

Cambridgeshire and Peterborough Combined Authority

Skills Strategy & Vision – Skills Committee Progress Update

August 2021

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Introduction

Overview of the context for the strategy, the approach to developing it and where we are in the process

Introduction

- CPCA's current Skills Strategy was published in 2019. It's overarching imperative is to deliver 'an inclusive, world-class local skills eco-system that matches the needs of our employers, learners and communities'.
- Whilst few would question the ongoing relevance of this mission, the intervening years have seen significant changes in the local, national and global context.
- Great Britain has left the European Union, Covid-19 has impacted the economy, people's health, wellbeing, and how they work and learn. Recovery in the UK is aligned to the levelling-up agenda, aiming to reduce inequalities between different parts of the country that covid has laid bare.
- The climate crisis is deepening, intensifying the drive to attain net-zero carbon emissions in the UK by 2050 and we see ongoing acceleration of digitalisation.
- Mayoral elections in 2021 brought a new Mayor, Dr Nik Johnson, to Cambridgeshire and Peterborough, mandated to place his values of compassion, co-operation and community at the heart of future strategic plans.

Cambridgeshire & Peterborough's Skills Strategy (2019) Developing Talent – Connecting the Disconnect

The CPCA has a vision to grow a successful, globally competitive economy grounded in high-skilled, better paid jobs, increased productivity and strong sustainable communities through an inclusive world-class local skills eco-system that matches the needs of our employers, learners and communities.

The strategy is a blueprint for designing and applying skills policies that makes the most of the region's workforce and for maximising the skills of its residents to drive up productivity, enable economic growth and support social inclusion.

We have a unique opportunity to set the strategic direction, enabling sustainable futures by creating a culture of positive change within the skills arena following three key themes:

1. Achieve a high-quality offer tailored to the needs of the three subeconomies.
2. Empower local people to access education and skills to participate fully in society, to raise aspirations and enhance progress into further learning or work.
3. Develop a dynamic skills market that responds to the changing needs of local business.

Introduction

Cambridgeshire & Peterborough's Local Economic Recovery Strategy (March 2021)

Cambridgeshire and Peterborough is core to the UK's future growth, global competitiveness and zero-carbon transition. We are a major economic engine of the national economy and the Oxford-Cambridge Arc.

Our 2018 Independent Economic Review 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.

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.

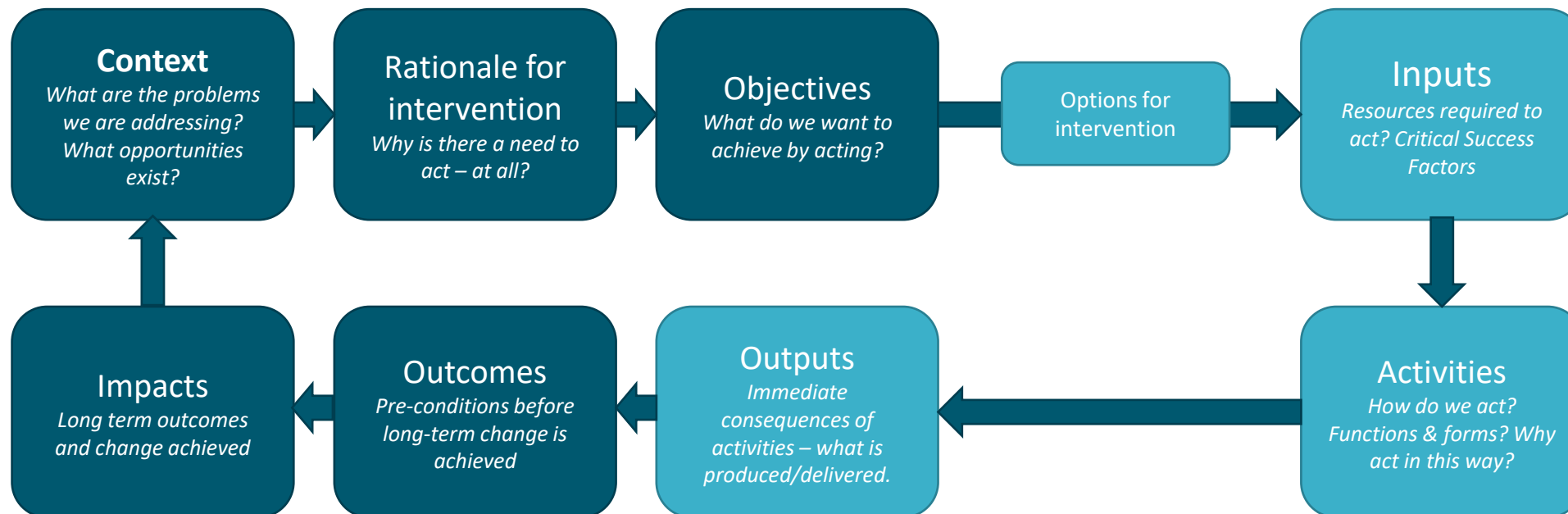
Alongside the health impacts of the virus on individuals, the economic impacts on our people have been severe and concentrated on the most vulnerable. The evidence suggests that people in Cambridgeshire & Peterborough have been harder hit than elsewhere.

- With the economy now re-opening and vaccination numbers rising, a new set of challenges are to be faced by the region.
- In the short-term, the end of the government's extensive employment support schemes mean many individuals, particularly those in precarious work, are at risk of unemployment.
- Longer-term, Covid-19 has accelerated trends such as automation which combined with transitioning industries to net zero risk further unemployment and will require reskilling and upskilling.
- A refreshed skills strategy will validate the current strategic priorities for the area and set out an updated, long-term vision for the future of the skills eco-system in the region, reflecting nuances of the labour markets in the six local authority areas.

Introduction

- Metro Dynamics is working closely with CPCA colleagues and Cambridgeshire Insights to develop a refreshed Employment and Skills Strategy.
- The project follows a logic model approach, developing strategic objectives based on robust evidence of local labour market strengths and weaknesses. To date the process has focused on context, rationale for intervention, objectives and desired outcomes/impacts.

Fig. Theory of change logic model



Introduction

- The project combines the validation of the existing strategic priorities and objectives for skills, as set out in the LERS, with the development of a vision for long-term change.
- The approach follows a traditional 4 pillar strategy development framework, operating on two timelines:

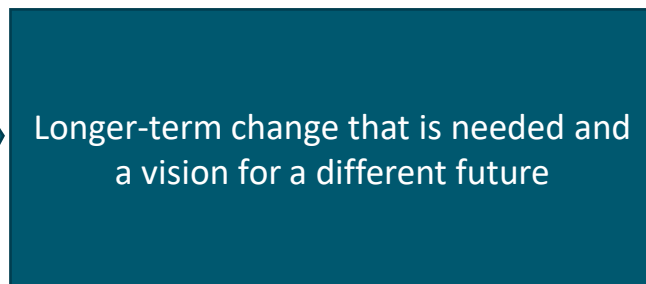
Fig. Robust framework for strategy development



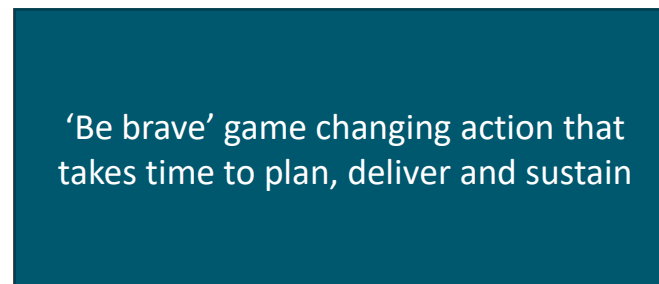
Where are we now:



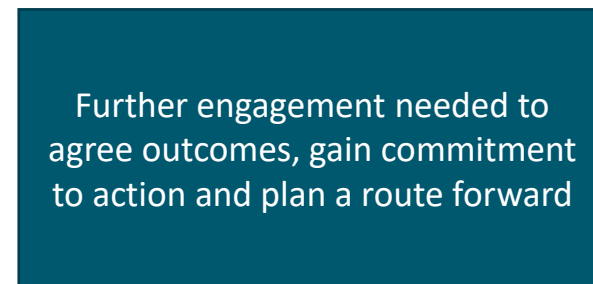
Where do we want do get to:



How to get there requires:



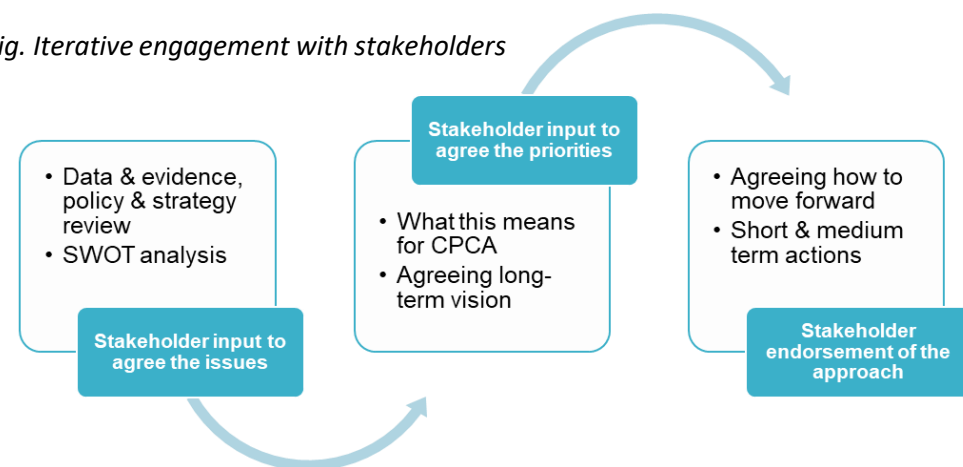
Next steps:



Introduction

- The process is iterative, ensuring stakeholder buy-in at each major point in development.
- The evidence review is ongoing – with new analysis from Cambridgeshire Insights being added over August.
- External stakeholder engagement events were held across July and a six-week call for evidence has just closed.
- Over the coming month there will be more engagement to agree the priorities and outcomes, with the final strategy complete in November.
- This pack presents progress to date, focusing on the evidence base, validation of existing strategic priorities and emerging priorities for long-term change.

Fig. Iterative engagement with stakeholders



Where are we now?

Summary data and analysis so far from the evidence review and engagement

Reflections on the 2019 strategy

CPCA's 2019 Skills Strategy set out a number of priority actions. Here we reflect on progress of those actions, what has been achieved, and where action needs to be included in this strategy.

2019 Strategy action	Progress
Opportunity Area to improve education in Fenland and East Cambridgeshire	Achieving – received additional year of funding from DfE – we want to make more progress on skills and market towns
Health and care sector work academy – 2,100 new learners	To progress – lower levels of uptake so far than expected – the project has been reprofiled with DWP to run to 2023
Skills brokerage service and strong early engagement between businesses and providers including in careers advice with targeted support on STEM, T Levels, employer outreach, work readiness and careers pilots	Achieving – Skills brokerage service launched in February 2021 as part of Growth Works
Apprenticeship levy pooling to improve access for SMEs, and provide placements through sector academy apprenticeship hubs across the area	Achieving – apprenticeship levy pooling mechanism in place, CPCA Skills, Training, Apprenticeship and Recruitment Hub in place
University for Peterborough that raises HE participation and aspiration, and delivers technical courses aligned to local employers' needs and jobs of the future	To progress – ARU Peterborough in development and on track to open in 2022, but the case for success not yet proven
Sector pilots and skills hubs to overcome rurality with transport links	Potential gap – improved transport provision for rural areas
Work and Health Programme to support progression of adults into work who have become disconnected from the labour market	To progress – DWP Restart contract with Reed is replacing Work and Health Programme over next 3 years
Connect local businesses in key sectors to the Digital Talent Portal for greater visibility of talent for employers and attracting young people to jobs through social media	Achieving – launched as part of Growth Works
Achieve a skills base that matches business needs through funding and programmes that CPCA has responsibility for – map AEB provision and improve provision through transition pilots and sector focused retraining schemes	To progress – sector retraining schemes launched in 2020, AEB progressing – fewer learners in 2020 than 2019 due to Covid
Lobby government for further devolution opportunities and to shape skills reforms to make an outcomes based and business led skills system	To progress – further lobbying on skills will focus on devolution of the National Careers Service and Careers and Enterprise Company activity

Wider context: major trends & drivers

Place

The CPCA wishes to release the full potential of its economy by targeting each of its overlapping economies' spatially distinct strengths such as: Peterborough's rapid growth and advanced manufacturing capabilities, Cambridge's global leadership in life sciences, technology and research and the innovative micro and agricultural businesses of the Fens. To do this, it is recognised that a programme of targeting retraining, upskilling and employability support must be provided to residents, alongside investment in revitalization and new capacity building of FE and HE estates in cold spots.

Infrastructure

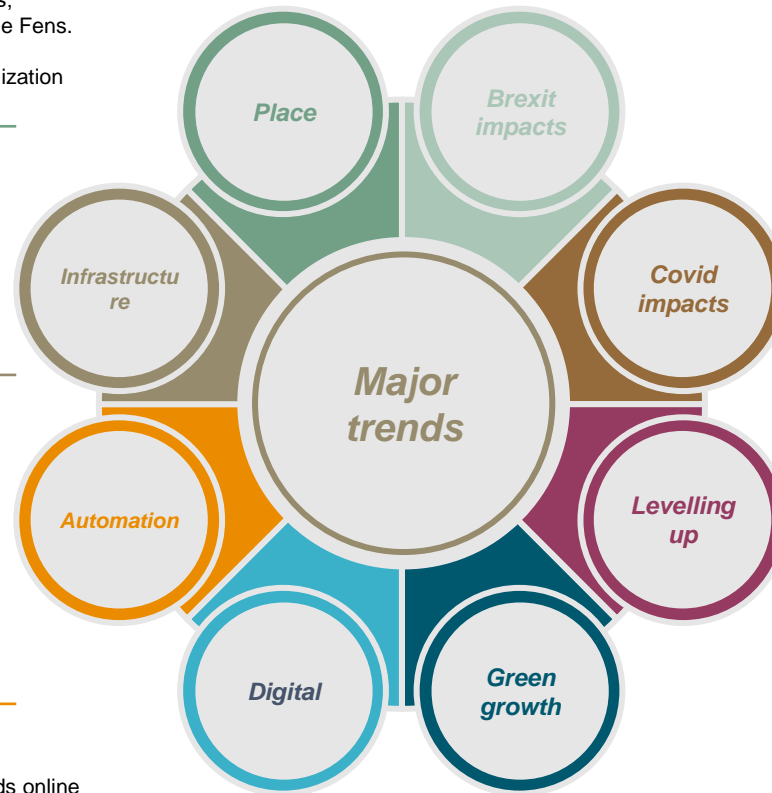
The realisation of the Government's National Infrastructure Strategy will drive a huge increase in skills demand across the construction, engineering and transportation sectors. In addition, the move to net zero will require many people in the current workforce to update their skills to incorporate new greener practices. The National Infrastructure Plan for Skills suggests that meeting this demand will require that government and industry work together to ensure the right people and skills are available.

Automation

Many sectors are experiencing the long-term effects of automation, that is: the application of computer and robotics technology to a range of tasks that remove, or more likely reduce, the demand for human labour. These impacts are most apparent in the manufacturing industry, where mechanisation is a long-term trend, but now are increasingly affecting elementary occupations within sectors. This is particularly important for districts like Fenland and Peterborough where the proportion of the workforce in elementary positions is high (18% and 17% respectively) meaning the impact of such automation could leave many without a job therefore demonstrating the need for early policy interventions centred around skills brokerage and upskilling.

Digitalisation

The impact of the pandemic has been to greatly accelerate an existing trend towards online retail. The obvious impact of this will be a continued decline in demand for high street retail and the jobs associated with this. Given the reliance on Retail for employment in the districts of East Cambridgeshire, Fenland, Huntingdonshire and Peterborough, such acceleration means the CPCA must ensure sufficient skills brokerage and upskilling programmes are in place to support residents at risk of job loss.



Brexit impacts

Despite a recent bounce back in national EU exports, total national export activity remains below pre-pandemic levels. Whilst public datasets do not yet capture recent exports from Cambridgeshire and Peterborough, and they will not for some time (with the next release date unknown). The previous release tells us that Cambridgeshire and Peterborough businesses exported £5.5bn of goods in 2019, 40% (£2.2bn) to EU destinations; and £5.1bn of services in 2018, 33% (£1.7bn) to EU destinations.

Covid impacts

The most significant effects of the pandemic have been on retail, hospitality and entertainment businesses particularly impacted by lockdown restrictions and having to adapt fast to lockdown restrictions and changing consumer preferences. However, a recovery appears to be underway in Cambridgeshire & Peterborough, aided by recovery in construction, manufacturing and retail sectors. Employment support schemes (particularly the Coronavirus Job Retention Scheme, 'furlough') have continued to act as an effective break on increasing unemployment. Despite this support flowing to lower-income households, the overall impact of the crisis is a deeply unequal one. There is a clear correlation between areas of pre-existing deprivation in CPCA and the incidence of Covid-19 cases and deaths, as well as correlated increases in new Universal Credit claims.

Levelling up

Despite being a relatively wealthy Combined Authority Area, the Cambridge and Peterborough Independent Economic Review (2018) identified the spatial disparities prevalent across the CPCA and within the three distinctive, but overlapping economies of Greater Cambridge, Greater Peterborough and the Fens. The CPCA wishes to release the full potential of its economy by addressing such disparities across health, wellbeing and prosperity.

Green growth

Public support for tackling climate change and the green agenda is ever growing. For the energy sector this has meant focusing on what can be done to transition to net zero. As a low-lying vulnerable area, the CPCA is well accustomed to the challenges of climate change and so emissions-focused initiatives have been central to economic strategies across Cambridgeshire & Peterborough with over 77% of CPCA's major initiatives climate-focussed. This is a sector with many opportunities for innovation, which will benefit hugely from a skilled, innovative workforce. New, unique skills will be required to help support the pioneering.

Strategic context: national, regional and local

HMT Plan for Jobs

HMT's Plan for Jobs aims to support the UK's economic recovery while continuing to prioritise people's health as the country navigates a return to a new normal post-pandemic. Much of this work will focus on supporting jobs with direct help for individuals to find work and upskill; protecting jobs in those sectors hit hardest by the pandemic; and creating jobs with action to increase and bring forward infrastructure investment and a transferral towards a greener economy. For CPCA this means strategic objectives around increased work-based learning, developing priority skills including net zero skills and modernising the skills system are well-aligned with national agenda. CPCA can be an exemplar to the rest of the UK in its recovery from the pandemic.

HMT Plan for Growth

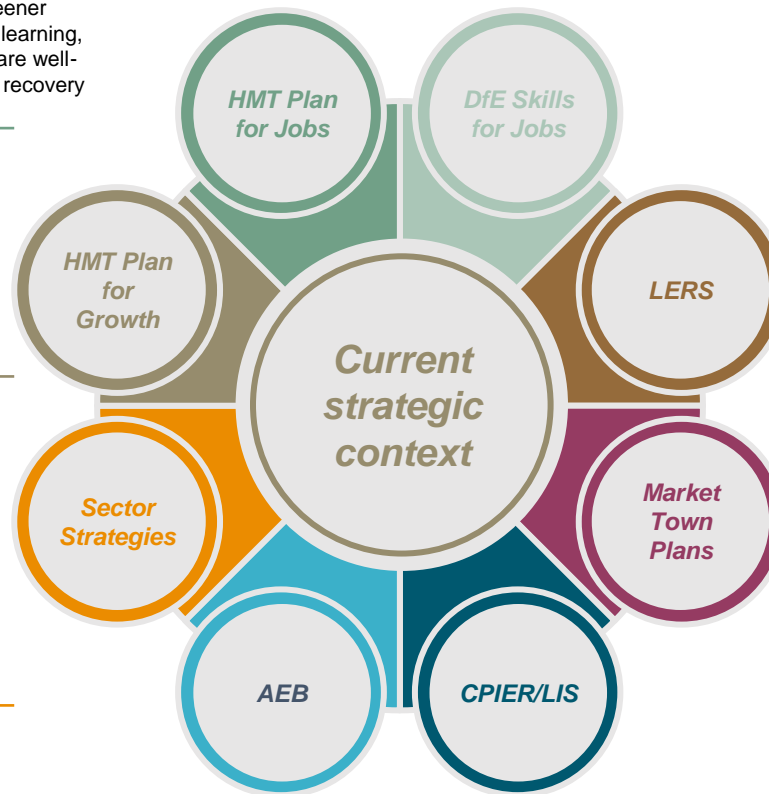
CPCA has committed to supporting the economic growth of market towns in the region in light of the impacts Covid-19 has had on high streets and town centres. In order to continue to support its rural economy as well as its urban, CPCA must not lose sight in its new Skills and Employment Strategy of the pivotal role these places have as individual communities in their own right and in upholding the character of CPCA.

Sector Strategies

The CPIER identified the sectoral strengths and specialism of CPCA as Life Sciences; Agri-Tech; Digital; and Advanced Manufacturing. In order to build on these existing strengths, CPCA made the collective decision to commission individual plans for each priority sector because of the ability to delve much deeper into the emerging trends and activity within a sector than from a broader overarching strategy. It is important work on priority sectors continues as CPCA targets future growth, but it is also important to reflect on where priority sector jobs are located and their concentration. CPCA's priority sectors account for 20% of employment overall, it is important any future Employment and Skills Strategy accounts for and values roles within this other 80% too.

AEB

The Cambridgeshire & Peterborough Combined Authority Adult Education Budget Commissioning Strategy adopts a holistic, integrated approach that reinforces the role of skills and the inclusivity of all residents to benefit from economic growth and for nobody to be left behind. It pledged to move toward a more outcome and impact focused system which targets low skilled and low paid residents, sustainable employment, improving learner progression and access to digital skills. All of these targets remain poignant and must not be lost in CPCAs next Employment and Skills Strategy.



HMT Plan for Growth

HMT's Plan for Growth highlights the three pillars of infrastructure, skills and innovation as key to the UK's recovery from Covid-19. The government wishes to improve productivity and level-up the UK whilst increasing high-quality skills provision and training, and transforming FE. This will in part catalyse the development of creative ideas and technologies that will shape the UK's future high-growth, CPCA is well positioned to lead the UK in its high skilled and innovative drive post-pandemic given its particular strengths in life sciences, agritech and advanced manufacturing. Building on these existing strengths as CPCA intends to do through its prioritisation of sectors will see Cambridge a key player in the UK's recovery and plan for growth. sustainable and secure economy, in addition to new investment and enabling regulatory systems.

DfE Skills for Jobs

DfE's Skills for Jobs highlights the need to reform further education to it supports people to get the skills our economy needs throughout their lives, wherever this live in the country. Current skills gaps at higher technical levels risk the UK falling behind its global competitors as it deals with the impact of Covid-19, commitments to be net-zero by 2050 and exiting the European Union. The UK government wishes to transform the skills system to put employers at the heart of the system and to make training a lifelong and flexible option for all.

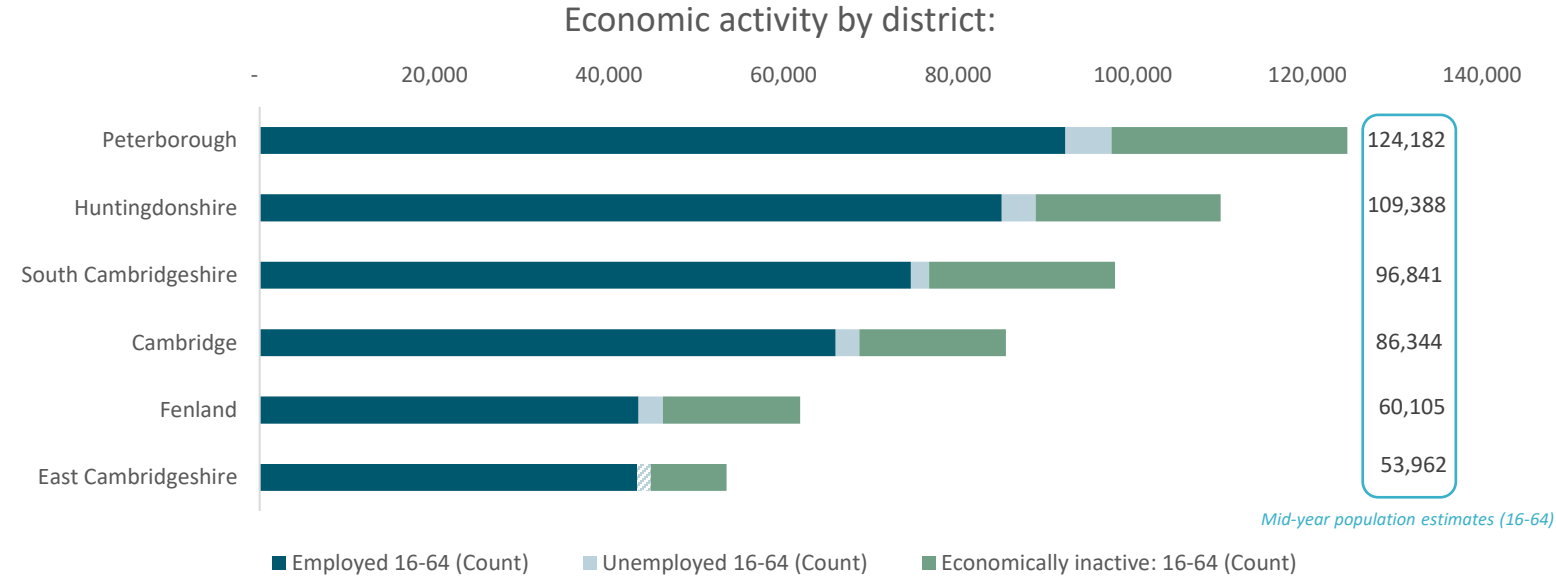
LIS

The Local Industrial Strategy sets out how Cambridgeshire and Peterborough will maximise the economy's strengths and remove barriers that remain to ensure the economy is fit for tomorrow's world. It supports the aims of the National Industrial Strategy by boosting productivity in Cambridgeshire and Peterborough. CPCA must continue to recognise the importance of growth in its new Employment and Skills Strategy.

LERS

The Local Economic Recovery Strategy sets out a specific activity in local priority areas that the CPCA and partners are pursuing to support people and businesses to recover from the economic impact of Covid-19. This includes but is not limited to activity around skills brokerage and upskilling of displaced employees; targeted employment support; business growth coaching and investment programmes; and place-specific developments such as construction sector FE centres in Huntingdonshire and green skills FE centres in Peterborough.

Population context



	South Cambridgeshire	Peterborough	Fenland	East Cambridgeshire	Huntingdonshire	Cambridge
Projected population change to 2040 (%)	-3.7%	11.7%	9.1%	0.0%	-0.6%	-2.1%
Proportion of population in most deprived quintile (%)	0.0%	41.1%	20.0%	0.0%	1.9%	4.3%

Labour market headlines:

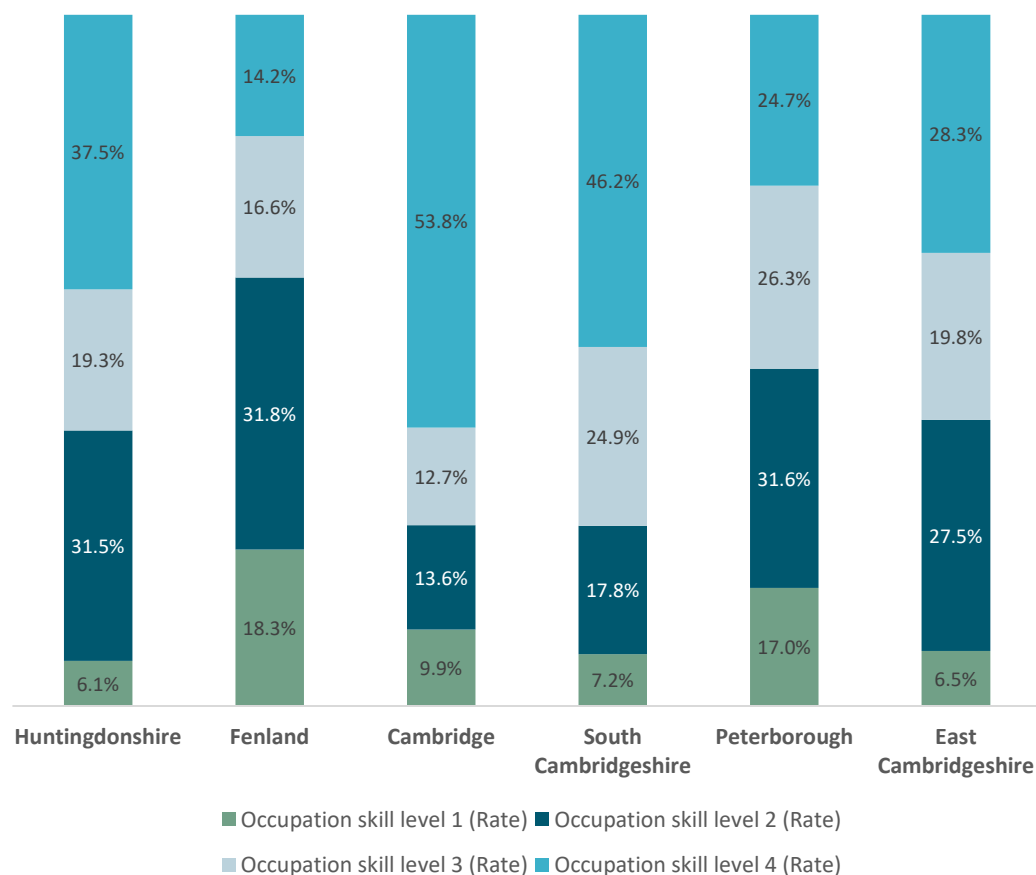
Priority sectors and self employment

- Employment in priority sectors is rising faster in the area than average at 17.4% vs. 6.6% nationally.
- Clusters of employment in priority sectors are growing in South Cambridgeshire, Cambridge and East Cambridgeshire, with opportunities for residents to benefit from growth with the right skills provision and support.
- However, presence of and growth in jobs in priority sectors is not evenly spread across the area. Fenland in particular is home to very few priority sector jobs.
- Fenland, Peterborough and Huntingdonshire all saw lower employment increases closer to (or lower than) the national average than the CPCA average.
- An interesting pattern in the data is that, over the same period, these areas saw much sharper increases in self-employment.
- There has been an extremely high growth in levels of self-employment in Fenland, which is the only area to have more people self-employed than employed in a priority sector.

	Cambridge	East Cambridgeshire	Fenland	Huntingdonshire	Peterborough	South Cambridgeshire
<i>Self-employed 16-64 (count)</i>	6,500	4,500	8,100	10,900	10,300	8,900
<i>Self-employed 16-64 change (%)</i>	-27.8%	-26.2%	39.7%	10.1%	12.0%	-7.3%
<i>Employment in priority sectors</i>	21,350	6,775	4,705	12,200	13,100	32,750
<i>Employment in priority sectors % change</i>	15.1%	14.3%	5.4%	7.5%	8.0%	29.1%

Labour market headlines :

Occupational structure and skill levels



- Occupational structure varies significantly across the area, from just 14% of residents working at occupational skill level four (jobs which typically require a degree or equivalent period of relevant work experience) in Fenland, compared to 53% in Cambridge.
- In Huntingdonshire, Fenland, Peterborough and East Cambs, approx. 30% of the workforce are employed in level 2 roles – those which require the knowledge provided via a good general, but which typically have a longer period of work-related training or work experience.
- This structure is reflected in the 5 highest employing occupations across the CPCA area:
 - sales and retail assistants (16,155 people),
 - administrative occupations which (12,925),
 - care workers and home carers (11,350),
 - elementary storage occupations (10,725) and
 - nurses (10,600).
- Higher skill levels are in line with national averages – around 43% of the working age population are qualified to NVQ Level 4+, but higher-level skills are growing more slowly than average.
- Reflecting the jobs, there is large variation in levels of NVQ 4+ qualifications across the area – ranging from 60% of the working population in Cambridge to 27% in Fenland. In Fenland, Cambridge and East Cambridgeshire, rates are falling. But rates are rising fastest in Huntingdonshire at 6.7%.

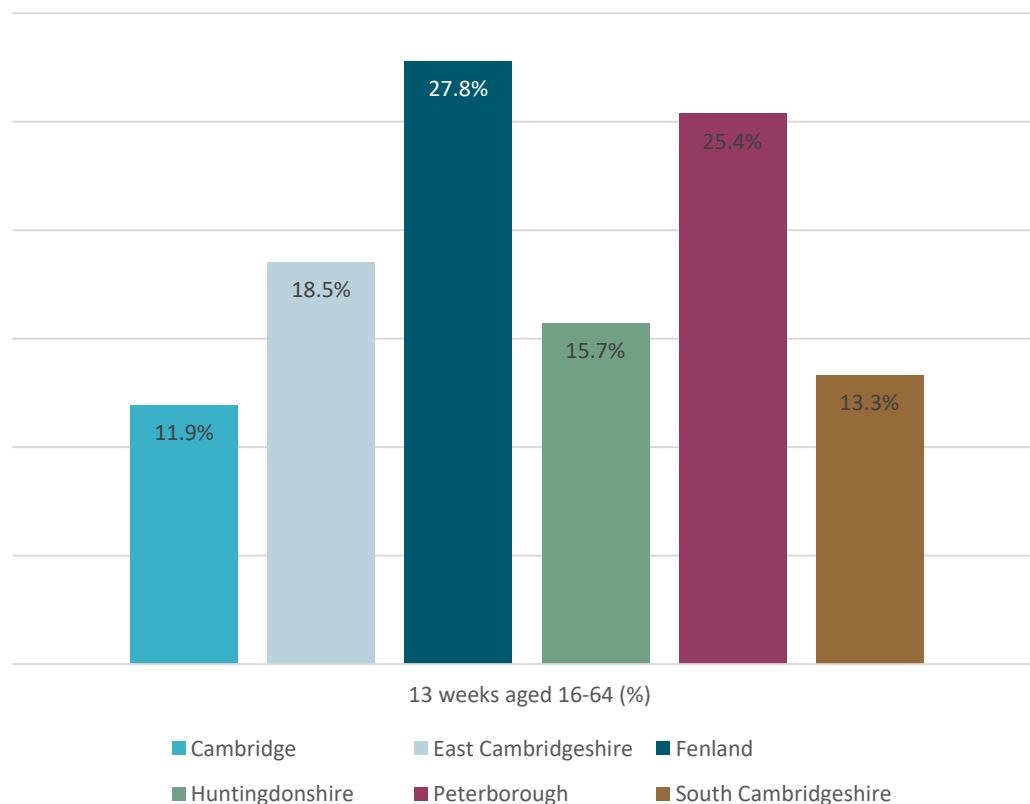
Labour market headlines: Productivity and wages

- Productivity has shrunk in Cambridgeshire and Peterborough by 1.1% compared with 1.2% growth nationally. But total GVA is growing across the CPCA area faster than average – at 9.4% vs. 8.6% nationally.
- The highest productivity levels are driven by manufacturing and in Peterborough and Huntingdonshire
- Peterborough has the fastest growing GVA levels at 15% vs. 8.6% nationally.
- Whereas Fenland has the lowest productivity and GVA levels in the area that are both falling – by 11.6% and 4.1% respectively
- Strong productivity and GVA performance in Peterborough is not following through to wages for residents, Peterborough (with Fenland) has the lowest average earnings in the area, at £23k compared with £31k in Cambridge and South Cambs.

	Huntingdonshire	Fenland	Cambridge	South Cambridgeshire	Peterborough	East Cambridgeshire
<i>Resident weekly earnings</i>	£ 28,911	£ 23,972	£ 31,673	£ 31,425	£ 23,973	£ 27,238
<i>Total GVA (£) change %</i>	10.5%	-4.1%	4.6%	13.1%	15.0%	9.4%
<i>Productivity</i>	£ 58,025	£ 46,364	£ 55,031	£ 55,301	£ 57,357	£ 54,930
<i>Productivity change (2014-2019)</i>	2.9%	-11.6%	-4.8%	-5.4%	7.9%	-6.0%

Labour market headlines: Training and progression

Total received job related training in last 13 weeks



- Skill progression appears to be slipping back overall with variation in qualifications access.
- Qualifications up to level 3 are growing at 2.3% compared with a fall of 0.1% nationally. School leavers at 18 are less likely to progress into HE and FE than average – 31.5% vs. 35.2% nationally for HE, and 6.4% vs. 9% nationally for FE.
- The lowest progression rates into FE at 18 in the area are in Cambridge at 2.8% and Fenland at 4.1%, compared with 8.3% in Peterborough and 9.8% in South Cambridgeshire.
- The lowest rates for HE are in South Cambridgeshire at 20.5% and East Cambridgeshire at 25.4% compared with 41.2% in Cambridge and 35.6% in Huntingdonshire.
- The impact of lower skill levels in places such as Fenland means that communities struggle to benefit from the region's growth and threatens future opportunities.
- Fenland and Peterborough have very high workplace training rates, showing employers are providing training, but also indicating skills shortages and limited training supply.

Labour market SWOT analysis: Cambridgeshire and Peterborough CA



People



Place



Providers



Employers

Strengths



GVA and employment in priority sectors is strong and growing – maintaining CPCA's role as an economic growth centre



Furlough rates were lower than average in May 2021, suggesting relative resilience in the economy



Many areas experience very low levels of deprivation and offer good quality of life for residents (but high levels of deprivation are also a weakness).

Weaknesses



Overall skill levels and now economic inactivity and unemployment closer to national averages indicate inequality and disparities across the CPCA area, and gaps in people having the experience, exposure and opportunities – from providers and employers – to lead their own learning and career development



Covid has triggered significant increases in Universal Credit claimants – weakening the past strength of CPCA area being below average on claimants

Opportunities



CPCA's knowledge and manufacturing based economy is well placed to innovate and build new opportunities around Industry 4.0 and net zero priorities



Promote good work for residents with employers in the foundational economy who have lost staff due to Brexit and Covid closure and are now recruiting with pipelines of talent for employers and reskilling opportunities – e.g. retail and hospitality vacancies up 40.2% and construction up 25% from Feb 2020

Threats



Overall productivity has fallen slightly by 1.1% vs. 1.2% growth nationally – this with slower than average growth in higher level skills and lower levels of progression of current school leavers into HE, FE and apprenticeships threatens employers accessing the right skills and staff for growth, and future residents benefiting from high skilled opportunities and points to upskilling needs during people's careers



The working age population is growing more slowly than average at just 0.1%, with the projected overall population rising by 2.6% by 2040 – suggesting faster future ageing

Labour market SWOT analysis: Peterborough



People



Place



Providers



Employers

Strengths



Relatively high workplace training rates at 25.4% suggest residents can access up to date work experience and skills – including digital, technical and soft skills at work



Good engagement in post-18 formal education with 31.6% of pupils moving from 16-18 study into HE.



Highest GVA growth and productivity of any local authority area

Weaknesses



With low levels of high skills in the area -the proportion of Peterborough's population qualified to NVQ4+ is 32.1% - communities struggle to benefit from CPCA's growth, evident in low earnings (£23,973)



High levels of Universal Credit claimants at 13.5%, lower average earnings, and a rise in self employment of 12% suggests precarity in work in Peterborough.



41.1% of Peterborough's communities are deprived



Poor engagement in post-18 technical education with just 8.3% of pupils moving from 16-18 study into FE.

Opportunities



Promote good work for residents with employers in the foundational economy who have lost staff due to Brexit and Covid closure and are now recruiting with pipelines of talent for employers and reskilling opportunities – e.g. retail and hospitality vacancies up 40.2.% and construction up 25% from Feb 2020



Capitalise on clusters of priority sectors in Peterborough to increase high skilled local opportunities with clarity from employers about their skills and capability needs to meet these opportunities

Threats



Despite high GVA output, job creation has been slower than average in these sectors - 8% in recent years – presenting a levelling up challenge as priority sectors innovate around net zero targets.



Higher proportion of people are qualified up to NVQ level 2 than level 3 at 21.1% and 17.8% respectively, threatening residents benefiting from

Labour market SWOT analysis: Fenland



People



Place



Providers



Employers

Strengths



High levels of self-employment at 18.7% point to a strong entrepreneurial culture.



Relatively high workplace training rates at 27.8% and levels of 16-18 year olds entering apprenticeships at 10.7% suggest residents must access up to date work experience and skills – including digital, technical and soft skills at work – through the workplace rather than skills providers

Weaknesses



Relatively high levels of Universal Credit claimants at 4.9%, lower average earnings at £23,972, and a rise in self employment of nearly 40% suggests precarity in work for people in Fenland and other barriers – health, financial – to learning and working



With lowest levels of high skills in the area – highest proportion of school leavers at 16 entering vocational courses, but these are at both levels 2 and 3, 27% are qualified to NVQ4+ - communities struggle to benefit from CPCA's growth, evident in low earnings and low proportion of jobs in priority sectors (5.4%) – presenting a levelling up challenge as priority sectors innovate around net zero targets.



Rural geography and lower physical connectivity is a barrier for people travelling and accessing online learning and work in Fenland, as well as being an area with climate related flooding risk, worsening connectivity

Opportunities



Utilise Covid impact of digital by default to increase digital learning and upskilling

Threats



Poor engagement in post-16/18 formal education – the lowest levels of residents in HE in the area at 3.2% vs. 8% in Huntingdonshire, and Fenland also has the lowest rates of progression into FE – threatening future higher skilled opportunities for residents.



Qualifications up to NVQ level 3 have risen by 8.1% at the same time that level 4+ have fallen by 1.5%

Labour market SWOT analysis: Huntingdonshire



People



Place



Providers



Employers

Strengths



Higher level skills in Huntingdonshire are growing with 42.1% now qualified to NVQ4+, and the district has the highest proportion of residents in the area in HE at 8% with recent growth



Large engaged workforce earning above average levels with resident annual earnings of £28,911, and self employment is also growing – offering opportunities and quality of life

Weaknesses



Poorer engagement with formal post-16/18 education with lower than average proportions of 16-18 year olds entering FE at 5.4% and apprenticeships at 9.2%, suggesting gaps in skills provision access.

Opportunities



Utilise Covid impact of digital by default to increase digital learning and upskilling

Threats



In Huntingdonshire the working age population is falling at a rate of -0.3% and the population is projected to further fall to 2040 -0.6% suggesting future ageing and a smaller future workforce.



Higher proportion of people are qualified up to NVQ level 2 than level 3 at 18.9% and 17.6% respectively, threatening residents benefiting from future job opportunities

Labour market SWOT analysis: East Cambridgeshire

Strengths



Large engaged workforce earning above average levels with resident annual earnings of £27,238 – offering opportunities and quality of life.

Weaknesses



Poor engagement with post 16/18 education with lower than average proportions of 16-18 year olds entering HE at 25.4% suggesting gaps in skills provision access HE



People



Place

Opportunities



Clusters of employment in priority sectors are growing quickly with 14.3% individuals employed in priority sectors meaning there are opportunities for residents to benefit from growth with right skills provision and support.

Threats



In East Cambridgeshire population growth has been slight and isn't projected – suggesting future ageing and a smaller future workforce.



Highest growth in people qualified up to NVQ Level 2 at 6.5% - while falling elsewhere – and the proportion at this level is 25.1% vs. 15.5% nationally and higher than those qualified to level 3 at 19.2% – indicates that a significant proportion of the workforce has lower level skills that could limit future opportunities.



Providers



Employers

Labour market SWOT analysis: Cambridge




People


Place




Providers


Employers

Strengths

-  High levels of high skills and employment in priority growth sectors, resulting in a growing economic centre
-  High quality of life for residents persists with high level earnings of £31,673


Weaknesses

-  Lower than average productivity levels overall alongside rises in UC claims of 6.6% and unemployment of 28.6% in Cambridge suggest very localised inequalities
-  Lowest levels of progression into FE at just 2.8% compared with 9% nationally and apprenticeships at 4.8% compared with 9.3% nationally, suggesting gaps in the right provision for some cohorts

Opportunities

-  Growing high level skills, with 60% qualified to NVQ4+ and high levels of progression into HE at 41.2% means residents can benefit from future opportunities in growth sectors and net zero innovation.

Threats

-  Falls in employment levels of 3.5% and productivity levels may threaten to limit the growth opportunities of priority sectors and expanding the benefit among local residents.

Labour market SWOT analysis: South Cambridgeshire




People


Place




Providers


Employers


Strengths

-  High quality of life for residents persists with higher average annual earnings of £31,425 and a rise in part-time working of 11.9%.
-  High levels of high skills at 56.2% and employment in priority growth sectors of 29.1% resulting in a growing economic centre.


Weaknesses

-  Lower than average productivity levels overall alongside a 2.9% rise in UC claims and 60.2% rise in economic inactivity in South Cambridge suggest very localised inequalities.
-  At 20.5%, lower progression into HE suggest gaps in the right provision for some cohorts in South Cambridgeshire.

Opportunities

-  Working age population in South Cambridgeshire is growing at 2% against a projected overall fall in population to 2040 of 3.7% – suggesting net employment and labour market participation growth opportunities.

Threats

-  High growth of 60.2% in economic inactivity levels and falling productivity may threaten to limit the growth opportunities of priority sectors and expanding the benefit among local residents.

Where do we want to get to?

Reflections on existing strategic priorities and short-term actions
Emerging long-term strategic priorities and actions

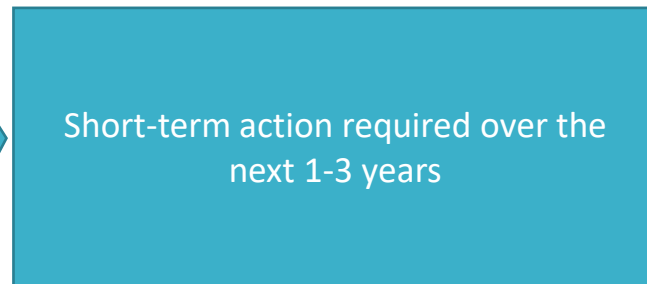
In the short-term

- Looking firstly at short-term, the following slide presents an overview of existing strategic priorities as set out in the core national, regional and local strategies.
- The national strategies provide the direction for central Government investment over the coming months and years; driving forward economic recovery, the levelling-up agenda and delivering on the commitment to net-zero carbon.
- The regional strategies include both those which pre-date and respond to these national documents.

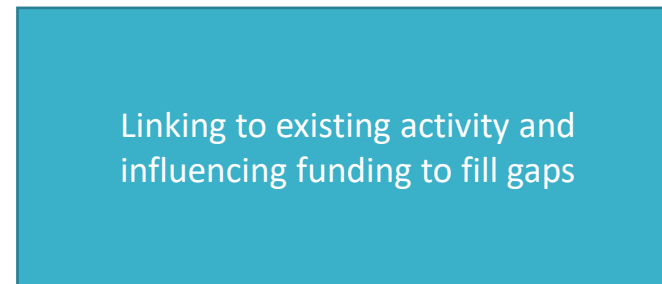
Where are we now:



Where do we want to get to:



How to get there requires:



Next steps:



Existing strategic priorities

Focus area	Strategic objectives	National			Regional				Local
		HMT Plan for Jobs	HMT Plan for Growth	DFE Skills for Jobs	LIS	LERS	AEB	Sector Strategies	Market Town Plans
Education	Upskilling and reskilling learners		✓	✓	✓	✓	✓		✓
	Raising education access and participation		✓	✓	✓		✓		✓
	Capital investment to improve teaching facilities, particularly FE		✓	✓		✓			
	Increasing and improving work-based learning, particularly apprenticeships	✓	✓	✓	✓		✓		
Employment	Supporting sector growth strategies by developing priority skills	✓	✓	✓	✓	✓	✓	✓	✓
	Skills to support the Net Zero transition	✓	✓		✓			✓	✓
	Increasing employers' engagement with & influence of post-16 education	✓	✓	✓				✓	
	Embedding modern work practices and conditions					✓		✓	
	Improving careers information, advice and guidance		✓	✓	✓	✓			
Worklessness	Reducing long-term unemployment / NEETs	✓			✓		✓		✓
	Covid-19 recovery and transitions	✓	✓			✓			
	Inclusive growth and support for disadvantaged groups	✓	✓	✓	✓	✓	✓	✓	✓

Existing ongoing action

The LERS published in March 2021 set out specific activity in local priority areas that the CPCA and partners are pursuing to support people and businesses to recover from the economic impact of Covid-19, progress to date:

LERS action	Progress
Local job clubs and targeted redundancy support – e.g. Peterborough	To progress – CPCA working with DWP on Youth Hubs, and looking at 50+ unemployment through the Midlife MOT
Business growth coaching and investment programme	To progress – through Growth Works
Start up and entrepreneur programme for displaced employees	To progress – through Growth Works
Advanced manufacturing cluster development for Fenland	Potential gap
Learning funds for displaced employees and career restarts	To progress – AEB programmes progressing
Sharing apprenticeship funding between large and small firms	To progress – apprenticeship levy pooling mechanism established
Skills brokering to link displaced employees with growth firms	To progress – push to establish a Construction Sector Forum, careers pilots have closed
Construction sector FE centres in Huntingdonshire and Wisbech	To progress – planning permission has been granted for a metalworks in Wisbech
Green skills FE centre in Peterborough	To progress – early stage development of a business case
Expansion of Peterborough University to 6,500 students pa	To progress – in development, due to open in 2022 – but success not proven

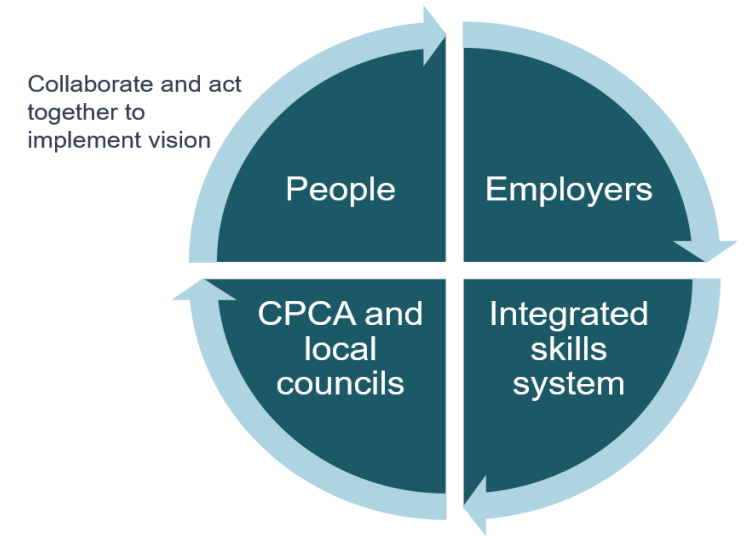
Reflections on existing strategic priorities

- The process to date has reinforced the importance of pursuing the skills strategic priorities as set out in the LIS and LERS. These all remain important and urgent.
- It has raised for additional emphasis in the short-term:

Focus area	Strategic objectives	Why?
Education	Improving careers education, specifically around STEM and green skills	Immediate steps should be taken to begin to influence future career choices of those who will join the workforce in coming years and be a critical part of the transition to net-zero.
Employment	Increasing employers' engagement with and influence of post-16 education,	Vital to ensure that employers (in all sectors – not only priority sectors) shape the short-term supply of training to drive recovery.
Worklessness	Ensuring an explicit emphasis on supporting young NEETs	Enable first time labour market access to avoid prolonged disengagement or ongoing barriers.

In the long-term

- Moving on to consider the long-term, the following slides set out a series of draft logic chains articulating evidence and perspectives so far that begin to set out the case for long-term change for core stakeholder groups.
- Stakeholders were pro ‘being brave’ – pursuing a vision and set of actions that will deliver a step change for the area.
- At the heart of this was the need for real collaboration, for the area to have the desire and the mechanisms to act and move as one – albeit at different speeds - drawing on examples of other Combined Authorities and regions who have a longer experience of collective action.
- Core to this would be setting out visions of the future for each stakeholder group and agreeing a set of core common principles.



Where are we now:

Review of
achievements,
context & SWOT
analysis

Where do we want to get to:

Longer-term change that is needed and
a vision for a different future

How to get there requires:

‘Be brave’ game changing action that
takes time to plan, deliver and sustain

Next steps:

Further engagement needed to
agree outcomes, gain commitment
to action and plan a route forward

People

Currently:

- Overall skills and now economic inactivity and unemployment levels are closer to national averages, indicating inequality and gaps in people having the experience, exposure and opportunities – from providers and employers – to lead their own learning and career development.
- Covid has triggered significant increases in Universal Credit claimants – weakening the past strength of CPCA area being below average on claimants.
- Largest employing sectors are foundational - many facing recruitment problems from Covid and Brexit, and average earnings vary across the area – from £23,973 in Fenland to £31,673 in Cambridge.
- The working age population is growing more slowly than average at just 0.1%, with the projected overall population rising by 2.6% by 2040 – suggesting faster future ageing overall. South Cambridgeshire and Peterborough are the only places where the working age population is growing by more than 1%.

Moving forward it will be important that people:

- Are equipped with the soft and technical skills to respond to opportunities in the labour market and see clear pathways into and between a variety of occupations and careers.
- Can access - physically and digitally – and navigate an agile and responsive skills system to upskill and reskill throughout their careers.
- Can access support into employment how and when they need it, at any point in their lives and whatever their starting point.
- Are drivers of their own learning and work journey, making informed decisions about the selection of training, development and work activities that are right for them.
- Understand how their ambitions can be realised through learning and training and are connected to opportunities, experiences and role models.

Getting to this will require:

[Ongoing element of work – outcomes and objectives to be agreed, prior to actions.]

Delivering this will lead to a future in which:

People experience fulfilment and good physical and mental health with productive, quality working lives. They drive their own learning and career journeys and feel confident to enter and re-enter the labour market over the course of their lives. They can access support and learning to meet their ambitions when and how they need.

[Potential outcome measures: improved health, reduced length of inactivity, increased adult training]

Employers/Businesses

Currently:

- Local knowledge and manufacturing based economy is well placed to innovate and build new opportunities around Industry 4.0 and net zero priorities
- But overall productivity has fallen slightly by 1.1% vs. 1.2% growth nationally, with the highest GVA growth and productivity in Peterborough, and the lowest in Fenland – this with slower than average growth in higher level skills and lower levels of progression of current school leavers into HE, FE and apprenticeships threatens employers accessing the right skills and staff for growth
- Relatively high workplace training rates in Peterborough and Fenland suggest residents can access up to date work experience and skills – including digital, technical and soft skills at work
- Furlough rates are lower than nationally, suggesting some resilience in employment, but the foundational sector is facing recruitment demand from Covid and Brexit

But, the future will require employers who:

- Can access a pipeline of skilled people seeking to move into the workforce and the right skills development training for their current staff.
- Have well defined and designed jobs, for which the skills requirements and development prospects are clear to staff and candidates.
- Can and do articulate their skills needs both in terms of long-term workforce planning/strategy (skills for which they have consistent/repeating demand over time) and short-term workforce demand (skills which for which they have an immediate, unmet need).
- Can easily access – physically and digitally - and navigate support to adapt their workforce planning in response to structural changes in the economy.

Getting to this will require:

[Ongoing element of work – outcomes and objectives to be agreed, prior to actions.]

Delivering this will lead to a future in which:

Employers are providing good quality jobs; have the skills they need in their staff and can recruit the right person for the right job. They understand their skills needs and their inputs shape an agile, responsive skills system that delivers a regional pipeline of talent, matched to job opportunities to support strong businesses and enable business growth.

[Potential outcome measures: % earning Real Living Wage, productivity, job creation]

Providers

Currently:

- Varying levels of engagement with post-18 education – higher than average progression into HE in Cambridge and Huntingdonshire, higher than average progression into FE in South Cambridgeshire, and higher than average progression into apprenticeships in Fenland, East Cambridgeshire, and South Cambridgeshire
- Variation in post-16 education, with 69% of Y11s going on to do vocational qualifications in Fenland, compared with 68% taking A Levels in Cambridge
- Variation threatens employers accessing the right skills and staff for growth, and future residents benefiting from high skilled opportunities and points to upskilling needs during people's careers

But, the future will require employers who:

- Collectively plan, design and deliver learning and training provision responding to employers' long-term needs and can respond with agility to short-term demand.
- Are outcomes driven, progressing learners into jobs and careers with the skills – from basic employability, to soft skills, to technical capabilities – that employers need.
- Have increased numbers of students taking courses and apprenticeships aligned both to local job opportunities and their interests and ambitions.
- Have higher uptake of vocational courses at higher levels – from level 3 upwards – to support priority sectors, net zero transition and economic growth.
- Have learners engaged flexibly in upskilling and reskilling throughout their careers

Getting to this will require:

[Ongoing element of work – outcomes and objectives to be agreed, prior to actions.]

Delivering this will lead to a future in which:

Providers work collaboratively across Cambridgeshire and Peterborough in an integrated education and skills system to deliver learning, qualifications, careers education and support to enable people to enter the labour market in the ways that suit individual's needs and ambitions.

[Potential outcome measures: % into employment or improved employment,]

Place leaders

Currently:

- There is inequality and disparities across the CPCA area – many areas experience very low levels of deprivation and offer good quality of life for residents, but deprivation is clustered in Fenland and Peterborough with pockets in Cambridge
- Connectivity varies across the area – Cambridge and Peterborough have better connected infrastructure, whereas the rural geography and lower physical connectivity is a barrier for people travelling and accessing online learning and work in Fenland, as well as being an area with climate related flooding risk, worsening connectivity

But, the future will require employers who:

- Expand opportunities for residents across Cambridgeshire and Peterborough to access skills development and quality jobs, and benefit from the region's economic growth.
- Reduce barriers – physical, digital, physical and mental health and emotional – for people to access employment and training.
- Secure improved health, mental health, and financial support for people who are unemployed or on low pay at any point in their lives.

Getting to this will require:

[Ongoing element of work – outcomes and objectives to be agreed, prior to actions.]

Delivering this will lead to a future in which:

Place leaders secure outcomes for the whole place, convening and supporting collaboration between employers and the integrated skills system, as well as linking into other local services for people across Cambridgeshire and Peterborough to lead healthy lives and fulfilling careers.

[Potential outcome measures: transport connectivity]

Emerging actions for the long-term

- **An approach with employers *and* individuals together at the centre**, with a strategic focus on priority occupations as well as sectors and clear pathways for development
- **Strong data and information to inform decision making**, with a customer behaviour perspective understand what employers need, and what learners gain in education and from providers – to better assess gaps in learning and experience and inform skills development and delivery decisions among providers.
- **A regional curriculum, with learning and training aligned to local job opportunities and careers** – using robust data and information from employers to inform the skills development and qualifications that school and college students need for local job opportunities and careers.
- **Co-ordinated place-based action areas, to engage all stakeholders in addressing multiple/complex issues** – convening place leaders, providers, schools and partners to focus on improving skill and qualification levels and getting people into good jobs and to achieve higher earnings.
- **Offer and promote higher uptake of apprenticeships at level 3 upwards with pathways into degree apprenticeships** in subject areas that offer employers relevant skills and expand opportunities for people to train, gain experience, and progress in their careers in vocational routes.
- **A dual-track system, anticipating long-term needs and responding with agility in the short-term** – with providers who can *both* lead on future workforce development and training requirements aligned to industry needs providing a pipeline of talent and respond to short term skills needs.

Moving from short-term to long-term

In the context of the Government's Plan for Jobs and progress on priorities from the Local Economic Recovery Strategy, in the short-term, CPCA and partners should:

Continue	Start
Covid recovery support programmes – Kickstart, Restart, Youth Hub, traineeships and apprenticeships incentives, and Growth Works business and people support	As a first step to developing a more integrated, accessible skills system, CPCA partners to assess gaps in the local provision signposted through Growth Works gateway – e.g. adding employability support and Adult Education Budget projects
Apprenticeship levy pooling for SMEs and engagement with wide range of employers	Apprenticeship providers to immediately enhance marketing and promotion of existing apprenticeship opportunities aimed at young people and parents in the area, including working with schools to promote opportunities as part of careers education
AEB programmes focused priority places and cohorts – particularly Fenland and Peterborough where skills levels and earnings are lower, and economic inactivity and unemployment are higher	To improve careers advice, schools and colleges start to engage parents and students in career conversations about interests and ambitions and encouraging them to explore and engage in how students start building their skillsets and future careers
Build on Opportunity Area data and activity in Fenland and East Cambridgeshire to galvanise partners around place targeted activity in skills into adulthood	Providers start to build intelligence now, engaging their students and parents, with support from place leaders to engage with employers, to build better data sources on needs and opportunities
Capital project development of new skills facilities – ARU Peterborough, metalworks centre in Wisbech, construction FE centre in Huntingdonshire, green skills centre in Peterborough	To break down barriers to people accessing training and job opportunities, place leaders to work with providers and DfE to ensure digital access for students, create transport solutions to remove rurality as a barrier for people to accessing skills development and work

The background of the slide is a light blue map showing a dense network of white lines representing city streets. The lines vary in thickness, suggesting different types of roads or highways. The overall pattern is a complex, interconnected web of urban infrastructure.

Next steps

Next steps

- Feedback from the Skills Committee
- Input of further evidence from Cambridgeshire Insights
- Further development of the strategic priorities and logic chains via stakeholder engagement
- Development of strategy document

