- The majority of respondents indicated the CPCA AEB made up '**Under 25%**' of their overall AEB (**8 respondents**)
- Just over a fifth of respondents indicated it made up '**over 75%**' of their overall AEB (**3 respondents**)
- **2 respondents** indicated it made up '**51-75%**' of their overall AEB budget
- **1 respondent** (an ITP provider) indicated it made up '**25-50%**' of their overall AEB budget

### Question 5: What would have happened if you had been unsuccessful in your bid to the Adult Education Budget?

All 16 respondents answered question 5, which asked respondents what would have happened if their bid to the AEB had been unsuccessful.

**Figure 4: Situation had AEB bid been unsuccessful**



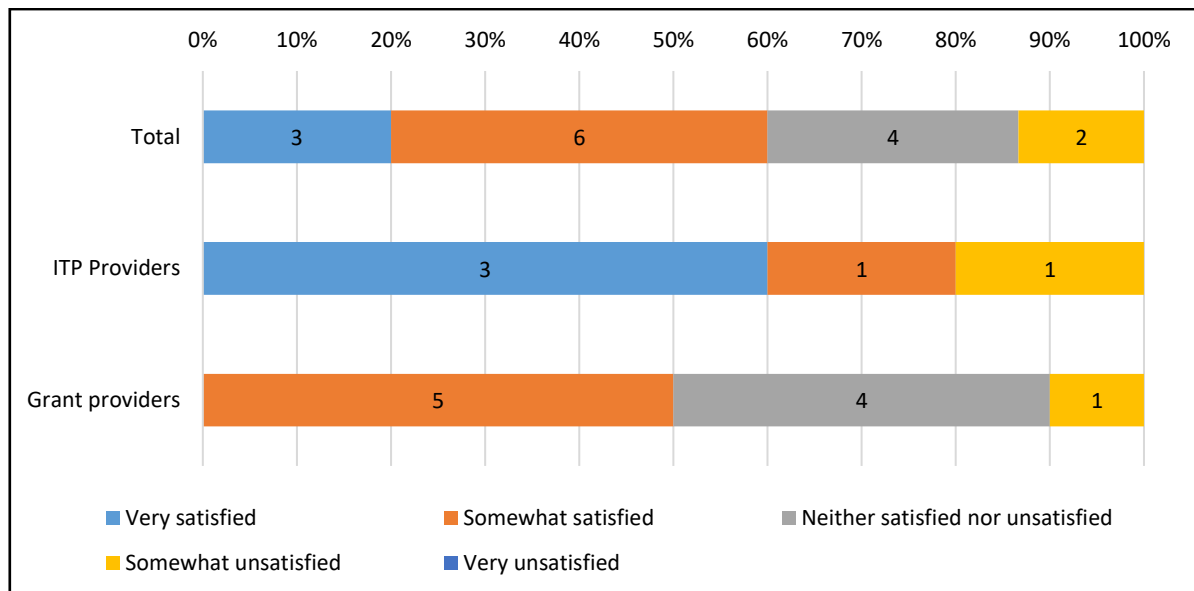
- The majority of respondents indicated that, had their bid to the AEB been unsuccessful, **'provision not delivered at all' (9 respondents)**
  - Less than a third of respondents indicated **'some provision delivered, but at a smaller scale' (5 respondents)**
  - **2 respondents** indicated **'provision still delivered as intended'**



Question 6: Overall, how satisfied or dissatisfied were you with the original bidding/application process?

15 respondents answered question 6<sup>7</sup>, which asked how satisfied or dissatisfied they were with the original bidding/application process.

**Figure 5: Satisfaction with original bidding/application process**



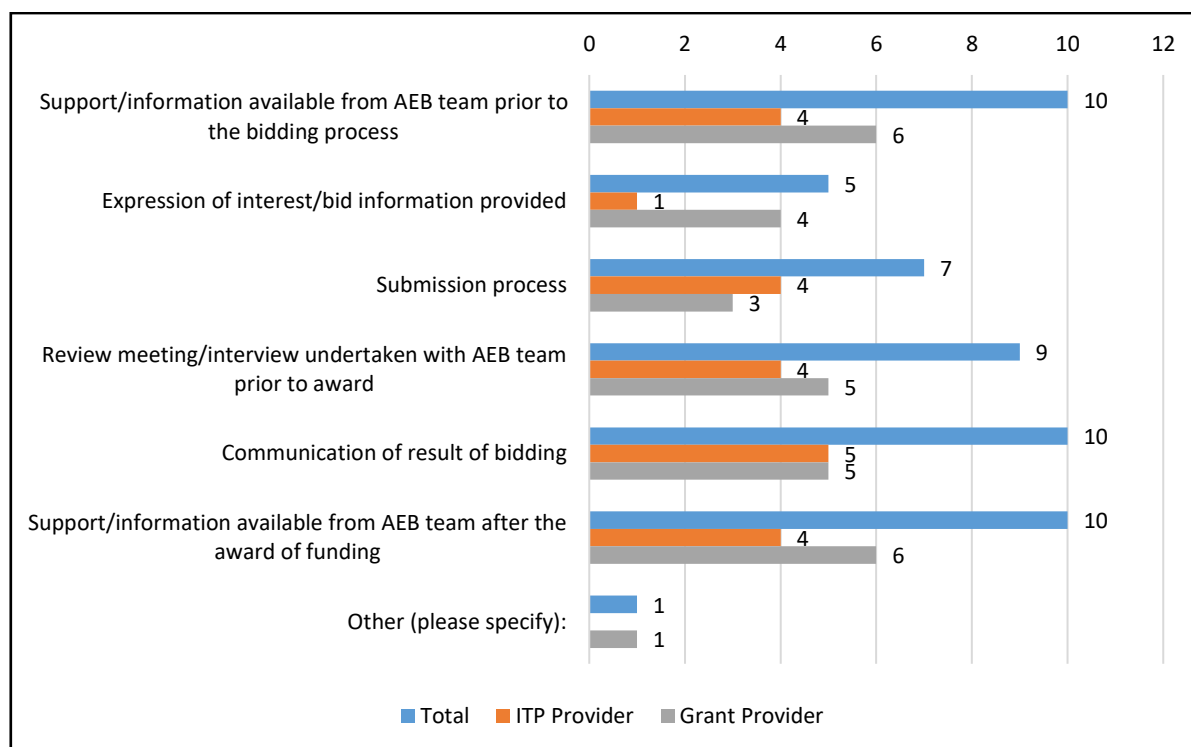
- The majority of respondents were **either ‘very satisfied’ or ‘somewhat satisfied’** with the original bidding/application process (**9 respondents**)
  - Just over a quarter of respondents were **‘neither satisfied or unsatisfied’** with the process (**4 respondents**)
  - **2 respondents** were **‘somewhat unsatisfied’**

<sup>7</sup> One respondent was removed at their request

### Question 7: Which elements worked well? Please tick all that apply

13 respondents answered question 7<sup>8</sup> which asked which elements worked well and 2 respondents indicated in the 'other' option for this question that they were unable to answer due to a lack of involvement in the process. Respondents could select multiple answers.

**Figure 6: Elements that worked well**



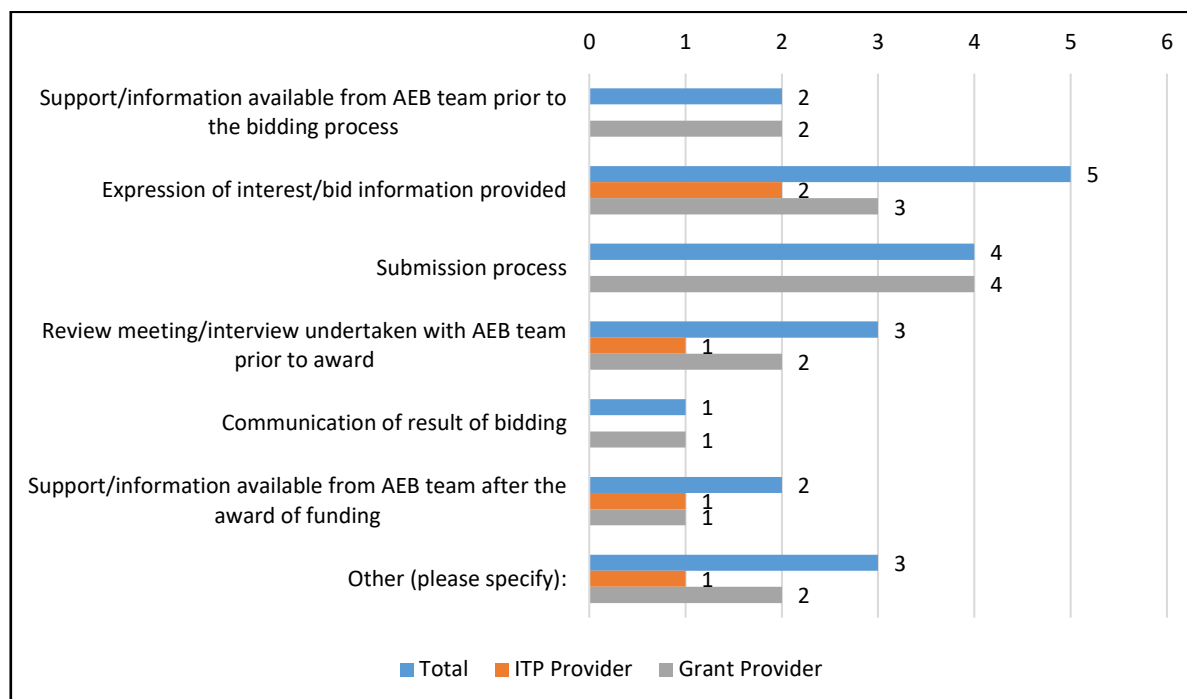
- The majority of respondents felt the following elements went well:
  - **'Support/information available from AEB team prior to the bidding process'** (10 respondents)
  - **'Communication of result of bidding'** (10 respondents)
  - **'Support/information available from AEB team after the award of funding'** (10 respondents)
  - **'Review meeting/interview undertaken with AEB team prior to award'** (9 respondents)
- Just over half of respondents felt that the **'Submission process'** went well (7 respondents)
- Over a third of respondents felt that **'Expression of interest/bid information provided'** went well (5 respondents)
- **1 respondent** (a **Grant provider**) selected the **'other'** option. They commented that the grant allocation was very smooth.

<sup>8</sup> One respondent removed at their request

Question 8: Which elements worked less well or could be improved? Please tick all that apply

13 respondents answered question 8<sup>9</sup>, which asked about elements that worked less well/could be improved. 2 respondents indicated in the 'other' option for this question that they were unable to answer due to a lack of involvement in the process. Respondents could select multiple answers.

**Figure 7: Elements that worked less well or could be improved**



- **2 respondents** felt that '**Support/information available from AEB team prior to the bidding process**' worked less well or could be improved
- Over a third of respondents felt that '**Expression of interest/bid information provided**' worked less well or could be improved (**5 respondents**)
- Just under a third of respondents (**4 respondents**) felt that '**Submission process**' worked less well or could be improved
- Just under a quarter of respondents felt that '**Review meeting/interview undertaken with AEB team prior to award**' worked less well or could be improved (**3 respondents**)
- **1 respondent** felt that '**Communication of result of bidding**' worked less well or could be improved
- **2 respondents** felt that '**Support/information available from AEB team after the award of funding**' worked less well or could be improved
- **3 respondents** selected the '**other**' option.
  - Qualitative responses included:

<sup>9</sup> One respondent removed at their request

- Comments on issues with the bid process, specifically relating to the requirement to submit separate proposals for each learning aim (leading to lots of duplication) and insufficient guidance on the important placed on case studies
- A comment about allocation not reflecting discussions around levels activity.

Question 9: Is there anything that you would like to highlight as an example of where the process has worked particularly well, or anything that you would like to see done differently in future bidding processes?

11 respondents left comments on question 9, which asked if there was anything respondents would like to highlight as an example of where the process has worked particularly well, or anything that they would like to see done differently in future bidding processes.

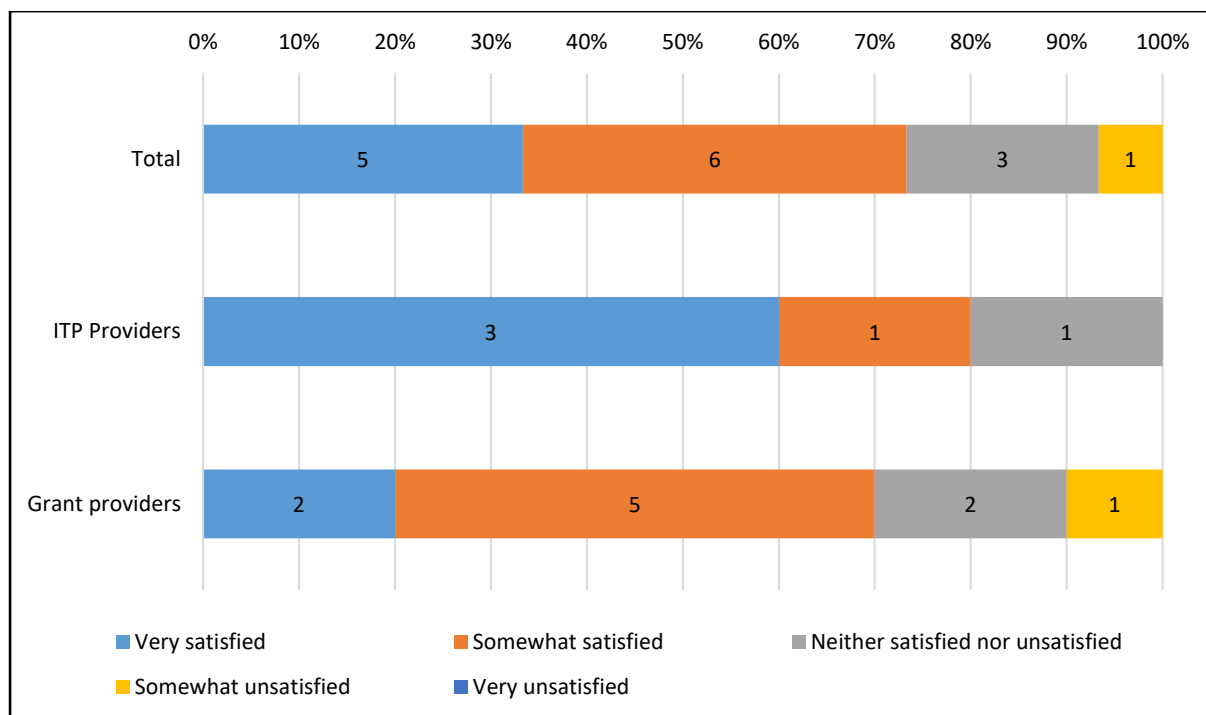
#### Summary of main themes

Comment theme	Respondent comments
<b>Separation of learning offers</b>	<ul style="list-style-type: none"> <li>• Respondents who discussed this theme felt there were issues with the process of submitting tender for each learning offer, as it was overly time consuming, lead to significant duplication of information, and made it difficult to provide information around their delivery offers as a whole</li> </ul>
<b>Guidance and communication</b>	<ul style="list-style-type: none"> <li>• Most of the respondents who discussed this theme left positive comments about the guidance and communication from CPCA.</li> <li>• A few of the respondents who discussed this theme indicated there had been some issues regarding the guidance provided, including initial incorrect paperwork and a lack of guidance on marketing.</li> </ul>

Question 10a: How satisfied are you with the level of administration (for example, forms relating to subcontracting, EAS, delivery plans etc)?

15 respondents answered question 10a, which asked how satisfied they were with the level of administration.

**Figure 8: Satisfaction with level of administration**



- The majority of respondents were **either 'very satisfied' or 'somewhat satisfied'** with the level of administration (**11 respondents**)
  - A fifth of respondents were **'neither satisfied nor unsatisfied'** (**3 respondents**)
  - **1 respondent** was **'somewhat unsatisfied'**

Question 10b: Are there any ways in which you feel these processes could be improved?

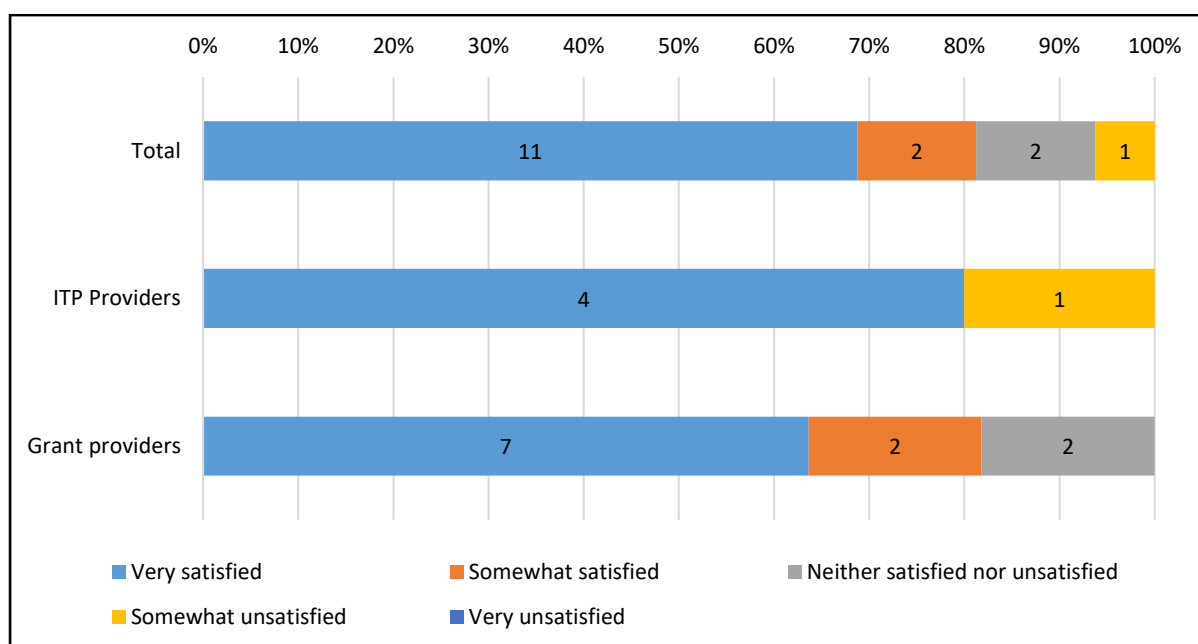
3 respondents left comments on question 10b, which asked if respondents felt the processes could be improved. Comments were too singular to be grouped together for analytical purposes. These comments included;

- concerns that too much information was required for bidding
- the smooth operation of the grant funding
- an issue relating to an amendment being required due to the contract being initially issued with the incorrect organisation's name

Question 11a: How satisfied are you with the support available to you from the AEB team?

All 16 respondents answered question 11a, which asked how satisfied they were with the support available to them from the AEB team.

**Figure 9: Satisfaction with support from AEB team**



- The majority of respondents were **‘very satisfied’** with the support available from the AEB team (**11 respondents**). **2 respondents** were **‘somewhat satisfied’**
  - **2 respondents** were **‘neither satisfied nor unsatisfied’**
  - **1 respondent** was **‘somewhat unsatisfied’**

Question 11b: Are there ways in which you feel this support could be improved or elements that you would like to see more of?

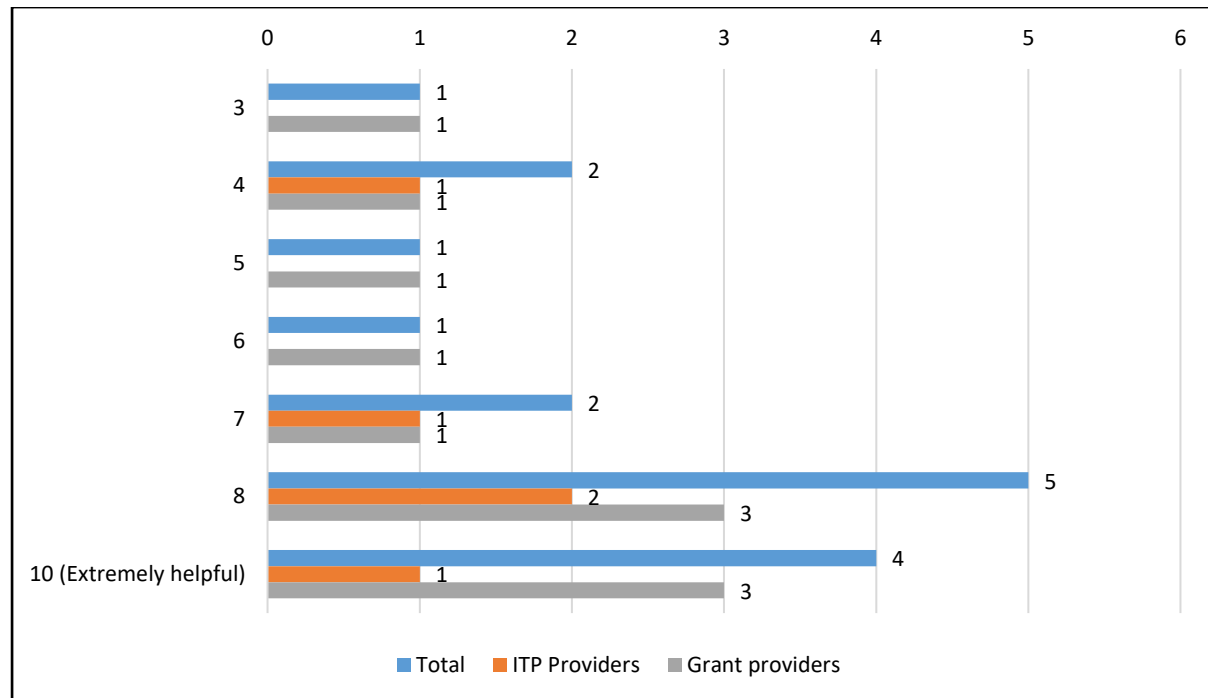
3 respondents left comments on question 11b, which asked if respondents felt support could be improved or elements that they would like to see more of. Comments were too singular to be grouped together for analytical purposes. These comments included;

- concerns about a lack of ITP or AEB group in order to network or cross refer
- concerns about a lack of process for changing or expanding on learning offers to facilitate local demand
- concerns about a lack of August to March or May to July allocation agreement pre-contract
- concerns about a lack of guidance on how performance was to be judged
- some respondents commented that there were no ways for support to be improved or that that their small allocation required little support

Question 12: On a scale of 1-10, how helpful have you found the quarterly reviews?

All 16 respondents answered question 12, which asked respondents to rate how helpful they found the quarterly reviews on a scale of 1 to 10, with 1 being 'not at all helpful' and 10 being 'extremely helpful'.

Figure 10: Scale of how helpful the quarterly reviews were found

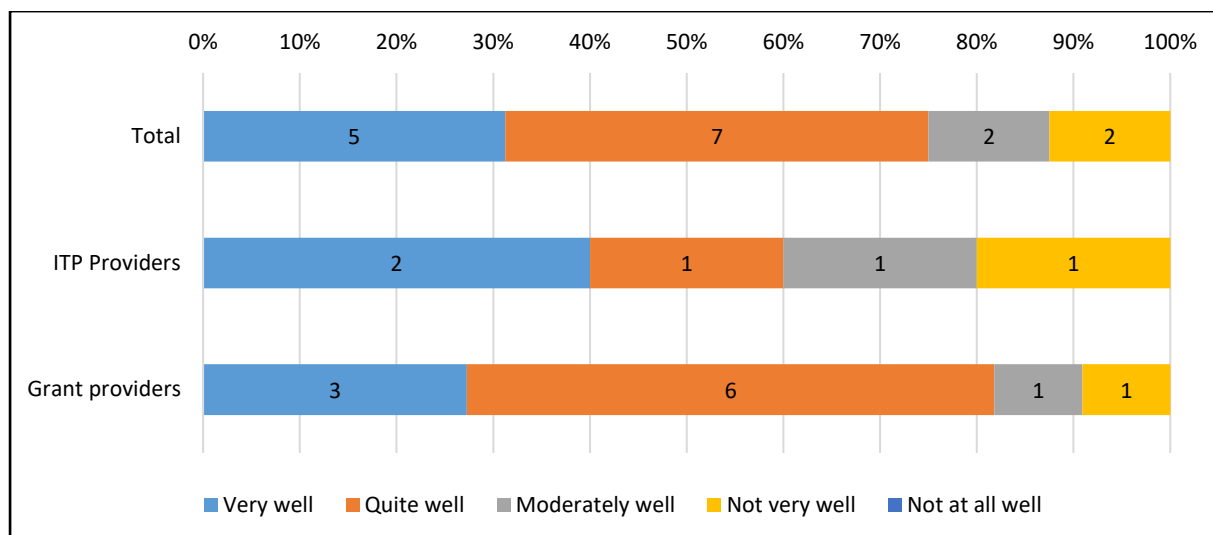


- The majority of respondents answered on the **positive** side of the scale (6 to 10), finding the quarterly reviews helpful (**12 respondents**), with over half of respondents selecting '8' or '10' on the scale (**9 respondents**)
  - A quarter of respondents answered on the **negative** side of the scale (1 to 5) (**4 respondents**). The lowest rating was '3' from **1 respondent**

Question 13a: How do you feel that your delivery was working in the year-to-date, prior to COVID-19?

All 16 respondents answered question 13a, which asked how they felt about how their delivery was working in the year-to-date, prior to COVID-19.

**Figure 11: Delivery performance for year-to-date prior to COVID-19**



- The majority of respondents felt that their delivery, for the working year-to-date prior to COVID-19, was working **either 'very well' or 'quite well' (12 respondents)**
  - **2 respondents** felt it was working **'moderately well'**
  - **2 respondents** felt it was working **'not very well'**
  - **No respondents** felt it was working **'not at all well'**

Question 13b: Please explain why this is the case:

11 respondents left comments on question 13b, which asked respondents to explain their answer to question 13a ('How do you feel that your delivery was working in the year-to-date, prior to COVID-19?').

Summary of main themes

Comment theme	Respondent comments
<b>Limitations</b>	<ul style="list-style-type: none"> <li>• Respondents who discussed this theme left comments regarding some of the limitations they had faced <ul style="list-style-type: none"> <li>○ Two of these respondents indicated they had more demand than they were expecting to deliver, with one respondent indicating they were unsure they could secure funding to meet that demand and one respondent indicating they had turned down employers in anticipation of the final cohort reaching their allocation</li> <li>○ Two respondents indicated they had issues that CPCA were aware of. One of these respondents indicated they had made changes to staffing, engagement, and course</li> </ul> </li> </ul>

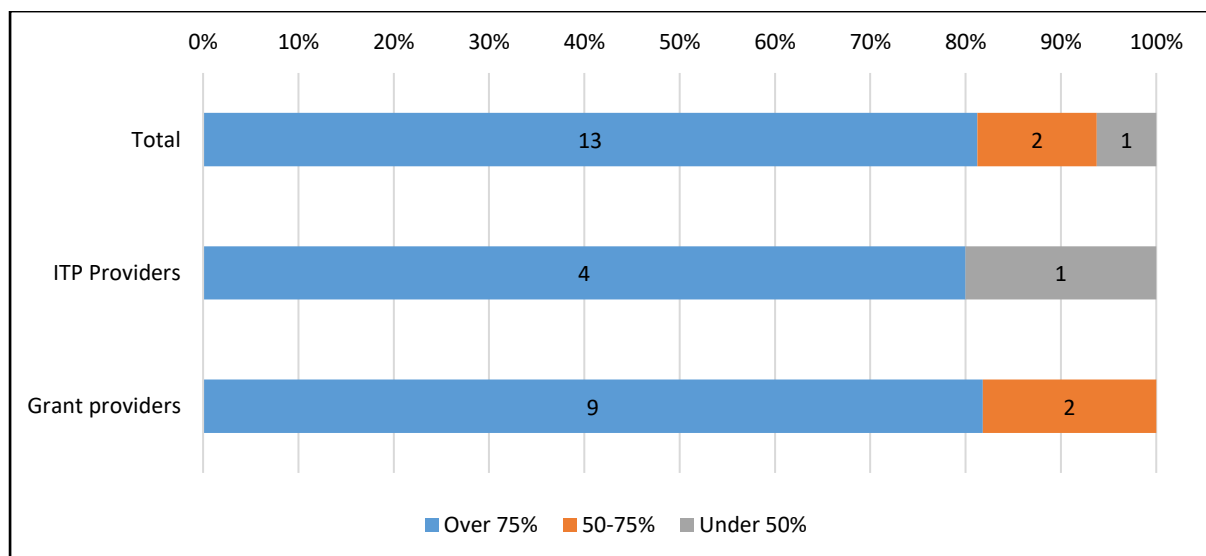


	<p>offers which had resulted in improvements prior to COVID-19</p> <ul style="list-style-type: none"> <li>○ One respondent discussed issues with low referrals and not recruiting enough employers. Although this had changed with employers engaging with their full contract value which had been booked in for March to July</li> </ul>
<b>On track</b>	<ul style="list-style-type: none"> <li>• Respondents who discussed this theme indicating they had been on track to deliver their profile</li> </ul>
<b>Expanding on allocation</b>	<ul style="list-style-type: none"> <li>• Respondents who discussed this theme indicated they either were delivering ahead of their profile or had the potential to do so</li> </ul>

#### Question 14: How much of your AEB allocation do you anticipate spending this year?

All 16 respondents answered question 14, which asked how much of their AEB allocation they anticipated spending this year.

**Figure 12: Anticipated spending of AEB allocation**

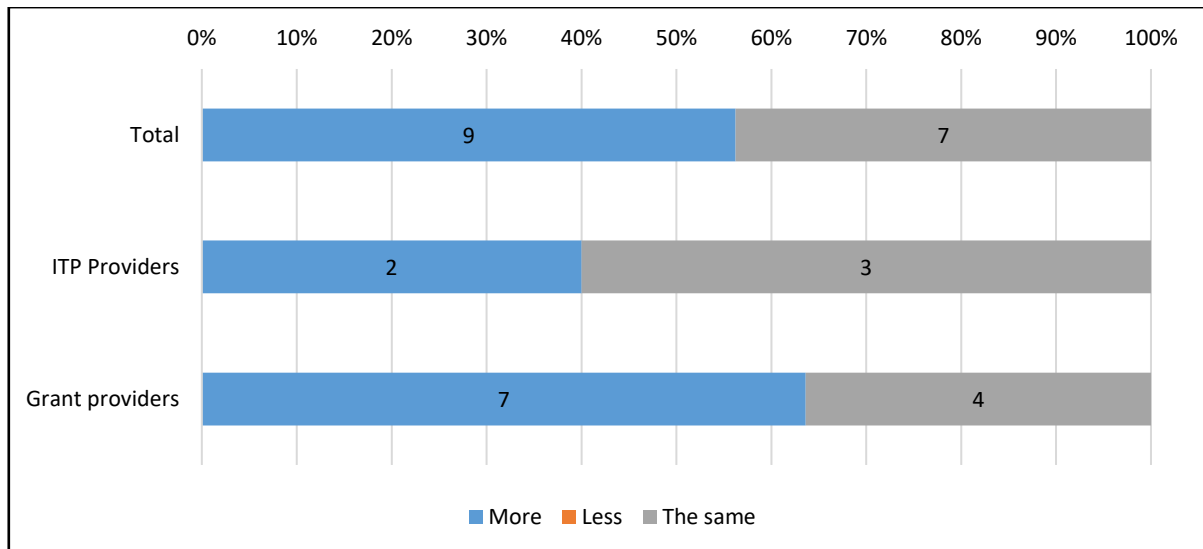


- The majority of respondents indicated they anticipated spending '**over 75%**' of their AEB allocation (**13 respondents**)
  - **2 respondents** indicated they anticipated spending '**50-75%**'
  - **1 respondent** indicated they anticipated spending '**under 50%**'

Question 15: Would you have liked to receive more or less funding for year 2 (2020/21)?

All 16 respondents answered question 15, which asked if they would have liked to receive more or less funding for year 2 (2020/21).

**Figure 13: Funding preference for year 2**

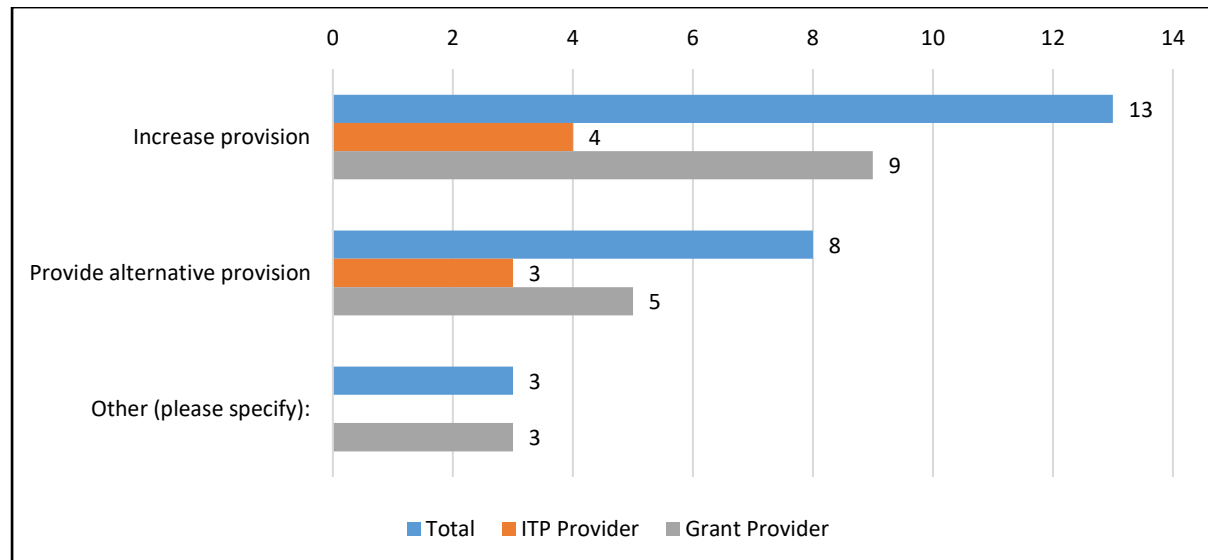


- Over half of respondents indicated they would have liked to receive **‘more’** funding (**9 respondents**)
  - Just under half indicated they would have liked to receive **‘the same’** funding (**7 respondents**)
  - **No respondents** indicated they would have liked to receive **‘less’** funding

Question 16: What would you plan to do with any additional funding? Please tick all that apply

All 16 respondents answered question 16, which asked what they would plan to do with any additional funding. Respondents could select multiple answers.

**Figure 14: Plans for additional funding**

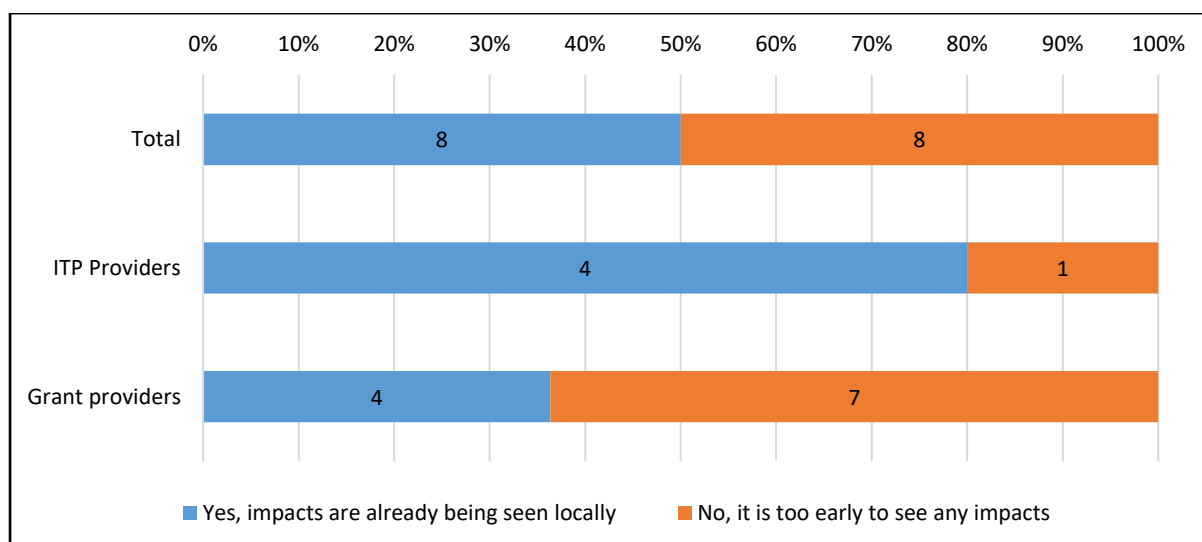


- The majority of respondents indicated they would use additional funding to '**increase provision**' (**13 respondents**)
- Half of respondents indicated they would use additional funding to '**provide alternative provision**'
- **3 Grant providers** selected the '**other**' option.
  - 1 respondents indicated they would use it for targeted work post Covid
  - 1 respondent indicated they would use it for employability and retraining programmes
  - 1 respondent indicated it would depend on the devolved number of learners encountered through employer delivery.

## Question 17: Have you seen any impacts of the devolution of the Adult Education Budget to date?

All 16 respondents answered question 17, which asked if they had seen any impacts of the devolution of the AEB to date.

**Figure 15: Impacts of devolution of the AEB to date**



- Respondents were split between **'yes, impacts are already being seen locally' (8 respondents)** and **'no, it is too early to see any impacts' (8 respondents)**

## Question 18: Do you feel that there is a need for a CPCA AEB group with all providers?

16 respondents left comments on question 18, which asked respondents if they felt there was a need for a CPCA AEB group with all providers. 3 of these respondents felt that no group was needed although did not elaborate on their answer.

### Summary of main themes

Comment theme	Respondent comments
<b>Delivery planning</b>	<ul style="list-style-type: none"> <li>• Respondents who discussed this theme felt that a CPCA AEB group would be useful for delivery planning, as they would be able to co-ordinate offers, avoid duplication, and ensure demand is sufficiently being met</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• Respondents who discussed this theme felt that collaboration between groups would be necessary and a CPCA AEB group could help facilitate this. <ul style="list-style-type: none"> <li>○ A few of these respondents raised the need for prior agreement on aims to ensure effectiveness</li> <li>○ A few of these respondents felt a group could help develop best practice between providers</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ One of these respondents felt that collaboration with providers in other devolved areas could be beneficial</li> </ul>
--	---

Question 19: Do you have any additional comments (for example, recommendations for the CPCA for future commissioning or current gaps in provision for adult learning activities that you would like to see addressed)?

5 respondents left comments on question 19, which asked if they had any additional comments. Comments were too singular to be grouped together for analytical purposes. These comments included; the need for more flexibility to meet local demand, more clarity on performance measures, the need to allow for more than 20% of the contract value to be sub-contracted; the need ESOL to be adequately funded; concerns about reaching allocation limit and the impact that may have on local need.

Question 20: Are you gathering feedback or destination data from individual students?

15 respondents answered question 20, which asked if they were gathering feedback or destination data from individual students. All of these respondents answered 'yes'.



## Adult Education Budget – COVID-19 Response

To: Skills Committee

Meeting Date: 15 March 2021

Lead Member: Councillor John Holdich OBE, Lead Member for Skills

From: Parminder Garcha, Senior Responsible Officer, AEB

Key decision: No

Forward Plan ref: N/A

Recommendations: The Skills Committee is recommended to:

- a) Note the ongoing challenges faced by Adult Education providers due to the COVID-19 pandemic and the reduction in enrolments
- b) Approve the planned approach to in-year commissioning of programme underspend. This is Subject to the Combined Authority Board approving carry-forward of AEB underspend into 2021/22 financial year.
- c) Note the update on the Innovation Fund programme and the projects supporting learners in the pandemic.

Voting arrangements: A simple majority of all Members

## 1. Purpose

- 1.1 To advise the Skills Committee of the impact of COVID-19 on delivery of the devolved Adult Education Budget (AEB) within the region and the ongoing support to AEB funded providers, to mitigate against further impact of under-delivery. As the economy recovers from recession, AEB provision provides support to help residents into work and to upskill.
- 1.2 To provide assurance to Members that a proactive and proportionate approach to monitoring and performance management of AEB providers is being taken, which is cognisant of the impact of the national lockdowns. Flexibilities available to the CPCA under devolution are being implemented as well as allowing providers to revise their delivery plans.
- 1.3 To update Members on the AEB Local Innovation Fund. Most of the projects are supporting learners during the pandemic, such as measures that enable digital inclusion, redundancy support or interventions to equip unemployed adults to access work.
- 1.4 To drive-up enrolments, promotion of the learning offer is being supplemented through a Marketing and Communication Plan, developed with the CPCA Marketing team. This includes increasing Social Media output as well as improvements to the CPCA website to promote AEB courses.

## 2. Background

- 2.1 On 23 March 2020, during the 2019/20 academic year, the Prime Minister announced what was to become the first of three national lockdowns in England. Workers were sent home as businesses and education settings across the country were forced to close. All residents were told to stay at home, and all non-essential retail including restaurants and pubs were closed.
- 2.2 During this time, adult learning providers had to rapidly transition to online delivery, to meet the changing needs of learners and to continue to access funding. It's acknowledged that some forms of learning, including Community Learning and specialist vocational courses are better suited to a classroom/workshop environment and distance-learning did not work well for all learners.
- 2.3 There are many low-skilled adult learners in our region without access to digital devices and/or basic digital skills and this has become a barrier to many of our residents. Providers have worked diligently to keep learners engaged. However, the National Careers Service data in the area suggests finding employment is the major priority for adults. Providers report that caring responsibilities, with children being home-schooled, has also contributed to reduced enrolments in Autumn 2020.
- 2.4 Providers were permitted to utilise some of their Learner Support Funds to purchase devices for learners who otherwise would not have access to digital channels for learning. Approximately £100,000 was spent during 2019/20 and on laptops, dongles, and tablet devices, with 'loan' schemes set-up to enable learners to continue their studies.

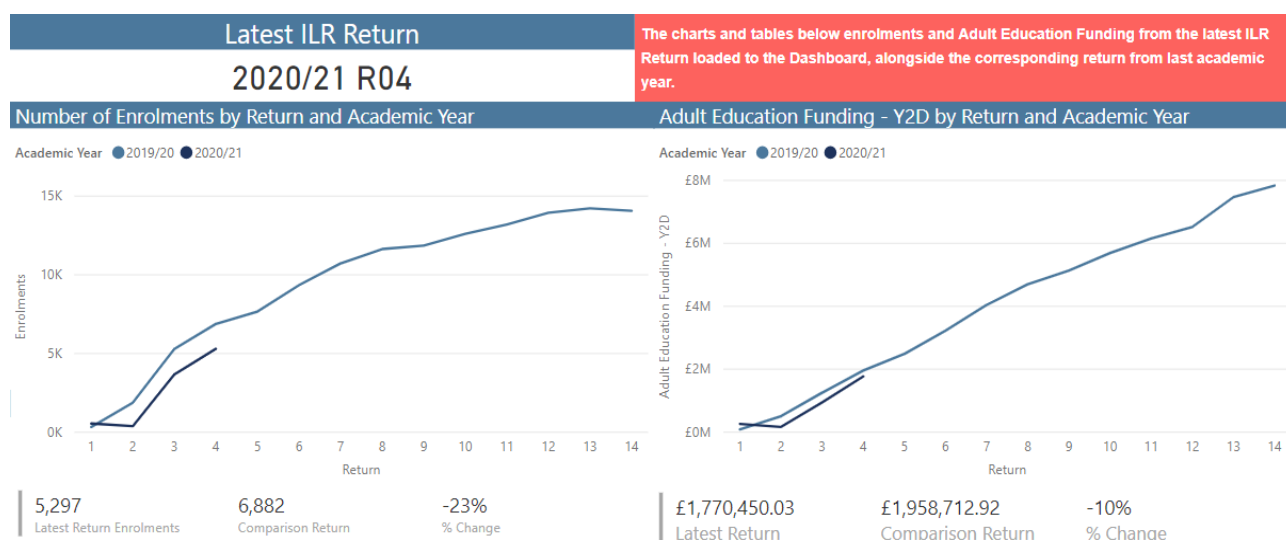


- 2.5 Funding to support the additional costs of transport to college during the Autumn term, ensuring social distancing was put in place for FE learners aged 16-19. This funding has been allocated directly to colleges in the region from the funding supplied by DfE to the CPCA for this purpose.

### COVID-19 Effect

- 2.4 The graph overleaf shows the impact of COVID-19 on AEB participation, for the first quarter of the current 2020/21 academic year. New enrolments from Autumn 2020 have decreased by 23% compared to 2019/20, and funding earned by providers has decreased by 10%:

### 2019/20 and 2020/21 Individualised Learner Record (ILR) comparison

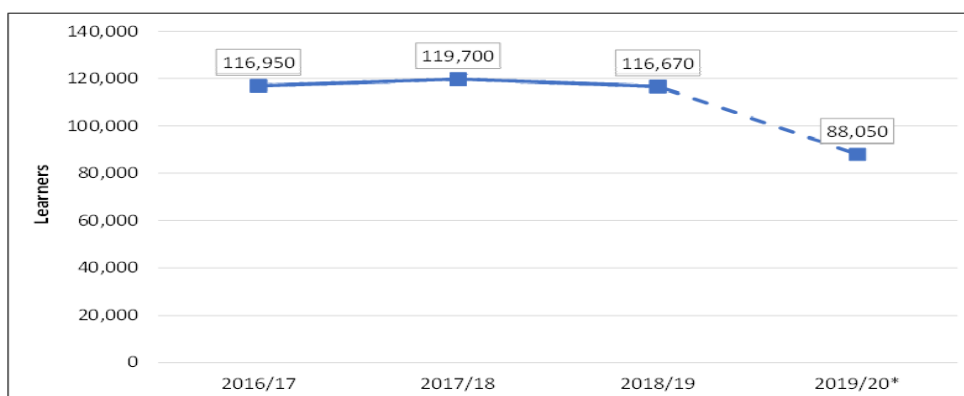


### National Context

- 2.6 Recent research published from the Learning and Work Institute shows during the first lockdown two in five adults (42%), an estimated 22 million people across the UK, embraced the opportunity to engage in some form of learning or training, with most of this (60%) taking place completely online.
- 2.7 While many learners said they were learning for work-related reasons, others were learning for their own personal development, or to pursue an interest or hobby. Around one in ten said the reduced time and work pressures of lockdown meant that they were now able to commit to learning, when this had previously not been possible.
- 2.8 However, this type of informal learning did not translate into more adults completing courses that led to qualifications or acquiring new skills that would help them retrain or move into a new job. One in five found that previously planned learning had to be postponed or cancelled. Others struggled to balance their learning with work pressures, childcare or home schooling, or access to technology.

2.9 National data also shows a similar picture of reduced participation:

**Covid-19 effect on AEB participation**



Source: ESFA ILR

### 3. AEB Innovation Fund

3.1 On 27 April 2020, Skills Committee approved the creation of the AEB Innovation Fund, including the carry forward of 50% of the 2019-20 academic year underspend. In October 2020, the scheme was opened to existing AEB providers for additional funding to deliver innovative provision that meets the AEB Commissioning Strategy priorities. The aim is to reduce the skills and employment gaps of CPCA learners disproportionately underrepresented in the labour market, with special priority given to the COVID-19 pandemic and the impact on the delivery of learning for residents.

3.2 To date, twelve projects worth £524,531 out of the budget of £660,400 have been approved. These include:

- Peterborough City Skills Hub
- Construction Training Hub
- ESOL in the community
- Enhancing digital literacy in areas of high deprivation
- A dedicated adult careers advisor
- Digital bootcamps leading to apprenticeships
- Response to redundancy Hub.

3.3 On 3 January 2021, the Prime Minister announced the third national lockdown, with a stay-at-home order and the closure of schools and colleges to most pupils. This has impacted Innovation Fund projects being able to start, and we are working with providers to ensure as many as possible can still go ahead.

#### Quarter Two Review Meetings

4.1 The second quarterly review meetings for 2021/22 with all AEB providers will take place during March, to review delivery for the first half of this year. As a response to COVID-19 and to help ensure we maximise AEB investment, a mid-year reconciliation point will be implemented. The mid-year reconciliation will allow a comparison to be made between funding provided and service delivered, thereby giving early indications of the efficacy of the

service provider. We will review these figures in conjunction with Finance at the end of March and establish parameters that ensure all providers are treated fairly. This will allow providers to vary contracts, reprofile expected delivery and increase or decrease the grant or contract value accordingly.

## **Marketing and Communication**

- 4.2 We are working closely with the CPCA Communications and Marketing team, preparing press releases on the Innovation Fund projects, and cascading social media messaging and promotional videos to promote the learning offer. We are working on the design of a new webpage which is set to launch early March, during National Careers Week, with a 'course-finder' tool and information on what's on offer locally, linking to provider websites.

## **Commissioning New Provision**

- 4.3 Work has commenced to identify gaps in provision and target AEB funding more effectively. It is proposed to commission new provision from current and expected underspend, with a new agile, local commissioning approach being adopted. The proposed 'lots' are under development but will fall into the following themes:
- Level 3 Adult Offer - additional qualifications in Growth and Foundation Sectors
  - Levelling-Up – targeting specific postcodes within Peterborough, Fenland and wider Cambridgeshire and/or specific groups of residents.
  - Sector Based Work Academies
  - High Value Courses for 19-year-olds
  - Digital Inclusion

## **5. Financial Implications**

- 5.1 The financial impacts of under-delivery by existing AEB providers is actively monitored. The Quarter Two Review will provide an opportunity to agree contract and grant increases and decreases to maximise spend and investment in CPCA priorities. Given the current trajectory at R04, a potential underspend of approx. £2m is forecast for the academic year 2020/21. However, this will be updated further to the mid-year reviews referred to in 4.1 above. Commissioning of new provision and the option for CPCA to carry forward unspent AEB into 2021-22 will be considered, and should this be required, it will be proposed to the Combined Authority Board when the year-end budget is reported.
- 5.2 There are no financial impacts on wider CPCA budgets as AEB is provided as a ring-fenced grant.

## **6. Legal Implications**

- 6.1 The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 (SI 2018/1146) transferred functions from the Secretary of State to the Combined Authority.

## 7. Other Significant Implications

7.1 There are no other significant implications.

## 8. Appendices

8.1 None

## 9. Background Papers

9.1 None



## Employment and Skills Board Update

To:	Skills Committee
Meeting Date:	15 March 21
Public report:	Yes
Lead Member:	Councillor John Holdich, Lead Member for Skills
From:	Fliss Miller, Senior Responsible Officer for Workforce Skills
Key decision:	No
Forward Plan ref:	N/A
Recommendations:	The Skills Committee is recommended to:  a) Note the Employment and Skills Board update
Voting arrangements:	A simple majority of all Members

## 1. Purpose

- 1.1 This paper gives an update to the Committee on the Employment and Skills Board (ESB) also known as a Skills Advisory Panel (SAP).

## 2. Background

- 2.1 This paper provides a report to the Skills Committee on the recent meeting of the Cambridgeshire & Peterborough Combined Authority Employment & Skills Board (ESB).
- 2.2 The ESB took place on the 19 January 2021 with 19 members in virtual attendance.
- 2.3 The meeting was split into two sections. The first half focused on items of business for discussion. The latter part of the meeting was used as a workshop section to review the effectiveness and progress made by the Board.

## 3. Employment and Skills Board Membership

Name	Title	Organisation
Al Kingsley (Chairman)	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
Mark Robertson	Principal and CEO	Cambridge Regional College
Jane Paterson-Todd	Chief Executive	Cambridge Ahead
Claire London	Programme Manager Workforce	Cambridgeshire and Peterborough Sustainability and Transformation Partnership System Delivery Unit (STP)
Bob Ensich	Area Director	Morgan Sindall
Stuart Searle	Managing Director	First Mailing Co.
Joe Crossley	Chief Executive	Qube Learning Ltd.
Julia Nix	District Manager	Dept for Work & Pensions (DWP/ JCP)
Sharon Keogh	Head of Community Action	Kingsgate Community Church, Peterborough
Jane Thomas	Regional Lead, East of England	BT Group Plc
Tracey Cox	Head of the East of England ESFA territorial team	Education Skills Funding Agency (ESFA Standing Invite)
Rose Shisler	Stakeholder Engagement Programme Lead	Anglian Water
Tony Jones	Chief Executive	One Nucleus
Dan Edwards	General Manager of Marshall Centre,	Marshalls
<b>CPCA Officers:</b>		
John T Hill	Director Business and Skills	Combined Authority
Fliss Miller	SRO Workforce Skills	Combined Authority
Parminder Singh Garcha	SRO Adult Education	Combined Authority
Laura Guymier	Interim Programme Manager	Combined Authority
Janet Warren	Commissioner – Adult Education	Combined Authority
Rochelle Tapping	Deputy Monitoring Officer	Combined Authority
Tamar Oviatt-Ham	Democratic Services Officer	Cambridgeshire County Council

Jamie Leeman	Senior Analyst – Research	Cambridgeshire County Council
Rachel Hallam	Senior Researcher – Business Intelligence	Cambridgeshire County Council

## 4. Employment and Skills Board Meeting Documents

- 4.1 The papers for the recent Employment and Skills Board are provided through the link for the CPCA website below:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2016/Committee/74/Default.aspx>

## 5. Meeting Overview

### 5.1 Cambridge Insight – Covid Impact on Labour Market Information

Board Members received a presentation on the impact of Covid on the labour market. The presentation:

- Provided a further update on the COVID impacts discussed at the October Board meeting and built on the injection of insight from the Metro Dynamics' deep dive report into local skills supply and demand.
- Demonstrated to the Board how the ongoing data monitoring since the beginning of the pandemic and detailed analytical support by Metro Dynamics on skills supply and demand had directly supported the Local Skills Report.
- Summarised progress in the development of the Cambridgeshire and Peterborough Skills Advisory Panel (Employment and Skills Board) Local Skills Report.

### 5.2 Metro dynamics – Skills Deep Dive Report

Board Members received a presentation that provided a summary of the Skills Deep Dive report on the Skills demand and supply of the four growth sectors in the Combined Authority area – including an analysis of the impact of COVID-19 for the CPCA's Labour Market.

The aim of the report is to support the CPCAs development of the skills strategy refresh. Board members were informed that a supplementary report is underway to provide further intelligence on emerging and future skills needs in the region.

### 5.3 Local Skills Report – Core Indicators and Requirements

Officers informed the Board that the Local Skills Report – a Department for Education Requirement of the Skills Advisory Panel – is being drafted. Once a full draft had been completed it would be circulated to the Members for comment.

Officers asked the Board for case studies and positive impact stories that highlight the excellent provision in the region for inclusion in the report.

## 5.4 **Workshop Session. Progress and Achievement of SAP**

Metro Dynamics led the workshop with the Board.

Members were encouraged to engage with an online survey tool to assess the Board's effectiveness and progress made. The real time findings from the survey informed the discussion in the following session. The Board broke into two focus groups on Zoom.

As a result of the workshop the Board developed a clear understanding of purpose of its role as the Skills Advisory Panel and in developing the Skills Strategy going forward. The Board also identified opportunities to focus on both in the short and medium term.

## 5.5 **Introduction to the Director of Business and Skills**

The Director of Business and Skills gave a brief update to the Board on his role and the role of the Skills Service and Growth Company.

# 6. **The Next Employment and Skills Board Meeting**

6.1 The next meeting is scheduled for 20<sup>th</sup> April 2021 and the agenda will include:

- Receipt of the Local Skills Report
- Response to the Skills for Jobs White Paper
- Proposal for the development of the Skills Strategy Refresh
- An update on the Business Growth Service mobilisation and service delivery
- An overview of the three areas of skills priorities in the Combined Authority:  
Development of the University in Peterborough, Adult Education and Workforce Skills

## Significant Implications

## 7. **Financial Implications**

7.1 There are no financial implications within this paper.

## 8. **Legal Implications**

8.1 There are no legal implications associated with the activities outlined in this report.

## 9. **Background Papers**

9.1 [Employment and Skills Board 19 January 2021 Meeting papers](#)





## Budget and Performance Report

To:	Skills Committee
Meeting Date:	15 March 2021
Public report:	Yes
Lead Member:	Councillor John Holdich OBE, Lead Member for Skills
From:	Vanessa Ainsworth, Finance Manager
Key decision:	No
Forward Plan ref:	N/A
Recommendations:	<p>The Skills Committee is recommended to:</p> <p>a) Note the update and financial position relating to the revenue and capital funding lines within the Skills Committee remit.</p>
Voting arrangements:	A simple majority of all Members

## 1. Purpose

- 1.1. To provide an update and overview of the revenue and capital funding lines that are within the Business & Skills Directorate to assist the Skills Committee to enable informed decision making regarding the expenditure of these funds.

## 2. Background

- 2.1 The Skills Committee has requested a summary of the revenue and capital funding lines available within the Business & Skills Directorate, to assist in ensuring financial decisions relating to the revenue and capital funding lines under their control are well informed, financially viable, and procedurally robust.
- 2.2 At the August 2020 Combined Authority Board Meeting, the Board approved a refreshed Medium-Term Financial Plan (MTFP) in relation to the COVID-19 pandemic, including balanced revenue and capital budgets for 2019/20. 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. Revenue Expenditure & Income

- 3.1 A breakdown of the Business & Skills Directorate 'Skills Revenue' expenditure for the period to 31<sup>st</sup> January, is set out in Table 1. below.

Table 1. Skills Revenue Expenditure Budgets 2020/21

	Jan Budget £'000	Jan Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Jan 2021 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
<b>Skills Revenue Expenditure</b>						
AEB Devolution Programme	11,646.3	-	11,646.3	9,530.7	10,839.3	(807.0)
AEB Innovation Fund - Revenue	336.7	-	336.7	-	150.0	(186.7)
AEB Programme Costs	433.9	-	433.9	279.6	376.9	(57.0)
Apprenticeship Levy Fund Pooling	76.2	-	76.2	42.9	76.2	0.0
Careers and Enterprise Company (CEC)	86.2	-	86.2	67.6	91.1	4.9
HAT Work Readiness Programme	52.8	-	52.8	54.8	54.8	2.0
Health and Care Sector Work Academy	3,235.6	-	3,235.6	283.6	483.6	(2,752.0)
High Value Courses	148.5	-	148.5	-	65.0	(83.5)
National Retraining Scheme	65.1	-	65.1	-	25.1	(40.0)
Sector Based Work Academies	146.8	-	146.8	-	65.0	(81.8)
Skills Advisory Panel (SAP) (DfE)	114.0	-	114.0	50.5	110.5	(3.5)
Skills Brokerage	107.0	-	107.0	114.0	113.7	6.7
Skills Strategy Implementation	120.5	-	120.5	32.1	125.4	4.9
University of Peterborough	4.2	-	4.2	4.2	4.2	0.0
University of Peterborough - Legal Costs	150.0	-	150.0	148.8	148.8	(1.2)
<b>Total Skills Revenue Expenditure</b>	<b>16,723.8</b>	<b>-</b>	<b>16,723.8</b>	<b>10,608.8</b>	<b>12,729.6</b>	<b>(3,994.2)</b>

- 3.2 The Forecast Outturn as set out in the table above shows a reduction in expected costs for the year of £3,994.2k compared to the budget. '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 Variances between the predicted revenue outturn position and the annual budget for the main budget headings are set out below:
- a. The £807k underspend in the AEB Devolution Programme is due to estimates being in place for the ITP expenditure and a provision for the underspend within the Grant Providers. A reconciliation of payments to provision for grant providers will be made in February after 6 months of delivery and where necessary figures will be adjusted at that point. The separate AEB presented to this committee will also discuss the underspend options.
  - b. The AEB Innovation Fund has allocated grants to a number of providers, but due to COVID-19 the starts will be delayed as per the information in the separate AEB paper presented to this committee.
  - c. AEB Programme costs is showing an underspend of £57k, partly due to the allocated funding for audit requirements now being pushed to April 2021.
  - d. As reported at previous committees, the Health & Social Care Work Academy is forecasting a large underspend for the current financial year of £2,752k. This is partly due to COVID-19 and a revised agreement with Department for Work & Pensions. It is understood that this project will roll into 2021/22. An update on the revised spend has not been received from the project and therefore a further decrease in spend has been calculated.
  - e. Sector based work academies and high value courses are both on course to underspend due to the late arrival of these funding streams and the impact of COVID-19 on initiating the new resource. Again, this is discussed in the separate AEB papers presented.
  - f. The National Retraining Scheme has also felt the impact of COVID-19 on its outcomes as the NHS Upskilling Pilot has been delayed until April, thereby causing the underspend. However, this project will continue, and the funding is likely to be committed in March.
  - g. There are several small overspends currently projected within the skills lines, which are due to the delay of the Business Growth Service starting, thereby impacting on the budgets. It will be attempted to offset these additional costs by reducing other skills budgets if possible.
- 3.4 A breakdown of the Business & Skills Directorate 'Skills Revenue' income for the period to 31<sup>st</sup> January, is set out in Table 2. below.

Table 2. Skills Revenue Income Budgets 2020/21						
<b>Skills Revenue Funding Streams</b>	<b>Jan Budget £'000</b>	<b>Jan Board Approvals &amp; Adjustments £'000</b>	<b>Revised Budget £'000</b>	<b>Actuals to 31st Jan 2021 £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn Variance £'000</b>
Skills Advisory Panel Grant	(75.0)		(75.0)	(75.0)	(75.0)	-
Careers Enterprise Company Funding	(124.9)		(124.9)	(112.8)	(124.9)	-
Adult Education Budget	(12,084.1)	-	(12,084.1)	(12,772.2)	(12,762.2)	(678.2)
Apprenticeship Levy Fund Pooling	(86.2)		(86.2)	-	(86.2)	-
<b>Total Skills Revenue Expenditure</b>	<b>(12,370.1)</b>	<b>-</b>	<b>(12,370.1)</b>	<b>(12,960.0)</b>	<b>(13,048.3)</b>	<b>(678.2)</b>

- 3.5 The Forecast Outturn as set out in the table above shows an increase in funds to the agreed budget. This is due to additional funds received from the DfE for delivery of a variety of programmes already passed through the Skills Committee.

## 4. Capital Budget

- 4.1 A breakdown for the Business & Skills Directorate 'Skills Capital' expenditure for the period to 31<sup>st</sup> January, is set out in Table2 below.

Table 3. Skills Capital 2020/21						
<b>Skills Capital Programmes</b>	<b>Jan Budget £'000</b>	<b>Jan Board Approvals &amp; Adjustments £'000</b>	<b>Revised Budget £'000</b>	<b>Actuals to 31st Jan 2021 £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn Variance £'000</b>
University of Peterborough - Phase 1		-	12,300.0	12,300.0	12,300.0	-
<b>Total Skills Capital Expenditure</b>		<b>-</b>	<b>12,300.0</b>	<b>12,300.0</b>	<b>12,300.0</b>	<b>-</b>

## 5. Performance Reporting

- 5.1 The Cambridgeshire and Peterborough Devolution Deal is about delivering better economic outcomes for the people of our area and commits us to specific results. The Combined Authority needs to monitor how well it is doing that.
- 5.2 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
- 5.3 These metrics are updated to align with the Board Performance Reports
- 5.4 Appendix 1 also shows the current RAG status for Skills' projects, as at the end of January 2021.

## Significant Implications

## 6. Financial Implications

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

## 7. Legal Implications

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

## 8. Other Significant Implications

8.1 There are no significant implications.

## 9. Appendices

9.1 Appendix 1 – Performance Dashboard

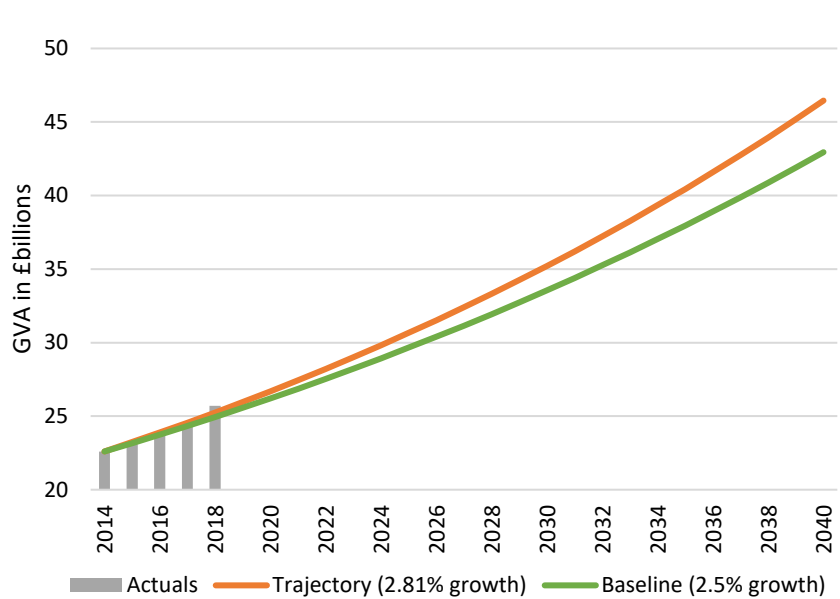


Sources:  
Baseline: Current trend without Devolution Deal interventions  
Outturn data source: GVA and Jobs - Office of National Statistics (ONS);  
Housing - Council Annual Monitoring Reports/CambridgeshireInsights.

SKILLS COMMITTEE

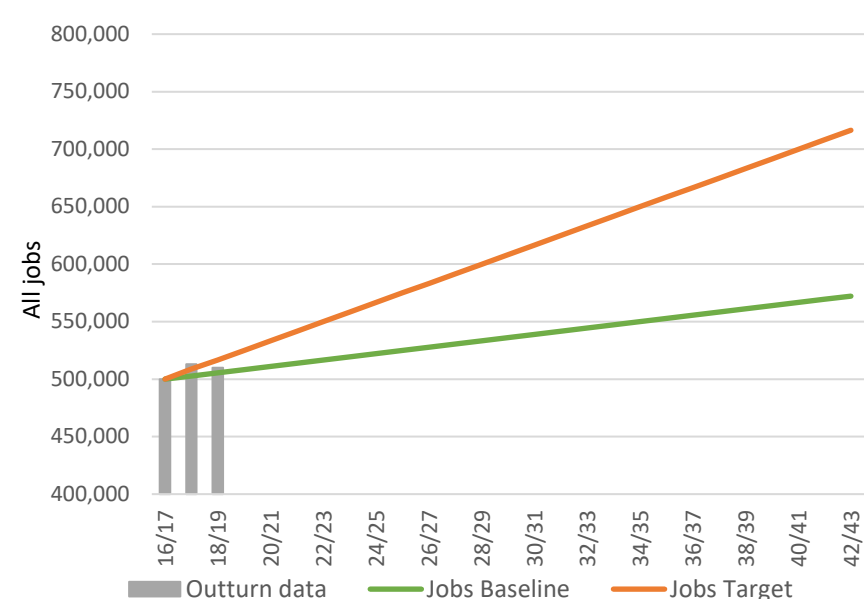
COMBINED AUTHORITY PERFORMANCE DASHBOARD  
DEVOLUTION DEAL TRAJECTORY

GVA TRAJECTORY V BASELINE



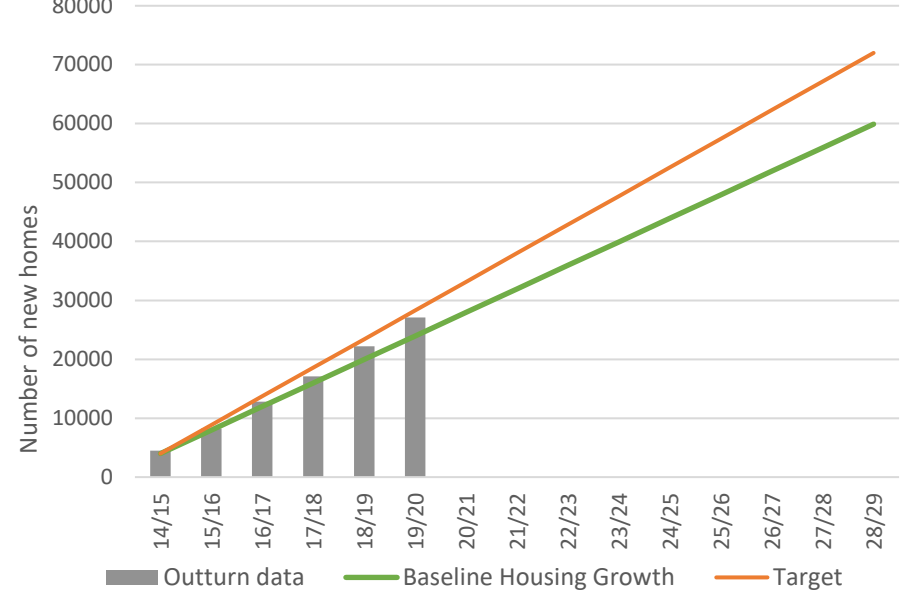
This has been updated in line with National Reporting standards. The CPCA Devolution Deal committed to doubling GVA over 25 years with 2014 as the baseline. To achieve this target the CPIER identified the region would require annual growth of 0.31% on top of the 2.5% baseline growth.

JOBS TRAJECTORY V BASELINE



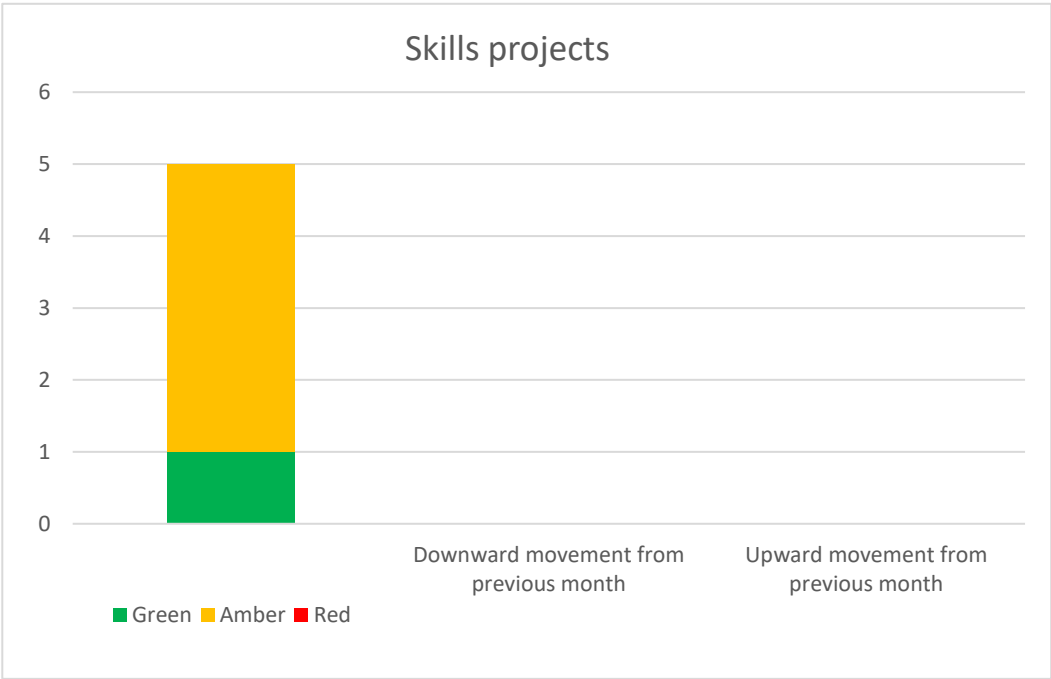
Target is derived through the CPIER by the GL Hearn report with a high growth scenario of 9,400 additional job growth per annum and a baseline of 4,338 jobs per annum.

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 Skills Project Profile:



Skills projects	
Project	RAG status
University of Peterborough	Green
Adult Education Budget (AEB)	Amber
Business Growth Service	Amber
Health & Care Sector Work Academy (HCSWA)	Amber
National Retraining Scheme Pilot	Amber
Apprenticeships	Closed*
Careers and Enterprise Company (CEC)	Closed*

Data as at the end of February 2021  
\*To be managed under the Business Growth Service going forward

