



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

SKILLS COMMITTEE

Date: Monday, 14 June 2021

Democratic Services

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

10:00 AM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

**Main Hall, Burgess Hall Events and Conference Centre,
One Leisure, Westwood Road, St Ives PE27 6WU
[Venue Address]**

AGENDA

Open to Public and Press

Part 1: Governance Items

- 1.1 Appointment of the Chair**
- 1.2 Apologies for Absence and Declarations of Interest**
- 1.3 Approval of the Minutes and Action Log**

Skills Committee Minutes 15 March 2021	5 - 14
Action Log	15 - 16
1.4 Public Questions	
Arrangements for public questions can be viewed in Chapter 5, Paragraphs 18 to 18.16 of the Constitution which can be viewed here - Constitution	
1.5 Agenda Plan	17 - 20
The agenda plan is an indication of future decisions. Please note that it is subject to continual review and may be changed in line with any revisions to the priorities and plans of the CPCA.	
1.6 Forward Plan	
For details click here.	
Part 2: Reports to Combined Authority Board	
2.1 Adult Education Budget (AEB) 2021-22 Funding Allocations and Policy Changes	21 - 30
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Part 4: Date of Next Meeting	
Monday 13 September 2021	

The Skills Committee comprises the following members:

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

COVID-19

The legal provision for virtual meetings no longer exists and meetings of the Combined Authority therefore take place physically and are open to the public. Public access to meetings is managed in accordance with current COVID-19 regulations and therefore if you wish to attend a meeting of the Combined Authority, please contact the Committee Clerk who will be able to advise you further.

Councillor Lynne Ayres

Councillor Mike Davey

Councillor Lis Every

Councillor Jon Neish

Councillor Lucy Nethsingha

Cllr Chris Seaton

Councillor Eileen Wilson

Clerk Name:	Tamar Oviatt-Ham
Clerk Telephone:	01223 715668
Clerk Email:	Tamar.Oviatt-Ham@cambridgeshire.gov.uk

Skills Committee Minutes

Meeting: Monday 15 March 2021

Time: 10.00am – 11.45am

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

Apologies: Councillor Chris Seaton

Part 1 - Governance Items

124. Announcements, Apologies for Absence and Declarations of Interest

Apologies received from Councillor Chris Seaton.

125. Minutes of the Skills Committee meeting on 11 January 2021

The minutes of the meeting on 11 January 2021 were approved as an accurate record. A copy will be signed by the Chairman when it is practical to do so.

126. Petitions

No petitions were received.

127. Public Questions

Questions received from Overview and Scrutiny Committee

128. Skills Committee Agenda Plan

It was resolved to note the agenda plan.

129. Combined Authority Forward Plan

It was resolved to note the forward plan

Part 2 – Reports to Combined Authority Board

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

The Committee received a report which sought approval for a proposed commissioning approach for the additional funding received by the Combined Authority to deliver a new Level 3 Adult Offer in Cambridgeshire and Peterborough.

The Committee received three questions from the Overview and Scrutiny Committee on this report and the written responses were read out by the Chairman and can be found at appendix 1 of the minutes.

Introducing the report officers stated that the Combined Authority had been delegated new funding in addition to the Adult Education Funding budget which equated to £1,045,844. Officers explained that the funding would be used to deliver a Level three Adult Offer from April 2021 – July 2022. In summarising the main points of the report officers;

- highlighted studies had shown that level three qualifications could equate to a 20% increase in average wages and 14% increase in employment prospects and would play a vital role in the economic recovery, helping to boost productivity in the region.
- stated that there was a significant capacity building required amongst the colleges and providers and a real need to promote the qualifications to residents.
- explained that the analysis provided a useful baseline for CPCA to demonstrate the impact of the Lifetime Skills Guarantee and highlighted potential gaps and the significant capacity that would be required to accelerate Level 3 delivery, particularly within CPCA's Growth Sectors (and Foundation Sectors) in the future.
- clarified that given the low take-up of Level 3 courses by adults within the region, and the importance of Level 3 to the Skills Strategy, the development of a marketing and communications plan, co-designed with Further Education (FE) colleges and providers was proposed to promote the free courses and a proportion of the top-sliced funding would be utilised for this purpose.
- explained that as the additional funding had not been agreed in the Medium-Term Financial Plan (MTFP), the report would be going to the Combined Authority Board for approval and the revised figures were set out in table 2 of the report.
- stated that as part of year end arrangements any underspends would be rolled into a ring-fenced reserve fund which would be presented to a future Combined Authority Board meeting for approval.

In discussing the report Members;

- queried whether the authority were directing the finding to the right courses and if officers had any insight in to the 19% withdrawal rate from level 3 courses and any insight into why the level 3 take-up in Peterborough was so low and should there be intervention at GCSE to encourage take up. Officers

explained that they were looking to evaluate what the sector was telling them about the gaps from the responses they had received. Officers explained that some of the withdrawals were covid related but working to understand withdrawals across all provision.

- sought clarity on whether there was an increase in funding beyond 2021-22, which was shown in table two of the report. Officers explained that in addition to the funding there was an increase in the figures which was reflected in table two that went beyond 2021-22.
- questioned whether the commissioning process could be focussed on delivering in specific areas namely Fenland and Peterborough. Officers highlighted the commissioning principles set out in the report around building local capacity and quality. Officers clarified that there was flexibility in the process to focus on particular geographical areas, that had not been used previously but were looking to target investment to the areas of need.
- queried whether providers outside of Cambridgeshire and Peterborough were taken into account in terms of the provision, including West Suffolk where many young people attend West Suffolk College. Officers explained that providers outside of the area were taken into account including Stamford College, Bedford College, North Hertfordshire College and West Suffolk College were all important providers and were commissioned by the Combined Authority as part of the AEB.
- highlighted the need for flexibility in terms of courses as there were many young people for example in East Cambridgeshire that looked to go into the hospitality and leisure industry. Members also queried why marketing was missed off the list as there was a big draw for this particularly in East Cambridgeshire. Officers explained that the combined authority were continuing with the AEB level three offer and the list of courses was in relation to the additional funding identified by the Department for Education as being priority in relation to help build on economic recovery. Officers clarified that there would be some flexibility in the offer when the two pots of funding were added together.

It was resolved unanimously to recommend that the Combined Authority Board:

- a) note the additional funding from the Department for Education (DfE), delegated to Mayoral Combined Authorities as part of the Government's Lifetime Skills Guarantee, to deliver free Level 3 courses for adults aged 24+.
- b) approve the approach to spending this additional ring-fenced funding through the AEB Commissioning Principles set out in this Paper, including creation of a 'Level 3 courses' budget line as shown in Table 2, and applying a 3.4% top slice

131. Business Growth Service

The Committee received a report that gave an update on the Business Growth Services contractual and financial position and outlined a request from the Business Board to the Combined Authority Board for approval to raise the maximum grant limit from £150,000 to £500,000 on the Business Growth Service Capital Grant scheme as an exception for one application.

The Committee received two questions from the Overview and Scrutiny Committee on this report and the written responses were read out by the Chairman and can be found at appendix 1 of the minutes.

Introducing the report officers explained that section 2.1 of the report outlined a recommendation to allocate the remaining Local Growth Funding of £2,043,178 into the Growth Grants strand of the new Business Growth Service which would be targeted at companies with rebound and regrowth potential, seeking to create higher value sustainable jobs and this service is contracted to achieve a target value for money ratio on new jobs created per grant given of £6,000 per output. Officers stated that the delivery of these grants would be negotiated as a contract variation for the new Business Growth Service contractor to award the grants out to businesses in the Combined Authority area and those grants claimed before end of March 2021. Officers explained that the contractor would be asked to manage the targeting of the relevant businesses in the key sectors that have the highest potential for rebound and regrowth. Officers highlighted the use of the Business Board Emergency Procedure and Mayoral Decision Notice in section 2.2 of the report in order that the Business Growth Service contract could be signed due to delays in funding and how this would impact on the overall financial and contractual position of the service.

In discussing the report Members;

- queried whether the request to raise the maximum grant limit was going to be a one off and how confident the Combined Authority were that they would not miss out on another company that would offer the same opportunities in relation to jobs and growth if they had the same level of grant. The Director of Business and Skills explained the grant of £150k was designed for quite small 10-30 employee companies indigenous to the CPCA area to grow. He explained that the key point was that the grant level was set on a benchmark of £5,000 per employee generated. He stated that an opportunity had arisen from an exciting technology company that would really add value to the Peterborough Advanced Manufacturing Cluster. He highlighted that their forecasts of jobs was £3,000 per job and over a longer period £1,000 per job. He stated that moving to a higher grant level could be justified as the value for money level was much better than the benchmark that had been originally set. He explained that it did create a precedent but that it was one that was manageable and would come back to the Committee and Board if there was another opportunity on the same scale.

- highlighted that the Combined Authority had been through the process of developing the Business Cases for the Business Growth Service and the Mayoral decision seemed to undermine the process. Members questioned whether there now should be a further version of the Financial Business Case circulated. The Director of Business and Skills explained that there was an error in the September Financial Business Case where £1.5 million had been omitted and officers had worked through this with Governance colleagues and the Business Board and could republish the Financial Business Case with the error corrected, therefore a whole new Financial Business Case was not needed. He explained that the corrected version would be published and circulated. **ACTION**

It was resolved unanimously to:

note the report from Business Board.

132. Local Economic Recovery Strategy (LERS) – Updated Refresh

The Committee considered a report that provided an updated version of the Local Economic Recovery Strategy for Cambridgeshire & Peterborough.

The Committee received three questions from the Overview and Scrutiny Committee on this report and the written responses were read out by the Chairman and can be found at appendix 1 of the minutes.

Introducing the report officers explained that the latest, third version of the LERS (attached at Appendix 1 of the report) was now being presented to the Boards for approval following further updates to reflect new and emerging impacts of COVID-19. Officers explained that to ensure the LERS reflected local recovery priorities, the strategy had been further developed with Local Authority officers and local business organisation representatives through the Local Economic Recovery Sub-Group (ERSG). Officers highlighted that the strategy had also undergone review and development through workshops held with the ERSG, Business Board and the Employment & Skills Board during February 2021. Officers drew the Committees attention to the diagram that had been added to the Strategy which set out how the strategy worked. Officers explained that projects had been separated out to show what had already been funded and longer-term projects where funding was sought. Officers highlighted that there was a big emphasis on skills and training to emerging opportunities and emerging sectors. Officers explained it was too early to identify what all of the impacts would be in relation to the EU exit and officers would continue to monitor them over the coming months.

The Director of Business and Skills stated that the outcomes had now been made contractual outcomes for the Business Growth Service and that there would be a focus on the impacts the service was having against the job impacts and skills impacts and this would be monitored.

In discussing the report Members:

- sought clarity on actions that were being taken in particular in relation to investment into schools and what will we know about the impact on whether this was working and how the £125 million set aside for schools would be monitored, particularly by District areas. The Director of Business and Skills stated that working with Metrodynamics through their data gathering, they were now able to see the ultimate impact of what is going on with skills and the economic impacts. He also highlighted that the establishment of the Business Growth Service had seen job numbers and skills outcomes, established as contractual outcomes for contractors which were now reported on monthly and quarterly.
- commented that it would be useful to have more analysis on the impact of Brexit going forward. The Director of Business and Skills explained that they were working with Metrodynamics to disaggregate the economic impacts of Covid and the EU exits using the data gathered by Metrodynamics and support from the Chamber of Commerce. The next report in June would reflect this work.
- highlighted that the job numbers as part of the new inward investment service now needed to be amended to reflect the loss of the ERDF funding. The Director of Business and Skills acknowledged that this change needed to be reflected in the strategy. **ACTION**
- questioned how often an update on the strategy would be brought back to Committee. The Director of Business and Skills clarified that an update on the Business Growth Service and its performance against the contractual targets would be brought to every other meeting of Committee and Nigel Parkinson the Chair of the Growth Co would attend to present the report.
- thanked the team for the work they had done so far in bringing the strategy together.

It was resolved unanimously to:

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

Part 3 – Delivery

133. Adult Education Budget Evaluation 2019/20

The Committee considered a report that outlined an independent evaluation of the Adult Education Budget for the first year of devolution for the academic year 2019/20 and proposed an independent evaluation of the 2020/21 academic year to be reported in January 2022.

Introducing the report officers highlighted a number of points in the 2019/20 evaluation which included:

- Improvement of the efficiency and efficacy of how the funding was used across the region, reducing the core number of providers from 190 to a core of 17 local providers and reduced sub-contracting by 41 to 17%.
- Improvement of how funding was used, targeting funding where there was deprivation.
- Work on a geographical and district evaluation to focus on local need and impact
- Work on the mix and balance of provision of level 2 and 3 qualifications
- Impacts of Covid taken into account

Officers explained that an independent evaluation of the 2020/21 academic year delivery and programme management had been commissioned and would be reported in January 2022. Officers explained that it was proposed that the 2020/21 report would include thematic 'deep-dives' into learner characteristics, such as learning difficulties and disabilities, benchmarking with other areas, case studies, destination data and further district and ward-level analysis as that provided in Appendix 1 of the report.

In discussing the report Members:

- queried how much work was being done with companies so that the authority could be mutually supportive with redundancies and the need to re-skill. Officers referred to work that had recently been carried out with Opportunity Peterborough in relation to Debenhams redundancies and highlighted that they continued to broker these conversations with AEB providers.
- welcomed the work particularly in relation to the shift in occupations that had been seen through the pandemic.
- sought clarity on the impact of the shift away from community learning. Officers explained that they would be bringing information to a future Committee as officers were in the process of setting up a group to focus on revitalising the community learning offer and how it could be more targeted post-covid, revitalising the community learning offer and focus on the wider outcomes in terms of community engagement. Officers explained that the policy would be a joint approach with partners, to review provision to meet local needs.

It was resolved unanimously to:

- a) note the Adult Education Budget (AEB) 2019/20 Evaluation Report as required under the CPCA's Monitoring and Evaluation Framework.
- b) note the additional district level analysis requested by Members at the January 2021 Skills Committee.

134. Adult Education Budget – COVID-19 Response

The Committee considered a report the ongoing challenges faced by AEB Providers due to the Covid Pandemic.

Introducing the report officers explained that the report highlighted the mitigations that had been put in place with providers which included:

- close partnership working and performance monitoring through quarterly review meetings supporting them with flexibilities in relation to redundancies
- support in relation to digital inclusion and online provision including help to purchase equipment to support learners so that they could continue with their learning online.
- commissioning new providers where there are cold spots in provision, support sector base work academies and response to support redundancies.
- communication and Marketing to promote the learning offer through press releases and social media and a number good news stories in the press in relation to innovation projects

In discussing the report:

- the Chairman queried whether good news stories were shared with Committee Members. Officers agreed to share recent good news stores with the Committee and make this an ongoing action. **ACTION**

It was resolved unanimously to:

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

135. Employment and Skills Board Update

The Committee received a report that gave an update on the recent meeting of the Cambridgeshire & Peterborough Combined Authority Employment & Skills Board (ESB).

Introducing the report officers explained that the focus of the meeting was to review the effectiveness and progress made by the Board so far. Officers stated that as a result of the workshop the Board developed a clear understanding of the purpose of its role as the Skills Advisory Panel and in developing the Skills Strategy going forward. Officers clarified that the Board identified opportunities to focus on both in the short and medium term.

It was resolved unanimously to:

- a) note the Employment and Skills Board update

136. Budget and Performance Report

The Committee considered a report that provided an update on the financial position relating to the revenue and capital funding lines within the Skills Committee remit.

Introducing the report officers explained that the budget position reflected in the report was the position as at 31 January 2021. Officers highlighted a number of minor underspends that were currently projected within the skills lines, which were due to the delay of the Business Growth Service starting, thereby impacting on the budgets. Officers stated that it would be attempted to offset these additional costs by reducing other skills budgets if possible. Officers explained that they were still awaiting the outcome of the underspend in relation to the Health and Social Care Work Academy.

In discussing the report Members:

- requested a separate report on the Health and Social Care Work Academy. Officers explained that there would be a Department for Work and Pensions report and that they would check with the relevant officer to see if this could be shared with the Committee. **ACTION**

It was resolved unanimously to:

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

Part 4 – Date of the next meeting


137. It was resolved to:

- note the date of the next meeting as Monday 14 June 2021.

Skills Committee Action Sheet 15 March 2021

Date	Minute Ref	Report Title	Action	Delegated officer	Status	Date completed
15.03.21	131	Business Growth Service	The Director of Business and Skills explained that there was an error in the September Financial Business Case where £1.5 million had been omitted and officers had worked through this with Governance colleagues and the Business Board and could republish the Financial Business Case with the error corrected, therefore a whole new Financial Business Case was not needed. He explained that the corrected version would be published and circulated	John T Hill	The revised financial tables were presented to Leaders at its meeting on 24 th February 2021.	24 th February 2021
15.03.21	132	Local Economic Recovery Strategy (LERS) – Updated Refresh	Highlighted that the job numbers as part of the new inward investment service now needed to be amended to reflect the loss of the ERDF funding. The Director of Business and Skills acknowledged that this change needed to be reflected in the strategy	Alan Downton	The new jobs to be created by the newly revised inward investment service line is 600 and was presented to Leaders on 24 th February and will be reflected in the next published update of the strategy.	Ongoing
15.03.21	134	Adult Education Budget – COVID-19 Response	The Chairman queried whether good news stories were shared with Committee Members. Officers agreed to share recent good news stores with the Committee and make this an ongoing action	Parminder Singh Garcha	Good News Stories and Case Studies are actively being compiled. News articles about AEB in the local press have been shared with the Committee.	Ongoing
15.03.21	136	Budget and Performance Report	Requested a separate report on the Health and Social Care Work Academy.	Vanessa Ainsworth	Awaiting report from the project and will share with	Ongoing

			Officers explained that there would be a Department for Work and Pensions report and that they would check with the relevant officer to see if this could be shared with the Committee		Skills Committee as soon as we have further data.	
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Skills Committee Agenda Plan	Updated 4 June 2021	 CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
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Notes

Committee dates shown in bold are confirmed.
Committee dates shown in italics are TBC.

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

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

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

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

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

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
14 June 2021						
	Future Funding Strategy	John T Hill / Mahmood Foroughi	Yes			
	Skills Advisory Panel (SAP) – Local Skills Report	Fliss Miller	No			
	Growth Works Management Review – May 2021	Alan Downton / Nigel Parkinson	Yes			
	CPCA Skills Strategy	Fliss Miller / Parminder Singh Garcha	No			
	AEB 2021-22 Funding Allocations and Policy Changes	Parminder Singh Garcha	Yes	2021/020		
13/09/21	Growth Works Management Review – September 2021	Alan Downton / Nigel Parkinson	No			03/09/21
	Adult Education Budget Reserve Fund	Parminder Singh Garcha	Yes			
	Lifetime Skills Guarantee Marketing Campaign	Parminder Singh Garcha	No			
	Opportunities to develop the Greater South East Energy Hub	Alan Downton	No			
10/11/21						02/11/21

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
17/01/22	Growth Works Management Review – January 2022	Alan Downton / Nigel Parkinson	Yes			07/01/22
16/03/22						08/03/22
27/04/22	Growth Works Management Review – April 2022	Alan Downton / Nigel Parkinson	No			19/04/22

To be programmed: Careers Hub



**CAMBRIDGESHIRE
& PETERBOROUGH**
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Agenda Item No: 2.1

Adult Education Budget (AEB) 2021-22 Funding Allocations and Policy Changes

To:	Skills Committee
Meeting Date:	14 June 2021
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha, Chair of the Skills Committee
From:	Parminder Singh Garcha, Senior Responsible Officer – Adult Education
Key decision:	Key Decision for Combined Authority Board on 30 th June 2021
Forward Plan ref:	2021/020
Recommendations:	<p>The Skills Committee is invited to:</p> <ul style="list-style-type: none">a) Recommend the Combined Authority Board approve the funding allocations for the 2021/22 academic year, from the devolved Adult Education Budget (AEB) to the providers, set out in Table A below.b) Recommend the Combined Authority Board grant authority to enter into contract for services, with Steadfast Training Ltd.c) Delegate authority to the Director of Business and Skills in consultation with Chief Finance Officer and Monitoring Officer, to enter into contract for services, with the providers set out in Table A, on behalf of the Combined Authority.d) Delegate authority to the Director of Business and Skills, in consultation with the Chief Finance Officer and Monitoring Officer to enter into Grant Funding Agreements, with the providers set out in Table A, on behalf of the Combined Authority.

e) Delegate authority to the Director of Business and Skills, in consultation with the Chief Finance Officer and Monitoring Officer to procure, award and enter into contract, with recommended new providers, as required within the devolved AEB Grant for 2021/22, set out in the AEB Commissioning Guiding Principles.

f) Approve implementation of the funding policy changes and funding flexibilities for the 2021/22 academic year, as set out in this paper.

Voting arrangements: A simple majority of all Members.

1. Purpose

1.1 The purpose of this paper is to seek authority to:

- Make the funding allocations from the devolved Adult Education Budget of £11.9m for the academic year 2021/22 to the Providers, set out in **TABLE A** in this Paper. Funding allocations total £9.9m.
- Allocate a further £1m from the devolved AEB for current providers to make Growth Cases, demonstrating alignment with local skills needs.
- Issue Funding Agreements, based on performance during the academic year and recover under-spent funds.
- Procure using the Combined Authority's 'Light Touch' Commissioning approach to contract with new providers as required during the academic year, to meet gaps in provision.

1.2 Under our 2016 devolution agreement, the Combined Authority is at liberty to set its own policies and funding rules which can deviate from the national Adult Education Budget funding rules as set by the Education and Skills Funding Agency (ESFA), this helps to better direct and improve outcomes for citizens in our region. Therefore, authority is sought to implement the local funding policy changes and flexibilities set out in this paper, to increase participation in skills training among citizens, improving productivity and supporting 'levelling up' across the region.

2. Background

2.1 The Combined Authority received its annual Section 31 Funding Letter from the Department for Education (DfE) for the devolved Adult Education Budget grant, confirming funding of £11,959,794, in February 2021 for the 2021-22 academic year and therefore we are now able to allocate funding to our commissioned providers. This is the third year of devolution and the first opportunity to make changes to funding allocations based on previous performance.

2.2. The Combined Authority has commissioned eleven grant funded providers (these are colleges and local authorities) and four Independent Training Providers (ITPs), for the current 2020-21 academic year. For 2021-22 this will be reduced to nine grant funded providers as:

- Central Bedfordshire Council has returned their grant of £11,760 for the 2020/21 academic year and will discontinue provision in our region.

- Rutland County Council has a small grant of £2,186 and will no longer be directly funded by the Combined Authority due to its low value. A sub-contracting arrangement has been brokered with another provider.

We will continue to contract with the four ITPs for 2021/22 and will look to commission a further £1m of AEB provision with new providers under the 'light-touch' commissioning approach.

- 2.3 The AEB Commissioning Strategy for 2020-2025 set out our strategic intent to reposition our relationships with local providers from transactional to transformational. To ensure that the investment of AEB underpinned our Local Industrial Strategy, our Skills Strategy and to transition to a greater local accountability system that rewards outcomes for learners. The first two years of devolution have allowed a bedding-in period for providers to adjust to the Combined Authorities' processes and priorities.

2.4 Funding Allocation Process

This is the first year that previous performance has been considered when determining allocations for the following year. We are taking a two-step process in determining funding allocations:

- **Step One – Baseline Allocations**

All providers have been issued with an indicative base-line allocation which takes 2019/20 final delivery, current in-year delivery and forecast outturn for 2020/21, while being cognisant of the impact of the national lockdowns on enrolments. As can be seen in **Table A**, there is a moderate shift in baseline allocations, compared to the current year.

TABLE A: AEB Providers	Funding Agreement Type	2020/21 Final Allocation	2021/22 Baseline Allocation
Cambridge Regional College	Grant	£2,535,600	£2,200,000
Inspire Education Group	Grant	£2,099,365	£2,000,000
Cambridgeshire County Council	Grant	£2,115,500	£2,000,000
Peterborough City Council	Grant	£1,351,088	£1,400,000
The College of West Anglia	Grant	£415,339	£500,000
Steadfast Training Ltd	Contract	£537,765	£500,000
Back 2 Work Complete Training	Contract	£461,945	£462,000
The Skills Network	Contract	£398,798	£400,000
Bedford College	Grant	£191,318	£170,000
West Suffolk College	Grant	£118,889	£150,000
NACRO	Contract	£90,000	£100,000
North Hertfordshire College	Grant	£39,717	£38,000
Hills Road Sixth Form College	Grant	£20,000	£20,000
Rutland County Council	Grant	£2,186	
Total Allocations*		£10,377,510	£9,940,000
Total Devolved S31 Grant		£11,968,970	£11,959,794
Top Slice @3.4%		£406,945	£406,633
Retained fund for Growth			£1,000,000
Retained for Innovation Fund		£300,000	£600,000

*Excluding Central Bedfordshire Council

2.5 Step Two - Growth Cases

We have allocated £1m from our 2021/22 devolved budget towards Growth Cases for 2021/22. Growth Cases will allow providers to bid for growth on top of their baseline allocation. The criteria for Growth Cases are delivery of high-value and priority qualifications at Level 3 within the Combined Authority's Growth Sectors:

- Advanced Manufacturing and Materials
- Agri-Tech
- Life Sciences
- Digital and Artificial Intelligence

In addition, skills development at Level 2 and 3 that will support the region to transition to a green economy, which may include:

- Construction trades including Retrofit, heating and electrical technicians and installers for solar and heat-source pumps.
- Energy Assessors and co-ordinators
- Electric vehicle maintenance
- Other training enabling transition to net-zero.

Funding for approved **Growth Cases** will be confirmed to providers by the end of June.

2.6 Additional Level 3 Funding for 2021/22

As authorised at the March 2021 Skills Committee and the Combined Authority Board, Providers will be allocated additional funding for the Level 3 Adult Offer as part of the Lifetime Skills Guarantee. As previously reported, the Combined Authority has been delegated a further £833,000, for the 2021/22 academic year, in addition to the Devolved AEB grant, from the National Skills Fund, for delivery of free first Level 3 qualifications from the DfE's eligible qualification list.

2.7 Allocations for Future Years

To support providers with their forward planning, we will take the final funding claim (R14) for the 2020/21 academic year as the baseline funding allocation for 2022/23. We will therefore be able to confirm indicative baseline allocations in November/December 2021 and finalise allocations in the Spring term at the March 2022 Skills Committee.

2.8 New Providers

Our guiding principles for the Commissioning of new AEB providers was approved at the March 2021 Skills Committee and Combined Authority Board. This allows us to procure new training providers through a negotiation process due to the contracts being below the regulated threshold for Light Touch contracts and therefore governed by the Authority's constitution which allows this approach for contracts up to £200,000 in value. In total, we are allocating £1m for the procurement of new providers to deliver Level 2 and Level 3 qualifications. The funding for new commissioning will be from the Level 3 delegated budget

from the National Skills Fund and the in-year underspend from 2021/22, previously reported.

3. Funding Policy Changes

3.1 For 2020/21 the following funding policy changes were implemented:

- Fully funded ESOL qualifications (English for Speakers of Other Languages)
- Funding uplift for learners living in disadvantaged postcodes. A 4% funding rate uplift for most deprived postcodes, based on the Index of Multiple Deprivation data
- Extended Level 2 Entitlement - fully funding All First Full Level 2 qualifications regardless of age.
- Low Wage pilot – raising the threshold from £16,009.50 to £18,000 before fees become payable for adult learning courses.

We are continuing with these funding flexibilities into 2021/22 to monitor their impact over a longer period. They will be reviewed as part of the planned AEB Annual Evaluation for the second year of devolution.

3.2 For 2021/22 the following funding policy changes are proposed. An open consultation ran during March 2021, seeking the views of stakeholders and the public on proposed funding flexibilities. All the proposals were supported by respondents to the consultation. There are no additional financial liabilities to the CPCA, as Providers will manage their funding for implementing these flexibilities through their existing contract value. The policy intention is to enable providers to target training courses to low-skilled, low-waged and unemployed residents to increase their participation in the labour-market. The funding flexibilities are to:

- 1) Further increase the low-wage threshold, before fees become payable from £18K to £20K (in the national ESFA funding rules, the threshold is £17K).
- 2) Invest in a 10 per cent funding rate uplift for the Learner Entitlement for 19–23-year-olds to encourage take-up and incentivise providers to target this age group, given youth unemployment rates. The Entitlement is for young people who have not achieved a Level 2 or Level 3 qualification by age 23, including English and maths at Level 2.

Nationally, 82.8% and 60.2% of young people respectively achieve Level 2 and Level 3 by age 19. In Peterborough, it is below the national average: 75.34% for Level 2 and 49.93% for Level 3. (Source: DfE)

- 3) Extended Level 3 Offer for CPCA residents: Funding for second Level 3 qualifications for unemployed or low-waged citizens looking to upskill or reskill. A 'Green list' of qualifications eligible for second Level 3 funding is being developed in line with CPCA priority sectors.
- 4) Level 4 Pilot: Full or Co-funding for a small number of Level 4 qualifications in priority sectors to be piloted by two or three Colleges.
- 5) Care Leavers (19-22) Extended Support Package and Former Armed Forces Personnel Support Package - we are consulting with the sector for different approaches to these support packages for Care Leavers and Former Armed Services Personnel via

Discretionary Learner Support Funds to better understand gaps and barriers for these groups.

Appendix 1 provides further information about the post-code uplift. Appendix 2 summarises changes to AEB Funding Rules for 2021/22.

Significant Implications

4. Financial Implications

- 4.1 There are no financial implications for the CPCA as the funding allocations and policy changes will be managed within the CPCA's AEB Devolved Funding Grant.
- 4.2 As reported at the March meeting of the Skills Committee, a ring-fenced AEB Reserve Fund has been established to provide for contingent liabilities in funding for providers and additional commissioning in 2021/22.

5. Legal Implications

6. Other Significant Implications

7. Appendices

- 7.1 Appendix 1 – Levelling Up – CPCA Deprived Areas Funding Uplift
- 7.2 Appendix 2 – Summary of Changes to AEB Funding Rules

8. Background Papers

- 8.1 [Local Industrial Strategy](#)
- 8.2 CPCA [Skills Strategy](#)
- 8.3 AEB Funding [Rules](#)
- 8.4 [AEB Commissioning Strategy 2020 – 2025](#)
- 8.5 [Lifetime Skills Guarantee \(Level 3 Adult Offer\) Skills Committee Paper](#)

Levelling Up – CPCA Disadvantaged Postcodes Funding Uplift

In 2020/21, the Combined Authority implemented a four per cent funding uplift for providers to claim, for learners whose postcodes were the most deprived in the region, based on the 2015 Indices of Multiple Deprivation (IMD). This is part of our strategy to 'level up' and better target AEB to communities in the region who require greater support. This investment seeks to incentivise providers to utilise the funding uplifts to outreach and target residents living in relatively deprived communities and provide additional support to overcome barriers to learning.

The IMD separates postcodes into LSOAs (Lower-layer Super Output Areas) to pin-point deprivation precisely. LSOAs are small areas designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households.

The map overleaf shows those areas which were part of the 2020/21 uplift (shaded blue) and the additional five LSOAs, added to the 2021/22 uplift. The new criteria for the CPCA's funding uplift are those LSOAs which fall into:

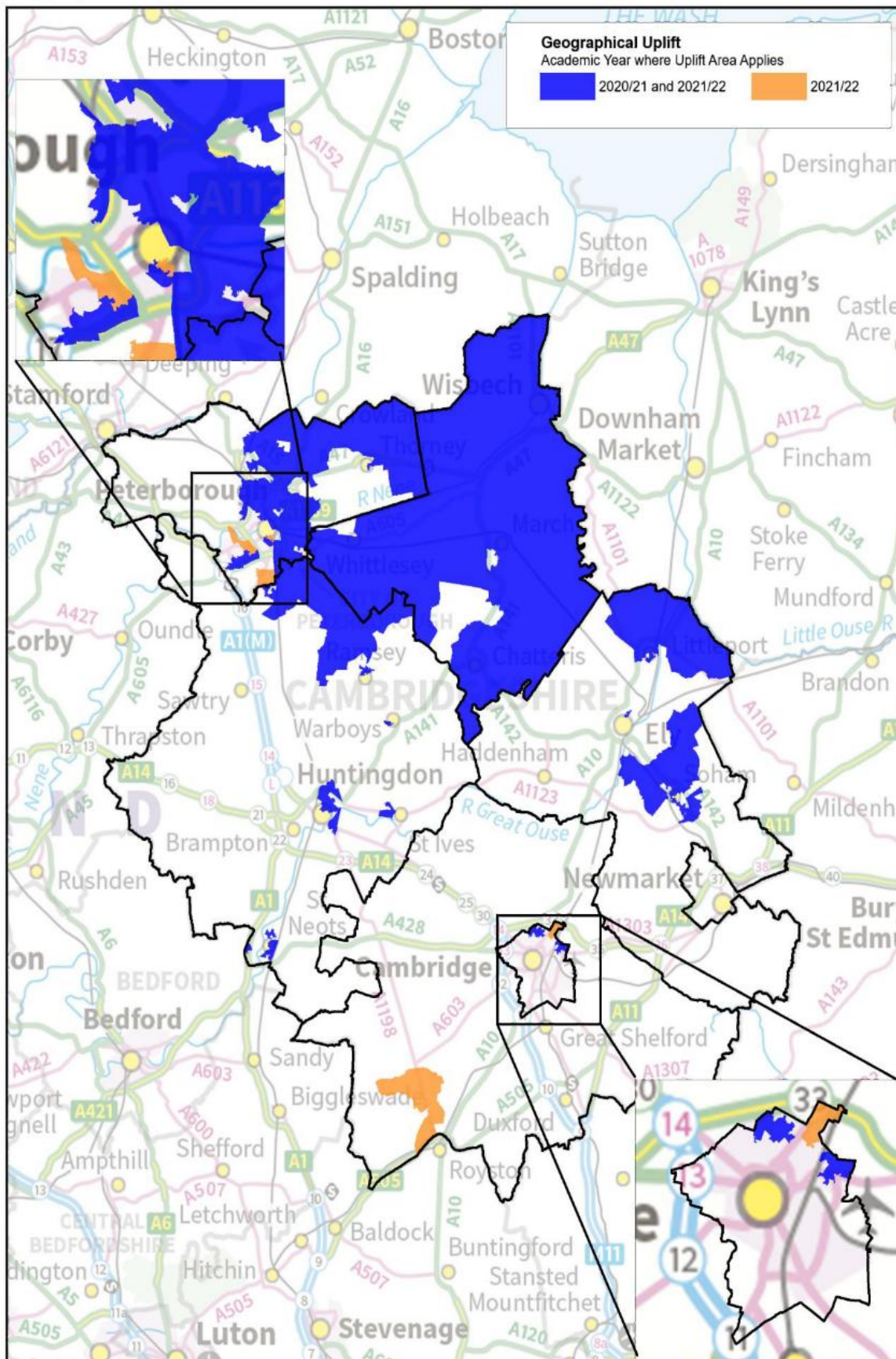
- Top 30% nationally most relatively deprived.
- Top 40% most relatively deprived for **adult skills nationally**.

This means that LSOAs within all Districts are now covered by the funding uplift, as summarised in Table B below:

TABLE B

Local Authority	2021/22 CPCA Uplift				Total Number of LSOAs
	CPCA Uplift applies		Uplift not present		
	Number of LSOAs	% Of total LSOAs	Number of LSOAs	% Of total LSOAs	
Cambridge	9	13%	60	87%	69
East Cambridgeshire	9	18%	41	82%	50
Fenland	52	95%	3	5%	55
Huntingdonshire	24	23%	81	77%	105
Peterborough	70	63%	42	38%	112
South Cambridgeshire	1	1%	95	99%	96
Cambridgeshire and Peterborough	165	34%	322	66%	487

Cambridgeshire and Peterborough Combined Authority Geographical Uplift Areas



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Summary of Changes to AEB Funding Rules

1. Implement the funding flexibilities described in this paper.
2. Sub-contracting – the proportion of the contract value that providers may sub-contract, will be increased to 25 per cent from 20 per cent, in line with ESFA funding rules. Exceptional Cases for exceeding 25 per cent will be considered but capped at 35 per cent. Different arrangements for Third Sector consortia will be developed.
3. Management charges for sub-contractors will be capped at 15 per cent.
4. Funding allocations for 2022/23 – R14 ILR (2020/21) will be used to inform the Baseline Allocation, ensuring the alignment of performance and the allocation of future funding.
5. A move toward Plan-Led Funding for Grant Providers – following the outcome of the DfE's consultation around Funding Simplification and Accountability, we will work with Grant funded providers to develop a Three-Year Plan-Led Funding model from 2022/23 at the earliest. This will enable Grant Providers to proactively plan and invest in capacity building to address economic recovery, demographic growth, and climate change.
6. Minimum Contract Value (MCV) – we will look to introduce an MCV of £100,000 for the academic year 2022/23. We will work with any providers who are currently below this threshold to encourage them to put in a business case for growth funding, or, to take up a sub-contract arrangement with another AEB provider.
7. Continuing Learners - the Combined Authority will continue to fund those learners that are continuing learning from the 2020/21 academic year into 2021/22 for all provider types.
8. Implement our Guiding Principles for In-Year Commissioning, utilising the 'light-touch' commissioning approach.



Agenda Item No: 2.2

Future Funding Strategy

To: Skills Committee

Meeting Date: 14 June 2021

Public report: Yes

Lead Member: Councillor Lucy Nethsingha, Chair of the Skills Committee

From: Director of Business & Skills, John T Hill

Key decision: No

Forward Plan ref: n/a

Recommendations: The Skills Committee is recommended to:

a) Note the recommendations to the Mayor to approve:

i) The process for selecting the candidate bids to be submitted to Government for the CRF, based on the Combined Authority's mandate to do so as Lead Authority for bids to the UK Community Renewal Fund (CRF);

ii) The process for selecting the candidate regeneration bids to be submitted to the Government for the Levelling-Up Fund (LUF), on the basis of the voluntary arrangement agreed between the Combined Authority, Peterborough City Council and Fenland District Council; and

b) Note the intent of the Combined Authority to pursue Lead Authority status for the LUF regeneration bids and its existing status as Lead Authority for transport bids.

c) Note the intent of the Combined Authority to submit for the £20m LUF, an application for development of the Phase 3 of the Peterborough University, in the form of a second teaching building.

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1 To gain approval for the processes being co-ordinated by the Combined Authority for the selection of bids to the Levelling-Up Fund (LUF) and the Community Renewal Fund (CRF) from constituent Local Authorities to the Government on 18th June 2021.
- 1.2 To provide the opportunity for bids to be put forward to the Government by that deadline and in advance of the Combined Authority Board meeting on 30th June 2021, via a Mayoral Decision Notice, subsequent to the Business Board meeting on 12th May 2021.
- 1.3 To provide the opportunity for final selection of bids for submission via the following process:
 - LUF by a Panel from each Local Authority, led by the Leader of the Local Authority and MP for each place, but with participation of the Mayor of Cambridgeshire and Peterborough and the Chair of the Business Board.
 - CRF by the Leaders from each Local Authority with consultation from the Mayor.
- 1.4 To inform the Skills Committee of the intent of the Combined Authority to lead the writing and development of a submission from Peterborough City Council for £20m to the LUF, to part fund the development of the Phase 3 of the Peterborough University, in the form of a second teaching building.

2. The Levelling Up Fund

- 2.1 The Government, through the publication of the LUF Prospectus (see summarised version as Appendix 1), has now provided details on the operation of the LUF. The main aspects of which are:
- 2.2 Any District or Unitary Authority in England can bid into LUF for regeneration projects of up to £20m in size.
- 2.3 Local Transport Authorities, including the Combined Authority, can additionally submit bids to LUF, for transport related projects up to £50m in size.
- 2.4 The Ministry of Housing, Communities and Local Government (MHCLG) has published a list of priority places as assessed by Government. LUF bids from Peterborough and Fenland will be prioritised. As bids are assessed in competition, evaluation will be weighted in favour of bids from these places. Only exceptional bids are likely to be approved from elsewhere.
- 2.5 Regeneration bids must improve those places in a way that helps level-up their economies in the longer term. Bids to the first round are to be submitted on 18th June, with evidence of physical build commencement by 31st March 2022 and completion by 31st March 2024.
- 2.6 Only one regeneration bid may be approved for the whole of the LUF programme to 2024 per place, per MP. Hence consideration will be given to whether a bid to the first round should be foregone on the basis that better project ideas might come forward or be

developed given more time.

- 2.7 The Government has delegated individual Unitary and District Authorities the role of promoting the fund, collecting project ideas, and selecting them for bidding, locally. The Combined Authority has no formal role in the selection process of projects to be bid.
- 2.8 However, a process for selecting candidate LUF regeneration bids has been co-developed, based on a voluntary arrangement agreed between the Combined Authority, Peterborough City Council (PCC) and Fenland District Council (FDC).
- 2.9 This voluntary arrangement between the three authorities provides a clear and transparent bid candidate collection and evaluation process, within which a quality scoring matrix is employed and is provided as Appendix 3. This process has been co-designed with the Combined Authority's transport directorate to ensure consistency between the process of selection of bids for both LUF regeneration and transport projects.
- 2.10 The Business Board has provisioned £60,000 from the 2020/21 Medium Term Financial Plan (MTFP) to support the production of first round regeneration bids to LUF and their associated business cases. Bid candidates scoring above a specified quality threshold within the bid candidate evaluation process will gain access to this fund to maximise subsequent chances of success in the Government's evaluation of the actual bid. In addition to this, MHCLG is providing £125k of capacity funding to both PCC and FDC to support their costs of bid development.
- 2.11 The CPCA, in collaboration with PCC, is promoting the LUF as an opportunity to bid for regeneration projects, and has organised a "call for proposals" for bid candidate projects to feed into the evaluation process. The call for proposals has been promoted to the business community, colleges and community/third sector organisations. PCC has elected to bid into the first round recognising that subsequent rounds will be run, but as a priority one place there is good chance of securing funds in the first round and this maximises the window of delivering the project once allocated.
- 2.12 FDC have elected to feed in bid candidate projects through an internal process involving officers and elected representatives. However, they will be using the same bid candidate evaluation matrix as PCC. Officers from FDC and the Combined Authority will evaluate candidate bids and agree a consensus score for each.
- 2.13 The evaluation scores will be presented to the Business Board to gain "Voice of Business input", from Business Board members to input into the process, with a summary of comments being submitted, along with the consensus evaluation scores, to a "Decision-Making Panel" for each Local Authority area. The Business Board will be invited to input via email to the Decision-Making Panel for LUF for Peterborough on 28th May and the Panel for CRF on the 9th June.
- 2.14 Officers will provide a verbal update at the Skills Committee meeting on the bids that were selected.
- 2.15 The members of the Decision-Making Panels for Peterborough and Fenland are contained within Appendix 3. Each panel includes the local MP(s), the Local Authority Leader (support from whom is mandatory for the selected bid), the Chair of the Business Board, the Mayor of Cambridgeshire and Peterborough, and a selection of Local

Authority area representatives.

3. The UK Community Renewal Fund

- 3.1 The Government, through the publication of a CRF Prospectus (see summarised version as Appendix 2), has now also provided details on the operation of the CRF. The main aspects of which are that:
- CRF bids from Peterborough and Fenland will be prioritised. As bids are assessed in competition, evaluation will be weighted in favour of bids from these places. Only exceptional bids are likely to be approved from elsewhere.
 - A single bid or collection of bids up to a maximum of £3m from any Local Authority place may be put forward to the CRF in 2021, but PCC and FDC are equally priority places for CRF for mainly revenue projects to be delivered over a 6-month period to 31st March 2022, to support short term economic recovery.
- 3.2 The Government has decided to designate the Combined Authority as a “Lead Authority” for CRF in its area, including the role of promoting the fund, collecting candidate bids and selecting them for the shortlist that is submitted to Government for final decision on any successful funding award.
- 3.3 On a mandated basis, the Combined Authority through the Business Board, is coordinating the design and implementation of a clear and transparent bid candidate collection and evaluation process, for which the scoring matrix is provided as Appendix 3. Officers from PCC, FDC and the Combined Authority will evaluate candidate bids and agree a consensus score for each.
- 3.4 The Business Board has provisioned £60,000 from the 2020/21 MTFP to support the production of first round bids to CRF and their associated business cases. Bid candidates, scoring above a specified quality threshold within the bid candidate evaluation process, will gain access to this fund to maximise subsequent chances of success in Government evaluation of the actual bid. In addition to this MHCLG are providing the Combined Authority with £40k grant funding specifically to support the Authority’s role in bid coordination and appraisal.
- 3.5 The Combined Authority is promoting the CRF as an opportunity to bid for projects and has organised a “call for proposals” for bid candidate bids to feed into the evaluation process. The call for proposals has been promoted to the business community, colleges and community/third sector organisations. It is anticipated that further opportunities to bid to the CRF or its replacement Shared Prosperity Funding will be provided annually. Hence, there is no requirement to consider whether a bid to the first round should be foregone on the basis that better project ideas might come forward or be developed given more time.
- 3.6 The Officer evaluation scores will be shared with the Business Board to gain “Voice of Business input”, by email during second half of May so all Business Board members get a chance to input into the process, then this summary of BB comments and scores will be included into the scoring and ranking of CRF bids that will be recommended to Leaders and proposed to the Mayor for final decision via a Mayoral Decision. The Business Board will be invited to assess each project via email during second half of May 2021 and the CRF

decision will be considered by Leaders.

3.7 At the time of publication of this paper, the bid candidate projects received and being fed into the evaluation process included:

- A six-month programme, across Peterborough and Fenland, to connect workers and young people displaced by the COVID impacts onto our economy, with jobs in growth firms and learning opportunities to re-skill or upskill, to aid transition into sectors with greater availability of jobs.
- A six-month business start-up programme, across Peterborough and Fenland, that comprises a mix of grant support with coaching and mentoring for displaced workers unable to find employment and wishing to explore self-employment and starting their own firm. This programme would form a pilot to test both the market demand and the delivery processes for a longer-term programme.

The Mayor will consult with the Leaders of the Constituent Authorities on which bids are submitted to Government on the 18th June 2021. The Mayor will then make the decision using his general power of competence.

Significant Implications

4. Financial Implications

- 4.1 The combined total of £120k of funding to support development of both LUF and CRF bids and business cases is within already approved budgets in the medium-term financial plan. The Combined Authority has yet to allocate the £40k capacity funding to a specific workstream.
- 4.2 Should any of the bids being proposed for the Community Renewal Fund, or the CA's own bid for the Levelling Up Fund succeed, the Combined Authority will receive funding ringfenced for the delivery of these projects.

5. Legal Implications

- 5.1 There are no direct legal implications.

6. Other Significant Implications

- 6.1 There are no other significant implications arising from the report.

7. Appendices

- 7.1 Appendix 1 – Levelling-Up Fund Prospectus Summary

7.2 Appendix 2 – Communities Renewal Fund Prospectus Summary

7.3 Appendix 3 - LUF and CRF Bid Candidate Scoring Evaluation Matrix & Decision Making Panel

8. Background Papers

8.1 None

Funding is 100% capital to a cap of £20m for regeneration bids and £50m for transport bids

The Levelling Up Fund will invest in local infrastructure that has a visible impact on people and their communities. This includes a range of high value local investment priorities, including local transport schemes, urban regeneration projects and cultural assets.

Bids must be backed by MPs and this determines the number of bids that can be put forward. We expect Members of Parliament, as democratically-elected representatives of the area, to back one bid that they see as a priority. The number of bids that a local authority can make will relate to the number of MPs in their area. Accordingly, local authorities can submit **one bid for every MP whose constituency lies wholly within their boundary.**

The above rule infers one bid per Local Authority relating to the Rt Hon Paul Bristow MP and the Rt Hon Stephen Barclay MP. However, Stephen Barclay's constituency also includes some parts of East Cambs (in particular the town of Littleport) and this may mean that Littleport should be included in the bid. Officers will seek clarification.

Local authorities submitting multiple bids to spread these fairly and equitably within the authority boundary and across their full range of constituencies, targeting pockets of deprivation as appropriate.

The first round of the Fund will focus on three themes:

- smaller transport projects that make a genuine difference to local areas;
- town centre and high street regeneration; and
- support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets.

Transport investments including (but not limited to) public transport, active travel, bridge repairs, bus priority lanes, local road improvements and major structural maintenance, and accessibility improvements. We are requesting proposals for high-impact small, medium and by exception larger local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth and improve the experience of transport users.

Town centres are a crucial part of our communities and local economies, providing both a focal point for retail and hospitality trade and a meaningful centre of gravity for local communities. The UK Government recognises that in recent years, changing consumer behaviour has made things tougher for retailers in our town centres and high streets, an issue made even more apparent by the impact of COVID-19. In addition, while some local areas have benefited from programmes such as the Towns Fund, **some places such as smaller towns have not yet been able to access this investment**

At the 2018 Budget, the UK Government published 'Our Plan for the High Street', spearheading a number of initiatives including the Towns Fund, to renew and reshape town centres and high streets so they look and feel better and can thrive in the long term. The regeneration pillar of Levelling Up Fund seeks to build on this philosophy and on the investments made so far through the Towns Fund.

Regenerating key leisure and retail sites and improving their security, in order to encourage new businesses and public services to locate there.

Removing derelict buildings and other eyesores to make way for new developments.

Site acquisition and remediation of abandoned or brownfield sites, for both commercial and new residential use.

Creating better connectivity between and within key retail and leisure sites.

Cultural investment maintaining, regenerating, or creatively repurposing museums, galleries, visitor attractions (and associated green spaces) and heritage assets as well as creating new community-owned spaces to support the arts and serve as cultural spaces.

Perception of place is an important 'pull' factor in investment and business location decisions and can affect a place's capacity to attract talent – especially young people – and retain workers. Many towns already have a strong heritage and sense of place, and benefit from their cultural and civic assets both directly, from tourism and visitor revenue, and indirectly, by inspiring a sense of local pride and community cohesion, making places more attractive to live and work in. Alongside towns, rural areas also often possess a rich tapestry of local culture and heritage assets. Interventions that have a heritage and cultural focus when combined with other interventions in a place function in a complementary manner, greatly increasing the overall impact. Investments in cultural assets should be driven by an evidenced place-sensitive need or opportunity and have clear outcomes that align with areas' vision for place-based economic and social development, as well as the health and wellbeing of local people. Projects submitted for appraisal under this investment theme may include:

- Upgrading and creating new cultural and creative spaces including sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens.
- New, upgraded or protected community hubs, spaces or assets (and associated green spaces).
- Acquiring and refurbishing key cultural and heritage sites including hotels and historic buildings.

Putting forward 'Town Deals' for individual or groups of smaller towns that did not receive investment from the Towns Fund

- **Package bids** must clearly explain how their component elements are aligned with each other and represent a coherent set of interventions. They can include a mix of projects from the Fund's three investment themes but any one bid should not include multiple unrelated investments.
- Local authorities may submit joint bids. The maximum bid size for joint bids will be determined by adding up the individual £20 million caps of each bidding authority.
- As part of the strategic case bidders must demonstrate that joint bids are a cohesive and coherent investment proposal. Any elements of a joint bid that are jointly delivered should be fundamental to the joint bid as a whole and serve to unlock any elements of the bid that are not delivered jointly.

Funding is 90% revenue with a min bid size of £500k and max of £3m for each place.

The Shared Prosperity fund coming in 2022 will boost productivity growth across the UK relies on harnessing local knowledge, expertise and social capital. **Ensuring that all places can take advantage of economic growth** requires support tailored to the individual barriers faced at a local level.

Investing at the local level can help provide the support people and places need to achieve **higher levels of productivity and tackle disadvantage** to ensure that future prosperity is felt across the UK. This is especially true as we build back stronger from the COVID-19 pandemic. Alongside national provision, targeted public investment can help renew communities, **supporting their recovery and boosting resilience**.

Any investment must recognise the challenges faced by the people living in them and **ensure that everyone is able to take advantage of economic growth**. **Ensuring that everyone has the skills they need to take advantage of the opportunities** in their local area is critical to sharing prosperity.

A place-based portion of the fund which will target places most in need across the UK, such as ex-industrial areas and deprived towns, opening up new opportunities and **spurring regeneration and innovation**.

A people-based portion of the Fund will be targeted to people most in need through **bespoke employment and skills programmes** that are tailored to local need. This will support **improved employment outcomes** for those in and out of work in specific cohorts of people who face labour market barriers.

To pilot ideas for the SPF Government have launched the **UK Community Renewal Fund**, which will provide local areas across the UK with access to £220 million of additional funding as they prepare for the UK Shared Prosperity Fund due to launch in 2022. As EU structural funds tail off after 2022-23, the UK Shared Prosperity Fund will succeed them as a programme distinct from the UKCRF and help to level up and create opportunity across the UK in places most in need in a manner **distinct but complementary to the Levelling Up Fund, through investment in skills, enterprise and employment**.

This includes removing barriers that people face in accessing skills and local labour market opportunities, building the evidence base for future interventions and exploring the viability of new ideas.

Investment priorities are to nurture innovative thinking and offer flexibility, projects may align with one, or deliver across several, of the following investment priorities:

- Investment in skills
- Investment for local business
- Investment in communities and place
- Supporting people into employment

Lead authorities should invite project proposals from a range of local applicants, including **local district councils**, voluntary and community sector organisations and **local education providers including universities**.

Lead authorities should then appraise these projects and produce a shortlist of **projects up to a maximum of £3 million per place** for submission to UK government.

The UK government will select projects in line with the selection criteria. The UK **government will not accept direct bids from any bodies other than the lead authority**.

We are interested in bids that build on local insight and knowledge, and project proposals that align with long-term strategic plans for local growth, target people most in need and support community renewal.

In addition, projects should show how they complement other national and local provision. A focus for this Fund is to **support innovation and new ideas in these areas, investing in pilots** that draw on local insights and which will help places to prepare for the introduction of the UK Shared Prosperity Fund in 2022.

Investment made under this Fund should be able to demonstrate the extent of **contribution to net zero objectives** or wider environmental considerations. Projects should be based on low or zero carbon best practice, **adopt and support innovative clean tech** where possible and **support the growing skills and supply chains in support of Net Zero** where possible.

Appendix 3 - LUF and CRF Bid Candidate Scoring Evaluation Matrix & Decision Making Panel

Candidate Project	Strategic		Tactical		Impact		Support		Project Total
	Score	Alignment with Local Strategy for Levelling-Up	Score	Alignment with Gov Delivery Mode Themes	Score	Outcome & Output Commitments	Score	Mandatory & Key Stakeholder Support	
Name Three Line Description	1-5	Local Industrial Strategy (Ref) COVID Economic Recovery Strategy (Ref) OECD Local Economic & Emp'mnt Dev (Ref)	1-5	No of Priority Themes (Ref) Strength of Match Compliance to Mandatory Start, Spend & Completion Deadlines	1-5	Outcomes (jobs, skills, prosperity, health) Outputs (buildings, public realm, facilities) VFM (£ Per Outcome or Output)	1-5	MP (Mandatory - scores 5 & weighted x2) Community (Comm & Bus Orgs - max 3) None (No Letters of Support - scores 0)	Score 1-5
CoDeveloped PCC/CPCA Strategic Projects									
University Second Teaching Building	5		5		5		5		20
Expansion to critical mass of 5,000 pa students to reach commercial sustainability, de-risking long-term failure to raise Pboro out of bottom 10% of UK cities									
Station Quarter Development									0
First commercial office building on car park to house relocated Whitehall civil servants and new inward investinf companies									
CPCA Transport Projects									
Stanground Roundabout									0
Description here									
A N Other Transport Project									0
Description here									
A N Other Transport Project									
Description here									
New Local Community Ideas									
Community Project #1									0
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Panel Considering Evaluation Matrix and Selecting Bids

For Peterborough

1. Leader of Peterborough City Council
2. Mayor of Cambridgeshire & Peterborough
3. Chair of the Business Board
4. Chair of Towns Board (Mathew Bradbury)
5. Paul Bristow MP
6. Shailesh Vara MP

For Fenland

1. Leader of Fenland District Council
2. Mayor of Cambridgeshire & Peterborough
3. Chair of the Business Board
4. Fenland Towns Representative (TBC)
5. Stephen Barclay MP



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.3

Growth Works Management Review – May 2021

To:	Skills Committee
Meeting Date:	14 June 2021
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha, Chair of the Skills Committee
From:	Interim Programme Manager, Alan Downton Growth Company Chair, Nigel Parkinson
Key decision:	No
Recommendations:	<p>The Skills Committee is invited to:</p> <ul style="list-style-type: none">(a) Nominate one Skills Committee member to be a member of the Programme Management Committee;(b) Note that there will be representation from the Business Board on both the Growth Works Investment Panel and Programme Management Committee; and(c) Note the financial and non-financial performance of Growth Works and request any required changes to reporting going forward.

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1 To nominate a Skills Committee member to be a member of the Programme Management Committee. To note the nomination of a Business Board member to be a voting member on the Growth Works Investment Evaluation Panel and the nomination of one member to be on the Programme Management Committee. To also note and comment upon the programme performance up to 15th April 2021.

2. Background

- 2.1 On 12th February 2021, the contract for the Business Growth Service was signed between Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) and Gateley Economic Growth Services (GEG) and its consortium.
- 2.2 Service commenced on 15th February 2021 and it is still the mobilisation phase, up until a more formal Growth Works public launch on 27th May 2021.

3. Growth Works Investment Evaluation Panel

- 3.1 The Business Growth Service Full Business Case of 30th September 2020 on page 147, 149 & 150, states:

‘The Growth Capital Investment Fund will help SMEs, grow through organic expansion, paying grants for equipment and expanded premises. It will provide growth capital or grants that are not generally available from the private sector between £20k-£250k (Capital grants (assets) between £20k and £150k). There is a requirement for approximately half the available funding under Growth Capital Investment Fund (Pot 1) to be invested as equity shares in SME’s, or larger corporates up to £250k in exchange for a percentage shareholding within those businesses. The Growth Capital Investment Fund will also offer businesses the opportunity to apply for equity investment between £150k and £250k to address the lack of equity investment generally available at these levels in the marketplace (private sector equity finance often focusses on high-tech, IP based start-ups and much higher growth rates, typically favouring much higher value equity investments of at least £250k up to £2m and higher).

Establish evaluation panel – create a panel of representatives who will appraise the applications and ensure there are sufficient funds available and that projects are prioritised according to the outcomes and need.

Assessment of Applications is vitally important to understand, analyse and measure the impact of grants and investments for each project.

Evaluation processes / scoring proposals will be a key assessment for all candidates applying for grants or investment and there will need to be provision of expertise to appraise applications based on criteria plus implementation of techniques to carry out appraisals in a fair and transparent manner’.

This evaluation panel is the responsibility of GEG, the Growth Works contractor.

- 3.2 Scope

The review and governance of investment and allocation of funds by the contractor in both Capital Grants and Equity Investment into Small and Medium-Sized Enterprises (SMEs) across the Combined Authority and Local Enterprise Partnership (LEP) areas.

The objective for the grants is to maximise economic development impact in the Combined Authority area, both in terms of jobs created, prosperity impact in geographical locations, industrial and commercial diversification, and alignment with the Combined Authority's strategic objectives. The estimated job creation is £7k of grant funding.

The objective for the equity investments is to invest in high growth businesses where debt funding is not available at an estimate of £25k per job in the region. The investments will also attract and leverage private equity funds to increase venture capital (VC) activity in the region. The investments will be into high growth SME businesses only, to maximise economic development impact in the Combined Authority area in both terms of jobs created, prosperity impact in geographical locations, industrial and commercial diversification, and alignment with the Combined Authority's strategic objectives. The portfolio will be assessed on both cash balance, returns generated, value of additional investment funds released, valuations on future rounds, job creation and estimated market valuations.

Out of scope - Nudge coaching grant decisions (reporting only) and Growth Hub / Department for Business, Enterprise and Industrial Strategy (BEIS) grants that may come online (less than £10K). The only sectors which would not feature as a target for this scheme would be Agri-Tech/Agri-Food (served by an existing scheme) and Retail.

3.3 Frequency

Regular monthly from June 2021 to June 2023 when all known funds will be allocated. The evaluation panel will be reviewed at June 2023 based on a potential extension of funding or wind down of activity.

3.4 Duration

Capped at two hours with papers and business cases submitted four working days in advance. With the allocation, review and assessment of grants and equity investments proposed and presented each month by the SMEs and their Business Growth / Inward Investment Advisers

3.5 Minutes

(first meeting – sole agenda: setting scope, materiality, decision requirements, decision process, confirm members and observers, delegated authorities)

3.6 Thereafter:

- Update on grant portfolio (overview of nudge coaching grants)
- Update on equity portfolio
- Update on VC / Growth and Mobile Capital in the UK and CPCA.
- Economic and sector market overview
- AOB
- Presentations from SMEs and their Business Growth Advisers (capped at 6 per meeting)
- Discussion by Committee on risks and proposition
- Decisions and actions by CPCA electors
- Next meeting dates.

3.7 Proposed members

1. Paul Webster (Chair) / Equity Vote
2. Bev Hurley (Vice-Chair) / Grant Vote
3. Nitin Patel member of the Business Board with vote (on both Grant and Equity)
4. Nigel Parkinson, Cambridgeshire and Peterborough Business Growth Company Limited with vote (on both Grant and Equity)
5. Martyn Montgomery (Corporate Finance Adviser)
6. IRC Secretariat: To be appointed.

3.8 The decision-making process, delegated authority and risk measurement & materiality to be agreed at the first meeting.

4. Programme Management Committee

4.1 The three directors of the Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) will sit on a Programme Management Committee designed to hold Gateley Economic Growth Services (GEG and the consortium (the Delivery Consortium) to account against the contract to deliver the Service. The Directors will be supported by subject matter experts and a Lead Member from each of the Business Board and Skills Committee. These include;

- A Member of the Skills Committee, with responsibility for Workforce Skills and Schools Careers Advice, to act as a Champion of the Service within the Skills Committee and be responsible for oversight to ensure the effectiveness and efficiency of the management processes for the Programme Management Committee, in particular contract management & European Regional Development Fund (ERDF) / European Social Fund (ESF). Frequency - required only at quarterly contract review meetings with Gateley's and its consortium and quarterly claims for ERDF & ESF.
- A member of the Business Board, with responsibility for Business Growth and Inward Investment, to act as a Champion of the Service within the Business Board and be responsible for oversight to ensure the effectiveness and efficiency of the management processes for the Programme Management Committee in particular contract management & ERDF / ESF. Frequency - required only at quarterly contract review meetings with Gateley's and its consortium and quarterly claims for ERDF & ESF.
- The Director of Business & Skills
- The Senior Responsible Officer LGF and Insight & Evaluation, an inward investment subject matter expert
- The Senior Responsible Officer Workforce Skills, a work force skills and careers advice subject matter expert
- The CPCA Finance Manager
- The Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) ERDF & ESF Programme Manager
- The Analysis and Evaluation Manager Programme Management Office CPCA
- Such other members as may be selected by the Growth Co Board from time to time.

4.2 From the contractor's side, there will be the Managing Director of GEG, the head of programme management office, finance and the three heads of service for Skills, Growth Coaching and Inward Investments.

4.2 The scope

Ensuring a sound system of internal control & risk management including:

- Approving the company's risk appetite standards

- Receiving reports on, and reviewing the effectiveness, of the company's risk and control processes to support its strategy and objectives
- Approving procedures for the detection of fraud and prevention of bribery
- Undertaking an annual assessment of these processes
- Be at the quarterly contract review meetings with the contractor – 2 hours per quarter

4.3 Frequency

Quarterly

4.4 Duration

Capped at three hours with papers submitted four working days in advance.

4.5 Minutes

(first meeting – agenda: setting scope (TOR), decision requirements, decision process, confirm members and observers, delegated authorities)

4.6 The final Terms of Reference of this committee will need approval from Angle Holdings Ltd.

5. Financial

5.1 The projected income and expenditure are detailed below in Tables 1 and 2.

	Year 1	Year 2	Year 3	Year 4	Total
Funding	£4.54m	£10.67m	£7.01m	£2.24m	£24.45m
Expenditure	£2.17m	£11.45m	£7.92m	£2.89m	£24.43m
Table 1 - Projected income & expenditure					

Growth Service Cashflow	Previous Business Plan Total	Variance ***	FY 20/21 Total	FY 21/22 Total	FY 22/23 Total	FY 23/24 Total	Grand Totals
Income							
LGF Equity Investment	£ 5,407,000	£ -	£ 2,000,000	£ 3,407,000	£ -	£ -	£ 5,407,000
CA Growth Hub	£ 738,000	£ -	£ 123,000	£ 246,000	£ 246,000	£ 123,000	£ 738,000
CA Skills Implementation	£ 150,000	£ -	£ 50,000	£ 50,000	£ 50,000	£ -	£ 150,000
CA LIS Implementation	£ 150,000	£ -	£ 50,000	£ 50,000	£ 50,000	£ -	£ 150,000
CA Contract with CEC	£ 300,000	-£ 60,000	£ 20,000	£ 80,000	£ 80,000	£ 60,000	£ 240,000
CA Enterprise Zone Receipts	£ 927,000	£ -	£ -	£ 230,000	£ 279,000	£ 418,000	£ 927,000
ERDF Funding	£ 5,204,000	-£ 2,204,000	£ -	£ 1,500,000	£ 1,500,000	£ -	£ 3,000,000
ESF Funding	£ 2,044,556	-£ 9,009	£ -	£ 600,000	£ 800,000	£ 635,547	£ 2,035,547
LGF Investment Fund (Capital)	£ 11,500,000	-£ 457,000	£ 2,043,000	£ 4,000,000	£ 4,000,000	£ 1,000,000	£ 11,043,000
LGF Investment Fund (Revenue)	£ 500,000	£ -	£ 250,000	£ 250,000	£ -	£ -	£ 500,000
Additional Business & Skills Funding	£ -	£ 258,647	£ -	£ 258,647	£ -	£ -	£ 258,647
Totals	£ 26,920,556	-£ 2,471,362	£ 4,536,000	£ 10,671,647	£ 7,005,000	£ 2,236,547	£ 24,449,194
Expenditure							
Staffing (see tab for details)	£ 1,083,773	-£ 291,837	£ 48,045	£ 285,605	£ 262,612	£ 195,674	£ 791,936
Administration (see tab for details)	£ 168,820	£ 152,286	£ 101,584	£ 83,505	£ 76,693	£ 59,323	£ 321,106
Grants & Equity Investment Administration	£ 625,000	£ 155,001	£ 190,152	£ 322,575	£ 203,281	£ 63,993	£ 780,001
Capital Growth Grants	£ 10,925,000	-£ 655,000	£ -	£ 5,520,425	£ 2,996,720	£ 1,752,855	£ 10,270,000
Innovation & Relocation Grants	£ 450,000	-£ 357,000	£ -	£ 93,000	£ -	£ -	£ 93,000
Skills Brokerage Operational Budget	£ 4,076,000	-£ 767,432	£ 850,000	£ 1,217,630	£ 1,015,450	£ 225,488	£ 3,308,568
Inward Investment Service Budget	£ 3,630,610	-£ 1,963,405	£ 485,000	£ 675,000	£ 470,000	£ 37,205	£ 1,667,205
Growth Coaching Business Engagement Budget	£ 2,735,730	£ 466,270	£ 500,000	£ 1,250,000	£ 1,100,000	£ 352,000	£ 3,202,000
BGS Nudge Grants	£ -	£ 1,000,000	£ -	£ 500,000	£ 500,000	£ -	£ 1,000,000
ERDF Nudge Grants	£ 3,000,000	£ -	£ -	£ 1,500,000	£ 1,300,000	£ 200,000	£ 3,000,000
Totals	£ 26,694,933	-£ 2,261,117	£ 2,174,780	£ 11,447,740	£ 7,924,756	£ 2,886,539	£ 24,433,816
Opening Balance	£ -	£ -	£ -	£ 2,361,220	£ 1,585,126	£ 665,370	£ -
Total Income	£ 26,920,556	-£ 2,471,362	£ 4,536,000	£ 10,671,647	£ 7,005,000	£ 2,236,547	£ 24,449,194
Total Expenditure	£ 26,694,933	-£ 2,261,117	£ 2,174,780	£ 11,447,740	£ 7,924,756	£ 2,886,539	£ 24,433,816
Closing Balance	£ 225,623	-£ 210,245	£ 2,361,220	£ 1,585,126	£ 665,370	£ 15,378	£ 15,378
*** Variance figure is the difference between the current and the previous plan							

Table 2 - Cash Flow

Table 2 above shows the annual cash flow for the company.

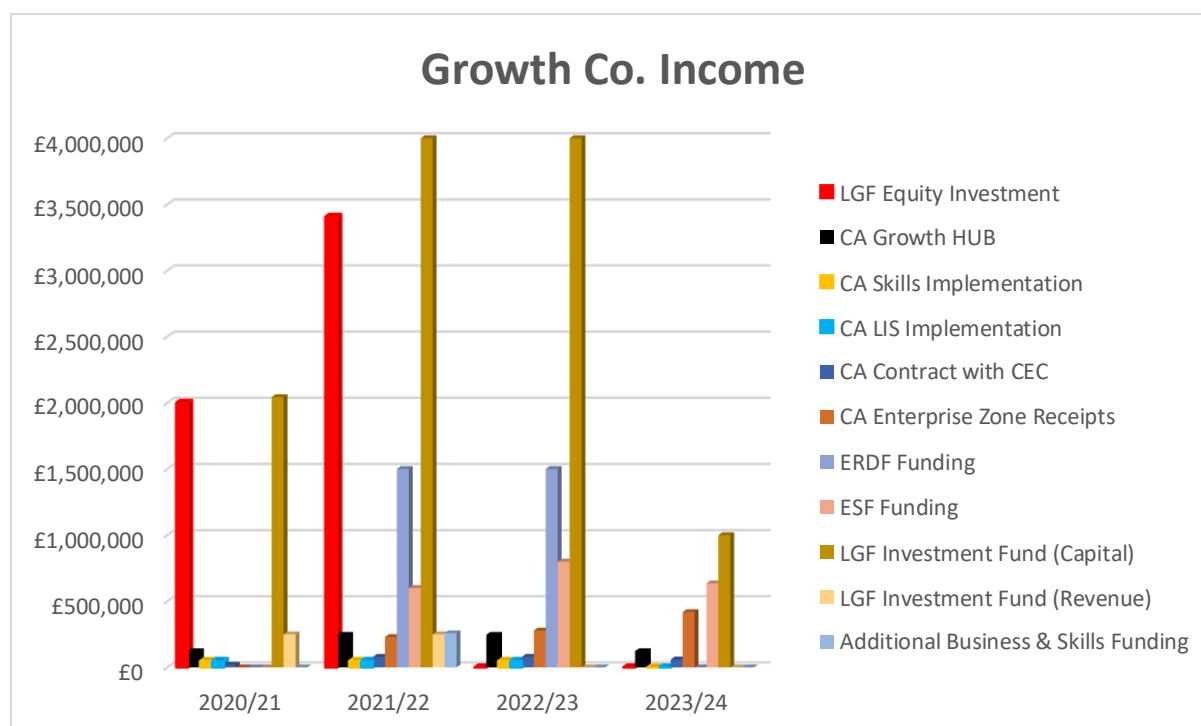
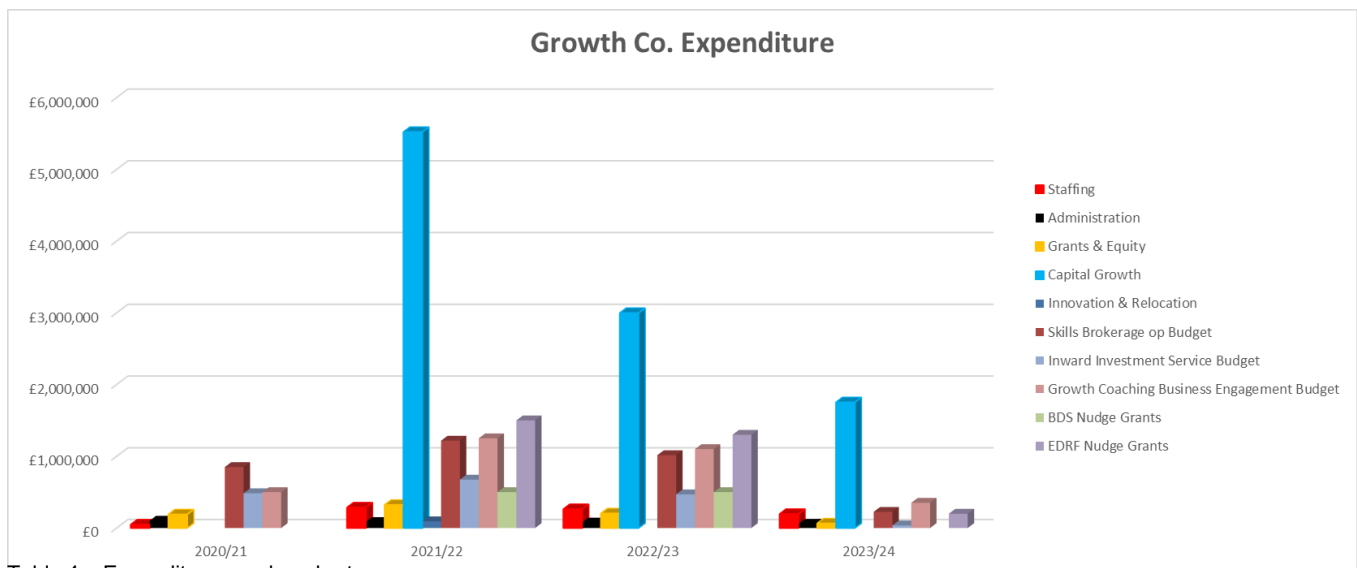


Table 3 – Income as a bar chart



5.2 GEG are paid in advance on a quarterly profile. They invoice the Cambridgeshire and Peterborough Business Growth Company on a monthly basis and a reconciliation performed quarterly. There has been no invoiced expenditure yet for the contract in February or March 2021 and GEG

6. Performance

6.1 What is a high growth / scale up company?

OECD:

>10 employees with an annual average employment growth of 20%+ in a 3-year period.

<9 employees whose employment will grow by at least 8 employees in a 3-year period

Unhelpful for UK – 95% of 5.8m SME's employ <9 staff*

By most employment-based definitions – we are talking about 5% of all businesses

In CPCA region:

- Circa 37,000 businesses on patch
- GEG and its consortium will undertake 3,000 diagnostics to identify the 1,000+ SME Growth Champions for Growth Coaching
- <1% will be account managed by Skills (large and corporate businesses domestic on patch)
- ~1% will be account managed by Inward Investment (national or >10% international ownership)
- Anyone who doesn't meet the high growth / scale up criteria will be serviced by the Growth Hub

6.2 Outcomes & Leading indicators

GEG and its consortium will deliver at least 5,278 new jobs, 1,400 new apprenticeships and generate significant inward investment in Cambridgeshire and Peterborough over the next

three years. Each of the four Service Lines will be measured against achieving specified outcomes (Appendix 1, Table 1).

6.2 Performance to date

GEG and its consortium are still in the mobilisation phase up until the public launch on 27th May 2021, when they will be into full delivery mode. There were no agreed performance metrics during mobilisation and the data in this report is taken up until 15th April (when this report was drafted). During the mobilisation there have been a few notable successful outcomes, and these are highlighted under the respective service lines below and in further detail in Appendix 1 (Tables 2 - 5). Contractual versus actual performance for all service lines will be shared with the Business Board on a monthly basis via email, up until the next Management Review report in September 2021.

6.3 Growth coaching

Due to mobilisation, an update on the Growth Coaching service line will be provided to the Business Board as described above.

6.4 Inward Investment

Secured 4 wins:

- Alphavet Tech: Australian Med Tech company developing veterinarian technology to improve and digitise patient healthcare. They have moved their GHQ to Cambridge. Over the next 3 years, 18 jobs will be created with an average salary of £79K and £6.1M capex
- Credenxia: International HQ for Australian owned work force ID and verification credentials. Expanding sales and service centre in Peterborough
- Touchpoint Group (International HQ): NZ based technology company that helps its clients understand and action Big Data. They established a presence in Peterborough in a move to downsize from London.
- Biyomod: is a Turkish Med tech company that develops hardware and web platform integrated solutions for Healthcare IoT. They have located in the Bradfield Centre and will create 3-8 jobs in the next few years. Avg. Salary £40K. Cap-ex: £159K

In addition, already holding a healthy Pipeline of 17 opportunities (6 of which were sourced by DIT) the rest were sourced external to the DIT network or directly through Growth Works.

GEG have supported OKR Financial to accelerate UK launch with a fund aligned to support Growth Works, which was originally £2m now increased to £20m. CPCA communications are working with GEG and OKR on a press release.

CPCA & the Cambridgeshire and Peterborough Business Growth Company are in the final process of finalising the data protection agreement with DIT.

GEG are working on launching its first supply chain competition focussed on the Med-Tech Sector and this will be run as an FDI workshop after 27th May 2021 public launch.

Currently working on brand and content feel for the Invest Cambridge / Peterborough / Fenland holding pages including information on regional opportunities and inward investment activity.

6.5 Skills

Growth Works with Skills is deploying a Digital Talent Platform. Based on the highly successful Talent Retention Solution it will act as the focal point for information on, and access to, the skills that businesses need.

The platform will support economic growth by creating access to information, and links to organisations that can support one another in developing the skills. This includes support for schools to provide excellent careers advice and support for employers to engage in education to enable access to the world of work.

Employers will be able to list job, apprenticeship, internship and work experience vacancies and search for candidates. This support also covers Kickstart, internships, and retraining. Phase 1 the skills portal is launched which provides redeployment functionality incorporating the ability for employers to register and list their vacancies for free, and individuals to register and create a profile, upload their CV and search for opportunities.

At the heart of the platform will be a Talent Development Maturity Index diagnostic, which will help companies to see how they rank on a scale in relation to their approach to accessing and developing talent. This diagnostic is supported by consultative conversations from the Growth Works team

Growth Works have met with all the main college principals and members of their leadership teams to introduce the service.

Performance of the Careers & Enterprise Company (CEC) contract is now on an upward trajectory and have started engaging with all special educational needs schools (SEND) for the first time to bring them into the Enterprise Adviser Network (EAN).

6.6 Grants & equity

In the main contract specified that LGF capital funding of £2.043m had to 'allocated' to businesses by 31st March 2021.

From 15th February 2021, GEG delivered the above, from what was a 'standing start'. In essence:

- The Expressions of Interest (EOIs) were sourced from Growth Hub, COVID-19 Capital Grant Applicants, Local Authorities and Commercial Partners.
- They attracted 54 EOIs seeking £2.769m.
- EOIs were filtered using the matrix of quality score and value for money. The filter is found in the "Competitive Rankings" tab
- Quality scores were assessed on points based on geographical location (Fens, Peterborough), sector diversification, strategic alignment, social inclusion and apprenticeship utilisation
- Value for money was assessed as the financial value per job

Each application had at least an hour discussion over the phone or on Teams / Zoom.

After filtering, 13 were declined with 41 businesses seeking £2.4m invited to full application round.

4 did not complete or send applications.

5 were declined owing to either a breach in Undertaking in Difficulty and no mitigating factors on their finances such as strong working capital and cash balances or the applications lacked quality.

Contentious and borderline decisions were raised with the Senior Responsible Officer (SRO) for Strategic Funds & Insight / Evaluation and interim SRO for Growth Works for independent view and assessment.

32 applications were completed successfully and returned by 11:59pm 31st March 21. These applications:

- Received £2.025m of the £2.043m, at an average of ~£63k per business ranging from £150k to £20k
- 321 jobs commitment at an average of just over 10 jobs per firm, averaging from 3 jobs to 30 jobs.
- £11.18m investment in capital expenditure.
- Cost per job is under £6.4k/job.
- Recipients were awarded from the far north of the patch, across the Fens, in and around Peterborough and in Southern and East Cambridgeshire. Sectors were diversified from retail to dentistry, deep science to engineering, manufacturing to logistics, warehousing and entertainment.

6.7 Contractual meetings and reporting

Monthly and quarterly contract meetings are scheduled from May 2021 to April 2022

GEG are creating a robust reporting mechanism and scorecard, with input from CPCA and the Cambridgeshire and Peterborough Business Growth Company. This will include a client 'pipeline' funnel / hopper by service line. The medium-term plan is to have a scorecard which can be accessed at any time to understand the latest position and for it to be on the CPCA & Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) websites. This will also allow the Business Board, key stakeholders e.g Local authorities to monitor the performance in a 'real time' environment.

6.8 GEG and its consortium have set out high level deliverables to 30th June 2021 at Appendix 2.

Significant Implications

7. Financial Implications

7.1 There are no direct financial implications in the progress report.

8. Legal Implications

8.1 The Shareholder Agreement made between the Combined Authority, Angle Holdings Limited, Angle Developments (East) Limited and Cambridgeshire and Peterborough Business Growth Company Limited requires the Growth Company to establish and maintain a Programme Management Committee [PMC]. The purpose of the PMC is to advise the Board of Directors of the Growth Company and the Agreement sets out the membership of the PMC, which is to include a member of the Business Board. The PMC also has day to day responsibility for:

- ensuring a sound system of internal control and risk management including:
 - approving the company's risk appetite standards;
 - receiving reports on, and reviewing the effectiveness, of the company's risk and control processes to support its strategy and objectives;
 - approving procedures for the detection of fraud and prevention of bribery; and
 - undertaking an annual assessment of these processes;

8.2 Under the arrangements between the Cambridgeshire and Peterborough Business Growth Company (Growth Co) and its contractors the responsibility for the evaluation of applications for funding rests with the lead contractor and they are required to create a panel of representatives to appraise applications and ensure that there are sufficient funds available and that projects are prioritised according to the outcomes and need. The arrangements for the Growth Works Investment Evaluation Panel set out in section 3 are the arrangements made by the lead contractor.

9. Other Significant Implications

9.1 None

10. Appendices

10.1 Appendix 1 – Four Service Lines Outcomes and Indicators During Mobilisation Phase

10.2 Appendix 2 – Deliverables by 30th June 2021

11. Background Papers

11.1 ['Business Growth Service – Full Business Case' \(Agenda Item 5.2, Combined Authority Board meeting on 30th September 2020\)](#)

11.2 [Business Growth Service Full Business Case](#)

Table 1: Outcomes and Leading Indicators Overview – Four Service Lines

Service Line	Target/Indicator	Contract Deliverables	Service Line	Target/Indicator	Contract Deliverables
Growth Coaching	Businesses provided with a Growth Diagnostic	3,305	Skills	Apprenticeship Levy Pledge	£15.0m
	Businesses provided with Growth Coaching	1,005		Apprenticeship Levy Utilisation	£9.45m
	Business profiles matched (S/M/L in %)	500/400/100		Apprenticeship Levy Transfer	£12.48m
	Businesses starting a coaching journey	1,005		Apprenticeships	1,400
	Businesses completing a coaching journey	1,005		Learning Outcomes	1,705
	GVA generated	£103.0m		Jobs via Learning Outcomes	-
	Jobs created	3,223		GVA generated	£6.0m
	GVA increase per employee (Year 1, Year 2, Year 3)	TBD	Grants & Equity	Companies receiving grants	58
Inward Investment	Inward investors receiving information, diagnostics, and brokerage support)	160		Grants & Investments (Small Business Capital Growth Investment Fund)	48
	Inward investor commitments to expand or for new investments	40		Innovation & Relocation Grants	10
	GVA generated	£15.0m		Small Business Capital Growth Investment equity	£18.0m
	Jobs created	600		GVA generated	£45.0m
	Strategic capital investment	£0 (B/E)		Jobs created	1,164 – 1,455
	New enterprises supported	25			
	Enterprises supported to introduce new to the market products	15			

Table 2: Growth Coaching 2021/22 – Contracted versus actual

Service Line	Target/Indicator	Contract Deliverables	Y1-Q1 Forecast	Y1-Q1 Actual
Growth Coaching	Businesses provided with a Growth Diagnostic	3,305	0	30
	Businesses provided with Growth Coaching	1,005	0	0
	Business profiles matched (S/M/L in %)	500/400/100	0% / 0% / 0%	0
	Businesses starting a coaching journey	1,005	0	0
	Businesses completing a coaching journey	1,005	0	0
	GVA generated	£103.0m	0	£0
	Jobs created	3,223	75 (Year 1 Total)	0
	GVA increase per employee (Year 1, Year 2, Year 3)	TBD	0	0

Table 3: Inward Investment 2021/22 – Contracted versus actual

Service Line	Target/Indicator	Contracted Deliverables	Y1-Q1 Forecast	Y1-Q1 Actual
Inward Investment	Inward investors receiving information, diagnostics, and brokerage support)	160	2	11
	Inward investor commitments to expand or for new investments	40	2	4
	GVA generated	£15.0m	0	TBD
	Jobs created	600	75 (Year 1 Total)	25
	Strategic capital investment	£0 (B/E)	0	£0
	New enterprises supported	25	0	1
	Enterprises supported to introduce new to the market products	15	0	1

Table 4: Skills 2021/22 – Contracted versus actual

Service Line	Target/Indicator	Contract Deliverables	Y1-Q1 Forecast	Y1-Q1 Actual
Skills	Apprenticeship Levy Pledge	£15.0m	0	£0
	Apprenticeship Levy Utilisation	£9.45m	0	£0
	Apprenticeship Levy Transfer	£12.48m	0	£0
	Apprenticeships	1,400	0	1
	Learning Outcomes	1,705	300 (Year 1 Total)	0
	Jobs (via Learning Outcomes)	350	0	0
	GVA generated	£6.0m	0	0

Table 5: Grants & equity 2021/22 – Contracted versus actual

Service Line	Target/Indicator	Contract Deliverables	Y1-Q1 Forecast	Y1-Q1 Actual
Grants & Equity	Companies receiving grants	58	0	32
	Grants & Investments (Small Business Capital Growth Investment Fund)	48	0	32
	Innovation & Relocation Grants	10	0	0
	Small Business Capital Growth Investment equity	£18.0m	0	0
	GVA generated	£45.0m	0	0
	Jobs created	1,164 – 1,455	397 (Year 1 Total)	321 (Year 1 Total at Q1 close)

Appendix 2 – What GEG and consortium will deliver by 30th June 21

What we aim to deliver by 30 June

Skills Service	Growth Coaching	Inward Investment	Grants	Equity
<ul style="list-style-type: none">- Proactive engagement with employer communities across sectors and geographies- Consultative conversations with businesses on talent development and sourcing- SMEs engaged in ESF funded activity including trading needs analysis and learning outcomes- Initial report on Talent Development Maturity – based on initial results of TDMI completions- Phases 1-4 on Digital Talent Platform complete	<ul style="list-style-type: none">- First grants awarded- Clients being supported- Programme scaling at pace with first deliverables in Q3 (calendar year)	<ul style="list-style-type: none">- 8 wins secured- Expanded team “live”.- Ongoing work to uncover the core narrative for the Combined Authority regions and identify key sectors- Creation of proposition and benchmarking material- Vision Site launched - A promotional website for all the Combined Authority priority sectors, support and activity based upon discovery phase	<ul style="list-style-type: none">- £2.8 million remains to be awarded in Capital Investment Grants between now and June 2023- £100,000 relocation and innovation grants to be awarded- £300,000 minimum each quarter to be awarded in grants with flex to accelerate funding should demand require	<ul style="list-style-type: none">- Investment Review Committee draft agenda shared with the Combined Authority- First meeting expected June/July 2021 <p><u>Reminder of criteria:</u></p> <ul style="list-style-type: none">2:1 investmentLiquidation event within 18 monthsCirca 1 job for every £25k invested



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.1

Local Skills Report

To: Skills Committee

Meeting Date: 14 June 2021

Public report: Yes

Lead Member: Councillor Lucy Nethsingha, Chair of the Skills Committee

From: Fliss Miller, Senior Responsible Officer - Workforce Skills

Key decision: No

Forward Plan ref: N/A

Recommendations: The Skills Committee is recommended to:

a) Note the publication of the Local Skills Report

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1 The purpose of this paper is to inform the Skills Committee of the publication of the Local Skills Report. The publication of the Local Skills Report is a requirement of the Skills Advisory Panel (SAP), funded by the Department for Education (DfE). The report was approved for publication by the Employment and Skills Board in March 2021.

2. Background

- 2.1 Skills Advisory Panels (SAPs) bring together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. There are 36 SAPs across England as part of Mayoral Combined Authorities and Local Enterprise Partnerships.
- 2.2 The Department for Education (DfE) supports SAPs with grant funding primarily to produce high quality analysis of local labour markets and to produce the Local Skills Report, as per their requirements.
- 2.3 Locally, the function of the Skills Advisory Panels is delivered by the Cambridgeshire and Peterborough Employment and Skills Board (ESB). The board was established in the autumn of 2019 and comprises business leaders, education representatives, local authority leaders, and representation from other government agencies.
- 2.4 The Local Skills Report was published in March 2021, as required by the DfE. The Report consists of eight chapters with two annexes comprising of core indicators.
- 2.5 The DfE have stipulated that the Local Skills Report should be updated in November 2021. Further guidance on this update is still to be published.

3. The Local Skills Report

- 3.1 The Local Skills Report is a useful and informative document that sets out the Combined Authority's existing Skills Strategy and associated action plans, it discusses the skills strengths and needs in the region and, reflects on the progress achieved. The Local Skills Report also includes a chapter on the next steps; here it recommends that a new skills strategy is commissioned.
- 3.2 The Annexes to the Report provide detailed data and analysis based on a number of core indicators, which are broken down into four key themes:
 - Local landscape
 - Skills supply
 - Skills demand
 - Mapping skills supply and demand,

This data should help to inform priorities for investment in the development of the new skills strategy.

Significant Implications

4. Financial Implications

- 4.1 There are no financial implications associated with this paper.

5. Legal Implications

- 5.1 There are no legal implications relating to the content of this paper.

6. Other Significant Implications

- 6.1 There are no other significant implications relating to the content of this paper

7. Appendices

- 7.1 Appendix 1 –Local Skills Report
- 7.2 Appendix 2 – Annex A and B of the Local Skills Report

8. Background Papers

- 8.1 None

Cambridgeshire and Peterborough Local Skills Report. March 2021.

Cambridgeshire and Peterborough Skills Advisory Panel



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR



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Chapter 1: Foreword



Al Kingsley, Chair of the Skills Advisory Panel

I became the chair of the Cambridgeshire and Peterborough Combined Authority (Skills Advisory Panel) in June 2020. The last twelve months has and continues to be, a challenging time for individuals, providers and employers navigating through a fast changing and often unknown landscape. This context makes the role of the Skills Advisory Panel even more important as it advises the leaders in the Combined Authority – through the use of data and local intelligence – to inform the strategic direction to ensure the Region's skills provision meets the needs of the local economy, driving productivity and rebound the economy.

The Skills Advisory Panel comprises members from local providers, employers and stakeholders as representatives from the region to make sure the unique strengths of our three sub-economies and our growth sectors are capitalised on to realise the opportunities to match the supply and demand of skills.

The Combined Authority- informed by the SAP- 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 system that matches the needs of our employers, learners and communities.

The Skills Strategy, developed in consultation with the SAP, 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. However, the region does not operate in isolation and recognition is given to national initiatives that will impact on the local skills landscape.

This report highlights the significant progress that has been achieved in the region, including the development of the new university in Peterborough, at the same time it acknowledges where focus must be given moving forward to ensure we are able to achieve our ambition to make sure that Cambridgeshire and Peterborough is 'the best place in the world to live, learn and work'.

Following publication of this report, the SAP consultation will begin for the development of a new skills strategy. We would welcome your input to collectively create the plan and to realise our ambition.

Chapter 2: Introduction

Skills Advisory Panels (SAPs)

Skills Advisory Panels (SAPs) bring together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. There are 36 SAPs across England as part of Mayoral Combined Authorities and Local Enterprise Partnerships.

The Department for Education (DfE) supports SAPs with grant funding primarily to produce high quality analysis of local labour markets and **Local Skills Reports**. **The Reports set out the local strengths and skills needs and how the SAP proposes its area addresses its key priorities.** The Reports aim to influence local partners and feed intelligence to central government, including the national-level **Skills and Productivity Board (SPB)**. In January 2021, DfE published its White Paper “**Skills for Jobs: Lifelong Learning for Opportunity and Growth**,” which sets out a number of reforms aimed at putting employers more firmly at the heart of the skills system.

The White Paper outlined plans to test in 2021-22, in a small number of areas, “Local Skills Improvement Plans” created by business representative organisations. The White Paper committed to build on the work of SAPs to date. SAPs and their Local Skills Reports will continue as the DfE trailblazes “Local Skill Improvement Plans” and until any potential changes are made to a SAP’s remit and responsibilities.

Cambridgeshire and Peterborough SAP

Locally, the function of the Skills Advisory Panels is delivered by the Cambridgeshire and Peterborough Employment and Skills Board (ESB). The board was established in the autumn of 2019 and comprises business leaders, education representatives, local authority leaders, and representation from other government agencies.

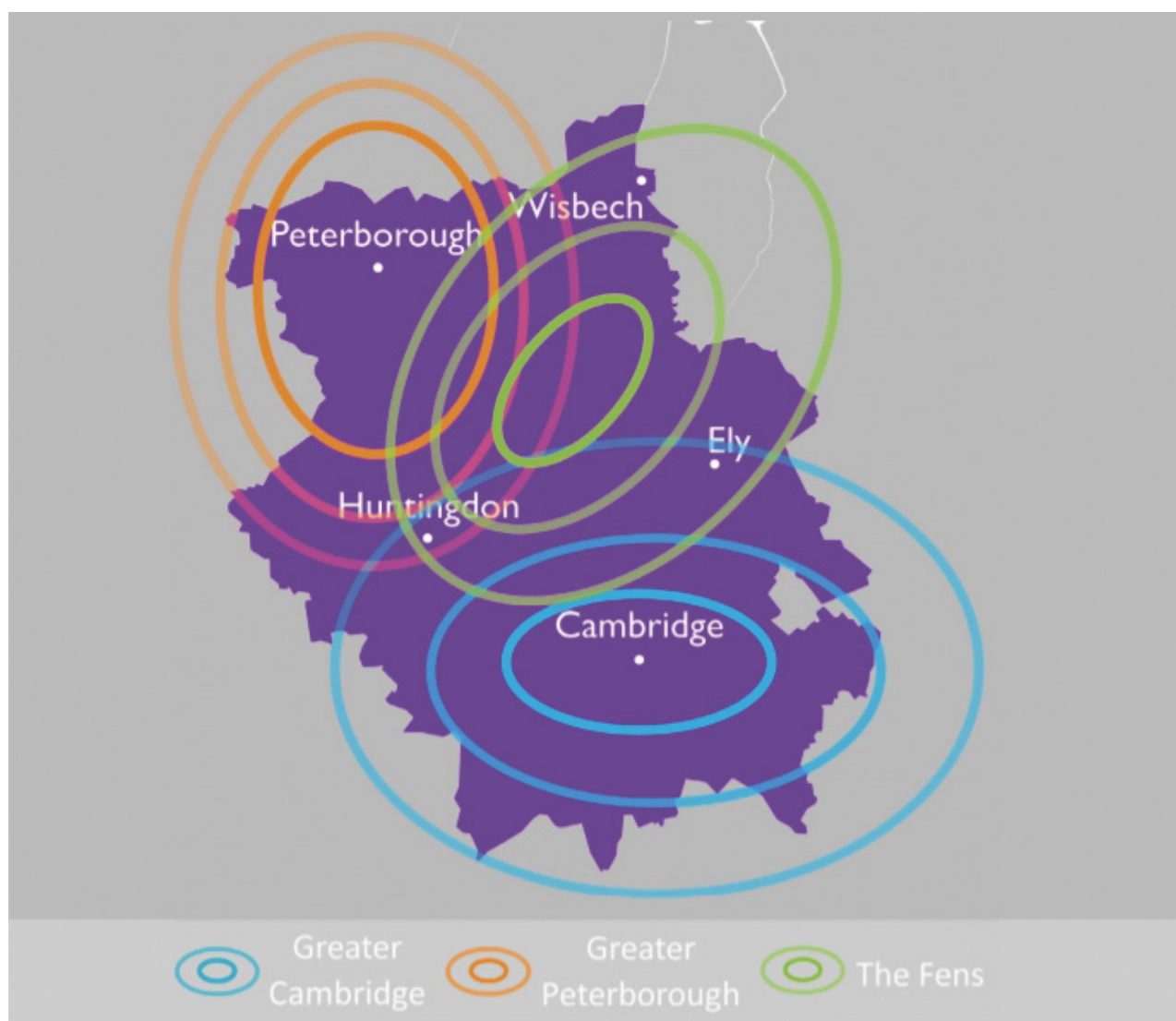
The ESB helps to steer the skills agenda in Cambridgeshire and Peterborough plus build on the good work being undertaken by all partners. It aims to support the implementation of the Local Industrial Strategy and support the recommendations of the Skills Strategy and its supporting evidence base.

Although the strategic focus of SAPs is to look across wider geographies, and this is reflected in the core indicators provided for all SAPs (Annex A), the **evidence base for our local skills strategy highlighted that the Combined Authority area is home to three overlapping labour markets which inform the demand and flow of labour across the region**, as highlighted in **map 1**. These are:

- Peterborough and surrounding areas (including North Huntingdonshire)
- The Fens (including Fenland, some of East Cambridgeshire and part of Huntingdonshire)
- Greater Cambridge area (including southern parts of Huntingdonshire and East Cambridgeshire as a third).

The socio-economic makeup of these three sub-economies is explored in more detail in Chapter 3, which provides the evidence base for our local strategies set out to meet our ambitions.

Map 1: Overview of Cambridgeshire and Peterborough SAP area and a breakdown of local 'sub-economies', Cambridgeshire and Peterborough Local Industrial Strategy



As mentioned, the Combined Authority Employment and Skills Board (ESB) also contains private sector board members who are drawn from across Cambridgeshire and Peterborough to ensure a spread of representation of our key sectors and varying sizes of employers.

Currently, the ESB meets once every three months. You can access the minutes of our most recent meeting, including the latest data and evidence that gets presented to the board every quarter, [here](#).

The lead contact for the Skills Advisory Panel in the Cambridgeshire and Peterborough Combined Authority is Fliss Miller, she can be reached at Fliss.miller@cambridgeshirepeterborough-ca.gov.uk

Chapter 3: Skills strengths and needs

Local landscape and context

Cambridgeshire and Peterborough has a growing population. The Combined Authority area has seen a 7.6% increase in total population since 2011.¹ The socio-economic and demographic makeup of this growing population, which makes the area unique, is explored in detail in Annex A.

The core indicators covered in Annex A help to underpin our local understanding of the variation in skills strengths and needs across the region. This variation is reflective of the three distinctive sub-economies of the area, each having their own individual strengths and needs, and are defined within the Cambridgeshire and Peterborough Independent Economic Review (CPIER)² as:

- 1 Greater Cambridge area** (which takes in Cambridge, South Cambridgeshire, and parts of Huntingdonshire and East Cambridgeshire), while not without deprivation, is prosperous and attracts many international businesses to come to the area and grow. **Skills levels and wages are high.** In the Greater Cambridge economy, businesses have brought about revolutionary advances in a wide array of fields, transforming lives around the world.

Growth within the **Greater Cambridge sub-economy has not been entirely positive.** There is a future risk of increasing housing and living costs in the area causing society to continue to **drift irreparably away from less well-paid workers**, whilst the ageing of the city (whose housing ladder's bottom rung is out of reach of the vast majority of the young) will threaten its dynamism.

- 2 Peterborough and surrounding areas**, where there is much industry and potential; however, deprivation levels are higher, and many residents feel untouched by the economic success of the Greater Cambridge area. **It has a lower proportion of higher-level skills than elsewhere in the area, and educational and health outcomes in Peterborough are relatively poor.**

The city's industrial origins, first in brickmaking, and then manufacturing, have laid the foundations for a dynamic business environment. **It continues to be a magnet for engineering talent**, and trades well upon its connection to strategic infrastructure (which caused the city to boom in the first place).

- 3 The Fens** are in some ways the most challenged economically of the three. Many market towns have lost their former glory and struggle to attract or retain young people. The development of the knowledge economy, with its high premium on proximity and agglomeration, has left **rural communities struggling to maintain distinctive high-value industries.**

However, 50% of UK Grade 1 agricultural land is found in the Fens. There is immense potential for the fens to be renowned as **the apex of British agricultural production.**

Each of these individual sub-economies help us to understand skills demands within the collective Combined Authority area. The current demand for skills across the Combined Authority is determined by its sectoral makeup and the types of businesses that are active within the area. The CPIER³ and its interim reports also identified the Cambridgeshire and Peterborough economy to have demonstrable specialisms and strengths in the following **strategic growth sectors:**

¹ Cambridgeshire and Peterborough local population estimates and forecasts, Cambridgeshire County Council Business Intelligence.

² Cambridgeshire and Peterborough Independent Economic Review (CPIER).

³ Cambridgeshire and Peterborough Independent Economic Review (CPIER)

- Agriculture and Food (Agri-tech)
- Life Sciences
- IT and Digital
- Manufacturing, Advanced Manufacturing and Materials
- Logistics and Distribution
- Education and Professional Services

In addition to these six growth sectors, we have an additional two priority sectors, as identified through engagement with local councillors and business leads: **Health and Social Care** and **Construction**.

The growth sectors listed above are the most dynamic and offer the best prospects for future growth and prosperity. These sectors are used to determine the focus of the Skills Strategy, as discussed in [Chapter 4](#).

The Combined Authority works to ensure the highest possible quality of training across the region, working in collaboration with regional training and skills providers to match supply with the demand of the three local sub-economies.

These local ambitions sit alongside a range of work which will be progressed collectively across the Cambridge-Oxford Arc, a world-leading economic area. This growth will be underpinned by a high-quality environment, which will create jobs and boost local and regional economies.⁴

Local policy context

A cross-cutting strength for the Combined Authority area comes through the **devolved budget responsibilities attached to Mayoral Combined Authority (MCA) areas**. These responsibilities provide the strength of having greater flexibility to match local skills supply with demand.

These devolved responsibilities help to facilitate targeted commissioning to meet the skills needs of our individual sub-economies and growth sectors.

Summary of skills strengths across the area and our sub-economies

Local Population

The Greater Cambridge area has the highest skilled population and best educational outcomes across the Combined Authority area, leading to a strong supply of skills. This is explored further in our Skills Supply Section of Annex A. While Peterborough has lower educational attainment, as highlighted in Core Indicator 11, the **demand for work remains high. 80% of the working age population in Peterborough are economically active, slightly above the England average of 79.7%⁵.**

Growth Sectors

Strengths in skills demand come from our individual sub-economies and growth sectors. The growth sectors across the Combined Authority area offer a local strength in skills demand, as they allow for significant occupational crossover, with many commonalities between the skills required for different occupations within these sectors. **This offers opportunities of transferability of skills within our growth sectors.**

⁴ Cambridgeshire and Peterborough Local Industrial Strategy: A Partner in the Oxford-Cambridge Arc.

⁵ Annual Population Survey: September 2020.

Each of the individual growth sectors offer key strengths to the local area. For example, in recent decades, life sciences has become one of the UK's greatest business strengths, and **the reach of the biomedical industry in the Greater Cambridge area is international.** Similarly, in the north of the area, the CPIER discusses the **Combined Authority's very strong high-tech manufacturing base.** With a manufacturing history in Peterborough, large firms such as **Caterpillar** have engineering bases there.

Provision

The Cambridgeshire and Peterborough Combined Authority **benefits from an extensive network of further education (FE) providers**, with a focus on the 16-19 (post 16) age group. **These institutions seek to maximise the employability of students**, through the delivery of vocational qualifications and training. They also deliver more traditional academic qualifications and **provide an important bridge for those looking to progress to higher education (HE).**

We have a vast range of FE colleges across Cambridgeshire and Peterborough, delivering a wide variety of different courses. Some of our key institutions such as **Cambridge Regional College**, **Long Road Sixth Form College**, **Hills Road Sixth Form College**, the **College of West Anglia**, **City College Peterborough** and the **Inspire Education Group** in Peterborough **provide the majority of FE provision in the area.** There are also 16 School Sixth-Forms providing academic pathways and two University Technical Colleges in the region for 14-19 year olds.

One of the **key strengths of skills supply across the area is local Higher Education provision in the south of the Combined Authority area** which is home to the **University of Cambridge**, one of the world's leading academic centres and **Anglia Ruskin University**, an innovative global university.

Delivery

The two maps outlined in Annex B illustrate where further education courses are being delivered and where the learners who are undertaking these courses reside. This demonstrates **that most FE courses are being delivered within Cambridge and Peterborough, with some higher concentrations of delivery evident near the market towns.**

The devolved Adult Education Budget (AEB) responsibilities gives us strength by providing the tools to support learners to secure foundation skills, progression and diversification and is pivotal in supporting the needs of local people into employment. Improving workforce development is crucial to achieving the economic development of Cambridgeshire and Peterborough, particularly in those areas where levels of educational attainment are currently low.

Strength in the local supply has also come through apprenticeship delivery, where we have seen higher proportions of apprenticeship starts in higher apprenticeships which has been explored in our skills deep dive. **The Combined Authority is also a net importer of learners.** 1,235 Cambridgeshire and Peterborough residents learn outside of the area, while 1,543 learners live outside Cambridgeshire and Peterborough and study within the geography, resulting in a net inflow of 308 learners⁶.

⁶ Cambridgeshire and Peterborough Combined Authority: Implications of Covid-19 for CPCA's labour market: February 2020. Metro-Dynamics.

Understanding the variation in skills needs across the area and our sub-economies

Detailed analysis into skills supply and demand has shown **skills deficits and lower quality employment in the north of the economy**⁷. There is variation in the socio-economic make up across the Combined Authority area and variation in deprivation (Core Indicator 10) directly reflects localised skills strengths and needs.

Within the Indices of Multiple Deprivation⁸, Fenland is ranked third of all 316 local authorities nationally for Education, Skills and Training need, where 1 is most deprived. Peterborough is ranked 31st, which is the second lowest rank across the Combined Authority. These two areas show much higher levels of deprivation compared to other districts in the area. **This directly translates to lower educational attainment.** East Cambridgeshire also shows higher levels of relative deprivation for Education, Skills and Training relative to its overall deprivation rank.

While we have real strengths in HE provision in the south of the Combined Authority, there are **clear gaps in HE provision in the north**, where there is a limited HE offer through Peterborough University Centre, a partnership between Anglia Ruskin University (ARU) and Peterborough College. Equally, whilst HE provision is a real strength in the southern parts of the Combined Authority area, data on University graduates, as outlined in Core Indicator 19, **indicates that the majority of graduates from HEIs in Cambridgeshire and Peterborough move away from the area after completing their studies, representing a loss of skilled labour and economic capacity.** As we explore further in **Chapter 4, ARU Peterborough** will be a regional HE provider, with a strategic aim of delivering courses that will meet the skills needs of our local sub-economies, whilst addressing the lack of HE provision in the north.

Parts of Peterborough, the Fens and the surrounding areas generally experience greater economic inactivity compared to the rest of Cambridgeshire, **suggesting a sub-economy marked by longer-term issues relating to engagement and long-term alienation.** The pattern of supply suggests that there is an area-wide reliance on migrant workers in the north of the local economy as well as a suggestion that any **future employer demands will have to be met from a proportionately smaller working age population as the existing population continues to grow and age.**

Local needs relating to skills are not restricted to just the north of the Combined Authority area and there are challenges that the area faces as a whole. In terms of needs surrounding matching skills supply with demand, core indicators in Annex A show that for Cambridgeshire and Peterborough as a whole, **the primary driver of hard-to-fill vacancies has been low numbers of generally suitable applicants, with those lacking suitable skills also a challenge.**

Within the strength of the Combined Authority growth sectors there are also challenges relating to the demand for unique skills. For example, Agri-Tech demand specific skills and **therefore skills gaps in the sector may be harder to fill through employees transferring from other sectors and applying a common skill set.**

⁷ Annual Population Survey, September 2020; Business Register and Employment Survey, 2019; Annual Survey of Hours and Earnings, 2014-2019; and Index of Multiple Deprivation, 2019.

⁸ The Index of Multiple Deprivation (IMD) is the official measure of relative deprivation in England and is part of a suite of outputs that form the Indices of Deprivation (IoD). It follows an established methodological framework in broadly defining deprivation to encompass a wide range of an individual's living conditions. For more information see: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835115/IoD2019_Statistical_Release.pdf

Impact of COVID-19 and factors influencing future skills demand

Prior to the COVID-19 pandemic, the **Greater Cambridge economy was the fastest growing economy in the UK, outside of London. It is arguably the most likely to rapidly reverse the impacts of COVID-19** on overall output and regain its previous growth trajectory, which is vital for the UK's sustainable economy.

The long-term impacts of COVID-19 on the labour market and the skills that employers need from the workforce remain unknown but factors influencing future skills demand include:

- **Structurally higher unemployment** as a result of the COVID-19 pandemic is likely to endure for some time and the burden will **fall disproportionately on more deprived people and places**.
- The crisis has **sped up the process of digital technology adoption in businesses**. In addition to the current disruption to labour markets and workplaces, technological adoption by companies will transform tasks, jobs and skills over the next five years.
- The spatial pattern of economic activity and the relationships between places for work, living, leisure and learning are changing. The 'future of work' has already arrived for a large majority of the online white-collar workforce. Now more workplaces and occupations are amenable to remote working, **skills gaps may increasingly be filled by workers not physically near their workplace**.

The impact has been noticeable on service sectors where the level of skills demand (**measured in terms of average qualification levels**) is relatively low. This means that as these service sectors have shut down due to the pandemic significant numbers of relatively unskilled people have been made redundant or are supported by the government furlough scheme. This underlines the potential 'skills challenge' that the area faces; **can people losing work in one sector be supported to transfer to higher skilled and more productive work in another sector?**

Despite these short-term challenges for the area, the strengths and opportunities that the area offers have also been highlighted in our skills deep dive. This includes:

- Post COVID-19 prospects for the **Life Sciences sector remain strong. Firms in the sector have held up well across the board**.
- Government target to increase national spending on Research and Development by a third will be delivered by the Life Sciences Sector. Continued strong skills demand is expected.
- Workers across many of our **priority sectors** have in general been **well placed to switch to remote working over the course of 2020**. A key consideration for the future is the extent to which some of this switch to remote working becomes a permanent characteristic of the sector's workforce.

Concluding statement

Through this Chapter we have identified that Cambridgeshire and Peterborough has a diverse economy and has a number of strengths to build on and specific skills needs to address. Our strength of having devolved powers through being an MCA area means that **our local strategies are underpinned by the need to capitalise on our strengths and target funding to meet our needs**.

The socio-economic context of the area underpins our skills strategy and local action plans and these are summarised in **Chapters 4 and 5**. The Local Economic Recovery Strategy will drive the economic recovery that will shape future skills demand.

Chapter 4: Cambridgeshire and Peterborough Skills Strategy

Through recognising the unique strengths of our three sub-economies and our growth sectors we can capitalise on the opportunities to match the supply and demand of skills. **Cambridgeshire and Peterborough is in a favourable position in that it is a Combined Authority in which the Local Enterprise Partnership (LEP), known as the Business Board, is coterminous.** This ensures connectivity between the business community and the education and skills leaders in the region.

The Combined Authority – advised by the SAP – take a programmatic lead of funding in the region. **Skills Supply is directly influenced by skills demand, thus creating a dynamic and responsive skills environment in each of the three sub-economies identified Chapter 3.**

The Combined Authority devolution deal established an agreement between Government, the seven local authorities and Local Enterprise Partnership to devolve a range of funding, powers and responsibilities. The devolution of skills powers to the Combined Authority framed the impetus for the Skills Strategy. **This Strategy provides a framework within which expenditure against strategic priorities can be judged; it is focused on learning that delivers sustained job outcomes, productivity and economic growth.** At a practical level, the Skills Strategy informed the best use of the devolved Adult Education Budget from 1st August 2019. It has also guided expenditure ensuring that businesses have the skills they need to improve productivity and drive economic growth.

The current Skills Strategy was created in 2019. The strategy is clearly aligned to the Local Industry Strategy (LIS) and has subsequently informed the development of the Local Economic Recovery Strategy (LERS) in relation to Skills. Given the fast-moving pace of the skills requirement in a post COVID-19 era and the evolution of the LERS, the **Skills Strategy will be refreshed in June 2021 to reflect the changing skills needs and challenges in the current and predicted future economic context.**

The existing Skills Strategy sets the 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’.***

This strategy is informed by Central Government Skills Policy and the landscape at the time, which included the introduction of T-Level qualifications, Apprenticeship Reforms, The National Retaining Scheme and the National Careers Strategy as well as the Industrial Strategy’s Grand Challenges: Artificial Intelligence and data, ageing society, clean growth and the future of mobility.

The Skills 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.

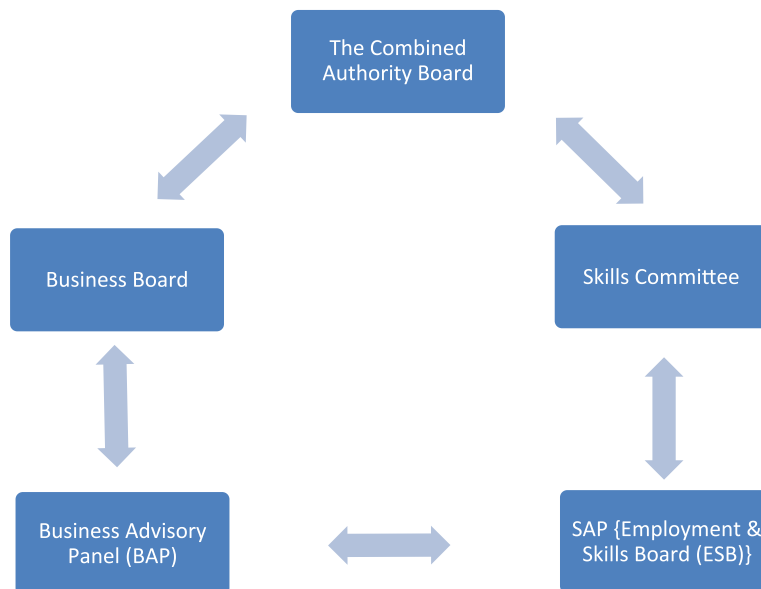
The Cambridgeshire and Peterborough **Skills Advisory Panel aims to support delivery against the Skills Strategy to enable sustainable futures** by creating a culture of positive change within the skills arena following three key themes:

1. Achieve a high-quality offer tailored to the needs of the three sub-economies.

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.

The Skills Strategy is underpinned by the three themes outlined above as well as the eight local priority sectors identified in [Chapter 3](#). The full Skills Strategy can be viewed [here](#).

The Governance to implement the Skills Strategy is outlined below.



The Skills Strategy should be viewed alongside the Local Economic Recovery Strategy which looks at the impacts of the COVID-19 pandemic and reflects the commitment to respond effectively to the specific needs of Greater Peterborough, the Fens, and Greater Cambridge – whilst building the connections and relationships that will unlock the full economic potential of the whole region. **This includes recognising existing and future skills needs.**

Given the fast-moving pace of the skills requirement in a post COVID-19 era the Skills Strategy will be refreshed in June 2021 **to reflect the changing skills needs and challenges in the current and predicted future economic context.** This is discussed in more detail in [Chapter 8](#).

The current strategy has guided how investment has been distributed in a programmatic way. **The Combined Authority has used its devolved funding powers for AEB together with the Local Growth Fund (LGF) and the European Social Fund (ESF) to strategically invest in ways to meet the unique needs of each of the sub-economies** outlined in [Chapter 3](#).

The Skills Strategy is ambitious – one of the key strands was to recognise the HE cold-spot in the north of the Combined Authority and to create a new University in Peterborough. This is due to open to students in 2022 with a target of 2,000 enrolments in its first year.

COVID-19 Recovery

In immediate response to the COVID-19 Pandemic, the **Economic Recovery Strategy Group (ERSG), as part of the wider Local Resilience Forum, was formed in March 2020** to respond to the Economic and Business Impacts of COVID-19.

The ERSG, comprising of Senior Officers of our Local Authorities together with representatives of local Business Membership Organisations, committed to developing a joint Local Economic

Recovery Strategy (LERS) which laid down a roadmap formed of specific interventions with the aim to accelerate the recovery of the local economy.

The core mission of our COVID-19 Economic Recovery Strategy is to:

“To lead the nation out of recession – by accelerating the recovery, rebound and renewal of our economy and achieving our ambition to double GVA by 2042 – in a new and more digitally enabled, greener, healthier and more inclusive way than ever before.”

Our Local Economic Recovery Strategy is constructed to address the three phases of recovery – and has 5 Pillars of delivery:



These 5 pillars align with and reflect the aims of the Local Industrial Strategy:

People: Through local collaboration and strong leadership, deliver a fair and inclusive economy by empowering local people to access the education and skills needed to meet the needs of the local economy and business, both now and in the future.

Ideas: Ensuring that the area’s economic base grows by harnessing innovation, enhancing Cambridge’s position nationally and globally, especially around life science, artificial intelligence and data technologies, whilst bringing innovation-based growth to Peterborough and the Fens.

Business Environment: Accelerating and sustaining higher levels of business growth in start-ups and scale-ups, whilst attracting new and more knowledge intensive firms to our economy, to drive both growth and productivity.

Infrastructure: Enhancing the current transport and housing infrastructure that is hampering growth in the south, whilst investing in commercial infrastructure to bring inclusive growth to the north.

Place: Tailoring interventions to meet the needs of our cities and districts at local level.

Our interventions for medium-term recovery over the next 12-18 months will **help ensure the Cambridgeshire and Peterborough economy rebounds faster and with growth that is more inclusive, greener and sustained longer at higher rebound rates than would have naturally occurred**. This also includes a specific focus being placed on those sectors and places in most need and with the longest forecast recovery rates, so they start to recover sooner.

Planning for longer-term recovery by making strategic investments that enable greater future resilience strengthens our economic assets and address the inherent disparities across sectors and places.

Within the current Skills Strategy, the biggest challenge was to create a new University which is highlighted below. Other individual elements of the strategy are discussed in more detail in the following Chapters.

Creation of a new University

Peterborough is a recognised cold spot for Higher Education (HE). To address this, the Combined Authority and Peterborough City Council (PCC) committed to securing a new University for the City in readiness for the Academic Year 2022/23.

Following a procurement exercise, Anglia Ruskin University has been appointed as HE partner to run the new Campus and develop a curriculum geared to the needs of learners and the local economy. The first phase of the University will open in a 5300 sqm academic building in 2022 with an investment of over £30m. **The curriculum will be centred around subjects which integrate with the local economy and embrace new technologies.**

ARU Peterborough is key to the regeneration of the skills and education marketplace for higher value skills. **It will focus on the skills gaps within the Peterborough, Fenland and Huntingdon areas.** Currently the East of England is the 2nd lowest of all regions in the UK for participation in HE at 44%. The national average is 47%.

The HE academic offer will be tailored to the current and future demands of businesses in the City and wider area as well as leveraging new, high value businesses to the region. **The new University delivery model will be agile and flexible in its approach to delivery** with a curriculum offer in health and social care, education, business, sciences, digitalisation and technologies as well as agriculture and environmental sustainability.

ARU Peterborough will provide access to higher level skills and knowledge for local people but will also in due course become a means of **attracting fresh talent to support the growth of a more knowledge intensive, high value economy.**

Social Mobility and Widening Participation Opportunity area:

Opportunity areas are part of the government's national plan for dealing with social mobility through education.

Fenland and East Cambridgeshire form one of 12 Opportunity Areas nationally. **In part, this is in response to the specific Education, Skills and Training (EST) needs** as identified in **Chapter 3**. For example, **Fenland had the third highest needs out of all Local Authorities in England** based on EST needs in the 2019 Indices of Multiple Deprivation. Meanwhile, East Cambridgeshire had higher EST needs compared to wider deprivation.

Similarly, in 2016 the Social Mobility Index (SMI) set out the differences between where children grow up and the opportunities they have for doing well in adult life. Out of 324 Local Authority Districts (LAD) nationally, **the SMI ranked Fenland 319th and East Cambridgeshire 311th out of the 324**. The OA has four priorities:

Priority 1: Accelerate the progress of disadvantaged children and young people in the acquisition and development of communication, language and reading.

Priority 2: Strengthen the effectiveness of support for children and young people with mental health concerns and those with Special Educational Needs.

Priority 3: Raise aspirations and increase access for young people to a wide range of career choices and post-16 routes.

Priority 4: Recruit, develop and retain the best leaders and teachers in Fenland and East Cambridgeshire.

Investing in the Skills Infrastructure: Strategic Use of Funds

To support the implementation of the skills strategy, a number of funds have been deployed to make the most impact. Each of these funds are discussed below:

Adult Education Budget (AEB)

The primary purpose of the Combined Authority's AEB fund is to **engage adults aged 19+ and provide them with the skills and learning needed for work or further learning.**

The primary strategic purpose of the Combined Authority AEB fund is to **maintain an appropriate mix and balance of provision** that engages adults to:

- Provide them with the skills and learning needed for work or further learning through a suite of accredited qualifications up to Level 3, entitlements and digital skills.
- Improve employability skills including communication, self-confidence, and attitude to work and enable people to contribute to the social wellbeing of their community.
- To help those furthest away from the labour-market to access learning and work.
- To provide enriching learning opportunities in the community that promote health and wellbeing, self-esteem, community connection and cohesion.

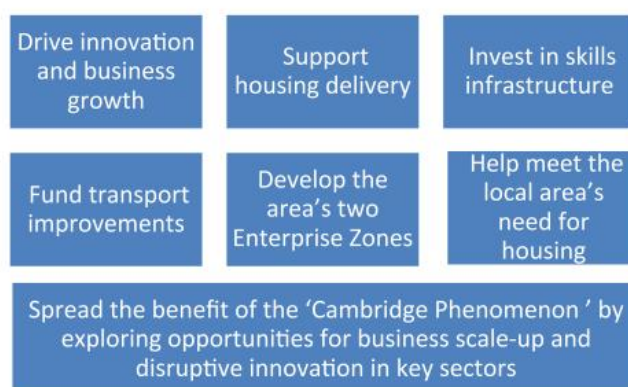
European Social Fund (ESFA) Provision

The Combined Authority has **strategically coordinated the allocation of ESF funded provision across the area** to ensure that there is activity across all available investment priorities in the ESF Programme. This includes measures to support access to employment; sustainable integration of young people, active inclusion through to skills for growth provision including access to lifelong learning and an overarching Combined Authority project 'STAR Hub', aimed at improving the labour market relevance of education and training, coordinating all other provision across the area.

Local Growth Fund

The former Greater Cambridge and Greater Peterborough LEP, and subsequently Combined Authority, has **invested £147 million of Local Growth Fund (LGF) in 2016-2020 into further and higher education.** This equates to 20% of the total allocation.

The stated aims of the Greater Cambridge and Greater Peterborough Growth Deals were to:



The combined strategies have informed the use of funds to deliver impact; levelling up the provision to ensure the region is well equipped to develop the skills required to meet the needs of the future economy. Progress against these strategies are outlined in the specific actions which are overviewed in the following Chapter.

Chapter 5: Skills Action Plan

As discussed in the previous Chapter we have a number of interlinked strategies and operational plans in the Combined Authority. These all have specific objectives and actions. **All skills related actions have been combined into one coherent Skills Action Plan.** All actions are aligned to strategic priorities at the Combined Authority. As the Skills Strategy is nearing the end of its terms, **a new Skills Action Plan will be formed when the new skills strategy is complete.** Throughout this section the current skills actions will be discussed.

The development of a new University

ARU Peterborough	Action	Source	Owner	Indicative timeframe	Target group
ARU Peterborough	Improve HE participation locally to raise aspirations for young people and ensure the curriculum meets the needs of the local employers, students and communities by developing a University for Peterborough.	Skills Strategy	SRO Higher Education	Ongoing	
	Look at scope to create a new university in Peterborough, that will attract highly skilled, productive individuals to the city, and develop the skills of the local population.	LIS	SRO Higher Education	Complete	
	Procurement of a University Partner to be complete		SRO Higher Education	Complete	
	University to open to students		SRO Higher Education	On track	

The development of the new university in Peterborough is on track to open to take its first cohort of students in 2022. Plans and Strategic Outline Business cases are currently in development for a further four phases up to 2030.

The strategic disbursement of Adult Education Budget

Theme	Action	Source	Owner	Indicative timeframe	Target group
Adult Education Budget					
	Maximise devolved AEB to target investment and the related outcomes for individual opportunity and business needs.	LIS	SRO Adult Education	Annual programme of implementing and evaluating impact of funding policy changes.	Adults aged 19+
AEB1.0	Map the current skills provision through the AEB to improve future commissioning to develop courses, employer engagement and learner engagement that links with Apprenticeship and job progression, and sector focused retraining schemes.	Skills Strategy	SRO Adult Education	In-Year and strategic commissioning to fill gaps in provision 2021/22 Re-tendering of AEB 2022/23	
AEB2.0	Improving Digital Skills	LERS	SRO Adult Education	Set targets for individual providers for 2021/22 to increase digital skills	
AEB3.0	New Funding for Training for School & College Leavers Unable to Find a Job	LERS	SRO Adult Education	High Value Course funding commissioned for 2020/21 and 2021/22 Gaps in provision commissioning with local authorities for 16-18 NEET's and 19-25 through AEB.	

⁹ Not in Education, Employment, or Training

Theme	Action	Source	Owner	Indicative timeframe	Target group
Adult Education Budget					
AEB4.0	Increase number of residents over 19 with a level 3 qualification from 30% in 2011 to 40% by 2031	The Combined Authority Implementation Plan	SRO Adult Education	Set individual targets for providers for Level 3 provision. Commission Level 3 adult offer	
AEB5.0	Increase the number of Peterborough and Fenland residents with a Level 2 qualification from 62% in 2016 to the national average of 75% by 2025	The Combined Authority Implementation Plan	SRO Adult Education	Set individual targets for providers to drive-up Level 2 provision.	
AEB6.0	Co-design with providers an employment outcome tracking process for unemployed learners in 2021/22	The Combined Authority Implementation Plan	SRO Adult Education		
AEB7.0	Work with training providers to supply starting point data and destination data for at least 50% of learners		SRO Adult Education		
AEB8.0	Utilise a budget of £1M of AEB funding to achieve social and economic value in community learning		SRO Adult Education	Co-produce a Community Learning Policy to maximise use and reporting of outcomes in Community Learning.	

Theme	Action	Source	Owner	Indicative timeframe	Target group
Adult Education Budget					
AEB9.0	Targeting low skilled and low paid adults to support them in upskilling.	The Combined Authority Business Plan 2021/22	SRO Adult Education	Evaluate Low-Wage pilot in 2019/20 and 2020/21 and increase wage threshold to £20K for 2021/22.	

Workforce Skills

Workforce Skills	Action	Source	Owner	Indicative timeframe	Target group
Skills Brokerage	Create a Skills Brokerage Service, bringing together demand and supply through a new, dedicated service. To increase enrolments in: Apprenticeships, traineeships and kickstart, T-Levels	LIS	SRO Workforce Skills	3 year contract commenced February 2021	Local employers, providers, schools and learners
Apprenticeships	Establish an Apprenticeship Ambassador Network, a voluntary network of business champions encouraging businesses to overcome reticence to create apprenticeships and encourage uptake.	LIS	SRO Workforce Skills	02/ 2019	Local employers
	Provide sector specific support by continuing to deliver the CITB Construction Hub to provide on-site training for workers from declining sectors and military veterans.	LIS	SRO Workforce Skills		
Health and Care Sector Work Academy	Create a Health and Care Sector Work Academy to tackle the local shortage of skilled workers and provide a further 2,100 learners into the sector.	Skills Strategy	SRO Workforce Skills	3 year contract from March 2018	Health and Social Care employers and learners.
Skills Talent & Apprenticeship Recruitment Hub	Connect business with providers and talent with the targeted support for STEM, T-levels, Employer Outreach, CEIAG, Work Readiness and Careers Pilots through a robust Skills Brokerage Service. Create greater visibility of talent to support businesses with recruitment/ training and using social media to attract young people into key sectors by connecting into the Digital Talent Portal.	Skills Strategy	SRO Workforce Skills	3 year contract commenced February 2021	Local employers, providers, schools and learners

Workforce Skills	Action	Source	Owner	Indicative timeframe	Target group
Apprenticeship Levy Pooling	Use the levy pot better to connect SMEs into wider value chains, spreading funding more effectively across local sector clusters by the creation of A Levy Pooling Mechanism. Manage the levy pooling to support micro businesses currently unable to take on an Apprentice due to either their size or specialist nature by connecting into an Apprenticeship Training Academy.	Skills Strategy	SRO Workforce Skills	Levy Sharing Service launched in November 2018 and is an ongoing service.	Local and national businesses and providers.
	Working with the Work and Health programme to support adults who have become disconnected from the labour market to support their progression into work.	Skills Strategy	SRO Workforce Skills	ongoing	Adults
T-Levels	Development of T-Levels with guaranteed progression pathways into the New University		SRO Workforce Skills	First levels to be delivered in 2023	Providers, employers and learners.

Significant progress has been made in relation to workforce skills but COVID-19 has impacted on the volume of apprenticeships starts. However, with the new Business Growth Service launched, it is anticipated that apprenticeship starts will begin to rebound.

Careers Education

Careers Education Information Advice and Guidance	Action	Source	Owner	Indicative timeframe	Target group
	All eligible schools in the region to have the opportunity to sign up to the Enterprise Advisor Network		SRO Workforce Skills	Ongoing	Schools
	A Greater Cambridge pilot for the wider economy to encourage more large local employers to generate more active engagement with schools , leading to more work mentoring, work experience, and industry placements. Cambridge Ahead will be deliver this pilot through its 48 Members across the Greater Cambridge sub-economy.	LEERS	SRO Workforce Skills		Schools, employers, learners
	To secure a careers Hub in the region.		SRO Workforce Skills	2021	Schools
	Undertake an in-depth evaluation of actions being taken as part of the Opportunity Area in Fenland and East Cambridgeshire, to inform future locally-led interventions which may be developed through focussed work on market towns in the area.	Skills Strategy	SRO Workforce Skills	End of 2021	

All actions are reviewed on a regular basis and assessment of progress of these actions is discussed in the next Chapter.

Chapter 6: Assessment of Progress

The Combined Authority has delivered against the priority actions outlined in the action plan. **This has been achieved by taking a programmatic approach to funding through clarity of thinking informed by a collaborative working to develop clear and ambitious strategies and plans.** The SAP has advised on the direction of these plans and will be integral to the development of the forthcoming skill strategy refresh.

Progress will be assessed by three areas; enhanced local knowledge, impact on local skills provision (including the skills action plan) and COVID-19 recovery and renewal plans.

Enhancing Local Knowledge

Since the board was established, it has worked hard to make sure it is serviced with high quality data analysis and research. **The need to have timely labour market information has been magnified over the last twelve months as the partnership have looked to understand the impacts of COVID-19 and support local recovery planning.** This work has included monthly monitoring of key datasets as identified by the national SAP programme team and the receipt of quarterly data updates.

One of the priorities of the SAP is to understand the skills demand and skills supply in the region. To this end, additional work was commissioned to increase the analytical capacity of the SAP. This included the production of the skills deep dive report, and the online publication of an interactive dashboard. The findings from **this report highlighted some gaps in the local evidence base and a further study will be commissioned.** This work, together with local intelligence, will inform the refresh of the skills strategy to be published in September 2021.

Through existing evidence, **there is a greater understanding of the three sub-economies and priority actions and funding has been allocated based on the differing localised needs.** This evidence continues to underpin our key strategies.

It was acknowledged that, as a region, this evidence should not be restricted to just the SAP board, and leadership would come through **ensuring our Schools, Colleges and Businesses have access to relevant and accessible Labour market Information.** This will help **inform our young people of the opportunities available to them within the area.** This has been created and is available for all to use. It is dynamic and will also have quarterly refreshes.

Impact on Local Skills Provision

The Combined Authority has significant strengths in its skills provision across the region which has already been highlighted in previous Chapters. Funding has been targeted through the priorities of the Skills Strategy and LERS. The Combined Authority **has encouraged a programmatic approach to the use of funds in the region.** This includes **the Adult Education Budget, Local Growth Fund, European Social Fund, Towns Fund and Market Towns Fund** amongst other smaller grants from Central Government Departments. The impact of these initiatives is evidenced throughout this Chapter, linked to the different sections of the Skills Action Plan in [Chapter 5](#).

Development of a New University

The Combined Authority has invested £40.3 million and leveraged £9m of private sector funding into Phase 1 and 2 of the New University. Building works have commenced and a university partner has been secured – Anglia Ruskin University. Detailed planning and engagement with local businesses is progressing to design and develop curriculum to meet the needs of the local economy. **The University will welcome its first cohort of students in 2022.**

Phases 3 and 4 are currently being planned and the Combined Authority is in the process of raising a further £44m of public and private sector finance to fund these phases. This will include improvements to further education delivery to develop the pipeline of students into the new university, with the goal of reaching 5,000 enrolments p.a. by 2025.

Adult Education Budget

An external evaluation of the impact of the first year of AEB in the Combined Authority during 2019/20 has been commissioned and the main findings are:

- Simplifying and streamlining the provider base from 190 in 2018/19 to 17 in 2019/20, with a reduction in sub-contracting, **creating a more localised provider network and skills system.**
- **Adult education delivery has been re-balanced**, with a considerably higher proportion of adult skills courses and a reduction in unaccredited Community Learning.
- **Community Learning has been targeted to areas of educational and social deprivation**, particularly in Peterborough and Fenland, to re-engage adults into learning.
- **The Combined Authority focussed learning delivery to learners residing in areas of high deprivation**, which increased from under a quarter (22%) in 2018/19 to just over a third (34%) in 2019/20
- **Low Wage Pilot initiative was successfully delivered in 2019/20 and increased for 2020/21.**

Key achievements include:

- 14,067 enrolments delivered to 8,421 learners.
- 78% completing and achieving the desired outcome for their learning aim.
- £7.84 million of the £11.33 million spent, with an average spend per learner of £914.67.
- 50% of enrolments were level 2, 37% were level 1 or below.
- 50% employed at time of enrolment (+6% compared to 2018/19), 40% unemployed.
- 47% of learning fully funded, a further 36% co-funded.
- 20% of learners considered themselves to have a learning difficulty or disability and health problems (+6% compared to 2018/19)
- 22% of learners were from ethnic minority groups.
- 897 learners were eligible for the low wage pilot (funding for those employed and earning less than £16k per annum)

The Combined Authority launched an Innovation Fund in 2020 to support A) the testing of new approaches that deliver tangible learning, progression, employment, and social outcomes for residents, and communities within Cambridgeshire and Peterborough, and B) the testing of new learning opportunities that target adults who may be disadvantaged, or digitally excluded in terms of skills and/or devices. **The aim of the Innovation Fund is to support applications that demonstrate innovation in the delivery of adult education.**

Since its launch in October 2020, the **Adult Education Budget Innovation Fund has awarded over £570,000 of funding to thirteen projects that will help reduce skills and employment gaps of learners who are currently underrepresented in the labour market, and groups**

digitally excluded from accessing learning in lockdown. These groups include the unemployed, those that have English as a second language, health volunteers, special educational needs and disabilities (SEND) learners and ex-offenders.

The Combined Authority has four operational Community Fund ESF projects; three covering geographical areas and one 'New Horizons' which is a thematic project supporting financial confidence. All are performing well and have been extended by the Community Fund. In addition, we have a Community Led Local Development (CLLD) plan operating in Wisbech which will support 1,200 participants.

Via the Local Growth Fund (LGF), £400,000 has been awarded to Cambridgeshire Skills in order to fund a refurbishment of March Community Centre, enabling residents in the area to utilise the space for learning opportunities.

Technical Education and Apprenticeships

While the Combined Authority Skills Strategy identifies Technical Education as a priority for both 16–19 year-olds and adults, **local providers have been inhibited by quality and structural constraints**. For example, **there will be no T-Level providers operating in the region until after 2023, despite it being a flagship Government programme**. Additionally, we have **limited high-quality Independent Training Providers (ITP)** based in the region. This inhibits capacity, particularly for the delivery of Apprenticeships.

In Chapter 3, we identified that apprenticeships have given real strength to the area, however, COVID-19 has had a clear impact on learners. **Analysis shows an encouraging increase in the number of apprenticeship starts in 2018/19** (+14% on the previous academic year), following a national decline as a result of the reforms in 2017, however this has been undone in 2020. The number of apprenticeships starts in 2019/20 (4,300) was slightly lower than starts in 2017/18 (4,450) and recent analysis has shown that apprenticeship starts have declined by 10% since 2018.

To help grow apprenticeships in the region, a number of the projects have been funded via LGF which are designed to increase apprenticeship capacity. To this end we have invested:

- £10,500,000 into iMET
- £3,160,000 into an Apprenticeship Academy and incubator in Fenland- The Metalcraft Advanced Manufacturing Centre
- £586,000 into a Food Manufacturing Apprenticeship Academy with Inspire Education Group in Peterborough
- £450,000 into a Construction Apprenticeship Academy with CITB in Kings Lynn and West Norfolk
- £2,500,000 into a further Construction Academy with Cambridge Regional College, in Huntingdon

In addition, an ESF contract was awarded to The Target Apprenticeships delivered by the College of West Anglia which seeks to work with employers to engage 1,852 participants in workplace learning.

Through this investment it is expected to achieve an additional 2,000 apprenticeship starts.

To further stimulate the demand of apprenticeships from employers, the Combined Authority launched the Business Growth Service (BGS) in February 2021. BGS has four service lines that support businesses. By integrating all these services into one single-front-door BGS will create a total of 5,278 jobs. **We will better connect our places and business clusters and provide across them a quality and connectivity of growth support that reflects, and has the**

potential to develop towards, the support eco-system developed over half a century within Greater Cambridge. To do this, the Service will expand and build on the growth support networks that are already present in and around Cambridge and develop a commercial marketplace for advisory and investment services, as well as a mentoring culture amongst supported entrepreneurs.

The Service will provide:

- (a) A Growth Coaching Service to engage and support our highest potential firms to speed their growth, build their capacity for growth, sustain their period of growth, or all three, to create 3,498 jobs.
- (b) An Inward Investment Service to better connect us into global markets, to engage and persuade firms to locate into our economy or invest in our strategic projects, to create 1,328 jobs.
- (c) A Skills Brokerage Service to link learners and those retraining for new jobs, to employers and skills providers to improve the supply of skills to our growth sectors, to provide 3,505 people with better skills for new jobs, including 1,600 apprenticeships. A new Digital Talent Portal will also be created to support this service.
- (d) A Capital Growth Investment Fund to help SMEs grow through organic expansion, offering an integrated range of grants, loans and equity products unavailable commercially, to create 1,500 jobs

Careers Education

The Combined Authority holds the contract with the **Careers and Enterprise Company (CEC)**. The CEC work to facilitate a world-class careers education, inspiring and preparing young people for the world of work. We have 76 Schools in the region with a total of 4 enterprise coordinators who work alongside employers, schools, colleges, and providers, to deliver high impact careers and enterprise support to young people (12-18yrs) **that is responsive to individual pupil needs and is underpinned by the internationally recognised Gatsby Career Benchmarks.**

We will be applying for a Careers Hub this Spring to further enhance the careers offer in the region.

As part of the Opportunity Area there is a strong group of Cornerstone employers who are linking directly with Schools – impact case studies are provided in the following Chapter.

The Region, through Cambridge Ahead, is also asking Government for funding to develop a three-year pilot to test the recommendations from commissioned research by RAND Europe analysing the provision of career guidance in the region's schools. Findings show that current provision is failing to adequately meet the needs of young people as well as the needs of businesses. Institutions involved in the system, including schools, employers and providers, recognise the current failings and are committed to doing more for young people.

Cambridge Ahead identified five key recommendations for schools, providers, businesses and Government to take forward to improve the provision of career education in schools. At the heart of these is the need for additional capacity within schools as the foundation needed to build an effective system.

The Combined Authority invested £164,500 into Hampton Academies Trust Work Readiness and Careers Promotion Pilot. Its aims were to:

To develop an innovative programme for a group of targeted learners aged 13-16 to:

- a. Develop student confidence, resilience and the personal skills required to flourish in the work place.
- b. Identify and support learners who could become NEET after 16 by tracking their progress for 3 years through stakeholders and multi-disciplinary teams.
- c. Develop a supported and personalized learning pathway for vulnerable learners, with progression routes to local training/further study/local employment opportunities.
- d. Optimise learners' progress from their starting points and support them to gain recognized qualifications for work at 16 and beyond.
- e. Identify potential barriers to progression from schools by exploring transitional programmes.

The pilot has just completed, early findings from the project indicate the success of personalised, intensive support with those learners identified as being at risk of becoming NEET.

Widening Participation and Social Mobility

Opportunity Area – through our contract with the Careers and Enterprise Company, we support schools in the Fenland and East Cambridgeshire Opportunity Area, to raise aspiration and educational attainment in one of our most challenged areas.

The vision for Fenland & East Cambridgeshire Opportunity Area is to improve social mobility by ensuring that all children and young people have access to high quality education, training and employment. Access should be regardless of ability, background or where they live or go to school. This will be achieved by addressing the **4 identified priorities above on page 18**.

The schools in the Opportunity Area are part of the Careers & Enterprise Adviser Network. Schools receive the support of an Enterprise Adviser, a senior person from the business sector, who is matched to their school. They also have access to an enterprise co-ordinator who can support the school with their careers and employer engagement strategy, signpost to resources and other CEIAG service providers. The area is also fortunate to be supported by 6 cornerstone employers who will give additional support to schools where needed. Projects currently being planned include development of support for virtual work experience by local employers as well as a collaboration between a national employer, STEM Learning and the Combined Authority on a mentoring project for Year 10s for one of the special schools.

27 secondary schools receive funding from 'The Network for East Anglian Collaborative Outreach'. NEACO aims to help young people from East Anglia with little or no experience of university to explore the world of higher education. They work with students in years 9-13 who live in areas identified by the Government with low rates of progression to higher education. Some schools have used the funding and invested in digital careers platforms such as Unifrog or Kudos and this has proven particularly beneficial during COVID-19.

COVID-19 recovery and renewal plans

The local economic recovery group meets fortnightly. The LERs was published in Autumn 2020 and many of the interventions are in progress. **A refresh of the LER is currently underway and all members of the SAP were invited to workshop sessions to input into the new version of the SAP.** The data provided at the request of the SAP is used and feeds into the direction and creation of the LERs.

Local intelligence from members of the SAP is welcomed and acted upon in the recovery of the local economy.

As already noted in the action plan – all LER actions are incorporated in the Skills Action Plan. Many of the ESF funded projects are supporting the local recovery. The ESF funded and DWP

Jobcentre Plus contracted 'Work Routes' programme is the participant led package of tailored employment and employability support to help reduce worklessness. Over 4,000 participants have been supported and the project is in the process of being extended. Skills Support for the Unemployed (SSU) is provided via an ESFA contract with Ixion who aim to deliver to over 1,700 participants. Provision for young people that are NEET or at risk of NEET is provided through the TCHC 'My Future' Programme last reported to have exceeded targets with over 1,300 participants. Skills Support for the Workforce (SSW) and Skills Support for Redundancy (SSR) is delivered via an ESFA Opt-In contract through SERCO. Over 2,000 participants are contracted.

The Combined Authority, guided and advised by the SAP, is making an important and significant impact on the Region's provision of skills, increasing capacity in disciplines which are in most demand by employers. There is still work to do though, which will be realised through the refreshed skills strategy.

Chapter 7: Case Studies and Positive Impact Stories

The Skills Strategy details how the Combined Authority will enable sustainable futures by creating a culture of positive change within the skills arena following three key themes. Evidence of impact is provided through a series of case studies.

1. Achieve a high-quality offer tailored to the needs of the three sub-economies.

School Careers Education Information Advice and Guidance

The Combined Authority set out in the Skills Strategy a commitment to play a critical role in facilitating skills growth via Careers Education Information and Guidance.

TBAP Octavia is an Alternate Provision of 35 mixed students who are amongst the most vulnerable and disadvantaged in Fenland. The school has been identified by AIM Group as a development school which will afford students access to enhanced support.

As a development school, the students will receive additional support for two years. This support varies from group sessions or 1:1 support for individual students looking for an apprenticeship programme to start their careers.

Two local employers have agreed to support this initiative: Stainless Metalcraft of Chatteris and M J Services of March. Both employers will share the experiences of their own Apprentices and inhouse Apprenticeship programmes with students which will allow students to understand what opportunities exist, what expectations employers have and the variety of job roles available in the area. It is hoped this will prove to be invaluable as many students have limited or no experience of the world of work.

The additional support provided by AIM will better prepare students for life after formal education, drive forward the Apprenticeship agenda and promote social mobility.

Flexible FE Provision: Cambridge Regional College

Greater Cambridge is a diverse sub-economy within the Combined Authority area which includes Cambridge and South Cambridgeshire (including southern parts of Huntingdonshire and East Cambridgeshire)

Cambridge Regional College is a bedrock of the Further Education Estate in Cambridgeshire. With some of the best facilities in the country, they offer a wide range of courses, delivered in industry-standard workshops, studios and salons. They support thousands of full-time students, adult learners and Apprentices every year.

During the pandemic, like many businesses, they had to adapt their ways of working and as a college, they needed to do so to be able to address the needs of the wider economy. In doing so, they have been able to continue to support their current students, but have also engaged with a wider demographic that have previously been in employment and have not participated in formal learning for a number of years.

Rebecca struggled with her self-esteem, confidence, and anxiety as a result of being made redundant after an 18-year career with her employer. She was unsure of her skills and knowledge and what transferable skills she had. Rebecca enrolled with Cambridge Regional College during

the Pandemic and completed Explore Business Admin and Stress Awareness /Mental Health Awareness course, both online.

Rebecca initially found the online learning a challenge due to her not having much experience in the use of digital platforms. Her tutor discovered that by harnessing Rebecca's creative skills her confidence improved and as a result, her work did too. As the course progressed, Rebecca used her leadership skills to good effect.

Rebecca suffered with anxiety and low mood and by accessing additional support from the college she progressed with her work, creative skills and leadership skills. Rebecca has truly developed as a person and this course has motivated her to continue with learning. Rebecca has progressed on to another course and has started a small business in the arts and craft sector. This business allows her to explore a different way of earning an income, contribute to society and increase her self-belief. The Skills gained during her original courses have helped her to improve her management of stress and her improved administration skills support the running of her business.

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.

The Combined Authority strives to empower local people to access education and skills which will not only support academic achievement but will enable them to participate fully in society, raise aspirations and allow them to progress into further learning and work. The importance of inclusive growth is grounded in the fact that the poorest adults with the lowest qualifications are the least likely to access adult training despite being the group that would benefit from it the most (Social Mobility Commission 2019).

Raising Aspirations in School Children: The Harbour School

The Harbour School, Wilburton, is a Social Emotional Mental Health (SEMH) school in Fenland & East Cambridgeshire OA which focuses on the needs of boys aged 7-16 years. Students at the school are amongst the most disadvantaged in the region and likely to be NEET upon leaving school.

The school engaged with the Careers and Enterprise Company and were matched with an Enterprise Advisor from Morgan Sindall. Enterprise Advisers work with careers leaders and senior leadership teams to develop their careers and employer engagement strategies, and where possible, signpost to opportunities in the community. The school's ambition was to develop a mentoring project which would raise the students' aspirations and introduce them to role models.

Morgan Sindall, STEMPoint East and the Combined Authority collaborated and are organising a mentoring programme suitable for year 10 students to meet the objectives of the programme. STEM Learning Ambassadors have come forward as mentors and members of the school staff are participating in a Stars outcome programme, which underpins three values; empowerment, collaboration, and integration. The mentors will work on one part of the Star, which includes the world of work, employability, and information on the local job market. This programme will improve confidence and knowledge and increase employer engagement, networks, and support for the school, which in turn creates opportunities and raises aspirations of school students.

The above demonstrates a tailored offer that is designed to improve work opportunities and earning potential and support social and economic growth. The offer is aligned to the geographical sub-economies and will move towards addressing the root causes of these inequalities.

Support for the unemployed: Reed in Partnership

Reed in Partnership deliver the Work Routes programme in the Combined Authority area and support those furthest from the labour market in becoming work ready. They work with individuals, many of whom have complex needs, to be able to fully participate in society which improves their work and pay prospects, in turn supporting social and economic growth.

Samira had been out of work for 16 years claiming ESA and has been suffering from Anxiety, Depression and was lacking self-confidence. Samira joined the Work Routes program after an introduction from a Work Routes Advisor at a local Jobs fair.

With low confidence, Samira attended a Customer services course and whilst she was developing her Customer Service skills, was encouraged to look for voluntary positions as a way of building up her confidence. With a renewed confidence and engagement in learning, Samira progressed to a Sector Based Work Academy and as a result secured a job.

Samira says: “I personally tell everybody, all my friends and family that I am going into work because I am so excited with what I have achieved with Work Routes. I was suffering from Depression and Anxiety for years and I totally lost my confidence and self-esteem. I start to feel that I am good and I am capable of working and making my life. I have started standing on my own feet and I feel like I am human and can function and be helpful to myself and others because of Work Routes”

Health and Care Sector Work Academy: Peterborough College

Health and Social Care is identified as a priority sector by the Combined Authority and the Health and Care Sector Work Academy (HCSWA) is identified as a Key Intervention which will play a critical role in facilitating skills growth in the region. The HCSWA is a unique £5.2m programme operating only in the Combined Authority area.

Recently, a participant of the HCSWA have been recognised by winning a National Learning Award. Laura Dunn-Green attended the HCSWA which allowed her to discover her passion for care and embark on a new career. Laura had a history of mental health issues and left education after having her daughter at 16 years of age. Laura signed up to the programme after a conversation with her JCP job coach. Initially she found it difficult to engage with the programme, but her confidence built over time and she overcame her shyness.

Returning to learning has transformed Laura’s life. She excelled in her course and is now in a job she loves as a healthcare assistant at a local care home. Laura is keen to continue learning, and to progress in her job role. Laura said: “I’ve become a much more confident person and I feel like I have a purpose. I felt like I had spent so many years being mum and dad that I forgot how to be me, but the work academy helped me find myself and made me realise that I could make my daughter proud of me.”

3. Develop a dynamic skills market that responds to the changing needs of local business.

The creation of a dynamic skills market that will improve prosperity and productivity will be based on local labour market information. The Combined Authority’s commitment to develop future learning pathways, recognises that there is the need to prepare for the unpredictable as the balance of the kind of skills required in key employment sectors changes with time. New and traditional sectors’ occupations require more highly skilled workers and employers’ needs for specific skills are constantly changing, making it difficult to forecast. People entering the workforce and those already in work will need to be continually upskilled and trained to meet the jobs of the future. There is a need to embed a culture of lifelong learning and continuous skills improvement.

Industry and Education Partnership Working: The College of West Anglia and Anglian Water

The College of West Anglia works in partnership with Anglian Water to offer a level two construction and level three engineering course at the Wisbech campus, providing the skills and knowledge to make students work-ready.

The innovative pre-apprenticeship programme has been designed with the specific aim of attracting new talent into the utility sector and enabling students to go on to work for one of the alliance companies as an apprentice. The majority of study in the year-long course will be delivered by college tutors through practical and theory-based sessions. Students have the opportunity to try the career, while studying, and are guaranteed a job interview with Anglian Water and their partner companies once they have completed their studies.

The Anglian Water Alliances are collaborative organisations of consultants and contractors working together to deliver more than half of Anglian Water's capital investment programme.

The Anglian Water @one Alliance, which is supporting the level 3 engineering course, has a programme of works valued at £1.2bn over the next 5 years, known as AMP6. Anglian Water are responsible for the design and construction of water and water recycling (waste water) treatment centres that serve more than five million people in the East of England and maintain and improve the water mains and the sewerage network in the region. The partner companies forming the co-located collaboration are: Anglian Water, Balfour Beatty Utility Solutions, Barhale, Grontmij, MMB, MWH and Skanska and are based in Peterborough with multiple offices across the East of England and beyond.

Jason Tucker, Anglian Water's Director of Strategic Delivery & Commercial, said: "We are focussed on working with colleges in our region that are committed to building partnerships with industry. These establishments will create opportunities for people by training and developing them with the vital skills and behaviours needed to meet our current and future skills shortages."

Dave Newsome, Collaborative Skills Programme Manager, Anglian Water Alliances, said: "We were impressed by the College's existing provision, their academic teams and "can-do" approach to working with employers. We don't want to sponsor a programme by simply putting our name to it; we want to be in there working side by side with our chosen providers. Together we'll tackle some of the great challenges facing the water industry by teaching and educating future leaders in the field."

Industry Led Learning : Kennedy's

Kennedy's are a Global Law firm with Offices in Cambridgeshire. They are using Apprenticeships as a way of attracting new and diverse talent to their business. The Apprenticeship programme is designed to help springboard new talent into a successful career by providing a mixture of studying and learning within the workplace with clear career routes. This offers those wanting to enter the legal profession with a real alternative to University. Their Legal Apprenticeship programmes are aimed at school leavers who have completed A Levels or equivalent studies and are looking to embark on an exciting career.

Their two-year paralegal Apprenticeship will result in the Level 4 Certificate of Higher Education in Legal Services, which is equivalent to the first year of a law undergraduate degree. The paralegal apprenticeship offers an introduction to the fundamentals of legal practice and provides a combination of learning and working within one of their legal teams.

Once the two-year paralegal Apprenticeship has been completed, Apprentices who would like to continue their learning may have the opportunity to join the Level 7 solicitor apprenticeship. This

takes four years to complete and involves the completion of a (Hons) degree in legal practice and will lead to qualifying as a solicitor.

“I have my own caseload and work on my own files as well as liaising with clients directly which I was never expecting to do in my first two years of my Apprenticeship” said Maya Taylor, Solicitor Apprentice.

Professional Services are identified as a key priority sector within Cambridgeshire and Peterborough and the opportunity offered by Kennedy’s demonstrates how a tailored offer can improve work and pay prospects for local individuals. A career pathway which is perceived as being available only to graduates is using Apprenticeships as a way of breaking down those preconceived barriers and offering opportunities to those for which university would be cost prohibitive.

Data Driven Learning in Cambridgeshire: Cambridge Spark, Anglia Ruskin University and Cambridge Assessments.

The Combined Authority’s Skills Strategy outlines the need for a flexible, dynamic skills market. It is recognised that new and traditional sectors’ occupations require more highly skilled workers and employers’ needs for specific skills are constantly changing making it difficult to forecast.

Demand for Data Analysts is high and, in a knowledge-led economy like Cambridge, competition to recruit and retain is fierce. People entering the workforce and those already in work will need to be continually upskilled and trained to meet the jobs of the future. The need to embed a culture of lifelong learning and continuous skills improvement is delivered by a partnership between Cambridge Spark, Anglia Ruskin University and Cambridge Assessments.

Delivered by Cambridge Spark, Anglia Ruskin University’s MSc Digital and Technology Solutions (Data Analytics) degree apprenticeship equips learners with the tools and techniques to process large complex datasets for business insight.

Dr Sylwia Macinska, Senior Research Manager at Cambridge Assessment, started the two-year apprenticeship in September 2019.

Sylwia first developed an interest in data analysis and modelling whilst studying for her Psychology PhD, and her current role at Cambridge Assessment is heavily focused on using data analysis to find innovative solutions to support learning. With a desire to find more effective ways to analyse data and to model the behaviour of students to predict performance, she applied for the MSc Apprenticeship.

“I thought this was a very exciting time to upskill in data science so we can create more innovative solutions to support teaching and learning. We have been carrying out research, tracking student progress, and analysing data to improve learning for a long time. But now with new opportunities offered by digital data and computational techniques from data science, we can create a more comprehensive picture of learners and provide them with a more personalised experience based on their strengths and areas for improvement”.

The apprenticeship has equipped Sylwia with a comprehensive set of data science skills, including machine learning techniques, data engineering and deep learning. She dedicates one day per week to the Apprenticeship and applies the skills learnt the rest of the week. The skills developed means there is no longer a reliance on additional resource providing data support as she is now able to evaluate the performance of different machine learning techniques. The course is taught via a blend of immersive teaching, online study and a hackathon-style bootcamp which simulates real-world events.

Halfway through the apprenticeship, Sylwia moved into a new position of Senior Research Manager and believes her training was a contributing factor to her being successful in getting the position. She says, "I think that I am perceived as someone who can be a bridge between the researchers and data scientists that are currently working in the organisation, to help bring together the two worlds."

In a world that is increasingly data driven, demand for this skill set is high. There are so many positions that are related to data and there is a huge organisational benefit from learning about data science and its application within the organisation. This programme allows businesses in the area to address their immediate business needs via an Apprenticeship.

A Rich Heritage in Engineering, developing talent through Apprenticeships: Marshall Centre

Marshall Centre, located in Cambridge, is a part of Marshall Aerospace and Defence Group a key employer in the area. Marshall Centre is born out of 100 years' developing future talent for Marshall Aerospace and Fleet Solutions. They are responsible for training over 20,000 apprentices who have made a significant impact in the world of aviation, manufacturing and defence.

Marshall Centre have recently been granted 'Main Provider' status, which allows the Centre to draw on external Businesses' Apprentice Levy and offer apprentice delivery outside of the Marshall Group.

They welcomed their first 25 external apprentices from Horizon Discovery and CamdenBoss in January and are looking to increase their apprentice offering to more businesses within Cambridgeshire to help them upskill their current and future workforce.

Marshall Centre are proud of all their Apprentices and everything they achieve. Haydn Jakes was recently awarded an MBE for winning a gold medal in the WorldSkills final in Kazan, Russia. Mark Johnston started his career as an apprentice and is now Chief Engineer, Steve Silk was awarded an MBE for his contribution to British Engineering and Neil McCombie, former apprentice and now Senior Airframe/Engine Technician, recently delivered the first C-130J Centre Wing Replacement outside of the USA. They have all said that the training they received during their apprenticeship was excellent and prepared them well for their careers.

Alongside apprenticeships, Marshall Centre also deliver several professional qualifications in:

- Aircraft maintenance
- Human Factors
- Aircraft type training
- Leadership and Management
- Mental Health and Wellbeing
- APM Accredited Project Management (PMQ and PFQ)

Jack Seeley from CamdenBoss recently completed the APM PMQ and gave some great feedback.

"The course was very well organised with weekly online video calls and excellent revision material, both accessible via the APM book provided by Marshall Centre and the online portal, which allowed 24/7 access to a lot of great material. This helped massively with revision. The weekly calls along with the revision material in the book/online portal gave a conclusive well-structured breakdown of each section, making the course very accessible for anyone who wants to undertake the qualification even if, like me, their prior knowledge is limited at the time of starting. The qualification will not only help with my organisation of tasks but give me a great overview of how each project should run from different stages, who should be involved when, costing

(including time scales) and so much more. Overall, I am very proud to have the qualification and plan to use it throughout my career in design.”

Marshall Centre started delivering Mental Health First Aid courses in January. Dan Edwards, General Manager at Marshall Centre gave this feedback after completing the course, *“The more I watch the news and speak to companies and employees in and around Cambridge it is becoming more and more apparent that Mental ill Health is becoming a crisis that we as business leaders and good human beings need to address and support. I wanted to lead from the front and show everyone at Marshall Centre and within my network that this is important, we should be talking about it and we should be taking the lead in supporting those who have recovered or in recovery from Mental Health experiences. A superb course delivered extremely well and so thought provoking. Best two days of learning I have experienced.”*

Developing a Talent pipeline and learning culture: Metalcraft

Metalcraft, located in Chatteris, manufacture high integrity, mission critical products for some of the world’s most hazardous and dangerous environments, across a wide range of sectors including Nuclear, Medical, Big Science, Energy and other challenging markets. A key employer in the region, they have over 100 years’ experience of training apprentices.

50% of their employees have been trained in-house including members of the board. New Apprentices join with a clear path of progression mapped out and a number of apprentices have been recognised locally, regionally and nationally, winning awards and accolades. Metalcraft also secured both the Princess Royal Training Award & the Queens Award for Promoting Opportunity through Social Mobility.

Stainless Metalcraft are launching a new vocational training centre in Chatteris, a multi-million-pound facility that will accommodate 130 apprentices per year. The training school will be managed by West Suffolk College and Cambridgeshire Skills in support of the development for an Advanced Manufacturing Innovation Launch Pad (AMIL). Stainless Metalcraft have worked with several local organisations to bring the plans to fruition, including The Active Learning Trust, MAKE UK and the University of Cambridge.

The centre, known as the North Cambs Training Centre due to its location, will offer local residents the opportunity to undertake an apprenticeship, pre-apprenticeship training or adult education training, gaining a career whilst developing work ready skills. The potential to continue study via higher education can continue up to and beyond degree level qualifications with the new University of Peterborough providing access for degree level Apprenticeships.

****HEADER TBC****TBAP OCTAVIA**

Supporting vulnerable and disadvantaged students in Fenland

Having been designated a 'development school', pupils at TBAP Octavia are now able to access enhanced Careers Education and Guidance via an innovative programme which supports each student for two years.

Scope: An innovative Careers Education and Guidance scheme designed to help students overcome their challenges and expand their horizons

Location: Wisbech (Fenland)

Lead organisation: TBAP Octavia, part of an Academy which empowers learners to take their place successfully in the wider community

The programme empowers students to:

01**Identify new opportunities**

Disadvantaged pupils learn that there is a wealth of opportunity open to them via the apprenticeship scheme.

02**Anticipate employers' needs**

Engagement with local businesses, such as Stainless Metalcraft and M J Services, and their apprentices helps pupils to understand what businesses need from their employees.

03**Overcome barriers**

1:2:1 support sessions ensure that students have a safe environment to communicate, explore and address any barriers to success.

**Benefits for participating employers**

The scheme enables local employers to promote their apprenticeship programmes, champion the achievements of their current apprentices and ensure they understand the needs of tomorrow's employees.



Matches the needs of employers, learners & communities



Supports social mobility



Builds relationships with employers

FLEXIBLE FE PROVISION

CAMBRIDGE REGIONAL COLLEGE

Helping the unemployed win high-skilled, better paid jobs

COVID-19 provided Cambridge Regional College with the opportunity to deliver online courses which would help the previously employed re-engage with formal learning and develop skills which are needed by local businesses.

Scope: Online courses to support the newly unemployed after COVID-19

Location: Cambridge (Greater Cambridge Area)

Lead organisation: Cambridge Regional College, a 'welcoming college for all'

The poorest adults with the lowest levels of qualifications are the least likely to access adult training despite being the group that would benefit from it the most (Social Mobility Commission 2019).

Rebecca's story

Background: After 18 years with one employer, Rebecca needed help to improve her skills, confidence and knowledge.

The challenge: out-of-date skills, a lack of experience in digital platforms, low confidence, anxiety and low mood

The solution: Explore Business Admin and Stress Awareness/ Mental Health Awareness online courses with additional support from a tutor to help Rebecca develop a sense of self-worth.

The result: Rebecca has used her new-found business skills and confidence to set up a small business. She has also developed a love of learning and has already registered on another course.



Matches the needs of employers, learners & communities



Enables social mobility



Improves productivity through skills

RAISING ASPIRATIONS IN SCHOOL CHILDREN

Scope: A mentoring programme which raises aspirations and builds relationships

Location: Wilburton (East Cambs)

Lead organisation: The Harbour School

Supported by: The Careers and Enterprise Company and STEMPOINT East

THE HARBOUR SCHOOL

Supporting heavily disadvantaged pupils who have Education, Health and Care Plans

Students at the Harbour School are likely to be NEET (Not in Education, Employment or Training) when they leave. However, they now have a brighter future thanks to support from the Careers and Enterprise Company and STEMPOINT East, an educational charity.

Helped by an Enterprise Advisor from a leading UK construction and regeneration company (Morgan Sindall), sourced through The Careers and Enterprise Company, the school has developed a mentoring programme which raises the aspirations of year 10 students and forges mutually beneficial relationships between students, employers and apprentices.

The Stars Programme is underpinned by three values:

01

Empowerment

Students are given the knowledge and confidence to succeed.

02

Collaboration

STEMPOINT East's STEM Learning Ambassadors act as mentors. They help the school focus on employability and access information on the local job market.

03

Integration

The programme reduces the risk of pupils becoming NEET by introducing them to mentors who can help them transition successfully into employment.

Using local resources ****can lose if needed****

STEMPOINT East's aim is to inspire young people in science, technology, engineering and maths (STEM). It does this by engaging school pupils in memorable experiences and by introducing them to professional scientists, technologists, engineers and mathematicians.



Matches the needs of employers, learners & communities



Supports social inclusion and mobility



Expands pupils' horizons

SUPPORT FOR THE UNEMPLOYED

Scope: A voluntary programme which helps out-of-work individuals (some with complex needs) to find new opportunities

Location: Cambridge

Lead organisation: Reed in Partnership

“ I am so excited with what I have achieved with Work Routes. I was suffering from depression and anxiety for years and I totally lost my confidence and self-esteem. I have started standing on my own feet...because of Work Routes. ”
Samira

WORK ROUTES

Helping the long-term unemployed become economically independent

The Work Routes voluntary programme, delivered by Reed in Partnership, helps long-term unemployed or economically inactive people aged over 16 find new opportunities and contribute to the local economy.

Those with barriers to employment, such as lone parents, older workers and the disabled, are empowered to overcome these obstacles via personal support (available for up to a year) and tailored in-work support (for up to 26 weeks).

Samira’s story

Background: A 16-year employment gap had left Samira feeling daunted by the thought of returning to work

The challenge: Lack of confidence, anxiety and depression

The solution: Samira attended a Customer Service course delivered by Work Routes. She was advised to boost her self-esteem through voluntary work

The result: Samira’s new confidence and love of learning led her to a Sector Based Work Academy and, ultimately, to paid employment.

Courses completed: Customer Service



Enables the unemployed to contribute further to society



Helps the disadvantaged to develop skills and confidence



Encourages a culture of learning and development

HEALTH & CARE SECTOR WORK ACADEMY

Scope: An Academy which offers a range of apprenticeships from entry level to management, free contextualised English and maths training, funding that reduces barriers to learning, free mentoring, networking opportunities and job matches

Location: Peterborough (Peterborough and Surrounding Areas)

Lead organisation: Peterborough College

“ I've become a much more confident person and I feel like I have a purpose. I felt like I had spent so many years being mum and dad that I forgot how to be me, but the work academy helped me find myself and made me realise that I could make my daughter proud of me. **”**

Laura, winner of the Festival of Learning 2020 New Directions Award

PETERBOROUGH COLLEGE

Providing a pipeline of skilled employees for a priority sector

The Health and Care Sector Work Academy (HCSWA) is a Key Intervention which helps carers and potential carers develop the skills that employers need to meet their users' current and future needs.

Over a three-year period, the Academy aims to train 2,100 people and help fill the 14,000 vacancies that exist.

Laura's story

Background: After leaving school at 16 to have her daughter, Laura needed to find a fulfilling career with prospects

The challenge: Anxiety and depression following a bereavement, difficulty engaging and lack of confidence

The solution: Tutors on the HCSWA course provided encouragement, helping Laura discover a passion for care and unlock a potential career in management ****do we need to mention the JCP job coach?**

The result: Laura is now working in a job she loves and has the confidence to plan for her future

Her tutor comments: "Laura is flourishing at work and continues learning and upskilling to further her career towards a managerial role. Her determination shines through and she is an amazing role model for her young daughter." ****could lose this quote?***



**Innovative
regional
pilot**



**Enables the
unemployed to
contribute
further to society**



**Matches the needs
of employers,
learners &
communities**

INDUSTRY &
EDUCATION
PARTNERSHIP
WORKING

Scope: Level 2 Construction and Level 3 Engineering courses

Location: Wisbech (Fenland)

Industry support: Anglian Water and partner companies/industry leaders including Balfour Beatty Utility Solutions and Skanska

THE COLLEGE OF WEST
ANGLIA & ANGLIAN WATER

Building a talent pipeline

An innovative pre-apprenticeship programme has been launched to attract new talent into the utility sector and pave the way for successful apprenticeships.

Students who complete the courses are guaranteed a job interview with Anglian Water and its partner companies. This helps to ensure that valuable skills and knowledge remain within the region.

“We were impressed by the College’s existing provision, their academic teams and “can-do” approach to working with employers. We don’t want to sponsor a programme by simply putting our name to it; we want to be in there working side by side with our chosen providers. Together we’ll tackle some of the great challenges facing the water industry by teaching and educating future leaders in the field.”

Dave Newson, Collaborative Skills Programme Manager, Anglian Water Alliances



Addresses potential
skills shortages



Provides access
to highly-skilled,
better paid jobs



Builds
employer
relationships

INDUSTRY LED LEARNING

Scope: An apprenticeship which enables students to achieve a Level 4 certificate of Higher Education in Legal services (equivalent to the first year of a law undergraduate degree) without the cost of going to university

Location: Cambridge

Lead organisation: Kennedys, a global law firm

KENNEDYS

Challenging preconceptions about apprenticeships

Kennedy's drive to attract new and diverse talent has been boosted by its two-year paralegal apprenticeship programme. This enables school leavers with A Levels or equivalent to build a stable, rewarding and exciting career in the law without incurring university fees.

Students, who are paid whilst they work, achieve a Level 4 certificate and have the option of progressing to a four-year Level 7 solicitor apprenticeship which includes the completion of a degree in legal practice.

Throughout the course, students are entrusted with the responsibility for their own caseload and for communicating with clients.



work on my own files as well as liaising with clients directly which I was never expecting to do in my first two years of my apprenticeship.

Maya Taylor



Provides access to highly-skilled, better paid jobs



Improves workplace diversity



Encourages a growth mindset

DATA DRIVEN LEARNING IN CAMBRIDGESHIRE

Scope: A work-based degree apprenticeship programme which enables businesses to harness the power of business intelligence

Location: Cambridge (Greater Cambridge Area)

Lead organisations: Cambridge Spark and Anglia Ruskin University

CAMBRIDGE SPARK, ANGLIA RUSKIN UNIVERSITY & CAMBRIDGE ASSESSMENTS

Giving local businesses the insight they need to thrive

Business intelligence helps organisations to become more profitable, competitive and resilient. The demand for data analysts is high and there is fierce competition to recruit and retain them, especially in knowledge-led economies like Cambridge's.

Anglia Ruskin University's MSc in Digital and Technology Solutions (Data Analytics), a two-year degree apprenticeship delivered by Cambridge Spark, aims to address this challenge by creating more skilled data specialists who have the tools and techniques needed to help local businesses unlock the secrets held within their data.



I think that I am perceived as someone who can be a bridge between the researchers and data scientists that are currently working in the organisation, to help bring together the two worlds.

Dr Sylwia Macinska



Sylwia's story

Background: Having joined Cambridge Assessment, the university's international exam group, Sylwia wanted to create a more comprehensive picture of learners and provide them with a more personalised experience based on their strengths and areas of weakness

The challenge: Developing the skills needed to analyse complex data gathered from over eight million learners

The solution: Attend the MSc programme to build a set of data science skills, including machine learning techniques, data engineering and deep learning

The result: Sylwia's new skillset means that the company is no longer reliant on external resource. She believes that the course contributed to her being offered a specialist role as **, a role which has a heavy focus on data analysis.



**Matches the needs
of employers,
learners &
communities**



**Provides access
to highly-skilled,
better paid jobs**



**Helps local
businesses
become more
competitive**

DEVELOPING TALENT THROUGH APPRENTICESHIPS

MARSHALL CENTRE

Sharing knowledge to support other local businesses

Having trained over 20,000 apprentices who have made a significant impact in the world of aviation, manufacturing and defence, Marshall of Cambridge has diversified into delivering apprenticeships outside the Marshall Group.

Marshall's new 'employer provider' status enables it to share its expertise with other local businesses keen to derive a competitive advantage from upskilling employees.

Having recently welcomed the first 25 external apprentices to the Marshall Centre, the firm now plans to increase the programme's reach so it can support more organisations.

Scope: A programme which allows an experienced employer to diversify and share its expertise with other local businesses

Location: Cambridge (Greater Cambridge Area)

Lead organisation: Marshall of Cambridge



Matches the needs
of employers,
learners &
communities



Gives students
a career path



Shares
knowledge to
support other
businesses

DEVELOPING A TALENT PIPELINE & LEARNING CULTURE

Scope: A vocational training centre which opens career opportunities for locals, raises aspirations and increases diversity

Location: Chatteris (Fenland)

Lead organisation: Stainless Metalcraft, holders of the Princess Royal Training Award and the Queen's Award for Enterprise in Promoting Opportunity through Social Mobility

Supported by: The Active Learning Trust, MAKE UK and the University of Cambridge

THE NORTH CAMBS TRAINING CENTRE

Continuing a rich heritage in engineering

Having used its apprenticeship scheme to address a potential skills shortage caused by an aging workforce, Stainless Metalcraft is now fully committed to helping locals develop work-ready skills whilst undertaking an apprenticeship, pre-apprenticeship training or adult education.

Situated in an area of deprivation, the firm's new multi-million pound vocational training centre will enable 130 apprentices each year to develop the specific technical skills needed by Stainless Metalcraft and other local employers.

Students will be able to progress to the new University of Peterborough after completing their apprenticeship.

The training school will be managed by West Suffolk College and Cambridgeshire Skills in support of the development for an Advanced Manufacturing Innovation Launchpad (AMIL).



Helps meets the
need of local
employers



Provides access
to highly-skilled,
better paid jobs



Enables further
personal
development

Chapter 8: Looking forward

The SAP has provided a greater impetus to understand the current and future skills supply and demand in the region. The analytical capacity and understanding of the SAP has matured over this tenure. **This insight will continue to inform practice and how future decisions and strategies are developed.**

Significant progress has been achieved, investments have been made with a clear understanding of the need and impact required. The new university will welcome students in September 2022, whilst the capital projects funded via LGF are underway creating many new learning opportunities. Devolved AEB is making a significant impact to engage, upskill, reskill and provide support to residents made redundant during the recession. Further flexibilities and funding rule changes will be implemented, such as fully funded ESOL and full funding for **first full level 2** qualifications for residents aged 24+. A further £1m of additional funding will provide free Level 3 courses to adults without a first Level 3. Strategic commissioning to target provision 'cold-spots' and a 'nudge' marketing campaign to promote the economic and social value to individuals of adult learning will be implemented.

The business growth service launched in February. **The three-year project seeks to deliver an additional 1,400 apprenticeships and over 1,700 other learning outcomes aligned to skills demand will be delivered.**

Continued targeted investment informed by understanding the local need will transform the lives of individuals whilst concurrently advancing the rebound of the economy.

The new University in Peterborough will open its doors to 2,000 students in 2022, with an ambition to offer courses for up to 12,500 by 2030.

Phase two of the University developments have already been planned. The Phase 2 project is to complement the 2020-22 investment of £30.47m from the Combined Authority, PCC and private sector into a Phase 1 Academic Teaching Building for a new University in Peterborough, to produce 3,000 p.a. graduates.

The Research & Development Centre will be a 2,200 sqm build and consist of 3 floors with a mix of high-quality technical laboratory and office space for incubations and start-ups. **The £14.6m of funding for the project has been allocated to the Combined Authority by MHCLG and the formal application process for our Innovation Delivery Partner**, and their partners, to apply for and utilise the funding is currently underway.

Planning is due to be approved in Spring with a spade in the ground March/April 21 and completion of the build by 31 January 22. The timeframe on this project is extremely tight with a build programme of 41 weeks following procurement of the main contractor. **The building will be built by end of January 2022.**

The biggest challenge the Combined Authority continues to face is adapting and proactively embracing the intricacies of each of the three sub-economies within the region, all with unique challenges and opportunities to thrive. COVID-19 has impacted the sub-economies in different ways – all have planned interventions to support the rebound of their economies. **Strategies and plans need to be dynamic to quickly respond to external changes in the system.**

To this end, the Combined Authority has already developed a plan to achieve this, working in partnership with key stakeholders:

- **Refresh of the LERS** – workshops are underway to consult with key stakeholders in the region, including members of the SAP to ensure the rebound and recovery strategy meet the changing needs of the economy.
- **Refresh of the Skills Strategy** – this will follow on from the refresh of the LERS. The new strategy will have both tactical and structural ambitions to ensure the Combined Authority area has the necessary skills to meet the future needs of the economy. The SAP will be central to the development of the new strategy, which will have a number of clearly identified workstreams to ensure the strategy is all encompassing of the skills strategy for the region. New cross cutting themes will be integral to the new refreshed strategy.

Next steps within a new policy landscape

The DfE has published the Skills for Jobs White Paper, setting out an ambitious reform agenda for lifelong learning for job opportunities and economic growth. At the heart of the reforms is the role of Technical Education and FE colleges working symbiotically with local businesses. Local colleges are anchor institutions, with the potential to enable the unemployed, low skilled and to upskill the existing workforce **to access better jobs as a catalyst for recovery and transformation, as the economy evolves to automation, digital and net zero.**

To facilitate delivery, the DfE have allocated £1.3bn capital funding through the new Further Education Capital Transformation Fund, to which college corporations may bid directly. Previously, FE Capital was included in the Local Growth Fund (LGF) and approx. £30m was invested by the Combined Authority into FE projects.

The lack of a cohesive FE Capacity and Infrastructure Prospectus for the Combined Authority region will inhibit our recovery and future growth ambitions. It is therefore proposed to develop an FE Capital Prospectus, across all providers which looks to FE assets as a 'system,' which serves business and communities, rather than autonomous competing providers. The Capital Investment Prospectus will coalesce existing strategies such as the Local Industrial Strategy (LIS), Local Economic Recovery Strategy (LERS), Skills Strategy and the new, statutory, Local Skills Improvement Plan (LSIP), **into a unifying and coherent plan for capital investment.**

The Investment Prospectus will survey the estate and review curriculum pathways in the context of the LSIP and propose the investment required across the Combined Authority to 'future-proof' the estates. The risk for the Combined Authority is that Ad Hoc capital projects, which are not aligned to our LSIP and do not accelerate the delivery of technical education and meeting skills gaps may be approved directly by the DfE. **Without a coherent FE Capital Investment Prospectus, it will be difficult to align provision providing clarity for business and government on local needs.** The requirements need to align to the refreshed Skills Strategy and growth and priority sectors for the Combined Authority region.

The opportunity is to influence all potential investment in FE Capital through the mechanism of the Prospectus, not limited to the FE Capital Transformation Fund. This includes Shared Prosperity Fund, Towns Fund, Levelling Up Fund, Strategic Development Fund and other major Trusts and Grant Funders. **The ambition is to take a proactive approach to target and attract investment over the next five years.**

Areas for future development

- Continuing to strengthen local governance of AEB through the Skills Committee and ESB to ensure responsiveness of provision to meet local skills needs.
- Building trust with provider-partners and stakeholders to facilitate co-design of provision, securing value for money and maximising outcomes for learners.

- To showcase the Combined Authority devolved AEB as an exemplar for regional delivery in order to influence further devolution or delegation of funding.
- Ensuring alignment with the SAP and LSIP
- With additional funding for the Lifetime Skills Guarantee – Level 3 Offer, of fully funded courses from a prescribed list of 400 courses, there is a need to build capacity among the provider-base and to promote the offer to potential learners. Given that only 1% of AEB enrolments were for Level 3 courses in 2019/20, we are starting from a low-base.
- Levelling Up – tackling education disadvantage in Peterborough, Fenland, wider Cambridgeshire, and target wards within Cambridge City.
- Identifying Education provision cold-spots, commissioning providers to fill gaps and co-creating new solutions with and between groups of providers, both FE and HE working in partnership, potentially through joint ventures
- Enabling and championing FE Capital and Infrastructure investment to deliver aspirational learning environments for technical pathways into HE and employment.
- Revitalise the Community Learning offer in the region through co-producing with stakeholders a Lifelong Learning Policy.
- Response to redundancy and supporting unemployed learners into employment.
- Careers Information, Advice and Guidance for Adults – improving quality and capacity.
- Developing Sector-Based Work Academies in priority sectors.
- Good LMI, appropriate for all people

Future actions

In addition to the commissioned research there is a need for some more granular qualitative survey work to understand the medium-term needs of the top-performing companies whom are most likely to grow in the region. Asking them for their skills needs will then help determine future skills needs as these are the businesses which will be providing future jobs.

To address future skills gap, there is a need to commission another piece of work to build a picture of what our employers may look like in 3-5 years and then extrapolate from that the skills needs.

To then anchor this, we need something less theoretical which is grounded in community and business engagement to assess what skills are viewed as important in future in the Combined Authority region, combined with an understanding of the changes in working behaviour driven by COVID-19. This will identify the ‘softer’ skills people will need in the workplace to be effective and to drive productivity. For example, developing management and leadership skills in how to manage an organisation remotely is a key area and a national challenge that could be pioneered in our Combined Authority region.

The Skills Advisory Panel will continue to work with local employers and business to ensure that the skills supply matches the needs of the local economy and business requirements. **As we develop the new Skills Strategy for the region, we seek engagement from key stakeholders to ensure the new strategy equips our young people and current workforce to continue to rebound and rebuild the economy.**

Cambridgeshire and Peterborough Local Skills Report. March 2021: Annex A & B

Cambridgeshire and Peterborough Skills Advisory Panel



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR



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Annex A: Skills Advisory Panel Core Indicators

Annex A of this Local Skills Report summarises the core indicators of the Skills Advisory Panel's (SAP) analytical toolkit, provided by the Department for Education's SAP programme team.

The aim of Annex A is to give a headline understanding of the skills landscape across Cambridgeshire and Peterborough by looking across each of these core indicators and adding value by drawing on existing analysis and evidence where relevant. These indicators have helped form our understanding of our local strengths and needs, as outlined in Chapter 3 of this Local Skills Report, on which our strategies and policies are built.

As part of the local need to have a detailed understanding of skills supply and demand across the Combined Authority area and its localised sub-economies, **a separate skills supply and demand analysis has been commissioned and reported to the SAP board**. This deep dive is referenced in [Annex B](#). Annex B summarises our wider skills evidence base, outside of the analysis of these core indicators.

The SAP core indicators, analysed within Annex A, can be broken down into four key themes:

- Local Landscape
- Skills Supply
- Skills Demand
- Mapping Skills Supply and Demand

For each of these themes, the relevant section begins with a short summary and is followed by descriptions of each individual indicator.

Local Landscape

Local Landscape – Summary of indicators

People

Cambridgeshire and Peterborough has a growing population. The total population of Cambridgeshire and Peterborough is approximately 866,200, with local estimates suggesting that there has been an approximate 7.6% increase in total population across the Combined Authority area as a whole since 2011.¹

This growth has been driven by a **10.9% increase in population in Peterborough and a 10.5% increase in Cambridge, with both cities experiencing large scale development since 2011.** Peterborough is the fourth fastest growing city in the UK.² This population increase has been driven by several factors, including an **active physical growth agenda, alongside key infrastructure improvements and secured inward investments.**

The population of the Combined Authority area is highly concentrated, particularly in Cambridge and Peterborough. Key towns such as Huntingdon and St Neots, are significant population centres, whilst other towns, such as Wisbech have pockets of high population density. **Largely, however, the Combined Authority area is characterised by its rurality.**

Across Cambridgeshire and Peterborough as a whole, the working age population (WAP) accounts for 62% of the total population³ and historically, the employment rate has been higher in Cambridgeshire and Peterborough than it is nationally- a strength of the area.

As the local population continues to grow though, the **Combined Authority's workforce is getting older**, and will continue to do so for the foreseeable future. This change in demography has several implications for the local workforce and labour market, such as an increased demand for health and social care. Additionally, this also introduces some key questions around the **demand for suitably skilled workers, who are able to meet the needs of existing skills demands and jobs on offer. This poses a skills challenge for the local area.**

Places

In terms of understanding our local labour markets, previous analysis of skills demand across Cambridgeshire and Peterborough has shown that the area is home to **three overlapping labour markets which inform the demand and flow of labour across the region.**⁴ These are:

- **Cambridge and South Cambridgeshire** (including southern parts of Huntingdonshire and East Cambridgeshire).
- **Peterborough and surroundings** (including north Huntingdonshire)
- **The Fens** (including Fenland, some of East Cambridgeshire and part of Huntingdonshire)

These three overlapping labour markets underpin the skills needs of the local area, and they are explored in more detail in Chapter 3 of the main Local Skills Report. Whilst much of the analysis

¹ Cambridgeshire and Peterborough local population estimates and forecast, Cambridgeshire County Council Business Intelligence.

² Cambridgeshire and Peterborough Independent Economic Review (CPIER).

³ Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland. Mid-2019: April 2020.

⁴ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

in this report is based on local authority areas, **the findings are best understood and should be viewed in the context of the above labour markets.**

Cambridgeshire and Peterborough has a contrast of high levels of affluence and pockets of deprivation. The Indices of Multiple Deprivation 2019 (Annex A, Indicator 10) **highlights that the northern districts of the Combined Authority area exhibit the highest levels of relative deprivation (across factors such as income, employment, education and health).**

Of the 62 Cambridgeshire and Peterborough LSOAs⁵ in the top 20% most deprived nationally, 46 of these were in Peterborough and 11 of the remaining 16 were in Fenland. This is illustrated in Map 1.

The table below outlines how local authority districts in the Combined Authority rank for overall deprivation⁶, as well as Education, Skills & Training specifically. This highlights these pockets of heightened need in Education and Skills, notably in Fenland and Peterborough. For both of these areas, they are ranked as being relatively more deprived for education and skills needs than for overall deprivation.

Deprivation Domains ⁷	Cambridge	East Cambridgeshire	Fenland	Huntingdonshire	Peterborough	South Cambridgeshire
Overall National Deprivation Rank	205	266	51	247	53	300
Education, Skills & Training Rank	284	195	3	175	31	307

⁵ Lower-Layer Super Output Areas (LSOAs) are a standard statistical geography designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households. There are 32,844 LSOAs in England.

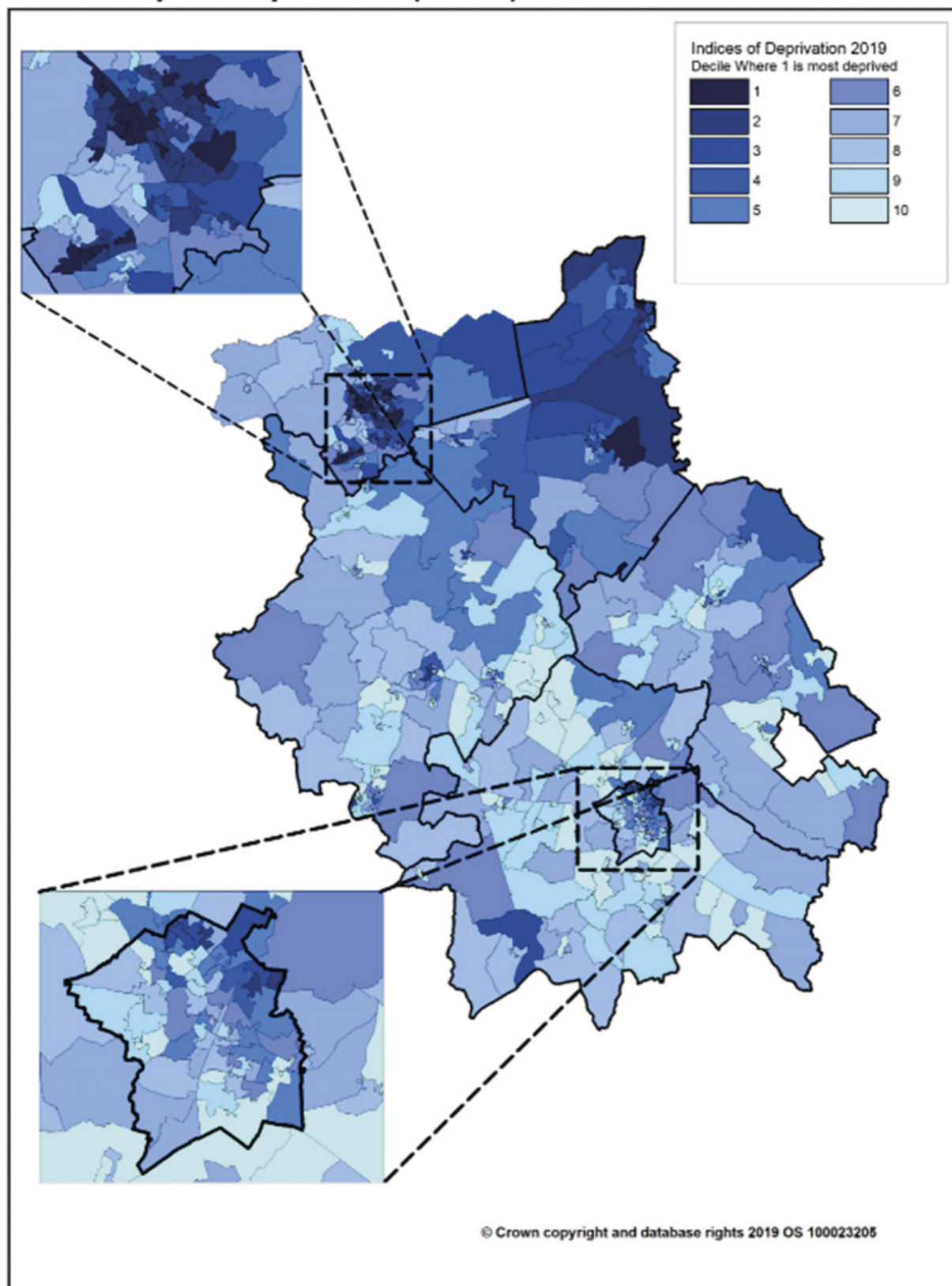
⁶ The summary measures have been carefully designed to help users understand deprivation patterns for a set of higher-level areas. The measures identify the overall intensity of deprivation, how deprivation is distributed across the larger area, and the overall volume, or 'scale', of deprivation. This ranks local authority districts from 1 to 317, where 1 is the most deprived district and 317 is the least deprived.

⁷

Map 1: Indices of Multiple Deprivation 2019: National Decile for Overall Deprivation by Lower Super Output Area (LSOA)

Indices of Multiple Deprivation 2019: National Decile for Overall Deprivation by Lower Super Output Area (LSOA)

Cambridgeshire Insight
Data | Insight | Local



Overall, these indicators offer headline insight into the Combined Authority area, covering a range of socio-economic factors such as population, deprivation, employment and economy. **These indicators have guided our narrative within Chapter 3 of this report and underpin our understanding of our sub-economies and growth sectors.**

Core indicator analysis at a Combined Authority level demonstrates that the area is a microcosm of the UK as a whole, with figures for the area overall similar to those seen at a national level. However, district level data shows much more variation, which illustrates the three overlapping economies. **The key points to note from the indicators in this section are:**

Employment sectors indicate a lot of variation across the Combined Authority area.

- Agriculture accounts for a higher proportion of employment in Fenland and East Cambridgeshire, compared with nationally.
- Manufacturing accounts for higher proportions of employment in Fenland, Huntingdonshire, East and South Cambridgeshire, compared with nationally.
- The Professional, Scientific and Technical employment sector accounts for much higher proportions of employment in South Cambridgeshire and Cambridge, compared with nationally.

Occupations vary considerably across the Combined Authority area.

- Professional occupations account for much higher proportions in the South, notably in Cambridge and South Cambridgeshire.
- Elementary occupations are more concentrated in northern areas, particularly Fenland and Peterborough.
- In Fenland, there are higher proportions of employment in Skilled trade occupations and Process, Plant and Machine Operative occupations.

There are stark differences in Gross Value Added (GVA)⁸ and earnings across the Combined Authority area.

- GVA ranges across the Combined Authority from below the national average at £26.8 in Fenland to above the national average at £36.6 in South Cambridgeshire.
- Residents and workers in South Cambridgeshire earn more weekly compared to the rest of the Combined Authority and national averages.
- Fenland and Peterborough indicate much lower earnings, but equally different patterns between those residing and working in the area.

Historically, the employment rate has been higher in Cambridgeshire and Peterborough than it has been nationally, but there are differences across the region and COVID-19 has had a particular impact on this.

- Peterborough and the surrounding area experience higher unemployment and greater economic inactivity. Fenland has the poorest labour market performance, related to the accessibility of both jobs and training.⁹
- There are still many unknowns around the longer-term impacts of COVID-19, although **we do have a good understanding of the short-term impacts.** Claimant counts provide a good insight into this. While all areas across the Combined Authority have seen large increases in claimant count, some areas, notably within the north of the region have reached historically high levels. **This is a potential challenge that some parts of the Combined Authority area may temporarily face, with structurally higher levels of unemployment due to impacts of COVID-19 or being adversely affected when compared to the region as a whole.**

⁸ Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. It is measured at current basic prices, which include the effect of inflation, excluding taxes (less subsidies) on products (for example, Value Added Tax). GVA plus taxes (less subsidies) on products is equivalent to gross domestic product (GDP).

⁹ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

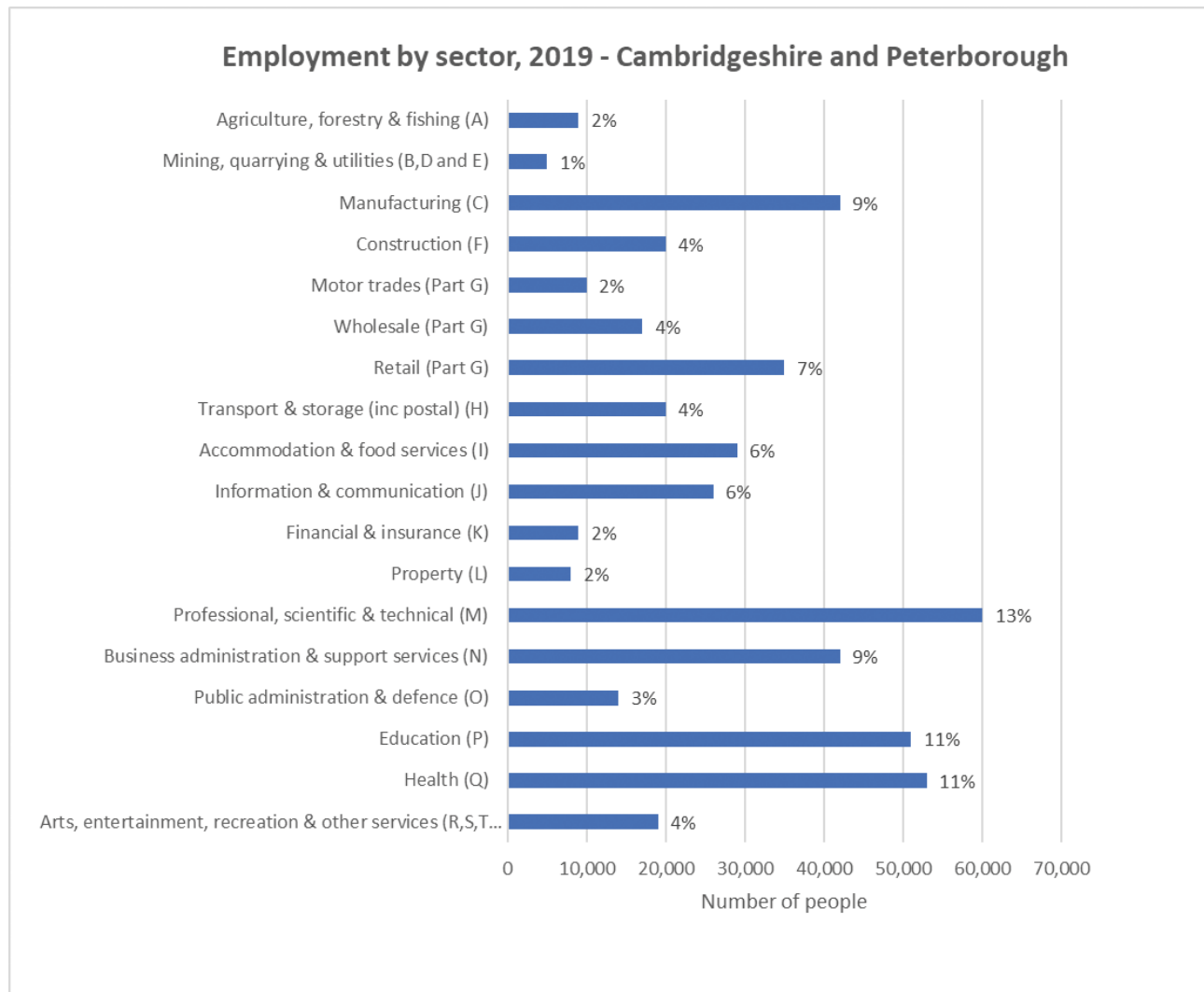
Business births are a useful indicator of enterprise activity and they illustrate the Combined Authority's credentials as a home for entrepreneurship.

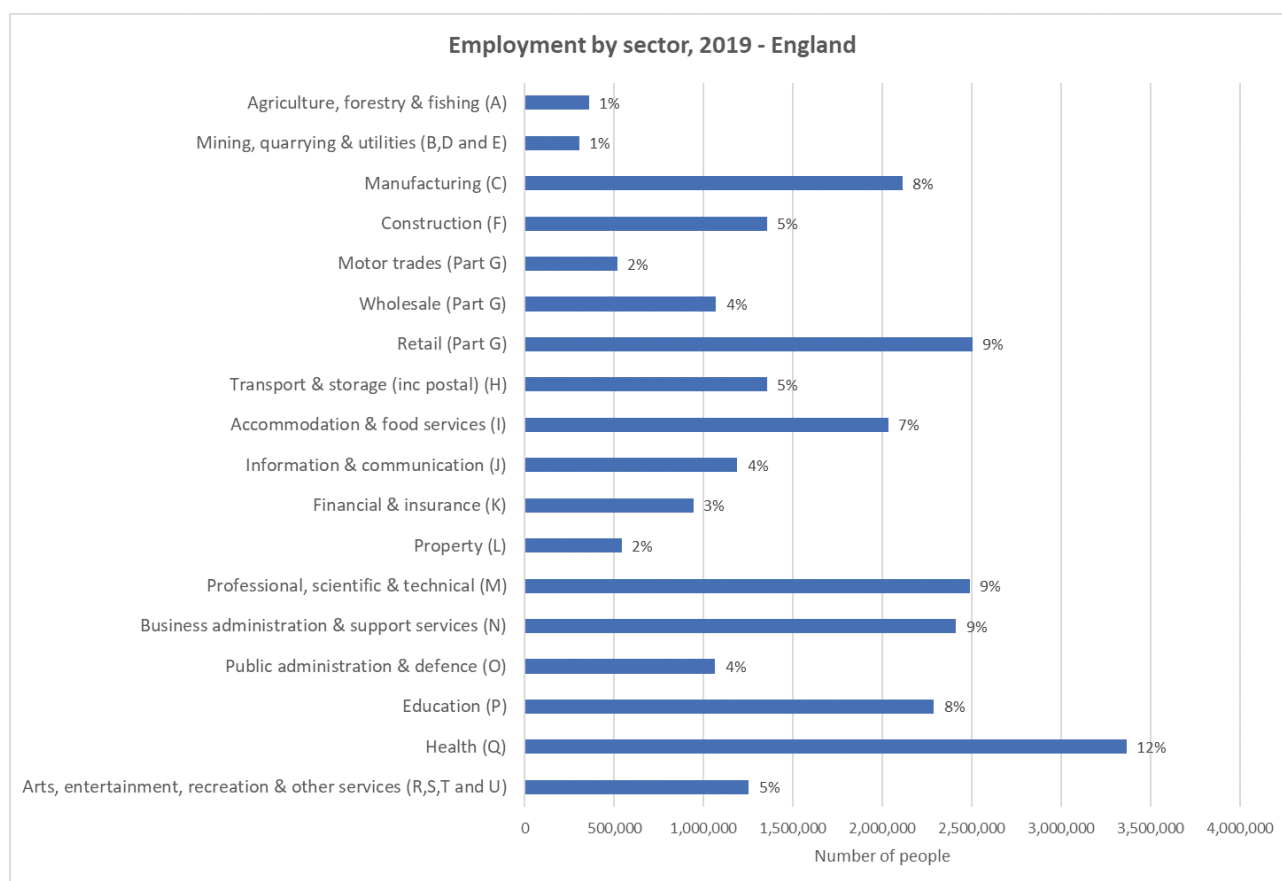
- Historical performance over time suggests that the economic recovery has been strong across all the constituent local authorities, as well as the Combined Authority as whole. **This bodes well for a post COVID-19 recovery.**

Local Landscape – Core Indicators

Core Indicator 1: Employment by sector

The 2019 Business Register and Employment Survey (BRES) outlined that Cambridgeshire and Peterborough's largest employment sectors were **Professional, Scientific and Technical; Health; Education; Manufacturing; and Business administration and support services**. These sectors accounted for over half of all employment in the area in 2019. There were higher proportions of individuals in employment in Professional, Scientific and Technical, Manufacturing, Education and Information and Communication sectors locally than there were nationally at the time of the 2019 survey.





Source: Business Register and Employment Survey, 2019 (published 2020), 2020 SAP boundaries

However, as Chapter 3 explores in further detail, it is important to understand the nuances of the overlapping economies and the diverse range of employment sectors found across the Combined Authority area.

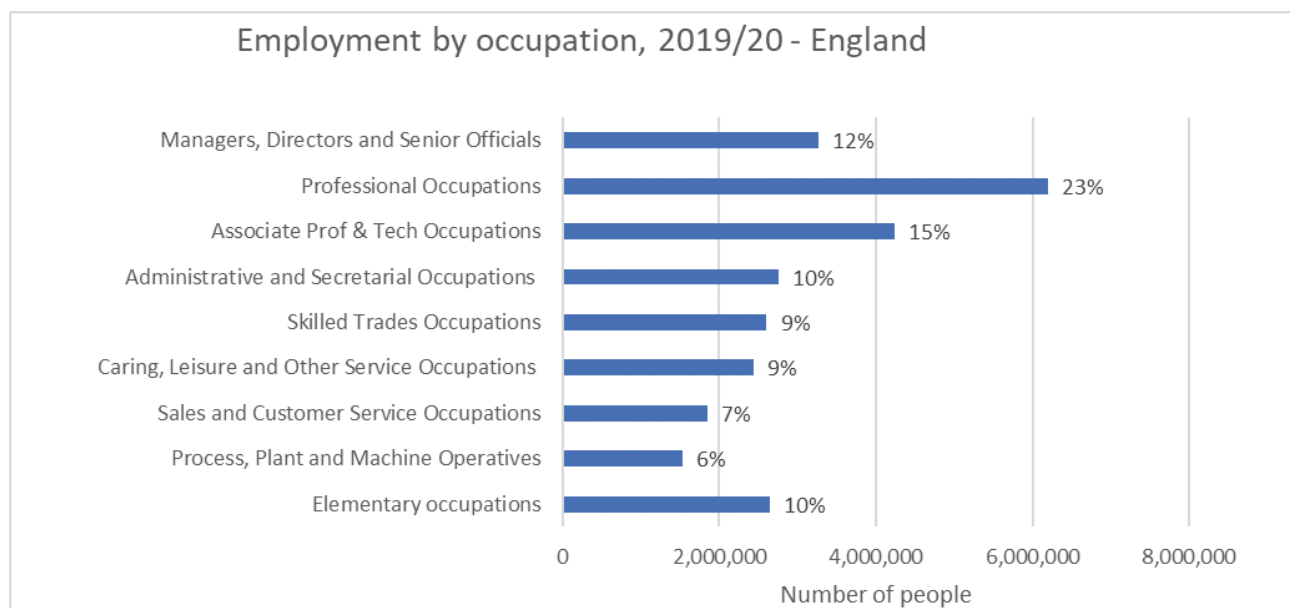
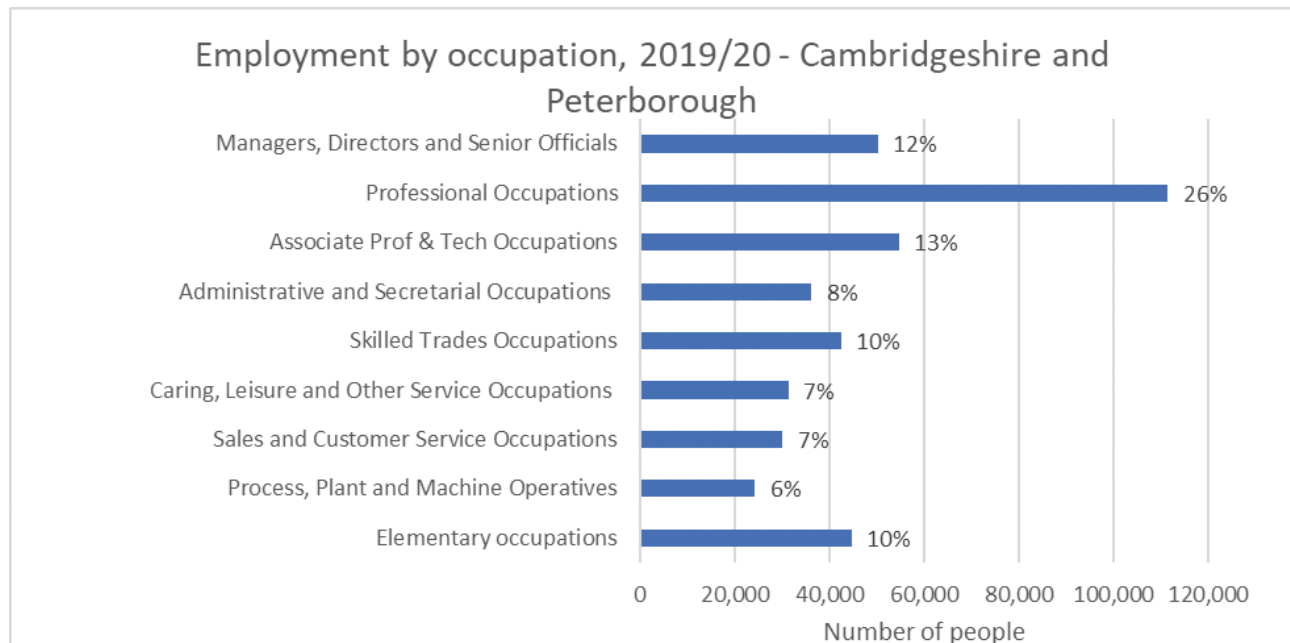
For instance, when considered at a Combined Authority level it does not appear as though there is a higher than national level of employment in the Agricultural sector. However, at a district level **Agriculture accounts for 5% of employment in Fenland and 4% of employment in East Cambridgeshire, compared with just 1% nationally.** Similarly, **Manufacturing accounts for 16% of employment in Fenland, 15% in Huntingdonshire and 12% in both East and South Cambridgeshire, compared with 8% nationally.** This is the case for many employment sectors and highlighting local nuances is vital to understanding the local labour market.

The Professional, Scientific and Technical employment sector makes up 26% of employment in South Cambridgeshire and 16% in Cambridge, whilst nationally it accounts for 9%. Furthermore, in Cambridge, the Education sector accounts for 23% of employment, whereas nationally it accounts for 9%. In Peterborough, Business administration & support services accounts for 13% of employment compared with 9% nationally, while the retail sector accounts for 11% compared with 9% nationally.

While all employment sectors show differences in prevalence across the area, those noted above best portray the differences in the local landscape. They also reinforce the importance of our growth sectors as identified by the CPIER.

Core Indicator 2: Employment by occupation

According to the Annual Population Survey 2019-20, there are **more individuals in professional employment in Cambridgeshire and Peterborough than there are nationally**, with Professional Occupations accounting for 26% of occupations locally compared to 23% in England.



Source: Annual Population Survey, October 2019 – September 2020, 2020 SAP boundaries

However, with the nature of the three overlapping economies in the Combined Authority area, occupations vary considerably across each Local Authority district. **For instance, areas in the south have much higher proportions of Professional Occupations, accounting for 41% in Cambridge, 32% in South Cambridgeshire, 29% in Huntingdonshire and 25% East Cambridgeshire, all of which are above the national average of 23%. In contrast, in Peterborough Professional Occupations account for 17% and in Fenland they account for just 7%, considerably below the national figure.**

There are also higher proportions of employment in the Managers, Directors and Senior officials' Occupation in Huntingdonshire (15%), Fenland (14%) and South Cambridgeshire (13%).

Nationally, this Occupation accounts for 12%, the same as the Combined Authority proportion overall.

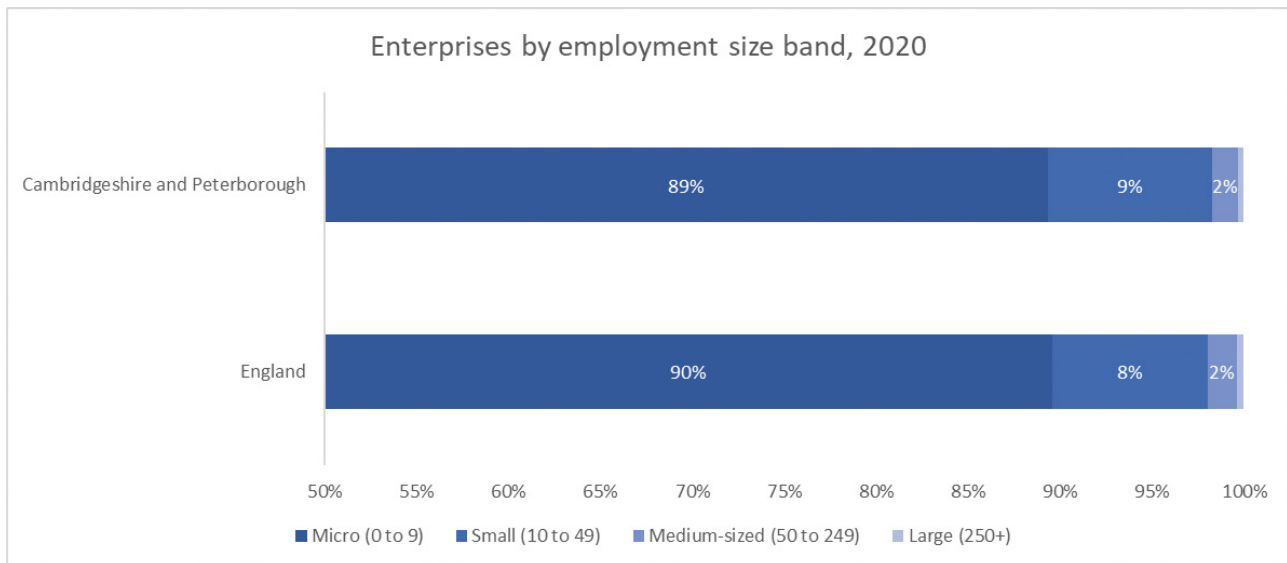
In Fenland, there are higher proportions of employment in Skilled Trades Occupations (14%), Process, Plant and Machine Operative Occupations (12%) and Elementary Occupations (19%), all of which are at considerably higher rates than across the Combined Authority overall and nationally. Skilled Trades occupations account for 10% in the Combined Authority overall and 9% nationally. Process, Plant and Machine Operatives account for 6% both at a Combined Authority and national level. Elementary Occupations account for 10% at a Combined Authority and national level.

Meanwhile, Peterborough has higher proportions of Elementary occupations (16%) and a higher proportion of employment in Sales and Customer Service Occupations (10%), this is the highest across the region.

This variation in occupations across the Combined Authority area continues to **highlight the influence of the three overlapping economies, the growth sectors associated with these, and how this shapes the job market and the occupations within it.**

Core Indicator 3: Enterprises by employment size band

In terms of the proportionate split of enterprises by size, **Cambridgeshire and Peterborough overall has a very similar business landscape to the national picture, with Micro and Small businesses accounting for 98% of all enterprises.**



Source: UK Business Counts, 2020, 2020 SAP boundaries

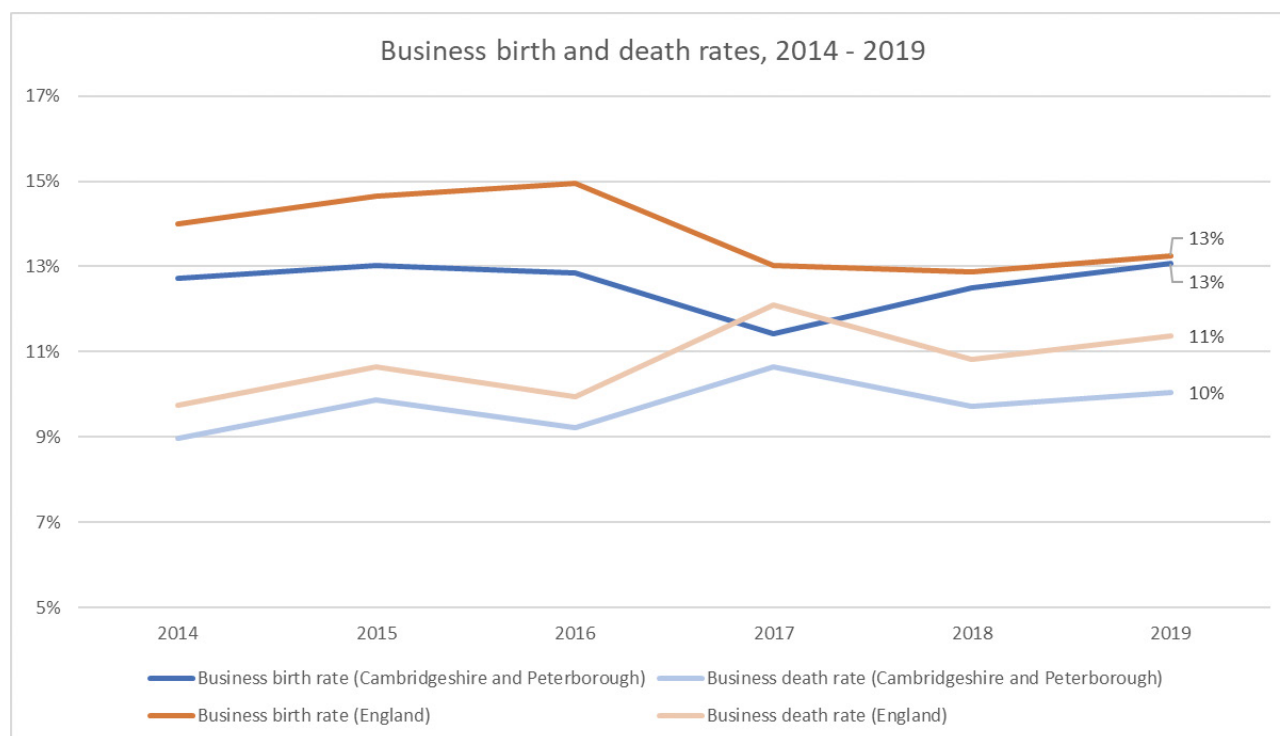
The majority of the largest businesses are clustered around Cambridge, South Cambridgeshire and Peterborough, with micro and smaller businesses prevailing in other areas. However, there are similarities between the six local authorities, with micro to small sized enterprises accounting for the majority of businesses across the whole Combined Authority area.

Impact of COVID-19 on enterprises by size – national data

Data from the government's Coronavirus Job Retention Scheme highlights the impacts of COVID-19 on enterprises and how this has affected their employees. As of 30th November 2020, 37% of all enterprises had furloughed staff nationally. However, there were some differences in the take up rates of the scheme based on enterprise size. **There were lower proportions of employers furloughing staff in micro enterprises, with an average take up rate of 38%.** Small enterprises had an average take up rate of 49%, medium-sized 44% and large enterprises 46%.

Core Indicator 4: Business birth and death rates

The business birth rate in **Cambridgeshire and Peterborough** has followed similar trends to **England**, with decreases in business births from 2016 to 2017.



Source: ONS Business Demography, 2014 – 2019 (published 2020), 2020 SAP boundaries

In Cambridgeshire and Peterborough Business Births increased slightly in 2019, bringing the business birth rate to 13%, in line with the national figure.

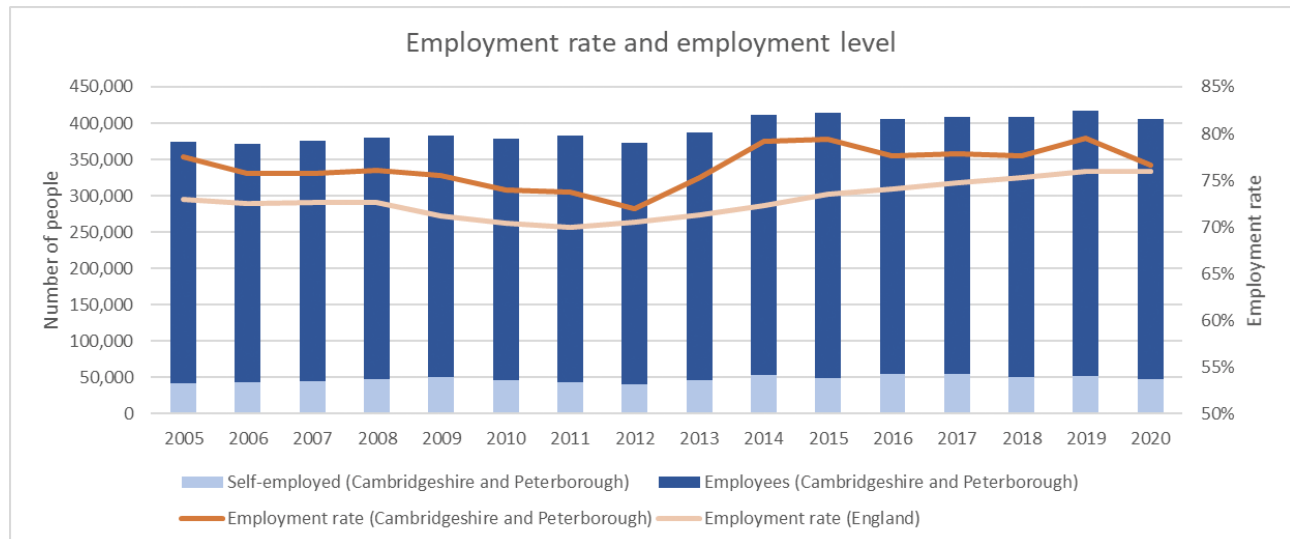
Historically, business death rates have been slightly lower in Cambridgeshire and Peterborough than they have been nationally. In 2019, the business death rate in Cambridgeshire and Peterborough was 10%, 1% lower than the national figure.

Our previous evidence base report¹⁰ for the current local skills strategy highlighted that the number of business births are a useful indicator of enterprise activity and they illustrate the **Combined Authority's credentials as a home for entrepreneurship**. Performance over time suggests that the economic recovery has been strong across all the constituent local authorities, as well as the Combined Authority as a whole. **This bodes well for a post COVID-19 recovery. Peterborough has seen a particularly large uplift in the number of new business creations, with the number of 2015 start-ups nearly 100% greater than the equivalent 2011 figures.**

¹⁰ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

Core Indicator 5: Employment rate and level

Historically, the employment rate has been higher in Cambridgeshire and Peterborough than it has nationally. Locally, employment has fluctuated more over the last 15 years, with a larger drop evident in 2012, followed by a larger increase in 2013-2014. Despite this, the employment rate has remained above the national figure throughout this period. In 2020, the Cambridgeshire and Peterborough employment rate dropped to 77% from the 80% level in 2019, remaining slightly above the national rate of employment (76%).

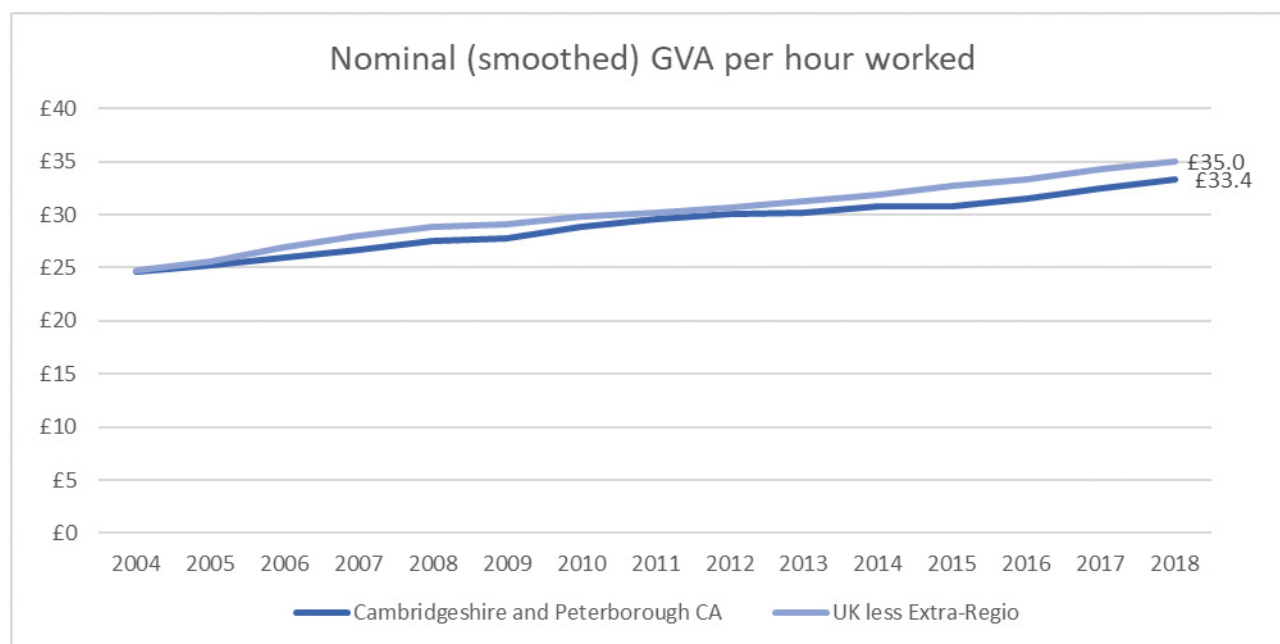


Source: Annual Population Survey, 2005 – 2020, 2020 SAP boundaries

Of those in employment, **88% were employees and 12% were self-employed in Cambridgeshire and Peterborough** in 2020. The proportion of people self-employed has ranged between 10-15% since 2005 but has declined in recent years from a peak of 15% in 2015. Nationally, the number of people who are self-employed has been slightly higher with 14% self-employed in 2020.

Core Indicator 6: Gross Value Added (GVA)

Gross Value Added (GVA)¹¹ has been increasing over time, both locally and nationally. The Combined Authority area overall has a slightly lower GVA per hour worked compared with the rest of the UK, although similar to wages, there are important differences to note on GVA by local authority.



Source: ONS Subregional Productivity, 2004 – 2018 (published 2020), 2018 LEP/MCA boundaries

GVA ranges across the Combined Authority from below the national average (£35.00) at £26.8 in Fenland to above the national average at £36.6 in South Cambridgeshire. These stark differences across the area continue to highlight the presence of overlapping economies, the diverse profile of jobs that come with this and the incomes that are attached to these.

Our Local Industrial Strategy further reinforces this, highlighting that despite business growth having been strong everywhere recently, the benefits have not been felt across the whole region in the same way.¹²

The economy of Greater Cambridge has been performing the most strongly. The positive effects of this have been felt in parts of the Greater Cambridge ecosystem, with market towns such as Ely and St Ives benefiting the most. However, further north the effects are not being felt as strongly.¹³

¹¹ Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. It is measured at current basic prices, which include the effect of inflation, excluding taxes (less subsidies) on products (for example, Value Added Tax). GVA plus taxes (less subsidies) on products is equivalent to gross domestic product (GDP).

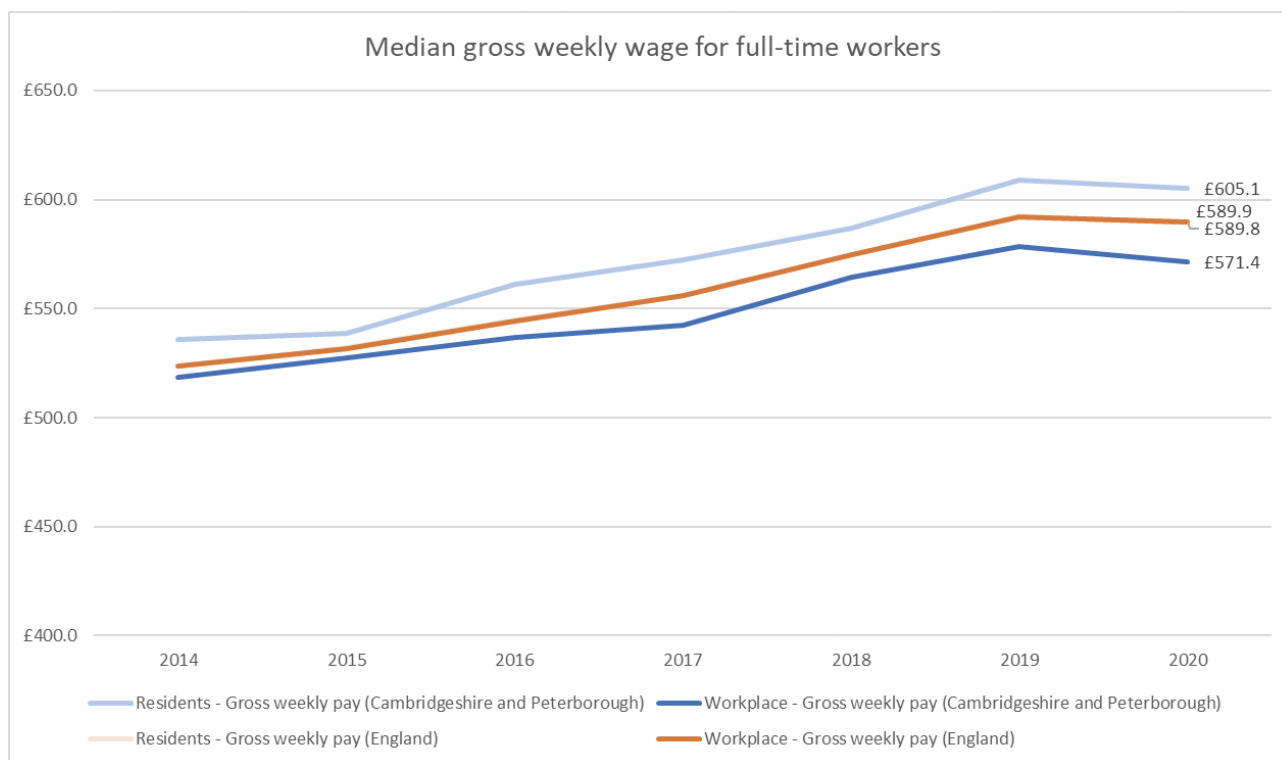
¹² Cambridgeshire and Peterborough Local Industrial Strategy.

¹³ IBID

Core Indicator 7: Wages

Median gross **weekly wages have been increasing both locally and nationally**, with the below core indicator chart highlighting these increases from 2014-2019. **However, from 2019 to 2020 there were decreases across Cambridgeshire and Peterborough and in England overall in both workplace and residents' weekly wages.** Across the Combined Authority area, workplace wages saw the largest decrease from £578.4 in 2019 to £571.4 in 2020, nationally this went down from £592.2 in 2019 to £589.9 in 2020. Resident's wages decreased from £609.1 in 2019 to £605.1 in 2020 across Cambridgeshire and Peterborough. Nationally residents' weekly wages were £592.1 in 2019 and £589.8 in 2020.

Wages have been higher for Cambridgeshire and Peterborough residents, compared to England as a whole, with current weekly wages just over £15 per week more for those residing within the Cambridgeshire and Peterborough geography. However, there is a clear gap between the wages of those who work and those who live in the Combined Authority Area, with residents earning higher wages. In contrast, individuals who work in the local area earn below the national average for England, at just over £18 less per week.



Source: Annual Survey of Hours and Earnings, 2014 – 2020, 2020 LEP boundaries

Wages across the Combined Authority area differ substantially between local authorities.

Residents and workers in South Cambridgeshire earn more weekly compared to the rest of the Combined Authority and national averages. On average, residents of South Cambridgeshire earn £720 per week, while those working in the area earn £671. Cambridge also has above national average wages for both those who reside and work in the area, with residents earning £668 per week and those who work in the area earning £658. **This makes the southern part of the Combined Authority area an attractive place to work, attracting workers from the rest of the area as well as externally.**

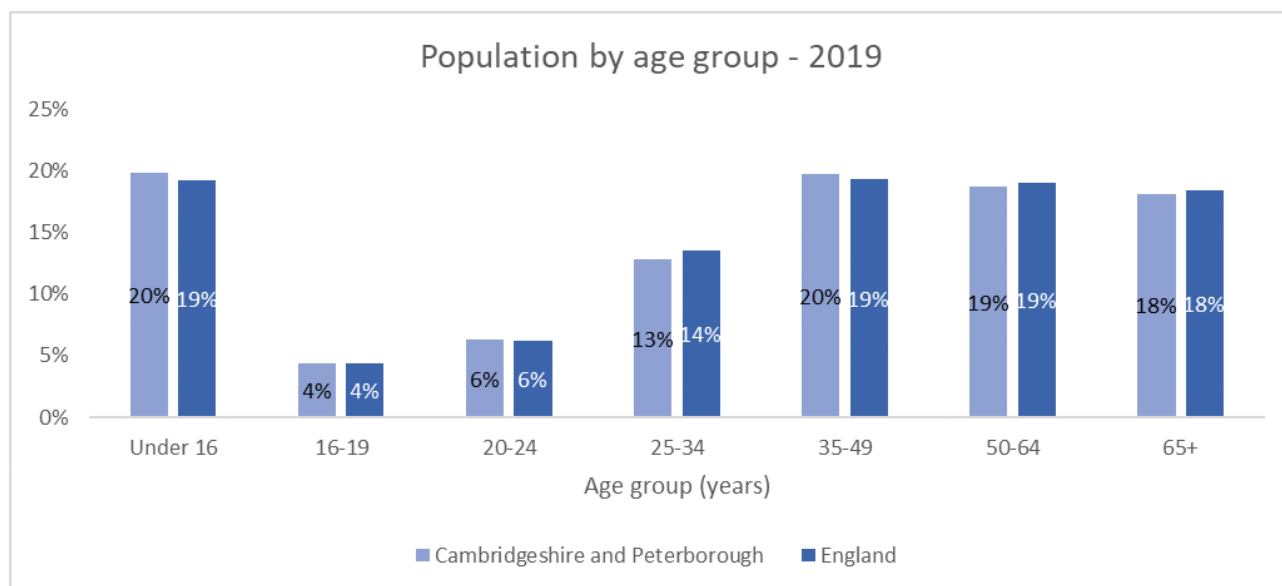
On the contrary, **areas in the north of Cambridgeshire and Peterborough such as Fenland and Peterborough have much lower earnings, but equally still different patterns between those residing and working in the area.** In Fenland, residents earn £524 per week while workers

in the area earn a lesser £475. Alternatively, in Peterborough, residents earn £544 while workers have a slightly higher weekly wage of £549. The weekly wage of those who work in Fenland is the lowest across Cambridgeshire and Peterborough, this is indicative of the types of employment opportunities that are available in the area and the levels of occupation these are likely to be at.

In Peterborough, those who work in the area earn more than those who reside in the area. This will be linked to the more diverse range of jobs available in the city, attracting more skilled workers from outside the area.

Core Indicator 8: Population by age group

In Cambridgeshire and Peterborough, the breakdown of age groups is very similar to the national average. Locally, there are slightly higher proportions of under 16-year olds, and people aged 25-34 years old. **As the population grows, our workforce is getting older, with the proportion of residents in older age groups increasing.**



Source: ONS Mid-Year Population Estimates, 2019, 2020 SAP boundaries

There has been strong population growth across Cambridgeshire and Peterborough with the most recent local population estimates suggesting that the total population across the Combined Authority area is currently 866,200.¹⁴ These local estimates are slightly higher than the national estimates of the core SAP indicator below, which suggests the total population is 855,796.

These local estimates suggest that there has been around a 7.6% increase in total population across the Combined Authority area as a whole since 2011.¹⁵ This growth has been particularly driven by a 10.9% increase in population in Peterborough and a 10.5% increase in Cambridge, with both cities experiencing large development. Peterborough is the fourth fastest growing city in the UK.¹⁶

¹⁴ Cambridgeshire and Peterborough local population estimates and forecast, Cambridgeshire County Council Business Intelligence.

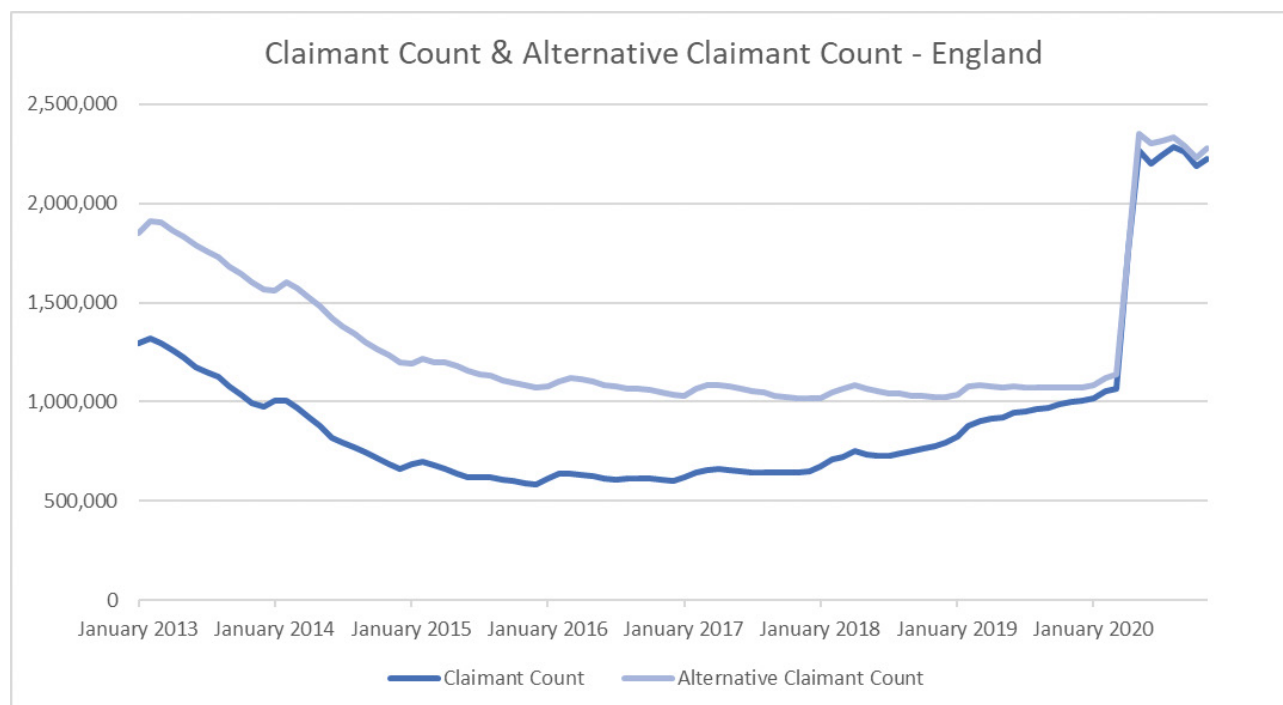
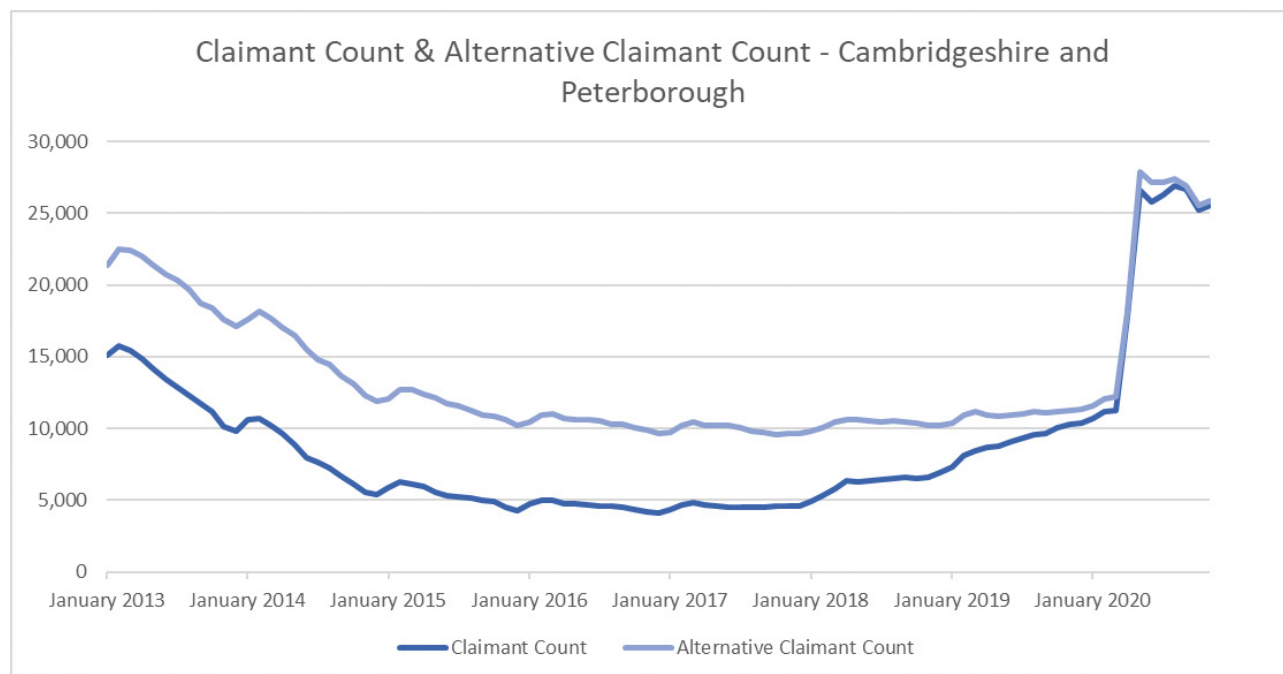
¹⁵ IBID

¹⁶ Cambridgeshire and Peterborough Independent Economic Review (CPIER).

Core Indicator 9: Claimant Counts and Alternative Claimant Counts

The number of claimants has been decreasing over time, both locally and nationally, with claimant count trends following a very similar path in Cambridgeshire and Peterborough to England overall.

COVID-19 brought about large increases from March to May 2020, both locally and nationally, and this is yet to see a recovery to pre-pandemic levels.



Source: ONS claimant count & DWP Stat Xplore, January 2013 – November 2020, 2020 SAP boundaries

Claimant count saw a large increase from March to May 2020 across the Combined Authority area, with Cambridgeshire showing a 161% increase in claimant count, and with Peterborough showing a 102% increase, slightly below the England average of 113%.

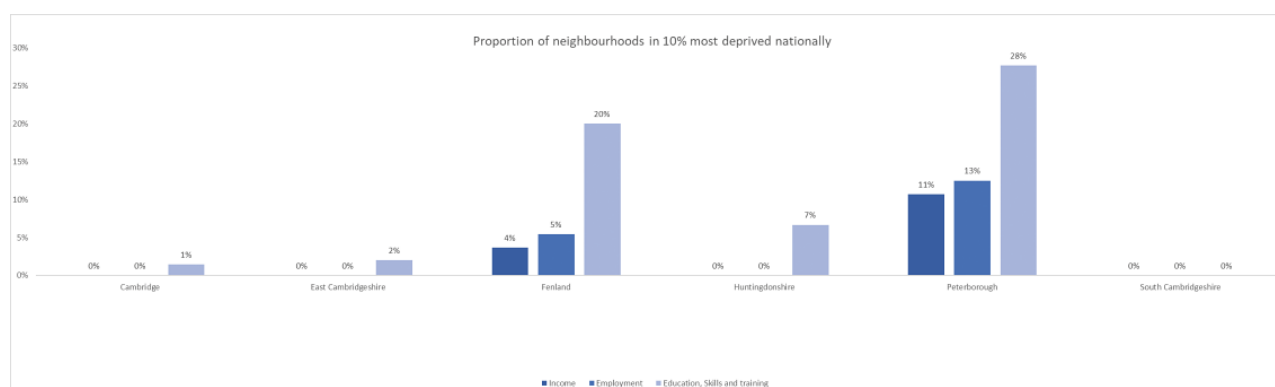
Since May 2020, claimant counts have not shown any significant changes and have remained at a high level. At the time of writing(December 2020), there are 25,635 claimants across the Combined Authority area, accounting for just under 5% of people aged 16+, this is slightly lower than the England proportion of just over 6%.

Additionally, specific location analysis highlights that the highest levels of claimant count can be seen in Peterborough wards, which was also the case prior to the COVID-19 pandemic. This is a potential challenge that some parts of the Combined Authority area may **temporarily face, with structurally higher levels of unemployment due to impacts of COVID-19 or being adversely affected when compared to the region as a whole.**

More detailed claimant analysis looking at changes since COVID-19 is available in [Annex B](#).

Core Indicator 10: Income, Employment and Education Deprivation

Fenland and Peterborough, both in the northern region of the Combined Authority area, indicate the highest levels of relative deprivation and have a higher proportion of neighbourhoods which fall into the 10% most deprived nationally.



Source: Index of Multiple Deprivation, MHCLG, 2019, 2017 LEP boundaries

Deprivation in the north of the Combined Authority area is particularly evident across factors such as income, employment, education and health. This is most notable in Peterborough and Wisbech (within Fenland), where deprivation is spread across rural areas with more remote settlements.

However, pockets of deprivation can also be found in other districts, notably Huntingdon (the main town in Huntingdonshire) and LSOA's within the Abbey and Kings Hedges areas of Cambridge. Individuals living in areas with higher levels of deprivation are more likely to have poorer outcomes, have lower educational attainments and lower levels of skill. **This deprivation makes it harder to acquire the relevant skills needed for the jobs in demand in the local area.**

The Index of Multiple Deprivation publishes summary measures for local authority districts, allowing us to determine how each district ranks against all other districts in England, where 1 is the most deprived and 317 is the least deprived. For overall deprivation, ranks across the Combined Authority area range from 300 in South Cambridgeshire to 51 in Fenland, further demonstrating the disparity between local authorities in the area. **When the Education, Skills and Training domain is considered, this division is even more pronounced, with a rank of 307 in South Cambridgeshire and three in Fenland.** Peterborough has the second lowest ranks after Fenland for both overall deprivation at 53, and Education, Skills and Training, at 31.

Skills Supply

Skills Supply- Summary

This set of core indicators help us summarise key aspects of skills supply in the local area. To support a more detailed understanding of skills supply and demand, we have commissioned a deep dive analysis. This analysis helps to understand the timelier impacts of COVID-19 on supply and demand.

The Cambridgeshire and Peterborough Combined Authority benefits from an extensive network of further education (FE) providers, with a focus on the 16-19 (post 16) age group.¹⁷ These institutions seek to maximise the employability of students, through the delivery of vocational qualifications and training. They also deliver more traditional academic qualifications and provide an important bridge for those looking to progress to higher education (HE).

One of the **key strengths of skills supply across the area is local Higher Education provision in the south of the Combined Authority area** which is home to the **University of Cambridge**, one of the world's leading academic centres and **Anglia Ruskin University**, an innovative global university. However, Peterborough is a recognised cold spot for Higher Education. To address this, the Combined Authority and Peterborough City Council (PCC) committed to securing a new University for the City in readiness for the Academic Year 2022/23. **The University will focus on the skills gaps within the Peterborough, Fenland and Huntingdon areas. This will provide access to higher level skills and knowledge for local residents.**

The key findings from our indicators on skills supply are as follows:

Educational attainment varies substantially across the Combined Authority geography.

- The highest levels of educational attainment, considerably above national averages, are clear in Cambridge and South Cambridgeshire.
- Below national average levels of educational attainment are evident in Fenland and Peterborough.
- The variation in educational attainment is reflected in both GCSE and A level results which suggests a north-south divide in outcomes.

Educational outcomes align with the main sectors of employment in Cambridgeshire and Peterborough, particularly where the three overlapping labour markets are concerned.

- For Higher Education, there are high proportions of qualifiers in Physical and Mathematical sciences, Engineering and Technology. This links to specialisations in Life sciences and Hi-tech manufacturing in Cambridge and South Cambridgeshire.
- The apprenticeship subjects where we can see the highest concentrations of achievements are in Health, Public Services and Care and Engineering and Manufacturing technology. These align well with our employment sectors, suggesting the relevant skills are being acquired for the area.
- Analysis of apprenticeship starts shows an encouraging increase in the number of apprenticeship starts in 2018/19 (+14% on the previous academic year), although this has been undone in 2020.

¹⁷Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

The destinations of those leaving our education systems influences the local economy and labour market.

- There is a slightly higher percentage of KS4 pupils who go into sustained education across Cambridgeshire and Peterborough, compared to England as a whole.
- At KS5 level and for those who complete apprenticeships, the most common destination is sustained employment in Cambridgeshire and Peterborough, and this is the case for all qualification levels.

Most university graduates from the two Higher Education Institutes (HEIs) in the Combined Authority move to London, and there are stark differences between the profiles of earnings between the two providers.

- 43% of graduates from HEIs in Cambridgeshire and Peterborough move to London¹⁸, this will be influenced by the wider variety and number of employment opportunities available in the capital. This represents a loss of skilled labour and economic capacity.
- Graduates from the University of Cambridge typically earn much more than graduates from Anglia Ruskin University. This highlights the different types of occupations that graduates from each institution are entering.

Employers across the Combined Authority area appear to be more willing to offer training to employees

- Over 70% of employers provide some kind of training, this is more than nationally. This helps with addressing skills shortages and recruitment problems.
- Variance between Cambridgeshire and Peterborough is minimal, with employers in the latter generally more likely to offer some form of training.

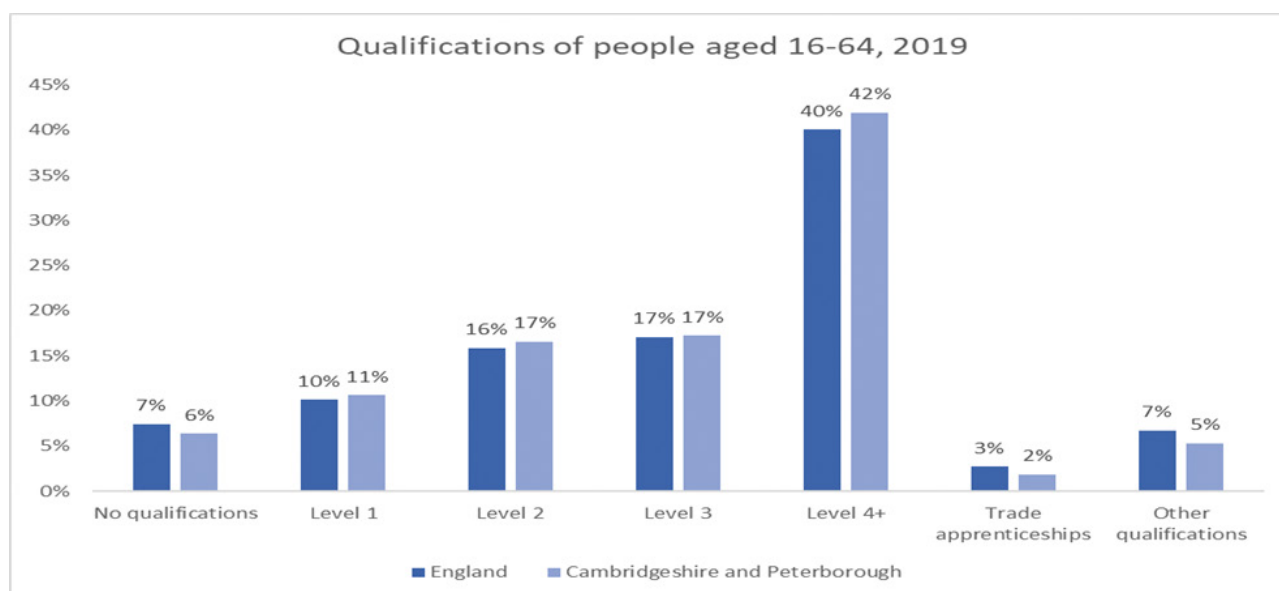
¹⁸ Figures based on graduate residence 5 years after graduation.

Skills Supply- Core Indicators

Core Indicator 11: Qualification levels:

Cambridgeshire and Peterborough has a slightly higher proportion of people with higher level qualifications compared to national averages, with 2% more of the working age population holding level 4 and above qualifications when compared to the national average.

There are also slightly less people with no qualifications locally (6%) compared with nationally (7%). However, **there are vast differences in educational attainment evident across the local authorities within Cambridgeshire and Peterborough.**



Source: Annual Population Survey, January 2019 – December 2019, 2020 SAP boundaries

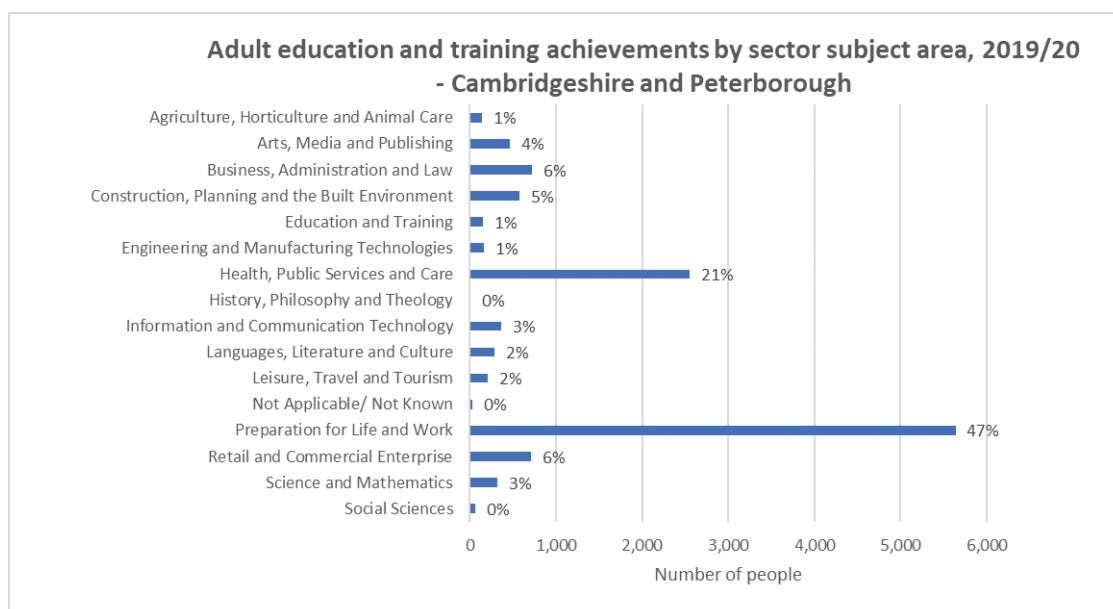
The **highest levels of educational attainment are clear in Cambridge, with 70% having level 4 and above qualifications, and South Cambridgeshire with 54%, both of which are considerably above the England average (40%).** However, below national average levels of educational attainment can be found in the Combined Authority area, particularly in Fenland, where 20% have Level 4 and above qualifications and in Peterborough, where the rate is 30%.

While Peterborough has the highest proportion of residents with no qualifications (11%) and much lower proportions with high Level 4+ qualifications (30%) compared to the rest of Combined Authority and national averages, this is not reflected in the economic activity of those who reside there. **80% of the working age population in Peterborough are economically active, slightly above the England average of 79.7%.**

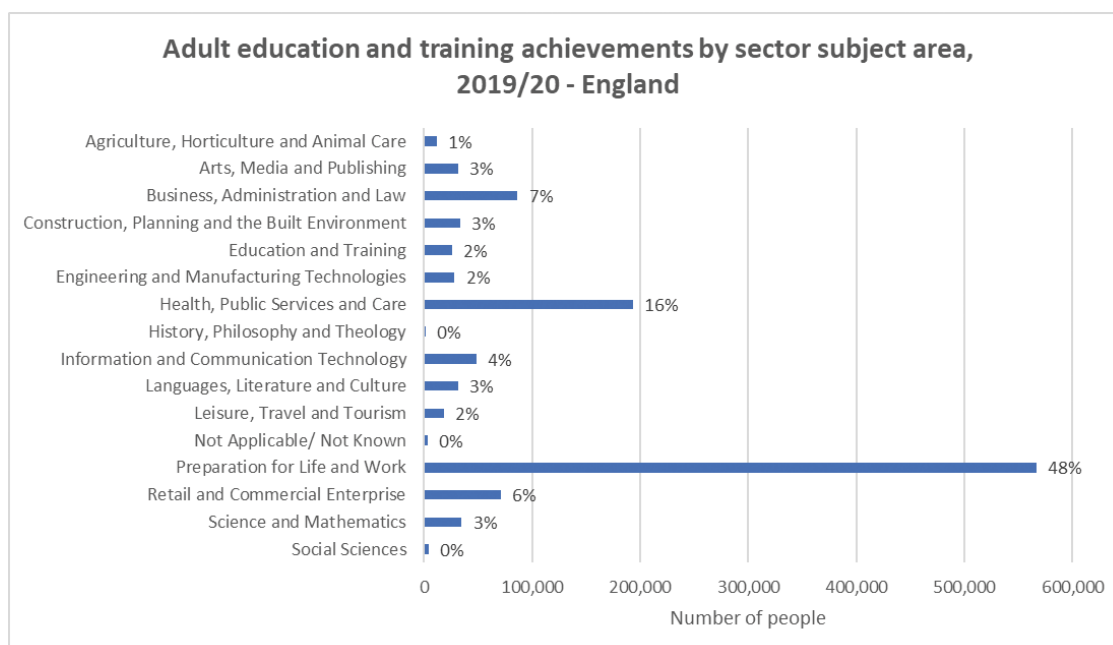
Core Indicator 12: Further Education Achievements:

Further education achievements locally are similar to national achievements, with **Health, Public Services and Care; Business Administration and Law; and Retail and Commercial Enterprise** being the top three specialised areas of achievement. These broadly align with the top three employment sectors locally and nationally, Public administration, education and health; Banking, finance and insurance and Distribution, hotels and restaurants.

FE Education & Training Achievements 19/20 – Cambridgeshire and Peterborough



FE Education & Training Achievements 19/20 – England



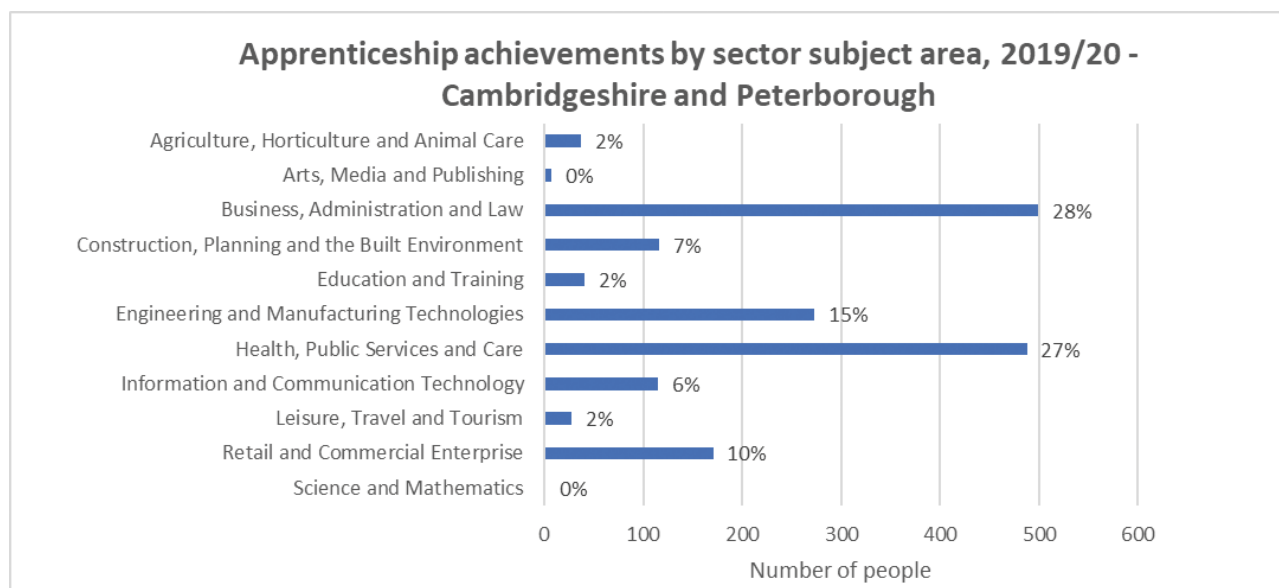
Source: Further Education & Skills data, DfE, (published 2020), 2020 SAP boundaries

It should be noted that preparation for Life and Work encompasses a vast range of areas, from weekend courses in arts related subjects to IT skills. Due to the wide coverage of this category, it accounts for the highest number of courses.

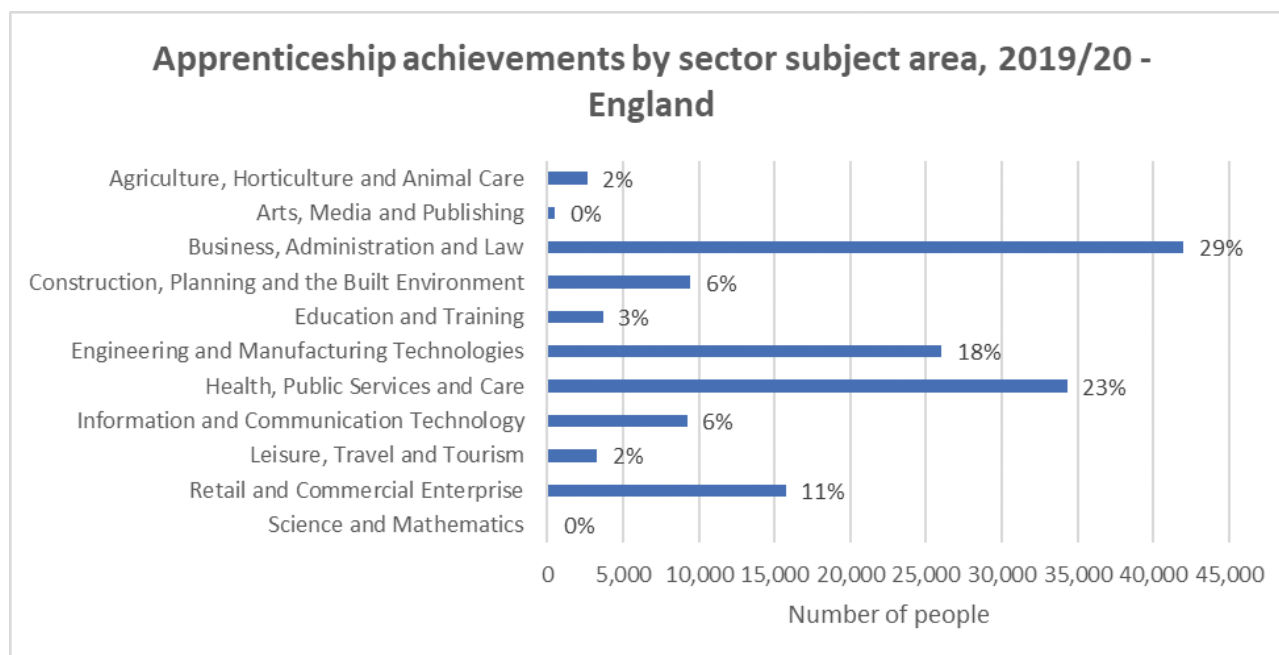
Core Indicator 13: Apprenticeship Achievements:

In Cambridgeshire and Peterborough there are a larger proportion of apprenticeships in Health, Public Services and Care when compared to nationally, where apprenticeships in Business, Administration and Law are most common. However, the subjects where we can see the highest concentrations of achievements are the same as nationally, with Health, Public Services and Care and Engineering and Manufacturing technology coming in at second and third place with the most achievements. **These align well with Cambridgeshire and Peterborough's employment sectors, suggesting that the relevant skills are being acquired for the area.**

Apprenticeship Achievements 19/20 – Cambridgeshire and Peterborough



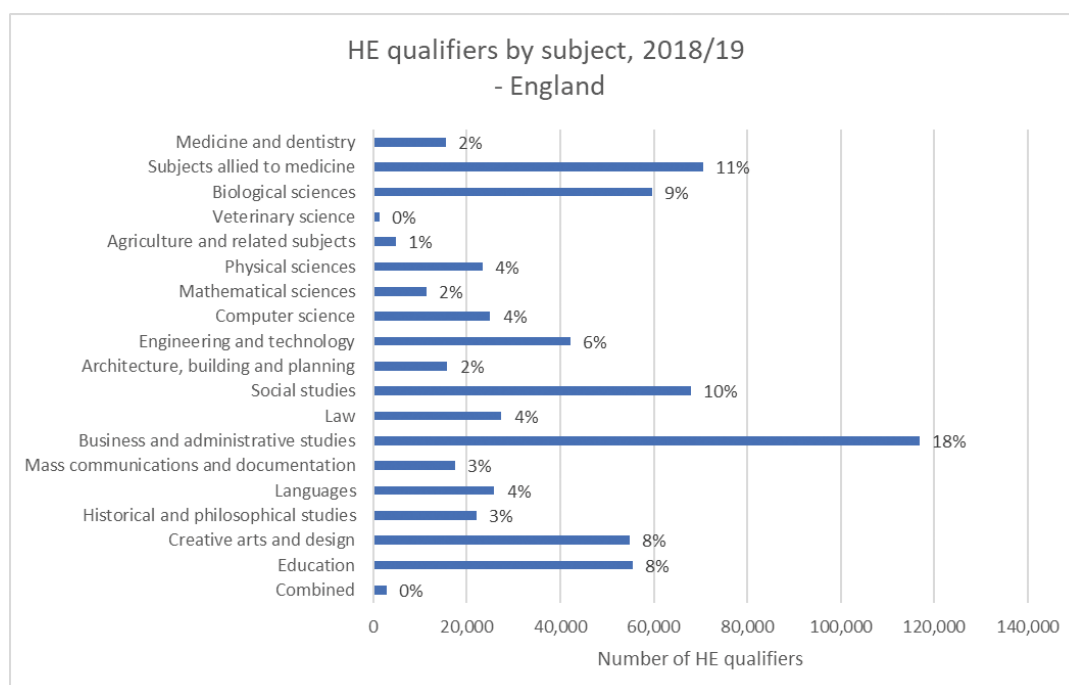
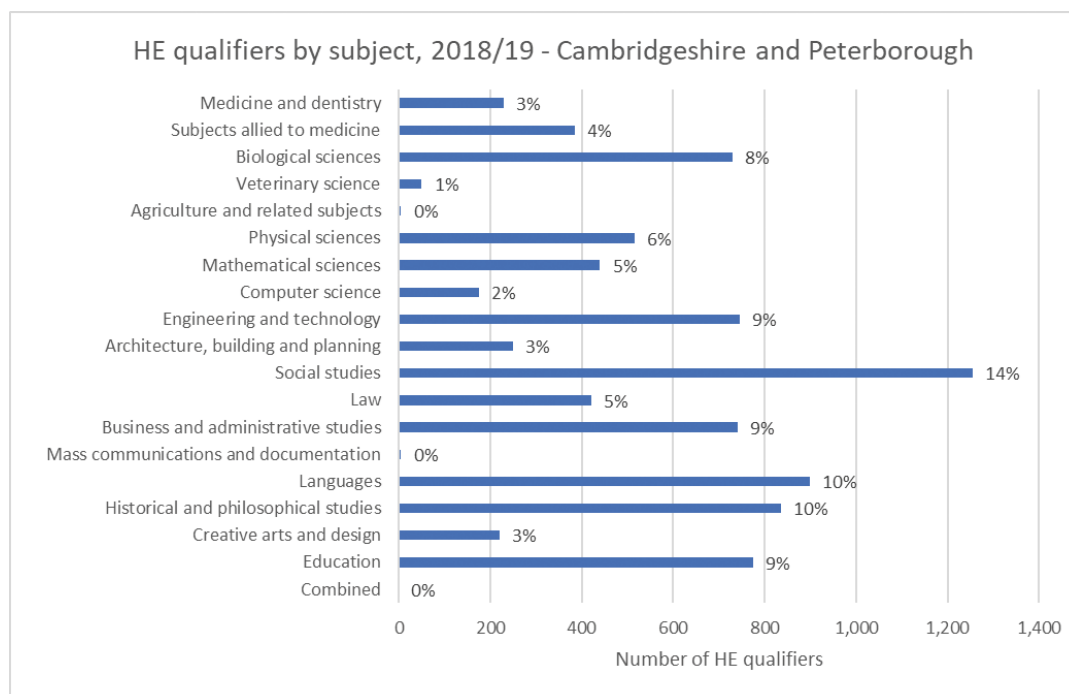
Apprenticeship Achievements 19/20 – England



Source: Apprenticeships data, DfE, (published 2020), 2020 SAP boundaries

Core Indicator 14: Higher Education Qualifiers

In Cambridgeshire and Peterborough, there are notably higher proportions of qualifiers in Physical and Mathematical Sciences, Engineering and Technology, Social Studies, Languages, and Historical and Philosophical studies compared with the national split. Conversely, there are notably lower proportions in subjects allied to medicine, Business and administrative studies, mass communication and documentation and Creative arts and design.



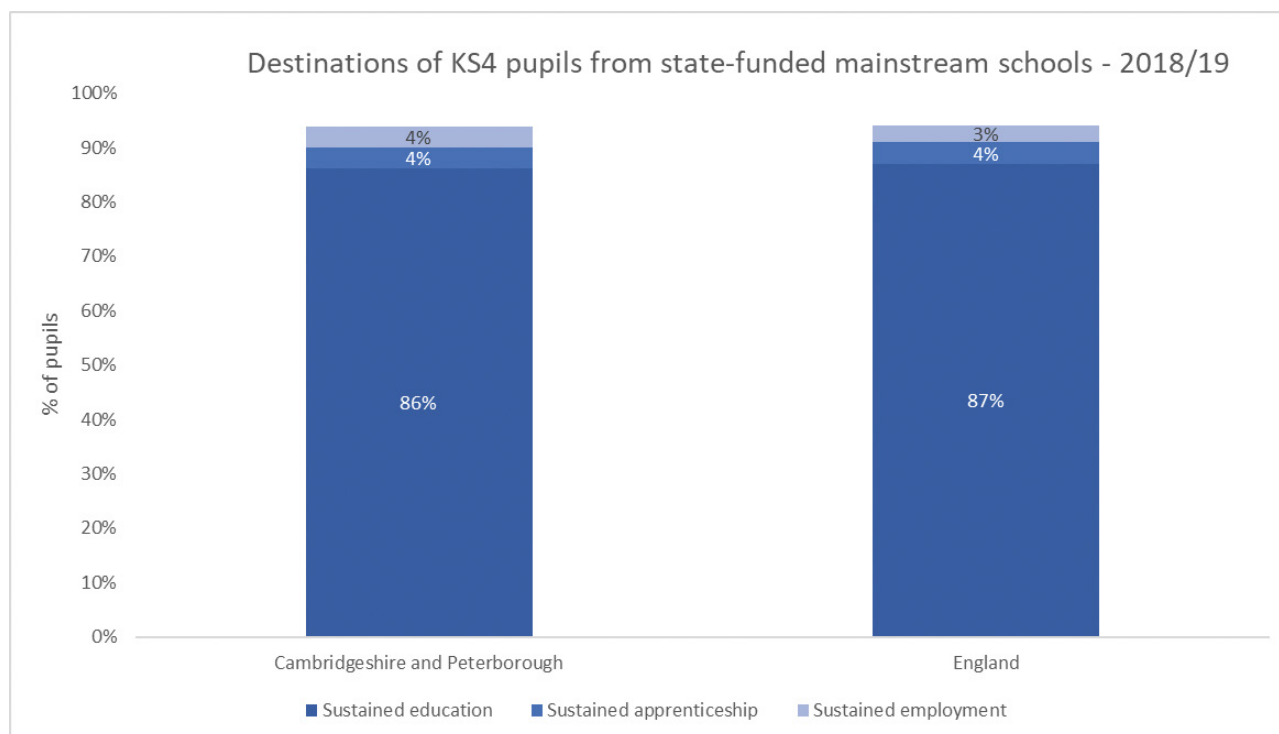
Source: HESA, 2018/2019 qualifiers (published 2020), 2020 SAP boundaries

These outcomes align with the main sectors of employment in Cambridgeshire and Peterborough, particularly where the three overlapping labour markets are concerned.

Notably, Physical and Mathematical sciences, Engineering and Technology link to specialisations in Life sciences and Hi-tech manufacturing in Cambridge and South Cambridgeshire.

Core Indicator 15: KS4 destinations:

There is a slightly higher percentage of KS4 pupils who go into sustained employment (+1%), and a slightly lower percentage going into sustained education (-1%) across Cambridgeshire and Peterborough, compared with England as a whole. Overall, the proportional split of outcomes is very similar when comparing local to national, with the vast majority of pupils going into sustained education and smaller proportions going into either sustained apprenticeships or sustained employment.



Source: KS4 destination measures, DfE, 2018/19 (published 2020), 2020 SAP boundaries

The latest GCSE and A level statistics show a clear contrast in attainment across the Combined Authority area. Cambridgeshire's GCSE average attainment score is 4 percentage points greater than the national average, whilst it's A level results are even stronger, 6 percentage points higher than England. **GCSE and A level results suggest a north-south divide in attainment outcomes.**¹⁹

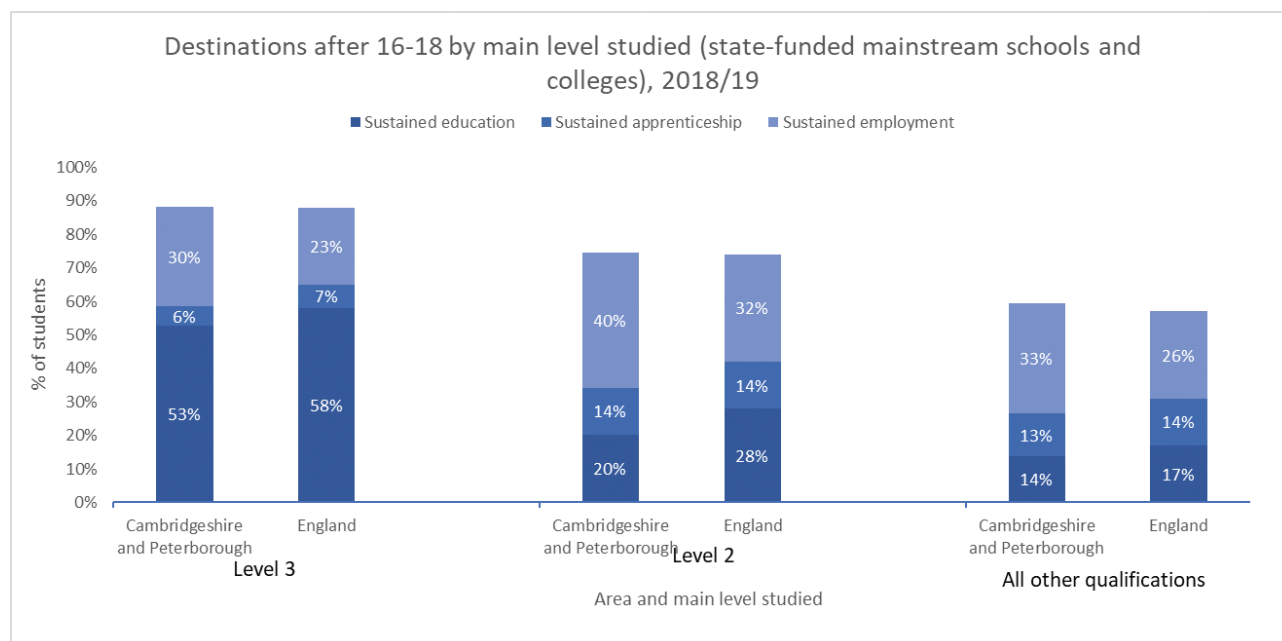
GCSEs and A levels are a key measure of educational attainment. GCSEs act as a key gateway to FE, whilst A levels offer an academic pathway to university and other forms of HE.

So, whilst the Combined Authority area has a higher proportion of young people moving into sustained education, attainment and destination data suggests variation across the SAP area **with Peterborough facing significant challenges, which may be hindering the employability prospects of its young people.**

¹⁹ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

Core Indicator 16: KS5 destinations:

In Cambridgeshire and Peterborough, a higher proportion of people aged 16-18 go into sustained employment after their studies at all qualification levels compared with nationally, however, slightly fewer go in to sustained apprenticeships. There are some differences evident across each qualification level. For Level 3 destinations, sustained education is the most common destination. However, compared with the national levels, 5% less go into sustained education (53%) and 1% less go on to sustained apprenticeships (6%).



Source: 16-18 Destinations Measures, DfE, 2018/19 (published 2020), 2020 SAP boundaries

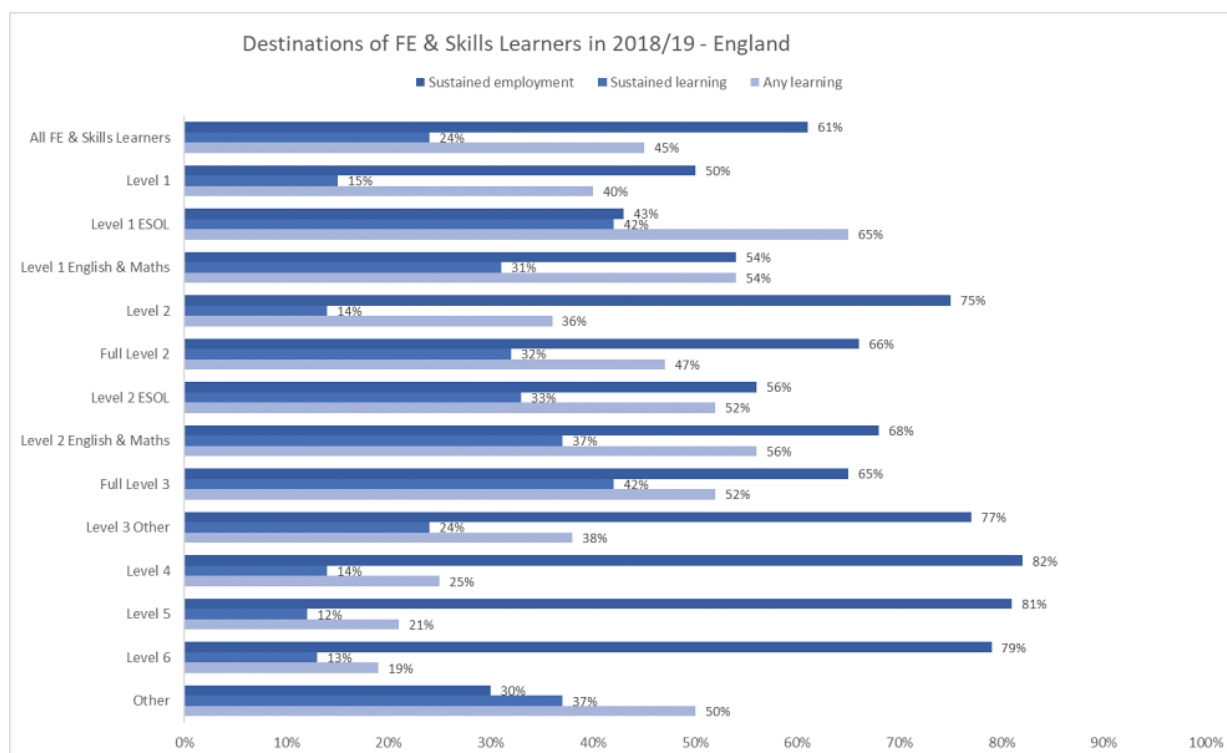
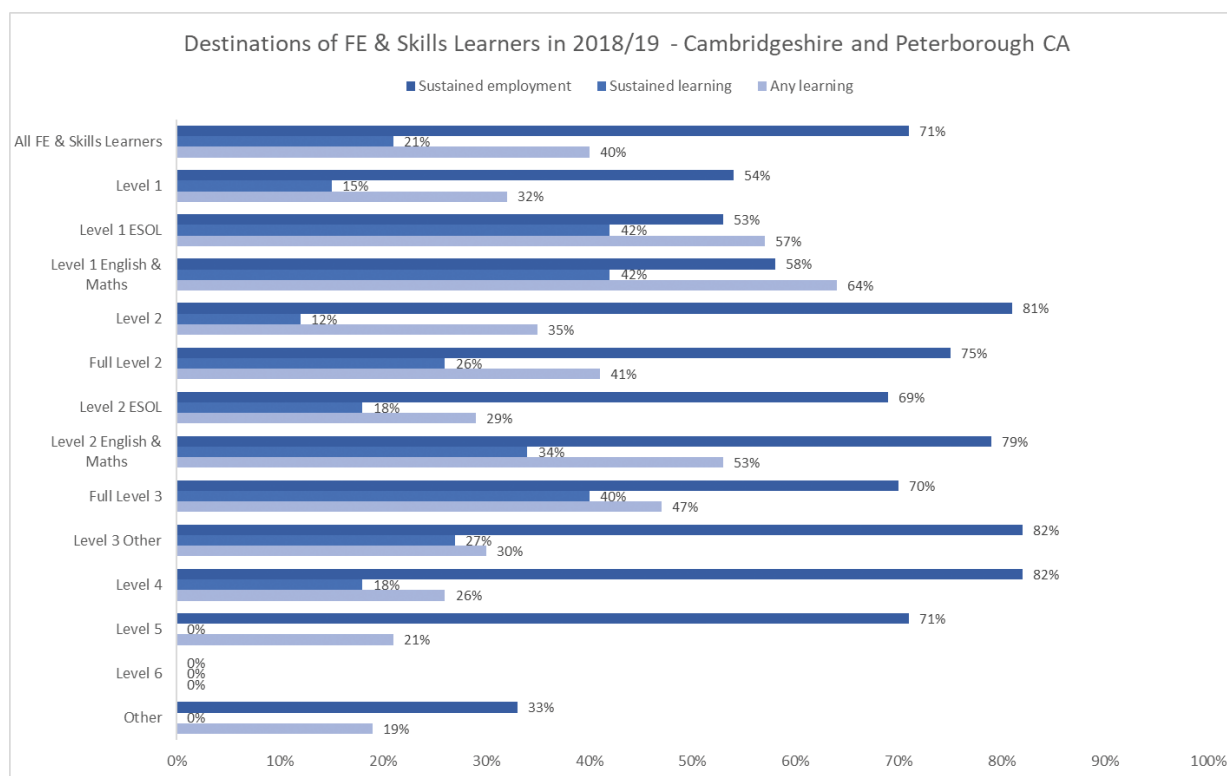
Across Cambridgeshire and Peterborough, proportionately more KS5 leavers go into employment than the national average. On the contrary, Level 2 leavers show different patterns with more variation in their destinations. The key differences can be seen in the lower proportions going into sustained education both locally and nationally, although 8% more carry on with education nationally than in Cambridgeshire and Peterborough overall.

Sustained employment is the most common destination for level 2 leavers. Additionally, a higher proportion of level 2 leavers go on to do apprenticeships compared with level 3 leavers, although this is slightly less pronounced locally. Those with all other qualifications show similar patterns to those with level 2, with sustained employment being the most common destination and less leavers going into sustained education.

Core Indicator 17: Further Education and Skills Destinations

FE and skills destinations:

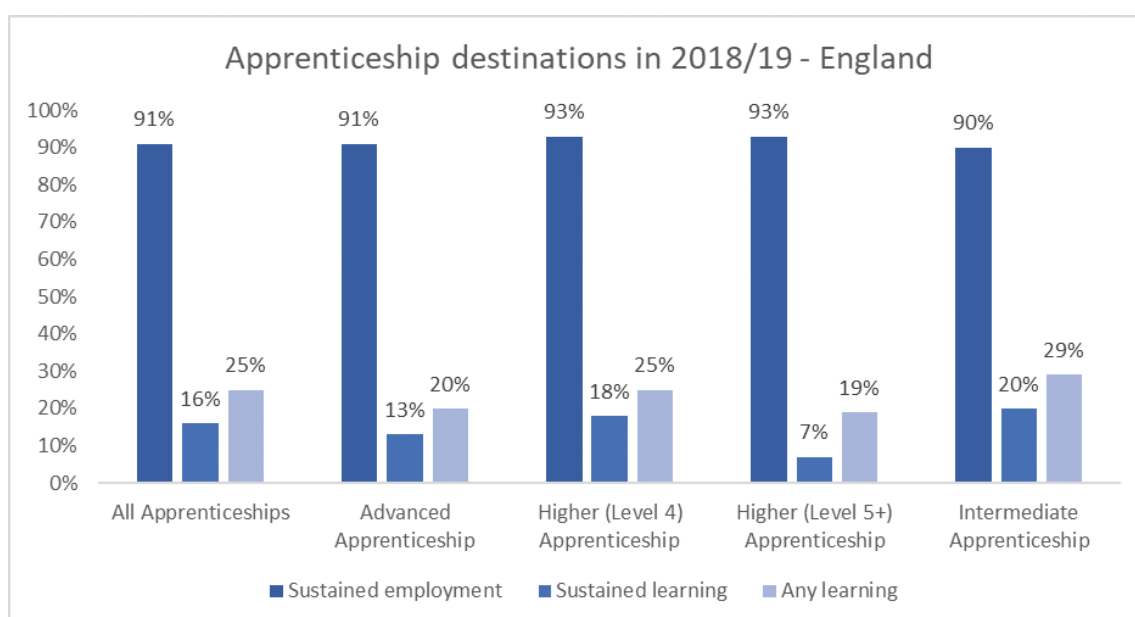
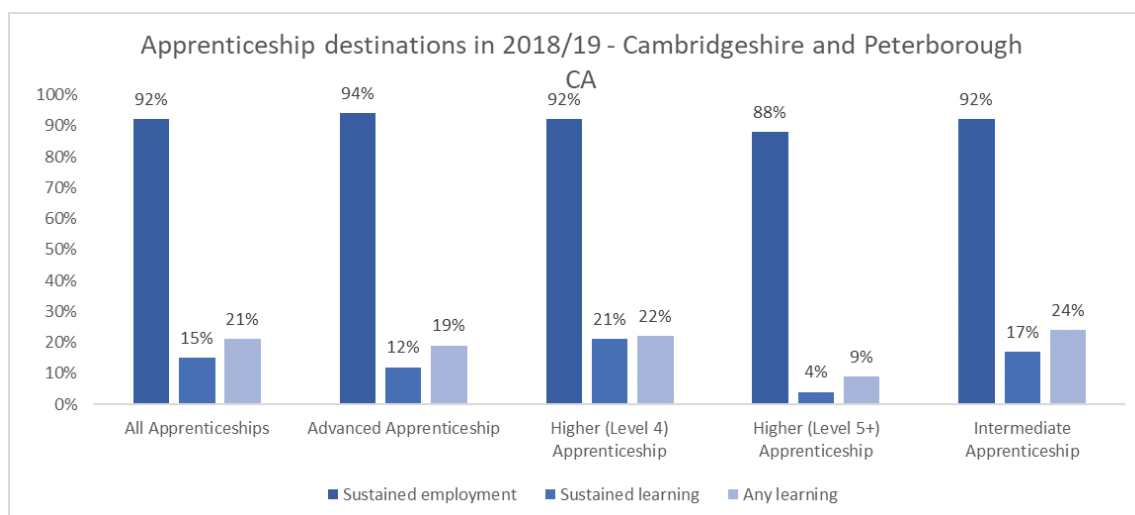
The most common destination for adult FE and skills learners is sustained employment in Cambridgeshire and Peterborough, and this is the case for all qualification levels. This is generally the case nationally as well, with the exception of some Entry level qualification achievers more commonly going into further learning rather than employment.



Source: FE outcome based success measures, 2018/19 achievements, DfE, (published 2020), 2018 LEP/MCA boundaries

Core Indicator 18: Apprenticeship destinations

The vast majority of those who complete apprenticeships go into sustained employment both locally and nationally, although higher proportions can be seen locally. **A pattern that can be seen both locally and nationally is that those who have completed higher level qualifications are less likely to go on into further learning and more likely to go into sustained employment**, with 94% of those who completed Advanced apprenticeships going into employment in Cambridgeshire and Peterborough. Inversely, those who have completed lower level qualifications are more likely to carry on with further learning, both locally and nationally.



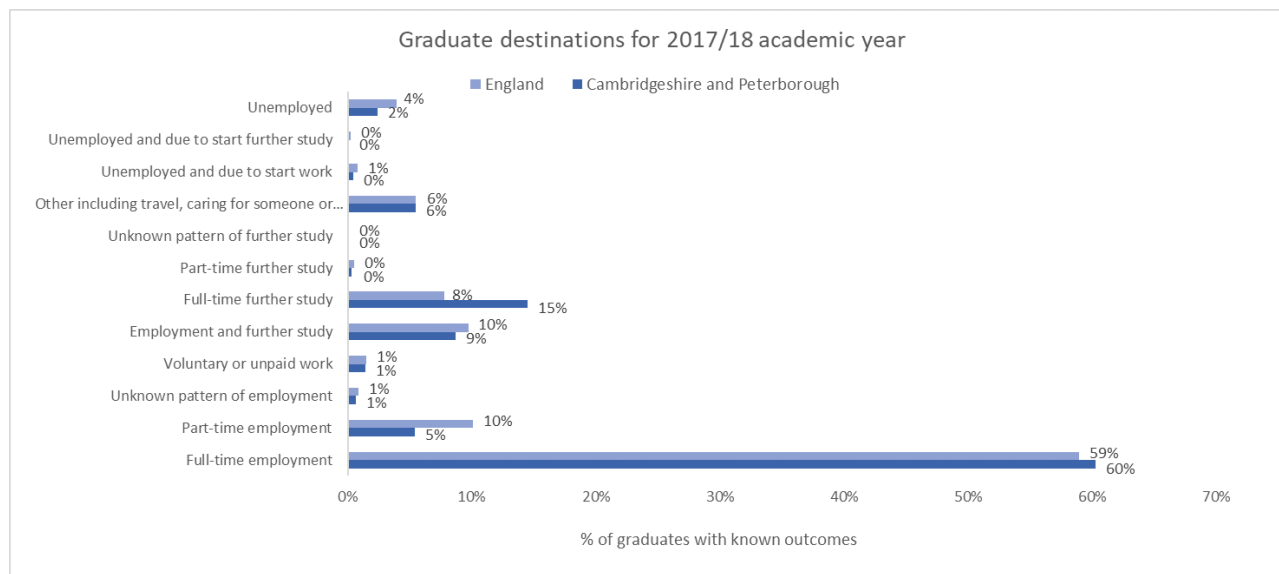
Source: FE outcome based success measures, 2018/19 achievements, DfE, (published 2020), 2018 LEP/MCA boundaries

Our previous evidence base report²⁰ highlights that a large proportion of apprenticeship starts have been in a small number of sectors. Business, Administration & Law apprenticeships have accounted for a large proportion, notably in Peterborough (35%), East Cambridgeshire and South Cambridgeshire (30% respectively). Whereas Fenland saw the greatest proportion of apprenticeship starts in Health Public Services & Care (34%) and Cambridge the largest proportion of Retail and Commercial Enterprise starts (25%).

²⁰ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

Core Indicator 19: Higher Education Graduate destinations

Graduate outcomes in Cambridgeshire and Peterborough portray a positive local picture when compared to national outcomes, with 1% more going into full time employment, 7% more going into full-time further study and 2% less becoming unemployed. Locally, the majority of graduates go into full-time employment, with under 1 in 4 going into further study or a combination of employment and further study, which is broadly similar to the national picture.



Source: HESA, 2017/18 graduates (published 2020), 2020 SAP boundaries

Data on salaries for HE providers in the Combined Authority area are available for Anglia Ruskin University and the University of Cambridge.²¹ There are stark differences in the profile of Graduate earnings between these two providers. For Anglia Ruskin University, in the 2017/18 academic year, of those in paid employment 15 months after graduation, 10% were earning £17,999 or less per annum, 14% were earning in between £18,000 and £20,999, 45% were earning in between £21,000 and £26,999, 11% were earning between £27,000 and £29,999 and 19% were earning £30,000 or above.

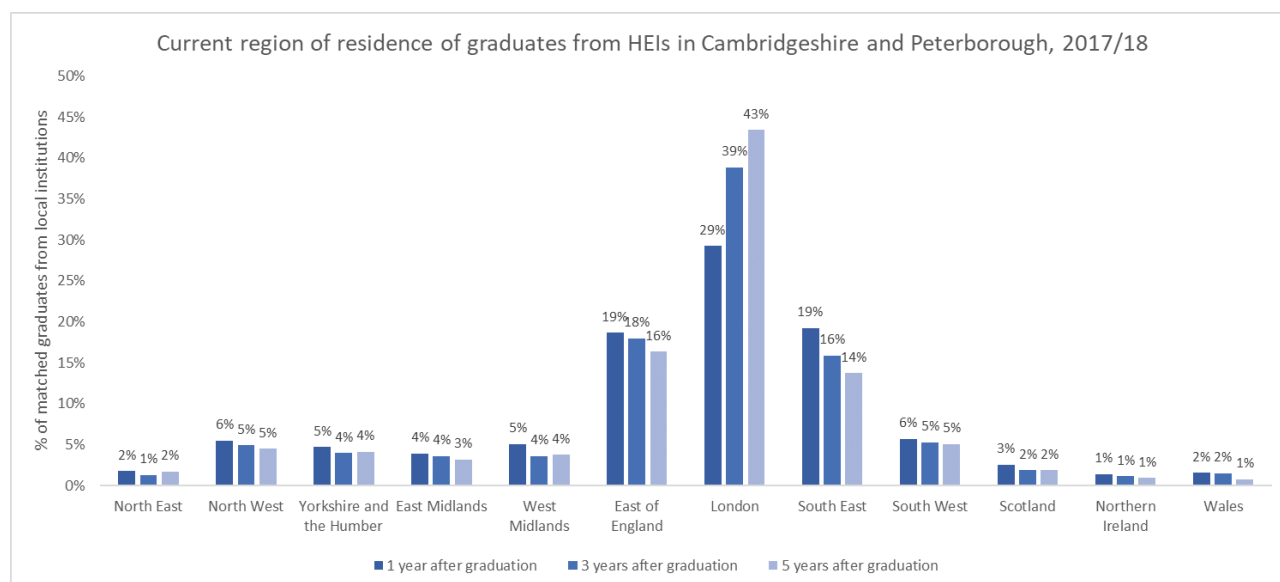
When we look at the same data for the University of Cambridge, a very different picture is portrayed. 4% were earning £17,999 or less, 4% were earning in between £18,000 and £20,999, 22% were earning in between £21,000 and £26,999, 15% were earning between £27,000 and £29,999 and 56% were earning £30,000 or above.

This clearly outlines the differences in the profile of earnings between the two institutions, and the types of occupations that graduates from each institution are entering.

²¹ HESA, Graduate Salaries Experimental Statistics.

Core Indicator 20: Graduate retention

Most graduates from HEIs in Cambridgeshire and Peterborough move to London, with 43% living there 5 years after graduation, this will be influenced by the wider variety and number of employment opportunities available in the capital. However, the second highest proportion is East of England, with 16% remaining in the region 5 years after graduation. The South East also has high proportions of graduates from HEIs in Cambridgeshire and Peterborough, accounting for a similar amount. This highlights a clear North/South divide, with 68% residing in the South of the country 5 years after graduation.

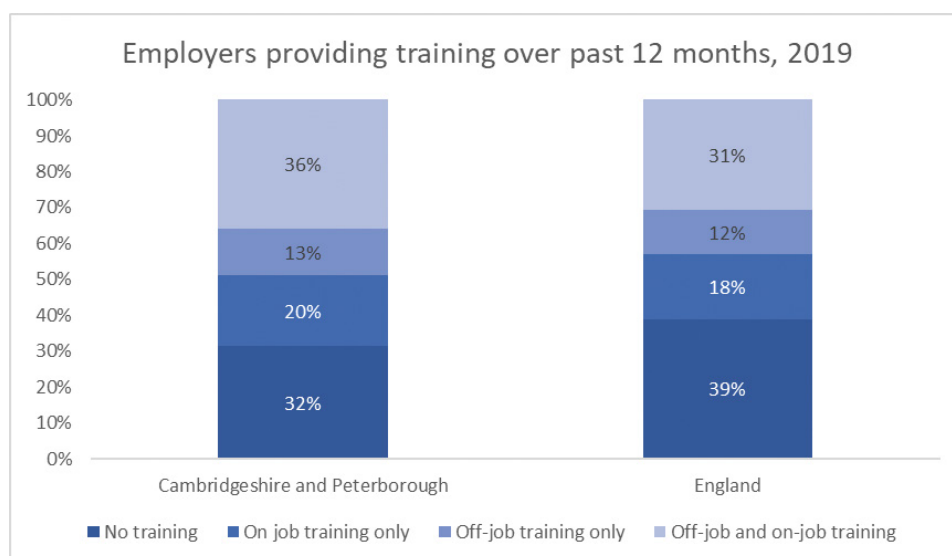


Source: Graduate Outcomes in 2017/18, DfE, (published 2020), 2020 SAP boundaries

Overall, this indicates that the majority of graduates from HEIs in Cambridgeshire and Peterborough move away from the area after completing their studies, representing a loss of skilled labour and economic capacity. However, as outlined in Chapter 5, the University of Peterborough aims improve HE participation locally, raising aspirations for young people and ensuring the curriculum meets the needs of the local employers, students and communities. **This will increase economic capacity and bring in more skilled labour into the area.**

Core Indicator 21: Employer provided training

More employers provide training locally than they do nationally, with 69% of employers providing some kind of training in Cambridgeshire and Peterborough compared with 61% of employers nationally. This is mostly accounted for within the both off-job and on-job training category, with 36% of employers providing this in the Combined Authority area.



Source: Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries

Our previous evidence base report²² suggests that employers are investing in training to upskill staff and mitigate skills shortages. It found that **employers across the Combined Authority area appear to be more willing to offer training to employees, in order to address skills shortages and recruitment problems, than national benchmarks, with over 70% providing some kind of training.** There is also a greater propensity for firms to invest in on-the-job and online training versus England, although offsite training also plays a considerable role. **Variance between Cambridgeshire and Peterborough is minimal, with employers in the latter generally more likely to offer some form of training.**

²² Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

Skills Demand

Skills Demand – Summary

The current demand for skills across the Combined Authority area is **determined by its sectoral makeup and the types of businesses that are active within the area**. We can see this by looking at recent trends and how the shape of the Combined Authority's economy has evolved and is continuing to change. Our deep dive report analyses skills supply and demand within the context of our priority sectors.

Overall, there is significant occupational crossover between the Combined Authority's priority sectors. To an extent this is unsurprising given the priority sectors are knowledge-intensive sectors that draw on workers with common STEM skill sets, particularly related to digital technology, data analysis, research and industrial design.²³

The key factors relating to skills demand across the Combined Authority are as follows:

While we have significant occupational crossover, some sectors require a distinct workforce.

- Across the priority sectors approximately 75% of occupations overlap with at least one other sector, however in Agri-Tech that number falls to 56%.
- Employers in the priority sectors are able to draw from a reasonably large pool of workers with skills and knowledge which are essential to the sector.
- Skills gaps in distinct sectors may be harder to fill through employees transferring from other sectors and applying a common skill set.
- The presence of skills gaps suggests that there may be more fundamental issues with the Combined Authority's education training ecosystem, as they show an imbalance between skills supply and demand.

Short-term demand is influenced by vacancies, and the weight of our growth sectors is evident. We know these have been impacted by COVID-19, and while they are starting to show signs of recovery, longer-term impacts are yet to be seen.

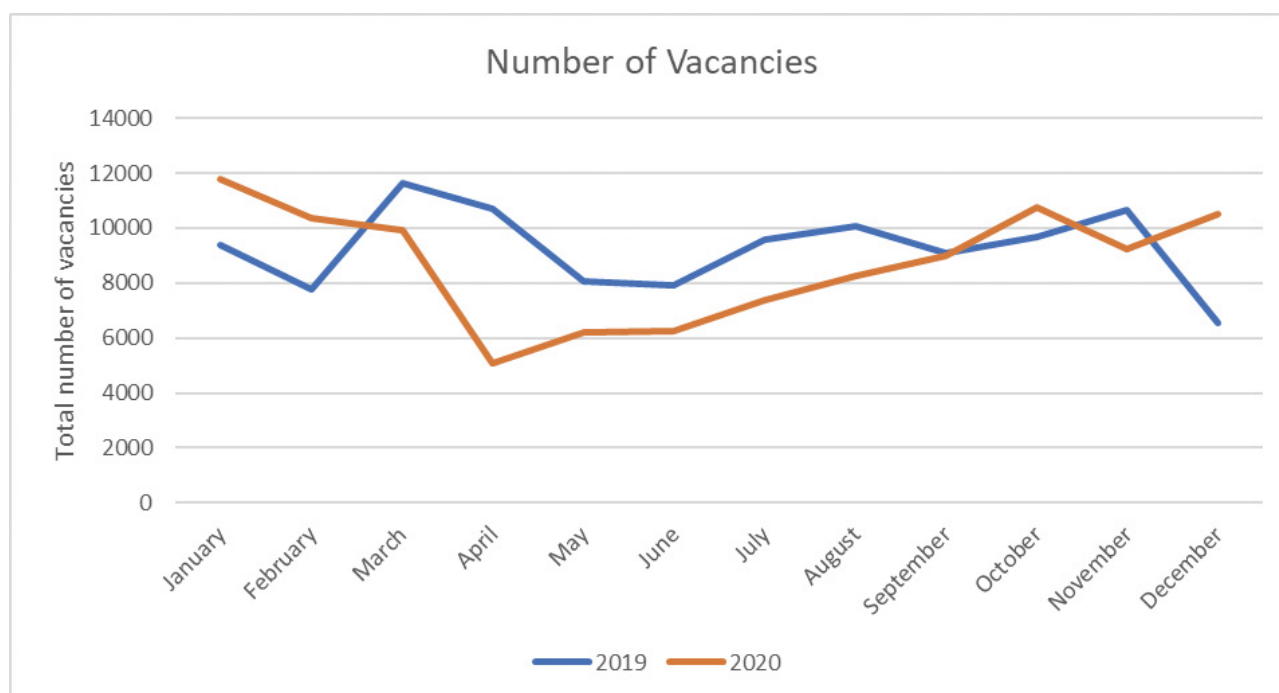
- There has been growth in more advanced IT and computing knowledge. The demand for these skills reflects the growth in our Digital and IT sector.
- Overall demand for occupations across the Combined Authority is projected across the high-low skills continuum.
- While vacancies have shown a short-term recovery, the longer-term impacts of the pandemic and how this has influenced the job market is still yet to be seen.

²³ Cambridgeshire and Peterborough Combined Authority Skills Supply and Demand Deep Dive, Metrodynamics, 2020.

Skills Demand – Core Indicators

Core Indicator 22: Online vacancies

Online vacancies in Cambridgeshire and Peterborough vary throughout the year, with peaks evident in March and April over the past 5 years, and the lowest number of vacancies seen around December. However, in 2020, the usual peak at the start of the financial year saw the lowest number of advertised vacancies in the last five years. **On average, there are around 10,800²⁴ vacancies each month in Cambridgeshire and Peterborough, but in April 2020 there were less than half this number, with just 5,074 vacancies advertised.** The onset of COVID-19, with the first national lockdown and various sectors furloughed resulted in a decline in the number of jobs advertised across the Combined Authority area.



Source: Labour Insight (Burning Glass Technologies) (Number of Vacancies across Cambridgeshire and Peterborough in 2019-2020)

However, since April 2020 online job postings across the Combined Authority area have been gradually recovering to the point where in October 2020 the number of vacancies advertised (10,800) returned to the average monthly level of vacancies across the Combined Authority area seen before COVID-19. This saw a slight dip in November 2020, with a recovery to just below average levels by December 2020 (10,500). Considering December has shown to be a low point for vacancies over the past five years, this indicates a strong recovery, with vacancies 60% higher than they were in December 2019. **However, it should be noted that the longer-term impacts of COVID-19 are still unknown, and while vacancies have shown a short-term recovery, the longer-term impacts of the pandemic and how these have influenced the job market are still yet to be seen.**

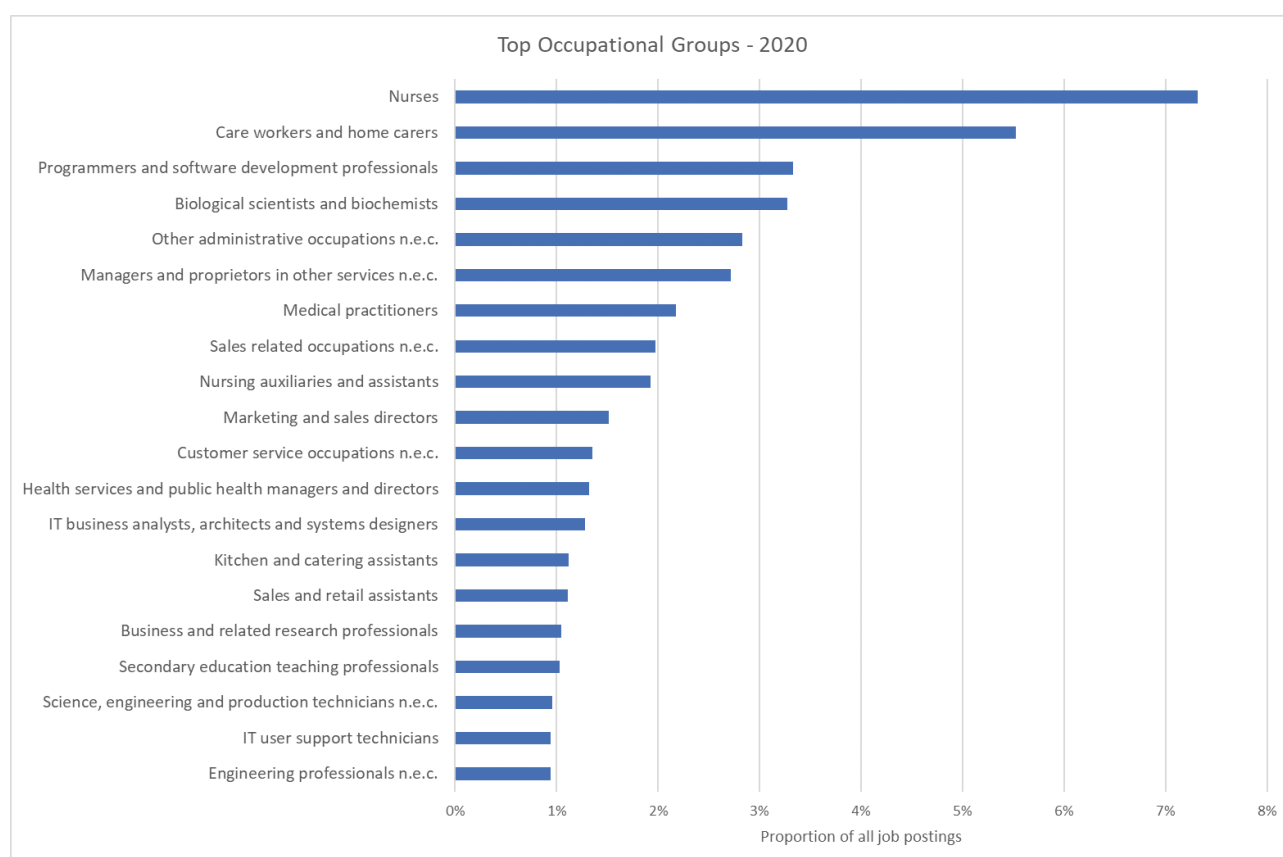
Similar patterns can be seen at a district level, with peaks and troughs evident at particular times of the year. By December 2020, all Cambridgeshire districts had recovered to pre-pandemic levels, with more vacancies than their five-year average. Cambridge and Peterborough only had slightly less vacancies compared to their monthly averages, (5,900 average compared with 6,500 in Cambridge in Dec 2020 and 2,200 average compared with 2,500 in Peterborough in Dec 2020).

The top two occupational groups across Cambridgeshire and Peterborough in 2020 were Nurses

²⁴ Average based on monthly vacancies from January 2016-December 2020.

and Care workers and home carers. This is likely influenced by the increased demand for health care workers due to the COVID-19 pandemic. However, nurses have been the top occupational group over the past five years, which highlights the constant demand for this occupation. Occupations from our growth sectors, such as programmers and software development professionals and Biological scientists and Biochemists still fall within our top 5 occupational groups despite the pandemic. **This highlights the demand from our IT and Digital and Life Sciences Sectors.**

There has also been a strong demand for Other administrative occupations although this has decreased in 2020 when compared to previous years.



Source: Labour Insight (Burning Glass Technologies) (*Top Occupational Groups by 4 Digit SOC Codes, across Cambridgeshire and Peterborough in 2020*)

The Combined Authority's recovery in online vacancies since April is driven by the health care sector and the education sector, which having experienced a dramatic decline in April, is returning to pre-pandemic levels of activity. **There has also been strong recovery in Professional, Scientific and Technical activities from a low of 200 in April to 500 in December, and there are also clear signs of recovery in other sectors including Manufacturing and the Wholesale and Retail Trade. Other sectors such as Construction, Financial and Insurance activities and transport are also indicating recovery with the number of vacancies in December 2020 above the five-year average.** For other sectors, however, online job posting activity remains largely subdued.

However, as previously stated, **we are yet to see the longer-term impacts of COVID-19.**

When considering the top skills in demand based on online vacancies, these **largely reflect the key priority sectors as outlined from the previous evidence base report²⁵**, with similar skills

²⁵ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

featuring in the top 10 in greatest demand in the past five years. Teamwork and Collaboration; Communication; Research; Organisation; Customer Service; and knowledge of Microsoft Office packages have shown to be the skills in the greatest demand over the past 5 years. There has been **growth in more advanced IT and computing knowledge**, with the number of postings specifying a demand for Python increasing year on year. **The demand for these skills reflects the growth in our priority sectors**, with the demand for more sophisticated IT skills likely influenced by the growth in our Digital and IT sector.

The top 20 skills from February to October 2020 largely fall into four categories: health care, retail hospitality, or business administration or they are related to one of the Combined Authority's Priority Sectors. The analysis shows that 5 of the top 20 skills in demand across the Combined Authority area are related to Digital IT or to Life Sciences, which is an encouraging sign of those sectors' durability during COVID-19. Demand for retail hospitality skills (basic customer service and general sales) has been increasing as more retail businesses reopened over the summer and autumn though data does not yet account for the resurgence of COVID-19 at the end of 2020 and the implications of this for retail businesses.

Core Indicator 23: Growth Sectors and Occupations

The top five growth sectors identified in the below table from Working Futures 2017-2027 crossover with some of the areas identified in our evidence base report. The limitations with the below data on sectors and occupation growth should be noted as **these are at the previous Greater Cambridge and Greater Peterborough (GCGP) LEP geography. This covers a much larger geographical area than our Cambridgeshire and Peterborough SAP area, therefore the findings are not directly comparable.**

Greater Cambridge and Greater Peterborough	
Sectors with highest forecast growth (2017-2027)	Sectors with lowest forecast growth (2017-2027)
1) Health and social work	1) Agriculture
2) Water and sewerage	2) Rest of manufacturing
3) Arts and entertainment	3) Finance and insurance
4) Support services	4) Media
5) Professional services	5) Engineering

Source: Working Futures, 2017-2027 (published 2020), 2017 LEP boundaries

Please note these forecasts were produced prior to COVID-19.

As previously noted, the growth sectors identified in the previous Combined Authority evidence base report are:

- Agriculture and Food (Agri-tech)
- Life Sciences
- IT and Digital
- Manufacturing, Advanced Manufacturing and Materials
- Logistics and Distribution
- Education and Professional Services

However, even across broad local geographies, sectors identified within the previous evidence base report²⁶, such as Professional services, are outlined in the top 5 sectors with the highest growth. This highlights the crossover between the two geographies and the prominence of these sectors across the wider geographical area.

On the other hand, some of the Combined Authority's priority sectors have come up as the top 5 sectors with the lowest forecast growth, such as Agriculture and Manufacturing. Looking across the greater LEP geography portrays a different image to the findings from more localised analysis of the Combined Authority area.

Additional analysis on the impacts of COVID-19 on our top 5 growth sectors highlights important issues that need to be considered with emerging and changing trends in our economy and labour market.

Working Futures also identifies our occupations with the highest and lowest forecast growth, as noted these are at the GCGP LEP geography therefore comparisons to local intelligence available at the Combined Authority SAP geography are not straightforward.

Working Futures suggests the occupations with the highest forecast growth are in Caring personal service occupations; Health and social care professionals and associate professionals; customer service occupations; and corporate managers and directors. On the other hand, the occupations

²⁶ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

with the lowest forecast growth are in secretarial and related occupations; process, plant and machine operatives; Skilled metal, electrical and electronic trades; Textiles, printing and other skilled trades; and administrative occupations.

Greater Cambridge and Greater Peterborough LEP	
Occupations with highest forecast growth (2017-2027)	Occupations with lowest forecast growth (2017-2027)
1) Caring personal service occupations	1) Secretarial and related occupations
2) Health and social care associate professionals	2) Process, plant and machine operatives
3) Health professionals	3) Skilled metal, electrical and electronic trades
4) Customer service occupations	4) Textiles, printing and other skilled trades
5) Corporate managers and directors	5) Administrative occupations

Source: *Working Futures, 2017-2027 (published 2020), 2017 LEP boundaries*

Please note these forecasts were produced prior to COVID-19

Occupations at the Combined Authority geography and how these align with occupational breakdowns nationally is outlined in the local landscape section at the beginning of Annex A. We identified that we have a higher proportion of people in Professional Occupations compared with nationally. We also outlined that this occupation was less affected by the impacts of COVID-19 and has shown the quickest recovery so far.

The previous evidence base report²⁷ found that **overall demand for occupations across the Combined Authority, is projected across the high-low skills continuum**. The largest demands are expected to come from Professional and Associate Professional and Technical occupations, which reflects a shift toward higher level employment. However, there will also be considerable demand for mid-lower level occupations, particularly in the Caring, Leisure, Other Services, and Elementary occupations.

The balance of future occupational demand is skewed towards the replacement of existing jobs. However, some mid-low skilled occupations are expected to benefit from the creation of new employment, reflected in expansion demand figures for Caring, Leisure and Other Services and Elementary occupations.

To further support this, the East of England Forecasting Model (EEFM)²⁸ forecasted occupational change across the Combined Authority area to show significant increases in the Management, Professional and Associate Professional Occupations and falling numbers of those working in Administrative and Skilled Trades Occupations.

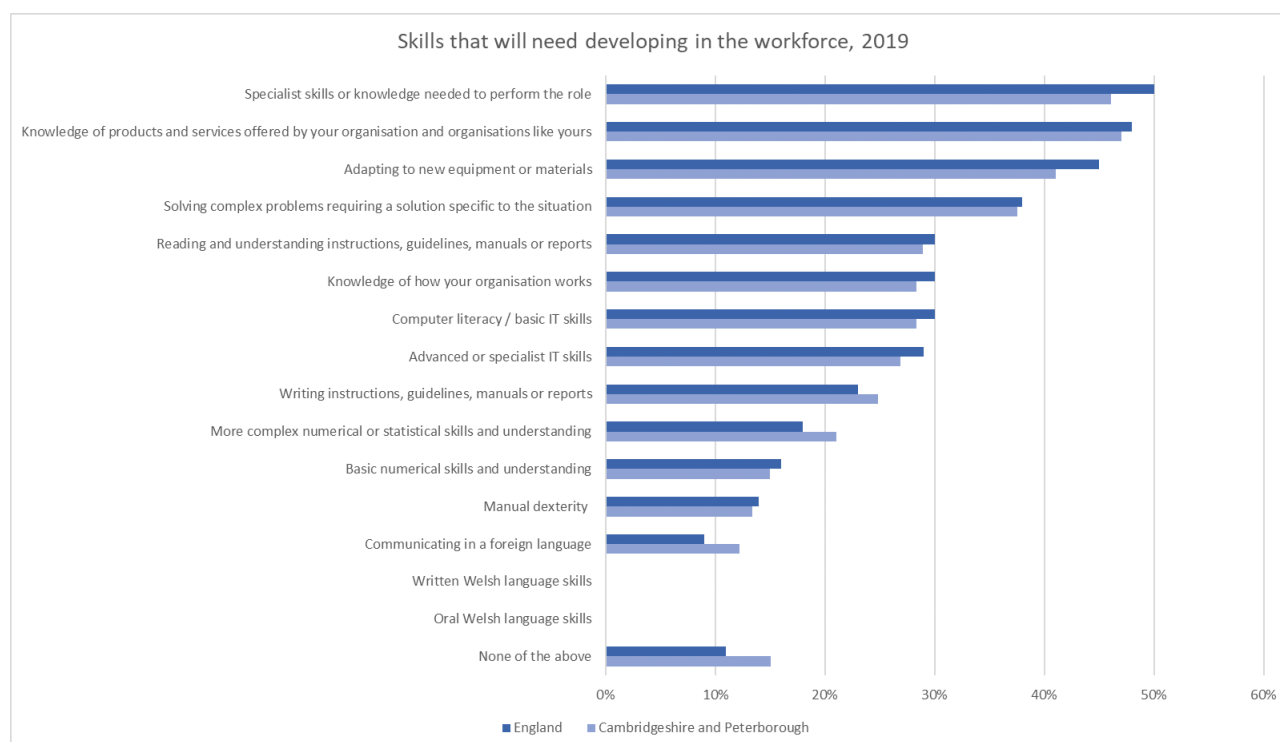
²⁷ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

²⁸ East of England Forecasting Model. Available: <https://cambridgeshireinsight.org.uk/eefm/>

Core Indicator 24: Skills that need developing:

The most common skills that need developing relate to specialist knowledge for the role, organisation or equipment required, this is the case both locally and nationally, although less pronounced in Cambridgeshire and Peterborough.²⁹

Some skill areas show a greater proportion locally compared with nationally, these are: Communicating in a foreign language; More complex numerical or statistical skills and understanding; and Writing instructions, guidelines, manuals and reports. All other skill areas have higher proportions that need developing in the workforce nationally.



Source: Employers Skills Survey, 2019 (published 2020), 2019 LEP boundaries

The previous evidence base report³⁰ published in 2018 outlined that **the presence of skills gaps suggests that there may be more fundamental issues with the Combined Authority's education training ecosystem, as they show an imbalance between skills supply and demand.** Reported data reinforces this view, as employers across the Combined Authority cited a number of impacts attributed to skills gaps.

The evidence further suggested that the impacts felt by local firms were broad and were likely to have commercial ramifications for employers. Across the Combined Authority area, the most common impacts were linked to an increase in workloads for staff, whilst skills gaps were also leading to higher operating costs, quality control issues and greater pressure from competitors. Peterborough firms appear to be less commercially affected by skills gaps, versus their Cambridgeshire counterparts, with over 50% of respondents reporting little to no negative impact.

²⁹

³⁰ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

Mapping Skills Supply and Demand

Summary

Across previous indicators of this annex we have noted a variation in both supply and demand across different parts of the region, this introduces a challenge to match this demand with supply.

However, a cross-cutting strength for the Combined Authority area comes through the **devolved powers and budget responsibilities that come with being an MCA area. These powers give additional strength to be able to match local skills supply with demand.** This ability underpins our strategies outlined in chapters 4 and 5 of the main local skills report. The key points to note from the core indicators relating to mapping skills supply and demand are as follows:

These devolved powers help to facilitate targeted commissioning to meet the skills needs of our individual sub-economies and growth sectors. Existing local strategies are built around developing skills supply to meet the needs of local growth sectors.

Skills demands in some sectors may be harder to supply through employees transferring from other sectors and applying a common skill set.

- Agri-Tech which has lower levels of occupational crossover and demands a very specific skill set.
- There are a lower proportion of establishments with under-utilised staff compared with nationally. This will be influenced by the specific demands of our growth sectors, which have a unique demand for skills.
- Hard-to-fill vacancy challenges were most pronounced in Peterborough.

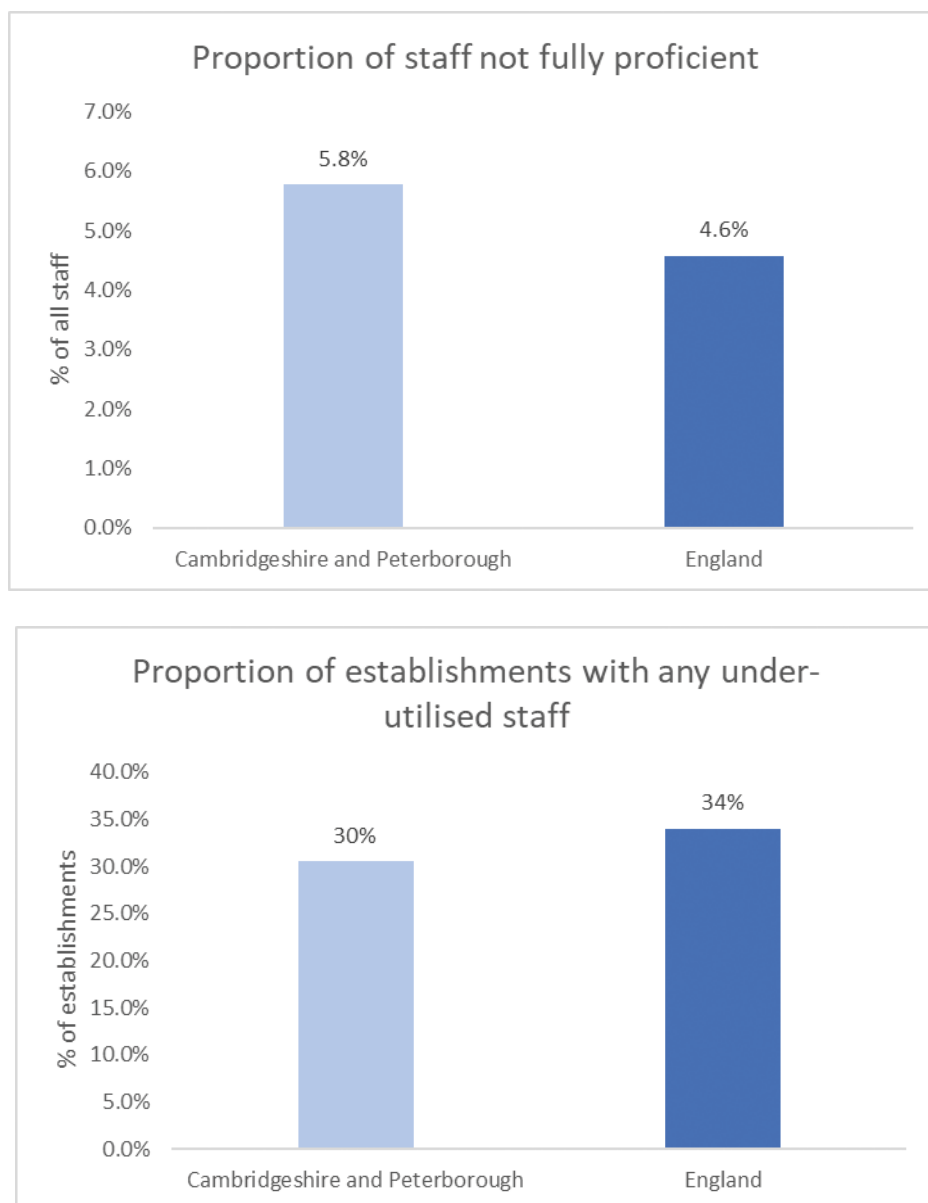
Contextual factors underpinned by our local landscape are key in understanding the challenges associated in matching skills supply to demand.

- As the local population continues to grow, the Combined Authority's workforce is getting older, this introduces some key questions around the demand for suitably skilled workers, who are able to meet the needs of existing skills demands and jobs on offer.
- The northern districts of the Combined Authority area exhibit the highest levels of relative deprivation in the Combined Authority area.
- Individuals living in areas with higher levels of deprivation are more likely to have poorer outcomes, have lower educational attainments and lower levels of skill. **This deprivation makes it harder to acquire the relevant skills needed for the jobs in demand, creating challenges with mapping skills supply to demand.**
- The Combined Authority area is defined by its rurality which can bring some local challenges surrounding travel to work in certain parts of the region.

Core Indicator 25: Staff Proficiency

Locally, there is a slightly higher proportion of staff who are considered 'not fully proficient' at 5.8% compared to nationally with 4.6%. Having higher proportions of staff who are not fully proficient introduces challenges for the area, **this could be influenced by some of the unique skills required in our growth sectors, such as Agri-Tech which has lower levels of occupational crossover and demands a very specific skill set.**

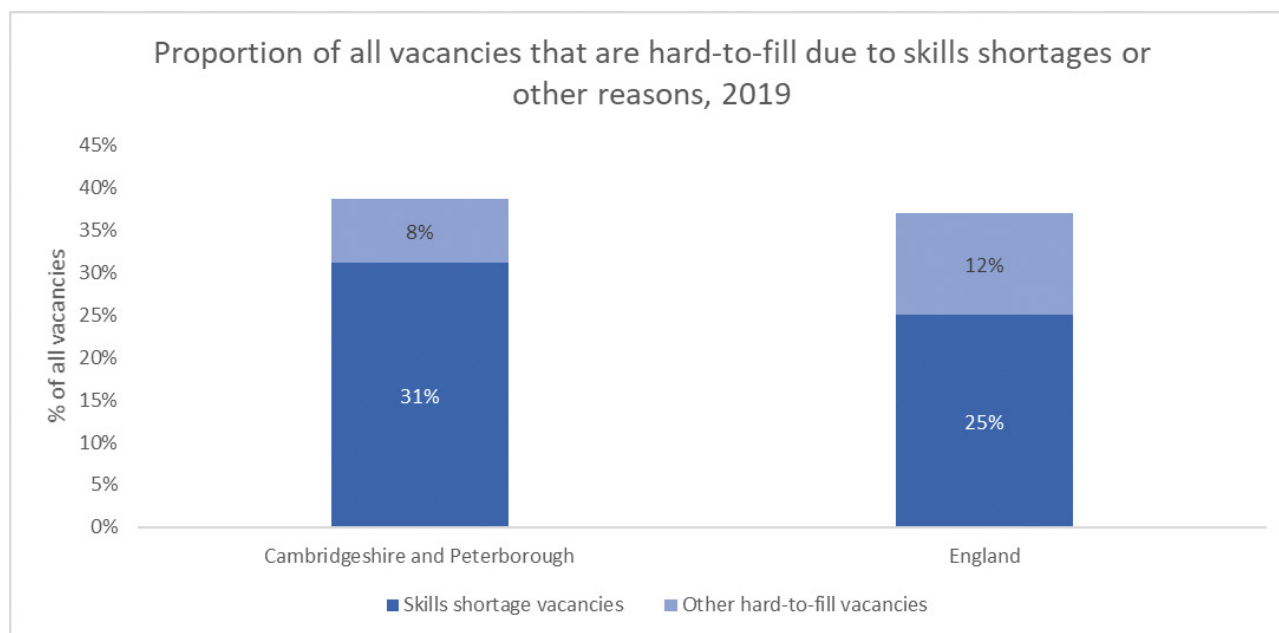
However, in Cambridgeshire and Peterborough there are a lower proportion of establishments with any under-utilised staff at 30%, compared with nationally where this is 34%. **This will be influenced by the specific demands of our growth sectors, which have a unique demand for skills.**



Source: Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries

Core Indicator 26: Hard-to-fill and skills shortage vacancies:

Overall, Cambridgeshire and Peterborough has higher proportions of skills shortage vacancies compared with nationally. Hard-to-fill or longer-term vacancies provide more concrete evidence of the challenges employers in certain sectors face when trying to recruit skilled labour. Therefore, they are a useful indicator of skills shortages and which sectors are most affected.



Source: Employer Skills Survey, 2019 (published 2020), 2019 LEP boundaries

Our previous evidence base report³¹ identified the importance of looking at hard-to-fill vacancies at an occupational level, with a clear link to occupations evident. **It outlined that the highest proportion of hard-to-fill vacancies were at the elementary level, followed by skilled trades, administrative/clerical roles and associate professionals.** Hard-to-fill vacancy challenges were **most pronounced in Peterborough**, although Cambridgeshire had reported difficulties at both ends of the skills continuum (sales/customer service staff and professionals).

Additionally, the report found a clear link between reported skills shortages and vacancies, with similarities between the sectors that have the reported hard-to-fill job vacancies in Cambridgeshire. This includes the Education, Health & Social Work, Hotel & Restaurants and Construction sectors, where more than 10% of businesses reported a skills shortage issue. That said, there is also some variation in the results, with the Manufacturing and Transport & Storage businesses reporting the most acute skills shortage challenges. There remains an emphasis on lower-level skills shortages.

For Cambridgeshire and Peterborough overall, **the primary driver of hard-to-fill vacancies was low numbers of generally suitable applicants, with those lacking suitable skills also a challenge.** Unattractive employment contract terms and conditions were also cited as being a problem, which hints at issues beyond supply-demand mismatches.

³¹ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

Annex B: COVID-19 Impact monitoring summary

COVID-19 has had a short-term impact on our local economic landscape and labour market. There has been a direct impact on Skills Supply and Skills Demand. While COVID-19 is not the focus of this Local Skills Report, these impacts cannot be ignored.

The following analysis outlines summary findings from monitoring series of key indicators relating to COVID-19 impacts, as outlined in the **Skills Advisory Panels Data Sources Repository**. These indicators provide an understanding into the immediate impacts of COVID-19 on the local economy and workforce and how these have been impacted throughout the pandemic. **These data sources will be imperative in monitoring the recovery of the local economy and beyond.**

The Cambridgeshire and Peterborough Skills Advisory Panel have used this repository to monitor these impacts monthly. The key sources³² used are:

- Claimant count data from DWP
- Unemployment figures from the Annual Population Survey
- Government support scheme data: Coronavirus Job Retention Scheme (CJRS) and Self Employment Income Support Scheme (SEISS) from DWP
- Online Vacancy data from Burning Glass Technologies

Summary

Employment

A key impact, both locally and nationally, has been seen in the rise in benefit claimants. Local counts saw dramatic increases from March to May 2020, with **Cambridgeshire claimant count increasing by 161%. In Peterborough this increased by 102% in the same period, a slightly smaller increase compared to England overall (113%). Since then, claimant counts across the Combined Authority area have seen small decreases but remain at the highest level for the area since 1992.** In December 2020, there were 25,635 claimants across Cambridgeshire and Peterborough, representing 5% of residents aged 16-64, compared with 6% nationally.

More detailed claimant analysis indicates a noticeable **widening in claimant counts by age groups. This shows that younger people have been disproportionately impacted with those aged 16-24 having a higher proportion of residents claiming, except for in Cambridge, where the 25-49 age group has the highest proportions.** This suggests that people within these age groups may have been adversely affected by the impacts of COVID-19 locally.

When considering claimant count by gender, **the data highlights that in December 2020, there were higher proportions of males claiming compared to females, across every district within Cambridgeshire and across every age group.** This was more pronounced in certain areas, such as Peterborough, where 12% of males aged 16-24 were claiming, compared with 8% of females.

Unemployment data has also started to illustrate the impacts of the COVID-19 pandemic, despite this dataset not being as up to date as claimant count. **Up to the end of September 2020, Cambridgeshire reached its highest unemployment rate (3.5%), since the year ending December 2016, when it was 3.7%.**

³² Full details on where these data sources are published is available in the [Reference List](#)

Unemployment rates in Peterborough remained higher compared to national rates, although saw a slight decline from the end of March 2020, from 6.6% to 5.7% at the end of September 2020. However, this is still above levels seen in previous years. At the same point in 2018, the unemployment rate in Peterborough was 5.3%. Therefore, repercussions of the pandemic are even more pronounced as unemployment rates have been in long-term decline, as shown within the core SAP indicators. **Nationally, the unemployment rate saw an increase in the last quarter, from 4% to 4.3%, after being stable over the last year.**

However, the impact of the **ongoing government support schemes** on Claimant count and Unemployment should be noted as these **will have helped in avoiding mass unemployment, although the long-term economic effects of this support ending remain unknown.**

Government Support

Data from the government support schemes has allowed us to monitor the number of employments furloughed across the Combined Authority and the total claims made to the Self Employment Income Support Scheme (SEISS) across the three waves of the scheme.

The Coronavirus Job Retention Scheme (CJRS) was announced by the Government on 20 March 2020 in order to support employers through the COVID-19 period. Employers were able to claim financial support up to 80% of salary, up to a maximum of £2,500 per month per employee.

In the first wave, 107,300 employments were furloughed across Cambridgeshire and Peterborough, representing 30% of employees, at the end of June 2020. Wave 2 saw reductions in furlough support as restrictions were eased and people returned to work. This wave saw 24,200 employments furloughed, representing 7% of employees, at the end of October 2020.

The latest available data from the third wave indicates that 51,800 employments were furloughed up to 31st January 2021, representing 14% of employees aged 16-64 across Cambridgeshire and Peterborough. This is less than England overall, where 17% were furloughed in the same period.

The Self-Employment Income Support Scheme provides support for self-employed individuals whose business has been adversely affected by COVID-19. From 13th May eligible self-employed individuals could claim a grant worth 80% of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £7,500 in total.

In the first wave, 29,600 claims were made across Cambridgeshire and Peterborough, worth £91.9 million, at the end of July 2020. Wave 2 saw a slight reduction in claims, with 27,000 made up to the end of October 2020, to a value of £71.7million. **Data from the third wave so far indicates that 25,000 claims have been made up to 31st January 2021, to a total value of £67.8 million. The take up rate during the third wave has been slightly lower locally (63%) than it has nationally (65%).**

Demand

Finally, the number of online vacancies has also seen reductions due to COVID-19, with clear decreases in the number of online vacancies in 2020. The usual peak at the start of the financial year saw the lowest number of advertised vacancies in the last five years. On average, **there are around 10,800 vacancies each month in Cambridgeshire and Peterborough³³ but in April 2020 there were less than half this number, with just 5,074 vacancies advertised.** The onset

³³ Average based on monthly vacancies from January 2016-December 2020.

of COVID-19, with the first national lockdown and various sectors furloughed resulted in a decline in the number of jobs advertised across the Combined Authority area.

However, since April 2020 online job postings across the Combined Authority area have been gradually recovering to the point where in October 2020 the number of vacancies advertised (10,800) returned to the average monthly level of vacancies across the Combined Authority. This has fluctuated since then, with another decrease in November 2020, likely influenced by the second national lockdown. December 2020 indicated a recovery to just below average levels with 10,500 jobs advertised. Considering December has shown to be a low point for vacancies over the past five years, this indicates a strong recovery, with vacancies 60% higher than in December 2019. However, January 2021 indicated another decline, with 13% less vacancies compared to January 2020. This will have been influenced by the third national lockdown introduced on the 5th of January.

To understand the impacts of COVID-19 on occupations within the Combined Authority area, we use online job vacancies data to **explore how vacancies within the top occupations, as highlighted in Annex A (Core Indicator 2), have been affected throughout the pandemic.** This analysis highlighted all occupations showed decreases in vacancies from March to April 2020.

Professional occupations were not impacted as much as some other occupations, with only a 40% decrease in vacancies from March to April 2020. **This minimised the decrease in the number of vacancies overall, with Professional Occupations accounting for around a third of all vacancies in the last year.** Additionally, vacancies within Professional Occupations were also quick to recover, with the current number of vacancies (January 2021) only 7% below the same time last year.

However, certain occupations were more adversely affected than others. For instance, Caring, Leisure and Other service occupations saw the smallest decreases. This would be expected with increased demand for staff within this occupation, for instance, with the rise of hospital admissions related to COVID-19. In January 2021, vacancies in this occupation were 14% higher than they were in January 2020. On the contrary, Sales and Customer Service Occupations saw the most significant decreases from March to April 2020 (71% decrease) when compared to a pre- COVID-19 period. These can be attributed to the national lockdown and the closing of non-essential retail which will have reduced the demand for vacancies across the sector.

More detailed vacancies analysis is provided in the **Skills Demand section of Annex A.**

The continued monitoring of the above indicators will provide a better understanding of the position of the local economy and workforce, and how these change as restrictions are eased.

Annex B: Maps referenced within the main Local Skills Report

Maps **1** and **2** illustrate where further education courses are being delivered and where the learners who are undertaking these courses reside. This demonstrates that most FE courses are being delivered within Cambridge and Peterborough, with some higher concentrations evident near the market towns, notably Huntingdon and Ely. This reflects the fact that the Cambridgeshire and Peterborough population is highly concentrated within these areas.

However, looking at learner residence highlights more dispersal within the Combined Authority, although the areas with the highest rates of learners are found within Peterborough and some Cambridge wards, likely influenced by population density. Wards outside of city areas which have high concentrations of learners are found in more rural areas of Fenland and South Cambridgeshire. Overall, this indicates that learners are mostly travelling from more rural areas and market towns to study in our cities.

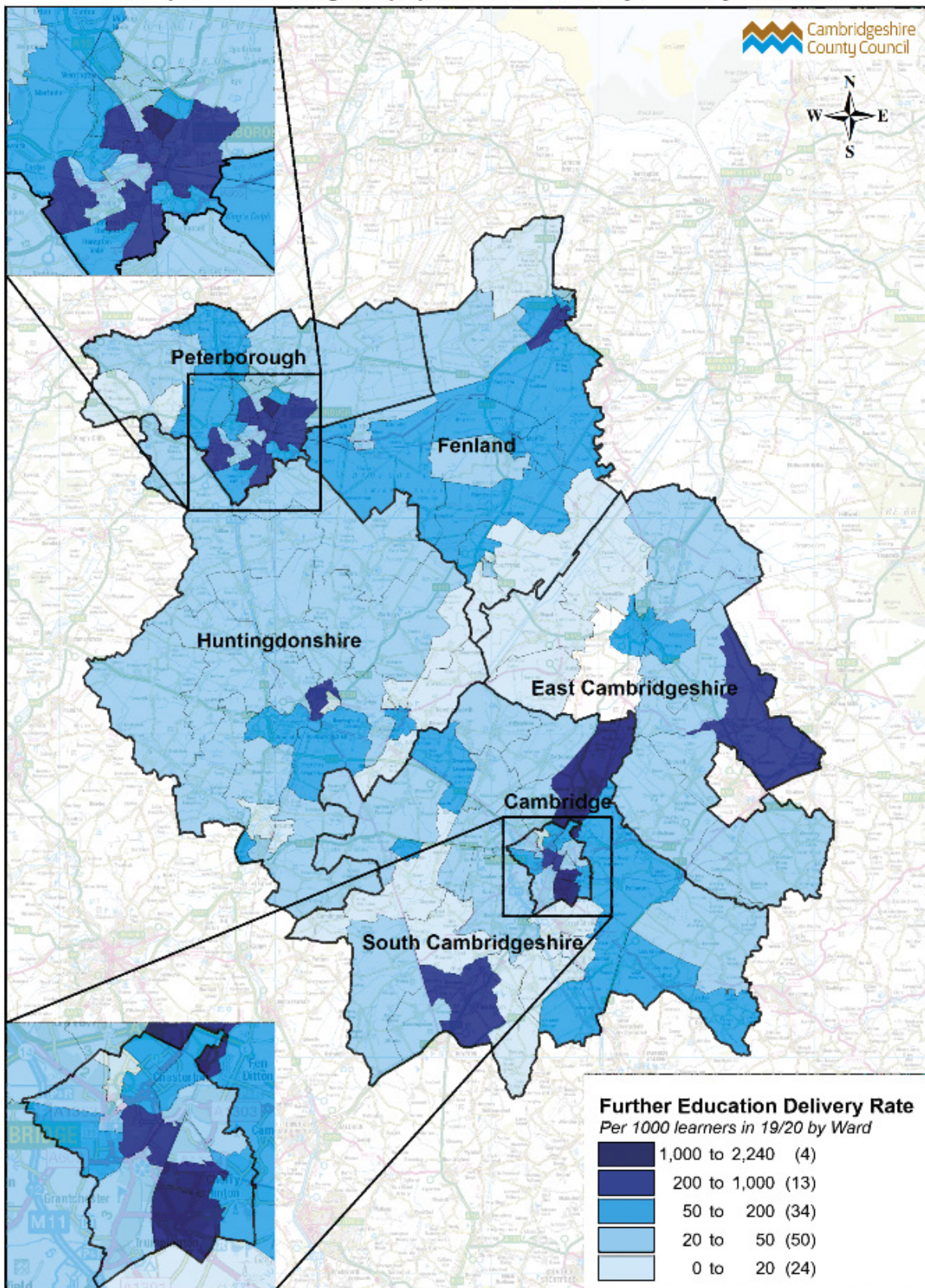
Maps **3** and **4** display the count of enrolments by delivery location and count of learners by home location at the Middle Super Output Area (MSOA) level.

Comparison between these maps illustrates that learners are more evenly distributed across the Combined Authority area compared to delivery, which is more concentrated in a few hotspots around Peterborough, Cambridge, and the East Cambridgeshire and Fenland market towns of Ely, Littleport, Wisbech Chatteris and March. Learners are also concentrated in the Cambridge, Peterborough, Fenland and northern part of East Cambridgeshire with cold spots for learners in the South and West of the region.

Map **5** outlines Adult Education Providers within the Combined Authority and those which provide courses for our residents.

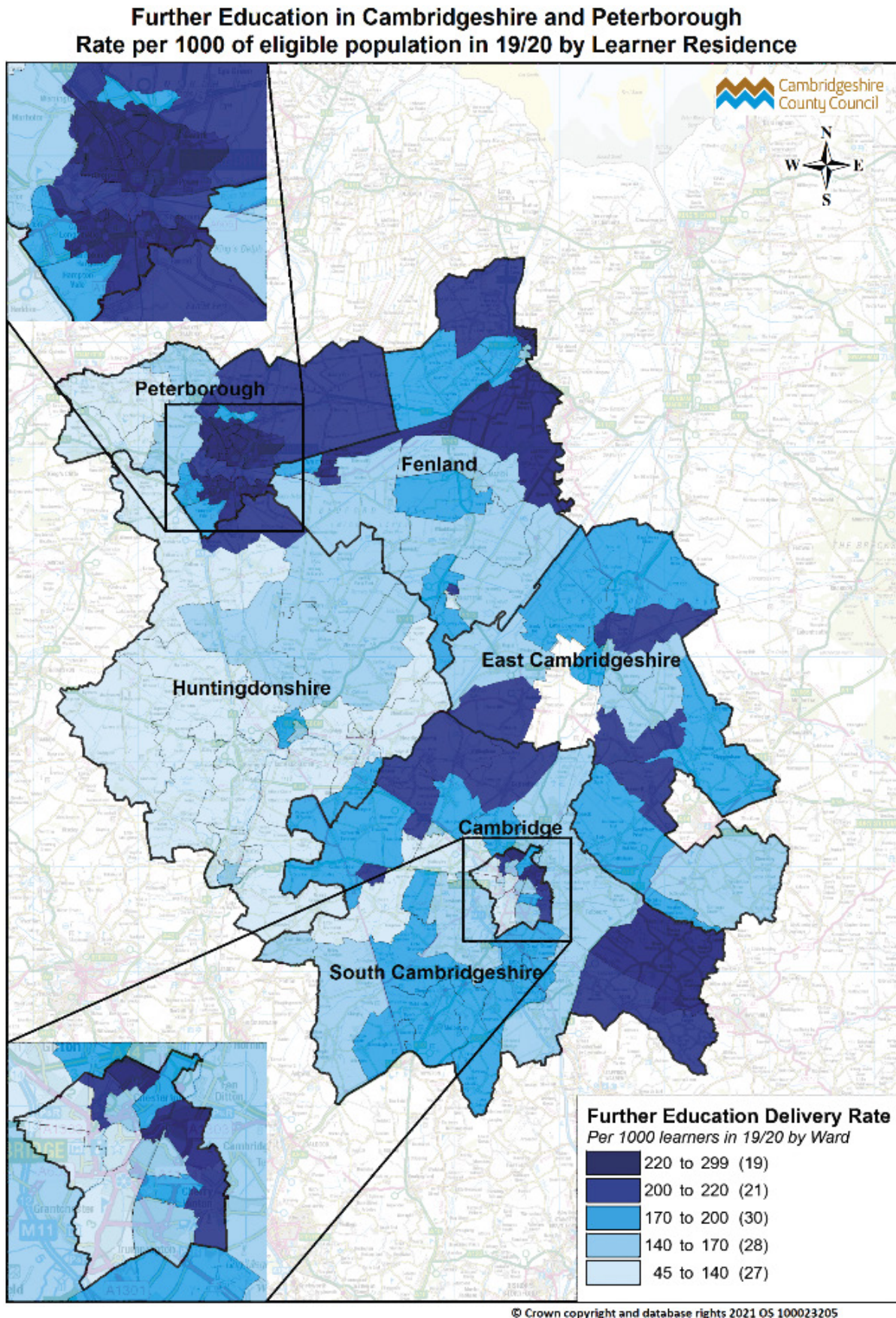
Annex B: Map 1, Further Education in Cambridgeshire and Peterborough: Rate per 1000 of eligible population in the 2019/20 academic year by Delivery Location

**Further Education in Cambridgeshire and Peterborough
Rate per 1000 of eligible population in 19/20 by Delivery Location**

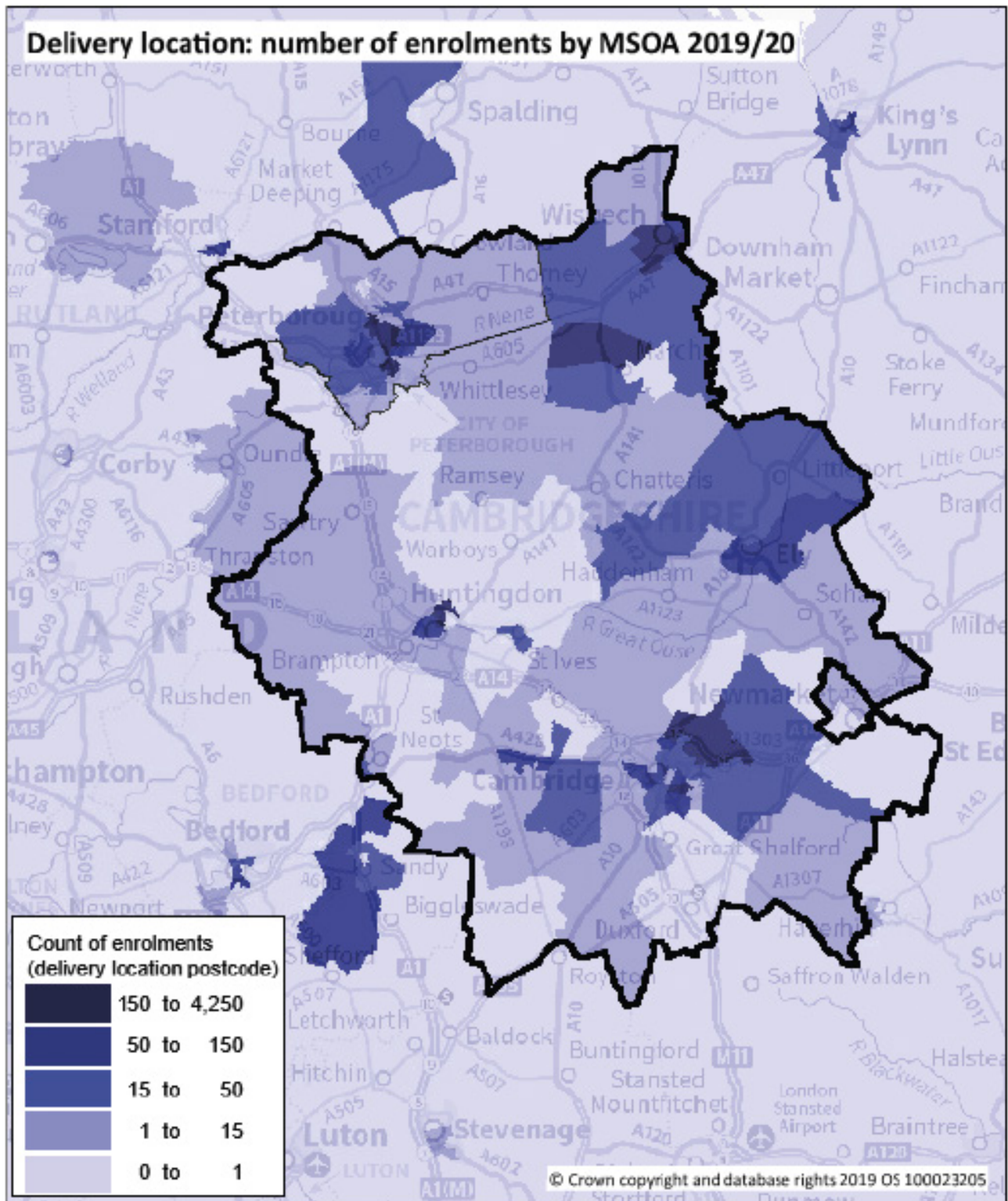


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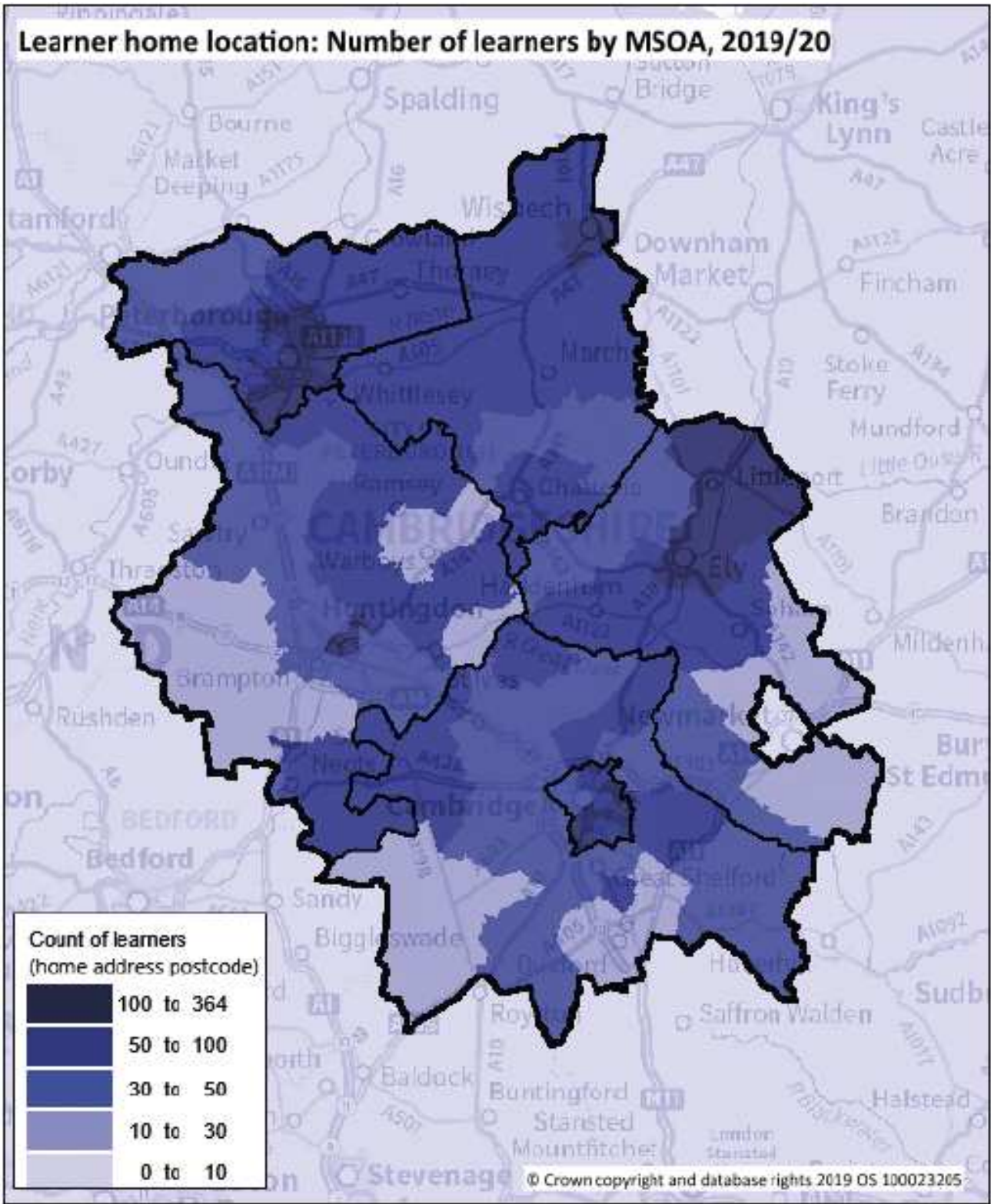
Annex B: Map 2, Further Education in Cambridgeshire and Peterborough: Rate per 1000 of eligible population in the 2019/20 academic year by Learner Residence



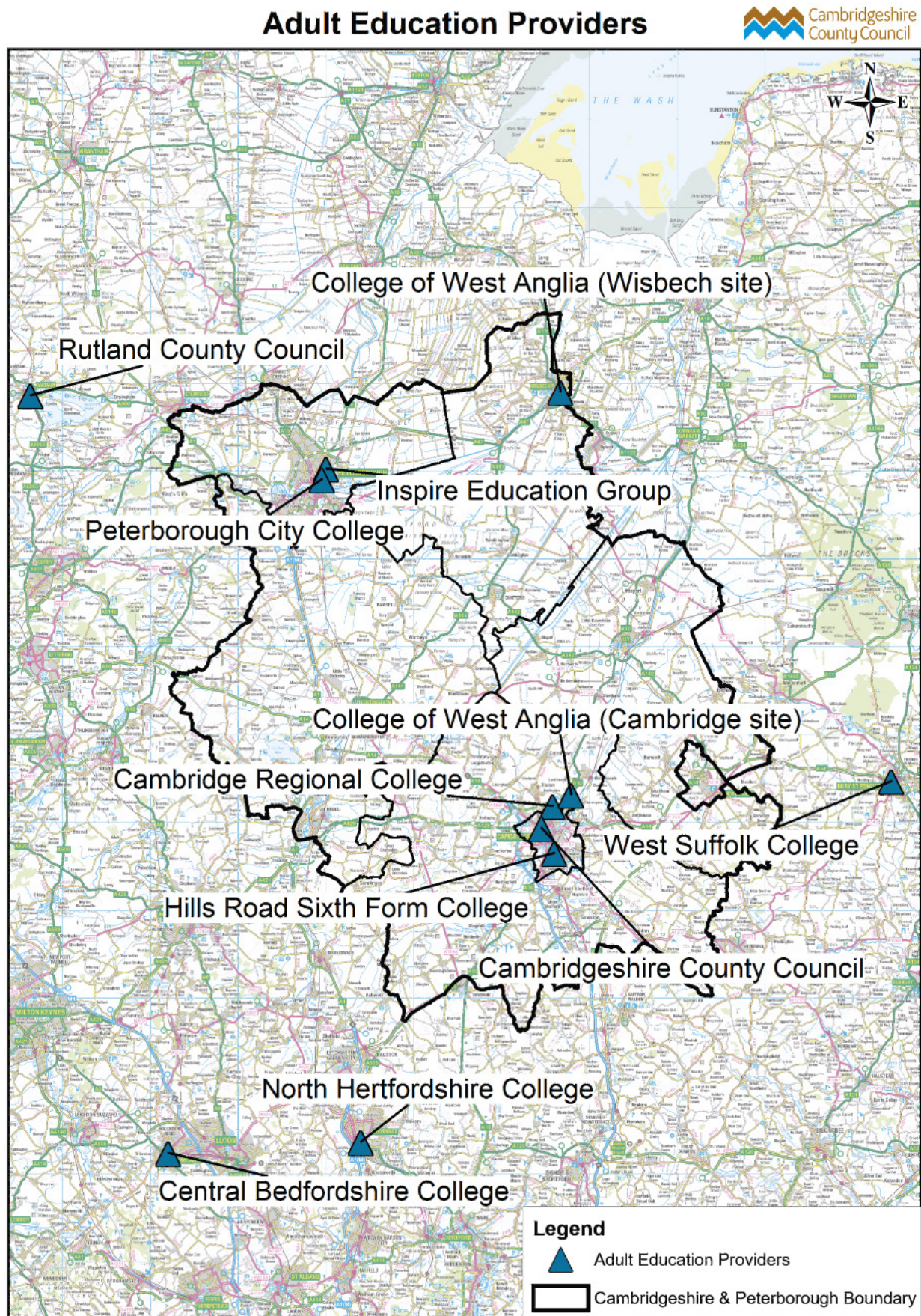
Annex B: Map 3, Adult Education in Cambridgeshire and Peterborough. **Delivery Location: number of enrolments by MSOA in 2019/20**



**Annex B: Map 4, Adult Education in Cambridgeshire and Peterborough.
Learner Residence: number of learners by MSOA in 2019/20**



Annex B: Map 5, Adult Education Providers in Cambridgeshire and Peterborough



Annex B: Reference List.

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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.2

The Proposed Approach to Develop the Cambridgeshire & Peterborough Combined Authority's Employment and Skills Strategy

To:	Skills Committee
Meeting Date:	14 June 2021
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha, Chair of the Skills Committee
From:	Fliss Miller, Senior Responsible Officer - Workforce Skills
Key decision:	No
Forward Plan ref:	N/A
Recommendations:	The Skills Committee is invited to:

a) Recommend to the Combined Authority Board approval of the proposed approach to the development of the Employment and Skills Strategy.

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1 The purpose of this paper is to inform the Skills Committee about the proposed approach to the development of the refresh of the current Skills Strategy and recommended the Combined Authority approve the approach.

2. Background

- 2.1 The current Skills Strategy was created in 2019. The strategy is clearly aligned to the Local Industry Strategy (LIS) and has subsequently informed the development of the Local Economic Recovery Strategy (LERS) in relation to Skills.
- 2.2 The existing Skills Strategy sets the 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'.
- 2.3 The current Skills Strategy has guided how investment has been distributed in a programmatic way. The Combined Authority has used its devolved funding powers for Adult Education Budget (AEB) together with the Local Growth Fund (LGF) and the European Social Fund (ESF) to strategically invest in ways to meet the unique needs of each of the sub-economies.
- 2.4 Many of the actions in the Skills Strategy have been achieved or are nearing completion. Given the fast-moving pace of the skills requirement in a post COVID-19 era and the evolution of the LERS, it is proposed that the Skills Strategy will be refreshed and published in September 2021.

3. Proposed Approach to Develop the New Employment and Skills Strategy

- 3.1 The project will follow a robust framework for strategy development, with four pillars of inquiry to envision where we want to get to from where we are now.
- 3.2 An analysis of the available evidence will be robust and transparent. The evidence-base will be constructed using extensive secondary data, including a comprehensive analysis of key relevant (local, regional and national) strategy, research and policy documentation. This will provide an understanding of the CPCA's labour market and skills development system, and the broader context within which it operates, to which Strengths, Weaknesses,

Opportunities and Threats (SWOT) assessment thinking will be applied to identify key issues.

- 3.3 Stakeholders will be consulted on the evidence base to approve its veracity, endorse the issues identified and reflect on what this evidence means for the future of skills in the CPCA, which will underpin the next phase of work.
- 3.4 The next phase takes forward the evidence base, SWOT assessment and key issues agreed during the first phase of the work, and translates this into a vision, and a set of strategic priorities for developing future skills in the CPCA region.

The crucial activity at this stage is further calibration of the strategic priorities with stakeholders, sense-checking, adjusting and building buy-in to the objectives in sight and working through emerging ideas for action. One of the key challenges at this stage of the work will be to strike a sensible balance between achieving an ambitious yet realistic and deliverable set of actions, to underpin the next phase.

- 3.5 The final stage will focus on developing actions for moving the vision forward. The phase will begin with a long list of potential actions which will be developed and then subsequently reduced to a more realistic level through a prioritisation process. The emphasis here will be on and providing the bridging for taking the skills strategy thinking to implementation - identifying broadly 'who-will-do-what-with-what'.
- 3.6 Following these stages will allow the development of strategy to follow a theory of change/logic model approach, tracing through the logic of the strategy from evidence to action.

4. Scope

- 4.1 The Employment and Skills Strategy will be inclusive and will include the strategic vision for post-16 education through to higher level skills, focusing on the skills required by the local economy to meet the Local Industrial Strategy's ambition to 'improve and grow the local skills base to support a successful, globally competitive economy and labour market grounded in high-skilled and better-paid jobs, increased productivity, and growing strong, sustainable communities'.

5. Stakeholder Engagement

- 5.1 Stakeholder engagement in the process will be crucial to achieving buy-in and support for the strategy as it develops. The strategy must be owned broadly by partners across the area, rather than being developed in isolation.

5.2 Engagement will include:

- An open call for evidence, hosted on the CPCA website, which can be promoted by partners and completed by anyone with an interest in skills in the area.
- A series of workshops with senior leaders and stakeholders from across the area.

It is intended that each District will have their own consultation event to ensure that all local needs are captured as part of the engagement exercise.

5.3 The iterative nature of strategy development means that individuals will be expected to engage with the process multiple times to provide input as the development of the strategy progresses.

5.4 The Skills Committee and Employment and Skills Board will be critical to enabling and leading stakeholder engagement. It is proposed that the Chairs of each group act as 'co-chairs' for the strategy and each provide a foreword for the final report.

Significant Implications

6. Financial Implications

6.1 Metro Dynamics will support the development of the Employment and Skills Strategy. £25,000 from the Skills Advisory Panel grant funding has been allocated to support this work. This funding has only recently been confirmed by the DfE and as yet, has not been confirmed within the MTFP. This will be updated at the June CA Board meeting.

7. Legal Implications

7.1 There are no legal implications relating to the content of this paper.

8. Other Significant Implications

8.1 There are no other significant implications relating to the content of this paper.

9. Appendices

9.1 Appendix 1 – Timeline for development

10. Background Papers

10.1 [Skills Strategy](#)

10.2 [Local Industrial Strategy](#)

10.3 [Local Economic Recovery Strategy](#)

Timeline for Development

Stages of strategy development		Where are we now?					
		Where are we headed?					
		Where do we want to get to?					
		How to get there?					
	Workplan	April	May	June	July	August	September
Develop evidence base	1. Define initial evidence requirements (complete)						
	2. Collate evidence (ongoing – MD and Cambridgeshire Insights to lead)						
Define strategic priorities	3. Produce outline SWOT analysis of CPCA skills system						
	4. Generate evidence outputs to support consultation sessions						
	5. Review evidence position and determine additional requirements						
	6. Expand and deepen evidence base as required						
Prepare recommendations	1. Host engagement sessions using 4-step strategy process as guide						
	2. Produce draft strategic framework						
	3. Engage on draft strategic framework and calibrate feedback						
Reporting	1. Finalise strategic framework and review emerging recommendations from engagement						
	2. Prepare draft recommendations						
	3. Engage on draft recommendations and calibrate feedback						
Launch	1. Produce draft Skills Strategy report						
	2. Engage on draft Skills Strategy report and calibrate feedback						
	3. Produce final report						
Launch	1. Publish and launch report; shift to implementation						

Blue text = engagement



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.3

Budget and Performance Report

To:	Skills Committee
Meeting Date:	14 June 2021
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha, Chair of the Skills Committee
From:	Vanessa Ainsworth, Finance Manager
Key decision:	No
Forward Plan ref:	N/A
Recommendations:	<p>The Skills Committee is recommended to:</p> <p>a) Note the update and financial position relating to the revenue and capital funding lines within the Skills Committee remit.</p>
Voting arrangements:	A simple majority of all Members

1. Purpose

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

2. Background

- 2.1 The Skills Committee has requested a summary of the revenue and capital funding lines available within the Business & Skills Directorate, to assist in ensuring financial decisions relating to the revenue and capital funding lines under their control are well informed, financially viable, and procedurally robust.
- 2.2 At the August 2020 Combined Authority Board Meeting, the Board approved a refreshed Medium-Term Financial Plan (MTFP) in relation to the COVID-19 pandemic, including balanced revenue and capital budgets for 2019/20. This report shows the actual expenditure to date and forecast outturn position against those budgets.
- 2.3 The outturn forecast reflects costs incurred to date, accrued expenditure and the impact on the current year assumptions made on staffing, overheads and workstream programme delivery costs as set out in the revised MTFP.

3. Revenue Expenditure & Income

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

Table 1. Skills Revenue Expenditure Budgets 2020/21						
Skills Revenue Expenditure	Mar Budget £'000	Mar Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Mar 2021 £'000	Forecast Outturn Variance £'000	Requested Carry Forward £'000
AEB Devolution Programme	11,646.3	-	11,646.3	10,688.2	(958.1)	(958.1)
AEB High Value Courses	148.5	-	148.5	-	(148.5)	(148.5)
AEB Innovation Fund - Revenue	336.7	-	336.7	3.4	(333.3)	(333.3)
AEB National Retraining Scheme	65.1	-	65.1	25.6	(39.5)	(39.5)
AEB Programme Costs	433.9	-	433.9	374.7	(59.2)	(59.2)
AEB Sector Based Work Academies	146.8	-	146.8	-	(146.8)	(146.8)
Apprenticeship Levy Fund Pooling	76.2	(23.5)	52.7	52.7	0.0	-
Careers and Enterprise Company (CEC)	86.2	-	86.2	97.3	11.1	-
HAT Work Readiness Programme	52.8	-	52.8	54.8	2.0	-
Health and Care Sector Work Academy	3,235.6	-	3,235.6	436.6	(2,799.0)	(2,799.0)
Skills Advisory Panel (SAP) (DfE)	114.0	-	114.0	76.7	(37.3)	(37.3)
Skills Brokerage	107.0	-	107.0	119.4	12.4	-
Skills Strategy Implementation	120.5	(50.0)	70.5	55.4	(15.1)	(15.1)
University of Peterborough	4.2	-	4.2	4.2	0.0	-
University of Peterborough - Legal Costs	150.0	-	150.0	126.3	(23.7)	-
Total Skills Revenue Expenditure	16,723.8	(73.5)	16,650.3	12,115.3	(4,535.0)	(4,536.8)

- 3.2 The Forecast Outturn as set out in the table above shows a reduction in expected costs for the year of £4,335k compared to the budget. 'Actual' figures are based on payments made and accrued expenditure where known.
- 3.3 Variances between the revenue outturn position and the annual budget are set out below:
- a. The £958.1k underspend in the AEB Devolution Programme is due to lower than contracted delivery from the Independent Training Providers (ITP's) due to the COVID-19 pandemic, withdrawal of 2 adult education providers receiving funds under grant and reduced delivery by several other adult education providers receiving funds under grant. The reduced delivery from both the ITP's and grant providers was caused by the lack of take up and inability to deliver learning in classrooms brought about by the COVID-19 pandemic. Two grant providers withdrew from the programme midway through the year due to their inability to deliver their grant commitment due to the COVID-19 pandemic.
 - b. The AEB Innovation Fund allocated grants to several providers, but due to COVID-19 the starts have been delayed as per the information presented to the Committee in the AEB paper in March.
 - c. AEB Programme costs is showing an underspend of £59.2k, partly due to the allocated funding for audit requirements now being pushed to April 2021.
 - d. As reported at previous committees, the Health & Social Care Work Academy is forecasting a large underspend for the current financial year which now stands at £2,799k. This is partly due to lower than planned enrolments and completions on courses, resulting from the economic and social disruption caused by the COVID-19 pandemic. A revised agreement with Department for Work & Pensions is being sought, to enable an extension of the end date of the contract, in order to expend all the allocated budget. It is understood that this project will roll into 2021/22. The Committee will be provided with an update to confirm this extension, after it has been granted.
 - e. The AEB Sector based work academies and high value courses were reprofiled into 2021/22 at the March committee to allow for high quality provision that could be taken up by as many as possible upon the lifting of COVID-19 restrictions further to the presentation of the AEB paper.
 - f. The progress of delivery on National Retraining Scheme activities delivered by the Combined Authority have also suffered similar impacts of the COVID-19 pandemic, as has the NHS Upskilling Pilot, the launch of which was delayed until April, thereby causing the underspend of £39.5k against plan.
 - g. The Skills Strategy Implementation budget line is reporting an underspend of £15.1k. However, work was commissioned on a wide range of projects in January, that will be complete by mid-May.
 - h. There are two overspends currently projected within the skills budget lines relating to the Careers Enterprise Company (CEC) and Skills Brokerage contracts with Opportunity Peterborough. Both are due to the delay of the Business Growth Service starting, to which these contracts were planned to be transferred, , thereby necessitating extension of the previous delivery contracts for both.
 - i. The overspend on the Hampton Academies Trust Work Readiness Programme of £2k is due to incorrect profiling at the end of the 19/20 financial year. This programme has now completed and there will be no further spend on the project.
- 3.4 Provisional carry-forwards from 2020-21 underspends were approved by the March Combined Authority Board meeting to enable project delivery to continue uninterrupted. However, final carry forwards will be presented to the Skills committee and Combined Authority Board in June for re-approval. The funding for the Health Care Sector Work Academy and the Skills Advisory Panel is ringfenced and therefore must be carried

forwards. The Skills committee and Combined Authority Board have previously confirmed that AEB funding will be internally ring-fenced so underspends on the AEB lines can be transferred into the AEB reserve to be drawn down in future years.

3.5 A breakdown of the Business & Skills Directorate 'Skills Revenue' income for the period to 31st March, is set out in Table 2. below.

	Mar Budget £'000	Mar Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Mar 2021 £'000	Forecast Outturn Variance £'000	Requested Carry Forward £'000
Skills Revenue Funding Streams						
Skills Advisory Panel Grant	(75.0)		(75.0)	(75.0)	-	-
Careers Enterprise Company Funding	(124.9)		(124.9)	(130.5)	(5.6)	(5.6)
Adult Education Budget	(12,084.1)	-	(12,084.1)	(12,456.5)	(372.4)	(372.4)
Apprenticeship Levy Fund Pooling	(86.2)		(86.2)	(55.0)	31.2	-
Total Skills Revenue Expenditure	(12,370.1)	-	(12,370.1)	(12,717.0)	(346.9)	(378.0)

3.6 The Forecast Outturn as set out in the table above shows an increase in funds to the agreed budget as detailed below:

- CEC income was slightly higher than anticipated due to a revision in the final claim for the 19/20 financial year.
- AEB income was higher to additional funding being provided which has already been passed through the Skills committee.
- Apprenticeship Levy income is shown as lower than forecast. However, this funding was received during the 19/20 financial year.

3.7 As per 3.4, final carry forwards will be presented to the CA board in June for approval.

4. Capital Budget

4.1 A breakdown for the Business & Skills Directorate 'Skills Capital' expenditure for the period to 31st March, is set out in Table2 below.

	Mar Budget £'000	Mar Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Mar 2021 £'000	Forecast Outturn Variance £'000	Requested Carry Forward £'000
Skills Capital Programmes						
University of Peterborough - Phase 1		-	12,300.0	12,300.0	-	-
Total Skills Capital Expenditure		-	12,300.0	12,300.0	-	-

5. Performance Reporting

5.1 The Cambridgeshire and Peterborough Devolution Deal is about delivering better economic outcomes for the people of our area and commits us to specific results. The Combined Authority needs to monitor how well it is doing that.

5.2 Appendix 1 shows the Skills Performance Dashboard, with an update on delivery against the following growth outcomes at the heart of the Devolution Deal (of which outcomes are embodied in the business cases which the Board and Committee consider):

- Prosperity (measured by Gross Value Added (GVA))
- Housing
- Jobs

5.3 These metrics are updated to align with the Board Performance Reports

5.4 Appendix 1 also shows the current RAG status for Skills' projects, as at the end of March 2021.

Significant Implications

6. Financial Implications

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

7. Legal Implications

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

8. Other Significant Implications

8.1 There are no significant implications.

9. Appendices

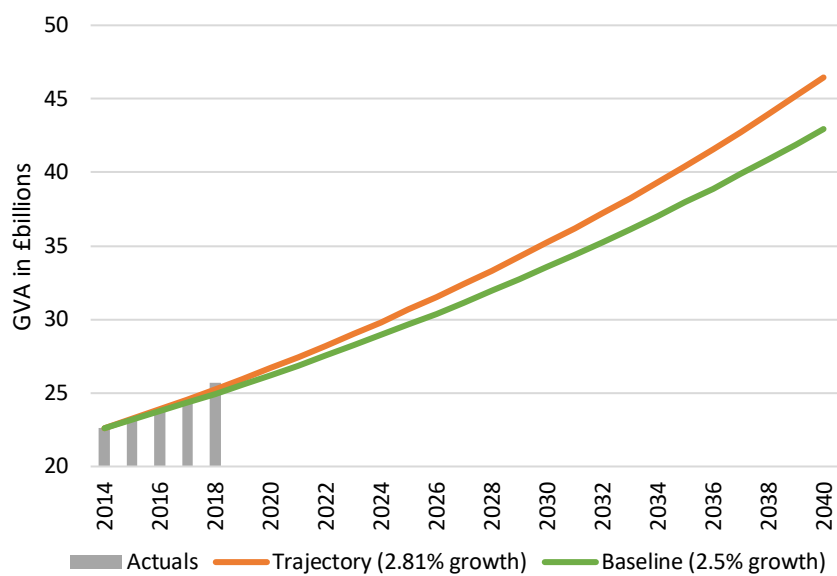
9.1 Appendix 1 – Performance Dashboard

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

SKILLS COMMITTEE

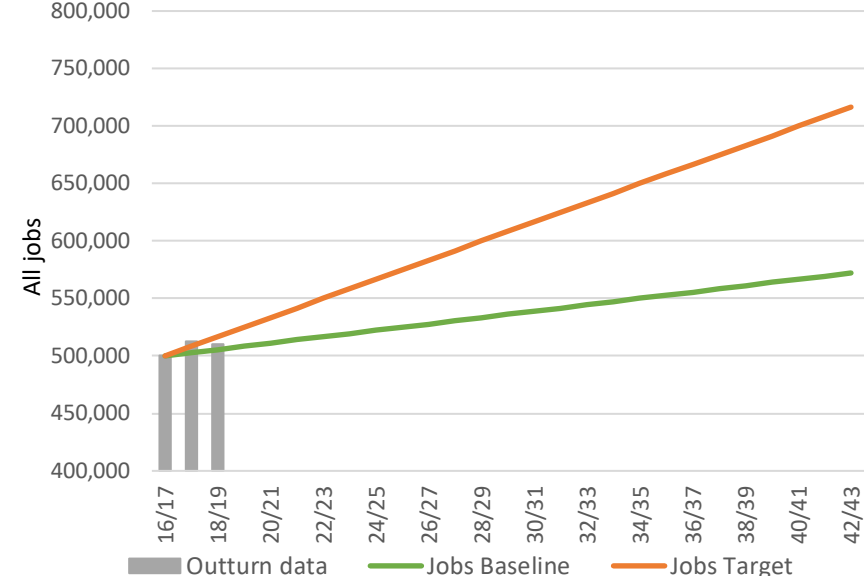
COMBINED AUTHORITY PERFORMANCE DASHBOARD
DEVOLUTION DEAL TRAJECTORY

GVA TRAJECTORY V BASELINE



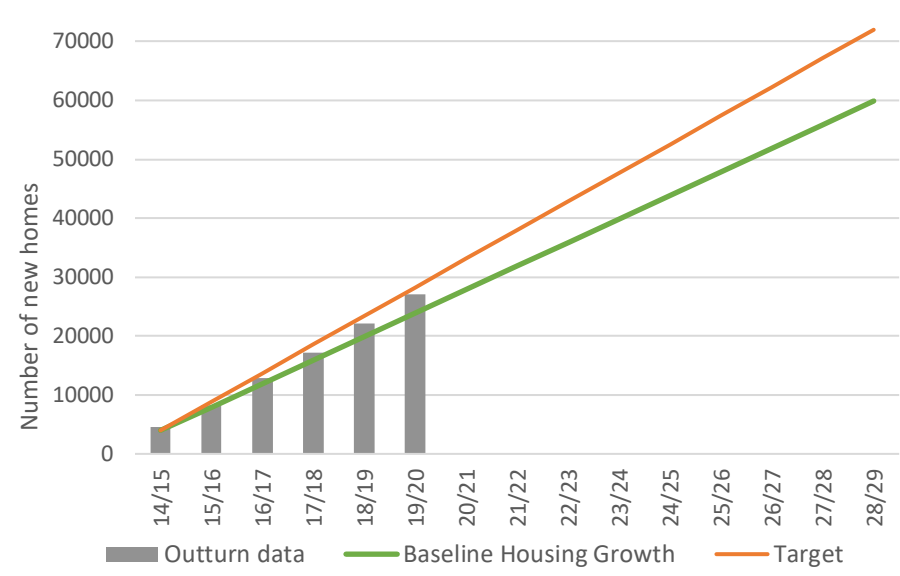
This has been updated in line with National Reporting standards. The CPCA Devolution Deal committed to doubling GVA over 25 years with 2014 as the baseline. To achieve this target the CPIER identified the region would require annual growth of 0.31% on top of the 2.5% baseline growth.

JOBS TRAJECTORY V BASELINE



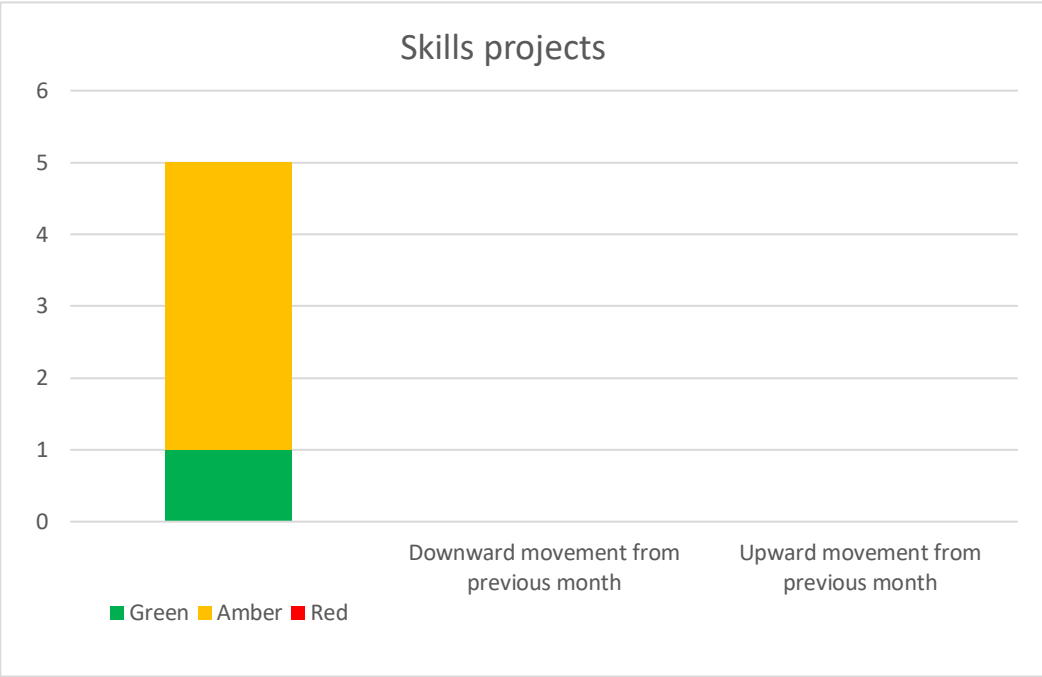
Target is derived through the CPIER by the GL Hearn report with a high growth scenario of 9,400 additional job growth per annum and a baseline of 4,338 jobs per annum.

HOUSING PERFORMANCE (*cumulative figures)



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

Combined Authority Skills Project Profile:



Skills projects	
Project	RAG status
University of Peterborough	Green
Adult Education Budget (AEB)	Amber
Business Growth Service	Amber
Health & Care Sector Work Academy (HCSWA)	Amber
National Retraining Scheme Pilot	Amber

Data as at the end of May 2021

