



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.3

Review of Innovation Fund and Proposals for 2022-23

To:	Skills Committee
Meeting Date:	7 November 2022
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha, Lead Member for Skills
From:	Parminder Singh Garcha, SRO – Adult Education
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Skills Committee is recommended to:</p> <ul style="list-style-type: none">a) Note the rapid review of the Adult Education Budget Innovation Fund programme for 2020/21, the current position with the 2021/22 and the next stepsb) Note the Innovation Fund(s) budgets and approve the allocations to the Local Innovation Fund project themes proposed in this report for 2022/23 academic year.
Voting arrangements:	No vote required.

1. Purpose

- 1.1 To share early findings from a rapid desk-top review of the Adult Education Budget (AEB) Innovation Fund projects which were approved in 2020/21 with the Committee. For members to note the projects funded in 2021/22 and the recommendations arising from the review.
- 1.2 To note the Innovation Fund budget(s) and approve the Local Innovation Fund project themes proposed in Table D to this report.

2. Background

- 2.1 The decision to create a new and recurrent AEB Innovation Fund was approved by the Skills Committee at its meeting on 27 April 2020 with the process agreed on 14 September 2020. A separate budget line for the Innovation Fund was created for the 2020/21 financial year. The budget included an additional allocation from the Local Growth Fund of £323,700 to be spent on capital expenditure plus £336,700 to be spent on revenue expenditure (taken from AEB unallocated funds from 2019/20) making a total of £660,400 available for existing AEB funded providers to bid into through a grant funding process.
- 2.2 The stated purpose of the Innovation Fund for 2020/21 was to invest in innovative projects that supported and maximised learning participation, including:
 - Supporting distance learning for disadvantaged learners
 - Creative ways for accessing the internet and short course digital skills training
 - Specific innovation pilots and change programmes that meet the AEB Commissioning Strategy priorities for skills and training, delivering tangible outcomes such as:
 - Different approaches for delivering English for Speakers of Other Languages
 - Addressing sectoral priorities in Cambridgeshire & Peterborough
 - Support for those affected by job displacement and redundancies
- 2.3 Table A sets out the revenue projects that were supported in 2020/21, the grants agreed, and the total claimed. The maximum grant size was £50K but providers could bid for up to four projects each. Nine revenue projects were funded:

TABLE A: Funding Round 2020/21 and Provider		Location	Project Name	Revenue Awarded	Total Claimed / Paid
1	College of West Anglia	Fenland	Enhancing Digital Literacy	£25,160	£13,481.00
1	Inspire Education Group	Peterborough	Peterborough City Skills Hub	£43,250	£38,047.54
1	City College Peterborough	Peterborough	Peterborough City Skills Hub	£38,400	£35,039.00
1	Cambridge Regional College	Cambridge	New Business Start Up Programme	£45,200	£45,148.27
2	College of West Anglia	Fenland	Community ESOL, Pop Up Classroom/Van	£32,652	£24,903.00
2	Inspire Education Group	Peterborough	Response to Redundancy Hub	£23,000	£23,000.00
2	Inspire Education Group	Peterborough	Response to Redundancy Hub	£26,935	£21,848.48
3	Inspire Education Group	Peterborough	Intensive English and Maths	£39,000	£38,974.28
3	Cambridge Regional College	Cambridge	Strengthening Adult Careers Pilot	£35,000	£1,886.51
				£308,597	£242,328.08

2.4 The main areas of capital expenditure were to purchase specialist equipment and small-scale enhancements to facilities. All the providers reported that these enhancements would not have gone ahead without Innovation Fund support and that the investment will continue to be used by learners for many years. TABLE B sets out the capital projects that were approved and the expenditure claimed:

TABLE B: Funding Round And Provider		Location	Project Name	Capital Awarded	Total Claimed / Paid
1	College of West Anglia	Fenland	Enhancing Digital Literacy	£15,150	£14,666.82
1	West Suffolk College	Huntingdon	Construction Training Hub	£50,000	£42,000.00
1	City College Peterborough	Peterborough	Peterborough City Skills Hub	£9,850	£9,913.00
3	West Suffolk College	Huntingdon	Construction Hub Equipment	£50,000	£44,721.20
3	City College Peterborough	Peterborough	Development of specialist HCSWA Lab	£150,000	£95,662.48
1	Inspire Education	Peterborough	Peterborough City Skills Hub	£4,800	£4,800.00
2	Cambridge Regional College	Cambridgeshire	Overcoming Disadvantage Through Digital	£30,300	£30,300.00
3	Inspire Education	Peterborough	Intensive English & Maths pilot	£9,000	£9,000.00
3	West Suffolk College	Fenland	North Cambridgeshire Training Centre	£78,000	£78,000
				£397,100	£329,063.50

2.4.1 Main findings from the desk-top review:

- For a modest allocation of £0.6m there has been a generous investment in facilities, equipment, and capacity building across the main Further Education Colleges and one Institute of Adult Learning (City College Peterborough)
- The simple process for applying for the Innovation Fund and the ability to discuss project ideas prior to submission was welcomed, to ensure success
- Flexibility in delivery was welcomed, particularly as the projects were being delivered during the tail-end of the lockdowns and the partnership approach was supported
- Revenue funding to improve teaching and learning and test different approaches were welcomed, and providers reported that activities would not have been funded
- As payments were made based on evidence of 'actual costs' incurred, not all the awarded funding was claimed, and unspent funding was 'recycled' into 2021/22
- Positive feedback for the Innovation Fund was evidenced by Cambridgeshire Insights during provider and their independent evaluation of 2020/21 AEB
- Local Authority Institutes of Adult Education are usually ineligible for FE Capital funding from DfE – so a larger grant was awarded to City College Peterborough
- Peterborough based providers received the most funding in 2020/21.

2.4.2 Recommendations:

- Process and system improvements for the under-pinning administrative infrastructure for distributing small grants within the Combined Authority are required. Some of this is in-hand with the implementation of a new payments system
- Further independent evaluation of outputs and outcomes are required to assess the value for money, impact and lessons learnt for the programme and to inform continuous improvement of future programmes. This will be included in the tender specification for the Impact Evaluation of the first three-years of devolved AEB
- Given that the DfE is consulting on creating an 'innovation' strand within the new Skills Fund for non-devolved areas, it would be useful for the Combined Authority to share and showcase our approach to demonstrate the impact of devolution
- Further case-studies from the Innovation Fund and dissemination of the findings would help to improve practice across all providers Given that the aim was to test and learn from new approaches, there is a need to cascade the lessons learnt to improve the education and skills system more broadly. This also includes sharing learning from projects that did not meet their intended outputs and outcomes

2.5 The £1m Innovation Fund(s) in 2021/22

The Skills Committee of September 2021 approved the creation of two additional strands within the Innovation Fund, for 1) Provider Capacity Building and 2) Strategic Partnership Development and allocated £250,000 from unallocated AEB from 2020/21 to each fund. This created a fund of £1m available for the Innovation Fund for 2021/22. The purpose of the fund was refined with the following objectives:

- Support the Innovative engagement of atypical learners in disadvantaged areas
- Piloting employer responsive approaches that result in job outcomes
- Environmental sustainability/net zero projects
- Continuation funding for a small number of successful projects from 2020/21, that require an additional year of funding to test.

The specific objectives of the additional funds were:

- **Provider Capacity Building** - The expansion of provision and connectivity within growth and foundational sectors: Construction including Green Skills, Engineering and Manufacturing Technologies, Sciences including Life Sciences, Health and Social Care, Digital and Artificial Intelligence and Agri-tech
- **Strategic Partnerships** - Projects that facilitate and underpin partnership and collaboration across providers in the Combined Authority area - working together to improve the local skills system.

2.6 **TABLES C1 and C2** set out the successful projects that received Innovation funding for 2021/22, which took place across two funding rounds:

Table C1 - Innovation Fund – Round One 2021/22 Approved Projects						
Provider	Project Name	Location	Fund	Revenue	Capital	Total
College of Animal Welfare	Learning Without Limits	Huntingdon	Capacity Building	£64,200	£4,100	£68,300
College of West Anglia	Campus within a Campus	Fenland	Capacity Building	£0.00	£26,400	£26,400
Cambridge Regional College	Electric Vehicle Training	Cambridge	Capacity Building	£37,460	£53,450	£90,910
Inspire Education Group (Peterborough College)	Capacity Building – Construction and Green Technologies	Peterborough	Capacity Building	£93,000	£4,000	£97,000
Inspire Education Group (Peterborough College)	ESOL for All	Peterborough	Innovation Fund	£74,000	£25,000	£99,000
Nacro	Engagement & Progress	Fenland	Innovation Fund	£38,452	£0.00	£38,452
Steadfast Training Ltd	Additional Support for Learners and Employers	Peterborough	Innovation Fund	£51,385	£850	£52,235
West Suffolk College	Fenland Train the Trainer Initiative (FTTI)	Fenland	Strategic Partnerships	£76,309	£20,000	£96,309
West Suffolk College	Fenland Skills Challenge (FSC)	Fenland	Innovation Fund	£73,668	£26,100	£99,768
Totals				£508,474	£159,900	£668,374

TABLE C2 - Innovation Fund – Round Two 2020/21						
Provider	Project outline	Location	Fund	Revenue	Capital	Total
Cambridge Regional College	Welfare Support for Adults	Cambridgeshire	Capacity Building	£23,323		£23,323
Inspire Education Group	Level 3 Demand	Peterborough	Innovation Fund	£50,000		£50,000
New Meaning Foundation	Supported Work Experience	Cambridge	Innovation Fund	£76,032	£13,200	£89,232

Cambridge Regional College	Enhancing Adult Careers Guidance	Cambridgeshire	Innovation fund -cont.	£13,000		£13,000
Cambridge Regional College	Successful Start-ups	Cambridgeshire	Innovation Fund -cont.	£42,500		£42,500
Cambridge Regional College	Overcoming disadvantage through Digital Learning	Cambridgeshire	Innovation Fund – cont.		£15,300	£15,300
Cambridge Regional College	Skills Bootcamp Capacity Building	Cambridge & Hunts	Strategic Partnerships	£79,545		£79,545
Totals				£284,400	£28,500	£312,900

Total approved projects for 2020/21 were **£981,274** out of the £1,000,000 allocation. Providers could bid for more than one project for a maximum of £100K each. Note that NACRO subsequently decided to withdraw from AEB and have returned their grant.

- 2.7 At the time of writing, £636,008 of expenditure has been evidenced and claimed by providers and there is £345,265 left to claim. Some projects have agreed small extensions to their projects so that they can fully complete. Final claims will be processed by the end of the calendar year, for inclusion in the DfE Annual Return at the end of January 2023.
- 2.8 Project evaluations for 2021/22 have been sent to each of the providers listed, to evaluate the impact of the funding, and to understand if the learning, employment and other outcomes each proposed activity had been achieved.
- 2.9 The DfE in their recent Funding and Accountability Consultation have proposed the creation of an Innovation Fund as part of non-devolved AEB. They are seeking examples of best practice to shape the development of the national approach.

2.10 The approach for 2022/23 - Local Innovation Fund

For the 2022/23 academic year, it is proposed to consolidate the programme to allow deeper findings from the Independent Impact Evaluation to be considered, when they report in March 2023.

In the MTFP for the **remaining 2022/23** financial year, it is **estimated** there will be c£501K of funding remaining once all final claims are received from extended projects. The recurrent allocation of £500,000 will also be made for 2023/24 financial year, resulting in a budget of £1.01m spanning the academic year. It is proposed to consolidate the three funding lines into one new 'Local Innovation Fund' line.

It is not proposed to have an 'open call' for projects this year, but to invest in the following strategic themes that will build overall system improvements in full support of the CPCA's Employment and Skills Strategy.

TABLE D Skills Strategy Themes	Local Innovation Fund Project Themes	Delivery	Proposed Allocation
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1	Life wide Learning and training	Pilot a different approach to Local Third Sector Commissioning	To be appointed as per Third Sector Report	£300,000
2	Pre-work learning and formal education and Life-wide learning and training	Enhancing Equity, Diversity, and Inclusion across the Skills System	Lead provider to be appointed to lead and co-ordinate capacity building and embed best practice to improve EDI across all providers	£50,000
3	Pre-work learning and formal education and Lifelong and Life wide Learning	Enhancing Environmental Sustainability, Carbon Literacy and Education for Sustainable Development across Skills providers	Continuation revenue funding to extend Strategic Development Fund project. Lead provider to be appointed to lead and co-ordinate capacity building, curriculum development and embed best practice across all providers in the region.	£50,000
4	Support into and between work	ESOL Local Planning Partnerships Capacity building and development of the Single Point of Contact	£10,000 allocated for each partnership and £50,000 for development of the ESOL Single Point of Contact	£70,000
5	Life-wide learning and training	Development of an Essential Skills Route Map (Adult Literacy, Numeracy, Digital and Work Readiness)	Review our approach to improving our Essential Skills offer and co-producing a Route Map, embedding national best-practice	£25,000
6	All themes	Festival of Learning and Lifelong Learning Learner Awards	Appoint a partner to arrange a high-profile and bespoke promotional campaign as part of the Festival of Learning and Awards for our sub-region, which aims to celebrate the best in adult learning and skills to inspire more adults to learn, retrain and upskill in the sub-region	£45,000
7	Life-wide learning and training	Wisbech Community-Led Local Development Programme (WCLLD)	Match-funding for Cambridgeshire ACRE to extend their ESF project in Wisbech to outreach to residents to access jobs and skills	£55,000*
8	All themes	Skills Strategy Delivery	Individual projects and interventions to be determined working together with providers and the wider skills system to deliver outcomes in the strategy	£406,000*
TOTAL (spanning 2022/23 and 2023/34 financial years)				£1,001,000**

- 2.11 Skills Committee are requested to approve the above proposals and further details of specific deliverables will be provided once agreed with the providers. Note: *This project has been approved through Officer Delegation Notice (ODN) process due to the urgency of securing ESF match-funding. ** Subject to final reconciliation.
- 2.12 As AEB is a ringfenced budget, any underspends will be 'recycled' into the AEB Reserve Fund, for future allocation or carried forward into the Local Innovation Fund.

Significant Implications

3. Financial Implications

- 3.1 The Combined Authority received its Section 31 Grant Determination Letter for Devolution of the Adult Education Budget for the Financial Year 2022-23: No. 31/6040 (DfE Grant Reference: AEBDEVO-22-23) on 24 March 2022, which confirmed the 2022/23 financial year budget for 2022/23 of £11,973,20 and academic year budget of £11,977,722.
- 3.2 At the Skills Committee of 14 September 2020, the Innovation Fund was created as a recurrent annual budget of £500,000 and this is reflected in the MTFP of 2022/23 and 2023/24.
- 3.3 As of 31 August 2022, there is an allocation of remaining funds in the budget for 2022/23 financial year as follows:
- £196,000 in Innovation Fund: Strategic Partnership Development
 - £156,000 in Innovation Fund: Capacity Building
 - £500,000 in the main Innovation Fund
- A total of £852,200. However, as noted in 2.7 above, there are invoices still being processed and this is estimated to leave a balance of £501,000. At the time of the Skills Committee, actual final figures may be available.

4. Legal Implications

- 4.1 Under orders made from the Local Democracy, Economic Development and Construction Act 2009, adult education functions from the Apprenticeships, Skills, Children and Learning Act 2009 were transferred from the Secretary of State for Education to Cambridgeshire and Peterborough Combined Authority from August 2019 as part of the Devolution Agreement. The recommendations within this report support the discharging of these functions.
- 4.2 The Combined Authority discharges its devolved adult education functions with due regard the DfE Statutory Guidance for Devolved AEB for Combined Authorities (July 2018) ensuring that all underspent AEB as a ringfenced budget is 'recycled' and utilised for adult education.

5. Public Health implications

- 5.1 The recommendations outlined in this report have positive implications for public health. Participation in adult learning improves the health and wellbeing of participants and wider society. Additionally, AEB funds skills training for professionals in the health care sector as well as short courses for adults on managing physical, mental health and wellbeing.
- 5.2 Do not delete this section. You should specify whether the report recommendations have positive, neutral or negative implications for public health.

6. Environmental and Climate Change Implications

- 6.1 The recommendations outlined in this report have positive implications for the environment. Environmental Conservation courses and Carbon literacy are some of the courses that are funded by AEB. In addition, training for retrofit occupations (in construction trades) and electric vehicle maintenance and charging are also funded by AEB. Delivery of learning at local settings, potentially reducing travel may reduce carbon emissions. The provision of a sustainability co-ordinator across all providers within the Mayoralty will help to improve the environmental impact of providers commissioned by the Combined Authority.

7. Other Significant Implications

- 7.1 The recommendations outlined in this report have due regard to the Combined Authority's Equalities duties under the Equality Act 2010 in implementing funding policies which seek to widen participation and make learning opportunities more accessible for all citizens including all protected characteristics. The provision of an Equity, Diversity and Inclusion co-ordinator across the Mayoralty will help to strengthen EDI practice across all providers.

8. Appendices

- 8.1 None

9. Background Papers

- 9.1 [Skills Committee Report – AEB Innovation Fund 14 Sept 2020](#)
- 9.2 [Skills Committee Report – AEB Reserve and Innovation Fund Sept 2021](#)

10. Accessibility

- 10.1 An accessible version of the information contained in this report can be obtained on request from democratic.servces@cambridgeshirepeterborough-ca.gov.uk