



Skills & Employment Committee		Agenda Item
6 November 2023		13
Title:	Performance Review: Skills Funded Provision 2022-23	
Report of:	Claire Paul, Assistant Director: Skills	
Lead Member:	Cllr Lucy Nethsingha, Lead Member: Skills	
Public Report:	NB Appendix 1 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. This is because data has yet to be formally verified by the Education & Skills Funding Agency.	
Key Decision:	No	
Voting Arrangements:	No vote required	

Recommendations:	
A	For Members to note and comment on the update provided within this report

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
✓	Achieving ambitious skills and employment opportunities
✓	Achieving good growth
	Increased connectivity
✓	Enabling resilient communities
✓	Achieving best value and high performance
<p>The Combined Authority’s devolution agreement and commissioning of skills programmes contribute to the above strategic objectives, aligned to the pillars within the Employment and Skills Strategy (2022):</p> <ul style="list-style-type: none"> • Pre-work learning and formal education: improving learning and experiences of work, including quality careers information, advice, and guidance, during formal education; providing a strong foundation for labour market entry and future working lives. • Employer access to talent: developing priority skills that support sustainable growth, improving employers’ engagement with education and improving job quality. • Life-wide and lifelong learning: improving access to life-wide careers guidance and a rich learning and skills offer to upskill and reskill residents through their life-course. • Support into and between work: Supporting unemployed residents to transition into training and then employment and support to disadvantaged groups to access the labour market. 	

1. Purpose

1.1	This report supports the Committee in their over-sight of the Combined Authority's funding and delivery of Skills programmes. It is part of an on-going reporting cycle via the Skills and Employment Committee in furtherance of our Single Assurance Framework (SAF).
1.2	Via this report, the Combined Authority is also demonstrating its accountability and transparency to residents and stakeholders.

2. Performance report 2022/23

2.1	<p>INTRODUCTION:</p> <p>This year has seen a return to normal life after the pandemic and it is encouraging to see learner numbers climbing again after a severe slump during lockdown. However, Covid has left behind a raft of challenging issues such as a tighter labour market and the high incidence of mental health problems amongst young people. The economic situation continues to make itself felt; employer engagement and investment in workforce training is falling, with many continuing to favour recruitment over up-skilling existing employees. Geopolitical challenges have also necessitated more skills programmes aimed at refugee-resettlement.</p> <p>On the provider front, it has also been challenging; increased energy, inflation and labour costs have made tight budgets even tighter. This has been exacerbated by falling learner participation detrimentally affecting economies of scale. And there remains an acute shortage of teachers nationally, especially in STEM subjects such as Maths.</p> <p>Notwithstanding these challenges, there have been encouraging shifts in the performance of the CPCA's Skills Programmes during the year as we continue to work with our partners to reshape and refocus the devolved skills landscape.</p>
2.2	<p>ADULT EDUCATION BUDGET (AEB):</p> <p>Background: Under the CPCA's Devolution Agreement of 2017, the Adult Education Budget was fully devolved to the Combined Authority. This translates into a c£12m annual budget which now reaches approx. 10,000 learners per year. The AEB funds qualifications for up-skilling and re-skilling residents, supporting them into work and between work. It also promotes lifelong learning opportunities which help eligible learners engage in learning, build confidence, and enhance wellbeing. In addition, devolution affords the Combined Authority additional flexibility to offer region-specific learning – e.g. full funding for everyone for the first Level 2 and 3 qualifications, full funding for ESOL (English for Speakers of Other Languages)</p> <p>Progress: We have reduced the number of training providers from 267 to 18 to improve quality, invest in our local provider base, and support providers with learner volumes which enable greater economies of scale. In effect, devolved funding has enabled a policy of 'fewer, bigger, better' providers. The initial impact of reshaping the provider-base led to a short-term drop in learner-numbers, exacerbated by the pandemic. Learner numbers are now building again, and we have surpassed the 10,000-learner milestone for the academic year 2022/23, continuing with a year-on-year increase of 14% in resident participation.</p> <p>Increased local flexibility has also enabled us to offer more support to learners from less advantaged backgrounds. For example, increases in ESOL enrolments from 4,717 (21/22) to 5,890 (22/23) have been driven by refugee re-settlement programmes such as Homes for Ukraine. The Care Leavers' Bursary and extended support (e.g. meals whilst at college, travel, and independent living skills) has been well received by social care and education partners. For the two academic years of the bursary's operation, 85 care leavers have been supported.</p>

	<p>Challenges: Reshaping the number and quality of our training providers led to a short-term reduction in learner numbers which we're now successfully rebuilding. Faced with a challenging skills landscape, capacity issues within the CPCA AEB team led to recruitment of an additional 3 FTE between April and July 2023.</p> <p>Looking ahead: Learner numbers are now increasing, and the next phase of maturity involves developing a clear framework for how we evidence impact against strategic priorities. We will also develop a commissioning framework to further target the AEB budget towards strategic priorities, collaborating with colleagues across the wider CPCA portfolio and regional partners to create holistic solutions.</p>
2.3	<p>FREE COURSES FOR JOBS (FCFJ):</p> <p>Background: "Free Courses for Jobs" (Level 3 courses) were introduced by the government in 2020 to help adults aged 24+ who had not achieved a Level 3 qualification. Courses are free for unemployed residents and those in-work who earn less than £21,000.</p> <p>The CPCA had an allocation of £955k for the 2022/23 academic year, and this is commissioned through the same processes as AEB provision. The funding and reporting methodology are the same as AEB.</p> <p>Progress: There was a 60% increase in enrolments onto FCFJ in 2022/23 (compared to 293 in 2021/22) and we estimate (subject to final claims), we are on track to spend the funding allocation of £954k by the end of the academic year. Learning organisations have built capacity over the past three years to develop the Level 3 offer. The top five sector subject areas are: Health, Public Services and Care, Construction and the built environment, Business Administration and Law, Engineering and Manufacturing technologies, Information and Communication technology.</p> <p>Challenges: Two Independent Training Providers who deliver FCFJ have withdrawn from the market and performance has been picked up by other providers. While overall enrolments on Level 3 courses have increased across all local authority areas, we need to identify ways to further engage residents in Fenland.</p> <p>Looking ahead: A promotional campaign, 'Unlock with Level 3' is planned via social media to undertake spatial targeting to promote level 3 opportunities, particularly in Fenland and Peterborough and pockets within wider Cambridgeshire.</p>
2.4	<p>MULTIPLY</p> <p>Background: Multiply is a three-year programme which started in March 2022; it was one of the first priorities of the UK Shared Prosperity Fund and was officially launched during Number Confidence Week in November 2022. Designed to improve adult numeracy skills, each local authority area and all Mayoral Combined Authorities were given a three-year funding allocation – for CPCA this was c.£4m over the period of the programme.</p> <p>Progress: Overall participation of learners in substantive learning was 102% of the target, with 1,081 learners participating. 1,973 residents engaged with Multiply through outreach work such as open-days, tasters, roadshows, the Multiply Bus, an innovative 'escape rooms' initiative and other activity delivered by learning organisations. We also contracted with National Numeracy UK who engaged learners online through their National Numeracy Challenge and trained over 20 Numeracy Champions. 1,893 learners participated in substantive learning to improve numeracy skills through contextualised delivery addressing; budgeting and cost of living support, family learning, skills for employment, support for care leavers, support for recently release prisoners and support that leads to a functional skills qualification.</p> <p>Challenges: Working with employers to deliver the numeracy skills that are required in the workplace has been especially challenging. This is a nationwide problem, as is the shortage of maths teachers, which significantly impacts the ability of providers to meet delivery targets. A delayed start to the national campaign launch (and guidance being made available very late) led to a late delivery start and</p>

mobilisation period. Procurement of Providers took until October 2022 leaving only six months to deliver a full year's allocation. As a result, there was a nation-wide funding underclaim. The DfE recovered unspent funding from year one by adjusting the year two allocation. As a result, the Combined Authority's allocation was reduced by c£415k and the adjusted allocation for financial year 2 is now £794k.

Looking ahead: The DfE is undertaking a review of the programme and CPCA providers have been identified as potential participants. The review will be carried out by Ofsted inspectors. Year 3 provision will be revised based on the success of the interventions in Year 1 and 2 to ensure maximum impact in areas where there are disadvantaged learners.

2.5

SKILLS BOOT CAMPS

Background: Skills Bootcamps are flexible training courses for adults aged 19+, lasting up to 16 weeks. They are part of the government's commitment for individuals to be able to access lifelong learning. The courses are free for learners who are self-employed, unemployed, or looking for a career change. For those in work, employers can access up to 90% of the cost of Skills Bootcamps to upskill their staff.

CPCA Funding (Received / Bid)

- 2021/22 = £1.8m
- 2022/23 = Original grant value £4.9m, reduced to £2.1m (see below)
- 2023/24 = £2.8m
- 2024/25 = £2.9m pending approval of bid

Progress:

- **2021-22:** The Combined Authority worked with three Training Providers to deliver Skills Bootcamps at Level 3 or equivalent (i.e. A Level standard) in Digital sector provision, one of CPCA's priority sectors. Provision was delivered across the East of England.
- **2022-23:** Unlike in the previous year, delivery was focused solely on the CPCA area and, working with 11 training providers, delivered learning across a broader range of learning Levels and sectors (Level 2 GCSE equivalent, up to Level 5 Foundation Degree equivalent). CPCA's original grant funding of £4.9m from DfE was reduced to £2.1m due to difficulties attracting bids from Training Providers (see Challenges below).
- **2023-24:** The Combined Authority secured £2.8m in grant funding and has further increased the range of provision to include courses such as Level 3 and Level 5 Leadership and Management, Level 3 Care, and Level 2 Insulation Installation. Whilst course delivery is to be completed by 31st March 2024, this is an ongoing project until September 2024 as providers will work with learners to secure a positive job outcome.
- **2024-25:** Following recommendation from the Skills and Employment Committee, and approval from the Combined Authority Board, The Combined Authority submitted a grant proposal to DfE on the 30th September 2023 to secure further funding of £2.8m for the 2024-25 FY to support 845 learners.

Challenges: Skills Boot Camps were introduced during a global pandemic, and it has been challenging to assess the level of demand from providers, individuals, and employers. There are also structural challenges; Training Providers can bid directly to the DfE for a national contract, and they can also bid directly to any MCAs, LEPs, and Local Authorities. The short contract durations make it challenging to attract Providers who may not have existing capacity or resource in place to develop and deliver this provision.

As a result, the CPCA has experienced some difficulties in attracting Providers and, as a result, worked with the DfE and Providers to reduce the grant funding value for the 2022-23 FY from £4.9m to £2.1m. This was a nationwide capacity problem and led to DfE extending the funding rules to allow for learner starts until March 2023, rather than course completions by the end of the financial year.

Looking ahead: The Combined Authority has submitted a proposal to the Department for Education for funding of £2.9m for the 2024-25 FY. We believe this takes realistic account of the capacity challenges set out above. We expect to receive an update on the outcome of the proposal in early December.

2.6

CAREERS HUB

Background: The purpose of the Careers Hub is to support greater collaboration and to drive progress against the Gatsby Benchmarks by enabling schools and colleges and their Careers' Leaders to access training and support, best practice, and local labour market insight. The CPCA is responsible for the performance of the Careers Hub, which is delivered by CPCA staff, Growth Work with Skills, and Form the Future. The Combined Authority has been responsible for the contract with the Careers and Enterprise Company since 2018 and a new Careers Hub model was launched in the 22/23 academic year, with all eligible educational institutions being members. Prior to 22/23, a tiered system operated, which included 30 schools within a Hub model, and 39 schools participating as part of a wider network. Performance for those in the Hub model in 21/22 was higher than those outside and, as a result, we created a single Hub model in order to encourage more equitable performance. In January 2024, as part of Growth Works with Skills' transfer into the CPCA, the Careers Hub team will come under direct Combined Authority leadership.

Progress: This year saw the merger of Hub and Non-Hub institutions in order to encourage more equitable performance. As a result, the number of participating organisations in a full Hub Model has increased from 30 to 72, this includes all mainstream secondary schools, special education needs and disabilities (SEND), Alternate Provision, and FE colleges.

Developments have been implemented which support progression against the Gatsby Benchmarks and we have seen a 23% increase against Benchmark 1 - this is the overarching benchmark that underpins all careers activity. We have also seen the average benchmark achievement grow year on year from 4.5 to 5.4 – with an increase of 17% for those schools achieving more than 3 Gatsby Benchmarks.

The Careers Hub has been invited by The Careers and Enterprise Company to be one of four Trailblazer areas developing careers education in primary schools, embedding careers related learning into the curriculum, facilitating closer employer relationships, and launching a community of practice. To date, 69 out of 75 schools are engaged in the project, which will run until March 2024. The CPCA will draw on the pilot's findings to support future work, enabling us to play a lead role in informing national policy related to primary careers provision.

Challenges: Capacity issues within schools continues to be the biggest challenge. Careers Leaders are time poor and seldom a dedicated resource (some spending only one hour a week on this activity). As a result, it had not been easy to engage Careers Leaders in Hub events such as Teacher Encounters and Rethink Apprenticeship CPD events. There has also been a large number of new Careers Leaders appointed over the last 12 months.

Looking ahead: The Careers Hub will continue to build upon the success of the 22/23 academic year, via focused activity on supporting schools to progress in line with the Gatsby Benchmarks. Activity within the Careers Hub will be based on the following 5 priorities:

1. Improve careers provision in schools and colleges against the Gatsby Benchmarks.
2. Provide more high-quality experiences with employers for students and teachers.
3. Amplify apprenticeships, technical and vocational routes.
4. Target interventions for economically disadvantaged young people
5. Connect careers provision in schools and colleges to the needs of local economies.

In January 2024, as part of Growth Works with Skills' transfer into the CPCA, the Careers Hub team will come under direct Combined Authority management.

2.7

SKILLS BROKERAGE SERVICE (GROWTH WORKS WITH SKILLS - GWwS)

Background: GWwS contributes towards the Combined Authority's strategic ambition to develop a skilled and resilient local workforce, achieving 'good growth' across the area. Launched in 2021, GWwS is delivered as part of CPCA's wider Business Growth Service and helps to connect primarily small and medium enterprise businesses (SMEs) with local skills provision.

The service has 4 leading indicators against which performance is monitored; two of which are contractual in relation to our ESF funded status, they focus on SME engagement and participation. More widely, the service is also measured against two other generalised skills indicators; to influence and instigate the creation of apprenticeships, and 'in-work' skills development opportunities. There is no restriction to size or sector of business in respect of these two wider outputs.

		ESF Contractual (Min 85% Achievement required)		CPCA Set KPIs	
		SMEs Engaged in Skills Needs Analysis	SMEs Instigating Skills Action Plans	Apprenticeship Opportunities Created (All businesses)	Learning Outcomes (All businesses)
Overall Performance	Target to End Dec	276	207	1,400	1,705
	Actual to date	238 (86%)	144 (69%)	723	1,500

Post-Brexit funding changes mean that, from January 1st 2024, a relaunched service will be funded through the UK Shared Prosperity Funding and will transition in-house and be managed directly by the CPCA Skills Team. NB the combined allocation of ESF and match funding stood at £4 million over 3 years, which has reduced to £1.4 million under UKSPF for a 15-month period, equivalent to getting 16% less funding per year.

Progress: In March 2023, DWP (in their capacity as managing authority on behalf of ESF) undertook a comprehensive audit of the CPCA's ESF funded activities within the service, (especially, activities which support SMEs to engage and execute skills development planning). The inspection took place across a three-week period, which included onsite observation of delivery as well as undertaking an extensive audit of policies, processes, management, and performance monitoring systems associated with the project. The project was passed with a 'clean sheet', receiving with no improvement actions or recommendations.

Since its launch in 2021, the service has actively supported more than 400 businesses across the combined authority, of all sizes and sectors:

- 238 SMEs have developed expertise in skills diagnostics and bespoke action planning (86% of contractual target, with 3 months remaining). 69% of those SMEs have instigated action plans within their workforces, leading to 1500 training and development opportunities for in-work learners.
- 723 Apprenticeships have been created for the area (of which 94 were higher level Apprenticeships (Level 4 and above) and 79 received financial support for their training from funds transferred from the Apprenticeship Levy).

Challenges: Launching this service during Covid and the immediate aftermath of the pandemic was challenging given that participation in education and skills was very significantly reduced across the UK, as was the number of apprentices being hired. More recently, there has been a significant upturn in engagement and participation, in considerable part due to CPCA's performance improvement plan. Additional resources and funding have been put towards achieving targets in relation to Apprenticeship creation, where significant progress has been seen in recent months due to a paid marketing campaign and partnership events and activities.

Looking ahead: Post-Brexit funding changes mean that, from January 1st 2024, a relaunched service will be funded through the UK Shared Prosperity Funding and will transition in-house and be managed directly by the CPCA Skills Team.

2.8	<p>APPRENTICESHIPS:</p> <p>Whilst the Combined Authority does not have responsibility for the funding and delivery of Apprenticeships, we monitor performance closely and seek ways to collaborate with partners and employers to encourage supply and demand across the region.</p> <p>The number of Apprenticeships being offered was hit very hard by the pandemic, but numbers are now starting to recover. There has been an 8% increase in Apprenticeship starts compared to 2020/21 and this compares to a national increase of 9%. However, nationally and regionally, the number of Apprenticeships being offered by employers has not reached the levels anticipated when the Apprenticeship Levy was introduced. Small and medium sized businesses, in particular, have found it very difficult to engage due to economic challenges and the complexity of navigating the Apprenticeship system.</p>
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3. Appendices

3.1	Exempt Appendix A: Project Performance Data
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4. Implications

Financial Implications

4.1	There are no direct implications of this report.
4.2	<p>In the case of under delivery of learner target numbers there is a risk of funding being lost either by claw-back (where it has been received in advance) or not reaching the required spend to draw it down within the funding period.</p> <p>While this is a direct risk for time-limited funding such as the FCFJ and Bootcamps, the AEB is devolved to the Combined Authority area and subject to more holistic monitoring by DfE so direct clawback is not a risk.</p>

Legal Implications

4.3	The recommendations and activities outlined in this paper are to discharge the Combined Authorities' statutory duties under the Apprenticeships, Skills, Children and Learning Act 2009. Under the devolution agreement of 2016, specified adult education functions from the Secretary of State were transferred to the Combined Authority.
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Public Health Implications

4.4	The acquisition of skills improves job outcomes, economic prosperity, health and wellbeing of participants.
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Environmental & Climate Change Implications

4.5	No implications.
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Other Significant Implications

4.6	No other significant implications.
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Background Papers

5.1	Mid-year Performance Review of Skills funded provision 2022-23 (Skills Committee Report, 9 January 2023)
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