



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

SKILLS COMMITTEE

Date: Monday, 17 January 2022

Democratic Services

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

10:00 AM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

**Multi Function Room, New Shire Hall, Alconbury Weald,
Huntingdon PE28 4YE
[Venue Address]**

AGENDA

Open to Public and Press

Part 1: Governance Items

1.1 Apologies for Absence and Declarations of Interest

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

1.2 Skills Minutes - 10 November 2021

5 - 16

1.3 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](#)

1.4	Skills Committee - Agenda Plan	17 - 20
1.5	Combined Authority Forward Plan Combined Authority Forward Plan Part 2: Recommendations to Combined Authority Board	
2.1	Peterborough University – Phase 3 Business Case	21 - 142
2.2	Health and Care Sector Work Academy	143 - 146
2.3	Employment and Skills Strategy and Action Plan	147 - 208
2.4	Growth Works Management Review – January 2022	209 - 222
	Part 3: Delivery	
3.1	Adult Education Budget Annual Return and Evaluation	223 - 314
3.2	Local Skills Report Refresh	315 - 416
3.3	Digital Skills Bootcamps Update	417 - 420
3.4	Budget & Performance Report	421 - 426

Part 4: Date of Next Meeting

Wednesday 16 March 2022

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.

The Skills Committee comprises the following members:

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

Councillor Lynne Ayres

Councillor Lis Every

Councillor Jon Neish

Councillor Lucy Nethsingha

Councillor Chris Seaton

Cllr Niamh Sweeney

Councillor Eileen Wilson

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

Skills Committee Minutes

Meeting: Wednesday 10 November 2021

Venue: Multi-Function Room, New Shire Hall, Cambridgeshire County Council

Time: 10.00am – 11.58am

Present:

Cllr Lucy Nethsingha – Chair and Member for Cambridgeshire County Council
Cllr Chris Seaton - Member for Fenland District Council
Cllr Chris Seaton – Fenland District Council
Cllr Eileen Wilson - South Cambridgeshire District Council
Cllr Jon Neish - Huntingdonshire District Council
Cllr Lis Every - East Cambridgeshire District Council
Cllr Lynne Ayres - Peterborough City Council

Part 1 - Governance Items

27. Apologies for Absence and Declarations of Interest and Announcements

No apologies received.

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

28. Minutes of the Skills Committee meeting on 13th September 2021 and Actions

The minutes of the meeting on 13th September 2021 were approved as an accurate record.

The action log was noted.

29. Public Questions

No public questions were received.

30. Skills Committee Agenda Plan

It was resolved to note the agenda plan.

31. Combined Authority Forward Plan

It was resolved to note the Forward Plan.

Part 2 – Recommendations to the Combined Authority Board

32. Adult Education Budget - Commissioning Statement and Approach for 2022/23

The Committee received a report detailing the proposed Adult Education Budget - Commissioning Statement and Approach for 2022/23.

The Committee received a question from the Overview and Scrutiny Committee in relation to this report and the written response was read out and can be found at appendix 1 of the minutes.

Introducing the report officers drew Members attention to the broad principles for the refreshed commissioning strategy and the seven wider commissioning themes for all providers, outlined in section five of the report, as well as the procurement approach and timelines.

Discussing the report Members;

- Queried what conversations had been had regarding Community Learning in relation to Plan-led Funding for Grant Providers and what the offer might look like. Officers clarified that the plan was to have a better focus on community learning and clarifying the four categories outlined in the commissioning approach. This would ensure there was a clearer definition of the outcomes that are sought. The Combined Authority plans AEB based on an 80:20 funding ratio of Adult Skills to Community Learning to ensure we have a good mix of provision across the region.
- Queried the new commissioning approach in relation to schools no longer being part of the process and how this might work out. Officers committed to feeding back to Committee on this matter. **ACTION.** Officers stated that the detailed commissioning specifications were yet to be published and that as the detail unfolded officers would ensure that gaps in provision were addressed and providers would be able to flex their provision accordingly.

- Sought clarity on local village colleges and whether they would get funding year on year so that they could develop their programmes in advance. Officers stated the Combined Authority had a grant agreement with Cambridgeshire County Council and they in turn funded the Village Colleges. Officers explained, subject to approval, a move to a three-year funding cycle would help to address the funding uncertainty.
- Queried whether it had been difficult to source local providers. Officers explained the strategy was to widen and develop a marketplace of providers and build local provision to support the place-based approach. Officers stated there had been some success in commissioning local providers, in-year. Officers explained there would be a launch event with an opportunity to promote and engage with providers. Commissioning will be linked to business need, which was analysed through monthly labour market information. Officers explained that the Employment and Skills Board also acted in an advisory capacity to ensure that Business need was captured effectively.
- Highlighted that the focus was mainly in relation to in-work training and development and not in communities and volunteering and that the social impact was extremely important. Officers highlighted that there had been a number of research studies on the impacts of volunteering on skills and that this was referenced in the seventh Commissioning Theme of 'Placed Based Focus'. Officers highlighted that funding for community learning sat with the two local authority providers. The Combined Authority's funding settlement is expected in January from the Department for Education and that they hoped to update the Committee on this in the new year. Officers acknowledged that work was not the only outcome of adult education that was considered but that there was a big focus given the wider benefits. Officers stated that when the second-year evaluation was published in January this would give more data in relation to performance.
- A Member stated that Fenland was predominantly made up of Small to Medium Size Enterprises (SMEs) and there were limited opportunities to expand workforces in these areas and queried how provision for SMEs would be developed in the future. Officers explained that they continued to identify gaps and needs and that work was underway to providing brokerage for SMEs. The Director of Business and Skills stated that there needed to be a place-based focus on capacity building for training with SMEs and examples of this included the Chatteris Apprenticeship Hub which was funded by Local Growth Funding. He explained that officers were working with Fenland District Council to encourage them to include an enhancement of Further Education in Wisbech College as part of their Levelling Up Fund submission.
- Highlighted that the approach covered the period up to 2021 and that there would no doubt be a number of changes in commissioning over this period, and queried whether there would be flexibility in the approach. Officers stated that there would be a further report to Committee to agree the funding allocations for the three-year window and more context would be provided in this report. Officers stated that contracts for Independent Training Providers

would be for a five-year period with a break cause every year, subject to performance.

It was resolved by unanimously to:

- a) Approval of the proposed commissioning approach for the devolved Adult Education Budget from 2022-23 academic year onwards, to procure Independent Training Providers under contracts for services for up to £3m per year, subject to Department for Education (DfE) awarding the funding.
- b) Approval of the implementation of three-year Plan-Led Funding, for the commissioning of Further Education Colleges and Local Authorities, operating under grant funding, from 2022-23 academic year onwards, subject to DfE funding awards.
- c) Delegation to the Director of Business and Skills in consultation with the Chief Finance Officer and Monitoring Officer, to enter into multi-year grant funding agreements with providers on behalf of the Combined Authority, following approval of three-year Plan.
- d) Delegation to the Director of Business and Skills in consultation with the Chief Finance Officer and Monitoring Officer, to enter into contracts for services with Independent Training Providers on behalf of the Combined Authority, following conclusion of the commissioning process outlined in this report.

Part 3 – Programme Delivery

33. Community Renewal Fund Update

The Director of Business and Skills gave a verbal update on the Community Renewal Fund. He highlighted the following points to the Committee:

- On 3 November the Department for Levelling Up, Housing and Communities announced the successful bids to the Community Renewal Fund in England which was £125.5 million of which the CPCA received £3.4 million.
- The two proposals that were successful were Start and Grow for £2.48 million and Turning Point for £847,000.
- The Start to Grow Bid was the largest of all 477 of the projects approved for funding.
- Project mobilisation commenced, and government had extended delivery of the projects to March 2023.
- The projects are focused on what can be done quickly now in the recovery phase of the Covid pandemic, so are designed to be short term, six-month projects, set to finish by June 2022.
- The Turning Point project focused on the transition points of peoples working lives and activities around these transition points, in particular people coming back from furlough.

- Start to Grow was a classic start up programme, stimulating people to start up their own businesses, developing entrepreneurs.
- Five projects were not supported.

Discussing the update Members:

- Requested that the information on both projects be circulated quickly to Members. The Director of Business and Skills stated that the briefing would be circulated to the Committee straight after the meeting.**ACTION**
- Sought clarity on how Members could support the projects in their Districts going forwards. The Director of Business and Skills explained the Skills Brokerage Contract would be extended through Growth Works to get these projects mobilised quickly. The Director of Business and Skills stated that the mobilisation plans for both projects would be circulated after the meeting.**ACTION**

34. Employment and Skills Strategy

The Committee received a report detailing the Employment and Skills Strategy.

The Committee received three questions from the Overview and Scrutiny Committee in relation this report and the written response was read out and can be found at appendix 1 of the minutes.

Introducing the report officers updated the Committee on the progress of the drafting of the Employment and Skills Strategy since the last meeting. Officers explained that a further stakeholder engagement session was held on 11 October with representation from providers, employers, schools, employer representative bodies, district councils and district councillors. Officers stated that short and long-term objectives were shared and that participants were also asked to name their priorities for action. Officers explained that this feedback had been included in the drafting of the Employment and Skills Strategy. Officers explained that an action plan would be drafted to sit along side the Strategy and that this plan would be brought to Committee for review every six months. Officers stated that the action plan would be place based and that local based sponsors would be sought for each area to drive the plan forwards. Officers stated that the strategy would be fed into the wider Business and Skills Strategy which was due to go to Board for sign off in April 2022.

Discussing the report Members:

- Queried the use of the words 'we' and 'life-long' in the strategy. Officers agreed to review the use of these words.**ACTION**
- Highlighted that under figure 16 progress on 2019 Skills Strategy Action, under the action for the University of Peterborough it still stated that the case for success was not yet proven. A Member stated that they had queried this

at the last meeting but that the wording had not yet been changed. The Director of Business and Skills explained that the wording should have been changed and it was an inaccurate phrase. Officers explained that the wording would be changed to reflect that it was an action in process as the University was in development.

- Acknowledged that the strategy illustrated support in rural areas and sought further assurances that improvements would be made in these areas, particularly in Fenland. The Director of Business and Skills stated that the Combined Authority would be receiving resources from the Levelling Up Fund and the Community Renewal Funding would be crucial for implementing these improvements.
- Welcomed the developments and progress that had been made by officers on the strategy over the last six months.
- Queried whether there were other Sector Based Work Academies other than the Health and Social Care Academy. Officers stated that there were other sector academies and skills boot camps and that officers were continuing to look at different models.
- Highlighted that Figure 6 on page 51 of the agenda should be reviewed as it was too complex. **ACTION**
- Sought clarity on whether the progression rate data on pages 51-52 of the strategy were based on home postcodes or where students were based, as progression rates in South Cambridgeshire for under 18s showed the lowest figure. Officers explained that the data was in relation to where students studied and not where they lived. The Chair requested this to be clarified in the document. **ACTION**
- Discussed the lack of destination data on a residency level and the need for funding to promote collaboration rather than competition. The Chair asked the Director of Business and Skills to review how this could be communicated with government. **ACTION**

It was resolved by unanimously to:

- a) Note the Employment and Skills Strategy.

35. Adult Education Budget: English for Speakers of Other Languages (ESOL) Local Planning

The Committee received a report which was seeking approval to implement ESOL Local Planning Partnerships – one for the North (Peterborough and Fenland) and one for the South (South Cambridgeshire, Huntingdonshire, Cambridge City and East Cambridgeshire).

The Committee received a question from the Overview and Scrutiny Committee in relation to this report and the written response was read out and can be found at appendix 1 of the minutes.

Introducing the report officers highlighted a number of points in the report including:

- That Cambridgeshire and Peterborough Combined Authority was the only Mayoral Combined Authority that fully funded ESOL and it was held as a national exemplar. Approximately £1 million of the Adult Education Budget was spent on ESOL courses.
- Updates on recent government initiatives for Afghan refugees and Hong Kong nationals and their eligibility for AEB. An update of the additional funding that the Combined Authority had registered to claim to reimburse providers and maximise the additional funding available. Previously under these national schemes, funding had not been fully utilised by local areas.
- It had been challenging to gather the data for Afghan and Hong Kong communities in the sub region, but work was ongoing to gather this data from the District Councils and through the Strategic Migration Partnership

Discussing the report Members:

- Queried the changes and new approach and what the cost to the CPCA would be. Officers explained that some of the current challenges in relation to the current system, which were that the current approach was not strategic and did not focus on demand or planning of provision. The current approach was not looking at the wider impacts around community cohesion and integration, health and wellbeing. The new approach would build on national best practise that was currently not being delivered. Officers stated that the new approach was not focused on the spend by provider but on providing the system leadership in order to ensure that the best possible system was established linking to the wider outcomes and driving quality. Officers explained that there was a need to work in co-design with all of the key stakeholders including the key provider Peterborough City College to drive the system change
- Highlighted the need for ESOL teacher training. Officers stated that ESOL Teacher Training had been identified as a gap and work was ongoing to look at how this gap was filled.

It was resolved unanimously to:

- a) Approve the new approach to ESOL Local Planning, which aims to improve the co-ordination, delivery, and impact of ESOL in local communities.
- b) To note the local approach taken with regards to recent Government schemes for different refugee communities, asylum seekers, and migrants.
- c) To note the learner participation data on ESOL courses in the region, following devolution of the Adult Education Budget in 2019/20 and the implementation of fully funded ESOL in 2020/21.

36. Budget & Performance Report

The Committee received a report detailing the Budget & Performance Report up until 31 August 2021.

Introducing the report officers highlighted the key points of the report which included:

- the Forecast Outturn as set out in the report showed a reduction in expected costs for the year of £3,209.6k compared to the budget.
- One of the areas that had contributed to this reduction in costs was the Health and Care Sector Work Academy which forecast a £1.8 million underspend. Officers stated that the re-profiling that had been sought on this budget had now been approved and a paper would be brought to the January Skills Committee and to move the profile across this financial year into the next financial year to end in March 2023, and this would reduce the future deficit.
- Another area that had contributed to the forecast underspend was the AEB devolution programme which showed an underspend of £800,000. Officers explained that a report had been previously brought to Committee by officers regarding the reprofiling of this underspend and establishing a Reserve Fund.

It was resolved by unanimously to:

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

Part 4 – Date of the next meeting

37. It was resolved to:

Note the date of the next meeting as 10th January 2022.



**CAMBRIDGESHIRE
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Agenda Item: 1.2 , Appendix 1

Skills Committee Action Log

Purpose: The action log records actions recorded in the minutes of Skills Committee meetings and provides an update on officer responses.


Minutes of the meeting on 13 September 2021

Minute	Report title	Lead officer	Action	Response	Status
19.	Growth Works Management Review – September 2021	Alan Downton	A Member queried which companies had been unsuccessful in relation to Inward Investment Bids so that Members were aware of which companies had already applied. Officers explained that they would provide the Committee with this information.	<p>A short update was sent to Skills Committee Members and Economic Development Officers to update them on the current unsuccessful inward investment opportunities.</p> <p>Going forward members of the Skills Committee and the respective Economic Development Officers will be informed when this materialises</p>	In progress

Minutes of the meeting on 10 November 2021

Minute	Report title	Lead officer	Action	Response	Status
32.	Adult Education Budget - Commissioning Statement and Approach for 2022/23	Parminder Singh Garcha	Members queried the new commissioning approach in relation to schools no longer being part of the process and how this might work out. Officers committed to feeding back to Committee on this matter.	<p>Eligibility for AEB is for the 19+ age group, except for Family Learning. Additionally, schools continue to participate and benefit from our devolved AEB funded activity in the following ways:</p> <ul style="list-style-type: none"> • Training for school support staff is funded by AEB (Teaching Assistants, Learning Mentors, School Councillors, Catering staff, Facilities etc). • <u>Some further CPD for the education workforce has also been funded by AEB, such as mental health and SEND awareness</u> <p>Family Learning is currently funded through City College Peterborough (CCP) and Cambridgeshire Skills.</p> <p>CCP report that they have worked with over 60 different Primary and Secondary Schools over the past four years. However, schools have been reluctant, post-lock-down to engage in Family Learning delivery on site. Discussions are ongoing with partner schools and they look forward to resuming.</p> <p>Cambridgeshire Skills report that they are working with Village Colleges, schools and academies. They have courses running at eight schools and are in negotiations for a further four schools for family learning courses in the new year.</p>	Complete
33.	Community Renewal Fund Update	Fliss Miller	Members requested that the information on both projects be circulated quickly to Members. The Director of Business and Skills stated that the briefing would be circulated to the Committee straight after the meeting.	To be circulated w/c 6/12/2021	In progress

33.	Community Renewal Fund Update	Fliss Miller	The Director of Business and Skills stated that the mobilisation plans for both projects would be circulated after the meeting.	To be circulated w/c 6/12/2021	In progress
34.	Employment and Skills Strategy	Fliss Miller	Members queried the use of the words 'we' and 'life-long' in the strategy. Officers agreed to review the use of these words	This has been addressed in the latest version of the Employment and Skills Strategy.	Complete
34.	Employment and Skills Strategy	Fliss Miller	Members highlighted that Figure 6 on page 51 of the agenda should be reviewed as it was too complex.	This has been addressed in the latest version of the Employment and Skills Strategy.	Complete
34.	Employment and Skills Strategy	Fliss Miller	Members sought clarity on whether the progression rate data on pages 51-52 of the strategy were based on home postcodes or where students were based, as progression rates in South Cambridgeshire for under 18s showed the lowest figure. Officers explained that the data was in relation to where students studied and not where they lived. The Chair requested this to be clarified in the document.	This has been addressed in the latest version of the Employment and Skills Strategy.	Complete
34.	Employment and Skills Strategy	Parminder Singh Garcha /Fliss Miller	Members discussed the lack of destination data on a residency level and the need for funding to promote collaboration rather than competition. The Chair asked the Director of Business and Skills to review how this could be communicated with government.	<p>Officers have escalated the lack of robust destination data to Department of Education officials and (at the time of writing) are awaiting a response, which will be shared with Members once received.</p> <p>Funding to promote collaboration is being provided by the Combined Authority through the Innovation Fund 2021/22 and the Collaboration Fund, which is providing grants from a £250,000 allocation for collaborative bids.</p>	In progress

SKILLS COMMITTEE AGENDA PLAN	Updated 5 January 2022	 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:

1. **Minutes of previous meeting and Action Log**
2. **Agenda Plan**
3. **Budget and Performance Report**
4. **Employment and Skills Board Update**

Comm itee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Agenda despatch date
17/01/22	Peterborough University - Phase 3 Business Case	Mahmood Foroughi	Yes	2021/064	07/01/22

Comm ittee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Agenda despatch date
	Health and Care Sector Work Academy	Fliss Miller	Yes	2021/068	
	Employment & Skills Strategy and Action Plan	Fliss Miller	Yes	2021/077	
	Growth Works Management Review – January 2022	Alan Downton / Nigel Parkinson	Yes		
	Adult Education Budget Evaluation 2020/21 and Annual Return	Parminder Singh Garcha	No		
	Local Skills Report Refresh	Fliss Miller	No		
	Digital Skills Bootcamps Update	Fliss Miller	No		
16/03/22	Adult Education Budget – Funding Allocations for 2022/23 and proposed funding policy changes	Parminder Singh Garcha	Yes	2021/081	08/03/22
	Economic Growth & Skills Strategy	Alan Downton	Yes		
	University for Peterborough – Programme Business Case	Mahmood Foroughi	Yes		
	Opportunities to develop the Greater South East Energy Hub	Alan Downton	No		
	Economic & Skills Insight Report	Parminder Singh Garcha	No		
	Digital Skills Bootcamps	Fliss Miller	No		
27/04/22	Growth Works Management Review – April 2022	Alan Downton / Nigel Parkinson	No		19/04/22

Comm ittee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Agenda despatch date
	Careers Hub	Fliss Miller	No		
	Green Skills Plan	Fliss Miller / Parminder Singh Garcha	No		

To be programmed:



**CAMBRIDGESHIRE
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Agenda Item No: 2.1

Peterborough University – Phase 3 Business Case

To: Skills Committee

Meeting Date: 17 January 2022

Public report: Yes

Lead Member: Councillor Lucy Nethsingha

From: Mahmood Foroughi, Senior Responsible Officer – Higher Education

Key decision: Yes (for Combined Authority Board on 26 January 2022)

Forward Plan ref: 2021/064

Recommendations: The Skills Committee is invited to recommend to the Combined Authority Board that it:

1. Approve the University of Peterborough *Phase 3 Business Case*
2. Approve the use of option a) in section 4.2, to use the existing special purpose vehicle Peterborough HE Property Company Ltd (Prop Co 1), for the delivery of Phase 3 of the University Programme, as the owner and developer of the second teaching building.
3. Consent, as shareholder, to modification of the Shareholders Agreement relating to Peterborough HE Property Company Ltd (Prop Co 1), on such terms as the Chief Executive of the CPCA in consultation with the Chief Legal Officer (Monitoring Officer), and the Chief Finance Officer (s73 Officer) may agree, to include at a minimum the maintenance by the CPCA of the *drag along* rights, described at paragraph 4.2 of this report and in order to reflect the share allotments as noted in paragraph 3 below.
4. Consent, as shareholder, to Peterborough HE Property Company Ltd (Prop Co 1):
 - a) issuing the following shares:
 - i. To Peterborough City Council, shares to the value of £20m (in consideration of it investing £20m of Levelling Up Fund (LUF) funding)

- ii. To CPCA, shares to the value of £2m (in consideration of it investing £2m of Local Growth Fund funding)
- iii. To Anglia Ruskin University, shares to the value of £4m in consideration of it investing £4m)

and note that the share issue should be completed by 31 March 2022

- b) Agreeing revisions to the Development Management Agreement to extend the delivery specification in relation to the project management and delivery services and associated support services to relate also to phase 3.
 - c) Entering into a land transfer with PCC to acquire the Phase 3 land and then enter into an agreement for lease, and lease with ARU Peterborough in respect of the Phase 3 Building, and such consequential and other ancillary agreements on such terms as the Chief Executive of the CPCA in consultation with the Chief Legal Officer (Monitoring Officer), and the Chief Finance Officer (s73 Officer) may agree.
 - d) Adopting a revised Business Plan, including such changes as are necessary to reflect the construction works and agreement for lease, and lease to ARU-Peterborough of the Phase 3 building in addition to the Phase 1 building.
5. Delegate authority to the Chief Executive of the CPCA in consultation with the Chief Legal Officer (Monitoring Officer), and the Chief Finance Officer (s73 Officer) to agree:
- a) such changes to the Collaboration Agreement providing that changes to the delivery obligations (and respective timings) are made as described in 5.2 of this report.
 - b) In respect of the Collaboration Agreement, such changes in respect of increased target for student numbers, the curriculum model, and the site and building plan as described in paragraph 5.2 of this report.
 - c) The Development Management Agreement, such changes in respect of the provision of programme management services to Propco1, related to the Phase 3 construction project, are made as described in 5.2 of this report.
 - d) and to create or modify any such other documents as the Chief Legal Officer (Monitoring Officer) advises are necessary to give effect to the recommendations.

Voting arrangements: A simple majority of all Members present and voting

1. Purpose

- 1.1 The purpose of this paper is to present to the Skills Committee a Business Case for Phase 3 of the University of Peterborough project, and to request that it recommends to the CA Board the approval of a range of actions necessary to achieve the objectives and outputs of that case.
- 1.2 These include the development and agreement of several project documents which the Cambridgeshire and Peterborough Combined Authority (CPCA) is or will be a direct party to, and also giving shareholder consent to Peterborough HE Property Company Ltd (Prop Co 1) (the special purpose vehicle established to deliver and own the university teaching buildings) in respect of various Shareholder Protection Matters (matters which, for Prop Co 1, requires prior shareholder consent) - in particular the issue of shares in respect of further financial contributions from the CPCA, Peterborough City Council (PCC) and Anglia Ruskin University (ARU), to fund the construction of Phase 3 of the university project – a second teaching building.

2. Background

The University Project & Progress So Far

- 2.1 Project partners CPCA, PCC, and ARU are collaborating to establish a new University for Peterborough to increase the skill levels of local people by completing the establishment of a range of teaching facilities, and to increase highly skilled employment opportunities by developing an innovation ecosystem around the university, focused on opportunities in the global net zero transformation.
- 2.2 The ambition to transform jobs and skills in Peterborough is central to the forthcoming CPCA's 2022 Employment and Skills Strategy, which recognises establishing a new higher education provider in Peterborough as an essential step to implement the strategy. The two objectives of the university programme, in order to support the city, its surrounding area and the people living there, are to simultaneously improve access to better quality skills and improve access to better quality employment. This will support local people to access opportunities for quality long-term employment and support local businesses to grow by making it easier to hire skilled employees and invest in innovation. A central feature of the programme's approach is that intervening to raise local skills levels at the same time as raising demand for skilled workers is more likely to succeed than trying to raise one at a time and helps ensure that more of the programme's benefits accrue locally. Intervening strategically to concurrently raise local skill levels and local demand for skilled workers will enable Peterborough to enact a step-change to a new equilibrium as a highly skilled and hi-tech economy, with local demand for skilled workers met by local residents. The establishment of a University for Peterborough is a 10-year programme to catalyse the region's transformation. It will provide improved access to better quality skills and improved access to better quality employment. The resulting increase in wellbeing, health and healthy life expectancy means people living happier, healthier lives.
- 2.3 The programme is already underway, with action happening at pace and scale. Three phases of the university campus creation have secured funding in just over two years, and two are already under construction, with the first teaching building due to open to 2,000 students in September 2022. With multiple phases running in parallel and to tight schedules, this is a complex programme of work which requires careful sequencing and coordination in order to meet the objectives. These phases of the programme are:

- 2.3.1 Phase 1: First Teaching Building, currently under construction - Establish the ARU Peterborough campus in the city via the first teaching building, providing space for 2,000 students from September 2022 and 3,000 in total, studying Health, Social Care, Education, Management, Finance and Law.
- 2.3.2 Phase 2: Peterborough Research and Innovation Incubator, currently under construction - Build a base of innovative and collaborative start-ups to support bottom-up development of the innovation ecosystem: 20 hi-tech start-ups and scale-ups building an indigenous innovation ecosystem specialising in net zero technologies in an innovation incubator on the University campus with Photocentric as anchor tenant, generating jobs for graduates to enter in the local innovation ecosystem.
- 2.3.3 Phase 3: Second Teaching Building and Living Lab, for which funding has been secured - Grow the University campus via a second teaching building supporting 1,000 more students from 2024/25 and 1,750 more students in total, expanding its curriculum into STEM fields and embedding the University in Peterborough through the Living Lab and Cultural Quarter. The Living Lab will be a public-facing, high-quality interactive science centre for Peterborough with public space for exhibitions and events, designed to stimulate and inspire more young people into STEM sectors, particularly in net zero opportunities.

Phase 3

- 2.4 Peterborough City Council has secured £20m funding from the Levelling Up Fund for Phase 3 of the University campus, a second teaching building and Living Lab. Almost £8M of investment (see paragraph 3.1 for a full breakdown) has been secured from the other PropCo1 shareholder partners, the CPCA and ARU. This phase is due to be delivered in 2024 and will provide outstanding facilities for students and the local community, as well as the capacity needed to grow in line with the institution's growth plans and ambitions to achieve university status.
- 2.5 The Business Board in consultation with the Combined Authority Board, approved on 9th June 2021, £2m of unallocated recycled Local Growth Funds for the University of Peterborough Phase 3 project.
- 2.6 Following the approval of the Levelling Up fund in October 2021, work on developing a Full Business Case (FBC) started by the Combined Authority in collaboration with PCC, reflecting input from ARU as the procured Academic Delivery Partner, to demonstrate the economic impact and educational need for the expansion of the University Project and campus in Peterborough. The Full Business Case comprises the Strategic, Economic, Commercial, Financial and Management cases modelling the Green Book in line with the HM Treasury Central Government guidance on appraisal and evaluation
- 2.7 Approval of the Business Case for Phase 3 of the University Project is necessary to expand the campus via a second teaching building and Living Lab, with space for 4,761 students by 2026, extending the curriculum to STEM fields and establishing a 'University Quarter'.
- 2.8 The level of success of the bid for the LUF was dependant on PCC (as the lead authority to bid) demonstrating a certain level of readiness and assurance of delivery of Phase 3. Therefore, it was proposed, as part of the LUF funding application, that delivery be enabled

through the currently established jointly owned higher education property vehicle (PropCo1). Governance and project delivery arrangements for the development and delivery are set out at Appendix 3.

- 2.9 The programme to deliver the Phase 3 project has been drawn up. The terms set out in the funding offer from the Dept for Levelling Up, Housing & Communities stipulated that **work and spend of the LUF funding should start by 31 March 2022** and complete by March 2024. To achieve this the Combined Authority, on behalf of PropCo1, have initiated the mobilisation works. These include the production of this Business Case and tendering process for the appointment of a multi-disciplinary design team. The appointment of the design team by 15th February to start the design work is on the critical path to meet the project start terms of the LUF funding offer. It is envisaged that the approval of the Business Case by the Combined Authority Board will allow for the Combined Authority to make the appointment of the multi-disciplinary design team on behalf of the PropCo1.
- 2.10 The total available funding will cover all components of cost required to deliver the Phase 3 project including construction works, support services from professional consultants and the design team, legal support, surveys, and investigations. Consideration of wider client related project costs including internal project management, project financial accounting and statutory contributions such as section 106 contributions and land purchase have also been factored in.

3. Funding for Phase 3

- 3.1 The financial arrangements to meet the £27.87m costs for Phase 3 of the University project are as follows:
- a) LUF £20m – (PCC contribution as the lead authority for the LUF)
 - b) ARU £4m
 - c) CPCA £2m – Approved recycled local growth funds
 - d) PCC Transfer of land valued at approximately £1.87m (land valuation yet to be completed)
- £27.87m total**
- 3.2 Following the above investments to be made by each of the existing shareholders and the corresponding allocation of the new shares, the company's shareholdings will be as shown in the table 1 below.

Table 1; Joint shareholding following PCC land transfer, PCC contribution of LUF funding, CPCA contribution of Local Growth Funding and ARU contribution to Phase 3 costs.

Shareholding in The Peterborough Higher Education Property Company					
		PCC	CPCA	ARU	total
Phase 1	First teaching building	1.87	24.8	5.50	32.17
		5.8%	77.1%	17.1%	100.0%
Phase 3	Second Teaching building	21.87*	2	4	27.87
		78.5%	7.2%	14.3%	100.0%
	Total Shareholding in Propco1	23.74	26.8	9.5	60.04
		39.6%	44.6%	15.8%	100.0%

*land value of £1.87m may change subject to independent valuation

- 3.3 A requirement in the terms of the LUF funding offer from the Dept for Levelling Up Communities & Housing, is that work and spend must start by 31 March 2022. To enable this a number of project milestones need to be met:
- For work and spend to start in March 22, a formal contract must be signed by PropCo1 in February 2022, with the procured multi-disciplinary consultant team so that the initial work packages of RIBA Stage 2 design to inform planning applications can commence.
 - For Propco1 to place the contract above, it must be in receipt of the Phase 3 funding of £26m. In consideration of the transfer from PCC, ARU and the CPCA of that funding there shall be a corresponding allotment of shares. There will be a consequential change to the original Shareholders Agreement between the parties to provide continuing shareholder protections to the CPCA as it moves from being a majority shareholder to a minority shareholder. Related to this, an Agreement for Lease and Lease for the second building to ARU-Peterborough from PropCo1, is required along with amendments to the Collaboration Agreement to accommodate the revisions to student numbers, curriculum model, and site and buildings plan.

Significant Implications

4. Financial Implications

- As set out in the Business Case, the funding strategy to finance the Phase 3 Second Teaching Building, and in line with similar capital investments of Combined Authority devolved and delegated funding, into the Phase 1, the First Teaching Building, the Combined Authority will invest its £2m funding as an investment for shares into the PropCo1. As a result, the current Shareholder Agreement for the company, will be amended to reflect this additional investment for shares.
- Recovery of CPCA Funding from Phase 1:** The Combined Authority invested a total of £25.4m into the £30.5m Phase 1 project. Set out in the FBC for Phase 1, was the CPCA's strategy to allow rent-free provision of the Phase 1 building to ARU-Peterborough for a

period of 10 years, at which point it would seek to recover and recycle its investment into new projects in pursuance of the Combined Authority's objectives. To enable this sale of shares at maximum market value, paragraph 17.1 of Shareholders Agreement states that:

"If a Shareholder or Shareholders who collectively hold Shares which, in aggregate, represent in excess of 75% of the votes which are capable of being cast at a general meeting of PropCo wish to transfer their shares at any time (the "Drag Seller(s)"), such Shareholders may (having first followed the procedure set out in Clause 15) give written notice (a "Drag Notice") to the continuing Shareholder or Shareholders (the "Continuing Shareholders") requiring it (or them) to sell all (but not some only) of its (or their) shares..."

This clause provides for the Combined Authority, which currently holds in excess of 75% of the total shares (votes), to drag PCC and/or ARU into the sale of a majority, controlling shareholding of a building, available to rent to a successfully operating university. Sale of a majority, controlling shareholding of a building, would generate maximum value on the market – investors being unlikely to wish to acquire only a share of a rental asset. In the event that PCC invest the £20m of LUF (and later upon conclusion of land transfer, the value of the land also) into PropCo1, the resulting dilution of the Combined Authority's shares will take it below the 75% trigger for drag rights. This in turn, will generate a significant negative impact on the potential value at sale of the Combined Authority's investment, as it will be able to sell only a minority share in the company. Hence, without modification to the Shareholders Agreement to protect and retain the Combined Authority's drag rights, below 75%, the Combined Authority could not agree to PropCo1 making any further allotment of shares. Two options are available to protect the Combined Authority's investment upon PCC transferring the LUF (and land) to PropCo1:

- a) For the Combined Authority Board to provide consent (as shareholder under protected matters in the Shareholders Agreement) for PropCo1 to undertake the further share allotment, only on condition that it will retain its drag rights in respect of all other shareholders, notwithstanding the diminution of its rights below the currently specified level of 75% of all shares (votes). This change will be drafted by the CPCA's legal advisors.
- b) For all partners' investment to be made into a third property company PropCo3

The table below summarises the advantage and disadvantages of the two options and the mitigation that can be applied to address the risks (disadvantages), as follows:

Option	Advantages	Disadvantages	Proposed mitigation
A	Potentially less resource requirement to administer and manage (one company vs two companies)	Diminished control of CPCA at board level due to a PCC proposed condition to their additional share subscription being the appointment of an extra director on the PropCo1 board, resulting in CPCA having 2 out of 5 directors (rather than 2 out of 4)	Ensuring CPCA rights to veto, within the Shareholders Agreement protected matters are maintained, therefore retaining control on significant and matters of importance to CPCA

	<p>Less complexity and set up time of legal arrangements and documents as most of existing legal documents for PropCo1 can be utilised with exception of few that will need some amendments, such as</p> <ul style="list-style-type: none"> (1) Development Management Agreement (2) Shareholders Agreement (SHA) Relating to Peterborough H.E. Company Limited (Propco1). (3) Collaboration Agreement to set out revised targets 	<p>The CPCA losing its “drag right” in the event that CPCA decide to transfer their shares at any time, and to be able to “Drag” PCC and ARU to transfer their shares at the same time.</p>	<p>For the Combined Authority Board to provide consent (under protected matters in the Shareholders Agreement) for PropCo1 to undertake the further shares allotment, only on condition that it will retain its drag rights in respect of all shareholders, notwithstanding a diminution of its shares below the currently specified level of 75% of all shares (votes).</p>
		<p>The delay (from 2032 to 2034) in CPCA and PCC realisation of the capital receipts, generated from their exit as shareholders from PropCo1, caused by investing in both buildings through the same, single special purpose vehicle (PropCo1).</p> <p>The proposal was made in the LUF bid to government to use PropCo1 as the Phase 3 delivery vehicle and offer ARU- Peterborough the same 10 year rent free period, as for the Phase 1 building. The proposal to use PropCo1 as the delivery vehicle was made in order to demonstrate to Government, the partners’ ability to meet the tight timescales for project start and completion, set out in the LUF call for proposals, through the use of an established and operational delivery vehicle. The commitment to offer ARU Peterborough a 10-year rent free period in the Phase 3 building, was based on the precedent set in Phase 1. However, it is not proposed to change the Shareholders Agreement to</p>	

		provide PCC and CPCA the option to sell their shares in PropCo1 after the 10 th anniversary of the completion of the Phase 1 building.	
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Option	Advantages	Disadvantages	Proposed mitigation
B	Clear and defined separation of the rights and controls for the two companies	Potentially more resource requirement to administer and manage (two companies vs one company)	To map out resource requirement and create efficiency within CPCA resourcing structure
	Insulates and protects CPCA rights in PropCo1	Potentially requires more time to set up and agree all the legal contracts and documents and potential to impact the critical timeline for approval of Board Paper and FBC in January 2022, consequent conclusion of a shareholder's agreement by mid-February is necessary to start work in March. Failure to do so will cause PCC to breach the terms of the LUF funding –	commitment from CPCA to ensure focussed and intense engagement of the project management, legal and financial teams to manage the timeline.
	Ability to sell shares in the two companies at different times, allowing CPCA to keep its anticipated exit date for PropCo 1 at 10 years from the completion of Phase 1 and move this to the completion of Phase 2		

4.3 For option a), since the delivery vehicle will be the existing PropCo1, we do not envisage any amendment to any of the existing property agreements, but we expect that PropCo1 will require legal advice in relation to the acquisition of the land from PCC including advice on the necessary documentation and upon PropCo1's agreement for lease and lease with ARU Peterborough. There will also be a later need for PropCo1 to receive advice in relation to the build contract

4.4 For option a), in the Shareholders Agreement of PropCo1 the decision-making process is defined in clause 6.1 which states that certain matters must be agreed by all shareholders as indicated in Schedule 3 to that agreement ('shareholder protection matters'). This clause is not dependant on the percentage of Shareholding by each party to the Agreement. Therefore, the change in shareholding will not affect the "shareholder protection matters". However, as part of the delegated authority approval sought by this paper, the amendment will review any decision making outside of these protection matters (i.e., for matters of less import), as each shareholder shall have voting rights in line with their percentage.

- 4.5 Both CPCA and PCC, as the majority investors in Phase 1 and Phase 3 respectively, consider their investments as helping to “pump prime” the university project, through the provision of two buildings (Phase 1 and 3) rent free for the first 10 years of each building’s occupancy by ARU-Peterborough. However, as it is planned that by the end of this 10 year period, ARU Peterborough will have grown to sufficient critical mass to address the HE skills shortage in the area, obtained university status, and reached a commercially sustainable position, sufficient to commence paying commercial rents for the building, both the CPCA and PCC jointly intend to exit Propco by selling their joint majority shareholding in PropCo1 which owns both buildings, on the market, to either a commercial property investor or ARU. The Shareholders Agreement will be modified to facilitate this intent, enabling either CPCA or PCC to trigger the sale of all of the shares in Propco1 after the Phase 3 Building’s 10th anniversary on occupancy by ARU Peterborough, using a mutual drag clause. Due to the increase in PCC’s shareholding, it will also be granted such drag along rights.
- 4.6 In order to support ARU-Peterborough in its start-up phase and the challenging student enrolment targets to 2030, PropCo1 will offer both the Phase 1 AND 3 buildings to ARU Peterborough on a rent-free basis for 10 years from the point that ARU-Peterborough takes occupancy of each building. The 10-year period for phase 1 will start from completion of the buildings and occupancy in September 2022 and for phase 3 it will be September 2024.
- 4.7 The current Business Plan for PropCo1, envisages investment of share capital, and the progressive expenditure of that capital on the construction of the Phase 1 building, with no income planned for a period of 10 years from the rental of the building. This will be modified in a new PropCo1 Business Plan to take into account the following:
- a) Investment of an additional £27.87m of share capital for the acquisition of land and construction of the Phase 3 building. The progressive expenditure of that capital on the construction of a building.
 - b) Income forecast is for rental income after the 10th anniversary of the Phase 1 building in 2032 and at the same points for the Phase 3 building in 2034.
- 4.8 Officers recommend option a) on the basis that the application for LUF funding to Government, proposed the partners would use PropCo1 and that on balance, it is the officers view that the advantages outweigh the disadvantages, and that it is the preference of the other parties.

5. Legal Implications

- 5.1 The delivery vehicle for phase 3 of the University programme can be via the two options described above at 4.2. It is noted that officers recommend Option A, the utilisation of PropCo 1.
- 5.2 In order to deliver phase 3 via PropCo 1, the following legal documents will need to be amended:
- a) Development Management Agreement, between the CPCA and PropCo1, which sets out the provision of Programme Management Services by the CPCA to PropCo1, for the management of the construction of the Phase 1 building. Changes will include amendments and confirmations resulting from a review of the expanded Programme

Management Service, needed to deliver the new Phase 3 project in parallel with the current Phase 1 project. It should be noted that similar set of services are provided by the CPCA for the Phase 2 building, under a separate agreement with the Peterborough R&D Property Company Ltd (PropCo2). A resource plan will be put in place for the additional programme management activities and resources required for the Phase 3 project, feeding into a Draft Revised Development Management Agreement, which will include; the appointment of further resources including a Project Manager, the extension of the term of the agreement and related payments from PropCo1, to cover the phase 3 project, due for full building completion in September 2024. Costings for these services will be requested from the CPCA, and any other project partner wishing to provide the services. A review will take place to confirm, or otherwise, if the CPCA remains best placed to provide the services, resulting in a recommendation to the PropCo1 Board for signature of the Revised DMA.

- b) Shareholders Agreement (SHA) Relating to Peterborough H.E. Company Limited (PropCo1). Changes to include the provision of drag rights in respect of all shareholders to CPCA, notwithstanding a diminution of its shares below the currently specified level of 75% of all shares (votes) upon the sale of the shares in the company.
- c) Collaboration Agreement, between the CPCA, PCC, ARU and ARU-Peterborough, which sets out how the parties commit to work in partnership and co-operate with each other in order to deliver a successful University for Peterborough over the long term. Changes will include amendments to:
 - i. Schedule 2, ARU Responsibilities, to reflect the increased obligations for student numbers, which as a result of the Phase 3 building, will rise to 4,761 student headcount by 2026/27 and on to 5,357 by 30/31.
 - ii. Schedule 3, Curriculum Model, to reflect the extended range of courses that the Phase 3 building will enable.
 - iii. Annex 1, Site & Buildings Plan, to reflect the addition of a second teaching building, including its size, features and location.

6. Climate & Nature Implications

- 6.1 The LUF bid indicated support for the Governments net zero objectives through building design and technologies. At early design stage (RIBA 1), several sustainability frameworks (BREEAM, Passive Haus etc) were discussed for suitability particularly towards achieving NZCiO¹. Consideration to materials selection/choice, use of passive building fabric design principles and potential renewable energy solutions to support the sustainability requirements.

In regard to the Combined Authority's duties under the Natural Environment and Rural Communities Act 2006 to "conserve biodiversity" and the Cambridgeshire and Peterborough Vision for Nature, a full Natural Environment Analysis will be undertaken in parallel with the RIBA Stage 2 Design for phase 3. This will include opportunities for conserving biodiversity, restoring or enhancing species or habitats.

¹ Net Zero **Carbon** in Operation

7. Appendices

7.1 Appendix 1 – Full Business Case

7.2 Appendix 2 - Shareholders Agreement protection matters

7.3 Appendix 3 - Governance arrangements for the development and delivery

University for Peterborough Project Phase 3

Living Lab, University Quarter Cultural Hub and expanded University campus and operations in Peterborough

Business Case

Contents

Executive summary	4
1 Strategic Case	12
1.1 Introduction	12
1.2 Principal partners	14
1.2.1 Public sector partners	14
1.2.2 Academic Delivery Partner	14
1.3 Strategic context	15
1.3.1 About the Combined Authority	15
1.3.2 About Peterborough City Council	16
1.3.3 About Anglia Ruskin University	17
1.3.4 Policy alignment	18
1.3.5 Objectives	25
1.3.6 Current position	28
1.3.7 Case for change	29
1.4 About the project	37
1.4.1 Scope	37
1.4.2 Benefits	38
1.4.3 Risks, constraints and dependencies	39
2 Economic Case	43
2.1 Option identification	43
2.1.1 Critical success factors	43
2.1.2 Options	46
2.2 Value for money	50
2.2.1 Economic appraisal	50
2.2.2 Risk appraisal	52
2.2.3 Preferred option	53
2.2.4 Sustainable Growth Ambition benefits	53
2.2.5 Sensitivity analysis	54
3 Commercial Case	57
3.1 Structure of the deal	57
3.1.1 Procurement strategy	57
3.1.2 The contract	57
3.1.3 Risk apportionment	59
3.1.4 Implementation timescales	59
3.2 Deliverability	59
3.2.1 Budget Estimate	60
3.2.2 Procurement	65
3.3 Covid-19 impact assessment	66
3.3.1 Immediate Impact on ARUs business model (and that of ARU Peterborough)	67
3.3.2 Target market segments	68
3.3.3 Impact of social distancing	70
3.3.4 Covid-19 sensitivity test on current operating model	71
4 Financial Case	74

4.1	<i>Financial model and appraisal</i>	74
4.1.1	Project budgets and funding	74
4.1.2	Financial model and appraisal(s)	77
4.1.3	Risk analysis	82
4.2	<i>Affordability</i>	84
5	Management Case	86
5.1	<i>Stakeholders</i>	86
5.2	<i>Achievability</i>	87
5.3	<i>Project management</i>	88
5.3.1	Structure and Governance	88
5.3.2	Roles and Responsibilities	90
5.3.3	Project Plan	91
5.4	<i>Change management</i>	93
5.5	<i>Benefits realisation</i>	94
5.6	<i>Risk management</i>	95
5.7	<i>Project assurance</i>	95
5.8	<i>Post-project evaluation</i>	95
6	Annexes	97
6.1	<i>Project risk register</i>	97

Executive summary

Strategic Case

Peterborough is a recognised cold spot for Higher Education. To address this, Cambridgeshire and Peterborough Combined Authority (the Combined Authority) and Peterborough City Council (PCC) are committed to supporting the development of a new higher education provider for the City on its journey to becoming the University of Peterborough to:

- increase the skills levels of local people; and
- increase highly skilled employment opportunities, principally by generating and accelerating an innovation ecosystem centred on artificial intelligence, digital and advanced manufacturing technologies that enable new products and systems that contribute to a net-zero carbon and healthier future.

The principal partners in the phase 3 of the University of Peterborough development project are the Combined Authority, PCC and Anglia Ruskin University (ARU)(the Academic Delivery Partner (ADP) for the new University).

The new university campus is to be delivered in 5 phases:

- Phase 1: First Teaching Building.
- Phase 2: Peterborough Research and Innovation Incubator
- Phase 3: Second Teaching Building and Living Lab.
- Phase 4: Inward Investing Research Institute & SPF-Funded R&D Programme.
- Phase 5: Third Teaching Building & Sports Science Facility.

Phases 1 and 2 are underway. Phase 1, ARU-Peterborough will open the first teaching building to its first students in September 2022. This first teaching building was approved for funding in late 2019 and is under construction with completion confirmed for July 2022. It will provide space for 2,000 students from September 2022, rising to 3,000 by 2025, studying Health, Social Care, Education, Management, Finance and Law. Phase 2, Net Zero Innovation Incubator was approved for funding in mid-2020, received planning permission earlier this year and commenced construction in October 2021. Completion is forecast for December 2022.

This Business Case is concerned with the phase 3 development of the new University campus, which comprises a **Living Lab, University Quarter Cultural Hub and expanded university teaching space in Peterborough**, to meet cultural, regeneration and economic levelling up priorities for the region. Phase 3 will allow ARU Peterborough (the higher education provider which will become the University) (“the HEP”) via a second teaching building supporting 1,700 more students from 2024, expanding its curriculum into STEM fields and embedding the HEP in Peterborough through the Living Lab and Cultural Quarter. The Living Lab will be a public-facing, high-quality interactive science centre for Peterborough with public space for exhibitions and events, designed to stimulate and inspire more young people into STEM sectors.

The strategic policy framework within which the Combined Authority works and the rationale for the University for Peterborough project flows from the Cambridgeshire and

Peterborough Independent Economic Review and related documentation including in the Combined Authority Employment and Skills Strategy, Local Industrial Strategy and Local Economic Recovery Strategy. The project supports wider national objective including the Government's Industrial Strategy, Levelling Up, the UK Innovation strategy, Net Zero and the Oxford-Cambridge Arc.

As previously acknowledged as part of the CPCA's approvals for Phase 1, a new University will make a substantial positive economic impact in Peterborough and the wider sub-region, enabling the region and the UK to compete in an ever more dynamic global economy through innovation and creating knowledge-intensive businesses. It will deliver significant cultural and social benefits. It is a Mayoral priority within the Combined Authority's Business Plan and a key intervention within the Local Industrial Strategy and Employment and Skills Strategy, to address the current disconnect between work and qualifications. Expanded HE provision will be an essential component in realising ambitions to: establish the foundations for raising aspirations and attainment; support business skills needs; improve productivity; stimulate structural economic change; and enhance well-being.

The top-line objectives for the new University are:

- Improve access to better quality jobs and improve access to better quality employment, helping to reverse decades of relative economic decline, and increasing aspiration, wages and social mobility for residents.
- Make a nationally significant contribution to Government objectives for levelling up, increase regional innovation, and accelerate the UK's net zero transformation.
- Accelerate the renaissance of Peterborough.
- Translate the resulting increase in individual opportunity, prosperity and social mobility into outcomes across wellbeing, health and healthy life expectancy from the programme, and on into people living happier, healthier lives.

The main benefits of establishing phase 3 of the University Campus in Peterborough, for an additional 1,700 students from September 2024 and include: 264 temporary construction jobs, 157 created over the first 4 years (98 academic staff and 59 professional services), 16 indirect and induced jobs created and as result of increased footfall and increased local economy spend by additional students and university employees: 67 jobs.

Economic Case

Three options have been considered in the economic case as follows:

1. **Phase 1 stand alone:** The first phase of the project to establish the new University Campus in Peterborough with capacity for 3,000 students by September 2022. As this Phase is currently under construction and fully committed to by the partners it is regarded as the 'Do minimum' option.
2. **Phase 3 stand alone:** this option compares the merits of investing in the Living Lab, University Quarter Cultural Hub and expanded University in Peterborough on its own merits (operating independently from Phase 1). This option reviews the costs and benefits solely attributable to Phase 3.

3. **Phase 1 and 3 combined:** this option reviews the proposal contained in this Business Case of establishing a second teaching building for occupation by ARU Peterborough and a high-quality interactive science museum for Peterborough (The Living Lab). For the purposes of this Business Case this is regarded as the 'Recommended option'.

Quantitative economic appraisals of the remaining three options show that the Recommended option has a Benefit Cost Ratio of 6.7 (compared with 10.1 for the Do minimum option and 2.7 for the Phase 3 standalone), based on four direct quantifiable benefits from the proposed options:

1. Increased employment as a direct result of the creation of additional teaching space for the University as staff are recruited.
2. Employment created in the wider economy as an indirect result of the creation of the new University.
3. The economic benefits from the salary uplift from studying on one of the additional HE courses which would be possible as a result of the Phase 3 expansion and gaining graduate level employment as new graduates enter the workforce and graduate level jobs are created, attracted or retained within the region.
4. Benefits to the exchequer from increase wages, personal and corporation taxes.

When coupled with the qualitative analysis of each option (which included student numbers, net present costs and benefits, and BCR calculations) against the project objectives, this confirms the Recommended option as the preferred option and this conclusion easily survives sensitivity testing of assumptions on the scale of the costs and benefits of the Recommended option (including student numbers).

Commercial Case

Procurement of the phase 3 infrastructure is split into the following categories:

1. Land: the proposed development plot
2. Professional team procurement to be complete by mid-February 2022, following approval of this FBC.
3. Main Contractor: procurement of the main contractor will be required to deliver the physical capital works.

Procurement of the infrastructure will involve selection of a Main Contractor to deliver the physical works via a Design & Build procurement route utilising a competitive tender and an industry standard form of contract (JCT). There is a wealth of potential main contractors and subcontractors who operate in the region and therefore interest in this scheme is expected to be high, which will typically result in competitive pricing. Signing of the contract with the Main Contractor for construction is scheduled to allow for start in March 2023 and completion by September 2024.

The building will be based on a 2,900m² Gross Internal Area (rounded up); a multi-use educational facility suitable for a mixed use of working, learning, teaching, collaborating inclusive of 1,000m² GIA Living Lab, and will include all associated external landscaping and infrastructure, delivered within the available cost envelope (currently £27.9m).

The land on which this phase 3 building will be located is notionally defined based on logical physical boundaries (back of footpath) etc. and logical extension of the current infrastructure strategy for phase 1 & 2. The actual red line will be subject to finalisation of RIBA 2 design by the appointed consultant team and legal due diligence.

The site location taken forward as part of this Business Case has been selected following evaluation of a number of options outlined in the RIBA 1 report, option 1 to the east of the current phase 1 and 2 developments and option 2 to the south of the phase 2 development emerged equal in overall scoring. Option 2 to the south of the phase 1 and 2 buildings remains the preferred option but given the planning difficulties option 1 (Regional Pool Car Park) is considered the most deliverable at this stage. This decision will be reviewed on appointment of the consultant team for phase 3.

Costings for the project have been benchmarked and the building, which is an appropriate size for a building of this nature and allows more flexible use as an adaptable asset for the future, is considered to be deliverable within the available budget.

Financial Case

The agreed budget of £28.87m the phase 3 capital build will be funded as follows

Funding Source	Amount (£)
LUF Investment Funding	20,000,000
Combined Authority	2,000,000
ARU Capital Investment	4,000,000
PCC– contribution of land	1,870,000
Total Funding (Phase 3 only)	27,870,000

Project affordability is critically dependent on:

1. Securing the transfer of LUF funding as well as all other investment capital funding.
2. Risks associated with income (student numbers) and expenditure being able to be mitigated through cost control, increased income and/or use of the contingency provision.
3. Risks associated with enabling works, Land transfer, planning approval and agreement of contract sum being able to be mitigated through management of each workstream within the required timeline and budget while continuing to meet the outcomes of the LUF.

Subject to these considerations, at this stage of project development and implementation, it is anticipated that funds will be available to meet the project budget. No cash-flow implications are anticipated for the Combined Authority or ARU as they have sufficient funds to meet the payments for shares in to PropCo1, relative to the cash demands on the Company required to pay its creditors associated with the construction of the Phase 3 building. However, PCC will need to negotiate terms with the Department of Levelling-Up Housing & Communities (DLUHC), to cash flow PCCs payments for shares, in to PropCo1, from the LUF funding. Currently the terms of the LUF funding are payments 6 months in arrears of actual expenditure on the project by PCC. This cashflow and capability to make

payments for shares will need to be resolved prior to conclusion of the amendments to the Shareholders Agreement.

No cash-flow implications are anticipated for the Combined Authority, ARU or PCC as all funding to be provided by them (including LUF grant) will be in place before the construction phase goes ahead.

A key project objective is to create a sustainable operating model for ARU Peterborough/the University such that, after initial start-up costs, it will operate on a self-sufficient basis. The operating model shows sufficient revenues are generated throughout to cover operational costs, on a broadly breakeven basis from 2022/23 and revenues generated appropriately thereafter to fund the ongoing operational expenditures, with a marginal profit delivered year on year.

The model shows that the key financial risks for the ADP and its ability to fully establish ARU Peterborough as a University are:

- The need to recruit at least the student numbers anticipated by the model and maintain target per student fee levels to generate sufficient income (particularly in the light of the impacts of Covid-19).
- Potential increased costs, particularly for asset maintenance.

The potential mitigations for these risks include contingency provision throughout the ten-year period, as well as a suite of measures to control costs and/or increase incomes. Subject to these considerations it is anticipated that funds will be available to meet the Phase 3 project budget.

To ensure appropriate funds are available, all necessary steps will be taken to ensure each party makes the required financial contribution into PropCo1 bank account by mid-February 2022. This will include negotiations on payment terms for the LUF funding from DLUHC to PCC. This will ensure that PropCo1 has the required funds to cover the construction costs, providing certainty of payment for the Main Contractor and their supply chain, and ensuring that cash funds are readily available for PropCo1 to make payments as required.

Following approval of this Business Case, should the members of PropCo1 require funding to be approved based on the required cashflow such that PropCo1 can continue to develop design, procurement, planning and secure legal advice up to contract award, the cashflow and apportionment of costs will, based on cash subscriptions outlined in this Business Case, for Phase 3 be ARU 15.4%, CPCA 7.7% and PCC 76.9%.

Management Case

The project has a number of stakeholders including: planning consultees; neighbours; Members of Parliament; PCC, the Combined Authority and ARU. These key internal and external stakeholders will be managed under a strategy agreed between PCC, ARU and the Combined Authority, outlined in the established communications strategy.

The Combined Authority and PCC have put in place the resources needed to manage the work streams required to deliver the project, based on an understanding of the shared goals. The Combined Authority will appoint external consultants on behalf of PropCo1 to ensure the necessary capacity and capability is available for successful implementation of the project.

Project governance has been established to reflect the current arrangements within each organisation. Responsibility for the project will be mandated to the joint venture between the main Partners (PropCo1) and ultimately to the Combined Authority and subsequently the operation of the university by ARU Peterborough.

The key principles are that PropCo1 will delegate authority to the Combined Authority and its agent to manage the delivery of phase 3 under the Development Management Agreement, reporting to PropCo1. Should change be required then authority will need to be sought from PropCo1.

ARU Peterborough will occupy the Phase 1 and 3 buildings as tenant, reporting to PropCo1 on an annual basis in respect of the building condition and maintenance. The parties agree to review each of the roadmap, milestones and steps towards them on an annual basis to consider whether the build plan remains achievable and compliant and where it is not believed to be so, to agree changes to be made.

The project plan has been developed within the following constraints and assumptions:

- Delivery of the phase 3 building to be in operation for September 2024 in line with the LUF funding milestone, noting that the memorandum for agreement between Department for levelling up Housing and Communities and the local authority (currently being drafted) states in clause 4.10 that the Council must spend all grant funding by the end of the funding period, 31 March 2024.
- In alignment with the Planning strategy that considers the requirement for a full planning application for phase 3 only that is not reliant on any outline planning permission being determined being undertaken by the combined authority, by a date to be agreed (not part of this Business Case), and the wider masterplan for the embankment being undertaken by PCC for conclusion in Q1 2022.
- Approval of the Business Case in January 2022 to allow funds to be approved to maintain programme to achieve the delivery milestones outlined in the LUF.
- Appointment of the consultant team to commence design and legal advice at the start of February 2022

A detailed project risk register (including control strategies) has been developed based on the following risk categories: surveys and site constraints; commercial viability; design; legal; procurement; operational; governance; construction logistic and programme.

The responsibility for management of risk for the delivery of the Phase 3 building will lie with PropCo1, which will delegate authority to the Combined Authority for the management of risks associated with the design, procurement and delivery of the phase 3 building.

Authority for the management of risk will remain with PropCo1 up to completion of the phase 3 building. Day to day responsibility for risk management will be the responsibility of the Project Manager, who will hold quarterly risk workshops with members of the project

team. The risk register will be reviewed at least monthly by PropCo1. These monthly risk reviews will be an integral part of monthly reporting to PropCo1. Where management of risk requires interventions beyond the authority delegated to the Combined Authority by PropCo1, decisions will be referred by exception to PropCo1 for agreement on how risks are to be mitigated in line with the governance and agreed terms of reference outlined above and to be set out in the Development Management Services Agreement

Covid-19 impacts and opportunities

A wealth of established and emerging evidence predicts that as a result of the Covid-19 crisis Peterborough and the Fens, will be one of the hardest hit economies in the UK. This is partly due to education deprivation and partly due to the region's low-tech industrial base; factors that combine to increase risks of the region also being one of the slowest to recover.

Therefore, a more inclusive recovery and regrowth strategy is needed for region's economy; one which increases higher value, more knowledge intense and more productive growth and shifts the spatial distribution of economic growth and to support an increase in innovation-based business growth across the whole the Combined Authority economy. This will be more important than ever in the recovery following the Covid-19 crisis.

In common with a number of cities in the UK, the establishment of the university and associated innovation eco-system aims to produce the knowledge engine to drive these changes and ensure Peterborough is not one of the "left-behind" towns following the Covid-19 crisis.

ARU's business model is less exposed to the potential impacts of Covid-19 than other HEIs for a variety of reasons including pre-existing blended delivery, lower reliance on international students, low buildings overheads, low gearing and a broad curriculum offer that is likely to be more resilient to the impacts of Covid-19. ARU has developed the portfolio of courses for ARU Peterborough/the new University in Peterborough with due consideration of suitability post Covid 19, including engagement with key stakeholders. ARU's course portfolio and delivery model have proved extremely resilient to the effects of Covid thus far, such that ARU is currently showing an 18% yoy growth in its student population.

Local demographics indicate HE is about to enter a period of growth in the market, not least due to the latent demand in the "cold spot" identified in the strategic case. It will particularly target:

- First generation HE students of all ages.
- People who are unemployed, retraining or upskilling (esp. post COVID-19)
- Large Corporates and bespoke apprenticeship programmes.

ARU also has a strong track record in Degree Apprenticeships, built on a reputation for vocational based HE provision (ARU is the largest provider of Degree Apprenticeships in the UK and a thought leader in their development); a brand that will be further carried into Peterborough. They are undertaking a wide range of preparatory activities to develop the ARU-Peterborough offer taking full account of the impacts of (and opportunities presented by) Covid-19 as they become clearer which will encompass the growth targeted through Phase 3.

A key potential impact of Covid-19 is that it might make young people who live locally, more likely to study nearer to home; ARU-Peterborough is designed to fill the gap identified through the “cold spot” and Phase 3 will, therefore, enable more students in the region to study from home should they wish to do so.

1 Strategic Case

1.1 Introduction

Peterborough has been recognised for many years as a cold spot for Higher Education. Cambridgeshire and Peterborough Combined Authority (the Combined Authority), working with Peterborough City Council (PCC), is committed to supporting the development of a new higher education provider for the City, on its journey to becoming the University of Peterborough, to:

- increase the skills levels of local people; and
- increase highly skilled employment opportunities, principally by generating and accelerating an innovation ecosystem centred on artificial intelligence, digital and advanced manufacturing technologies that enable new products and systems that contribute to a net-zero carbon and healthier future.

These two objectives will support local people to gain access to long-term employment opportunities and support local businesses to grow by making it easier to hire skilled employees, invest in innovation and attract new high value firms to the city and surrounding area.

The University project (as defined below) is being developed in phases.

“The University of Peterborough will be a high-quality employment-focused University for the city and region. It will acquire an international reputation for innovative technological approaches to face-to-face learning and in applied technology and science. It will be characterised by outstanding student satisfaction and response to local needs. The curriculum will be led by student and employer demand as well as developing opportunities in the technological, scientific and business areas. Its buildings will be architecturally leading, flexible and environmentally friendly. The curriculum, academic community and buildings will reflect a desire to be the greenest university possible”.

The principal phases of development of the new campus to host the University are as follows:

- **Phase 1: First Teaching Building** - Establish the University campus in the city via the first teaching building, providing space for 2,000 students from September 2022, rising to 3,000 by 2025, studying Health, Social Care, Education, Management, Finance and Law.
- **Phase 2 Peterborough Research and Innovation Incubator** - Build a base of innovative and collaborative start-ups to support bottom-up development of the innovation ecosystem: 20 hi-tech start-ups and scale-ups building an indigenous innovation ecosystem specialising in net zero technologies in an innovation incubator on the campus with Photocentric Limited as anchor tenant.
- **Phase 3: Second Teaching Building and Living Lab** - Grow the University via a second teaching building supporting 1,700 more students from 2024, expanding its curriculum into STEM fields and embedding the University in Peterborough through the Living Lab and Cultural Quarter. The Living Lab will be a public-facing, high-

quality interactive science centre for Peterborough with public space for exhibitions and events, designed to stimulate and inspire more young people into STEM sectors.

- **Phase 4: Inward Investing Research Institute & SPF-Funded R&D Programme** – Establish an innovation ecosystem focused on net zero technologies by attracting a major Research Institute onto the university campus in Peterborough, and develop an R&D Programme which facilitates the dissemination of research from the Research Institute into local businesses, enabling collaboration in the ecosystem and creating opportunities for local businesses to link into the Research Institute's global network of major net zero-focused businesses, ultimately stimulating local business growth and demand for higher-level skills.
- **Phase 5: Third Teaching Building & Sports Science Facility** – Expand further the teaching capacity with space for an additional 2,250 students on the embankment campus for a total student headcount of 7,000 by 2031. This phase will include the relocation and enhancement of the current Embankment Athletics Track to an alternative site, with agreement of PCC and the Peterborough & Nene Valley Athletic Club (PANVAC), to produce a Sports Science Facility in Peterborough. Like the Living Lab within the Phase 3 building, these sports facilities will be open to the public and play an active role in increasing sports and fitness engagement across the city.

The intention is for the new University be fast-growing between 2022 and 2032 with a review to be undertaken by ARU and the Combined Authority expected to take place in 2028 to evaluate the benefits and feasibility of the University becoming independent from ARU with its own degree awarding powers and ultimately University Title. Progress has been made by ARU-Peterborough in relation to its governance arrangements and academic infrastructure, including the appointment of a Chair and set of governors, due to meet in February 2022. Also, the appointment of an Inaugural Principal and management team to lead operations of ARU-Peterborough and the development of the curriculum to be delivered in the Phase 1 building, including 27 courses registered with UCAS.

The building development programme is already underway:

- Phase 1 has begun, and ARU-Peterborough will open to its first students in September 2022. This first teaching building was approved for funding in late 2019 and is under construction with completion confirmed for July 2022.
- Phase 2 construction work has also commenced with Photocentric as joint venture partner and the building's anchor tenant. This Net Zero Innovation Incubator was approved for funding in mid-2020, received planning permission earlier this year and commenced construction in October 2021. Completion is forecast for December 2022.

This Business Case is concerned with phase 3 of the University campus development, which comprises a **Living Lab, University Quarter Cultural Hub and expanded university campus in Peterborough**, to meet cultural, regeneration and economic levelling up priorities for the region.

It is recognised that there remains uncertainty around a number of elements of the project that are the subject of this Business Case and robust mitigation measures are in place to ensure the costs will not exceed the allocated budget and that Phase 3 of the project will be delivered on time. These are described in other chapters of this Business Case.

1.2 Principal partners

1.2.1 Public sector partners

Cambridgeshire and Peterborough Combined Authority was established in 2017 under a Devolution Deal with central Government. Its purpose, defined by the Devolution Deal, is to ensure Cambridgeshire and Peterborough is a leading place in the world to live, learn and work. The Combined Authority's Devolution Deal, which runs for 30 years, also sets out a list of specific projects which the Combined Authority and its member councils will support over that period. A university for Peterborough is one of the major commitments in that list, and the Combined Authority has already invested £43.5m through its devolved Gainshare, Delegated Local Growth Fund and the Getting Building Fund, for which it was Local Lead Authority.

Peterborough City Council (PCC) was formed as a unitary authority in 1998, having previously been part of Cambridgeshire County Council. The council's strategic priorities are to: drive growth, regeneration and economic development; improve education attainment and skills; safeguard vulnerable children and adults; implement the Environment Capital agenda; support Peterborough's culture and leisure; keep communities safe, cohesive and healthy; and achieve the best health and wellbeing for the city. As well as a central role in the University Programme, PCC is leading the regeneration of Peterborough via a range of programmes, including through its Town Investment Plan, a £49 million programme of projects encompassing business and skills, regeneration and infrastructure and visitor attractions. During the creation of the Combined Authority, PCC was instrumental in ensuring that the inclusion of a university for Peterborough was specified in the Devolution Deal. As Local Lead Authority for the Levelling Up Fund (LUF), PCC secured the £20m of LUF that forms the majority of the financing for this Phase 3 Project.

1.2.2 Academic Delivery Partner

Anglia Ruskin University Peterborough (ARU) is the Academic Delivery Partner (ADP) for the University Project. ARU will work to develop a curriculum for ARU-Peterborough/the university with flexible modes of delivery to address the characteristics of the region, its communities and the Higher Education cold spot. Locally based, ARU is one of the fastest growing universities in the UK with strong performing Science and Technology and Business Faculties, several research institutions classified by the Research Excellence Framework as world-leading and has a wide range of established international partnerships. On the basis that ARU would be given the right to occupy both the first and second, majority public funded, teaching buildings rent free, to conduct the business of offering higher education in Peterborough, they were required to compete for the role of ADP through a procurement that took place in 2019.

1.3 Strategic context

1.3.1 About the Combined Authority

The Combined Authority has statutory powers and a budget for transport, affordable housing, skills and economic development, made up of funding devolved from central Government. The Mayor also has powers to raise monies through local taxes, although these have not been used to date.

Under its new Mayor, the Combined Authority's strategy is driven by the values the Mayor wishes to be the hallmark of his term in office:

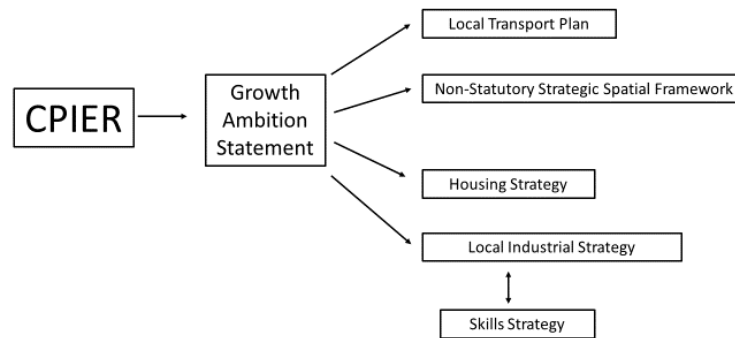
1. Compassion
2. Cooperation
3. Community

These frame how the Combined Authority will pursue the Devolution Deal's overall aim of achieving sustainable growth and integral human development, and give rise to an investment programme that has the following six themes:

1. **Health and Skills:** building human capital to raise both productivity and the quality of life.
2. **Climate and Nature:** restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities.
3. **Infrastructure:** from digital and public transport connectivity, to water and energy, building out the networks needed to support a successful future.
4. **Innovation:** ensuring this area can continue to support the most dynamic and dense knowledge economy in Europe.
5. **Reducing inequalities:** investing in the community and social capital which complement skills and connectivity as part of the effort to narrow the gaps in life expectancy and income between places.
6. **Financial and systems:** improving the institutional capital which supports decision-making and delivery.

The university project supports all of these, with specific emphasis and impacts on 1, 4 and 5.

The strategic policy framework within which Combined Authority works is summarised below (CPIER is the Cambridgeshire and Peterborough Independent Economic Review).



The Combined Authority's Board brings together the Leaders of the councils in the area under the chairmanship of the Mayor and is also attended by the Police and Crime Commissioner, Chairman of the Fire Authority, Chairman of the Business Board and a representative of the NHS.

1.3.2 About Peterborough City Council

Peterborough City Council is a unitary local authority for the City of Peterborough, which has a population of just over 200,000 people. PCC's five core values are:

- **Expertise** - recognise and value the differences, skills, knowledge and experience of all colleagues
- **Trust** - honest and open in all dealings and deliver on promises
- **Initiative** - proactive and use creativity to identify and resolve problems
- **Customer Focused** - understand and aim to meet customer's diverse needs, treating them fairly and with respect
- **Work together/One team** - work with colleagues and partners to deliver the best services possible.

PCC's constitution sets out how the council works, how decisions are made, and the procedures it follows to make sure its work is efficient and accountable to local people.

The council is made up of 60 councillors and has a leader and cabinet model of decision making. The Cabinet is responsible for running council services and ensuring best value is delivered. They are also responsible for implementing policies, delivering services, approving new policies other than major policies, playing a leadership role and generally promoting the economic, environmental and social well-being of the city.

PCC's vision is to **'create together a Peterborough resident are proud to live, work and grow up in and where services deliver what local people need and give value for money'**.

PCC's Corporate strategy 2021-25 signals a strong commitment to:

- Our communities – seeking engagement and contribution, ensuring everyone can play a part in improving their own lives and the lives of others and
- Our environment – which is central to how we think and act. Reversing the trend of increasing consumption and delivering on our commitments to becoming a truly sustainable city,

Priority outcomes for the Corporate Strategy include:

- Pride in our communities, our places and our environment
- First rate futures for our children and young people, quality support for our adults and elderly
- Better jobs, good homes and improved opportunities for all

PCC's Corporate Strategy 2021-2025 strategic priorities are:

1. Drive growth, regeneration and economic development

- To bring new investment and jobs
- To support people into work and off benefits
- To boost the city's economy and the wellbeing of all people

2. Improve educational attainment and skills

- To allow people to seize opportunities of new jobs and university provision
- To keep talent and skills in the city's economy

3. Safeguard vulnerable children and adults

4. Implement the Environment Capital agenda

- To position Peterborough as a leading city in environmental matters
- To reduce the city's carbon footprint

5. Support Peterborough's culture and leisure trust Vivacity

- To deliver arts and culture to all people

6. Keep all our communities safe, cohesive and healthy

7. Achieve the best health and wellbeing for the city

The new university programme particularly supports priorities on 1 and 2.

1.3.3 About Anglia Ruskin University

ARU is an innovative global university with students from 185 countries, based in Cambridge, with campuses in Chelmsford, London and Peterborough offering a wide range of courses in `computing and technology, engineering, law, business, economics, life sciences, health and social care, the arts and education.

ARU includes six high-profile research institutes, StoryLab (originally known as the Culture of the Digital Economy Research Institute), the Global Sustainability Institute, the Veterans and Families Institute for Military Social Research, the Policing Institute for the Eastern Region, the Cambridge Institute for Music Therapy Research and the Vision and Eye Research Institute. Alongside these institutes ARU is engaged in a range of research groups, dedicated to subjects as diverse as ecology, finance and economics, cyber security, and political history.

ARU's vision is **transforming lives through innovative, inclusive and entrepreneurial education and research** and its values are

- Ambition
- Innovation
- Courage

- Community
- Integrity
- Responsibility

ARU's 2017 strategy sets out a 10-year vision, priorities and ambitions and is built around three central themes.

- **Creating a leading learning and innovation ecosystem** to deliver an outstanding educational experience, combining the best of face-to-face and digital learning; increase work-based opportunities; and activities that enhance academic success and employability.
- **Building and nurturing vibrant university communities** that are inclusive and welcoming of all and with a particular focus on continuing to attract and retain international students and growing postgraduate student communities.
- **Strengthening the underpinning operations of the University**, building on its reputation for enterprise, to be known for use of innovative, user-focused approaches to problem-solving and putting the needs of those who study and work with ARU at the forefront of the way it designs its activities.

The ARU Peterborough/university project supports all of these.

1.3.4 Policy alignment

National Policy

The UK needs a dual training system where vocational education and training is well known and highly recognised worldwide due to its combination of theory and applied training, embedded within real-life work environments. Central Government has outlined in its Industrial Strategy the need to see more people equipped to acquire intermediate and higher-level technical skills that the economy needs now and in the future. The Combined Authority's Skills and Jobs Transformation Programme, of which the new University and its campus development is a key element, supports these wider national objectives including:

- **Levelling Up** is the government's pledge to increase opportunities in all parts of the UK, "levelling up" all regions to align them with those most prosperous regions of London and the South East. The specifics of the strategy are expected to be outlined in a Levelling Up White Paper by the end of 2021, however several funding initiatives aimed at Levelling Up have already been launched, including the Levelling Up Fund and the UK Community Renewal Fund. Innovation and R&D funding will play a significant role in rebalancing the economy, so addressing the existing innovation imbalance, by changing the approach to funding and support, will be crucial for the Government in delivering its levelling up agenda. The Council has secured £20m of funding from the Levelling Up Fund to invest in Phase 3 of the University for Peterborough project .
- **UK Innovation Strategy** - Released in July 2021, setting out the Government's ambition for an innovation-led economy. The primary objective is to boost private sector investment across the UK, creating the conditions for businesses to innovate across the UK, addressing the existing regional innovation imbalance and driving the

“levelling up” of the UK economy. As part of this, Government has committed to increasing UK investment in R&D to 2.4% of GDP by 2027. The UK Innovation Strategy states:

“We need to embed innovation across the country, drawing on geographical and sector strengths in places and creating markets on a scale large enough to have a global impact. To do this, we need to ensure more places in the UK host world-leading and globally connected innovation clusters, creating more jobs, growth and productivity in those areas.”

The model for place-based innovation developed in this programme will meet the challenge set through the Innovation Strategy, to help create “a surge of business-led innovation and an increase in firms’ adoption and diffusion of innovation”. In particular, phase 2 and phase 4 help to establish a place-based innovation ecosystem at pace and scale with the University at its centre: an innovation ecosystem that attracts, supports and retains innovative manufacturing businesses, enabling spin-out, start-up and scale-up firms to leverage technology and funding through a Joint R&D Programme, to grow and establish themselves in the Peterborough region. This is achieved by attracting global research institutions, currently located in successful innovation ecosystems like Cambridge and elsewhere, to relocate into left-behind cities with innovation potential, where they act as an integrator of large groups of global companies to fund research programmes linked to local industrial sector clusters. In the case of Peterborough, this will focus on AI, digital and advanced manufacturing technologies related to the enablement of net zero products, processes and power generation systems.

- **Net Zero** – including the recently announced 68% emissions reduction by 2030 and the Prime Minister’s 10 Point Plan for a Green Industrial Revolution through investment in innovative technologies and the creation of 250,000 green jobs.
- **Oxford-Cambridge Arc** – The Oxford-Cambridge Arc is already home to a booming and varied economy that contributes significantly to the success of Global Britain. Over the last 20 years, it has grown faster than any region outside London, and employment and wages are above the national average. It is home to some strong and innovative sectors, world-leading companies, internationally recognised research and development centres and research universities. Peterborough, the largest city in the Arc’s north, is important to unlocking future growth across the Arc, driven by the region’s strong sector clusters of advanced manufacturing and future energy technologies.

The Government’s proposed Post 16 education reforms aim to streamline qualifications for students through the Post 16 Review of qualifications at level 3 and below in England to create a coherent system with clear, high quality progression routes for students of all ages, including the National Retraining Scheme. These need to support the recommendations of the Augar Review into Post-18 Education funding and the review of Higher Technical Education. The Government’s Level 4 and 5 reforms present an opportunity to ensure that technical/vocational learning is available in Peterborough.

It is clear that Government HE policy is concerned with increasing the supply of higher-level technical skills, ensuring genuine inclusiveness in higher education provision and participation and supporting the expansion of agile modes of learning including distance and virtual learning approaches to enable increased participation. All of these are strong drivers for the approach to be adopted for the development of a new University for Peterborough.

This in turn supports the UK Government's Industrial Strategy which articulates the national strategy to achieve a vision of:

- The UK having the world's most innovative economy.
- Good jobs and greater earning power for all.
- A major upgrade to the UK's infrastructure.
- The UK being the best place to start and grow a business.
- Prosperous communities across the UK

A new University will make a substantial positive economic impact not only in the City but in the wider sub-region supporting these national policy frameworks, enabling the region and the UK to compete in an ever more dynamic global economy through innovation and creating knowledge-intensive businesses. At the same time, it will deliver significant cultural and social benefits that are inherent in the aims of these national policies.

Regional strategies

The new University project responds to key regional strategies, of which the following are particularly relevant for phase 3:

- **Cambridgeshire and Peterborough Independent Economic Review (CPIER)** – The 2018 CPIER made a clear recommendation for the development of a university for Peterborough and The Fens. The project is seen as crucial to addressing “uneven access to higher education” and lower educational attainment figures for areas geographically close to - but economically isolated from - existing centres of education, by creating more pathways to higher education for local communities. The CPIER stated that the university should be strongly rooted in the local and sub-regional economy by drawing on established strengths in manufacturing and engineering - citing the fact that the local economic benefits of university research are magnified when local firms are “technologically close” to a university. The CPIER also recommended high levels of investment to ensure a clearly defined educational offer centred around subjects that integrate with the local economy and embrace new technologies.
- The draft **2022 Cambridgeshire and Peterborough Combined Authority Employment and Skills Strategy** sets out a vision for Cambridgeshire and Peterborough to be a “successful, globally competitive economy offering high-skilled, well-paid, good quality jobs, delivering increased productivity and prosperity to support strong, sustainable and healthy communities and enabled by an inclusive, world-class local skills system that matches the needs of our employers, learners and communities.” The Strategy explicitly references the priority for a new University in Peterborough which raises regional higher education participation, and delivers

technical courses aligned to local employers' needs and jobs of the future. See below for further details.

- **Cambridgeshire and Peterborough Local Industrial Strategy (LIS)** – The 2019 Local Industrial Strategy identifies the northward expansion of the innovation clusters and networks from Cambridge, as the primary route to improving the knowledge intensity and quality of employment for Peterborough and the Fens. A specific goal within the LIS is to scale growth further to benefit the whole area, building on Cambridge's World class assets to create inclusive growth across the regional economy. The strategic approach the LIS defines to achieve this includes to:
 - Improve the long-term capacity for growth in Greater Cambridge to support the expansion of this innovation powerhouse and, crucially, reduce the risk of any stalling in the long-term high growth rates that have been enjoyed for several decades.
 - Increase sustainability and broaden the base of local economic growth, by identifying opportunities for high growth companies to accelerate business growth where there is greater absorptive capacity, beyond the current bottlenecks to growth in Greater Cambridge.
 - To do this by expanding and building upon the clusters and networks that have enabled Cambridge to become a global leader in innovative growth, creating an economy-wide innovation and business support eco-system for inclusive growth

A key intervention specified for enabling this is a new university for Peterborough to fill the higher-level skills gap in the north of the regional economy, support accelerated business growth and raise individual opportunity and prosperity

- **Cambridgeshire and Peterborough Local Economic Recovery Strategy (LERS)** – This 2021 strategy responds to the economic impacts of Covid-19 and establishes the goal for the region to make a leading contribution both to the UK's recovery from the Covid-19 pandemic and to its future global success. It sets out how CPCA will accelerate the recovery, rebound and renewal of the economy, helping people effected and achieving the ambition to double GVA by 2042 in a digitally enabled, greener, healthier and more inclusive way.

The Combined Authority 2019 Skills Strategy provided a framework for expenditure against strategic priorities focused on learning that delivers sustained job outcomes, productivity and economic growth. Devolution of skills budgets provides scope to embed an approach that coordinates local resources and establishes priorities.

The Cambridgeshire and Peterborough region plays an important role in the UK economy. Although the area is home to large and globally significant businesses, small/medium businesses dominate the local landscape. The region comprises three distinct economies with differing sector specialisms and differing social and economic skills needs:

- Peterborough and surroundings (including north Huntingdonshire).

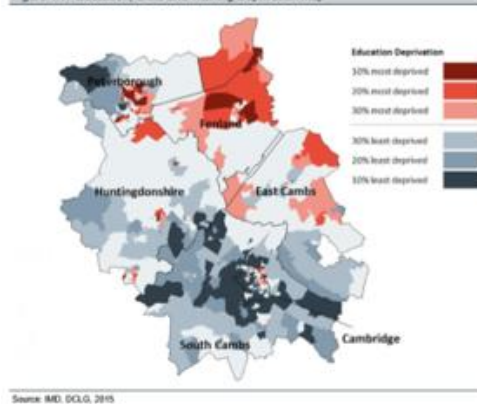
- The Fens (including Fenland, some of East Cambridgeshire and part of Huntingdonshire).
- Greater Cambridge (Cambridge and South Cambridgeshire, including southern parts of Huntingdonshire and East Cambridgeshire)

Broadly speaking, Greater Cambridge has the highest levels of skills and the best educational outcomes; Greater Peterborough and the surrounding area experiences lower levels of employment and greater economic inactivity (suggesting an economy marked by longer term issues relating to engagement and long-term alienation) and the Fens has lower labour market performance, related to the accessibility of both jobs and training. Levels of education deprivation are shown in the figure below and are concentrated in the north and north-east of the region in particular.

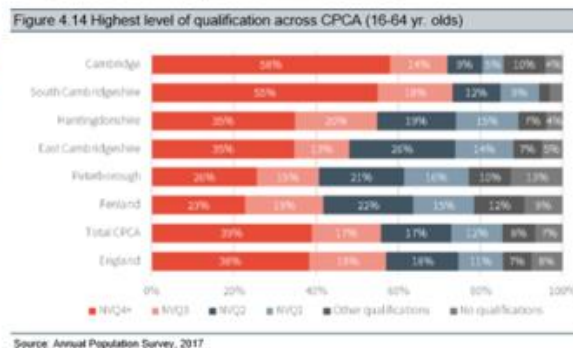
Based on recent economic data/evidence collected from the CPIER and the Hatch Regeneris' Skills Strategy Evidence Base Report, the Combined Authority's 2019 Skills Strategy identified a need for a University for Peterborough, which was included in the 2019 Skills Strategy and reinforced in the draft 2022 Skills Strategy. The Combined Authority is committed (as a devolution priority) to supporting the establishment of expanded HE provision in Peterborough, with a course mix driven by the requirements of residents and businesses.

Education deprivation is concentrated in the north-eastern areas of the CPCA. Peterborough and Fenland in particular although there are small clusters in Huntingdon and Cambridge. By contrast significant areas of Huntingdonshire, South Cambridgeshire and Cambridge are lowest in education deprivation.

Figure 4.17 Education, Skills and Training Deprivation Map



Distribution of qualification outcomes



Peterborough is a recognised cold spot for HE provision in the region, which results a higher-level skills gap amongst the working population (see section 1.3.5 below):

It is imperative that, to achieve inclusive growth, the Combined Authority concentrates efforts on closing the skills gaps, and overcomes the barriers and challenges to progression by developing bespoke life-long learning for all ages through a tailored approach. Key to success will be growing local talent (alongside attracting new talent to the area). The Combined Authority 2019 Skills Strategy, therefore, set a strategic direction 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 draft **2022 CPCA Employment and Skills Strategy** sets out a vision for Cambridgeshire and Peterborough to be a *“successful, globally competitive economy offering high-skilled, well-paid, good quality jobs, delivering increased productivity and prosperity to support strong, sustainable and healthy communities and enabled by an inclusive, world-class local skills system that matches the needs of our employers, learners and communities.”*

Going further than the 2019 Skills Strategy, the draft 2022 Employment and Skills Strategy sets out what this vision means for each of the groups interacting with the skills system: people, employers, providers and place leaders:



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



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



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



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

lead healthy lives and fulfilling
careers.

As an essential part of achieving this vision the 2022 Employment and Skills Strategy explicitly includes the priority for a new University in Peterborough which raises regional higher education participation, and delivers technical courses aligned to local employers' needs and jobs of the future. It also highlights the requirement to ensure that high-quality employment opportunities are created in the region which the university's graduates can then fill, if the Strategy's objectives for delivering increased productivity and prosperity are to be achieved.

The 2022 Employment and Skills Strategy finds that current participation in higher education varies across Cambridgeshire and Peterborough, including being just 6.7% in Peterborough and 3.2% in Fenland. It also notes that the region's education providers, whether on a campus or operating from a satellite site, play an important role as anchor institutions in their community, providing civic leadership, collaborating, driving investment to renew localities and raise aspirations. However, patchy engagement with post-16/18 education is exacerbated by education estate and access cold-spots – including in Peterborough – and physical and digital access challenges for rural and deprived communities. The 'Education Cold Spot' has long been recognised as a major challenge holding back prosperity in the Combined Authority's more deprived areas, particularly in the north around Peterborough.

These have been updated in the draft 2022 Skills Strategy which is built on four core themes:

1. Pre-work learning and formal education: ensuring people can access learning and experiences during formal education that provide a strong foundation for labour market entry and future working lives.
2. Employer access to talent: ensuring employers both drive and consume a dynamic market of skills provision, which shapes the current and future workforce.
3. Life-wide and lifelong learning: ensuring people are aware of their learning needs and opportunities and able to access provision that enables their development.
4. Support into and between work: ensuring coordinated support is available for those who need additional assistance to transition into or between work.

The university project will catalyse action under all these themes. It is a Council and Mayoral priority as well as a key intervention within the Local Industrial Strategy and the Skills Strategy, to address the current disconnect between work and qualifications. Furthermore, expanded higher education provision will be an essential component in realising the ambitions set out in the Cambridgeshire and Peterborough Independent Economic Review (CPIER) to: establish the foundations for raising aspirations and attainment in Peterborough and the surrounding region; support business skills needs; improve productivity; stimulate structural change in the sub-regional economy; and enhance the well-being of the local population.

Moreover, young people in Peterborough and surrounding areas often leave school/college/university without possessing some of the practical skills to function in the modern workplace. There is concern also that the teachers/academics lack knowledge of vocational

career pathways and technical curriculums and that there is currently a disconnect there is between schools/colleges and employers/businesses. The Combined Authority's strategies focus on activity-based transitions that are outcome based and business-focussed within the key sectors of Construction, Logistics, Agriculture/Food, Life Sciences, ICT/Digital, Health and Social Care to create pathways to further study in either FE or HE.

The ARU Peterborough/University curriculum offer has been designed to support raising aspirations to grow the student numbers from the local area, meet student expectations and meet the needs of the local economy. Combined Authority's policy is to prioritise skills interventions, including supporting the establishment of a new University for Peterborough with provision driven by local employer demand for skills in both public and private sectors, encouraging apprenticeships. Through the LIS and LERS, The Combined Authority is also working to activate employer demand and motivate learners and their families to raise their aspirations.

1.3.5 Objectives

The Partners' (the Combined Authority, PCC & ARU) ambition is to create a new University for Peterborough that will deliver a step-change in life-chances for young people in Peterborough and beyond. Key to the success of the new University will be its ability to grow and retain local talent alongside attracting and retaining new talent to the area. Through this project, the Partners are committed to raising personal and community aspirations along with improving social-mobility and contributing to inclusive social and economic growth. The Partners' will continue to promote and support skills provision that meets employer demand and motivates learners and their families to aspire to building prosperous futures for themselves and their communities, harnessing lifelong learning.

The top-line objectives for the new University are:

- **Improve access to better quality jobs and improve access to better quality employment**, helping to reverse decades of relative economic decline, and **increasing aspiration, wages and social mobility** for residents.
- Make a nationally significant contribution to Government objectives for **levelling up, increase regional innovation, and accelerate the UK's net zero transformation**, while also helping to fulfil the growth ambitions of the Ox-Cam Arc and radiating prosperity northward from Cambridge into north Cambridgeshire, the Fens and Peterborough.
- Accelerate the renaissance of Peterborough as a knowledge-intensive university city, **increasing civic pride** and satisfaction with Peterborough as a place offering a good quality of life with improved public facilities, and **providing a tangible example of levelling up and a pilot for place-based innovation** in left behind cities, that could be adopted and adapted nationally.
- Translate the resulting increase in individual opportunity, prosperity and social mobility into outcomes across wellbeing, health and healthy life expectancy from the programme, and on into **people living happier, healthier lives**.

Specific quantitative academic objectives for the new University are to commence provision of education at the start of Academic year 2022/23 for a student headcount of 2,000, rising to 3,000 through the first building and then onto 4,700 through this second teaching building. The aspirational target is to rise further to a student headcount of 7,000 by the academic year 2027/28.

Improving higher-level skills and the knowledge capacity must be accompanied by parallel stimulation and supply of higher value jobs to provide opportunity for the increased number of higher-level skilled people, including development of an innovation eco-system in the region.

Replicating the “Cambridge Phenomenon” that has taken decades to evolve organically and develop requires a specifically designed and long-term programme of interventions that balance supply of improved human capital with demand for it. This in turn requires indigenous and inward business growth that is more knowledge intensive and higher value, requiring higher level skills.

In the case of Peterborough and The Fens, this means addressing the HE cold spot to generate more level 5, 6, 7 & 8 skills, focused on key, higher value growth sectors such as high-value manufacturing and digital. In comparison to the average city in the UK, and within a workforce of 103,000, Peterborough needs be able to mobilise 17,000 more workers at these higher skills levels, to become competitive as a place, and arrest four decades of decline in prosperity and health outcomes.

Filling the higher-level skills gap in Peterborough and The Fens, will have limited impact without effective measures to grow significantly the business and industrial demand for those skills. This will require, concurrent development of the innovation and business support eco-system to grow indigenous high-value firms and attract new ones to the city.

Employers both drive and utilise a dynamic education and skills system, which shapes the current and future workforce. This will be addressed by establishing and expanding the new university for Peterborough through the delivery of Phase 3, providing an increased pipeline of graduates for employers.

There is considerable evidence of best practice in developing and managing place-based innovation ecosystems, which has been used by the Partners to build a strategy to develop such an eco-system for Peterborough and the Fens. It includes actors and components able to:

- build on the regional master plan provided by the LIS, which identifies the threats and challenges facing the regional economy and its key sector-clusters, along with the potential skills and innovation interventions to overcome those challenges. It has clear targets for ecosystem-level innovation outcomes in terms of inputs, such as volume of R&D and knowledge generation, and outputs such as the value and volume of new products and services created and launched into market, delivering outcomes in terms of new, higher value, jobs created.
- operate locally with connectivity to a truly global, sector-based collaborative network in AI, digital and high value manufacturing sectors into which to connect;

- enable the flow of information, resources, talent, and solutions between complementary firms across networks, rolled out to Peterborough's local network of 200 manufacturing firms, managed by Opportunity Peterborough;
- connect firms through formalised innovation partnerships such as membership of a broad R&D programme, or individual projects, innovation alliances (e.g. joint R&D centres jointly staffed by business and universities). Such innovation creation platforms must extend into commercialisation partnerships and market-entry joint ventures and hubs, to ensure market-specific product and service launch and innovation-based growth; and
- provide a clear central coordinating service, facilitating cross-industry collaboration and providing professional services in both management advice and technology applications, capable of managing the ecosystem-level service provision, e.g. the use of facilities and management of an extensive portfolio of R&D, as well as the provision of commercialisation, incubation and growth services.

The Partners further anticipate that the new University (as expanded by Phase 3) will have:

- a substantial positive economic impact on Peterborough City and the surrounding region such that investment in the new University will generate direct, indirect and induced impacts across a wide range of industries, supply chains and the wider consumer economy;
- a positive regenerative effect to support the transformation of Peterborough itself into a regional centre improving the experience of all citizens and visitors to the area, including generating new opportunities for graduate-level employment and encouraging both local participation in HE and the local retention of graduates to benefit the wider economy;
- a transformational effect on the life-chances and well-being of its students and raise aspiration more broadly within Peterborough and the surrounding region. We anticipate that this will include:
 - Improving life-chances, health and well-being outcomes of students and, over time, the wider community;
 - building confidence and capability among the graduates of the new university and potentially encouraging innovation and entrepreneurship;
 - enhancing the capabilities of those graduates who continue to live and work in and around Peterborough to improve their productivity and earning potential; and
 - attracting and retaining investment locally to create more opportunities for the people of Peterborough and the surrounding region to benefit from higher education and contribute to the on-going success of the region.

Local strategies

Further investment in a University for Peterborough as a means of regenerating the city is a priority reflected across several local plans and objectives. This includes the Peterborough City Council's Town Investment Plan (TIP), which aims to kick-start economic growth through urban regeneration, the development of skills infrastructure and improved connectivity. Specifically, the plan includes the development of "a university with the potential to transform the city" on 'Opportunity Site 5' as a means of regenerating city centre space.

There is also alignment with Peterborough City Council's long-term regeneration and investment priorities as identified in its Local Plan.

Phase 3 of the new University will support further in meeting the cultural, regeneration and economic levelling up priorities in Peterborough (see below).

This will deliver the vision of the City's Culture Board to upgrade, create and connect existing and new cultural and creative spaces – in this case three museums, an arts venue, two theatres and two libraries in 50 acres of renewed, open, green space in an enhanced natural environment. In so doing, it creates a University Quarter that becomes a central cultural hub for the city, attracting 50,000 visitors a year and creating a destination area greater than the sum of its parts. The Living Lab will be the centrepiece of Peterborough's new University Quarter Cultural Hub.

This catalytic investment to create the University Living Lab and additional teaching space, builds on and integrates £45m of prior and current investments made through the Local Growth Fund (towards earlier phases of the new university) and Towns Fund (towards the wider masterplan and infrastructure for the City). It will have a visible, tangible impact on people and places, and support economic recovery.

The regeneration of the river embankment will open up a key leisure area for the city centre. Opening up the embankment, clearing the scrub areas, illuminating it and populating it with hundreds of students moving between the university quarter and the city centre will improve public security and transform a poorly used city-centre site into a vibrant cultural, commercial and community hub that local people can be proud of.

1.3.6 Current position

While the Cambridgeshire and Peterborough region has an enviable HE profile thanks in part to the presence of institutions and universities that have a world-class reputation, Peterborough has been recognised for many years as a cold spot for Higher Education (e.g. Peterborough and Fenland have around a quarter of the number of HE entrants of South Cambridgeshire)¹.

Current HE provision in Peterborough consists of:

1. **Peterborough Regional College:** has around 4,500 students and a broad course offering with particular HE teaching specialisms in engineering and construction, primarily at the Park Crescent campus, including **University Centre Peterborough (UCP)**, a 100% owned subsidiary of Peterborough Regional College, providing around 500 qualifications per annum across business, engineering, digital, finance, construction management and accounting disciplines. While its curriculum is modelled on education pathways it is moving into curricula linked to employment or business needs through development of a Green Technology Skills Centre with support from the Towns Fund. UCP does not have degree awarding powers and currently degrees are validated by Anglia Ruskin University.
2. **Anglia Ruskin University:** a satellite campus located in Guild House, Peterborough, with bespoke provision of around 400 qualifications per annum in health, social care

¹ Hatch Regeneris CPCA Skills Strategy Evidence Base, December 2018

and education. It is intended that this provision will be transferred to the Phase 1 new University at the embankment site once completed for academic year starting September 2022/23.

There is no HE provision in Fenland or North Huntingdonshire. The dispersed rural character of, and poor transport networks in, Fenland in particular make it challenging to establish HE operations in these areas. The sparsity of population and travel to learn times (rather than distances) have tended to inhibit the creation of viable provision, in the absence of flexible modes of delivery to compensate for these characteristics of the region.

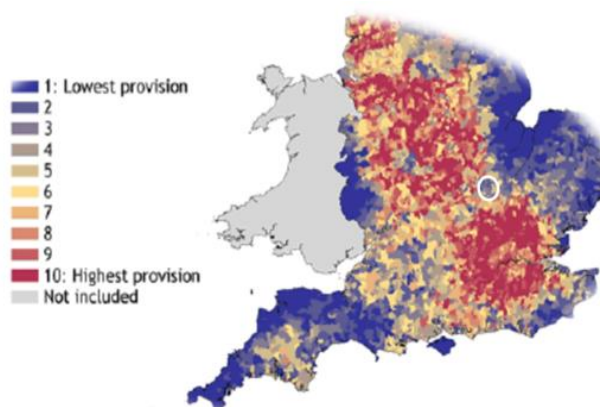
The result is that low skills levels have historically limited wages, progression and quality of life:

- In Peterborough, low skills levels have historically limited wages, progression and quality of life.
- The lack of a higher education provision in the region is a major contributor to poor economic, social and health outcomes.
- Peterborough's economy has been held back by a fragmented innovation ecosystem lacking a unifying focus.
- The region is changing, seizing opportunities in the UK's net zero transformation, particularly in growing Advanced Manufacturing businesses.
- Transplanting key elements of the Greater Cambridge innovation ecosystem into Peterborough, and creating an inherent connectivity into it, will help both places to grow, rebalancing growth across the Cambridgeshire and Peterborough region, and supporting ambitions for the Ox-Cam Arc.

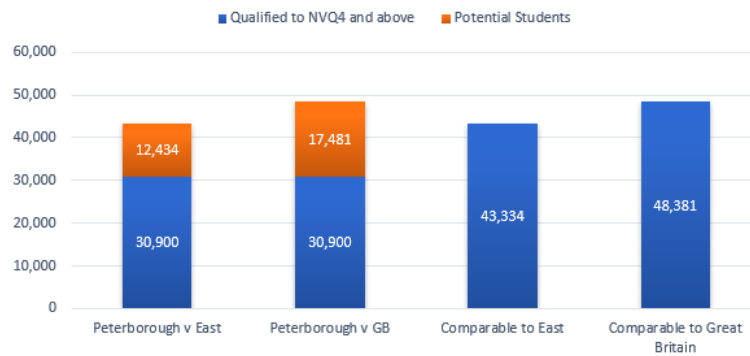
1.3.7 Case for change

A Higher Education "cold spot"

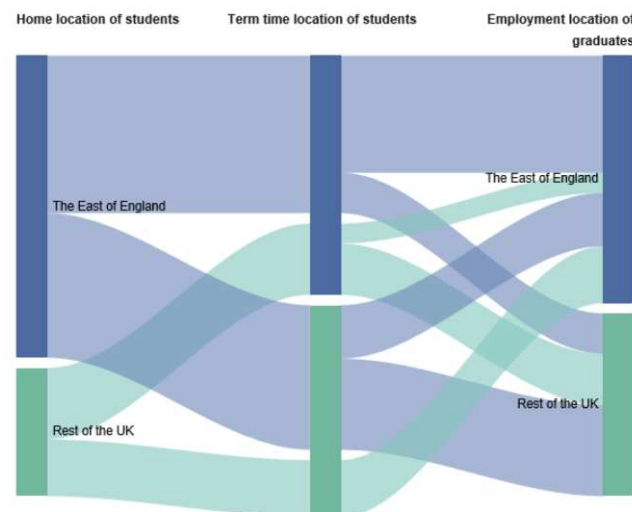
To be effective the University must address the characteristics of the higher education cold spot in the region (see figure below, sources: HESA and ILR 2012/13).



If Peterborough matched the East of England an additional 12,000 people aged 16-64 would have an NVQ Level 4 qualification or above and if Peterborough matched the UK, 17,000 more people would have such a qualification (see chart below).



There is no doubt, therefore, that, as a higher education cold spot, Peterborough and the wider Cambridgeshire and Peterborough region north of Cambridge is under-served by current providers. Furthermore, there is a net-outflow of students from the East of England with many fewer local students returning to the region after graduation; and, equally, many fewer students who study in the East settling in the region after studying here, effectively denuding the region of graduate talent (see HESA Destination of Leavers Survey figure below with additional interpretation in the footnote²).



Source: HESA Destination of Leavers Survey, 2014/15

Note: Populations cover those HE graduates in employment who have had a postcode in the selected region during their time in HE. This includes their home address, term-time address and employment location.

² The groupings from top to bottom on destination:

1. East of England (EE) students, who study in the East and stay after graduation
2. UK students (out of EE region) who study in the East and stay after graduation
3. EE students who study out of region but return after graduation
4. UK students (out of EE region) who study out of region but move into region after graduation
5. EE students who study in the East and leave the region after graduation [Net Loss]
6. UK students (out of EE region) who study in the East and leave after graduation
7. EE students who study out of region and do not return to the region after graduation [Net Loss]

Categories 5 and 7 outweigh categories 2 and 4. The net effect is a drain on the region. However, these groups are not the target market for the University— these students are already travelling in/out of region for a specific higher education experience which is already available. To compete directly for these students with their current institutions of choice would be fool-hardy given the imbalance in resources, infrastructure and brand equity. This route would lead to a “Red Ocean” of brutal competition.

Qualification levels in Peterborough, Huntingdonshire and Fenland are below national averages, which contributes to limiting wages, progression and quality of life for residents and unemployment rates are higher than the national average. The vision set out in the Industrial Strategy notes that skills development is vital for growth in jobs and earning power. The table below sets out some key labour market indicators³

Indicator	Peterborough	East of England	GB
Proportion of 16-64s with no qualifications	7.6%	5.7%	6.4%
Proportion of 16-64s with NVQ 4+ ⁴	32.1%	39.2%	43.1%
Average Attainment 8 ⁵ score at KS4	46.3	-	50.2
Proportion of employees with jobs in managerial, professional & technical occupations (SOC group 1-3) ⁶	42.3%	48.9%	50.2%

In addition to the indicators above, in Peterborough:

- Wages are 9% lower than the England average.⁷
- Productivity per worker is 11% below the national average.⁸
- 41% of neighbourhoods (LSOAs) within Peterborough rank within the 20% most deprived in the UK.⁹
- Social mobility is low, with Peterborough ranked 191st and Fenland ranked 319th out of 324 local authority districts.¹⁰
- Healthy life expectancy is below retirement age in many neighbourhoods and is declining in the most deprived areas.¹¹

Long term structural problems in the labour market appear to have been exacerbated by the pandemic. Rates of Universal Credit claims in the city doubled in the 12 months from March 2020 to rise above 27,000 in a city with a workforce of 120,000.¹² Nearby Fenland shares many indicators of deprivation, with poor skills outcomes a key driver.

Peterborough ranks 34th lowest out of 650 constituencies for the highest levels of child poverty¹³, with one in three children living in relative poverty, despite most families containing at least one working adult. Improving access to skills and raising educational attainment has the potential to reduce deprivation as well as provide residents with better employment prospects.

The local population has grown at a faster rate than the national average, which will in due course translate to a bigger local market for students. Moreover, the Cambridgeshire and

³ Metro Dynamics analysis of ONS data

⁴ NVQ4+ is a measurement of qualification level which is broadly equivalent to an undergraduate degree.

⁵ 'Attainment 8' is a measurement which captures the progress a pupil makes from the end of primary school to the end of secondary school.

⁶ Standard Occupation Classification (SOC) groups 1 – 3 are workers in managerial, professional and technical occupations.

⁷ ONS (2021) Annual Survey of Hours and Incomes

⁸ ONS (2020) Subregional productivity: labour productivity indices by UK NUTS2 and NUTS3 subregions

⁹ Indices of Multiple Deprivation (2019).

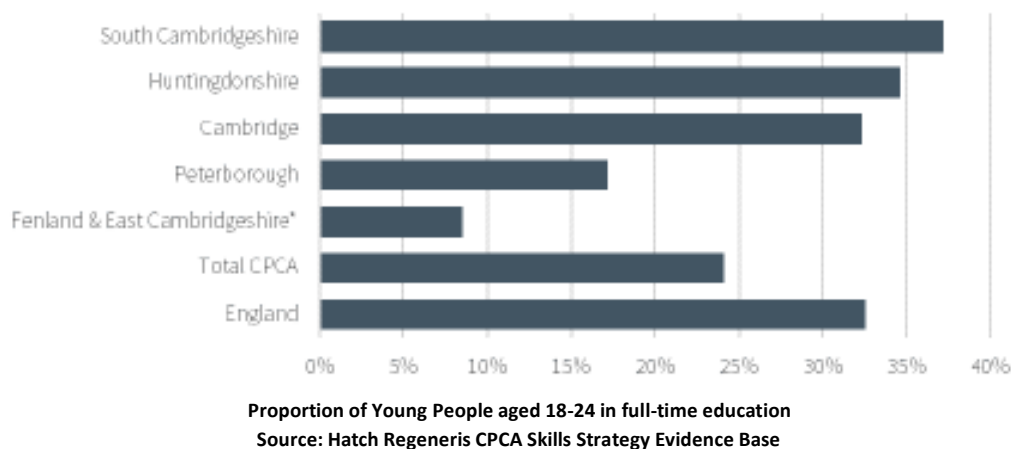
¹⁰ Social Mobility Index, 2016

¹¹ ONS Health and Life Expectancies, 2016-2018

¹² <https://cambridgeshirepeterborough-ca.gov.uk/what-we-deliver/resilience-2/>

¹³ Analysis of government and HMRC data shows that in 2019/20 9,524 children aged 0-15 in the Peterborough constituency were impoverished

Peterborough area has a much lower proportion of 18-24 year olds in full-time education than nationally and in Peterborough the proportion is very much lower than any other part of the region except Fenland and East Cambridgeshire.



Addressing provision to under-represented and under-employed groups is critical as there may already be unfilled vacancies and employment opportunities within the region for which there is a dearth of suitably qualified applicants. This is uncontested market space where competition in HE (which is burgeoning) is largely irrelevant. The University can expand on its unique offering to serve the cold spot, to attract under-represented groups and to redress the balance between Peterborough and the rest of the region.

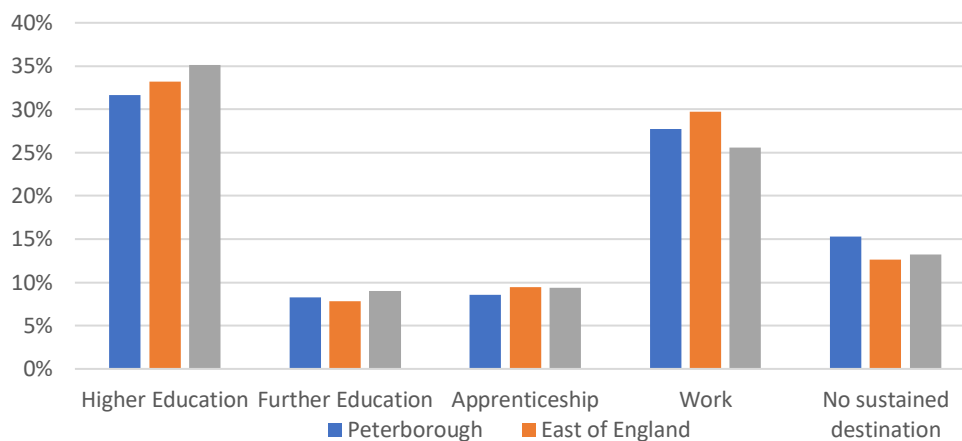
During the last four decades, Peterborough's population has doubled, and with it, the level of employment available. However, due to the much lower than average (nationally) supply of Level 4-6 skills, it has proved difficult to grow or attract in, sufficient high-value firms to maintain the city's productivity levels. This has created a degradation in the average value of jobs, wages and health outcomes that has significantly retarded the north of the Cambridgeshire and Peterborough region's economic growth potential, and its ability to contribute to region-wide productive growth.

The lack of a higher education institution is a major contributor to poor economic, social and health outcomes: Peterborough is one of the largest cities in the UK without a university.¹⁴ This means higher education has felt inaccessible and irrelevant to many people, and low aspirations entrench poor outcomes. In many parts of Fenland and other rural areas around Peterborough drive times to the nearest university exceed 60 minutes, making higher education practically inaccessible.

The lack of higher education provision in northern parts of Cambridgeshire and Peterborough means fewer school leavers (at 18 years old) progress onwards to higher education than would otherwise. In Peterborough, 31% of school leavers progress onto higher education compared to 35% nationally, with more school leavers progressing directly into lower-skilled employment. Crucially, 15% of 18-year-olds in Peterborough record 'no sustained destination' six months after leaving school, compared to 13% nationally, indicating that more school leavers in Peterborough choose either not to enter education or

¹⁴ <http://lovemytown.co.uk/universities/universitiestable2.asp>

work, or are dropping out within six months. See figure below for destinations and progression rates for 18-year-olds, 2019¹⁵



ARU's analysis of demand for higher education in the Cambridgeshire and Peterborough region predicts an increase in the number of 18-year-olds over the next 5 years leading to a 13% increase in students entering HE by 2025 (up to 6,105) with a static participation rate of 44%, and a 20% increase (up to 6,521) if the participation rate grows to the England average of 47%. Demographic analysis suggests also that this new demand is likely to be from groups who are more likely to stay in the region to study and then subsequently to work.¹⁶

Encouraging more residents into higher value jobs will help to raise social mobility in Peterborough and especially Fenland which ranks in the bottom 1% of district councils on these measures. The Peterborough Town Investment Plan notes that more deprived residents tend to experience poorer health and educational outcomes and fail to progress to higher paid jobs and better housing, in part because there is no local higher education institution to enable social mobility. There is a danger of these residents becoming trapped in low skill, low pay employment and failing to reach their potential.

Peterborough has been held back by a fragmented innovation ecosystem lacking a unifying focus: disconnect between research and industry has hampered innovation in the digital and advanced manufacturing sectors that holds the key to a renaissance for the city and its region. Further, the lack of a higher education institution to act as a knowledge engine for the region means that local firms have been cut off from access to key research which could translate into business-level innovation. In recent years cities such as Rotherham, Coventry and Middlesbrough, which all share similar economic characteristics to Peterborough but are different in that they contain large scale research institutes to act as local knowledge engines, have surged ahead while Peterborough has not.

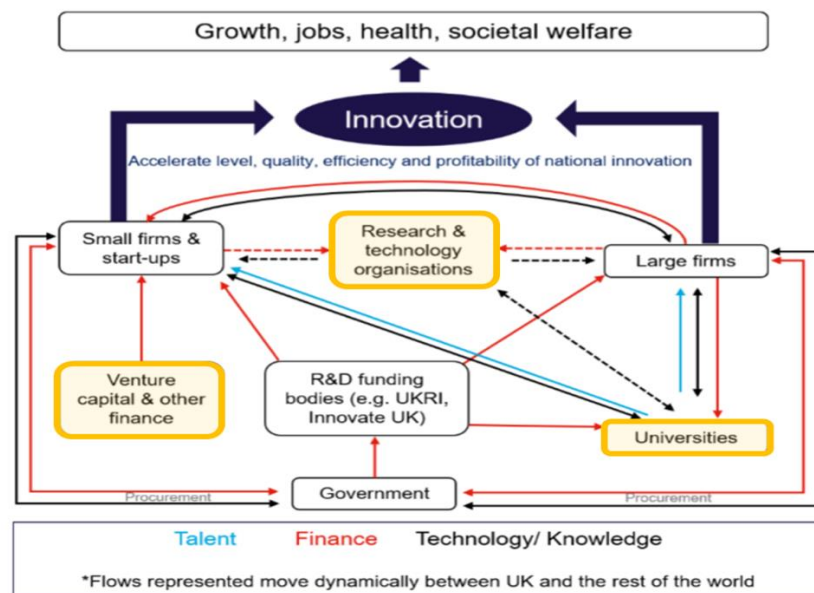
The UK Innovation Strategy highlights the vital nature of interactions between universities and businesses for spurring innovation. More broadly, the Innovation Strategy notes that *“innovation occurs in an ecosystem in which companies, research institutions, further education providers, financial institutions, charities, government bodies and many other players interact through the exchange of skills, knowledge and ideas, both domestically and*

¹⁵ Metro Dynamics analysis of DfE School Leaver Destinations data (2019)

¹⁶ ARU analysis conducted for Phase One Full Business Case

*internationally.*¹⁷ Without a university or research institution to act as a knowledge engine in a place it is unlikely that an innovation ecosystem will be able to form or flourish.

The diagram below from the UK Innovation Strategy presents a view of the components required to establish an effective innovation ecosystem in a place. Currently the Peterborough region is missing three (shown in orange) of the six necessary components. The figure below shows components and gaps of Peterborough's Innovation Ecosystem



Without deliberate intervention, these missing components are unlikely to form naturally.

Connections between Peterborough's innovation ecosystem and nearby Cambridge will help both places to grow, rebalancing growth across the Cambridgeshire and Peterborough region, and supporting ambitions for the Ox-Cam Arc: Peterborough and Cambridge are connected geographically, economically, socially and politically.

Peterborough is part of the Ox-Cam Arc and is on the northern edge of the 'Golden Triangle', with Cambridge as its northern-most point. The Ox-Cam Arc is one of the world's most successful innovation ecosystems, with Cambridge recognised as a world-leading centre of innovation. Over the last 20 years, The Arc has grown faster than any region outside London, and employment and wages are above the national average. It is home to some strong and innovative sectors, world-leading companies, internationally recognised research and development centres and research universities.¹⁸

Peterborough has a role to play in securing the ongoing success of Cambridgeshire and the Ox-Cam Arc by acting as a centre for new growth in advanced manufacturing, helping to unlock growth constraints which risk limiting the ongoing success of the Ox-Cam Arc.

The evidence base clearly shows that Peterborough and the north of the region more generally, while not conventionally thought of as being "in the north", has been "left behind". The CPIER notes that: *"In many ways, [Cambridgeshire and Peterborough] is a microcosm of the UK as a whole. It has a prosperous south, based around one principal city,*

¹⁷ UK Innovation Strategy, July 2021

¹⁸ Creating a Vision for the Oxford-Cambridge Arc: Consultation (2021)

which receives the majority of foreign investment and attracts high value companies and talent from across the world. International evidence increasingly shows that this concentration of growth leads to both high living standards and significant inequality. Further north, there is much industry and innovation, but while there are many success stories, business investment, skill levels and wages are lower.”

A more inclusive growth strategy is needed; delivering the region’s overall growth ambitions means that action must be taken to increase productivity in the north of the region, changing the spatial distribution of growth and supporting an increase in business growth and skills levels across the whole of the local economy (particularly growth in higher value businesses).

Core to this transition and future success is Peterborough’s growing cluster of green and environmental innovative engineering businesses, focussing increasingly on zero carbon technology, with the new University in Peterborough acting as the regional anchor institution and knowledge engine.¹⁹ Local firms in this sector and wider manufacturing base are integrated into the supply chains of the Midlands’ manufacturing sector, the energy and agri-food clusters of the East of England, and the Advanced Manufacturing and Future Energy clusters of the Oxford-Cambridge Arc.

Peterborough’s economic growth is therefore aligned with and will help drive the success of the OxCam Arc, East of England, Cambridgeshire and Peterborough and the wider Midlands / England’s Economic Heartland growth areas.

A new approach

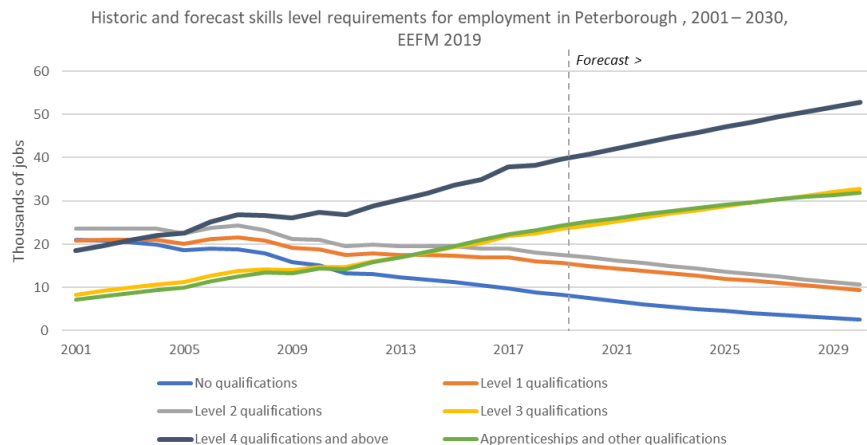
To reverse decades of relative economic decline in Peterborough and Fenland, the 2019 Combined Authority Skills Strategy identified a new higher education institution in Peterborough as the only viable solution to the HE Cold-Spot, while the Local Industrial Strategy identifies the northward expansion of the innovation clusters and networks from Cambridge, as the primary route to improving the knowledge intensity and quality of employment for Peterborough and the Fens.

The draft 2022 Employment and Skill Strategy acknowledges the progress made in implementing the new university and emphasises the importance of delivering the new university project.

To take part in and continue to support Peterborough’s knowledge intensive growth, residents need local education pathways to access high quality jobs. If those pathways are not available, then residents will miss out on the benefits of growth.

The chart below, from the East of England Forecasting Model, shows forecast skills level requirements for employment in Peterborough to 2030. It shows demand for an extra 12,000 degree-qualified residents by 2030 in the City. The figure below shows historic and forecast skills level requirements for employment in Peterborough, 2001 - 2030

¹⁹ Cambridgeshire and Peterborough Local Economic Recovery Strategy (2021)



Meeting future needs in Peterborough means establishing a university and accompanying innovation ecosystem at a pace and scale which generates impact as quickly as possible, while recognising the substantial difficulties faced in doing so.

The core strategy for developing the University is based on directly tackling the characteristics of the addressable component of the current market failures (the “cold spot” identified in the CPIER and LIS) without unnecessary direct competition with existing providers. The hallmarks of this strategy, based on a clear understanding of the market needs in and around Peterborough and by balancing resource constraints, include:

- A clear focus on under-represented groups and those “left behind” i.e. those who cannot or will not travel to existing providers.
- A solution based on a limited physical experience i.e. the capital available will support only a modest campus development (at least) initially.
- A phased approach which evolves with the needs of the region and is facilitated by successive successful phases of development i.e. a model in which viable provision is established early and becomes the foundation for reinvesting in later phases.
- The development of highly effective, collaborative and cooperative relationships between education providers to build a clear pipeline of opportunities, to raise aspiration, to identify and promote role models and to create a source of competitive advantage.

The vision for the University is that it will be:

“a high-quality employment-focused University for the city and region. It will acquire an international reputation for innovative technological approaches to face-to-face learning and in applied technology and science. It will be characterised by outstanding student satisfaction and response to local needs. The curriculum will be led by student and employer demand as well as developing opportunities in the technological, scientific and business areas. Its buildings will be architecturally leading, flexible and environmentally friendly. The curriculum, academic community and buildings will reflect a desire to be the greenest university possible”.

The University will provide access to higher education for rural areas around Peterborough, including Fenland, where in many cases drive times to the nearest University currently

exceed 60 minutes. Establishing a new higher education institution in Peterborough will help to raise aspirations and skills levels in surrounding areas also.

Wider impacts

Phase 3 of the University project will deliver significant social value through the provision of a dedicated community cultural and learning space in a core area of the City Centre. It will help raise aspirations and awareness amongst local people of the new university offer and so will help attract local residents to study at the university. By enabling local higher education provision, it will ensure that more highly skilled young people in Peterborough remain in the city.

A higher education experience is one of the most powerful and transformational investments which can be made both by individual students and by civil society more broadly. Moreover, universities in cities help build community cohesion and drive-up educational standards and attainment e.g. with lecturers/professors becoming governors at local schools.

The Partners are determined to make these investments, to encourage others to make such investments and to bring the positive benefits of higher education to the people of Peterborough and the surrounding region.

A new University will, therefore, offer much more to the people of Peterborough and the region. It will give Peterborough and surrounding areas an opportunity to reinvent its economy as the city continues to grow in population, creating a virtuous circle for continued growth of the economy and the new University, raising aspirations locally and supporting business needs for skills.

1.4 About the project

1.4.1 Scope

Phase 3 is to develop a second teaching building for occupation by ARU Peterborough/the new university with a Living Lab at its heart. This phase enables the university's growth to 4,700 students between 2022 and 2027, with future growth in student numbers to follow in Phase 5. This project is for investment in a 3,000m² second teaching building as part of the expanding university campus, 1,000m² of which will be available for use as a University Living Lab and public teaching space. The Living Lab will be a high-quality interactive museum for Peterborough with public space for exhibitions and events. Upper floors of the building will be provided exclusively as teaching space for Peterborough's expanding student cohort, hosting 1,700 students studying STEM subjects each year.

The Living Lab is designed to stimulate and inspire more young people into STEM sectors, including into the university's STEM-focused curriculum, which will be taught in the same building. Broadening Peterborough's cultural offer, it will provide a window into the city's net zero future through events, exhibitions and flexible learning, including festivals of ideas, immersive displays, hackathons, forums and evening classes. It will serve to increase skills provisions in these areas, offering a step change in local education provision and supporting the growth of net zero-focused industries and businesses in Cambridgeshire and Peterborough.

Project delivery in terms of work and spend on the Phase 3 building must begin in March 2022, to meet the terms of the LUF funding offer from the Department for Levelling Up, Housing & Communities, with initial procurement of the consultant team by the Combined Authority and commencement of the building RIBA 2 design. The building structure will be complete by end of March 24, also to comply with the terms set out in the LUF funding offer, noting that the memorandum for agreement between Department for levelling up Housing and Communities and the local authority (currently being drafted) states in clause 4.10 that the Council must spend all grant funding by the end of the funding period, 31 March 2024.

This Business Case is concerned only with the phase 3 development of the new University for Peterborough campus comprising:

1. Development of the third university building on the Embankment site in Peterborough City centre (this site will be built in phases as the University establishes and grows).
2. Procurement of a consultant team for the design, procurement and management of the delivery and aftercare of phase 3. The Peterborough HE Property Company (PropCo1) joint venture between the Combined Authority, PCC and ARU is an established and already operating, special purpose vehicle established to deliver the initial phase of the university development. PropCo1 will require the support of an appropriately skilled and resourced organisation to manage the delivery of this project. This will include the following key activities:
 - a. Initial designs to enable early planning discussions
 - b. Technical documents for the procurement process
 - c. Management of the design development with the contractor through to execution of a JCT D&B
 - d. Submission of planning application at the appropriate time
 - e. Practical management of the works as contract administrator/ clerk of works, including regular meetings, quality assurance and delivery against timescales.
 - f. Cost management and reporting
 - g. Compliance with funding obligations
3. Procurement of a main contractor to deliver the phase 3 University building for opening September of academic year 2024/25.

1.4.2 Benefits

The main Benefits of the project stem from establishing Phase 3 of the University Campus in Peterborough, for up to 1,700 more students from 2024/25, bringing the total number of students to 4700, with a curriculum and delivery model that is designed to meet the skills needs that growth in the Greater Peterborough business base will generate. The plan for the courses to be provided, space required, and staffing levels has been developed by ARU to support Greater Peterborough and the Fen's key sectors.

The key benefits to be delivered by this Phase 3 project include:

1. Number of temporary jobs created: 264 in construction²⁰.
2. Number of jobs created: 157 created over the first 4 years (98 academic staff and 59 professional services)²¹.
3. Number of indirect and induced jobs created: 16 indirect jobs in the University supply chain and 16 in the local economy as a result of increased employment in education²².
4. Number of indirect jobs as result of increased footfall and increased local economy spend by additional students and university employees: 67 jobs²³.
5. Increase in GVA associated with additional graduates in workforce, increased income earned from graduate roles and increased spend in the local economy over 10 years: £83m.

1.4.3 Risks, constraints and dependencies

The main risks associated with achieving the project outcomes are set out in the risk register at Annex 6.1 together with measures to mitigate and manage them. The main risks are summarised in the tables below for each of the phase 3 infrastructure works and delivery.

The table below summarises the **key constraints** that have been placed on the project and within which it must be delivered:

Constraints	
Timescales	<p>A requirement in the terms of the LUF funding offer to start in March 2022 with initial procurement of the multi-disciplinary team which will then provide design, procurement, planning and management of construction works to complete by end March 2024.</p> <p>This will require a site to be selected with fewest development constraints, which will be subject to further development of the design in RIBA 2 and due diligence on the selected plot.</p> <p>The selection of the procurement route for the main contractor will be critical in the ability to meet the timings required.</p> <p>The critical path runs through the appointment of the new consultant team, site selection, design, planning running in parallel with procurement, PropCo1 sign off, enabling works, construction and fit out prior to opening September 2024/25 with no programme float.</p>

²⁰ Based on (2012) Forbes D. at al, "Forecasting the number of jobs created through construction". 1 job per £75,000 of expenditure (2012 prices, 1 job per £90,600 at current prices). Assumed 1 year construction contracts. Construction costs assumed at 80% (20% design and professional fees) of capital costs and distributed over 4 years.

²¹ Assumed academic staff 5% of total students number; and professional services 3% of total students number (based on Phase 1 FBC)

²² The calculation is based on Type 1 Education industry employment multiplier for indirect (1.1) and Type 2 Education industry employment multipliers (1.2) for induced jobs and it is based on the direct jobs created in Education. Source: 2020, Scottish Government. Supply, Use and Input-Output Tables and Multipliers for Scotland 1998-2017.

²³ Based on £29,797,016 increase in local economy spend over 10 years (by additional students and University employees relocating in the area) and £44,378 GVA value per additional new job created in wholesale and retail industry

Constraints																														
Procurement	<p>Consultant team – The Combined Authority will procure the consultant team under an existing framework ready for appointment in February 2022 to comply with the LUF funding terms.</p> <p>Main Contractor phase 3 - Agreement of the procurement strategy for this phase will be agreed on award of the consultant team for the main contractor.</p>																													
Capital funding	<p>Phase 3 (£27.9m: for the Living Lab, university quarter and second teaching building, including a £20m investment from the Levelling Up Fund): Construction complete in 2024 for the Living Lab and second teaching building supporting additional 1,700 students (570 graduates per year), with potential for significant growth in student numbers in future.</p> <p>The £20m of Levelling Up Funds requested will be leveraged with £7.9m of local investment from the City Council, Combined Authority and ARU to help establish the university quarter.</p> <table><tr><th colspan="6">Investment into Living Lab, University Quarter and second teaching building</th></tr><tr><th>Contributor</th><th>LUF (PCC)</th><th>PCC</th><th>CPCA</th><th>ARU</th><th>Total</th></tr><tr><td>Value (£m)</td><td>20</td><td>1.87*</td><td>2</td><td>4</td><td>27.87</td></tr><tr><td>% of total</td><td>71.8%</td><td>6.7%</td><td>7.2%</td><td>14.4%</td><td>100%</td></tr></table> <p>*land value to be confirmed by red book valuation</p>						Investment into Living Lab, University Quarter and second teaching building						Contributor	LUF (PCC)	PCC	CPCA	ARU	Total	Value (£m)	20	1.87*	2	4	27.87	% of total	71.8%	6.7%	7.2%	14.4%	100%
Investment into Living Lab, University Quarter and second teaching building																														
Contributor	LUF (PCC)	PCC	CPCA	ARU	Total																									
Value (£m)	20	1.87*	2	4	27.87																									
% of total	71.8%	6.7%	7.2%	14.4%	100%																									
Outcomes	Up to 2,000 students for the 2022/23 academic year, rising to 3,000 by 2024/25 in phase 1 rising to 4,000 by 2025/26 and 4,750 by 2027/28 in phase 3 with an aspirational target (subject to availability of the necessary capital funding) of up to 7,000 students by 2030/31.																													
Design	The design will need to be developed within the overall funding envelope, in consideration of the enabling works costs and infrastructure costs.																													
Land	Clean title for land required to construct Phase 3 from PCC including indemnification from covenants etc. to be determined following plot selection and due diligence on the plot by the design team following award in February 2022.																													
Planning	The planning strategy for phase 3 has been tested with the Local Planning Authority through pre application discussions. The strategy involves a full planning application for phase 3 coming forward for determination ahead of a wider outline planning application (OPA) for the University campus. The OPA will be developed concurrently to ensure there is visibility of the long-term campus growth strategy. A masterplan commissioned by PCC and being developed out over winter 2021/22 will also inform both the full and OPA applications. This strategy will allow for the timely determination of a planning permission for phase 3, followed by an OPA for the longer term.																													
Budget	The budget for phase 3 has been tested at RIBA 1 for option 1 and the current assumptions made in this Business Case. However, any change in those assumptions will need to be managed by the consultant team in conjunction with PropCo1 within the agreed budget without deterrents to the outcomes required under the LUF. Further details of the risks and mitigation around these assumptions are stated in the Risk Register in Annex 6.1																													

The table below summarises the **key dependencies** that are outside the scope of the project on which its ultimate success depends:

Dependencies	
Adjacent development	<p>Local transport projects and third-party development on land earmarked for future phases of the University.</p> <p>Interface with other phases of the development phase 1 & phase 2 from logistics and potential for different contractor delivering infrastructure beyond current phases.</p>
Land	<p>At the time of writing this Business Case, a preferred location of phase 3 has been identified as part of a RIBA 1 design. The Business Case assumes a land value based on phase 1 valuation and actual size of plot, valuation and due diligence will be required after the approval of this Business Case.</p>
Funding for Phase 3	<p>A requirement in the terms of the funding offer from the Department for Levelling Up Communities & housing, stipulates that the project must deliver LUF expenditure by 31 March 2022. To enable this, a number of legal dependencies need to be satisfied as follows.</p> <p>For work and spend to start in March 22, a formal contract must be signed by PropCo1, by the 15 February 2022, with the procured multi-disciplinary consultant for the initial work packages of RIBA Stage 2 design to inform planning applications.</p> <p>For PropCo1 to place the contract above, it must be in receipt of the phase 3 funding of £26m. To enable transfer of that funding from PCC, ARU and Combined Authority, amendments will need to be made to the original Shareholders Agreement between the parties, reflecting the investment for shares from each party, constituting the additional £26m of cash invested (and later, the land transfer from PCC). Related to this, an Agreement for Lease for the second building from PropCo1 to ARU-Peterborough, is required to be signed as well as updates to the existing Collaboration Agreement.</p>
Enabling constraints	<p>The assumptions made in this Business Case regarding the site selection will need to be tested by the consultant team and the timeline / strategy for any enabling works following due diligence of that plot.</p>
Parking	<p>The location of phase 3 on the regional pool carpark (option 1) will require relocation of the 200 parking spaces into an alternative location – currently under review between the Combined Authority and PCC with one option being an adjacent council owned car park. It is only the 140 phase 1, 2 and 3 related spaces that will need to be re-provided from the overall 200.</p> <p>This will necessitate further parking capacity modelling, currently being undertaken through an update to the City Centre Parking Strategy, reporting Spring 2022, and a corporate decision and associated approvals to agree to any loss of income generating car parking spaces to the Council in favour of the university.</p> <p>As part of the agreement, it will also be necessary for the Combined Authority to agree with PCC and PropCo1 the relocation of spaces within the regional pool carpark attributable to PropCo1.</p> <p>The agreement and relocation of current parking on the regional pool car park will need to be undertaken by end Q4 2022 such that on entering into the</p>

Dependencies	
	<p>contract with the main contractor for the works in January 2023, the relocation can take place for construction, enabling and site set up works to begin prior to spade in the ground March 2023.</p> <p>It is also assumed as part of this Business Case that following the review of local parking capacity that the additional parking requirement for phase 3 (staff and students) could be accommodated in current parking provision post covid 19. This is subject to further review and agreement with PCC as corporate landlord and separately as the LPA and will require contribution to transport mitigation measures as part of Planning determination for phase 3.</p>

The table below summarises the **key Operational Risks**

Ability to Recruit Students:	<p>Student recruitment, marketing and admissions processes and systems to include UCAS support, direct entry and employer-sponsored routes are vital to the success of the new venture. It is anticipated that the focus of these services will be positive, proactive, outgoing and engaging to reach out to under-represented groups, to engage with their needs and win their active participation in the University and PUFC.</p>
Development of an Arena on the embankment	<p>Following a review of the proposals put forward in the Peterborough Embankment Masterplan on Saturday 20th November and the public webinar on Monday 22nd November ARU area ware of the future proposals for an Arena on the Embankment. The dominant footprint of the stadium, so close to the University, will significantly jeopardise the effective operation and future growth of the University; undermine the economic and social returns on the investments already made; and, ultimately, limit the attractiveness, viability and future potential of the University.</p> <p>ARU and Partners remain dialogue with PCC and its representatives on the Masterplan which is benign developed for publication end of January 2022; although it is noted that this does not currently form part of any planning policy nor has a formal planning application come forward for the arena as of the date of the business case</p>

2 Economic Case

2.1 Option identification

Critical success factors (CSFs) for the project can be grouped into three broad headings:

- Factors relating to the continued development of the University.
- Factors relating to the physical regeneration and cultural development of the City.
- Factors relating to the design and delivery of the physical infrastructure.

2.1.1 Critical success factors

Factors relating to the development and success of the University

1. **Ability to Recruit Staff:** The quality of the University is critically dependent on the calibre of its staff. Recruiting and retaining high calibre staff is the first critical challenge. The development of the Living Lab, University Quarter Cultural Hub and expanded University will support this creating more teaching and research opportunities and inspire a wider group of learners.
2. **Ability to Recruit Students:** UK universities now operate in an environment that has many (though not all) of the characteristics of a market. They compete for students, compete for staff, compete for research funding, and league table standings. Phase 3 must be seen as relevant to not only the Peterborough community, but also the wider region and the whole country.
3. **Ability to engage with local businesses and industry:** Large corporate businesses represent a significant group of stakeholders and will present an opportunity for both course development, industrial collaboration/placement opportunities and future employment destinations for graduates. However, students are expected to foot most, if not all, of the costs of this vocational training. The success of STEM and apprenticeship programmes will be key to levelling up aspirations. To address the persistent local skills deficits which hold back Peterborough's growth aspirations will require businesses not only to engage but to support some of the costs of educating their future work force.
4. **Curriculum Development to Fit the Target Market:** Higher education is in a state of flux. Industries are changing, post-pandemic norms are adapting giving rise to increase expectations from students. Students no longer wish to sit in large classes for fixed periods of time at certain times of the year and want instead to move through the curriculum at their own pace and at a time their choosing. This will require adaptive learning tools and support for blended and distance learning so that students do not feel isolated and alone.
5. **Creation of the Academic Infrastructure:** To meet the expectations of the twenty-first century, requires not just excellence in teaching, but also in all the facilities and services that make up the expanded University. Student and academic services need to provide a full range of social, welfare and other student-facing services alongside that of academic assessment, examinations, graduation etc.

Factors relating to the physical regeneration and cultural development of the City.

6. **The Living Lab, University Quarter Cultural Hub** and expanded university in Peterborough, will meet cultural, regeneration and economic levelling up priorities in Peterborough by:
- Creating a new landmark cultural asset, The Living Lab.
 - Regenerating a dilapidated mixed brownfield site adjacent to the city centre to create a new destination space for Peterborough, the University Quarter Cultural Hub, with the Living Lab at its centre.
 - Providing facilities within the Living Lab building to: support 1,700 local students studying in STEM fields; supporting a critical stage in the expansion of the University of Peterborough; and addressing the persistent local skills deficits.

Factors relating to the design and delivery of the physical infrastructure

7. **Meeting the Budget:** The phase 3 building including the external landscape and supporting infrastructure must be delivered within the budget of £27,870,000 based on £20m of Levelling Up Funds, leveraged with £7.87m of local investment from Peterborough City Council, the Combined Authority and ARU. The timeline requires approval of the Business case in January 2022, and this has meant that it is not possible to meet the requirements of a Full Business Case and can only rely on the information available at the time of writing to present a deliverable strategy that will meet the outputs and timelines required in the LUF application. Further work is needed to test assumptions, develop the brief, and site response, in consideration of the ongoing consultation in parallel with the wider outline planning permission (not forming part of this Business Case). This will require a Full Business Case once contract close, land transfer, parking agreements (PropCo1) and shareholder agreements are in place for end Q4 2022.
8. **Meeting the Programme:** The phase 3 building must be open for business to students in September 2024. This will need to be achieved through a detailed programme management that will correlate all key interdependencies, such as achieving planning consent, design freeze, tendering and procurement etc, in addition to delivering an efficient building form and utilising readily available components that will minimise the risk of construction over-runs. The master programme assumes the following critical path milestones are achieved to meet this key Milestone:
- a. Business Case approval January 2022.
 - b. Full Business Case and reviewed following RIBA stage 2 design and costings; and selection of contractor July 2022.
 - c. Planning application submitted in September 2022 for determination in January 2023.
 - d. Main Contractor enters into a pre-construction service agreement and commences design and agreement of contract sum in July 2022 (pending agreement of the procurement route on award of consultant team by the Combined Authority in February 2022).

- e. Legal agreements concluded by PropCo1 and sign Main Transactional Agreements for Phase 3 in December 2022.
 - f. Main Contractor agrees contract sum in January 2023.
 - g. Completion for operation in September 2024
9. **Delivering the Spatial Brief:** The spatial brief for the Living Lab is embryonic at this stage with the curriculum, course structure, timetabling etc remaining to be developed and agreed by ARU. It is anticipated this will be concluded in Q2 of 2022 and that the building will accommodate a spectrum of spaces including specialist teaching, general teaching, study, public engagement, and ancillary operational spaces to support the current specialisms of:
- Business and Innovation.
 - Creative Digital Art and Science.
 - Health Education and Social Care.
 - Engineering, AgriTech and the Environment.
10. **Masterplan:** An Outline Planning Application (OPA) for the University Quarter is currently being progressed, although phase 3 will be determined as a standalone application ahead of a decision on the OPA. The location of phase 3 will be taken into consideration by the OPA. An option appraisal study has been undertaken to assess the preferred site for phase 3, the Living Lab, within the overall Embankment site. Following this evaluation, option 2 – the Artificial Pitch site to the south of the phase 1 and 2 buildings – is the equal preferred option for the location of the Living Lab but this Business Case has been prepared on the basis of option 1 due to the potential programme and cost risk of option 2 associated with the relocation of the all-weather pitch. This decision will be reviewed prior to commencement of the next stage of the design process (RIBA 2) once further detail is known on the associated planning issues, as well as any implications for the loss of parking spaces necessitated by option 1. The project must deliver a clear logistics strategy that seeks to minimise impact on operational buildings during the building of future phases, and critically the experience of students and staff using these buildings.
11. **Respond Positively to Stakeholder Consultation:** The phase 3 building, and wider masterplan, must respond to the output from a wider stakeholder consultation to ensure a project that can be delivered successfully. It must also achieve a high-level of 'buy-in' within the city and region without detriment to budget, programme or operational aspects of the project. This will be critical both for the successful delivery of all phases of the project to 2032 and to ensure that partners in the city and region are supportive of the University as it develops.
12. **Obtaining Planning Consent:** The phase 3 building must achieve planning consent by January 2023 to meet the inter-related requirements of the project programme and be open for business in September 2024. This will need to be achieved through a close and collaborative working partnership with the local planning authority and the project team via a Planning Performance Agreement, including a pre

applications service, identifying issues early to inform the design process and minimise the risk of a refusal and pre-commencement conditions.

13. **Levelling Up Priorities:** The co-location of the Living Lab within the university, and its integration into connected libraries, theatres, and museums, creates a Cultural Hub which will play an important role in bringing local people of all ages into the University Quarter. In this way, it will open the horizons of local people and better integrate the university with the city, producing wider economic benefits for local businesses and institutions. The Living Lab, part of the expanded University Quarter in Peterborough, will meet cultural, regeneration and economic levelling up priorities in Peterborough by:

- Creating a new landmark cultural asset, The Living Lab.
- Regenerating a dilapidated mixed brownfield site adjacent to the city centre to create a new destination space for Peterborough with the Living Lab at its centre.
- Providing facilities within the Living Lab building to support 1,700 local students studying in STEM fields, supporting a critical stage in the expansion of ARU Peterborough/the university, and enabling economic recovery and growth and levelling up by addressing the persistent local skills deficits.

14. **Be Relevant, Adaptable and Flexible:** The phase 3 building, including its environmental systems, must be designed to be adaptable to respond the changing needs in the future. The Living Lab will provide a window into the city's net zero future through events, exhibitions, and flexible learning, including festivals of ideas, immersive displays, hackathons, forums, and evening classes. Exhibitions and facilities at the Living Lab will explore green technologies, such as vertical farming, renewable energy, and green vehicles, making the University's STEM curriculum more accessible and relevant to local people.

2.1.2 Options

Living Lab, University Quarter Cultural Hub and expanded University in Peterborough development

No previous Outline Business Case has been undertaken for phase 3 aside from the Business Case for the Levelling Up Fund. The Value for Money assessment in the Levelling Up Fund application concluded that delivery of the Living Lab, University Quarter Cultural Hub and expanded University in Peterborough (the Recommended option), was the preferred way forward on the grounds of both affordability and economic impact. This Business Case has reviewed three options to test this impact as follows:

4. **Phase 1 stand alone:** The first phase of the project to establish the new University Campus in Peterborough with capacity for 3,000 students by September 2022. As this Phase is currently under construction and fully committed to by the partners it is regarded as the 'Do minimum' option.
5. **Phase 3 stand alone:** this option considers Phase 3 as if it were intended to function alone (i.e. completely separately and independently from Phase 1). It considers the

merits of investing in the Phase 3 based solely on its £28m cost to delivering capacity for 1014 students in September 2024, rising to 2347 by September 2030.

6. **Phase 1 and 3 combined:** this option reviews the cost and benefits of Phase 1 and 3 combined. It is the proposal contained in this Business Case of establishing a second teaching building for ARU Peterborough and a high-quality interactive science museum for Peterborough (The Living Lab). For the purposes of this Business Case this is regarded as the 'Recommended option'.

Having established this strategic approach to development of a University in Peterborough, the options considered are thus:

1. **Do minimum:** Deliver Phase 1 only with capacity for 3,000 students by September 2022.
2. **Phase 3 stand alone:** Review of the costs and benefits solely attributable to Phase 3
3. **Recommended option:** reviews the cost and benefits of Phase 1 and 3 combined. It is the proposal contained in the Business Case for the Levelling Up Fund to establish a second teaching building as an expansion of Phase 1 project and a high-quality interactive science museum (The Living Lab).

The following subsections present a summary analysis of these options against the project aims and objectives, including indicating:

- Any options likely to fail to deliver the project objectives or sufficient benefits.
- Any obvious impracticalities inherent in any of the options.
- Any options that are clearly unfeasible, unaffordable or too risky

Do minimum (Phase 1 only - 2020/21 base year for prices)

- The key benefits to be delivered include (in summary):
 - £294.5 million in Net Present Benefits over a 10-year period.
 - £29.0 million in Net Present Costs over a 10-year period.
 - £265.5 million in Net Present Value over a 10-year period.
 - Benefit Cost Ratio of 10.1 over a 10-year period.
 - Total of 14,311 additional graduates by 2029/30.
 - Maximum students in any one year – reached at 3,010 from 2023/24 onwards.

Phase 3 stand-alone (2020/21 base year for prices)

- The key benefits to be delivered include (in summary):
 - £68.9 million in Net Present Benefits over a 10-year period.
 - £25.4 million in Net Present Costs over a 10-year period.
 - £43.6 million in Net Present Value over a 10-year period.
 - Benefit Cost Ratio of 2.7 over a 10-year period
 - Total of 3,510 additional graduates by 2029/30.
 - Maximum students in any one year – reached at 2,347 from 2030/31 onwards.

Recommended option

- The key benefits to be delivered include (in summary):

- £363.4 million in Net Present Benefits over a 10-year period.
- £54.4 million in Net Present Costs over a 10-year period.
- £309.0 million in Net Present Value over a 10-year period.
- Benefit Cost Ratio of 6.7 over a 10-year period.
- Total of 5,357 additional graduates by 2029/30.
- Maximum students in any one year – reached at 5,357 from 2030/31 onwards.

Phase 3 building locations

The site for the University Quarter is approximately 13 hectares and sits to the north of the Embankment site currently being master planned by Peterborough City Council (PCC). It also encompasses the consented phase 1 and 2 buildings and landscape. The University will be located on the Embankment, a 55-acre site located to the southeast of the city centre and within approximately a 5-minute walk from the centre.

The overall Embankment site stretches from the Cathedral to the north, southwards to the River Nene; and from the city Lido and Theatre in the west to the Frank Perkins Parkway, a primary highway accessing the city from the A1(M), to the East.

The site currently accommodates:

- a. Large open public space to the south that is used for temporary events in the city.
- b. A regional pool / gymnasium and associated parking.
- c. Athletics track and artificial pitch.
- d. A public car park.
- e. A small children's play area.

The site is substantially an open area used for social, recreational, leisure and cultural uses and buildings are limited to the regional pool and a single storey changing facility for the running track. The site has several overgrown poorly maintained tree belts, generally planted to screen sports facilities and car parks. The site is crossed by several foot / cycle paths particularly focused along the River Nene, the leisure facilities to the north and adjacent to the elevated Parkway to the east. The site affords good access to the city centre to the north-west; is linked to the east via an underpass and towpath below Parkway and to the west to existing footpaths around the Theatre, Lido, and Old Customs House.

An option appraisal study was undertaken to assess the preferred site for phase 3, the Living Lab, within the overall Embankment site. The requirement to locate the building within land designated within the Outline Planning Application, currently being developed, was a prerequisite for the optional appraisal. In addition, to deliver the project within the required timescale, the use of land currently accommodating the athletics' track and Regional Pool was deemed not feasible.

Following consultation, four strategic locations were identified:

- Option 1** –Artificial Pitch (South of Phase 2).
- Option 2** – Regional Pool Car Park.
- Option 3** – Bishops Park, north of the Regional Pool.
- Option 4** – Bishops Road / Parkway (North-east).



Option 1 – Regional Pool Car Park

Option 2 – Artificial Pitch (South of Phase 2)

Option 3 – Bishops Park, north of the Regional Pool

Option 4 – Bishops Road / Parkway (North-east)

Following this evaluation, option 1 and 2 emerged equal in overall scoring. Through the consultation both locations were considered to have good cohesiveness with the buildings delivered in phases 1 and 2 creating a strong sense of ‘campus’ and protects the student and staff experience during future phases of work. Option 2 – to the south of the phase 1 and 2 buildings – remains the preferred option for the location of the Living Lab.

However, given the planning policy requirements associated with the replacement of the Artificial Pitches, option 1 (Regional Pool Car Park) was considered the most deliverable in planning terms at this stage in meeting the LUF funding milestones. This decision will be reviewed on appointment of the consultant team for phase 3, prior to commencement of the next stage of the design process (RIBA 2) once further detail is known on the associated planning issues and parking strategy outputs. All options considered deliver the desired outcomes of the project given that the use/scale of the building is the same for each option.

This Business Case assumes delivery of the phase 3 building to the east of the current development on the former Wirrina Carpark (option 1). Although the preferred option is to the south of the current development (option 2), option 1 forms the basis of this Business Case due to the potential programme and cost risk of option 2 arising from the likely need to gain planning approval for relocation of the football pitch currently on the embankment prior to determination of an OPA. Option 1 is not without programme and risk and requires transport and parking strategy; to be developed on appointment of the consultant team in February 2022. However, this is considered to present less risk to the required timeline.

As a result of this, this Business Case has been developed based on the option that provides the least programme risk to meet the constraints outlined above. The assumptions made in the planning strategy to mitigate the programme risk, should therefore, be revisited in February 2022 with the consultants who will be appointed by the Combined Authority on 15th February 2022.

The assessment was informed by a full desk top analysis of the constraints and opportunities of the site and each option was assessed against several key criteria agreed by the project team as noted below:

1. Heritage impact.

2. Title impact.
3. Visibility / Identity.
4. Access to city amenities.
5. Cost impact (infrastructure + public realm).
6. Landscape impact.
7. Geotechnical.
8. Impact on residential.
9. Campus growth.
10. Logistics (Construction).

2.2 Value for money

2.2.1 Economic appraisal

The main Benefits of the project stem from establishing a University Campus in Peterborough, for 2,000 students from September 2022 growing to 5,357 students by 2030 (see table below), with a curriculum and delivery model to meet the skills needs that growth in the Greater Peterborough business base will generate.

	Phase 1		Phase 3						
Year	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
On-campus	920	1533	2081	2345	2532	2666	2755	2821	2882
Off campus	1080	1477	1943	2080	2229	2308	2371	2422	2475
Total	2000	3010	4024	4425	4761	4974	5126	5243	5357

The plan for the courses to be provided, space and staffing levels required is to be developed to support Greater Peterborough and the Fens' key sectors. An initial economic appraisal of the teaching phases of the project (phases 1 and 3) has been developed based on the following parameters and assumptions:

- a. Phase 1 delivers 2000 students from September 2022 growing to 3010 students by September 2023 with a £30.3m grant contribution and an estimated £4m land contribution from PCC.
- b. Phase 3 requires an additional £28m of public sector monies (bringing total public expenditure up to £62.3m including the land contribution) with 1014 students starting in September 2024, rising to 2347 by September 2030.

The full impacts and costs have been applied over a 10-year period from 2020/21, with the following main assumptions:

- Fiscal costs are incurred as draw down of government grant in line with the capital expenditure profile for the project.
- Benefits of operations of the University from year 1 to 10 – staff and supply chain expenditure.
- GVA and fiscal benefits are estimated on the basis of uplift to salary from gaining a degree (i.e. the difference between graduate and non-graduate salary).

- Assumed that 50% of graduates who have attained a HE qualification and graduate salary, would have not otherwise done so in Peterborough and the surrounding area.
- GVA and fiscal benefits accrue from the salary uplift from non-graduate to graduate salaries – assumed can attribute 50% of these benefits to the University investment.
- Graduate salaries increase by 3.5% per year, non-graduate salaries by 2.5%.
- Increase in University staff salaries is set at 2% per year.
- Discount rate of 3.5% per year.
- GDP deflator of 2.0% per year.
- Local student expenditure is not modelled – it is assumed this would occur anyway if the individuals were instead not to go to university and chose to stay and work in Peterborough in non-graduate jobs.

Economic appraisals of the ‘**Do minimum**’, ‘**Phase 3 stand-alone**’, and ‘**Recommended**’ options have, therefore, been conducted on the following basis:

- Direct staff employment follows the forecasts from ARU’s Operating Model for phase 3 received on the 7th December 2021.
- Indirect employment is anticipated to be 200% of the direct employment reflecting the buying power of the institution, its staff and its students.
- Average GVA per employee for direct and indirect jobs created is estimated at £42,000.
- Average graduate salary in 2018 is £34,000, average non-graduate salary is £24,000. Grad salaries inflate at 3.5% per annum, non-graduate at 2.5%. GVA from graduate employment is calculated as 161% of total salary uplift (difference between graduate and non-graduate earnings).
- For the Do Minimum option, further growth is projected arising from the proposed intervention (+1%) making the combined growth factor +3% above the baseline.
- Additional corporation tax revenues from enhanced GVA are forecast at 1.36% of the GVA generated.
- PAYE from new jobs created has been estimated based on tax rates for 2019/20 per graduate level job.
- National Insurance Contributions from new jobs has been estimated at 11.1% of salaries per employee

A summary of the impact and value for money over 10 years is provided in the table below:

Appraisal Outputs	Phase 1 maximum 3,010 students per annum reached in 2023/24	Phase 3 – maximum of 2,347 students reached in 2029/30	Phase 1 + 3 combined
Total Net Present Benefits (10-year)	£294,504,261	£68,919,214	£363,423,475
Total Net Present Costs (10-year)	£29,020,967	£25,374,505	£54,395,472
Net Present Value (10-year)	£265,483,294	£43,544,709	£309,028,004
Benefit Cost Ratio (10-year)	10.1	2.7	6.7
Additional graduates to 2029/30	14,311	3,510	17,821

There are broadly four direct quantifiable benefits from the proposed options:

1. Increased employment as a direct result of the creation of additional teaching space for the University as staff are recruited.
2. Employment created in the wider economy as an indirect result of the creation of the new University.
3. The economic benefits from the salary uplift from studying the additional HE courses available as a result of Phase 3 and gaining graduate level employment as new graduates enter the workforce and graduate level jobs are created, attracted or retained within the region.
4. Benefits to the exchequer from increase wages, personal and corporation taxes.

2.2.2 Risk appraisal

The key risks with respect the economic appraisal all lie in the ability of ARU-Peterborough/the university to deliver the predicted 2,347 additional student numbers by 2030, as contained in their Operating Model for Phase 3 over and above those already agreed and committed to under phase 1 (i.e. the capacity for 3,010 students by September 2022).

The economic appraisal is vulnerable to fluctuations in the numbers of students recruited and graduated by the University as highlighted in the sensitivity analysis below. The ability to recruit locally based staff may also be a factor that erodes the impact of the new University. A further concern could be the extent to which graduate level employment is available locally and whether the new University is able to generate the scale and quality of graduates required to meet local economic needs. These sensitivities have been tested and the net impacts reported below.

The majority of UK university applicants are still planning to start university in the autumn despite ongoing uncertainty around term times and course administration. While Covid-19 is a high risk for those over 60, traditional-aged university students face relatively low risks from the disease. However, in recent weeks, we have seen just how quickly the novel coronavirus can spread in areas with a high concentration of people – and university campuses are no exception. According to a recent survey by UCAS, almost nine out of every ten undergraduate applicants said they still plan to head to university in September or October.

The number of 18-year-olds in the UK is growing. More people tend to go to university during recessions, as job numbers shrink, and students look to 'up-skill'. For phase 1 ARU provided an analysis of HE demand in the region, which predicts an increase in the number of 18-year-olds over the next 5 years leading to a 13% increase in students entering HE by 2025. Nationally, the Higher Education Policy Institute, October 2020 stated that nationally even without increase in demand in participation, demographically there would be an increase in demand of 40,000 full time higher education places in England by 2035 due to the rises in the 18-year-old population. ARU's local demographic analysis suggests also that this new demand is likely to be from groups who are more likely to stay in the region to study and then subsequently to work.

According to the Higher Education Policy Institute, over 350,000 more higher education places will be needed in England by 2035 to keep up with demand²⁴. The report shows for England:

- if demography were the only factor, without any increase in participation, there would be an increase in demand of 40,000 full-time higher education places in England by 2035 due to rises in the 18-year-old population;
- if participation also increases in the next fifteen years at the same rate as the average of the last ten years, then this increases to a demand of 358,000 full time higher education places by 2035; and
- the greatest growth in demand will be seen in London and the South East, due to both demographic changes and patterns of participation. Their projections suggest that over 40% of demand for places will be in London and the South East.

2.2.3 Preferred option

The economic appraisal of the three options presented above shows that the Benefit Cost Ratio (BCR) for the recommended option still far outstrips the alternatives. This review confirms the Recommended option as delivering very good value for money (VfM).

The preferred option delivers a Benefit Cost Ratio of 6.7 based on current costings and student numbers. While this is a significant reduction from the value of delivering Phase 1 alone, it is still an exceptional return according to government guidance and benchmarks which defines the VfM category as:

- Poor VfM if the BCR is less than 1.0;
- Low VfM if the BCR is between 1.0 and 1.5;
- Medium VfM if the BCR is between 1.5 and 2.0;
- High VfM if the BCR is between 2.0 and 4.0; or
- Very high VfM if the BCR is greater than 4.0

However, reducing this project to a simple BCR number belies the fact that the success or failure of this investment in Peterborough, relies on many factors. Simply assuming that such a high BCR value assures its success can lead to a false sense of comfort. The Economic Analysis is only one part of a well-informed decision.

2.2.4 Sustainable Growth Ambition benefits

The Combined Authority has adopted six key themes to assess each supported by project.

Theme	Ambition	Contribution
Health and Skills	Building human capital to raise both productivity and the quality of life.	Improved resident wellbeing through access to culture, with positive benefits for physical and mental health.

²⁴ <https://www.hepi.ac.uk/2020/10/22/new-hepi-report-reveals-over-350000-more-higher-education-places-will-be-needed-in-england-by-2035-to-keep-up-with-demand-while-scotland-will-see-a-decline-in-demand-for-places-over-the-same-period/>

Climate and Nature	Restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities.	Regeneration of open green space upcycled from a mixed brownfield site with cycle paths and pedestrian footpaths lined into broader Peterborough networks.
Infrastructure	From digital and public transport connectivity, to water and energy, building out the networks needed to support a successful future.	Improved cultural and heritage offer that is more visible and easier for residents and visitors to access.
Innovation	Ensuring this area can continue to support the most dynamic and dense knowledge economy in Europe.	Increase in graduate numbers working in the city leading to increase productivity through a higher skilled population.
Reducing inequalities	Investing in the community and social capital which complement skills and connectivity as part of the effort to narrow the gaps in life expectancy and income between places.	Reduced deprivation in a left-behind area with a persistent skills gap. Increase in civic pride, leading to increased wellbeing, health and life expectancy along with a reduction in anti-social behaviour.
Financial and systems	Improving the institutional capital which supports decision-making and delivery.	Structured risk management regime, residual risk will be systematically appraised and revaluated at strategic points during the life of the project.

2.2.5 Sensitivity analysis

In light of the risks outlined above, sensitivity testing has been carried out by adjusting key variables as follows:

- 50% reduction in Net Present Benefits.
- Doubling of the construction costs.

The key outputs from these appraisals are summarised in the table below:

Sensitivity Tests	Recommended Baseline	Sensitivity to 50% drop in Net Present Benefits	Sensitivity to failure to create graduate jobs with Construction Costs Doubled
Total Net Present Benefits	£363,423,475	£181,711,738	£ 363,423,475
Total Net Present Costs	£54,395,472	£ 54,395,472	£ 108,790,944
Benefit Cost Ratio²⁵	6.7	3.3	3.3

Therefore, even allowing for these significant risks, the preferred option still returns a strongly positive net present value and BCR is sustained. Therefore, there remains a strong economic case for investing in the Recommended option to generate direct and indirect benefits for the region.

Further sensitivity analysis has been conducted in respect of student numbers as follows:

- Scenario A: Phase 3 student numbers reach a maximum of 1600 in 2026/27
- Scenario B: Phase 3 student numbers reach a maximum of 1400 in 2025/26

In Scenario A, the BCR for Phase 3 is 2.7 over a 10-year period (compared to base case of 2.7). This hardly changes because of the graduate numbers not being affected so much. In 2026/27, there is only a small reduction in graduate numbers between 2027/28 and 2029/30 (three years), as the benefits are measured over the time-period 2020/21 to 2029/30.

In Scenario B, the BCR for Phase 3 is 2.3 over a 10-year period (compared to base case of 2.7). This

The key outputs from this review is summarised in the tables below:

Base case	Phase 1 + 3	Phase 1 alone	Phase 3 alone
Total Net Present Benefits	£363,423,475	£294,504,261	£68,919,214
Total Net Present Costs	£54,395,472	£29,020,967	£25,374,505
Net Present Value	£309,028,004	£265,483,294	£43,544,709
Benefit Cost Ratio	6.7	10.1	2.7
Scenario A: phase 3 max 1600 students from 2026/27			
Total Net Present Benefits	£362,601,373	£294,504,261	£68,097,112
Total Net Present Costs	£54,395,472	£29,020,967	£25,374,505
Net Present Value	£308,205,902	£265,483,294	£42,722,607
Benefit Cost Ratio	6.7	10.1	2.7
Scenario B: phase 3 max 1400 students from 2025/26			
Total Net Present Benefits	£353,896,203	£294,504,261	£59,391,942
Total Net Present Costs	£54,395,472	£29,020,967	£25,374,505
Net Present Value	£299,500,732	£265,483,294	£34,017,437
Benefit Cost Ratio⁸	6.5	10.1	2.3

²⁵ Given by Net Present Total Benefits/Net Total Costs

The conclusions from this further sensitivity testing, is that in Scenario A, the reduction in phase 3's capacity to 1,600 doesn't significantly affect BCR at all because:

- Impacts calculated over 10 years from 2020-21 to 2029/30 so the reduction only affects the tail end of this period
- Benefits are calculated by no. of graduates (earnings) – so there's a lag from when students start then graduate and start earning
- Difference in graduates over the three years from 2026/27 to 2029/30 isn't significant

However, in Scenario B the reduction to 1,400 does affect benefits and BCR. This would be highlighted further if phase 3 were assessed over 15 or 20 years. The BCR for phase 3 alone drops to a value of 2.3. Though still acceptable, this would make Phase 3 a border line project if it were to be submitted in a competitive round for public funding.

There remains a strong economic case for continuing with the Recommended option to generate direct and indirect benefits for the region. However, if financial pressures necessitate a cut in the phase 3 building's floorspace to keep within budget, then we would advise that the reduction in student numbers be kept to a minimum.

3 Commercial Case

3.1 Structure of the deal

3.1.1 Procurement strategy

Procurement of the infrastructure is split into two categories:

1. **Land:** the proposed development plot 'The Embankment, off Bishops Road Peterborough' forms part of the agreement between the Combined Authority and PCC where PCC have committed to providing land in phases for use in the development of the new University campus. The valuation of the land has yet to be agreed and a valuation will be commissioned by PropCo1 along with the necessary due diligence of the land following approval of this Business Case. For the purpose of this Business Case, the land valuations used for Phases 1 & 2 have been applied to the plot required for phase 3. The procurement of the land from PCC may require an Advertised Sale via a notice in the local press (it is publicly owned land for disposal under the 1972 regulations).
2. **Professional team procurement:** as part of the early mobilisation plan, the Combined Authority has started procurement of the multidisciplinary team using the Crown Commercial Services Framework. The procurement is planned to be complete with the team appointed by mid-February 2022, following approval of this Business Case.
3. **Main Contractor:** procurement of the main contractor will be required to deliver the physical capital works, which will broadly include:
 - a. Off plot Utilities, highways work associated with Phase 3.
 - b. On plot infrastructure works, utilities, road, car parks, landscape and ancillary buildings.
 - c. Building and internal fit out (including IT and AV).

The Combined Authority may undertake a supplier event to explore the market opportunity for the delivery by the main contractor. This will establish the market appetite from the market for the delivery of the phase 3 scheme and on what basis the scheme can be procured. Following the supplier event, a detailed procurement strategy will be prepared outlining the interface with design, route to market through OJEU or existing frameworks and the package strategy to align warranties with current works being implemented, for approval ahead of procurement action commencing.

3.1.2 The contract

Buildings/Infrastructure

Form of contract

The construction works are likely to be delivered via a Design & Build procurement route using a two-stage tendering process and an industry standard form of contract. A design and build procurement route will provide the Combined Authority (acting under a development management agreement) with a fixed price for the construction works, which will reduce the Combined Authority's exposure to potential overspend. By adopting a two-stage tendering process, the Combined Authority's client team will work with the contractor on an

open-book basis to ensure competition is maintained throughout the second stage, and that risks are appropriately allocated and managed. Long-lead items and works packages will be reviewed with the Main Contractor to verify competition throughout the supply chain, and to offer greater financial certainty to all parties. In addition, this procurement route will give PropCo1 the opportunity, where necessary, to place early orders for long lead items ahead of contract award for packages such as piling or structural frame to secure prices or minimise programme risk. This process will assist in ensuring the contractor's risk pricing is reduced and hence achieve value for money.

It is proposed that the JCT Design & Build form with client amendments is used, in line with approach adopted for delivery of phases 1 and 2. This is an industry recognised and widely used contract form, which ensures all parties are familiar with the structure, risk apportionment, key provisions, and contractual procedures/mechanisms. It is typical for clients to amend this form to insert additional provisions around risk apportionment and payment. It will be necessary for PropCo1 to procure professional legal advice required for the necessary client amendments to this form of contract.

There is also an opportunity as part of the design development process to further review the procurement strategy outlined above in the light of changing market conditions, with any alternative viable procurement route submitted for approval ahead of procurement action commencing.

Payment mechanisms

PropCo1 will appoint the main contractor and make payment under the agreed form of contract via the company held bank account.

Following procurement of the consultant team, PropCo1 will appoint them and be responsible for paying for the design, procurement and delivery of the phase 3 building under the agreed contract to the consultant team and the Main Contractor.

The payment mechanism for the construction works associated with the provision of the new buildings will be set out in the form of contract used, and subsequently in accordance with the payment terms dictated under the Housing Grants Construction and Regeneration Act 2011. It is typical for such payments to be based on interim monthly valuations of progress completed on site and applied for via the Main Contractor's Interim Applications for Payment. These applications will be verified by the Combined Authority's appointed Quantity Surveyor through valuation/inspections on site, validated through the necessary payment notices and paid in accordance with the contract terms as part of the delegated authority from PropCo1.

Further payment amendments may be proposed on advice from PropCo1's legal advisers, to ensure that the contractor signs up to the fair payment charter and that prompt payment is made throughout the whole supply chain.

Accountancy Treatment

As no PFI or similar arrangements are proposed for construction of the phase 3 building, no accounting treatment questions arise for presentation in this Business Case. PropCo1, a local authority controlled joint venture company, will own the asset once constructed and this will be incorporated into the financial statements of the local authorities accordingly.

3.1.3 Risk apportionment

The apportionment of risk for the construction phase will be agreed as part of the procurement strategy prior to the procurement of the main contract and sub-contract packages. The apportionment of risk (yet to be agreed) will allocate risk appropriately to mitigate risk to the client by whom the contractor is appointed (PropCo1). The risk register appended at Annex 6.1 identifies several key infrastructure risks for the delivery of the Phase 3 building, noting the risk likelihood, severity, and time and cost impact, and proposed mitigation strategy.

3.1.4 Implementation timescales

The timeline of events follows the approved project master programme (see project plan in Chapter 5, Management Case), to meet the key project milestones outlined in the successful LUF funding application to achieve spade in the ground in Q1 2023, completion of the building structure by March 2024 noting that the memorandum for agreement between Department for Levelling up Housing and Communities and PCC (currently being drafted) states in clause 4.10 that the Council must spend all grant funding by the end of the funding period, 31 March 2024.

This will be followed by completion of the fit out of the living lab and teaching facilities by September 2024. The programme makes no allowance for delay in determination of the full planning application for phase 3 and assumes the critical path is maintained in line with the project plan outlined in the Management Case.

3.2 Deliverability

The LUF bid application proposed a phase 3 building of 3000m² Gross Internal Area, of new space, of which 1,000m² will be dedicated community and cultural space for the Living Lab and associated community learning space derived from a fixed budget of £27.9m. This includes a construction budget sum of £26M with an allowance for land purchase. Following a RIBA 1 site appraisal and optioneering process, it is apparent that a smaller building will have to be delivered to meet the £27.9m budget, while still supporting an additional 1,700 students. A revised design proposal has been prepared for a phase 3 building based on a 2,900m² Gross Internal Area (rounded up); a multi-use educational facility suitable for a mixed use of working, learning, teaching, collaborating inclusive of 1,000m² GIA Living Lab. The land on which this phase 3 building will be located is notionally defined based on logical physical boundaries (back of footpath) etc. and logical extension of the current infrastructure strategy for phase 1 & 2. The actual red line will be subject to finalisation of RIBA 2 design by the appointed consultant team, relevant approvals from PCC relating to the release of land from other uses and legal due diligence by PropCo1 through the landowners PCC.

The site location taken forward as part of this Business Case has been selected following evaluation of a number of options outlined in the RIBA 1 report, Option 1 to the east of the current phase 1 and 2 developments and Option 2 to the south of the phase 2 development emerged equal in overall scoring.

Both locations are considered to have good cohesiveness with the campus created in phases 1 and 2 creating a strong sense of 'campus' and protects the student and staff experience

during future phases of work. Phase 3, site option 2 to the south of the phase 1 and 2 buildings remains the preferred option for the location of the Living Lab. However, given the planning difficulties associated with the replacement of the Artificial Pitches, Option 1 (Regional Pool Car Park) is considered the most deliverable at this stage in meeting the LUF funding milestones but is subject to relevant approvals from PCC as landowner and car park operator. This decision will be reviewed on appointment of the consultant team for phase 3, prior to commencement of the next stage of the design process (RIBA 2) once further detail is known on the associated planning issues.

The building will include all associated external landscaping and infrastructure, all delivered within the available cost envelope (currently £27.9m). The revised building is an appropriate size for a building of this nature and allows more flexible use of the building as an adaptable asset for the future.

3.2.1 Budget Estimate

An order of cost estimate has been developed for 4 site options within the embankment area. Each site offered specific benefits, but also significant cost constraints that impacts on their suitability for the phase 3 building. A general review of the sites has highlighted the requirement to increase infrastructure capacity for Phase 3, the potential for cost significant and onerous planning conditions on any of the sites and the challenge of keeping a cohesive feel to the longer-term development of the University campus.

Following a review of the options, two remain, of which option 1 is being taken forward as part of this Business case, based on its deliverability within the constraints of the LUF funding. On appointment of the consultant team by the Combined Authority (as development managers) in February 2022, should Option 2 (not included in this Business Case) be considered further, then that option will require the following costs to be accommodated:

- To relocate the existing sports pitch (exclusive of land costs), options under review by PCC.
- Logistics and access to site during construction, along the edge of the regional pool car park through temporary access road.
- Increased infrastructure route beyond Phase 1 and 2 building pending UKPN advice
- Ecology and works within the tree belt.

Other than the above, all other cost assumptions remain the same as option 1 (the option included in this Business Case)

An Order of Cost Estimate of how the budget is derived is shown below to reflect option 1 (further detail of costs associated with other options can be found in Annex 6.2). The construction works costs have been benchmarked against known industry data for similar size and quality educational buildings and are aligned with the median cost parameters.

Budget / Site Analysis		University of Peterborough - Phase 3 Development					
Project Summary					14 December 2021		
Option 1							
Elem Ref					Cost Target £	£/m2	
1-7	Building Works (excl Externals works)				9,008,956	3,156	
8	External Works				1,268,831	444	
					10,277,788	3,600	
	<u>Option Specific Abnormals</u>						
i	Sustainability initiatives allowance (based on 20% of building building works total)			20%	1,800,000	630	
ii	Remove existing and replacement of RP Car Park				675,000	236	
iii	Replacement of MUGA pitch				N/A	N/A	
iv	New site access from Bishop's Road (incl s278 and s106)				175,000	61	
v	Ecology and replacement/removal of tree belt				N/A	N/A	
vi	Existing services diversion etc (as CPW notes)				20,000	7	
vii	Haul road for construction				N/A	N/A	
viii	Increase to infrastructure routes				N/A	N/A	
ix	Earthworks to deal with surface water flood risk				N/A	N/A	
x	Obstructions in ground				N/A	N/A	
xi	Allowance for GAHE / GSHP, incl infrastructure (incl in sustainability allowance)				Included	N/A	
		Works Cost Estimate		£	12,947,788	4,535	
9	Main Contractor's Prelims			8%	1,035,823	363	
10a	Detailed Design			5%	647,389	227	
10b	Main Contractor's OH&P			3%	438,930	154	
10c	Main Contractor's Risk			3%	452,098	158	
10d	Pre-Construction Fees				Inc.	Inc.	
	Construction Total (Exc. Inflation)				£	15,522,028	5,437
11a	Fees & Surveys			11%	1,707,423	598	
11b	Legal Costs (Client to advise)				300,000	105	
12a	Client Project Costs (Client to advise)			5%	776,101	272	
12b	PropCo Staff Costs (Client to advise)				300,000	105	
13a	Design Development Risk			5%	930,278	326	
13b	Client Risk and Contingency			5%	930,278	326	
	Cost Limit (Excluding Construction Inflation)				£	20,466,108	7,169
14	Inflation; to 4Q23 (applied to 0-10 and 12-13)			5.8%	1,187,034	416	
	Cost Limit (Including Construction Inflation)				£	21,653,142	7,584
15	VAT (applied at the prevailing rate - subject to specialist advice)			20%	4,330,000	1,517	
		Estimated Outturn Costs		£	25,983,100	9,101	
					GIFA		
					2,855 m2		

Benchmarking

A benchmarking exercise has been undertaken to review the build cost. Benchmarking data represents an average cost per typical building element, represented as a cost per m² of Gross Internal Floor Area and excludes site specific abnormal elements such as facilitating/demolition works, and external works, to allow a fair comparison. The benchmarking below is representative of schemes delivered 5 to 15 years prior to Brexit and Covid-19 and gives an indication of an average build cost (£Nett/m²) of approximately £3,062/m² (excluding site facilitating and external works) (BCIS²⁶ data).

To further support the above data, the phase 1 and 2 build costs, which were tendered post Brexit and Covid-19, incorporate the Combined Authority and ARU design standards, and known site wide conditions have also been benchmarked. The benchmarked cost of phases 1 and 2 is £3,936/m². This benchmark figure has been used for the phase 3 development to ensure a more robust comparison.

This use of the more current phase 1 and 2 cost benchmark supports the conclusion that the proposed phase 3 building can be delivered in the current market and to the Combined Authority standards and specifications within the estimated budget.

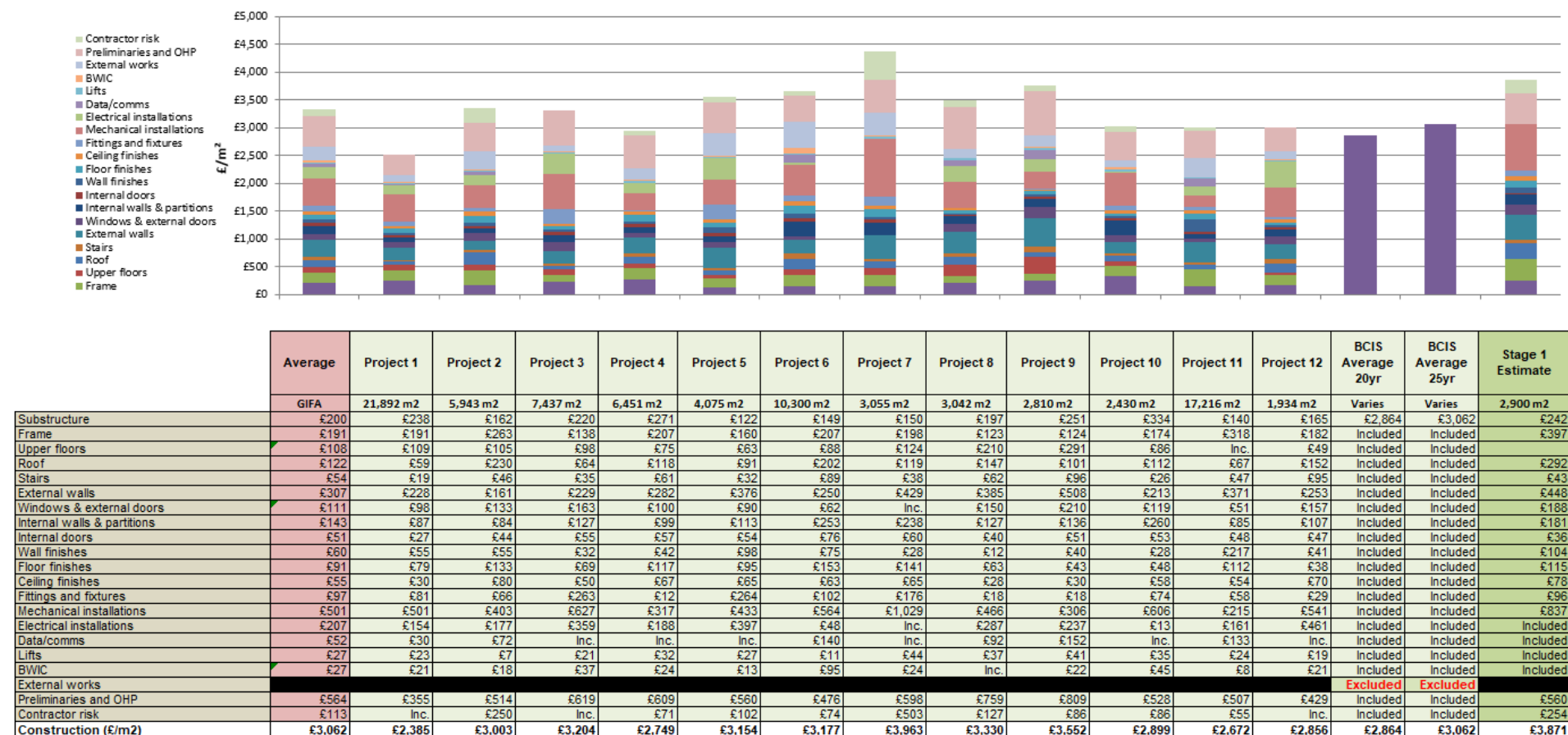
These costs exclude any cost for land acquisition which is addressed separately and does not form part of the capital costs. VAT has been applied at the prevailing rate of 20% and is not recoverable as confirmed by the Combined Authority. The Combined Authority have made allowances for their costs acting on behalf of PropCo1 taking responsibility for design, procurement, and delivery of phase 3 as outlined in the management case. These costs include:

- Combined Authority Staff costs.
- Banking and Audit.
- Financial software, insurances, company secretary fees.
- Legal Costs associated with completion of the shareholders agreement, land transaction not relating to the main contract.

Additional cost allowances have been made for known site-specific conditions.

²⁶ Building Cost Information Service (BCIS)

University of Peterborough
General Teaching New Build (Base date: 4Q21 (351) / Location: Peterborough (99))
Average Build Cost - Excluding external works



Sustainability

A 20% uplift to the build cost, a notional allowance, has been included to enable the implementation of sustainability measures as may be desired. The LUF bid indicated support for the Governments net zero objectives through building design and technologies. At RIBA 1, several sustainability frameworks (BREEAM, Passive Haus etc) were discussed for suitability particularly towards achieving NZCiO²⁷. Consideration to materials selection/choice, use of passive building fabric design principles and potential renewable energy solutions to support the sustainability requirements. The design team (to be appointed by the combined authority) will review sustainability options following their appointment in February 2022 to integrate into the design. This is in line with PCCs decision to announce a Climate Emergency in July 2019 and its commitment to make the Council's net zero carbon by 2030 and to influence partners decisions on the same.

In regard to the Combined Authority's duties under the Natural Environment and Rural Communities Act 2006 to "conserve biodiversity" and the Cambridgeshire and Peterborough Vision for Nature, a full Natural Environment Analysis will be undertaken in parallel with the RIBA Stage 2 Design for phase 3. This will include opportunities for conserving biodiversity, restoring or enhancing species or habitats.

ARU has pledged to incorporate sustainability into every aspect of the University's conduct and administration; from its formal and informal curriculum, to student life and activities, through to sustainability research and the impacts of campuses. Through its Sustainability Strategy 2020-26, ARU is incorporating sustainability and environmental awareness across teaching, research and University operations. The strategy gives a clear path towards a more sustainable University, a cross four goals

- Through its Education for Sustainability programme, ARU encourages our students to be the change, equipping them with the skills and values they need to help create a more sustainable future.
- ARU takes a distinctive approach to research – focusing not only on its academic quality, but also on its real-world impact.
- ARU strives, through its operations, to continually improve the environmental performance of its campuses, and the sustainability of its business processes.
- ARU continues to make positive contributions to its communities, both within the University and in the wider area, through partnership and collaboration.

Car parking for phase 3

The current cost allowance is for 12 parking spaces on campus for phase 3. The car parking requirements for phase 3 option 1 located on the regional pool car park is based on staff and student car parking capacity being accommodated in existing car parks in the city centre as a result of change in post Covid utilisation. Along with relocation of 128 spaces from the regional pool carpark that will need to be relocated for option 1 to be constructed as detailed in the section below on displaced services.

In addition, there will be a cost to phase 3 by way of contribution to transport mitigation, which has been considered within the building cost allowance for phase 3.

²⁷ Net Zero **Carbon** in Operation

There remains a residual risk that the parking provision on or off plot and any associated impact on the current road network exceed these assumptions, although there are insufficient details to quantify the scale of the risk there remains opportunity to value engineer the scheme while still meeting the outcomes in the LUF at the start of RIBA 1 on appointment of the consultant team. The timeline must be in place for Q4 2022 at point of contract close (inclusive of land transfer, shareholders agreement) and determination of planning. Early pre applications with the planning and highways teams at PCC will go some way to determining the nature and scale of early interventions or mitigations required to allow decisions to be taken in a timely manner.

Site Access

A cost allowance has been made for the creation of new access from Bishops Road and for some local s278 works associated with that access, which may be a planning requirement. Based on the assumption that all parking will be accommodated in current surplus, further offsite improvements allowances have been made within external works allowances as phase 1. Given the existing use of the Option 1 site is a 200-space car park, traffic movements are unlikely to exceed current baseline levels.

Displaced Services

The selection of option 1 for the phase 3 development necessitates a cost allowance for the provision of 200 car parking spaces relocated to Bishops Road car park, to replace the existing Regional Pool car park with another at grade carpark solution (exclusive of land costs). This must be relocated by January 2023 at the point of contract award, along with necessary changes to legal agreements as part of the documents presented with contract close end Q4 2022.

The above car park spaces exclude the 128 car parking spaces currently included as a planning condition for phase 2, as these are funded as part of the overall phase 2 funding package.

3.2.2 Procurement

The two stage Design and Build procurement strategy proposed can be beneficial for a project of this size and nature. Early Main Contractor involvement following the first stage of the tender process enhances the buildability of the scheme and supports early engagement of the supply chain.

Construction projects of this nature are desirable to a Main Contractor within the current construction market, however inflationary pressures as well as supply chain and labour issues brought about by Brexit and further increases as a result of Covid-19, are having a tangible impact on the short to medium-term pipelines of work for main contractors. Therefore, although a high level of competition is expected, this will inevitably impact tender prices. The project construction timescales are achievable, although tight, and the works are generally viewed as low risk, which should be reflected in the Main Contractor's commercial offer. It is anticipated that the Covid-19 pandemic will have limited on going risk and impact to site operations, however changes to government regulations on how Covid-19 is managed is a minor risk worth noting.

As the cost estimate is broadly based on tendered costs for phases 1 and 2 currently on site, many of the risk factors are already covered within the cost estimate and some inflation uplift has already been applied to accommodate any price changes in the lead up to procurement of the Main Contractor. It is also anticipated that in the period leading up procurement, delays in materials and labour supply would have eased.

Within the surrounding regions there is a wealth of experience from the construction market for delivering similar schemes through this procurement model. The site location is well served by key

transportation links and the site itself is generally unrestricted, which bodes well for acquisition of labour and materials. There is a strong supply of main contractors, and subcontractors who operate in the area and therefore interest in this scheme is expected to be high throughout the supply chain, which will typically result in competitive pricing. We, therefore, expect a high level of interest for the project from a large number of suitable contractors who have a strong portfolio of construction projects in the HE and Local Authority sectors. An initial review of key Contractors with suitable experience of design and build Higher Education projects is identified below:

Contractor	Regional Office Location
Balfour Beatty	Manchester
BAM Construct	Birmingham
Bouygues (U.K.)	Birmingham
Bowmer & Kirkland	Derby
Galliford Try	Leicester
Interserve	Leicester
ISG Plc	Cambridge
John Sisk	St Albans
Kier	Corby
McAleer & Rushe	London
McLaren Construction	Birmingham
Morgan Sindall	Rugby
Multiplex Construction	London
Osborne	London
Vinci Construction	Cambridge
Wates Group	Cambridge
Willmott Dixon	Milton Keynes

3.3 Covid-19 impact assessment

Data from the Cambridgeshire & Peterborough Independent Economic Review (CPIER), updated by new, ongoing econometric work to assess the extent of economic scarring resulting from the Covid-19 crisis, predicts that Peterborough and the Fens, will be one of the hardest hit economies in the UK. This is supported by the recent Centre for Cities study putting Peterborough as the 5th most “at risk” city in the UK from the economic impacts of Covid-19.

This is partly due to education deprivation (Peterborough is in the bottom 10% of all UK cities), resulting in a less resilient and adaptable workforce. It is also partly due to the region’s low-tech industrial base, characterised by increasing levels of administration and logistics employment, a waning high-value manufacturing sector and a reducing proportion of knowledge intense jobs. These factors combine to increase risks of the region also being one of the slowest to recover.

Therefore, a more inclusive recovery and regrowth strategy is needed for region’s economy. To recover the region’s growth ambitions requires action to be taken to increase higher value, more knowledge intense and more productive growth. Changing the spatial distribution of economic growth and supporting an increase in innovation-based business growth across the whole of the Combined Authority economy, was a key recommendation from the CPEIR and formed the basis of the following three priority goals of the Local Industrial Strategy; this will be more important than ever in the recovery following the Covid-19 crisis:

- To improve the long-term capacity for growth in Greater Cambridge to support the expansion of this innovation powerhouse and, crucially, reduce the risk of any stalling in the long-term high growth rates that have been enjoyed for several decades.

- To increase sustainability and broaden the base of local economic growth, by identifying opportunities for high growth companies to accelerate business growth where there is greater absorptive capacity, beyond the current bottlenecks to growth in Greater Cambridge.
- To do this by replicating and extending the infrastructure and networks that have enabled Cambridge to become a global leader in innovative growth, creating an economy-wide business support and innovation eco-system to promote inclusive growth

In common with a number of cities in the UK, the establishment of a university and associated innovation eco-system could produce the knowledge engine to drive the increased worker skills to raise business productivity, innovation, and knowledge intensity, capable of accelerating the economic recovery rate, in these “left-behind” towns.

3.3.1 Immediate Impact on ARUs business model (and that of ARU Peterborough)

ARU is a large university operating at scale across several campuses (including Peterborough) with a shared cost model. ARU has a long history of successful financial management. Its financial model is not heavily geared, consistently returns a surplus and the University has taken difficult decisions quickly when required. ARU’s business model rests on quick decision taking and being a first mover in the market, for example:

- First new medical school for 12 years.
- First to invest heavily into Degree Apprenticeships (now largest UK provider of these and a thought leader in their development).
- Early mover into Policing degrees.

ARU delivers bespoke portfolios and delivery models for customers, for example:

- ARU London offers flexible courses (e.g. 2 days per week) and has grown from 3,800 to around 9,800 students in the last 4 years.
- Offering employer focussed courses
- Degree Apprenticeships that are in tune with the market and able to respond very quickly to opportunities and requests

Following the impact of Covid-19 ARU set up a Covid 19 task force (September 2020 Delivery Project) and made an immediate move to online delivery. Its business model is less exposed to the potential impacts of Covid-19 than other HEIs, for example:

- ARU is not heavily reliant on international students (see numbers in section 1)
- It has dispersed campuses (with limited competition) and Covid-19 is likely to see more students staying in the region to reduce travel, allowing them to study from home.
- ARU has low building overheads (compared to other HEIs) as a result of its employer and employment-based curriculum.
- ARU’s strong base in health and public services is in tune with growing interest.
- ARU has had an increase in turnover over past year (& forecast for this) and overall student population.
- ARU has long experience in distance learning and has already successfully blended delivery with a viable strategy for September 2020 across all campus activity, providing clear reasons to bring students onto campus to further enhance their experience of working in small groups, using specialist facilities and equipment etc. This learning will have matured and embedded into delivery well before the new University opens in Peterborough in 2022.

- ARU has heavily invested in learning technology, for example their learning management system (Canvas) is state of the art and able to support and deliver an outstanding educational experience.

3.3.2 Target market segments

ARU has launched a Mobilisation Strategy and is finalising mobilisation plans (operational activities) across 7 workstreams (monitored on a monthly basis through our ARU Steering Group) covering the following areas of work

- Course development
- Learning resources and Infrastructure
- Workforce development and employee relations
- Legal, Finance and Governance
- Marketing and recruitment including admissions
- Stakeholder engagement
- Student support including SU

ARU has already launched twenty-seven courses as the phase 1 portfolio for the new University in Peterborough. This includes an innovative course design methodology including engagement with key stakeholders (schools, colleges, businesses, community groups). A data led approach to market segments has been implemented.

Key strengths of ARU that help to mitigate the risk posed by Covid-19 include:

- its range of provision, not being reliant on one or two markets;
- extensive employer engagement (150 companies in phase 1);
- flexibility, adaptability and agility in response to changing market conditions;
- ability to invest in short courses
- expertise and capacity in marketing and recruitment activity; and
- existing use of virtual Open Days, Virtual Applicant Days and Virtual Q+

While the original Academic Delivery Provider procurement process did not allow for conversations with industry, this work has now progressed through ARU's stakeholder engagement workstream and the new senior management team to further develop industry partnerships in Peterborough and the wider region. ARU is using both existing contacts and, where relevant, those in the Combined Authority's networks. Opportunity Peterborough and other regional bodies provide another route to engage with local businesses, to create awareness and develop courses that will ensure the current and future talent pool in the region is trained and work-ready. Specific activity has focused on the different market segments identified below.

18–24-year-olds from the local demographic

Population estimates of the numbers of 18–24-year-olds in the region indicate HE is about to enter a period of growth in the market, not least due to the latent demand in the “cold spot” identified in section 1 (approximately 24% of 18–24-year-olds in the region are in full time education, compared to around 33% nationally).

Area	Population (18-24 year olds)
Peterborough	14,184
Cambridgeshire	59,133
East Cambridgeshire	5,497
Fenland	7,082
Huntingdonshire	11,526
Total	97,422

ARU's analysis of HE demand in the region, predicts an increase in the number of 18-year-olds over the next 5 years leading to a 13% increase in students entering HE by 2025 (up to 6,105) with a static participation rate of 44%, and a 20% increase (up to 6,521) if the participation rate grows to the England average of 47%. Demographic analysis suggests also that this new demand is likely to be from groups who are more likely to stay in the region to study and then subsequently to work.

ARU will use its existing footprint to leverage demand (e.g. Guild House and the long established Nursing provision). Its approach is to bring in a Recruitment and Marketing team quickly to create demand, build intelligence and assess local need and infrastructure. They are creating relationships in the schools/colleges and wider community with dedicated outreach resources.

ARU has recruited an experienced Student Recruitment Manager who is based in Guild House with a team of marketing, outreach and recruitment specialists, supported by the wider ARU Marketing and Communications Directorate. They are engaging with the community, adopting a marketing approach of 'think local, act local'.

First generation HE students of all ages

ARU undertook a segmentation exercise to identify key segments followed by communications and marketing activity to build awareness with first generation and 21+ prospective students. They have leveraged their digital capability to widen reach including Virtual Open Days, Virtual Applicant Days and Virtual Q+A's. Their stakeholder comms plan focuses on creating demand (working with community groups).

People who are unemployed, retraining or upskilling (esp. post COVID-19)

ARU's Canvas platform is robust and effective, and they are developing 'tasters'; short programmes that will help build student confidence through bite size chunks of learning and online delivery. Virtual Open Days etc will again have a part to play here. ARU is also working in partnership with other providers e.g. CWA.

Large Corporates and bespoke apprenticeship programmes.

ARU has a strong track record in Degree Apprenticeships, built on a reputation for vocational based HE provision; a brand that will be further carried into Peterborough. Key activities and interventions to target this market segment include:

1. Leveraging ARU's existing Degree Apprenticeships course list:
 - a. While these require post-Covid-19 review, those listed continue to be UK wide standards that prevail in the market and are likely to remain relevant.
 - b. ARU specialises in focusing these on the needs of individual companies and sectors, for example:

- i. The Chartered Manager Degree Apprenticeships adapted by ARU for the charity sector.
 - ii. The Civil Engineering Site Manager Degree Apprenticeships adapted for Kier.
2. ARU's approach to Degree Apprenticeships in Peterborough includes:
 - i. Immediately deploying an existing and experienced member of ARU's Consultancy team to lead the short-term conversation and strategy in Peterborough including desk-based Industry and Business research, contributing to evolving plans via the Curriculum Development and Stakeholder Engagement workstreams and finding quick wins in the market and planning approaches.
 - ii. A sub-group of the course development workstream dedicated to creating the first set of apprenticeships to meet local demand.
3. Leveraging their successful approach to Degree Apprenticeships in Peterborough as exemplars, including:
 - a. ensuring the approach is always market led, collaborating with industry including listening to business needs and then providing co-designed solutions (work with Sanger/Wellcome Trust bringing The Bioinformatics Degree Apprenticeship to market;
 - b. creating long term partnerships from small starts (e.g. BBC and Amazon Web Services in Digital Marketing);
 - c. operating at scale (e.g. as part of a consortium of commercial partners and HEIs to deliver Police Degree Apprenticeships;
 - d. educating organisations on how to use and get the best from their Apprenticeship Levy;
 - e. working with IFA, ESFA, UUK and others to influence policy; ARU sits on and develops Industry Trailblazers for new Apprenticeship standards with the ESFA, (e.g. as founders of the Digital Marketing Trailblazer with the Post Office and as key members of the 'Building' Standards trailblazer) and is active in the Cambridge Ahead Skills Group.

3.3.3 Impact of social distancing

If social distancing represents even a medium-term expedient, most organisations will run out of space and capital before they can correct their buildings to become Covid-secure and still deliver the same capacity. With estimates varying between 75% and 90%, the net reduction in operating capacity anticipated is beyond the resources of almost all organisations. Nor is it easy simply to accept that the experience in, say, a 30 seat room with 8 people will be the same, or that to put 8 in one room and stream the class to other settings will be considered fair or equitable. Social distancing, therefore, fractures normal practices to levels at which they become a major resource challenge.

As outlined above, ARU is mitigating risks such as these and is already delivering a range of activity in response to Covid-19 impacts including:

- Covid-19 campus planning;
- an agile working and transformation group;
- auditing buildings to ensure that can safely accommodate staff and students;
- communicating regularly with students;

- tested contingency plans, including RAG rating all courses for suitability to deliver in different modes;
- timetabling students in a blended mode on campus (splitting the day into blocks)

This best practice will be adopted with ARU Peterborough. In addition, the Phase 1 building will not be at capacity until 2025, ensuring space will be available should social distancing be needed into the medium term. Other contingencies include options to use other buildings in Peterborough and/or region e.g. Guild House.

3.3.4 Covid-19 sensitivity test on current operating model

ARU has committed to managing the ARU Peterborough operating model to ensure it does not fail, managing risks in a variety of ways, outlined above and also to include

- Only recruiting staff as needed, including limiting senior staff costs.
- Flexible deployment of resources and management of costs within the operating model (see risk analysis in chapter 4 above).
- Using market intelligence to decide which courses to continue to develop; those that are not likely to be viable will not be taken forward. Equally, where interest from stakeholders has suggested new courses, ARU are receptive to moving quickly to create and meet demand
- Careful planning of future building on the Peterborough campus (both timing and configuration) in the light of actual growth in student numbers.
- Sharing costs across ARU will create economies of scale from which ARU Peterborough will benefit.
- Prudent use of the contingency in the model.
- Monitoring and contingency planning around the journey to independence with clear milestones to check progress, monitor risk and provide accountability.

The Heads of Terms include flexibility (recognising the uncertain times), for example, if student numbers drop and income reduces, ARU will reduce the cost base accordingly. By operating a shared service model and only employing new staff when demand dictates, ARU is confident in its ability to manage a financially viable product.

Recessional impacts

Recessional impacts may also drive students to study degrees that are sector specific via Degree Apprenticeships and higher-level degrees in companies that lead to jobs as an outcome. ARU intend this to be a key feature of the ARU Peterborough offer.

Previously, when recession hits the employed population ARU have seen that their student mix changes. In the period leading up to and during recession they see fewer employed students join part time courses with more switching to full time study. As industry starts to come out of recession and the employment market picks up, part time numbers start to increase and those students studying vocational degrees become much sought-after individuals from employers.

ARU's market know-how and extensive experience of delivering courses in different modes of study and being able to react to market forces will position them well to utilise this flexibility to deliver ARU Peterborough successfully. As the second largest of any public university provider in the UK in delivering Degree Apprenticeships, ARU has a track record of listening, working in partnership and responding positively to employers to shape the curriculum content.

ARU's portfolio of courses for phase 1 is vocational, employment specific and driven to meet market needs. By offering courses at different levels (level 3 through to level 7) through a variety of study modes (full time, part time, blended) they will have flexibility to cater for different student needs. For example, in their School of Engineering and the Built Environment ARU runs a combination of full time, placement, part time day release and block release courses leading to foundation degree, honours degree and degree apprenticeship qualifications. Students are able early in their course to move between the different modes of study as the marketplace dictates. At ARU London, they offer degree courses over two days per week to meet the needs of the student demographic (over 90% mature students), combined with the needs of industry and employers. Students are developing their qualifications and capability while often retaining part time work commitments alongside their full-time studies. This personalised approach to study will be a key feature at ARU Peterborough.

In September 2020, ARU returned to campus delivering face-to-face tuition, supported by online technologies. This experience of responding and succeeding in adversity will play a key part as they continue to develop the ARU Peterborough curricula. Greater use of online technologies and a shift towards a blended delivery approach will suit particular market segments such as those students balancing family and work commitments. The blended delivery mode is one that ARU uses successfully with Degree Apprenticeships, bringing students together on campus to create a community of learning whilst delivering content that students benefit from through face to face delivery. Learning and professional competence go hand in hand through the delivery process for PSRB accredited courses including Degree Apprenticeships, where theory and practice are inter-related. Offering career relevant courses whether they be in health, business, agri-tech or the creative and digital sectors will be a key selling point as these course lead to future employment.

The vocational, practice-based nature of ARU's proposed curriculum is designed to be attractive to adult learners seeking to upskill, re-train or join HE. ARU Peterborough is intended to be a new 'skills engine' for Peterborough and its region, undertaking activity directly with businesses through Degree Apprenticeships and work-based learning, and through community-based activities and work with local FE providers by providing access courses as a steppingstone to HE.

The 2016 Digital Skills Report showed that the shortage of digital skills represents a key bottleneck for industry and is linked to one in five of all vacancies. There is a mismatch in the types of skill offered by the labour market and those demanded. Over the set-up phase of the project, ARU is working with FE providers to ensure the courses being delivered support the skills needed in the 'new normal', that they are delivered in bite size chunks of learning using digital technologies wherever possible and that they provide a grounding to further study and employment.

The 50+ institutions in the region offering post-16 education provide a 'HE ready' group of students able to engage with ARU Peterborough's industry focussed HE portfolio. ARU Peterborough's offer is designed to tackle local skills gaps in digital technologies and more specifically advanced and specialist IT skills. There are skill shortage vacancies in Professional, Associate Professional and Technical occupations. Therefore, equipping the next generation of students with relevant technical and practical skills as well as developing their managerial and leadership skills (including people and personal skills) at a time of reduced employment, will be an investment for the future recovery of the economy. Covid-19 has increased interest in health-based courses and this will benefit the ARU Peterborough offer.

Local provision

Importantly, a key potential impact of Covid-19 is that it might make young people who live locally, more likely to study nearer to home; ARU Peterborough is designed to fill the gap identified through the “cold spot” and will, therefore, enable more students in the region to study from home should they wish to do so. ARU has a diverse mix of students and have experience of delivering an educational experience that supports the needs of local students. ARU will adopt a ‘think local, act local’ marketing approach and will build their track record of working with underrepresented groups identified by the Office for Students (OfS); the majority of ARU students fall at least into one group of disadvantage.

Partnerships

The development of the ARU Peterborough curriculum has been undertaken in conjunction with key stakeholders, using expertise within ARU to drive curriculum development forward and using many of the methodologies ARU already uses to engage employers. The course design phase has ensured employer input is firmly embedded throughout the design and approval process. ARU’s active curriculum model, ‘live’ briefs and course design intensive process are designed to ensure the courses are meeting the needs of both students and employers with a focus on developing the skills needed to seek and be successful in employment.

ARU has been developing new local, regional and national industrial partnerships targeting companies or organisations within the areas of its current and future ARU Peterborough curriculum. They have prioritised engagement of local companies including PhotoCentric, Caterpillar, Bauer and Engines. These partnerships match ARU’s key strengths to make ARU Peterborough sustainable in the medium and long term, comprising

- Short term partnerships with local/regional companies that have the potential to bring immediate results. These partnerships have already resulted in employer engagement in curriculum design and enhancement, student placements, internships and local graduate employment opportunities.
- Medium-term tactical partnerships in response to needs across the education portfolio.
- Long-term strategic partnerships with 1-2 companies in each curriculum area who are keen to engage with the new University across teaching, placements, employability, and further business opportunities including corporate education, research and knowledge transfer.

4 Financial Case

4.1 Financial model and appraisal

4.1.1 Project budgets and funding

The capital budget for phase 3 as identified on the Levelling Up Funding (LUF) bid informed the Site Appraisal exercise completed by the Combined Authority's design team

Further to the Site Appraisal, Option 1 is considered most suited to the requirements of the LUF funding and is therefore the basis of the RIBA Stage 1 design and cost estimate as summarised below.

		Option 1	
Elem Ref		Cost Target £	£/m2
1-7	Building Works (excl Externals works)	9,008,956	3,156
8	External Works	1,268,831	444
		10,277,788	3,600
Option Specific Abnormals			
i	Sustainability initiatives allowance (based on 20% of building building works total)	20%	1,800,000 630
ii	Remove existing and replacement of RP Car Park		675,000 236
iii	New site access from Bishop's Road (incl s278 and s106)		175,000 61
iv	Existing services diversion etc (as CPW notes)		20,000 7
v	Allowance for GAHE / GSHP, incl infrastructure (incl in sustainability allowance)		Included N/A
	Works Cost Estimate	£ 12,947,788	4,535
9	Main Contractor's Prelims	8%	1,035,823 363
10a	Detailed Design	5%	647,389 227
10b	Main Contractor's OH&P	3%	438,930 154
10c	Main Contractor's Risk	3%	452,098 158
10d	Pre-Construction Fees		Inc. Inc.
	Construction Total (Exc. Inflation)	£ 15,522,028	5,437
11a	Fees & Surveys	11%	1,707,423 598
11b	Legal Costs (Client to advise)		300,000 105
12a	Client Project Costs (Client to advise)	5%	776,101 272
12b	PropCo Staff Costs (Client to advise)		300,000 105
13a	Design Development Risk	5%	930,278 326
13b	Client Risk and Contingency	5%	930,278 326
	Cost Limit (Excluding Construction Inflation)	£ 20,466,108	7,169
14	Inflation; to 4Q23 (applied to 0-10 and 12-13)	5.8%	1,187,034 416
	Cost Limit (Including Construction Inflation)	£ 21,653,142	7,584
15	VAT (applied at the prevailing rate - subject to specialist advice)	20%	4,330,000 1,517
	Estimated Outturn Costs	£ 25,983,100	9,101
GIFA			
2,855 m2			

The budget estimate incorporates the limited design and survey information available following the completion of RIBA 1 by the Combined Authority's design team. It is inclusive of allowances made for client direct costs and represents the maximum capital budget currently available for the design and construction of the physical infrastructure, agreed at £26m (excluding land acquisition costs from the total funding package of £27.8m) comprising the following:

- Site Abnormals – essential enabling works required to make the site available for the required use.

- Facilitating Works – all site clearance, remediation, services diversions required to facilitate the main construction works.
- Building works – all substructure, superstructure, internal works, finishes, fittings furniture and equipment, building services, external works, and the associated management and supervision by the Main Contractor.
- Sustainability – costs associated with achieving a highly sustainable, energy and carbon efficient building.
- Fees & Surveys – all design fees applicable by the professional consultants forming the design team, including building control, plus all associated professional reports and surveys and budgets advised by the Combined Authority for the Combined Authority costs and legal fees
- Client Project Costs – the associated client direct costs consisting of loose furniture, wayfinding signage, café fit out, specific ICT enhancements.
- Design Development – contingency funds applied to the facilitating works, building works and client direct costs to cover increased costs resulting from progression and maturity of the design and associated project risk.
- Client Contingency – contingency funds applied to the facilitating works, building works and client direct costs to cover increased costs resulting from changes to clients/employers requirements at various stages of the design and construction of the development.
- Inflation – accounting for increases in building costs to the mid-point of construction
- VAT applied at the standard rate as applicable.

The Phase 3 capital build is to be funded through multiple streams comprising a combination of capital investment and other contributions. The table below, sets out the proposed sources of funding for the capital investment required by the project:

Funding Source	Amount (£)
LUF Investment Funding (PCC contribution as the lead authority for the LUF)	20,000,000
Combined Authority (approved recycled local growth funds)	2,000,000
ARU Capital Investment	4,000,000
PCC– contribution of land value ²⁸	1,870,000
Total Funding (Phase 3 only)	27,870,000

The underlying basis of the funding model is that the £20m investment funding is secured by PCC from the Levelling Up Fund (LUF) for capital investment into PropCo1, in return for shares. This, as well as the contributions from ARU and CPCA, is required to start spend and project delivery before end of March 2022 and deliver the building structure by March 2024, noting that the memorandum for agreement between Department for Levelling up Housing and Communities and the local authority (currently being drafted) states in clause 4.10 that the Council must spend all grant funding by the end of the funding period, 31 March 2024. All parties must be able to demonstrate sufficient funds to meet the payments for shares in to PropCo1, relative to the cash demands on the Company required to pay its creditors associated with the construction of the Phase 3 building. However, to enable this, PCC will need to negotiate terms with the Department of Levelling-Up Housing & Communities (DLUHC), to cash flow PCCs payments for shares, in to PropCo1, from the LUF funding.

²⁸ The final Value may be different pending an independent valuation

Currently the terms of the LUF funding are payments 6 months in arrears of actual expenditure on the project by PCC. This cashflow and capability to make payments for shares will need to be resolved prior to conclusion of the amendments to the Shareholders Agreement.

In addition, the Combined Authority's Business Board has allocated £2m of Local Growth Fund (LGF) towards investment in the phase 3 development. Further to this, PropCo1 has allowed £723,600 of its current reserves for the phase 1 build project to be used for preliminary works on the phase 3 project, relating to a RIBA stage 1 design, planning applications and the authoring of this Business Case. These monies are to be repaid to the phase 1 budget within PropCo1, upon receipt of the phase 3 shares subscriptions. The impact of this on project cash flow is identified in section 4.1.2 below.

Anglia Ruskin University (ARU – the Academic Delivery partner) will provide a £4m capital investment to the phase 3 development. This contribution is to be treated in the same way as the original investment in PropCo1. As such, start-up costs and the ongoing operational cashflows for ARU Peterborough taking into account the costs of growing to take into account Phase 3 will be the responsibility of ARU and, as was the case on phase 1, the Combined Authority and PCC will have no responsibility or obligation to underwrite such cashflows in operating ARU Peterborough/the university.

In addition to the LUF funding of £20 million, Peterborough City Council (PCC) will also provide the land for the project, which has yet to be valued; the assumed contribution of land value will be £1.87m as defined in the LUF (a definitive land valuation will be undertaken by PropCo1 on final selection of the preferred plot at the end of RIBA 1 in March 2022).

Following the allocation of the new shares the Company's share designation will be as shown in the table 1 below, after all parties have made their further investment for shares, in relation to the Phase 3 building.

Shareholding in The Peterborough Higher Education Property Company					
		PCC	CPCA	ARU	total
Phase 1	First teaching building	1.87	24.8	5.50	32.17
		5.8%	77.1%	17.1%	100.0%
Phase 3	Second Teaching building	21.87*	2	4	27.87
		78.5%	7.2%	14.3%	100.0%
	Total Shareholding in Propco1	23.74	26.8	9.5	60.04
		39.6%	44.6%	15.8%	100.0%

*land value of £1.87m may change subject to independent valuation

As set out in this Business Case, the funding strategy to finance the Phase 3 Second Teaching Building, and in line with similar capital investments of Combined Authority devolved and delegated funding, into the Phase 1, the First Teaching Building, the Combined Authority will invest its £2m funding as an investment for shares into the Peterborough HE Property Company Ltd (PropCo1), a special purpose vehicle designed to fund the construction, own and lease the buildings to ARU Peterborough for the operation of the higher education institution. As a result, the current Shareholder Agreement for the Company, will be amended to reflect the additional investment for shares. Notwithstanding the dilution of the Combined Authority's majority shareholding, it will retain its drag along rights so that in the event it chooses to exercise its rights to sell its shares in

PropCo1 (exercisable 10 years after the completion of the Phase 1 building) then it is able to drag PCC and ARU along with it in order to sell the entire shareholding in the company, subject to ARU having right of first refusal. Due to the increase in PCC's shareholding, it will also be granted such drag along rights.

Following approval of this Business Case, should the members of PropCo1 require funding to be approved based on the required cashflow such that PropCo1 can continue to develop design, procurement, planning and secure legal advice up to contract award, the cashflow and apportionment of costs will, based on cash subscriptions outlined below, be ARU 15.4%, CPCA 7.7% and PCC 76.9%. This equates to the following cashflow and costs for each party:

Cashflow For Peterborough University Phase 3 to December 2022																			
Budget Element Reference	Item	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total	Check
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
11a	Fees and Surveys (RIBA 1)	22,857	22,857	22,857	22,857	22,857	22,857	22,857										160,000	160,000
11a	Fees and Surveys (RIBA 2-3)						96,364	96,364	96,364	96,364	96,364	76,364	76,364	76,364	76,364	76,364	76,364	940,000	940,000
11a	Planning Fee											20,000						20,000	20,000
11b	Legal Costs						27,273	27,273	27,273	27,273	27,273	27,273	27,273	27,273	27,273	27,273	27,273	300,000	300,000
12a	Client Project costs (OBA AND FBC)	69,231	69,231	69,231	69,231	69,231	69,231	69,231	69,231			29,150						583,000	583,000
12b	PropCo staff costs						8,571	8,571	8,571	8,571	8,571	8,571	8,571	8,571	8,571	8,571	8,571	94,286	94,286
8i	Sustainability initiatives						9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	100,000	100,000
9	Main Contractor's First stage costs									10,000	10,000	15,000	15,000	20,000	30,000	30,000	30,000	160,000	160,000
	SUB-TOTALS	£92,088	£92,088	£92,088	£92,088	£92,088	£233,387	£233,387	£210,530	£151,299	£151,299	£185,449	£136,299	£141,299	£151,299	£151,299	£151,299	£2,357,286	£2,357,286
	VAT on above	18,418	18,418	18,418	18,418	18,418	46,677	46,677	42,106	30,260	30,260	37,090	27,260	28,260	30,260	30,260	30,260	471,457	471,457
	TOTAL COST FOR MONTH	£110,506	£110,506	£110,506	£110,506	£110,506	£280,065	£280,065	£252,636	£181,558	£181,558	£222,538	£163,558	£169,558	£181,558	£181,558	£181,558	£2,828,743	£2,828,743
	Contribution Split of Cashflow																		
	ARU (15.4%)	17,018	17,018	17,018	17,018	17,018	43,130	43,130	38,906	27,960	27,960	34,271	25,188	26,112	27,960	27,960	27,960	435,626	435,626
	CPCA (7.7%)	8,509	8,509	8,509	8,509	8,509	21,565	21,565	19,453	13,980	13,980	17,135	12,594	13,056	13,980	13,980	13,980	217,813	217,813
	PCC (76.9%)	84,979	84,979	84,979	84,979	84,979	215,370	215,370	194,277	139,618	139,618	171,132	125,776	130,390	139,618	139,618	139,618	2,175,303	2,175,303

4.1.2 Financial model and appraisal(s)

PropCo1

For the phase 3 project it is essential that funding is available to proceed with the procurement of the design team to commence work and spend in March 2022 and complete work and spend of the LUF by March 2024, with full completion using Combined Authority and ARU monies by September 2024. A cashflow forecast has been prepared to identify the impact on PropCo1's finances and to forecast the anticipated funding requirements.

PropCo1 will need to ensure sufficient funds are available to deliver the phase 3 programme and enable payments in line and with fee draw down schedules when defined. The most significant financial milestone is Q4 2022, when PropCo1 will be entering into a binding contract with the Main Contractor for the construction of the phase 3 building.

In addition to the above, it may become necessary to award orders for long lead infrastructure works during the design stage Q4 2022, to secure network capacity and delivery to support use of the building in September 2024.

Noting the cashflow issue relating to the LUF payments from DLUHC to PCC as mentioned above, PropCo1 must have surety of funding, and all necessary steps taken to ensure each party subscribes

for the additional shares in PropCo1 by mid-February 2022 and has the necessary funds to make all payments falling due.

This will ensure that PropCo1 has the required funds to cover the construction costs, providing certainty of payment for the Main Contractor and their supply chain, and ensuring that cash funds are readily available for PropCo1 to make payments as required. The key funding milestones are shown in the table below. The funding sources, as identified above, are all secured.

Period	Financial Milestone	Cost	Cumulative
Oct '21 – Feb '22	RIBA stage 1 design, planning applications and Business Case.	£832,595	£832,595
Feb '22 - Dec '22	Finalisation of design	£1,996,148	£2,828,743
Jan '23 - Onwards	Commitment to Contract Sum	£23,154,357	£25,983,100

ARU-P Operating Model

A key project objective is to create a sustainable operating model for ARU Peterborough/the new university such that, after initial start-up costs, it will operate on a self-sufficient basis. The fundamental principles of a sustainable operating model include:

- Effective control of costs in relation to tuition fee income (this is at the core of the operating model).
- Recognition that estates/asset maintenance must be prioritised to avoid backlog maintenance liabilities that add to corporate risk profiles and undermine the core of the operating model.
- Ensuring all operational costs are covered by generated incomes, and any surpluses generated support reinvestment in new facilities to support further growth.

The phase 3 operating model for ARU Peterborough has been populated using the same assumptions applied for the phase 1 model with modifications only where required; the assumptions amended for phase 3 are as follows;

- The phase 1 model assumed teaching facilities would be in all three buildings – this has now been amended to phase 1 and phase 3 only.
- The timing of phase 3 has been bought forward to Sept 2024.
- The size of buildings has been amended to reflect the available budget and student numbers to deliver the outcomes required in the LUF.
- The rate of growth of ARU Peterborough student recruitment numbers for Phase 3 remains at the original assumption used for Phase 1 of 6% per annum with an additional 6% at the opening of each new phase of building. From 2027-28 the annual growth has been reduced to 2% to reflect the building nearing capacity. Future growth would require further teaching buildings.

Income:

- Tuition fee income is forecast based on a range of full time and part time courses proposed by ARU, including undergraduate and postgraduate courses both on-campus and off-campus.

- The average tuition fee is based on £9,000 per student FTE (after allowing for both premium fee levels and bursaries/hardship grants and other fee discounting practices).

Staffing:

- Academic SSR ratio of 26:1.
- Academic to Professional staff 3:1 for Faculty Professional staff numbers.
- Included numbers for the development phase (19 professional staff, 5 academic staff and 1 Project Manager).
- Included the Principal and other senior management posts.
- Assumed PAs in Professional 3:1 count.
- Assumed the majority of senior staff are part of Academic 26:1 count.
- Assumed Business Engagement & Innovation Manager within Professional staff 3:1 count.
- Professional services staff costs equivalent to ARU's current ratios to cover a shared service function to include services such as HR, Finance, Academic Registry, Library, IT OPEX, Student Services, VCO, Secretary's office, Marketing & Admissions.

Non Pay costs:

- This covers costs such as advertising, printing, stationary, s/w, books, consumables, scholarships, bursaries, staff non pay costs (travel, staff development, employee related costs), contract & professional fees.
- Costs calculated at 35% of faculty staff costs.
- OfS will require student support arrangements which will include scholarships or bursaries within the Access and Participation Plan.

Estates OPEX costs at £200 per m²:

- This is expected to cover the running costs for estates of the buildings based on the size of the buildings provided in the documentation growing in three phases.
- Running costs include items such as cleaning, utilities, rates, insurance.

Asset & Estate Maintenance:

- Assumed this is the LTM costs for Estates and IT.
- Proxy used based on current ARU values of LTM as a percentage of income.
- Rent/Lease costs have been assumed at £140 per m². (£13 per Sq.ft).
- There is an expected ten year 'rent-free' period.

Other Costs at 29% of income:

- Assumed to be equivalent to ARU's indirect costs to cover the costs of professional services such as HR, Finance, Academic Registry, Library, IT OPEX, Student Services, VCO, Secretary's office, Marketing, Admissions (Pay costs are included in the Staff cost section and non-pay costs in this section).

IT Start-up costs;

- Software and infrastructure costs included in the start-up phase are per the IT costings provided as Year 0 costs.

Loan for start-up cash flow

- £5.4m loan at estimated 2.5% interest for five years.

Inflation

- Both pay and non-pay inflation of 2% has been assumed

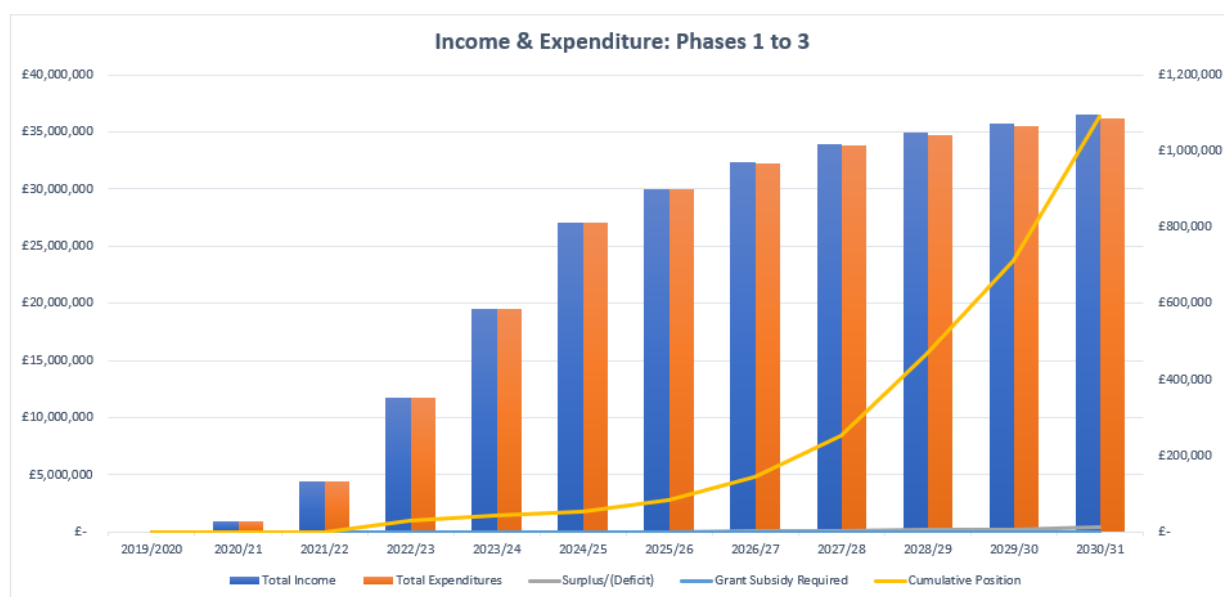
The financial model attached at Annex 6.3 forecasts revenues and expenditure for the period to 2030/31 and is in line with the longer-term ambitions of the Combined Authority. This Business Case is for phase 3 building only and as such are based on meeting student numbers of an additional 1700 students by 2027/8.

The costs associated with facilities management have been provided by ARU and are based upon a rate of £200/m² benchmarked against ARU's internal data. These costs remain as phase 1, which were reviewed against internal cost data provided by the Combined Authority's professional advisors (Mace FM) and benchmarked against reputable and well-established independent industry data, with the conclusion that these costs represent fair and reasonable allowance. The costs associated with facilities management include all aspects of hard and soft facilities management, incorporating insurances; routine maintenance; security; cleaning and waste management; energy usage; telephone communications; and general real estate management; any change to the original assumptions made for phase 1 as a result of sustainability will be managed by ARU within the current operating costs.

Mace FM advised in phase 1 that as a rule of thumb a cost of 1% of capital expenditure per has historically been applied to public sector projects under a design, develop, construct and operate contract to determine affordability prior to agreement of contracts. This relates to major replacements only and is in addition to the routine maintenance costs incurred in preserving the assets to ensure they reach their optimum life expectancy (covered by the facilities management costs). In this financial appraisal long term maintenance has been based on 1% on this basis as assumed in phase 1.

The financial operating model presented includes the operational costs and incomes of the phase 1 and 3 buildings only. The capital costs of the project and associated enabling works are to be funded from other sources as set out above.

The financial outputs from the operating model are summarised in the chart below, with further details of project cash flow are provided in the tables.



	Start Up Phase			Phase 1		Phase 3
Academic Year	2019/2020	2020/21	2021/22	2022/23	2023/24	2024/25
Total Income	£ -	£ 927,600	£ 4,472,400	£ 11,780,500	£ 19,499,425	£ 27,071,500
Total Expenditures	£ -	£ 927,600	£ 4,472,400	£ 11,752,200	£ 19,485,700	£ 27,059,900
Surplus/(Deficit)	£ -	£ -	£ -	£ 28,300	£ 13,725	£ 11,600
Cumulative Position	£ -	£ -	£ -	£ 28,300	£ 42,025	£ 53,625
Grant Subsidy Required	£ -	£ -	£ -	£ -	£ -	£ -

	Phase 3					
Academic Year	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Total Income	£ 30,028,925	£ 32,339,150	£ 33,881,625	£ 34,973,250	£ 35,783,375	£ 36,569,275
Total Expenditures	£ 29,998,000	£ 32,280,550	£ 33,770,550	£ 34,757,900	£ 35,540,100	£ 36,192,750
Surplus/(Deficit)	£ 30,925	£ 58,600	£ 111,075	£ 215,350	£ 243,275	£ 376,525
Cumulative Position	£ 84,550	£ 143,150	£ 254,225	£ 469,575	£ 712,850	£ 1,089,375
Grant Subsidy Required	£ -	£ -	£ -	£ -	£ -	£ -

The start-up phase identifies the requirement for £5.4m working capital prior to opening to students in phase 1 (2022/23). This will be funded by a short-term loan secured by ARU, to be repaid over a 5-year period.

The operating model shows sufficient revenues are generated throughout to cover operational costs, on a broadly breakeven basis from 2022/23 and revenues generated appropriately thereafter to fund the ongoing operational expenditures, with a marginal profit delivered year on year which reaches no greater than 1%.

The operating expenditures run very close to the revenues generated and there is a linear relationship between revenue and expenditure, which indicates that economies of scale and operational efficiencies are not anticipated.

Continued growth in revenue is predicted but is dependent on subsequent project phases to maintain growth in student numbers and income generated via tuition fees. The reported revenues are based on student numbers identified by ARU across a range of course types including full time, part time and distance learning-based tuition.

The cumulative position is illustrated by the yellow line within the chart, demonstrating that only a marginal surplus is generated in the model. The start-up phase does not generate any surplus, and the revenues identified are only sufficient to cover expenditures. A surplus of approximately £42,000 is generated over the 2 years phase 1 alone is in operation, culminating in a total of £1,089,375 by 2030/2031, which would be insufficient to fund any future infrastructure expansion plans, which in turn will require capital investment from alternative sources.

The collaboration agreement between the Combined Authority, PCC and ARU requires all parties to work together to deliver the project in accordance with the terms of the agreement. The parties have agreed to work in partnership and co-operate with each other to achieve the project steps and milestones within the timescale envisaged in the master schedule. There will be an annual review of the master schedule steps and milestones and the contract managers for each party will meet on a fortnightly basis (or frequency to be agreed) to discuss project progress and any disagreements which may arise. The Parties remain on track to meet milestones outlined in the master schedule which in summary are:

1. 2020 ARU Peterborough is incorporated – COMPLETE.
2. 2022 ARU Peterborough starts provision of education to students at the start of the academic year 2022.
3. 2025 ARU Peterborough is registered with OfS by the start of the Academic year 2025/26.

4. 2028 ARU Peterborough is granted unlimited TDAPs by the start of the academic year 2028/29.

4.1.3 Risk analysis

Whilst the shadow financial model set out in the OBC targeted a surplus to be generated each academic year, the financial model provided by ARU shows only a marginal surplus in each year and does not generate significant financial returns. This is a direct result of reduced targeted student numbers and increase staff costs within the ARU Peterborough operating model.

The differences from the OBC financial model and the associated risks are analysed in summary below:

- The shadow financial model included higher turnover figures as a result of higher **student numbers**, whereas the ARU model is based on lower student numbers, and as student numbers grow as a result of future growth, increased revenues are offset by increased operational costs. The absence of **economies of scale** as student numbers increase leaves scope in the model for greater efficiencies in operational expenditure. The current model, therefore, represents a worst-case scenario in this respect.
- The ARU-Peterborough model sets **staff costs** at a much higher rate than the shadow financial model, starting at 56% of income, and rising to 64% of income (the shadow financial model limited staff costs at 52% of income). This also leaves scope for future cost reductions that could further improve the outcome of the financial operating model. Conversely, the financial model is very sensitive to **cost inflation** (e.g. University staff pay increases), which may reduce the scope for economies of scale and operating efficiencies to yield financial savings.
- Costs for asset maintenance are shown as 1% of income. The shadow financial model set asset maintenance at 5% of IRV, which is more typical for Higher Education. There is a risk that 1% of revenue will result in **underfunding of building maintenance**, with resultant deterioration of the asset. Should maintenance costs be increased to 5% of IRV this would have a detrimental impact on the operational model and further funding may be required if the **contingency provision** is insufficient (see below). ARU and the Combined Authority are continuing to negotiate the details of the main transactional agreements, including flexibility in building design to meet requirements of the University and the portfolio of courses intended to be offered. As the design progresses is finalised there may be opportunity to **review the costs associated with long term maintenance** that could result in an improvement on the current forecast figures.
- The financial model does not include any **rent payments** (i.e., it assumes a 10-year rent-free period). At the end of the 10-year rent free period PropCo1 will agree, as part of the rent review defined in the agreement to lease, any rent to be paid; PropCo1 will determine how this income will be used. Rent payments beyond the rent-free period will adversely affect the model in that period and, given the marginal operating surplus in the first 10 years this could result in a deficit once rent payments fall due.
- The operating model indicates the £5.4m start-up costs being funded by a short term (5 year) loan, based upon a 2.5% interest rate. There remains a low risk to the project that this **interest rate** may not be achievable, resulting in a higher loan repayment. Conversely, there

may be opportunity under the current economic conditions for betterment in the 2.5% interest rate assumed.

- The financial model includes an ongoing **contingency** provision throughout the ten year period, averaging approximately £1m per annum. Given the other risks inherent in the financial model, this contingency provision will be a critical tool for management of financial risk in the operation of the new University, including the risks described above. If the contingency is not required, it represents a potential opportunity to provide betterment to the financial model.

A key risk under in current climate (most notably the **impacts of Covid-19**) that the level of student fees assumed may not be achievable. A reduction in revenues would negatively impact the operating model, should staff numbers and staff expenditure remain unchanged, and could lead to an annual deficit.

Conversely, as described in detail in section 3.3, the impact of Covid-19 could lead to higher numbers of students studying from home, which fits well with the business model for the new University and could, therefore, deliver student numbers in excess of those included in ARU's forecasts.

Furthermore, ARU's analysis of HE demand in the region, predicts an increase in the number of 18-year-olds over the next 5 years leading to a 13% increase in students entering HE by 2025 with a static participation rate of 44%, and a 20% increase if the participation rate grows to the England average of 47%.

Sensitivity testing of the operating model shows that a 1% net loss of revenue will translate into a cumulative deficit of approximately £300,000 within 3 years (i.e. by the end of Phase 1). If revenues fall by 3%, that deficit exceeds £1m and at 5% approaches £1.9m. Therefore, the sensitivity of the model to fluctuations in revenues is very high. Flexibility in the operating cost base has been identified by ARU as a scalable factor and a contingency budget is included in the model, however there are likely to be other calls on such contingencies and with such low initial margins, operating costs may be set too high to create a sustainable model. Further attention will be given to these variables during detailed negotiations with a view to achieving a target surplus in a range acceptable to both partners and which will help to mitigate these risks.

As a matter of principle for on-going operations once the main transactional agreements have been finalised, the new University pedagogy will need to be managed by ARU to ensure that the predicted revenue generated from tuition fees is realised and the costs are managed to match the student numbers and hence reasonable and sustainable surpluses achieved. A more detailed assessment of the potential impacts of Covid-19 on ARU's business model is provided in section 3.3.

Furthermore, the phase 1 agreements in place include terms to terminate ARU's involvement with ARU Peterborough (in the event of a failure to achieve the milestones and naturally as it becomes a university in its own right), provided always that ARU Peterborough will remain entitled to occupy the facilities on a rent-free basis during the period required to teach out students enrolled on ARU courses in Peterborough. As outlined in section 1.4 above, the documentation also includes further remedies for any failures by ARU to achieve the plans set out in those documents including ARU working with the Combined Authority, PCC and PropCo1 (with the aspiration for there to be a long term continuing relationship between the new University and ARU beyond the achievement of University Title to support the long-term sustainability of ARU Peterborough as a university).

As outlined above, the operating model does not generate sufficient surpluses to build reserves to fund the expansion of the new University in future phases nor is there adequate headroom to underpin borrowing to fund such expansion. Alternative funding strategies for any future expansion phases will therefore need to be developed by the Combined Authority and partners, including PCC and ARU, to facilitate further growth in student numbers.

4.2 Affordability

The project funding position is outlined in the table below, with project funds generated from a combination of the Combined Authority's own funding and Levelling Up Fund, supported by financial contribution from ARU. All figures are inclusive of VAT and other tax requirements.

Funding Source	Amount (£)
LUF Funding	20,000,000
Combined Authority	2,000,000
Anglia Ruskin University anticipated capital investment	4,000,000
Total Budget	26,000,000
Construction Works (Phase 3 building, inc. Client Directs and Contingency)	26,000,000
Land Acquisition (Land transferred for shares at £1.87m value by PCC as part of PropCo1)	1,870,000
Total Expenditure	27,870,000
Balance	0

The land for the Phase 3 site will be invested into PropCo1 by PCC in return for shares, with the land to be valued using the independent land valuation from phase 1 totalling £1.87m, which will form part of the PCC contribution to PropCo1. The final value of land is yet to be agreed and will determine the extent of PCC's resulting shareholding in PropCo1 including the LUF funding.

The LUF from PCC and the capital expenditure and financial investment from the Combined Authority for the phase 3 construction project is capped at £22m with the remaining investment provided by ARU. The current anticipated investment required by ARU is £4m (independent of short-term loans secured for the start-up costs). The table below demonstrates how the phase 3 capital spend will be utilised. As described in section 3 above, the construction and project cost has been benchmarked against other HE projects of similar scope and size and supports the conclusion that the proposed phase 3 building can be delivered to a suitable standard within this budget, and within acceptable cost parameters for a HE building.

		Option 1		
Elem Ref		Cost Target £	£/m2	
1-7	Building Works (excl External works)	9,008,956	3,156	
8	External Works	1,268,831	444	
		10,277,788	3,600	
<u>Option Specific Abnormals</u>				
i	Sustainability initiatives allowance (based on 20% of building building works total)	20%	1,800,000	630
ii	Remove existing and replacement of RP Car Park		675,000	236
iii	New site access from Bishop's Road (incl s278 and s106)		175,000	61
iv	Existing services diversion etc (as CPW notes)		20,000	7
v	Allowance for GAHE / GSHP, incl infrastructure (incl in sustainability allowance)		Included	N/A
Works Cost Estimate		£	12,947,788	4,535
9	Main Contractor's Prelims	8%	1,035,823	363
10a	Detailed Design	5%	647,389	227
10b	Main Contractor's OH&P	3%	438,930	154
10c	Main Contractor's Risk	3%	452,098	158
10d	Pre-Construction Fees		Incl.	Incl.
Construction Total (Exc. Inflation)		£	15,522,028	5,437
11a	Fees & Surveys	11%	1,707,423	598
11b	Legal Costs (Client to advise)		300,000	105
12a	Client Project Costs (Client to advise)	5%	776,101	272
12b	PropCo Staff Costs (Client to advise)		300,000	105
13a	Design Development Risk	5%	930,278	326
13b	Client Risk and Contingency	5%	930,278	326
Cost Limit (Excluding Construction Inflation)		£	20,466,108	7,169
14	Inflation; to 4Q23 (applied to 0-10 and 12-13)	5.8%	1,187,034	416
Cost Limit (Including Construction Inflation)		£	21,653,142	7,584
15	VAT (applied at the prevailing rate - subject to specialist advice)	20%	4,330,000	1,517
Estimated Outturn Costs		£	25,983,100	9,101
				GIFA
				2,855 m2

Conclusions

Project affordability is, therefore, critically dependent on:

1. Securing the transfer of LUF funding into PropCo1 as well as all other investment capital funding within the company held account or an agreement reached through the PropCo1 members on releasing sufficient funding to cover costs to date and up to contract award in December 2022.
2. Risks associated with income (student numbers) and expenditure being able to be mitigated through cost control, increased income and/or use of the contingency provision.
3. Risks associated with enabling works, Land Acquisition, planning approval and agreement of contract sum being able to be mitigated through management of each workstream within the required timeline and budget while continuing to meet the outcomes of the LUF.

Subject to these considerations, at this stage of project development and implementation, it is anticipated that funds will be available (as described above) to meet both the project budget, requirements of ARU Peterborough's operating model and the LUF.

With respect to the infrastructure works, no cash-flow implications are anticipated for the PropCo1 as the Funding source in place by each party will be transferred into PropCo1 before the construction phase goes ahead.

5 Management Case

5.1 Stakeholders

The stakeholder analysis associated with phase 3 of the new University project can be split into two phases: first the design, procurement and delivery of phase 3; and second the expansion of the operations of ARU-Peterborough/the new University to deliver the anticipated outputs of phase 3.

This Business Case describes the approach to procurement of the consultant team, stakeholder management during the design, procurement and delivery phase and in expansion of the operations of ARU Peterborough/the new University.

Procurement of the consultant team for phase 3

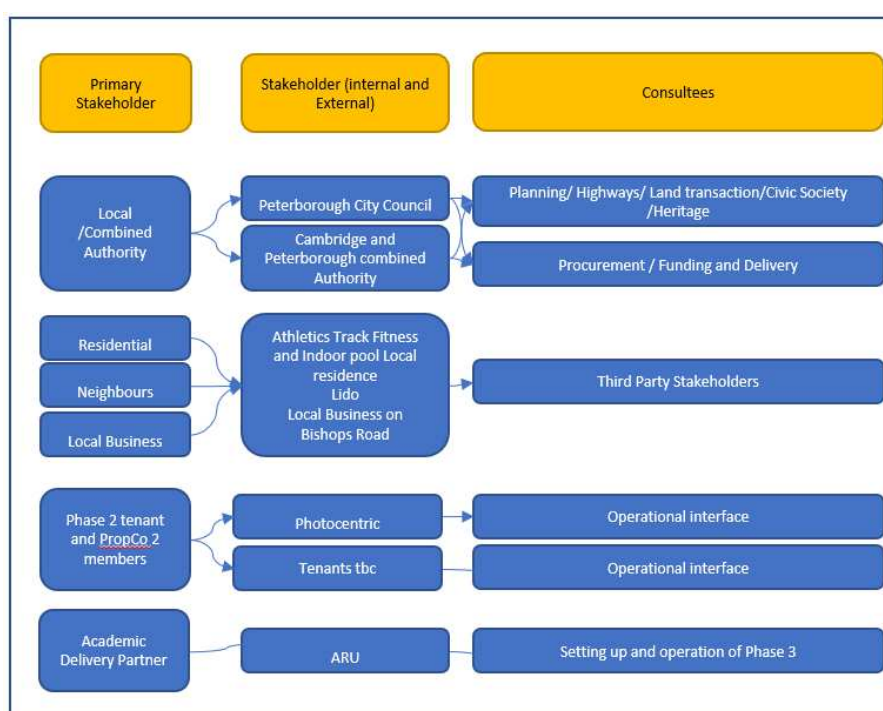
On behalf of the Peterborough, HE Property Company Ltd (PropCo1) the Combined Authority are procuring a consultant team to design, procure and deliver phase 3. The timeline set out in the programme requires a consultant team to be appointed on approval of this Business Case to commence work and spend of the LUF funding following appointment on the 15th February 2022.

Design Procurement and Delivery of Phase 3

The communications strategy will be managed by the Combined Authority with support from the appointed consultant team in the design procurement and delivery of the university phase 3.

The project has a number of stakeholders, summarised in the following categories.

1. Peterborough City Council (PCC) and the Combined Authority, including Peterborough Ltd, the PCC subsidiary operating the Regional Pool and Athletics Track.
2. The owner of the Innovation Incubator - The Peterborough R&D Property Company Ltd (PropCo2), including the Innovation Incubator tenants, Photocentric and others to be confirmed.
3. Neighbours including local residents and owners, and in particular the Civic Society and Peterborough & Nene Valley Athletic Club (PANVAC).
4. Academic Delivery Partner – Anglia Ruskin University (ARU) and ARU Peterborough.



These key internal and external stakeholder relationships will be managed by the Combined Authority and its appointed team of consultants (once procured), in consultation through the design, procurement and delivery of phase 3 on behalf of PropCo1. The relationships with the stakeholders will be managed under an agreed communications strategy outlined between PCC, the Combined Authority and ARU.

Set up and Operation of the New University of Peterborough

ARU will be responsible for the management of associated stakeholders to achieve the objectives of the new University (taking into account its expansion with phase 3), working with employers and stakeholders in the communities the University will serve. This will be led and managed by ARU in consultation with PCC and the Combined Authority.

5.2 Achievability

The Combined Authority and PCC have put in place the resources needed to manage the work streams required to deliver the project, based on an understanding of the priorities outlined in the LUF bid. Both authorities have to date provided resources in line with those requirements and both are, therefore, confident that the project is achievable based on their readiness and the available resources to meet the requirements of both agreements. This will include a further full time Project Manager within the Combined Authority's University Programme Management Team, bringing the total to three project managers (one for each phase) and an administrative assistant. The Combined Authority will appoint external consultants, where required, to ensure the necessary capacity and capability is available for successful implementation of the project including:

- Design, project and cost management: as described within the project management section below.
- External legal support to augment the Combined Authority's and PCC legal teams.

Further external support or internal resources will be secured and deployed should any capacity/capability shortfalls be identified, subject to relevant governance approvals across the partner organisations, to ensure the project is fully resourced for successful delivery.

PCC have provided resources to support the project in its successful application for LUF funding and development of this phase 3 Business Case. In addition, the development management role undertaken by the Combined Authority will be complemented by a client-side project manager for PCC to coordinate the various workstreams and approvals necessary to resolve corporate landlord issues and land transfer among other activities.

ARU has put in place the resources needed for project delivery based on the timeline from contract award (see section 3 above). ARU has provided details of the resource profile as an indication of current thinking of resource planning including the recruitment and employment of Senior Management, Academic and Professional staff, based on the proposed student numbers and staffing forecasts within their final submission. With the Principal now in place ahead of the opening of the new University. ARU is committed to added value in recruitment as set out in the following extract from their final submission:

Economic: *We will ensure we adopt a ‘think local’ policy for recruitment of staff and procurement of resources to ARU-P, so that we develop a circular economy and keep as much wealth as possible in the local area*

Social: *Our Recruitment Policy already supports applications from individuals with protected characteristics and this will also be embedded in recruitment of staff at ARU-P. We believe ARU-Peterborough needs to a place where the community feels welcome.*

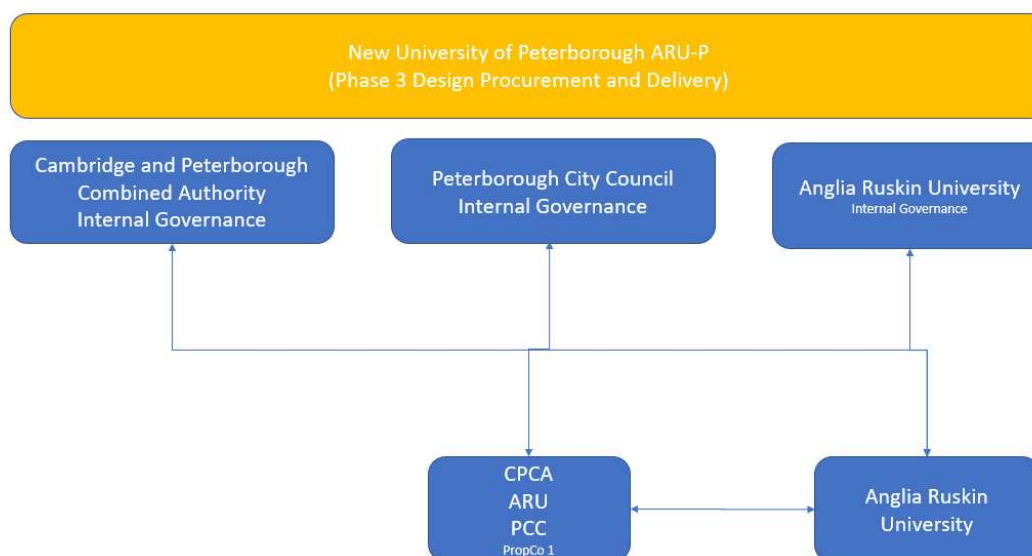
5.3 Project management

5.3.1 Structure and Governance

Project governance will be established to reflect the arrangements within each organisation and specific terms of reference for the project will be mandated by each organisation.

- The Combined Authority’s governance arrangements require all further investments into PropCo1 and all Shareholder Protection Matters included in the PropCo1 Shareholders Agreement to be agreed by the Combined Authority Board. All decisions of this nature will be submitted to the Combined Authority Skills Committee and the Business Board, if necessary and in accordance with the terms of approval of the LGF contribution, and then taken to the Combined Authority Board for final approval.
- PCC governance arrangements require all decisions relating to transfer of LUF funding to PropCo1 and the transfer of land to be approved by the Executive Director, Place and Economy in conjunction with the Chief Financial Officer, as jointly delegated officers by the PCC cabinet.
- Further approvals relating to release of the regional pool car park for development and its impact on adjacent car parks will be required by PCC in addition to approvals already delegated to officers of the Council from an October 2021 cabinet report which set out the arrangements for transfer of funds to PropCo1 and the transfer of land subject to conditions.
- ARU governance is led by its Vice-Chancellor’s Group (VCG) which acts as a forum for discussion of strategy and direction, and determination of high-level priorities for approval by the Board of Governors. The University Executive Team (UET) is the formal, senior decision-making body of the University (under delegated authority from the Board) and the wider Corporate Management Team (CMT) acts as a forum for discussion and development of strategy and operational delivery, bringing together all Director-level appointments whom are based at the main campuses of the University. One member of the UET will be the Principal and Chief Executive of ARU Peterborough, reporting directly to the Vice-Chancellor and leading the Peterborough Development Team, working closely with the Combined Authority and key stakeholders. The Senior Management and Board of Governors of ARU Peterborough will have an increasingly significant role in the governance of ARU Peterborough from 2022.

The three parties (PCC, the Combined Authority and ARU) are governed by the PropCo1 Shareholders Agreement which defines parties’ contractual obligations in relation to their shareholdings in PropCo1. This is outlined in the diagram below:



PCC, ARU and Combined Authority have already formed a special purpose vehicle – the Peterborough HE Property Company Ltd ('PropCo1') – to deliver Phase 1 of the new university campus in Peterborough. The phase 3 project is intended to be delivered by PropCo1 which will continue to be the entity through which funding is deployed, and delivery of both Phases 1 and 3 will be PropCo1's responsibility.

PropCo1 will acquire the land for Phase 3 from PCC in return for shares in PropCo1, under a separate Land Transfer Agreement.

A third-party valuation and due diligence on the land to be acquired by PropCo1 from PCC will be undertaken, the transfer of which must be completed for the point of building contract award alongside the Agreement for Lease (AFL) between PropCo1 and ARU Peterborough.

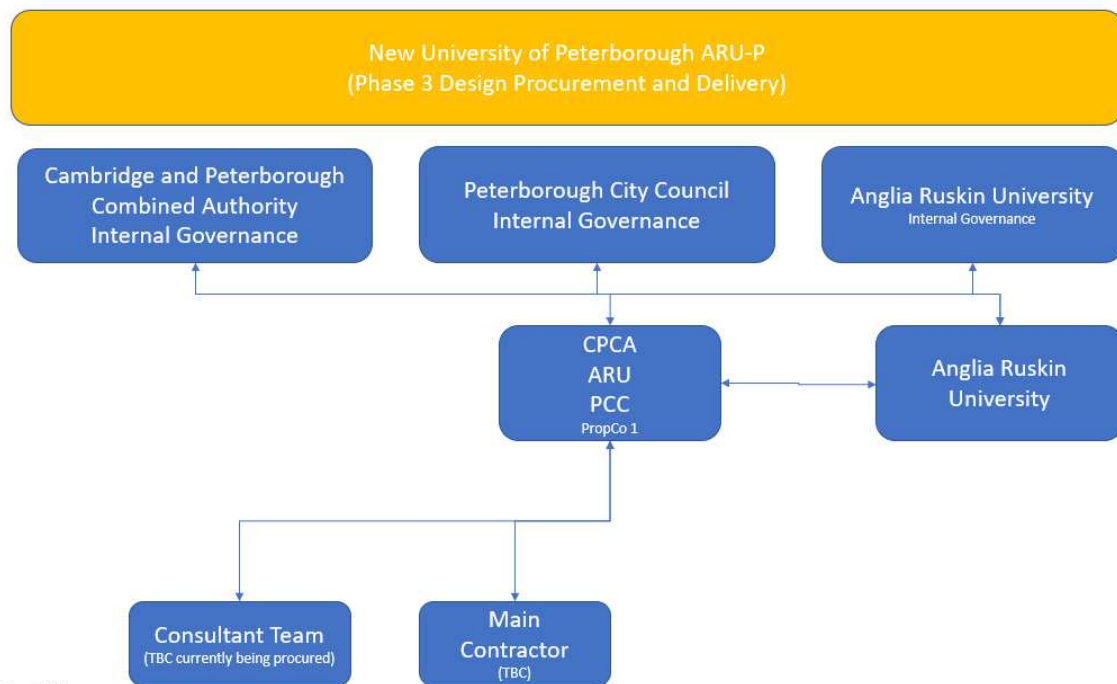
The Combined Authority will, under the Development Management Agreement be granted authority by PropCo1 to manage the design, procurement and delivery of phase 3, with the Board of PropCo1 acting as the programme management board. In this arrangement, responsibility for the delivery of phase 3 remains with PropCo1 and the terms of reference will be updated on commencement of phase 3; this will remain in place up to completion of the phase 3 building.

ARU will feed into PropCo1 via the contract administrator (to be provided by the consultants to be procured by the Combined Authority) in the development of the design and interface with the capital works. They will also update the Board in respect of curriculum design and development as the project progresses.

Once appointed, the main building contractor will report to PropCo1 via the contract administrator in respect of the agreement of the contract sum, enabling works and delivery of phase 3.

Day to day management and progress meetings will be managed by the contract administrator and will include ARU and the Main Contractor for delivery of the phase 3 building.

The organisational structure for the delivery of phase 3 is outlined below.



5.3.2 Roles and Responsibilities

Combined Authority

The development of phase 3 of the new university campus will be led by PropCo1 with delegated authority to the Combined Authority who, under the Development Management Agreement will be granted authority by PropCo1 to manage the design, procurement and delivery phase 3.

The Combined Authority (led by the SRO - Higher Education Programme Director for the new ARU Peterborough development) is providing leadership for the development of the project and will ensure a professional team is in place to support the design procurement and contract administration for delivery of the infrastructure for phase 3.

Funding for Combined Authority, as development manager, will be provided as part of the overall capital funding received from it as share investments from the Partners into PropCo1.

Peterborough City Council (PCC)

PCC is intending to provide the land for phase 3 of the project and will continue its representation on the PropCo1 board.

ARU

As described in section 3, ARU will provide the skills, knowledge, experience and resources to make a practical reality of ARU Peterborough as a new higher education provider and ultimately a university with degree awarding powers and University Title. This includes responsibility for:

- Staff recruitment
- Curriculum design and development
- Staff workload planning, resource scheduling and timetabling
- Student recruitment, marketing and admissions
- Student and academic services and systems development
- Library and learning resources services/systems
- Strategic planning, finance and governance services and systems development
- Full range of 'soft' FM and ICT services and resources

Consultant team

The Combined Authority will procure a professional consultant team ready for contract award following approval of this Business Case. The Consultant team is likely to consist of:

1. project management, cost management
2. architecture
3. mechanical and electrical engineering, environmental
4. structural and civil engineering
5. landscape design
6. planning consultant

5.3.3 Project Plan

The project plan has been developed within the following constraints and assumptions:

- Delivery of the phase 3 building to be in operation for Q4 2024 in line with the LUF funding milestone.
- In alignment with the Planning strategy that promotes the submission of a full planning application for phase 3, that is not reliant on any outline planning permission being consented and the wider masterplan for the embankment being undertaken by PCC scheduled for conclusion in Q1 2022.
- Approval of the Business case in January 2022
- Appointment of the consultant team to commence design and legal advice at the start of February 2022

The first milestone for PropCo1 will be the procurement of the multidisciplinary team and legal advice for 15th February 2022, ready for commencement of the design and procurement of phase 3 which will need to be in place for contract award in January 2023.

Procurement of the main contractor to deliver the physical capital works will be determined by the new consultant team on appointment in February 2022. The procurement is currently assumed to be a two stage Design & Build process with the successful supplier being selected based on an evaluation of quality and deliverability against profit and overhead costs. The successful supplier will initially be awarded a Pre-constructions Development Management Agreement through which the design will be progressed to enable a lump sum JCT Design & Build contract. This route approach is being proposed to ensure the project can progress in accordance with the project timescales.

The development will be constructed on land owned by PCC which, in conjunction with the buyer, PropCo1, will arrange third party valuation and due diligence on the land before contract award alongside the Agreement for Lease and fixed price sum with the main contractor who will deliver the new facility. PropCo1 will acquire the land from PCC under a separate Land Transfer Agreement ahead of necessary land transfer. This process has previously been followed for phase 1 of the University.

The planning application for the development will be prepared as part of the early design gateways to ensure timely application ahead of the start on site date. The Planning strategy for phase 3 remains under review by with the local planning authority and PropCo1 shareholders; for the purposes of this Business Case we have assumed a planning strategy based on pre application advice received in the run up to the completion of this business case.

The Local Planning Authority (LPA) is currently seeking advice from Counsel on nine questions relating to EIA procedural matters, securing contributions / off site mitigation along with other

interrelated dependencies on PCC namely, Parking & Transport and a PUFC arena proposal. The LPA have stated in their briefing note to counsel that:

- 'given the funding deadlines for Phase 3, it is now intended that this will come forward separate to the outline planning application as a standalone full planning application'.
- 'N.B. To prevent delay to the phase 3 development, Planning Officers have so far recommended that the full planning application be submitted and determined for phase 3 before an Outline Planning Application is submitted for the entire university campus (not part of this Business Case). This is to prevent phase 3 being caught by the Environmental Impact Assessment¹ * needing to consider cumulative impact of all phases. We are seeking clarification above as to whether this advice is correct.'

The strategy outlined at the 29 November 2021 meeting with the local planning authority states, based upon officers' professional opinion, that the phase 3 application should be submitted and determined before the outline planning application (OPA) is submitted to prevent delays to the determination of phase 3. Phase 3 will need to mitigate its own impacts as a standalone application, and also be worked up so that it aligns with the wider strategy for the OPA. EIA Screening will need to be carried out for the phase 3 application and at the point of submitting the screening request it is recommended that a plan for mitigating its impacts will need to be established for highways, loss of sports facilities, etc to give it the best possible chance of being screened out as EIA development. The local planning authority will seek legal advice on any aspect of its approach that it feels requires a second opinion.

An option appraisal study has been undertaken to assess the preferred site for phase 3 as described in Chapter 2 of the Business Case. This Business Case assumes delivery of the phase 3 building to the east of the current development on the former Wirrina Carpark (option 1). Although the preferred option is to the south of the current development (option 2), option 1 forms the basis of this Business Case due to the potential programme and cost risk of option 2 arising from planning constraints. Option 1 is not without programme and risk and requires transport and parking strategy to be developed on appointment of the consultant team in February 2022. However, this is considered to present less risk to the required timeline.

The project plan for phase 3 is shown below which provides a comparison against the approved programme within the LUF (dated 17th June 2021). To meet the LUF timescales for opening in September 2024 the following key activities must be achieved. Ahead of approval of this Business Case, the Combined Authority will procure a consultant team to test the RIBA 1 design, develop design from RIBA 2 onwards including procurement of the main contractor, and act as contract administrator to deliver Phase 3 by Q4 2024.

The programme timeline assumes that the planning strategy and plot constraints are resolved in tandem with the selection of the preferred plot at the end of RIBA 1, alongside the resolution of the transport and parking strategy within the available budget. This will allow the planning strategy outline above to be implemented to ensure determination of full planning by January 2023 in tandem with an agreed contract sum, shareholders agreement and land transfer to allow contract award and mobilisation to commence in line with the LUF programme in March 2023.

The project plan has been developed around the following key dates:

1. Spade in the ground (commencement of phase 3) Q1 2023.
2. Structure, complete construction of the building structure by March 2024.

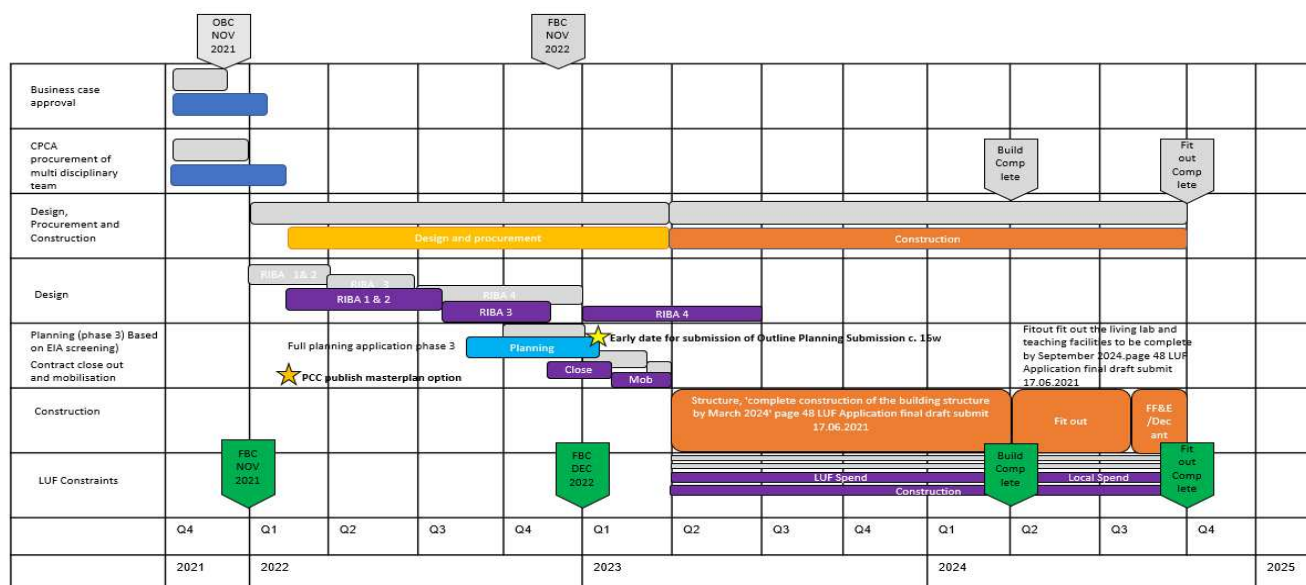
3. Fitout fit out the living lab and teaching facilities to be complete by September 2024.
4. Completion of phase 3 (for occupation) September 2024.

To achieve these milestones there are 5 key work streams:

1. Procurement of the consultant team by 15th February 2022.
2. Determination of full planning application by January 2023.
3. Develop, design and procure a Main Contractor to deliver phase 3 infrastructure. Q4 2022
4. Approval of this Business Case with delegated authority to develop the design and appoint the consultant team in February 2022 to develop the design, submit full planning application for phase 3 and procure a main contractor for award by the end of 2023.
5. PropCo1 to formalise legal agreements for land by Q4 2022 to align with award of the main contract and planning approval to allow commencement on site Q1 2023.

An updated Full Business Case will be presented alongside the approval of the Main Contractor in December 2023 to confirm the assumptions made in this submission which will provide approval to enter into the contract, transfer of land, shareholders agreement to deliver an operate the new Phase 3 development.

The critical path commences on the Combined Authority award of the consultant team contract on 15th February 2022 through to development of the design, and concurrent with planning approval procurement of the main contractor; such that Propco 1 can finalise legal agreements and the land deal in parallel with the determination of the full planning application for phase 3; and appointment of the main contractor to allow start on site Q4 2023 for completion by September 2024.



LUF programme comparison dated 17th June 2021

5.4 Change management

Change management will take place under two scenarios: delivery of phase 3 of the new university campus under delegated authority from PropCo1 to the Combined Authority and subsequently the occupation of the building by ARU Peterborough.

The key principles are that PropCo1 will delegate authority to the Combined Authority and its agent to manage the delivery of phase 3 under the Development Management Agreement, reporting to PropCo1. Should change be required then authority will need to be sought from PropCo1.

ARU Peterborough will occupy the Phase 3 building, reporting to PropCo1 on an annual basis in respect of the building condition and maintenance. ARU and ARU Peterborough will also monitor, review and report to the Combined Authority and PCC on its progress against the roadmap set out in the Collaboration Agreement between the Combined Authority, PCC and ARU which sets out the intended corporate and academic governance arrangements for delivery of higher education courses by ARU Peterborough (moving towards registration with the OfS degree awarding powers and University title). The parties agree to review each of the roadmap, milestones and steps towards them on an annual basis to consider whether the plan remains achievable and compliant and where it is not believed to be so, to agree changes to be made.

5.5 Benefits realisation

The benefits sought from the project are a critical element of the Combined Authority's investment programme under the Devolution Deal as well as monitoring and evaluation requirements set out by DLUHC through the LUF. Benefits realisation arrangements, within overall project governance, must, therefore, ensure benefits are realised over the life of the project.

The objectives and benefits of the project will be realised at key project milestones as follows:

1. Completion of the main transactional agreements including land transfer legal support will be procured by the Combined Authority to aid the Combined Authority to make the necessary changes to the Shareholders Agreement for PropCo1, to accommodate the additional investments and the use of those monies for the construction of the second teaching building.
2. Meeting the agreed milestones and targets for design and delivery of the physical Infrastructure. This will be managed via Propco1 in line with the agreed programme for completion of the phase 3 building.

Responsibility for benefits realisation above will be for PropCo1. ARU Peterborough will be responsible for meeting the student headcount growth targets and for the quality of HE delivery.

Infrastructure

The agreed infrastructure milestones and targets will be reported against at monthly PropCo1 Board meetings by the Combined Authority who will be granted authority under the Development Management Agreement to act on behalf of PropCo1 to manage the delivery of phase 3 to practical completion and close out of 12 months defects.

Academic Delivery Partner Benefits Realisation

Milestones, targets are set out in the Collaboration Agreement. These will be audited under the terms of the Collaboration Agreement and will be reviewed on an annual basis. All milestones are outlined in the Collaboration Agreement master schedule and can be summarised as follows up to 2028 which will continue to be monitored and progress regularly reported against by ARU:

1. 2020 ARU Peterborough is incorporated – COMPLETE.
2. 2022 ARU Peterborough starts provision of education to students at the start of the academic year 2022.
3. 2025 ARU Peterborough is registered with OfS by the start of the Academic year 2025/26.
4. 2028 ARU Peterborough is granted unlimited TDAPs by the start of the academic year 2028/29.

5.6 Risk management

A detailed project risk register (including risk control strategies) has been developed (attached at Annex 6.1) based on the following risk categories:

1. Surveys and Site Constraints
2. Commercial Viability
3. Design
4. Legal
5. Procurement
6. Operational
7. Governance and changes to Brief
8. Construction Logistics
9. Programme

The top-level risks and control measures are outlined in preceding sections of this Business Case.

The responsibility for management of risk will lie with PropCo1 under the joint venture in respect of the development of the Phase 3 building and with ARU Peterborough for the operational delivery risks. As described above, it is intended that PropCo1 will delegate authority to the Combined Authority for the management of risk associated with the design, procurement and delivery of the phase 3 building.

Authority for the management of risk will remain with PropCo1 up to completion of the phase 3 building. Day to day responsibility for risk management will be the responsibility of the Project Manager, who will hold quarterly risk workshops with members of the project team. The risk register will be reviewed at least monthly by the PropCo1 Board of directors. These monthly risk reviews will be an integral part of monthly reporting to PropCo1.

Where management of risk requires interventions beyond the authority delegated to the Combined Authority by PropCo1, decisions will be referred by exception to PropCo1 for agreement on how risks are to be mitigated in line with the governance and agreed terms of reference outlined above and to be set out in the Development Management Agreement.

5.7 Project assurance

The Combined Authority's Assurance Framework can be found at cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Cambridgeshire-and-Peterborough-Combined-Authority-Assurance-Frameworkv3final-002.pdf. It sets out how the seven principles of public life shape the culture, processes and practice within the Combined Authority in discharging its responsibilities in the administration of the Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding.

5.8 Post-project evaluation

The project will adopt the BSRIA Soft Landings framework and follow the five Stages of the Soft Landings process. Stage 1: Inception and Briefing, Stage 2: Design Development is predicated on Stage one; while Stage 3: Pre-handover requires follow-through with Stage 4: Initial Aftercare.

The benefit of this approach is that it will help solve any performance gap between design intentions and operational outcomes by appointing soft landing champions who will agree the roles and responsibility of the client, contractor and professional team.

This process will commence from Royal Institute of British Architect (RIBA) stage 2 and run through to completion of the construction of phase 3 and into the occupation and aftercare stages.

Design

Workshops will be held with the project team to review learning from previous projects/phases and develop a design that will work from the point of view of the manager and users. This will include agreement and review of an energy strategy and commissioning (for incorporation into relevant tenders) as well as review of proposed systems for usability and maintainability.

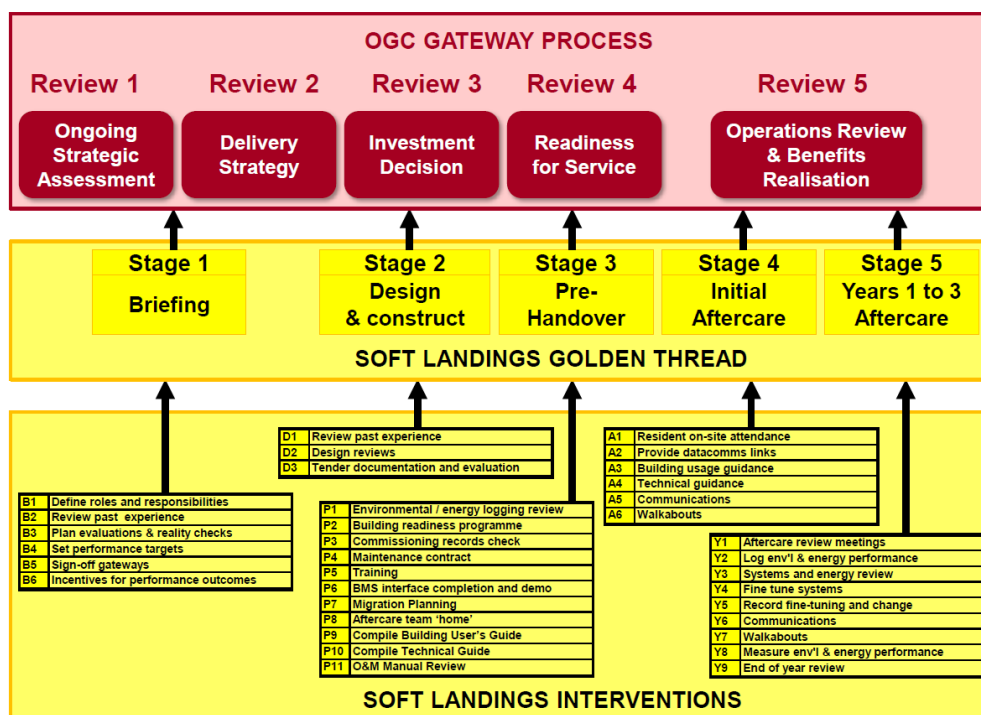
Construction

Soft landings considerations will be incorporated into the project plan, employer's requirements and the role and responsibilities of the contractor's soft-landing champion up to and following completion of the phase 3 building.

Operation in use

The contractor will be required to provide comprehensive operation and maintenance manuals; escorted tours of completed facilities to demonstrate functionality; Building Information Modelling models to assist with future maintenance; and aftercare for an agreed period post-handover. The contractor will carry out post occupancy evaluation.

Key Milestones for Stage reviews of the Soft-Landing Process



6 Annexes

6.1 Project risk register

Risk Register

Project: New University of Peterborough
Date: 22/12/2021
Version: 1

Effect	Probability	Cost (£)	Schedule (weeks)
1 (VL)	<10%	<5k	<2
2 (L)	10-25%	5-25k	2-4
3 (M)	26-50%	25-100k	4-8
4 (H)	51-75%	100-250k	8-16
5 (VH)	76-100%	>250k	>16



Risk Identification					Assessment					Mitigation	
ID	Title / Description (Cause)	Effect	Category	Risk Owner	Likelihood	Cost Effect	Time Effect	Quality	Assessment	Management Plan	Action Owner
009	Relocation of sports (football pitch) and associated planning not achievable in necessary timescale to release plot for development of phase 3	Delay to schemes ability to meet LUF Operational milestone Q4 2025 dependant on option used to be defined in Feb 2022	4. Programme	PropCo	4	3	5	1	100	a) Review planning strategy for OPA and Phase 3 in tandem and procure necessary amendments with consultants b) Look at options to reduce relocation of third party facilities to enable phase 3 plot c) Business case drafted to show option 1 location to avoid need to relocate football pitch for phase 4	a) CPCA & OPA consultant team b) PCC c) PropCo 2
004	Relocation of third party facilities cannot be achieved in time to start phase 3 development	Delay to schemes ability to meet LUF Operational milestone Q4 2024	4. Programme	CPCA	3	3	5	1	75	a) Review planning strategy for OPA and Phase 3 in tandem and procure necessary amendments with consultants b) Look at options to reduce relocation of third party facilities to enable phase 3 plot c) FBC drafted to show option 1 location to avoid need to relocate football pitch for phase 3	a) CPCA & OPA consultant team b) PCC c) PropCo 1
017	Change in option (site location) following approval of the business case as a result of third party change or issue	additional fee for abortive design, delay to programme or element of	4. Programme	PropCo	4	3	4	2	64	consider options to mitigate risk to cost and time in parallel with Business case approval	a) Propco 1
011	Outline planning permission delay preventing reserved matters application being made in accordance with timetable	Consider hybrid planning application	4. Programme	CPCA	3	3	4	1	48	Consider alternative strategy as part of OPA, and procure changes to implement this change	a) CPCA & OPA consultant team

002	Numerous warranty for Infrastructure works between phases as a result of separate procurement routes	complexities of responsibility make it more difficult to manage	8. Procurement	PropCo	5	3	1	3	45	Defects responsibility difficult to manage by landlord and lead to additional operating cost	a) Propco 1
010	Carparking assumptions made without transport consultant to inform the cost plan and size of building are incorrect	Planning submission phase 3 responsibility of consultant team phase 3 - assumptions made in phase 3 based on current parking strategy being taken forward by OPA team. If change could impact on monies available for phase 3	15. Operational	PropCo	5	3	1	1	45	a) agree planning strategy as part of FBC acknowledge that assumptions at FBC will change as OPA develops b) align transport consultant ph 3 with OPA in development of ph 3 application	a) CPCA & OPA consultant team
016	Revisit to install services could mean patch work wearing course following re visit to install future phases servicing due to piecemeal phasing of phases as a result of funding release	aesthetic of installation	8. Procurement	PropCo	5	1	1	3	45	Consider bringing funding forward for early installation delay wearing course installation as part of phase 1 & 2	a) Propco 1
008	ARU curriculum development sufficient to make design assumptions delayed beyond February 2022 to inform design without abortive costs	Impacts on timeline of design and could incur cost of abortive design works / installation	6. Design	PropCo	4	3	3	3	36	Early assumptions to allow development of design in timeline	a) ARU
001	Increased infrastructure costs exceed available budget as a result of unknown scope to be determined in design RIBA 3 - current allowance based on phase 1 and 2 budgets	Reduces size of scheme below which is agreed in Business Case on which meet the LUF priorities.	2. Commercial - Viability	PropCo	2	4	4	4	32	a) Propco to consider implementing wider infrastructure interventions for University campus early aside from PH3 budget b) Place early orders with statutory authority and or incumbent contractor phase 1 & 2 c) Additional funding or reduce foot print of phase 3 development beyond viability or reduce quality of space / sustainability aspirations	a) Propco 1 b) PropCo 1 c) PropCo 1
007	Availability of power from local network not available in timescale or can be delivered in free space adjacent phase 1 & 2 services without major changes to current proposed site infrastructure as a result of delivery of each phase to affordable budget.	delay to power on or scheme unaffordable to meet requirements of funding	2. Commercial - Viability	CPCA	2	4	4	1	32	Consider early order to secure power for phase 3 // consider wider benefit of site wide application to avoid further infrastructure costs	a) Propco 1
003	Lack of surveys due to affordability at time of writing FBC on proposed plot increases capital cost of works reducing size of building for require additional investment as a result of site contamination, stability of ground or other unknown site condition	Lack of surveys due to affordability at time of writing FBC on proposed plot increases capital cost of works reducing size of building for require additional investment as a result of site contamination, stability of ground or other unknown site condition	7. Surveys & Site Conditions	PropCo	3	3	3	3	27	implement surveys on award of consultant in February 2022	a) PropCo 1
013	Limited float in programme to meet opening requirements outlined in LUF funding opening by Q4 2024	PropCo to review opportunity for programme float	4. Programme	PropCo	3	3	3	3	27	Consider opening after September 2024 and impact on operating model	a) ARU

018	Procurement of contractor to commence at RIBA 3 with overlap of client design adversely impact on contractor ability to influence design or results in client team led delay that impacts programme	Increased costs as a result of delay due to more complex interface between design team and contractor to agree contract sum	4. Programme	PropCo	3	2	3	2	27	review procurement strategy	a) PropCo 1
005	Due diligence on land /land value not available at the time of FBC which may add additional cost and or time affecting size of phase 3 building or require additional investment	Due diligence on land /land value not available at the time of Business case which may add additional cost and or time affecting size of phase 3 building or require additional investment	12. Legal	PropCo	2	3	3	2	18	Instruction PCC to review likely options on approval of Business case	a) PropCo 1
012	Delay to procurement of the professional team by CPCA to mobilise following approval of FBC	CPCA to ensure procurement in line with LUF programme and required scope to ensure team ready for mobilisation following approval of Business case	8. Procurement	CPCA	2	2	3	3	18	a) review procurement options/ internal resources	a) CPCA
015	Off plot section 278 works /section 106 contributions as a result of cumulative effect of phases exceed available budget scope of which is unknown at this time	Off plot section 278 works /section 106 contributions as a result of cumulative effect of phases exceed available budget scope of which is unknown at this time	2. Commercial - Viability	PropCo	2	3	3	1	18	Ensure consultant appointed 1 February 2022 progress early	a) PropCo 1
014	FBC not approved by CPCA Business board by end of January 2022	CPCA early discussion with internal members to ensure better likely hood of meeting their	2. Commercial - Viability	CPCA	2	2	2	2	8	Early consultation	a) CPCA
006	Availability of land to secure access for construction vehicles would disrupt phase 1 & 2 operations	Increases prelim cost / affects phase 1 & 2 operation	9. Construction/ Logistics	PropCo	3	1	1	1	3	Early review of construction logistics	a) PropCo 1

Appendix 2 - Shareholders Agreement protection matters

SCHEDULE 1

SHAREHOLDER PROTECTION MATTERS

The following are Shareholder Protection Matters, save to the extent that any such decision relates to an Excluded Decision, and each such Shareholder Protection Matter shall require the prior written consent of the Shareholders marked 'Yes' below:-

Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
1.	SPECIAL RESOLUTION MATTERS				
1.1	Passing any resolution for PropCo which the Act prescribes to be passed by way of special resolution (as the same is defined by section 283 of the Act).	Yes	Yes	Yes	No
2.	PROPCO CAPITAL				
2.1	Issuing or allotting any shares in PropCo.	Yes	Yes	Yes	No
2.2	Issuing, granting or consenting to the assignment of options over any Shares in PropCo.	Yes	Yes	Yes	No
2.3	Creating any rights to convert other securities into shares in any PropCo	Yes	Yes	Yes	No
2.4	Consolidating, sub-dividing, converting, cancelling or otherwise altering any of the rights attached to any of the issued shares (or any class of shares) in PropCo.	Yes	Yes	Yes	No
2.5	Reorganising the share capital of PropCo.	Yes	Yes	Yes	No
2.6	Purchasing (save as required or permitted under the Articles) or redeeming any shares in PropCo.	Yes	Yes	Yes	No
2.7	PropCo repaying any amounts standing to the credit of any share premium account or capital redemption reserve or other surplus or reducing any uncalled liability in respect of partly paid shares.	Yes	Yes	Yes	No

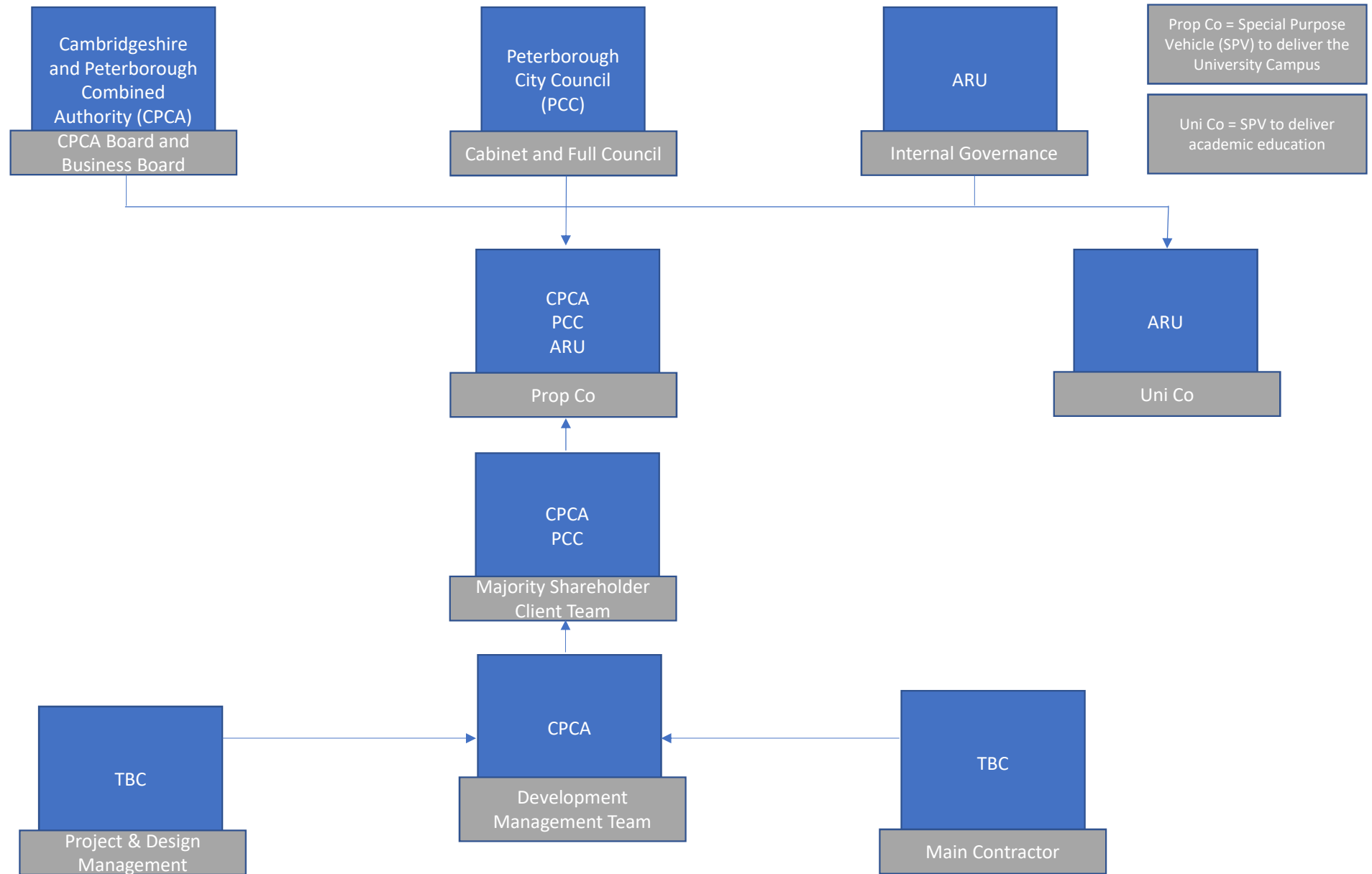
Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
2.8	PropCo creating any borrowings or other indebtedness or obligation in the nature of borrowings (including obligations pursuant to any debenture, bond, note, loan, stock or other security and obligations pursuant to finance leases) which exceeds £10,000	Yes	Yes	Yes	Yes
2.9	PropCo creating any Encumbrance (or allowing one to subsist) over all or any part of the business, undertaking, property or assets of PropCo and PropCo issuing, granting or consenting to the assignment of options over any debentures or other securities.	Yes	Yes	Yes	Yes
3.	PropCo giving any guarantee, indemnity, security or letter of comfort in respect of the obligations of any other person involving a potential liability that exceeds £10,000.	Yes	Yes	Yes	Yes
3.1	Declaring or paying any distribution in respect of profits, assets or reserves or in any other way reducing the reserves of PropCo.	Yes	Yes	Yes	Yes
3.2	Approving the retention of profits of PropCo for working capital purposes.	Yes	Yes	Yes	Yes
4.	PROPCO BUSINESS				
4.1	PropCo expanding, developing or evolving the Business.	Yes	Yes	Yes	No
4.2	PropCo acquiring, or investing in, another business or company.	Yes	Yes	Yes	No
4.3	Entering into or participating in any joint venture, partnership or other profit-sharing arrangement with any person (or making any amendment or variation to any such arrangement after it has been approved).	Yes	Yes	Yes	No

Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
4.4	Otherwise than in accordance with this Agreement, PropCo materially altering or in any way disposing of (whether through amalgamation, merger, consolidation, sale, transfer, entry into a lease or licence, or otherwise) all or a substantial part of the Business, undertaking, property or assets of PropCo, whether by a single transaction or series of transactions, related or not, and whether by way of sale of assets or some other arrangement.	Yes	Yes	Yes	No
4.5	PropCo entering into any transaction or arrangement outside of the ordinary course of the Business, or making any amendment or variation to any such transaction or arrangement after it has been approved.	Yes	Yes	Yes	No
4.6	PropCo entering into:				
4.6.1	any contract, liability or commitment (including capital expenditure) which exceeds £10,000;	Yes	Yes	Yes	Yes
4.6.2	any contract, liability or commitment (including capital expenditure) which exceeds ten (10) per cent of the aggregate budgeted expenditure of PropCo and PropCo Subsidiaries for the relevant Financial Year; or	Yes	Yes	Yes	Yes
4.6.3	any series of connected contracts, liabilities or commitments (including capital expenditure) which in aggregate exceed ten (10) per cent of the aggregate budgeted expenditure of PropCo and PropCo Subsidiaries for the relevant Financial Year.	Yes	Yes	Yes	Yes

Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
4.7	The commencement of any winding up or dissolution of PropCo, or of the appointment of any liquidator or administrator in respect of PropCo, save as expressly contemplated by this Agreement or as required by Law.	Yes	Yes	Yes	No
4.8	Making any variation to the Business Plans	Yes	Yes	Yes	Yes
4.9	Making any material amendments to the Agreed Form Approved Design	Yes	Yes	Yes	No
5.	RELATED PARTY TRANSACTIONS				
5.1	PropCo entering into, terminating or varying (except for minor variations unlikely to have a material impact on PropCo) any contract, terms, material transaction or other arrangement (whether legally binding or not and, for the avoidance of doubt, including any Project Agreement) with:				
5.1.1	any Shareholder;	Yes	Yes	Yes	Yes
5.1.2	any member of a Shareholder's Group; or	Yes	Yes	Yes	Yes
5.1.3	any person connected with a Shareholder or a member of a Shareholder's Group.	Yes	Yes	Yes	Yes
5.2	The amendment of any fee payable by PropCo (except for minor variations unlikely to have a material impact on PropCo) under a contract (including, for the avoidance of doubt, any Project Agreement) with any Shareholder, any member of a Shareholder's Group or any person connected with a member of a Shareholder of a Shareholder's Group.	Yes	Yes	Yes	Yes

Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
5.3	PropCo entering into any transaction, paying any management charges (or any other payment whether gratuitous or in consideration of past or future services) or assuming any liability or obligation, in each case for the direct or indirect benefit of any of the Directors or any of the Shareholders or any member of a Shareholder's Group other than as expressly provided in this Agreement, in each case, otherwise than on arm's length commercial terms and for full value.	Yes	Yes	Yes	No
6.	OTHER ISSUES OF IMPORTANCE TO SHAREHOLDERS				
6.1	Moving the central management and control of PropCo outside the UK.	Yes	Yes	Yes	No
6.2	Moving PropCo tax residence outside the UK.	Yes	Yes	Yes	No
6.3	PropCo making any political donation.	Yes	Yes	Yes	No
6.4	The approval of (and any change to) PropCo policy which potentially impacts on the statutory liability of Shareholders or Directors (eg anti-bribery and corruption, health and safety, non-discrimination).	Yes	Yes	Yes	Yes
6.5	The initiation, conduct, settlement or abandoning of any legal, arbitration or other dispute resolution proceedings by PropCo which does not:				
6.5.1	involve a Related Claim and/or a Shareholder Claim; and	Yes	Yes	Yes	No
6.5.2	for which the claim or liability (including related costs) is or may be in excess of £10,000.	Yes	Yes	Yes	No

Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
6.6	Ceasing to carry on the Business or the carrying on of the Business on any materially reduced scale	Yes	Yes	Yes	Yes
6.7	The commencement of any new business not being ancillary or incidental to the Business.	Yes	Yes	Yes	No
6.8	Creating or amending any bonus, profit sharing or other financial incentive scheme;	Yes	Yes	Yes	No
6.9	Making any change to its auditors or its accounting reference date;	Yes	Yes	Yes	No
6.10	Appointing or removing any Director otherwise than in accordance with the provisions of this Agreement;	Yes	Yes	Yes	No
6.11	The establishment of and delegation of powers to any committee of the Board or, in the case of any subsidiary, any committee of its board of Directors;	Yes	Yes	Yes	No
7.	ADDITIONAL MATTERS				
7.1	Making changes to bank mandates or scopes of authority therein;	Yes	Yes	Yes	No
7.2	Engaging employees;	Yes	Yes	Yes	No
7.3	Establishing or amending any pension scheme;	Yes	Yes	Yes	No
7.4	Factoring or discounting any debts;	Yes	Yes	Yes	No
7.5	Making any agreements with revenue authorities or any other taxing authority;	Yes	Yes	Yes	No
7.6	Changing bankers	Yes	Yes	Yes	No
7.7	Changing the name of PropCo	Yes	Yes	Yes	No
7.8	Entry into any distribution or similar agreement;	Yes	Yes	Yes	No
7.9	Giving notice of termination of any arrangements of a material nature to PropCo	Yes	Yes	Yes	Yes



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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.2

Health and Care Sector Work Academy

To:	Skills Committee
Meeting Date:	17 January 2022
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha, Chair of the Skills Committee
From:	Fliss Miller, Senior Responsible Officer – Workforce Skills
Key decision:	Yes (for Combined Authority Board on 26 January 2022)
Forward Plan ref:	2021/068
Recommendations:	<p>The Skills Committee is invited to recommend the Combined Authority Board:</p> <p>(a) Approve the new profiled spend in accordance with the approved extension of the innovative employment pilot on recruitment and progression in the Health & Care Sector.</p> <p>(b) Note the performance of the Health and Care Sector Work Academy to date.</p>

1. Purpose

- 1.1 The purpose of this paper is to inform the Skills Committee on the performance of the Health and Care Sector Work Academy (HCSWA). The Skills Committee is invited to recommend the Combined Authority Board approve the new profiled spend as a result of the Department for Work and Pensions (DWP) approving an extension to the existing Memorandum of Understanding (MoU) which will see the project end in March 2023.

2. Background

- 2.1 In February 2018 the Department for Work and Pensions (DWP) (Strategy and Governance Directorate, previously the Labour Market Strategy and International Affairs Directorate), Peterborough City Council and the Cambridgeshire and Peterborough Combined Authority entered into a Memorandum of Understanding (MoU) for the purpose of setting out how DWP and the lead authority would work together to design and deliver an innovative employment pilot, focused on recruitment and progression in the Health & Care Sector.
- 2.2 The pilot is one of six across the UK and was initiated in January 2018 for three years.
- 2.3 The HCSWA, launched in March 2018, aims to tackle the local shortage of skilled workers in the health and care sector to meet current and future labour demands and reduce the reliance on work-related benefits, giving better security in employment and improving career and pay prospects. The innovation pilot will train 2100 learners.
- 2.4 It aims to reduce dependence on in-work and out-of-work benefits by recruiting unemployed or low skilled people into the health and care sector and supporting existing employees to progress to higher skilled and better paid roles. It tackles barriers to progressing or opting for a career in health and care.
- 2.5 Employers will benefit from the Academy through:
- Recruitment of staff into entry-level positions
 - Reduction in hard to fill vacancies and skill shortages
 - Reduction in labour turnover
 - Changes in approach to workforce development/progression
- 2.6 An underspend of £3m was forecast in March 2021 and the Combined Authority subsequently requested an extension of the pilot to March 2023. This extension has been agreed and an addendum to the original MoU has been issued. The Addendum sets out the terms underpinning the extension, as required as a condition of the extension by the DWP Senior Responsible Officer (SRO).

- 2.7 The Addendum, which is not legally binding, covers the design, implementation and delivery of the extended pilot, to make clear any new terms underpinning how the £3m underspend will be used and how we can learn lessons from the pilot to inform future policy.
- 2.8 Through this pilot, DWP and the Combined Authority, through City College Peterborough will continue to test a set of interventions identified as having the potential to deliver improved employment and progression outcomes in the Health & Care Sector.

3. Performance

- 3.1 Overall performance of the HCSWA is behind profile. The pandemic has not only had a negative effect on attracting the learners forecast, but also in delivering within the sector. Current performance is outlined in the table below.

Performance Measure Indicators	Pilot Target	Current to end of Nov
Number of participants starting activity.	2100	860
Number of participants completing activity (pre Level 2 course or apprenticeship).	1680	467
Number of participants securing employment after completing pre Level 2 course or apprenticeship.	500	190
Number of participants securing promotion after completing pre Level 2 course or apprenticeship.	251	6
Number entering further training or gaining qualifications after completing pre Level 2 course or apprenticeship.	600	68

- 3.2 The project is governed by a steering group and the next meeting of the steering group is in January 2022. The steering group will monitor performance of the HCSWA. It is recommended that an update on performance is reviewed by the Skills Committee every six months.
- 3.3 The Combined Authority has also supported the academy through £147,000 of Local Growth Funds and Innovation Funding from its Adult Education Budget to create specialist teaching facilities. The funding has supported the development of an innovative health and care skills lab and study area. It is hoped that this investment will further support attracting learners to the HCSWA.

- 3.4 City College Peterborough have approved the appointment of an interim to lead on this project in the New Year. Focused efforts and a new delivery plan will be developed, with the SRO Workforce Skills providing strategic support to reinvigorate the project deliverables. Early conversations are underway with a number of providers to extend the reach and scope to significantly increase project outputs. This is reflected in the projected spend for the financial year 2022/23.

Significant Implications

4. Financial Implications

- 4.1 The grant award of £5.2m has been paid to the Lead Authority (CPCA), with the final payment received in the financial year 2019/20, which was aligned with the original project timeline. Payment to the provider is made based on cost incurred, not on payments by results as originally agreed at the beginning of the project. This means that funds are currently held by the CPCA other than those already claimed by the project provider.
- 4.2 At the end of the 2020/21 financial year the project provider had claimed a total of £1,300,000. During the current financial year 2021/22 the project provider has been paid £188,870 with a further £141,442 of claims currently being processed. There is an additional profiled spend of £400,000 to the end of the current financial year, with a further profiled spend of £3,100,000 in the financial year 2022/23.
- 4.3 These actual and profiled spends total £5,130,312 giving a forecast underspend of £69,688 for the project lifetime.
- 4.4 The table below shows the impact of the reprofiled spend decision on the MTFP

Financial Change Summary (£'000)			2021-22	2022-23	2023-24	2024-25
Change Requested		Approved	3,031.9	-	-	-
		STA	-	-	-	-
Revised MTFP		Approved	730.2	2,301.7	-	-
		STA	-	-	-	-

5. Legal Implications

- 5.1 There are no significant legal implications.

6. Appendices

- 6.1 None.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.3

Employment and Skills Strategy & Action Plan

To:	Skills Committee
Meeting Date:	17 January 2022
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha, Chair of the Skills Committee
From:	Fliss Miller, Senior Responsible Officer – Workforce Skills
Key decision:	Yes (for Combined Authority Board on 26 January 2022)
Forward Plan ref:	2021/077
Recommendations:	<p>The Skills Committee is invited to recommend the Combined Authority Board:</p> <ul style="list-style-type: none">a) Approve the Employment and Skills Strategy.b) To note that the Employment and Skills Strategy will be incorporated in the wider Economic Growth and Skills Strategy; due to be published in March 2022.
Voting arrangements:	A simple majority of Members present and voting

1. Purpose

- 1.1 The purpose of this paper is to seek approval for the new and final version of the Employment and Skills Strategy. The Skills Committee are also asked to agree to a review cycle of the Employment and Skills Strategy action plan every six months.

2. Background

- 2.1 The new Employment and Skills Strategy has been in development since April 2021. The Skills Committee has received papers throughout the process updating the Committee as the Employment and Skills Strategy has been developed; requesting feedback which has been incorporated throughout the process.
- 2.2 A final draft of the Employment and Skills Strategy has been circulated and presented to all of the constituent Local Authority CEOs within the Combined Authority and to all of the Leaders too. Feedback has been overwhelmingly positive.
- 2.3 The Employment and Skills Strategy, once approved will be incorporated into the new Cambridgeshire and Peterborough Combined Authority Growth and Skills Strategy which will be drafted in Quarter one of 2022.

3. The Employment and Skills Strategy

- 3.1 The new strategy builds on the work of the CPCA's previous Skills Strategy *Developing Talent: Connecting the Disconnect* was published in 2019 with an overarching imperative to deliver 'an inclusive, world-class local skills eco-system that matches the needs of our employers, learners and communities'. The intervening years have seen significant changes the national and global context. As we move through the *Respond* phase of the LERS and further into *Recovery*, it has been essential to review and update the skills strategy, to reflect the changing skills needs and challenges in the current and predicted future economic context.
- 3.2 There are four core themes that the Strategy identifies for employment and skills in Cambridgeshire and Peterborough:
- Pre-work learning and formal education
 - Employer access to talent
 - Life-wide and lifelong learning
 - Support into and between work
- 3.3 For each of these themes long-term outcomes have been identified, underpinned by a subset of core short-term priorities and objectives that will move forward the process of delivering the long-term outcomes. Five-year delivery plans will accompany the strategy.
- 3.4 The themes are applied to four groups of stakeholders. It is by these groupings that impact will be measured:
- People
 - Employers
 - Providers
 - Place leaders

- 3.5 The final version of the Employment and Skills Strategy is in Appendix 1.
- 3.6 A detailed action plan is being created. The Employment and Skills Strategy identifies early actions. Focused Task and Finish groups will be created to develop detailed action plans for each of the core themes. This action plan will be a live document that will continue to be developed and refined. The action plan will be reviewed on a six-monthly basis and a report on progress will be brought to the Skills Committee.

Significant Implications

4. Financial Implications

- 4.1 Whilst there are no direct financial implications contained within this paper, there will no doubt be financial implications arising from the strategy. However, as these are currently not being put forward for approval there is nothing to comment on at this stage.

5. Legal Implications

- 5.1 There are no significant legal implications.

6. Appendices

- 6.1 Appendix 1 - Employment and Skills Strategy

7. Background Papers

- 7.1 [Approach to developing the Employment & Skills Strategy \(Report to Skills Committee June 2021\)](#)
- 7.2 [Employment & Skills Strategy Progress Update \(Report to Skills Committee September 2021\)](#)
- 7.3 [Draft Employment and Skills Strategy \(Report to Skills Committee November 2021\)](#)



Cambridgeshire & Peterborough Combined Authority Employment and Skills Strategy

December 2021 – FINAL DRAFT

Contents

Executive Summary.....	1
1 Introduction.....	7
Context	7
Approach	9
2 Where we are now	7
Population trends.....	7
Pre-work learning and formal education.....	9
Employer access to talent	14
Life-wide learning and training	20
Support into and between work.....	24
3 Where we want to be	26
Pre-existing priorities.....	26
An updated Vision.....	29
4 How we will get there.....	33
Setting a direction.....	33
Linking to national policies and strategies.....	34
Short-term priorities.....	36
Moving forward in our places	38

Executive Summary

Context

Cambridgeshire and Peterborough is core to the UK's future growth, global competitiveness and zero-carbon transition. It is a major economic engine of the national economy and of the Oxford-Cambridge Arc and, prior to the pandemic, a net contributor to the Exchequer.

Firing this engine are the thousands of people who live and work in the area. Now, more than ever, as people and the businesses and organisations in which they work continue to face distress and disruption wrought by Covid-19, there is a need for an employment and skills system that matches their needs and opportunities, and disparities between places.

There are large, employed workforces in much of the area and employment growth in places which host priority innovation based growth sectors, such as agritech, advanced manufacturing, digital and life sciences. However, this is not a consistent pattern. In Fenland, for example, self-employment has risen alongside a drop in employment levels, with more people working in lower occupational levels, pointing to a need here for job creation and business growth.

High-level skills growth is slowing, and school leavers across the area are more likely to go straight into work than on to education or training, risking people missing out on upskilling and further career progression. There are lower than average rates of progression from school into Higher Education, Further Education *and* apprenticeships, with variation across places – some places deliver more apprenticeships, while in others there is higher uptake of academic routes.

A recent rise in economic inactivity and claimant counts as a result of Covid-19 means that support for people in and outside of the DWP system could be strengthened to support people into and between work. This, with the raft of changes facing employers in Covid-19 recovery, Brexit, transition to net zero and Industry 4.0, point to a need for life-wide and lifelong learning and careers support, along with strengthened links between employers and providers to support careers advice and education beyond school and outside of an educational setting.

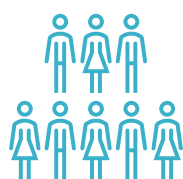
As our society ages and people pursue longer and changing careers, we need agile people-centred learning and careers support, with strengthened links between employers and providers to enable provision of adult careers advice to support people into *and* between work. This advice and access should also draw in wider learning experiences that build personal and life skills, unconnected to work.

An updated vision

This strategy builds on the ambition for Cambridgeshire and Peterborough set out in the 2019 Skills Strategy. The updated vision is for:

A successful, globally competitive economy offering high-skilled, well-paid, good quality jobs, delivering increased productivity and prosperity to support strong, sustainable and healthy communities and enabled by an inclusive, world-class local skills system that matches the needs of our employers, learners and communities.

Going further than the 2019 strategy, this update also sets out what this vision means for each of the groups interacting with the skills system: people, employers, providers and place leaders:



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



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



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

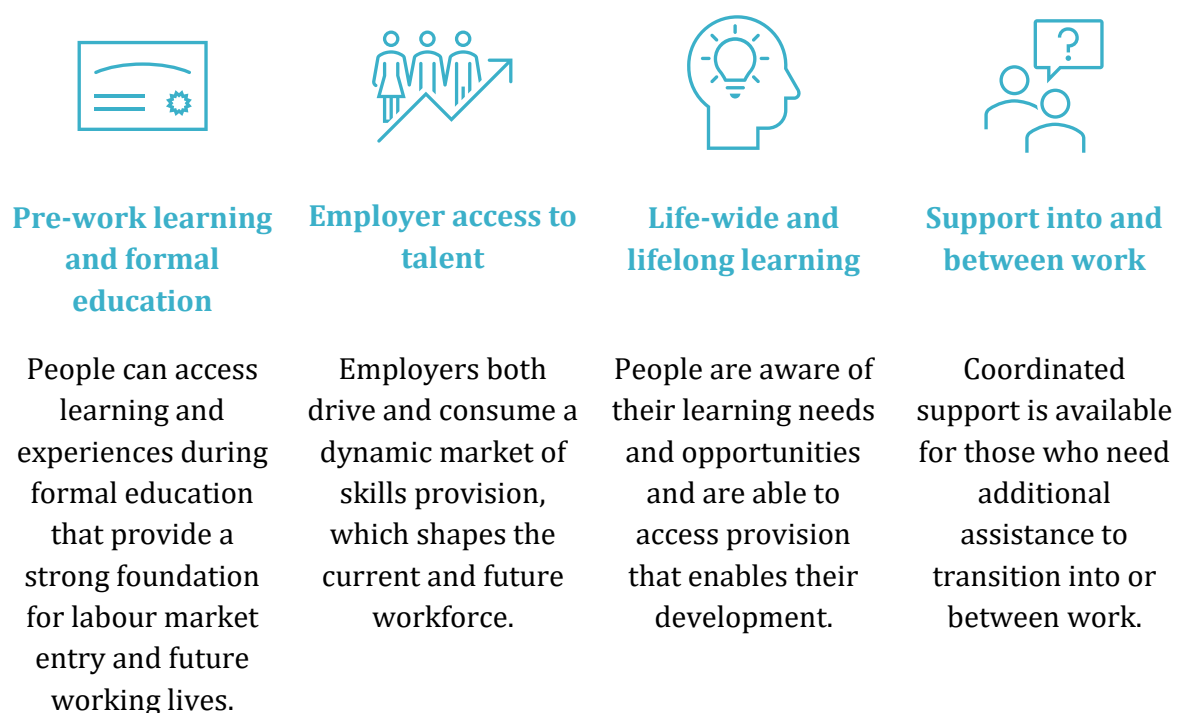


Place leaders secure outcomes for the whole place, convening and supporting collaboration between employers and the integrated skills system, as well as linking into other local services for people across Cambridgeshire and Peterborough to lead healthy lives and fulfilling careers.

These vision statements may read as common sense, but the system across the area struggles (and has historically struggled) to deliver these experiences. There is more that can be done so that people are universally drivers of their own personal development, learning and careers journeys, and can access the support they need, so that employers can get the skills they need for their staff, so that providers work collaboratively across our area, and so that the Combined Authority and place leaders empower, enable and convene. More, and more effective, collaboration between all parties in the system is critical to achieving this as the status quo in the future.

The updated vision also defines new themes on which to focus the strategy. These reflect the four areas where residents and employers can benefit most from an ambitious skills system that supports the development of life and work skills, and through which the area grows a strong and inclusive labour market.

Figure 1. Core themes for employment and skills







Whilst the detail of the action required to ensure these elements are in place will evolve as time passes and the context changes, these themes should remain stable, setting the direction and providing a reference point to maintain course.

To guide action under each of these themes the strategy document sets out a series of long-term outcomes and progress measures, steering the work of partners across the area in achieving the vision and enabling people, employers, providers and place leaders to experience the skills system in this way.

Moving forward

This vision for the skills system is a long-term project. The starting point is ensuring that short-term strategic priorities are approached as a step in the right direction towards longer-term change. Focus now and in the first five years will be on the following short-term priorities:

Figure 2. Short-term priorities

<p>Pre-work learning and formal education</p> 	<ul style="list-style-type: none"> • Improving careers education, specifically around STEM and green skills, as well as information, advice and guidance • Widening education access and participation to make education more inclusive and the student body (and future workforce) more diverse • Enhancing exposure to role models, work experience, and understanding of various training routes into sectors and occupations • Capital investment to improve teaching facilities and kit, particularly for providers of FE, alongside support for staff capacity building
<p>Employer access to talent</p> 	<ul style="list-style-type: none"> • Supporting Covid-19 recovery, growth and net zero transition by developing priority skills and responding to acute issues • Driving up and sustaining employers' engagement with and influence on education and training • Embedding modern work practices and conditions and improving job quality
<p>Life-wide and lifelong learning</p> 	<ul style="list-style-type: none"> • Improving access to careers information, advice and guidance at any age • Providing support to upskill and reskill in response to economic restructuring (e.g. following covid-19, Brexit, digitisation, as net zero transition intensifies) • Increasing work-based learning, particularly apprenticeships, and introducing more accessible formats (e.g. short courses/ online/blended learning) • Ensuring inclusion in continued and community learning and support for disadvantaged people, adults with SEN, care leavers and ex-offenders
<p>Support into and between work</p> 	<ul style="list-style-type: none"> • Supporting unemployed and NEETs into training and employment • Providing support for disadvantaged groups to access the labour market • Targeting support for Covid-19 recovery and transitions for displaced workers

To deliver on short-term priorities, the Combined Authority will set strategic delivery plans with five-year terms that will form part of the wider Economic Growth Strategy. Detailed action plans will be developed and agreed for each Local Authority, addressing short-term priorities in such a way that action will move forward the process of delivering the long-term vision.

These action plans will consider:

- **Things already in motion** - activities/interventions which are funded, approved and are either already being delivered or which will be delivered over the next five years.
- **Things needed in the future** - activities/interventions which are needed to underpin longer term and future development/growth, for which additional exploration, investment and potential system change will be required.

Together partners across the area also need to start preparing the ground now for some bigger change projects that the vision calls for. Some of these can be contributed to by shorter-term projects, but they will need further scoping and iterative development to ensure all partners and stakeholders are brought along the change journey.

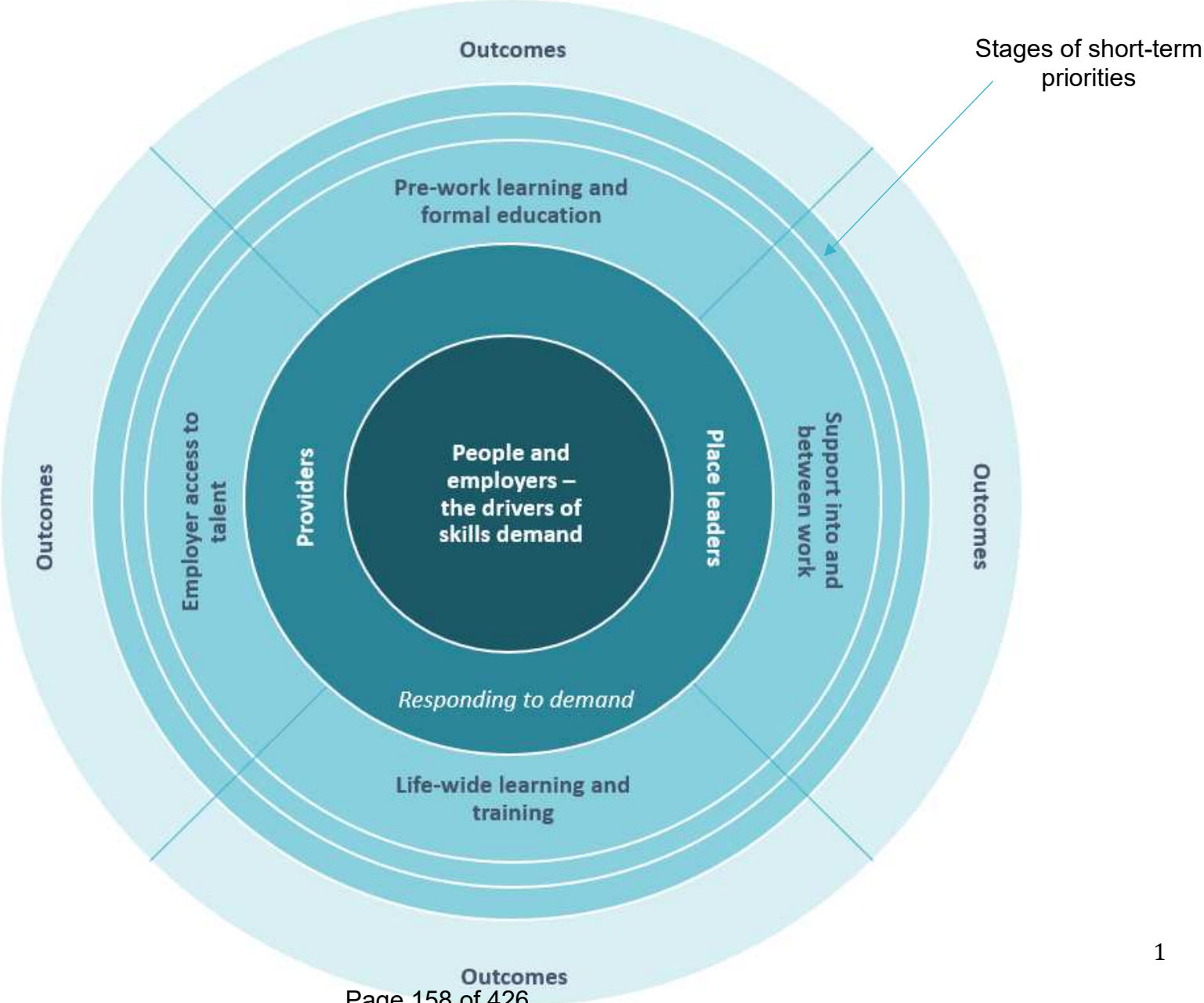
Three change projects have been identified to ensure **effective** provision is delivered using an **agile** approach, in a way suited to the nuances of **places**:

1. A regional curriculum enabling strategic collaboration amongst providers, with learning and training aligned to regional job opportunities and careers.
2. A dual-track skills and training system, anticipating long-term needs and responding with agility in the short-term.
3. A coordinated place-based action framework, to engage all stakeholders in addressing multiple/complex issues.

Cutting across all of these will be ongoing the action of Combined Authority, Local Authorities and the Cambridge and Peterborough Integrated Care System to work together, and with wider partners, to place health and wellbeing at the centre of system development and delivery.

The diagram below maps a summary of the Employment and Skills Strategy and the system in the area. Learners and employers are at the core, as the drivers of skills demand, with providers and place leaders surrounding this and responding to it. The response – provision and supply of skills, will be aligned to themes, in layers that will ripple out to deliver on short-term priorities and long-term outcomes.

The strategy in summary

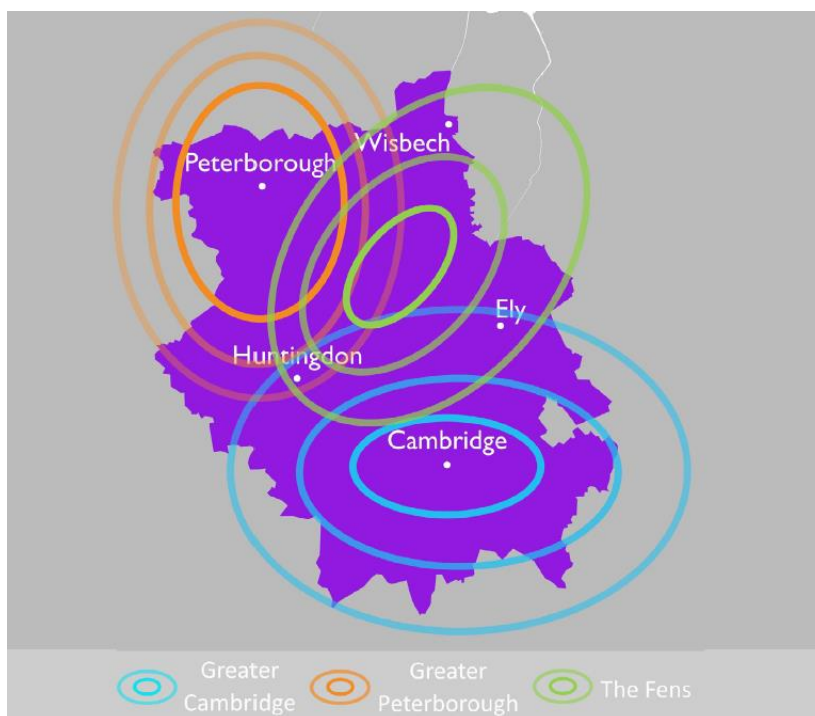


1 Introduction

Context

Cambridgeshire and Peterborough is an area of contrasts, with distinct differences in needs and opportunities across its communities. The six local authority areas which make up the place each have different strengths and challenges, but the global competitiveness of the area depends on the future success of all. The 2018 Cambridgeshire and Peterborough Independent Economic Review (CPIER) identified three interdependent subeconomies across the geography, Greater Peterborough, Greater Cambridge and the Fens.

Figure 3. CPIER interdependent sub-economies

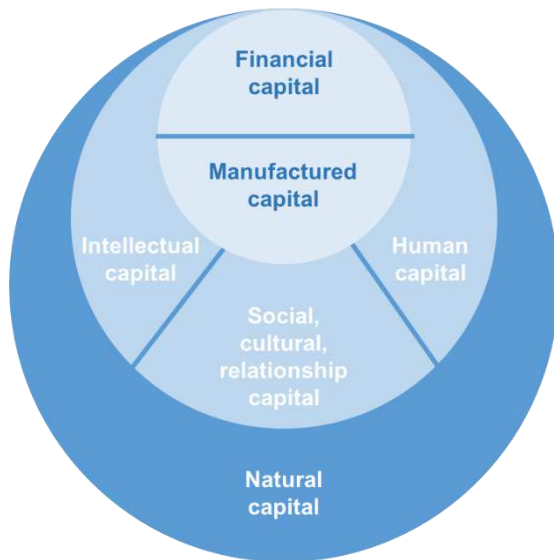


Following the CPIER, the Cambridgeshire and Peterborough Combined Authority's (CPCA) previous Skills Strategy *Developing Talent: Connecting the Disconnect* was published in 2019 with an overarching imperative to deliver 'an inclusive, world-class local skills eco-system that matches the needs of our employers, learners and communities'.

Whilst few would question the ongoing relevance of this mission, the intervening years have seen significant changes to the national and global context: Great Britain has left the European Union and Covid-19 has impacted the economy, people's health, wellbeing, and how they work and learn. The UK's economic recovery from the pandemic has been aligned both to the levelling-up agenda, aiming to reduce inequalities between different parts of the country that Covid-19 has laid bare and the intensifying drive to attain net zero carbon emissions in the UK by 2050. Locally, Local Authorities and the Combined Authority (CA) have worked collaboratively to develop a new Local Economic Recovery Strategy (LERS),

with a mission to help people and businesses manage the impact of the pandemic, and to adapt to the new norms in employment, sectors and markets. Mayoral elections in 2021 brought a new Mayor, Dr Nik Johnson, to Cambridgeshire and Peterborough, mandated to place his values of compassion, co-operation and community at the heart of future strategic plans. A first step in this is the adoption of a six capitals approach across CPCA.

Figure 4. The six capitals approach



With the economy re-opening, vaccination numbers rising and deaths falling, a new set of challenges are to be faced by the region. In the short-term, the end of the Government's extensive employment support schemes mean many individuals, particularly those in precarious work, are at risk of unemployment. Longer-term, Covid-19 has accelerated trends such as automation, which combined with transitioning industries to net zero, risk further unemployment and will require reskilling and upskilling.

Many good things have been achieved through the actions flowing from the current skills strategy, not least of which are the establishment of the new Anglia Ruskin University Peterborough (set to open in the academic year 2022/23), the first localised commissioning of Adult Education with devolved funds, and the launch of Growth Works with Skills, with a demand-led online platform connecting learning and employers across the region. However, as the area moves through the *Respond* phase of the LERS and further into *Recovery*, it has been essential to review and update the skills strategy, to reflect the changing skills needs and challenges in the current and future economic context.

Anchored by the priorities identified in the CPIER and the region's Local Industrial Strategy and reflecting the current LERS, this refreshed skills strategy convenes and validates the current strategic priorities for the area. Looking further to the future, the document also sets out a longer-term vision for the future of the skills system in the region and the outcomes it needs to deliver for local people and businesses, reflecting nuances in places across the area.

This balance of current and future perspective will allow local stakeholders to coalesce around a shared set of objectives and outcomes, matching investment opportunities to local priorities in the short-term, for example as further packages of recovery support are released from Government, as well guiding longer-term change, for example the transition to net zero.

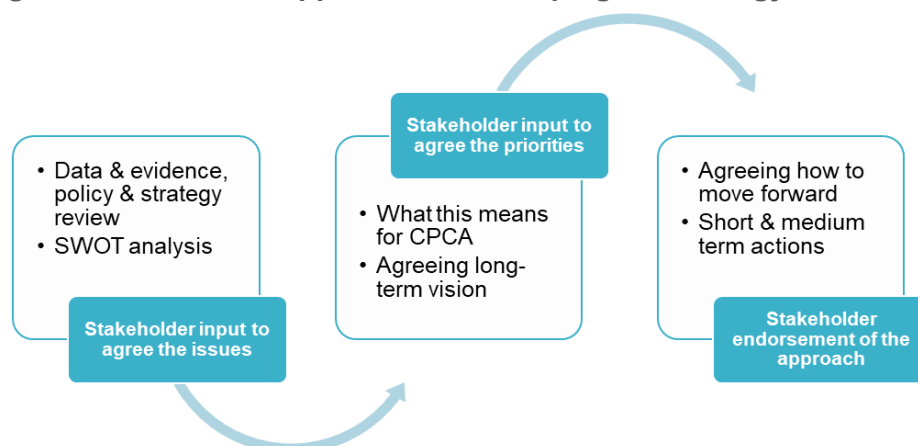
Approach

CPCA has responsibility for developing and implementing the skills strategy and convening the Skills Advisory Panel (SAP) for the sub-region. As part of the devolution agreement, the CA has direct control and responsibility for commissioning of the Adult Education Budget (AEB) along with responsibilities over transport, housing, green energy, careers, business growth and skills brokerage. The co-terminus Business Board provides a private sector led approach to invest in economic growth.

Despite these levers, CPCA cannot tackle the employment and skills issues in the sub-region in isolation. The role of the CA is to provide system leadership across the education, skills and employment continuum. In co-production with public-sector partners, businesses, education institutes, providers¹ and communities, the CA will energise and enable the system to deliver prosperity for all.

The work to develop this strategy engaged with partners across the education and skills system and was undertaken between June and October 2021, incorporating a detailed data and evidence review, an open call for evidence from partners across the region and a series of stakeholder workshop sessions. Throughout the process the CA's Skills Committee, Employment and Skills Board and Business Board have provided input to guide and shape the strategy. The process has been iterative, with partners and stakeholders from across the area engaged multiple times to provide input as the development of the strategy progressed.

Figure 5. An iterative approach to developing the strategy



¹ Throughout this document the term 'provider' refers to all formal and informal settings of education and training, including, schools, colleges, universities, independent and employer-led training and apprenticeship providers and adult and community learning institutes.

A challenge put to the CA by stakeholders in the early stages of the strategy development process was to ensure that this document effectively balanced short-term and long-term strategic priorities; recognising imperatives to act to deliver on existing and pressing priorities *and* setting a vision for change, particularly where issues identified were symptoms of deeper causes which were likely to require sustained, incremental action over a longer period of time.

Accepting this challenge, the strategy presents both long-term outcomes and short-term strategic priorities. Moving forward, the CA's aim is to set strategic planning periods for a maximum of five years, agreeing a sub-set of core priorities, objectives and outcomes to pursue, monitoring progress to delivering on these, and then taking stock and calibrating, prior to setting out a subsequent strategic plan.

2 Where we are now

Population trends

Cambridgeshire and Peterborough is an area of more than 850,000 people, with population centres in Peterborough and Cambridge, and much of the population living in surrounding rural towns and villages. **The CA area is growing**, with population growth projected at 2.6% by 2040 against a national projected fall of -13.6%. However, only two of the local authority areas are projected to grow – Peterborough and Fenland – at 11.7% and 9.1% . Peterborough has been one of the fastest growing cities in the UK in recent years.

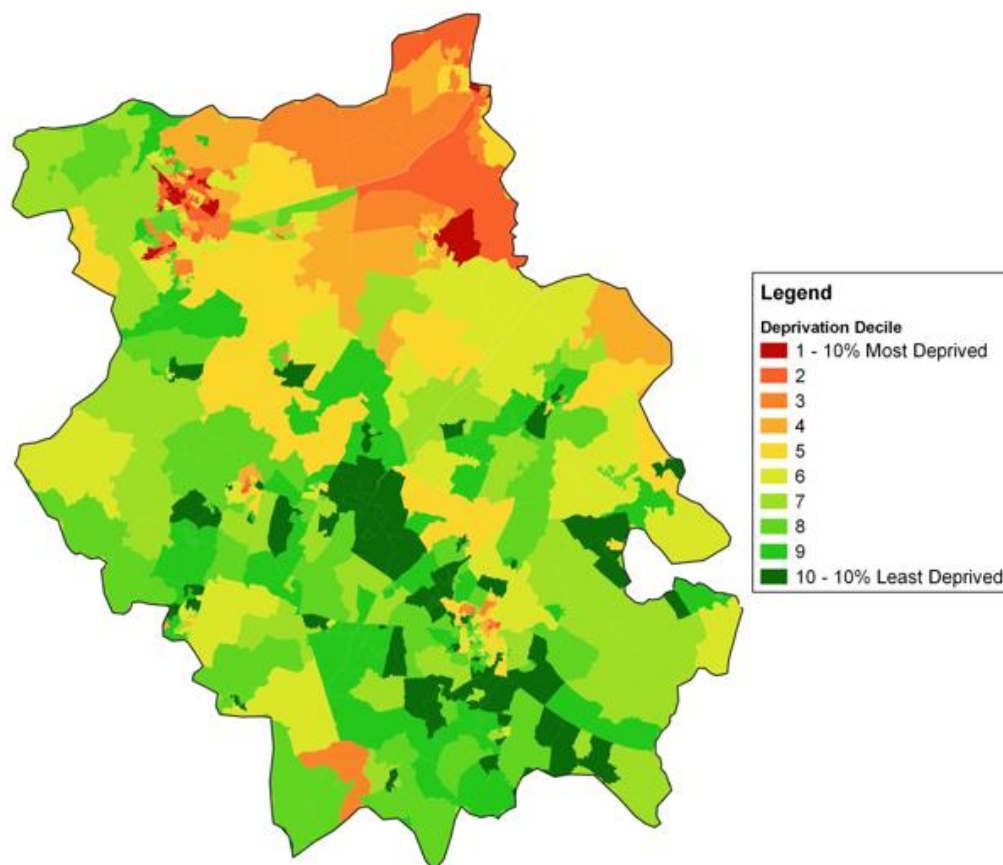
The working age population in the area is growing more slowly than average at just 0.1%, compared with 1.5% growth nationally, suggesting **faster future ageing**. This trend is uneven across the area. Only South Cambridgeshire has working age population growth above average – at 2% compared with 1.5% across the UK. In Cambridge and Huntingdonshire the working age population is falling, and faster than the overall projected population change by 2040 – by -3.4% and -0.3% respectively².

In this part of England, there are fewer deprived areas than average – particularly in income, employment and health. But **there is inequality and there are disparities across the area** – many places experience very low levels of deprivation and offer good quality of life for residents, but deprivation is clustered in Fenland and Peterborough and with pockets in Cambridge³.

² Metro Dynamics analysis of ONS Annual Population Survey (APS) data (2020).

³ Metro Dynamics analysis of MHCLG Index of Multiple Deprivation (IMD) data (2019).

Figure 6. Index of Multiple Deprivation across Cambridgeshire and Peterborough (2019)

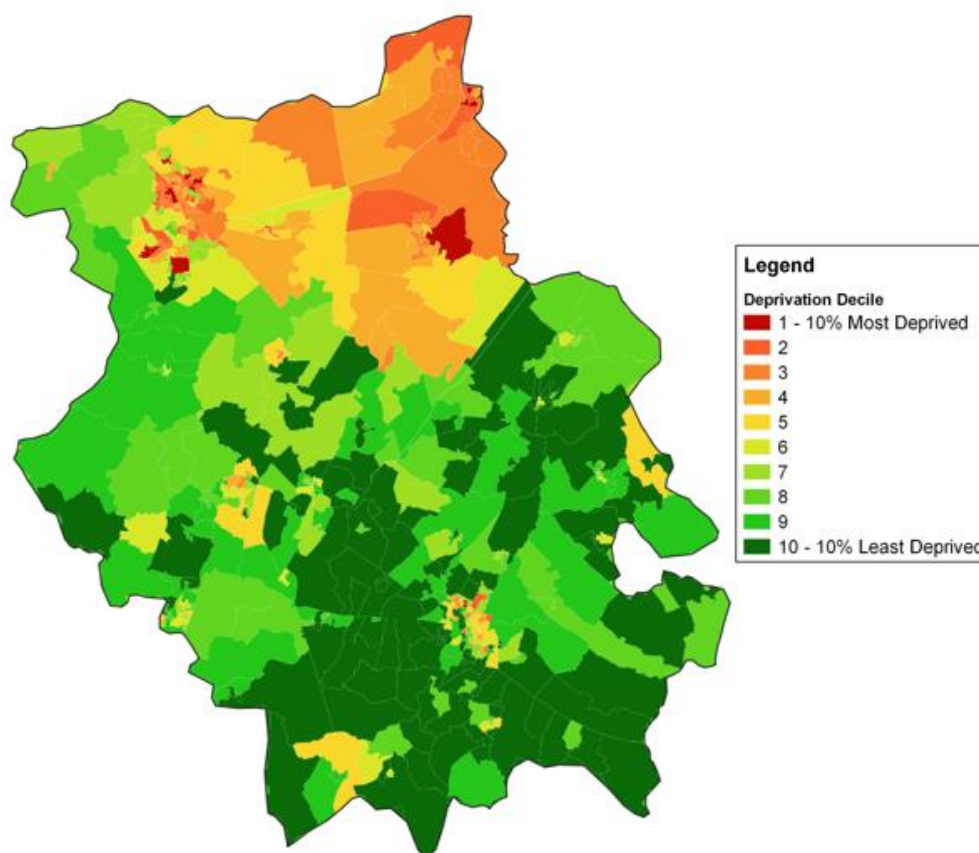


The result of health inequalities across the area (a domain in the Index of Multiple Deprivation) is demonstrated in healthy life expectancy. There are stark differences between local authorities and the communities within them. For instance, in Cambridge healthy life expectancy ranges from 80.4 years in the most deprived communities to 85.2 years in the least deprived communities (above national averages), and in Fenland the range is 73.1 to 77.5 years (below national averages). This compares to the England average of 75 to 82.8 years⁴.

This indicates that across the four themes and throughout people's lives, inclusion will be an important area of focus – among deprived communities, disadvantaged individuals, and those facing additional challenges through school and in adulthood.

⁴ Public Health England, Health Inequalities by Local Authority (2019).

Figure 7. Index of Multiple Deprivation: Health Domain, across Cambridgeshire and Peterborough (2019)



Pre-work learning and formal education

Young people leaving school at 18 are less likely to go on to study in Higher Education, Further Education or through an apprenticeship in Cambridgeshire and Peterborough than on average across the country. Only 31.5% are progressing onto HE, compared with 35.2% nationally, with 6.4% progressing onto FE compared with 9% nationally, and 8.5% progressing onto apprenticeships compared with 9.3% nationally. School leavers are more likely to move straight into work rather than continuing education or training than elsewhere in the country.

Although data isn't available to track the kind of work school leavers are moving into, research by the Children's Commissioner for England in 2019 found that while students are staying on at school for longer since the compulsory school leaving age was raised to 18, across England, a rising proportion (18% nationally) are leaving school without level 2 qualifications⁵. This trend can be seen in the data below in Fenland, where more students aged 16-18 are studying vocational courses at levels 1 and 2, and fewer at level 3.

⁵ Children's Commissioner for England, ['The children who leave school with nothing'](#) (2019).

Progression rates at 18 vary by place. The following data reflects progression from schools in the individual local authority areas, not necessarily where students live. This caveat is most visible in the data for South Cambridgeshire and Cambridge, where many of the students progressing from school in Cambridge to university may live in South Cambridgeshire. The lowest rates for progressing into HE are in South Cambridgeshire at 20.5% and East Cambridgeshire at 25.4% compared with the highest at 41.2% in Cambridge and 35.6% in Huntingdonshire. The lowest progression rates into FE at 18 in the area are in Cambridge at 2.8% and Fenland at 4.1%, compared with the highest at 8.3% in Peterborough and 9.8% in South Cambridgeshire. There is higher than average progression into apprenticeships in East Cambridgeshire at 11.4%, Fenland at 10.7%, and South Cambridgeshire at 10%⁶.

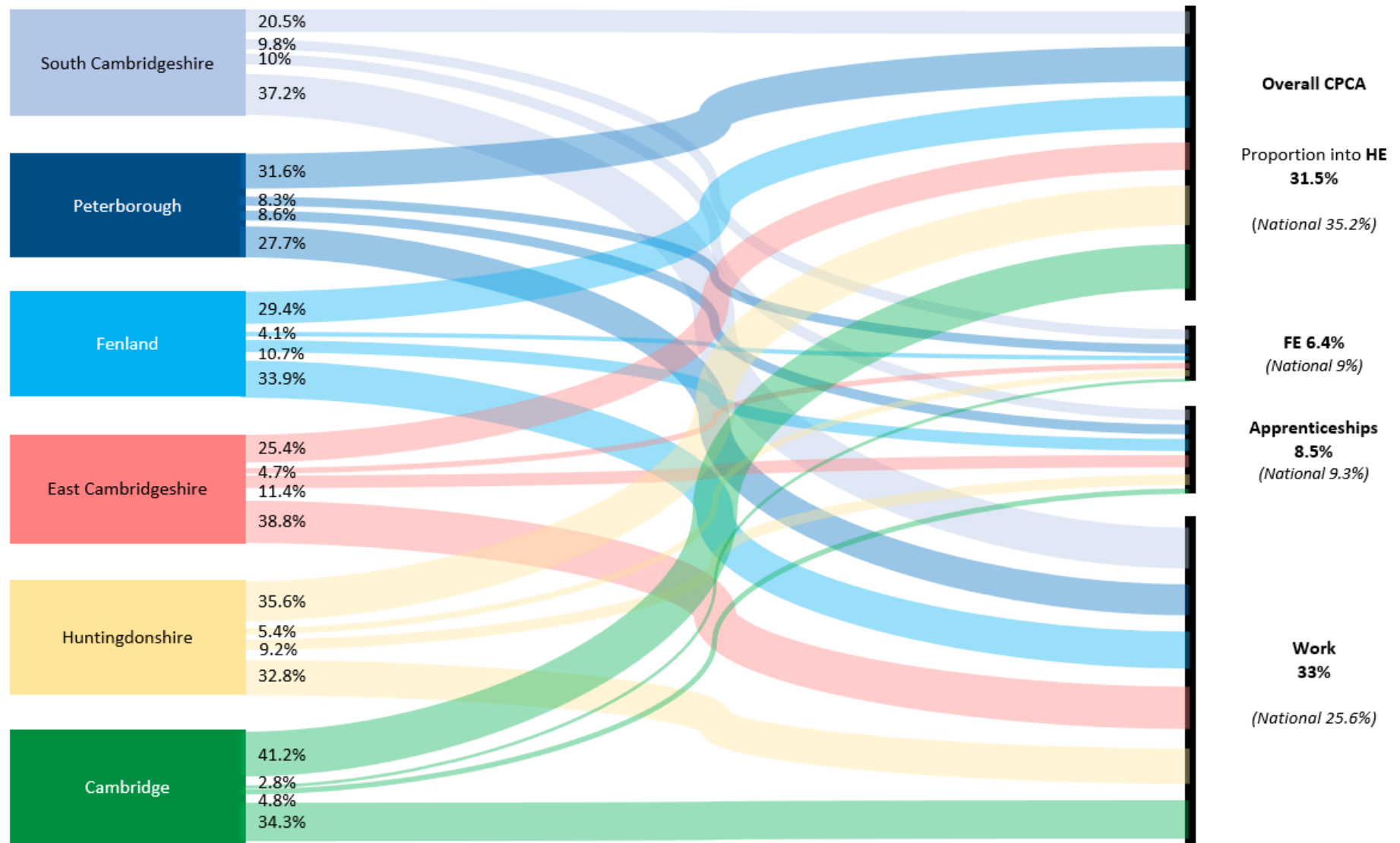
Fewer pupils are studying vocational courses aged 16-18 – with falls in every Cambridgeshire district area, but only by -1% in East Cambridgeshire compared with -25% in South Cambridgeshire and -23% in Cambridge between 2016 and 2019. **More students are pursuing lower level vocational qualifications post-16.** In 2019/20, Y11s progressing onto vocational qualifications were more likely to be at level 1 than 2016-19, and less likely to be at level 3.

More pupils are pursuing A Levels across Cambridgeshire – with an overall 6% rise. But this has grown by 15% in Cambridge compared with a fall of -15% in South Cambridgeshire and little change in Huntingdonshire and Fenland between 2016 and 2019. The vocational/A Level split varies by place – 68% of pupils aged 16-18 in Cambridge study A Levels, while 69% in Fenland study vocational courses. The split is more even in East Cambridgeshire and Huntingdonshire⁷. This sets up students for HE progression from schools in Cambridge, however, under-prioritises vocational and technical routes, leading to fewer students progressing into FE courses and apprenticeships.

⁶ Metro Dynamics analysis of DfE school leaver destinations data (2019).

⁷ Cambridgeshire County Council Y11 transitions data (2020).

Figure 8. Progression rates at 18 into HE, FE, apprenticeships, and work where students go to school, by local authority area (2018/19)

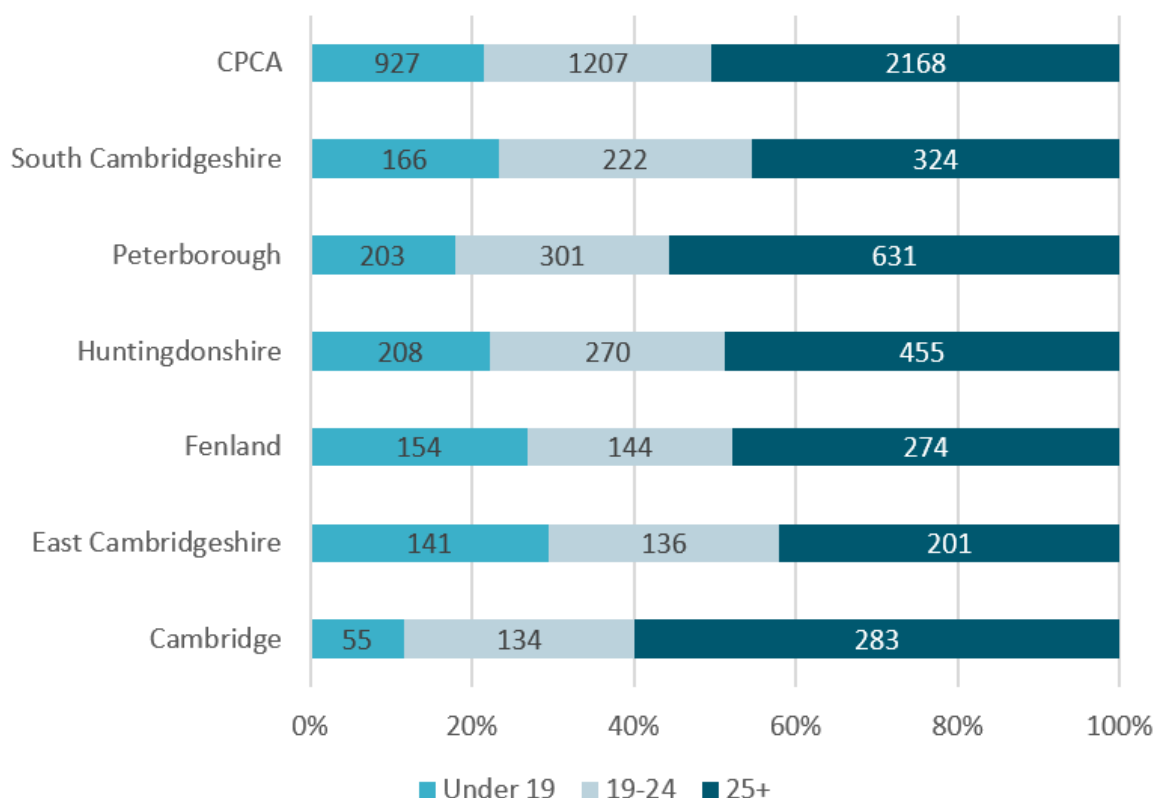


Apprenticeship uptake has been impacted by the Apprenticeship Levy and Covid-19.

The drop in apprenticeship starts between 2019/20 and 2020/21 was larger than the national average at -25% compared with -18%. The most popular subjects of business, administration and law; and health, public sector and care, made up around 60% of total apprenticeship starts, in line with national averages. Manufacturing apprenticeships declined from 16% in 2019/20 to 11% in 2020/21, but apprenticeship starts in construction, planning and the built environment doubled from 4% to 8% from 2019/20-2020/21, increasing to meet national levels⁸.

Across the area, half of all apprenticeship starts are being taken up by adults aged 25+, with Peterborough and Cambridge both recording higher proportions of starts by people in this age group. In Fenland and East Cambridgeshire cohorts tend to be younger, with a higher proportion of starts made by people under age 19. However, CPCA's apprenticeship cohort is getting older. In 2017/18, 44% of learners were aged 25+; by 2019/20 50% of learners were 25+. Meanwhile, over the same time period the proportion of starts by people under age 19 fell from 26% to 22%⁹. This follows a similar trend to nationally, but is at a slightly lower rate, with 23.6% across England.

Figure 9. Number and proportion of apprenticeship starts by local authority area (2019/20)



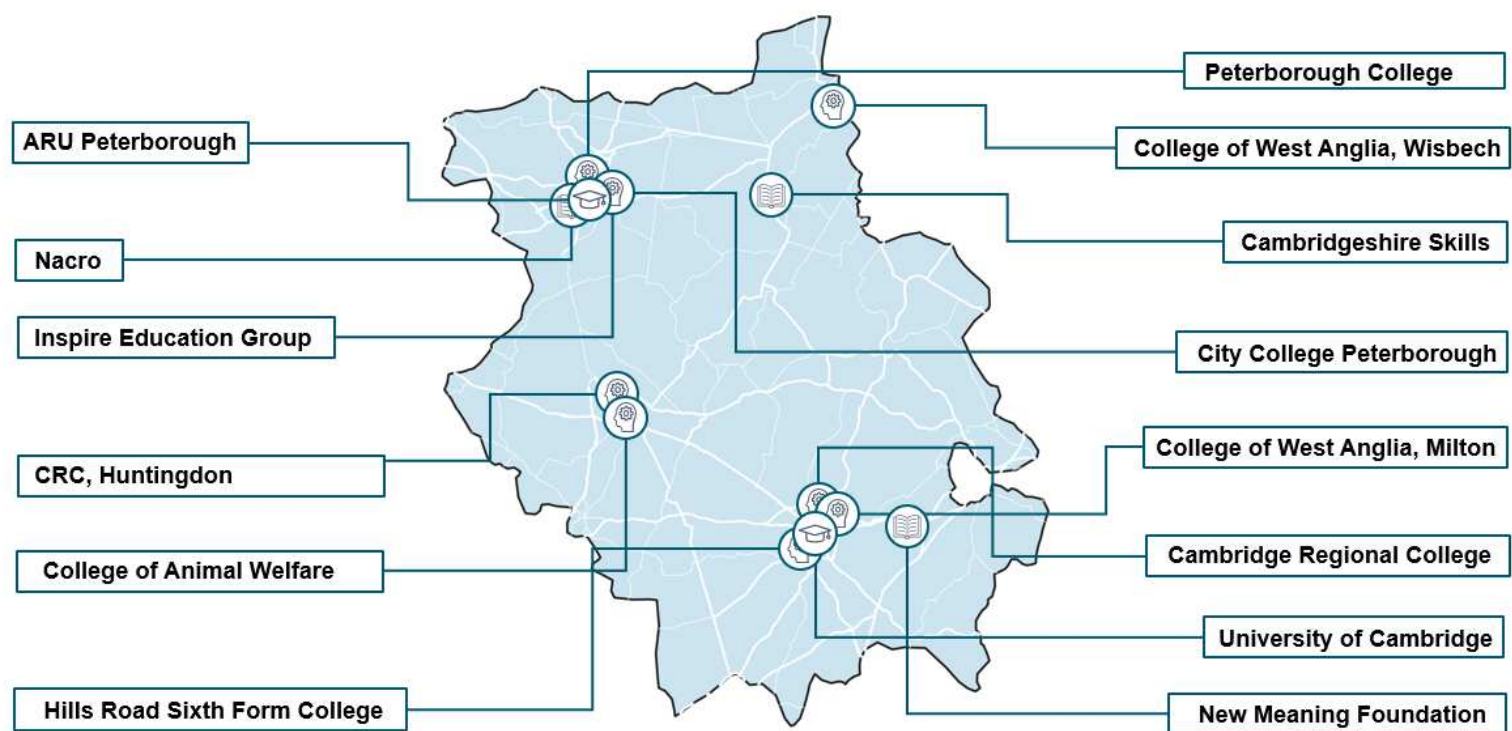
⁸ CPCA apprenticeships data (2021).

⁹ Metro Dynamics analysis for CPCA, *Covid-19 Labour Market Implications for Priority Sectors*, February 2021.

Current participation in Higher Education varies across the area. Huntingdonshire has 8% of its working population currently participating in HE, compared with 6.7% in Peterborough, 5.6% in East Cambridgeshire, 5.2% in Cambridge, 4.4% in South Cambridgeshire, and just 3.2% in Fenland¹⁰.

Education providers, whether on a campus or operating from a satellite site or other venues, play an important role as anchor institutions in their community - providing civic leadership, collaborating, driving investment to renew localities and raise aspirations. However, **patchy engagement with post-16/18 education is exacerbated by education estate and physical and digital access cold-spots** – notable in Fenland and East Cambridgeshire – and including connection and device access challenges for rural and deprived communities. This is an issue that has been identified in the CPIER and CPCA Skills Strategy 2019, and actions in the following sections build on developments already underway.

Figure 10. Education institutions and AEB providers across Cambridgeshire and Peterborough



Alongside variation in access to education and training across Cambridgeshire and Peterborough, there are **gaps in opportunities for work experience and exposure to role models** that showcase the range of occupational opportunities in the area. The implementation of T Levels coinciding with Covid-19 has added to the difficulty of students able to access work experience as part of their studies.

¹⁰ Metro Dynamics analysis of ONS Annual Population Survey (APS) data (2020).

Without priority given to careers education and advice at school and in HE and FE provision, **there are gaps in careers guidance, and soft and technical skills that employers need.** A focus on academic routes at school in combination with FE and HE providers incentivised to deliver qualifications rather than skills, means that opportunities are missed to upskill young people in Cambridgeshire and Peterborough for local jobs and future opportunities.

Employer access to talent

Of a total population of 860,000, around 405,000 residents are in employment, slightly above the national average at 76% compared with 75%. Of those in employment, 12% are self-employed, which is slightly below the national average of 13%. Slightly fewer employed people work part-time at 23% compared with 24% nationally.

The CPIER and the LIS identified life sciences, agritech, digital and advanced manufacturing as priority sectors for long-term, innovation-based growth in the region. However, these sectors account for just 20% of employment overall. Identified in the LERS were a set of recovery priority sectors, requiring focus as significant employers and suffering severe disruption from the pandemic: retail, hospitality and leisure, construction, transport, education, manufacturing, health and care.

Businesses, regardless of sector, are facing a raft of changes to which they are responding – including Covid-19 recovery, impact of Brexit, digitisation and Industry 4.0, transition to net zero, and changes and pressures on supply chains. These are driving new ways of working and demand for new technical skills from the workforce. The local knowledge and manufacturing based economy is well placed to innovate and build new opportunities around Industry 4.0 and net zero priorities. But, skills provision needs to both anticipate and respond to the range of changes for sectors and occupations across the area.

There has been resilience in jobs and recovery from Covid-19 – with lower than average furlough rates in Cambridgeshire and Peterborough – at 4.2% of the workforce compared with 5% nationally in August 2021. But **foundational sectors continue to face recruitment demand issues** as a result of Covid-19 and Brexit – for example, retail and hospitality vacancies have risen by 40.2.% and construction by 25% from February 2020 to May 2021¹¹. Overall in Cambridgeshire and Peterborough, job postings in September 2021 were 3% higher than across the UK, and 13% higher than pre-pandemic levels, and higher in every area except Cambridge (-5% lower)¹².

GVA and employment in the innovation-based growth sectors is strong and growing – maintaining Cambridgeshire and Peterborough’s role as an economic growth centre. GVA is also growing faster than average in these sectors across the area – at 9.4% compared with 8.6% nationally. Peterborough has the fastest growing GVA at 15%.

¹¹ Cambridgeshire County Council analysis of Burning Glass vacancies data (2021).

¹² Cambridgeshire County Council analysis of EMSI vacancies data (2021).

However, **overall productivity across all sectors has fallen slightly** by -1.1% compared with 1.2% growth nationally. Productivity has only grown in Peterborough – by 7.9%, and Huntingdonshire by 2.9%. Fenland has the lowest productivity and GVA levels in the area, and both are falling – by -11.6% and -4.1% respectively, as well as the lowest earnings in the area. The highest productivity levels are driven by manufacturing and in Peterborough and Huntingdonshire¹³.

Strong productivity and GVA performance in Peterborough is not following through to wages for residents. There is **large disparity in residents' earnings across the area**: Peterborough (with Fenland) has the lowest average earnings in the area, at £23,973 compared with £31,673 in Cambridge and South Cambridgeshire¹⁴. The impact of lower skill levels in places such as Fenland means that communities are struggling to benefit from the region's growth, threatening future opportunities.

Employment levels across the area are slightly higher than national average at 76% compared with 75%, but levels have fallen in Fenland, Huntingdonshire and South Cambridgeshire. Employment in innovation-based growth sectors is rising faster in the area than average at 17.4% compared with 6.6% nationally. However, the **positive growth in these sectors is not experienced evenly across the area** – with priority sectors clustering in specific places, for example, advanced manufacturing in Peterborough, Cambridge and South Cambridgeshire, and life sciences in Cambridge and South Cambridgeshire.

In Peterborough and the Fens, efforts to create new jobs in the area are intrinsically linked to efforts to raise local skill levels. **Providing a place's residents with access to higher-level skills ultimately has little or no effect on productivity or addressing local levelling up challenges without also stimulating the supply of higher value, good quality jobs** for those residents to go into.

Despite progress in recent years, skilled residents in Peterborough and Fenland still have limited job opportunities available to them in the local area. The current reality is that Peterborough and surrounding areas are deprived places, where low skills levels have historically limited wages, progression and quality of life.

One way to provide good quality jobs in a place is to support an innovation ecosystem to develop. The innovation ecosystem utilises a knowledge engine, such as a university or Research Institute, to produce new research which is then disseminated through the ecosystem¹⁵. Local businesses which are part of the innovation ecosystem can apply the research to their own processes or to customer solutions, raising local innovative activity, and with it, demand for workers with higher-level skills. The resulting effect is to create more higher-value jobs in a place through inward investment and business growth, which

¹³ Metro Dynamics analysis of ONS data (2019).

¹⁴ Metro Dynamics analysis of ONS Annual Survey of Hours and Earnings (ASHE) data (2020).

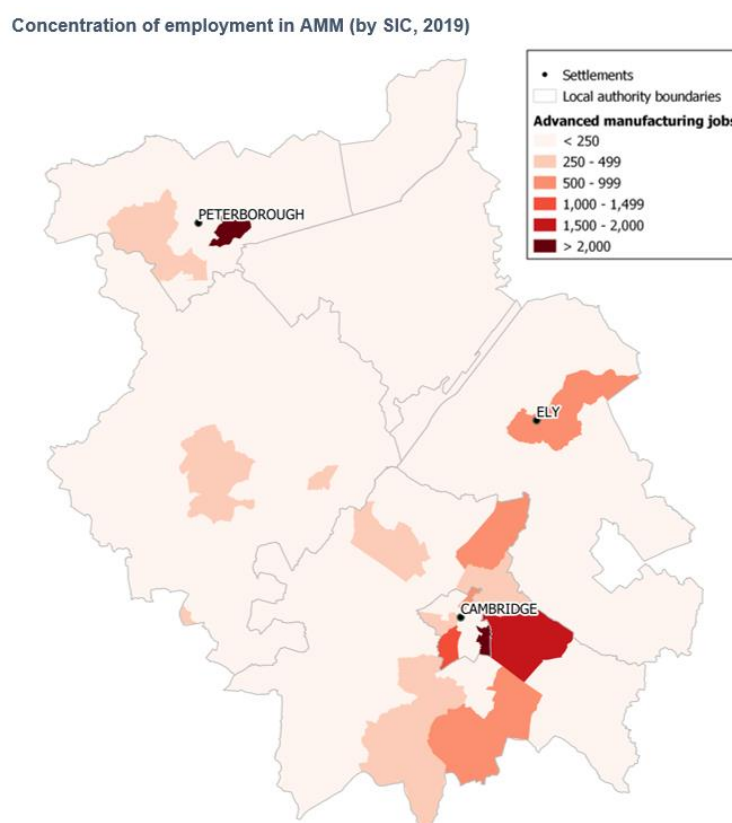
¹⁵ See Metro Dynamics' report 'Place Matters' for a detailed description of this process

are filled by higher-skilled residents, ultimately leading to increased productivity and levelling up.

The region has been held back by a fragmented innovation ecosystem. To take part in or benefit from knowledge intensive growth, residents need local access to relevant education pathways, aligned to available, high quality jobs. Without both the learning pathway and an employment opportunity, residents will miss out on the benefits of growth.

The CPIER identified the needs for enhanced infrastructure to support innovation, which is being delivered on through the development of ARU Peterborough. Expanding the reach of University of Cambridge and research assets in the south of the area will also be a key part of this. The below map shows through the example of concentrations in advanced manufacturing, the opportunity for progressing innovation in these areas. This requires intervening strategically to **concurrently raise local skill levels, local demand for skilled workers and create new jobs.**

Figure 11. Concentration of employment in advanced manufacturing¹⁶



¹⁶ Metro Dynamics analysis for CPCA, *Covid-19 Labour Market Implications for Priority Sectors*, February 2021.

The largest employed workforces proportionate to population in the area are in Huntingdonshire and East Cambridgeshire, where earnings are above average levels – offering opportunities and quality of life. **Clusters of employment in CPCA priority sectors are growing** in life sciences in South Cambridgeshire and Cambridge, advanced manufacturing and digital in Peterborough and Cambridge, and agritech in Huntingdonshire, East Cambridgeshire and Fenland. This provides opportunities for residents to benefit from growth with the right skills provision and support. However, priority sectors account for only 20% of total employment, and the CPCA Local Economic Recovery Strategy emphasises additional focus on the hardest hit foundational sectors that make up the bulk of employment.

High levels of self-employment in Fenland point to a strong entrepreneurial culture, but this is the only place that has more people self-employed than employed in a sector prioritised for innovation based growth. Fenland's self-employment rate is the only place above national average at 18.7% compared with 13%. This with low overall earnings in Fenland indicates limited employment opportunities. Fenland, Peterborough and Huntingdonshire all have lower recent increases in employment levels, closer to (or lower than) the national average than the CPCA average, with much sharper increases in self-employment.

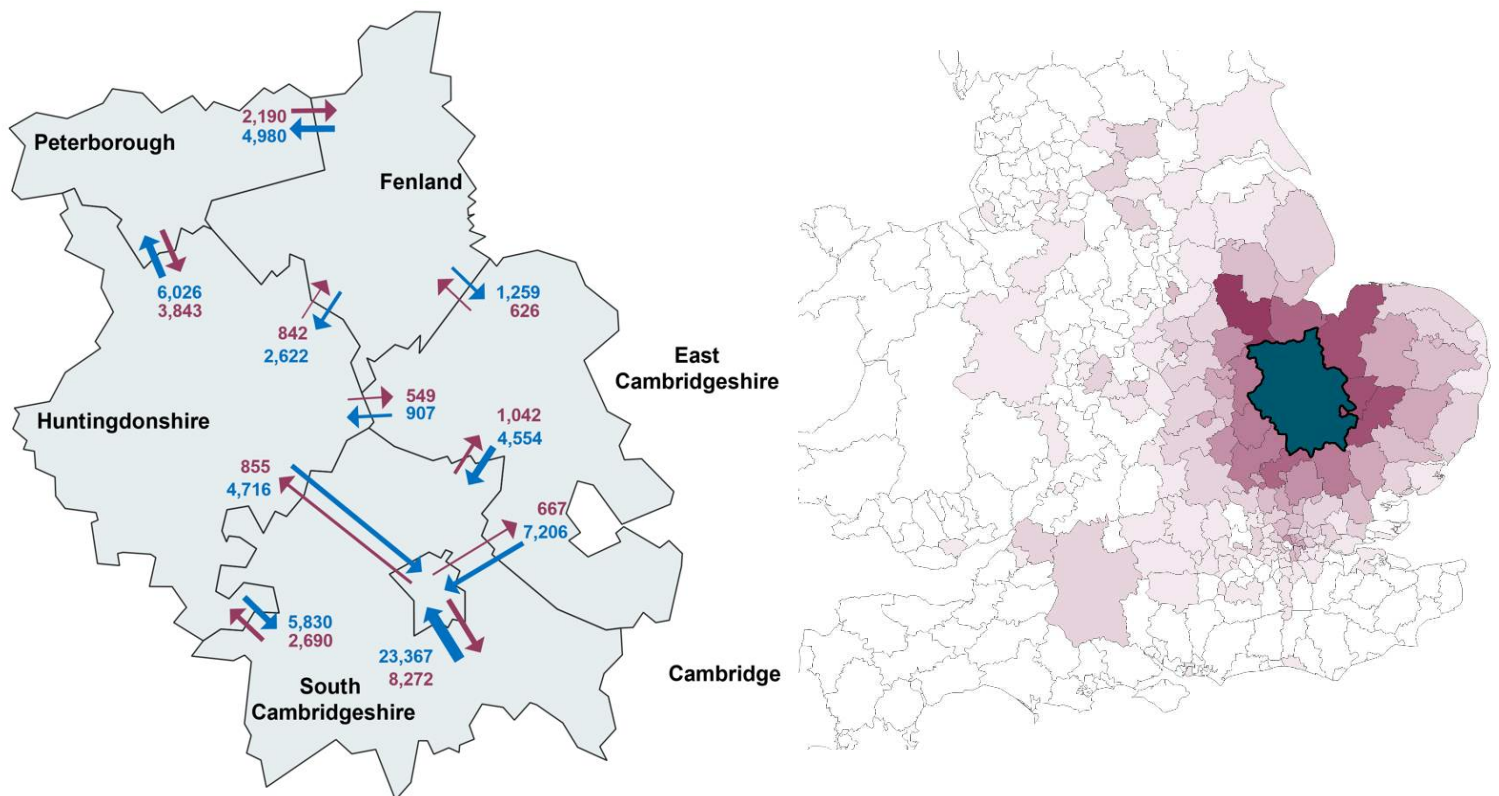
This indicates **barriers into work, including lower jobs density levels and reinforces the importance of job creation, as well as training, as an important component of up-skilling in some areas.** Fenland has the lowest jobs density at 0.68, and East Cambridgeshire at 0.74 and Huntingdonshire at 0.83 have lower jobs density than the national average of 0.87. Peterborough, Cambridge and South Cambridgeshire's jobs density is higher than average, and Cambridge and South Cambridgeshire's levels are above 1, meaning there are more jobs available than working age populations.

Travel to work flows show on the following map to the left net inflows to Peterborough and Cambridge, and net outflows from Fenland, East Cambridgeshire, South Cambridgeshire and Huntingdonshire. (This data should be caveated that it is based on 2011 census data but demonstrates long-term trends). Fenland in particular is not well connected to jobs clustering in Cambridge and South Cambridgeshire, reducing access to opportunities.

The below map to the right also shows that commuting out of the CPCA area is concentrated in the surrounding areas, with links into London and other major cities, but particularly to the North and east of Peterborough, Fenland, East Cambridgeshire and South Cambridgeshire, into Lincolnshire, Norfolk and Suffolk.

This suggests two priorities – connecting people to places where jobs are concentrated, and creating good jobs where connectivity is more limited.

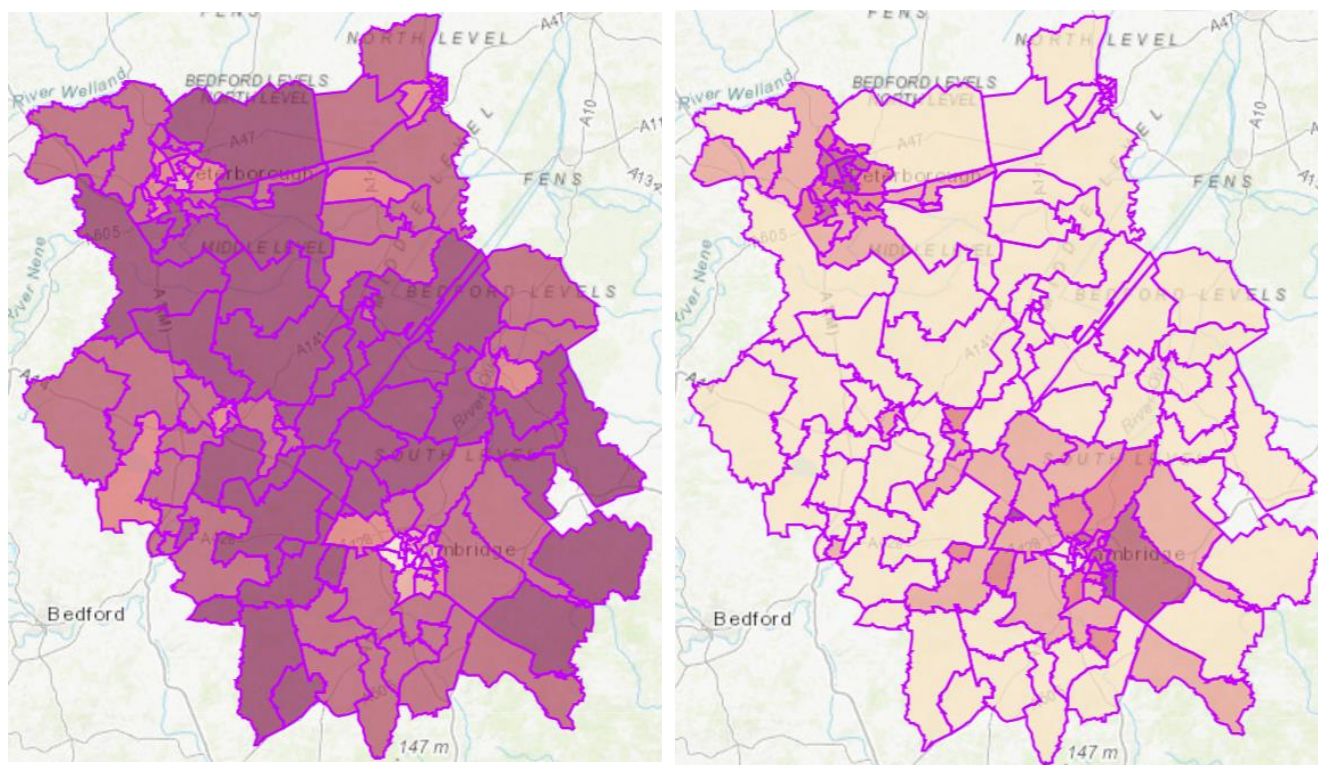
Figure 12. Travel to work flows across Cambridgeshire and Peterborough and to surrounding areas (2011 census data)¹⁷



Connectivity challenges across the area are illustrated by the below maps, contrasting the proportion of people who travel to work by car or van with the proportion who travel by bus. Bus connectivity into and around Cambridge appears to be wider than around Peterborough, with real cold spots in Fenland, East Cambridgeshire and Huntingdonshire. The developing CPCA Local Transport and Connectivity Plan aims to address specific local priorities to support the labour market, better connecting people to work and learning.

¹⁷ Metro Dynamics analysis of Travel To Work Census Data (2011).

Figure 13. Proportion of people who travel to work by car or van (left) compared with by bus (right) (2011 census data)¹⁸



Across the area, **population growth is outstripping jobs growth**, with a recent -4.8% fall in employment levels against a 0.7% rise in working age population, indicating further future issues in residents finding job opportunities – particularly in Fenland¹⁹. Creating and growing good jobs across the area, sectors and businesses will be a priority for the CPCA Economic Growth Strategy.

Providers and place leaders experience inconsistent articulation of skills needs from employers, and there has been a narrow strategic focus on higher level skills and sector level strategies for CPCA’s innovation-based growth sectors. Employers experience a lack of access to information on labour availability locally and up to date intelligence on content of skills provision locally. Further **information and collaboration on recruitment and skills needs as well as provision** could be better joined up between employers and providers – including longer-term trends affecting skills demand in future. This would build on the ongoing Growth Works programme, and making the most of Cambridge Ahead and Opportunity Peterborough networks.

The area is starting to fall behind the national average on higher level skills. The proportion of the working age population qualified up to level 3 is rising at 2.3% compared with a fall of 0.1% nationally. This could be positive, however, the proportion of people

¹⁸ Cambridgeshire Insights method of travel analysis

¹⁹ Metro Dynamics analysis of ONS Business Register and Employment Survey (BRES) data (2020).

whose highest qualification is a level 2 is also rising against a national fall, and qualifications at level 4+ are growing more slowly than average.

Currently levels of higher skills are in line with the rest of the UK at 43% of the working age population qualified at level 4+, but this rate is growing more slowly than average, and there is large variation between places. Rates range from 60% of the working population in Cambridge to 27% in Fenland. Rates are rising fastest in Huntingdonshire at 6.7%. But in Fenland, Cambridge and East Cambridgeshire, rates are falling²⁰.

The occupational structure varies significantly across the area. In Cambridge, 53% of residents are working in occupations at skill level 4 (jobs which typically require a degree or equivalent period of relevant work experience), compared with just 14% in Fenland and with 31% nationally. All areas have lower than average rates of level 3 workers. In Huntingdonshire, Fenland, Peterborough and East Cambridgeshire, around 32% of the workforce is employed in level 2 roles (in line with national averages). Fenland and Peterborough have much higher than average level 1 workers – at 18.3% and 17% respectively compared with 9.2% nationally. Levels reflect the five highest employing occupations across the area: sales and retail assistants, administrative occupations, care workers and home carers, elementary storage occupations, and nurses²¹.

Across the area, the main skills gaps are in mid-level, skilled roles, those which require strong work-related and/or technical training. Considering these skills needs, the lower occupational levels, and fall in employment levels, in places such as Fenland, **a drive for increasing higher level skills alone will not address barriers facing residents and the structure of jobs and businesses**²². There needs to also be a focus on growing local businesses, and creating and attracting new jobs to the area, particularly considering the higher likelihood of school leavers entering work rather than continuing education, as seen above.

Life-wide and lifelong learning and training

With an ageing society, **people will be working for longer and changing jobs more throughout their careers**. This reflects the need for 'life-wide' learning as well as 'lifelong', as careers are becoming less and less linear, with people having a portfolio of jobs and experience throughout their lives. Life-wide also reflects the ability for people to pursue learning in the community and through life experiences outside of direct job-related, or formally delivered training.

This with changes facing the economy in the coming years will require a skills system that can respond to local employer needs, and individuals' ambitions and individual technical and soft skill gaps. Currently, access to careers guidance and advice beyond an educational setting is lacking.

²⁰ Metro Dynamics analysis of ONS Annual Population Survey (APS) data (2020).

²¹ Metro Dynamics analysis of ONS Annual Population Survey (APS) data (2020).

²² Metro Dynamics analysis of DfE Employer Skills Survey (ESS) data (2019).

Enhanced **life-wide and community learning**, and personal development not specifically related to work, provided in a community setting would support this. In 2019/20, 17% of CPCA Adult Education Budget spending was allocated to community learning²³, and the CA aims in the upcoming commissioning period to allocate 20% of funding to community learning.

Transitions between jobs, employers, occupations and roles will become more important as driving trends play out in the local economy. Industry 4.0 and automation, potentially accelerated by labour shortages currently being experienced from the effects of Covid-19 and Brexit, are expected to impact priority sectors in Cambridgeshire and Peterborough. Agritech has the highest exposure to automation at 49% of employment exposed, with 43.9% of employment not overlapping with other priority sectors. Advanced manufacturing faces 39% of employment exposure, with 33% for digital and 31% for life sciences. These four sectors also have more overlapping occupations in other sectors, ranging from 74.2% to 79.9%²⁴. Reskilling will be a clear challenge in the coming years, particularly in areas with concentrations of agriculture and manufacturing.

As we transition to net zero with national targets set by 2050, and with CPCA committing its own operations to becoming net zero by 2030, **skills and recruitment needs will grow in order to decarbonise sectors.** There are differences between places in the upskilling need to create green jobs. A concern is that those places with the most significant education-access cold spots also have the potential to require the most green upskilling.

Figure 14. Proportion of jobs that will require upskilling to become green jobs²⁵

	% of jobs requiring upskilling
Great Britain	10.6%
CPCA	10.7%
Fenland	13%
East Cambridgeshire	12%
Huntingdonshire	12%
South Cambridgeshire	12%
Peterborough	11%
Cambridge	7%

²³ CPCA, Evaluation of Adult Education Budget (2020).

²⁴ Metro Dynamics analysis for CPCA, *Covid-19 Labour Market Implications for Priority Sectors*, February 2021.

²⁵ PCAN, LSE, University of Leeds, Just Transition Jobs Tracker (2021).

Higher workplace training rates in Peterborough and Fenland (with 25.4% and 27.8% reporting receiving training in the last quarter, compared with 11.9% in Cambridge) demonstrate that residents can, and do, access up to date work experience and skills – including digital, technical and soft skills - at work²⁶. However, linked to lower progression from school into FE, HE, and apprenticeships, this also signals that **pre-work education is leaving residents in these places with gaps in job related, technical, and/or soft skills that employers need, and there is a lack of range in the offer of work-related training from providers**. The CPCA's Adult Education Budget can therefore play a key role in work-related training based on employer needs.

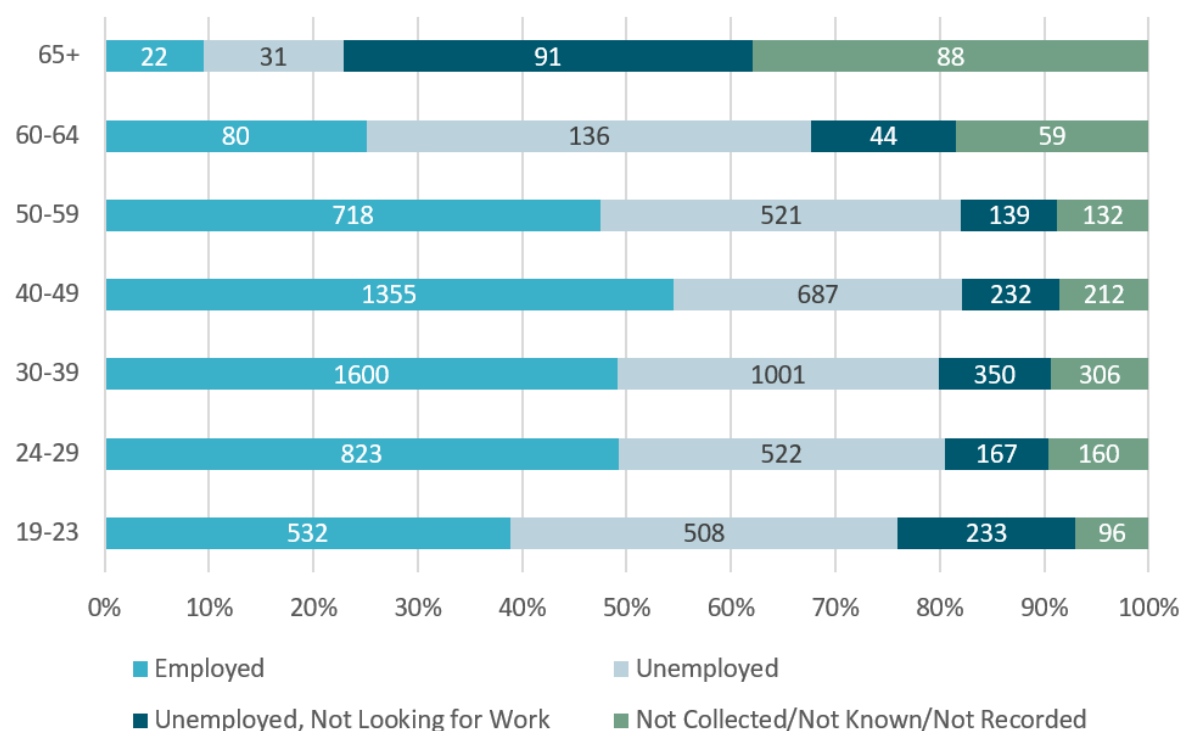
Learner participation in courses funded by CPCA's Adult Education Budget grew from the first year of devolution in 2019/20, from 8,421 to 9,097, this is despite the disruption to learning caused by Covid-19. Courses with the most enrolments in 2020/2021 so far are health, public services and care; preparation for life and work; and information and communication technology.

Of 14,067 enrolments in 2019/20 (some students enrolled more than once), almost half were in preparation for life and work, while another quarter are in health, public services and care. Peterborough accounts for almost half of all enrolments at 6,720, with the remainder of enrolments spread across the other districts.

As cohorts age, learners are increasingly likely to be employed at the time of their enrolment, up until cohorts aged 50+, when the likelihood of being employed at the time of enrolment begins to decrease. Older cohorts also tend to have higher prior education attainment levels, although it should be noted that in older age groups the proportion of 'unknown/missing' attainment levels increases, making it hard to confirm a trend.

²⁶ Metro Dynamics analysis of ONS Annual Population Survey (APS) data (2020).

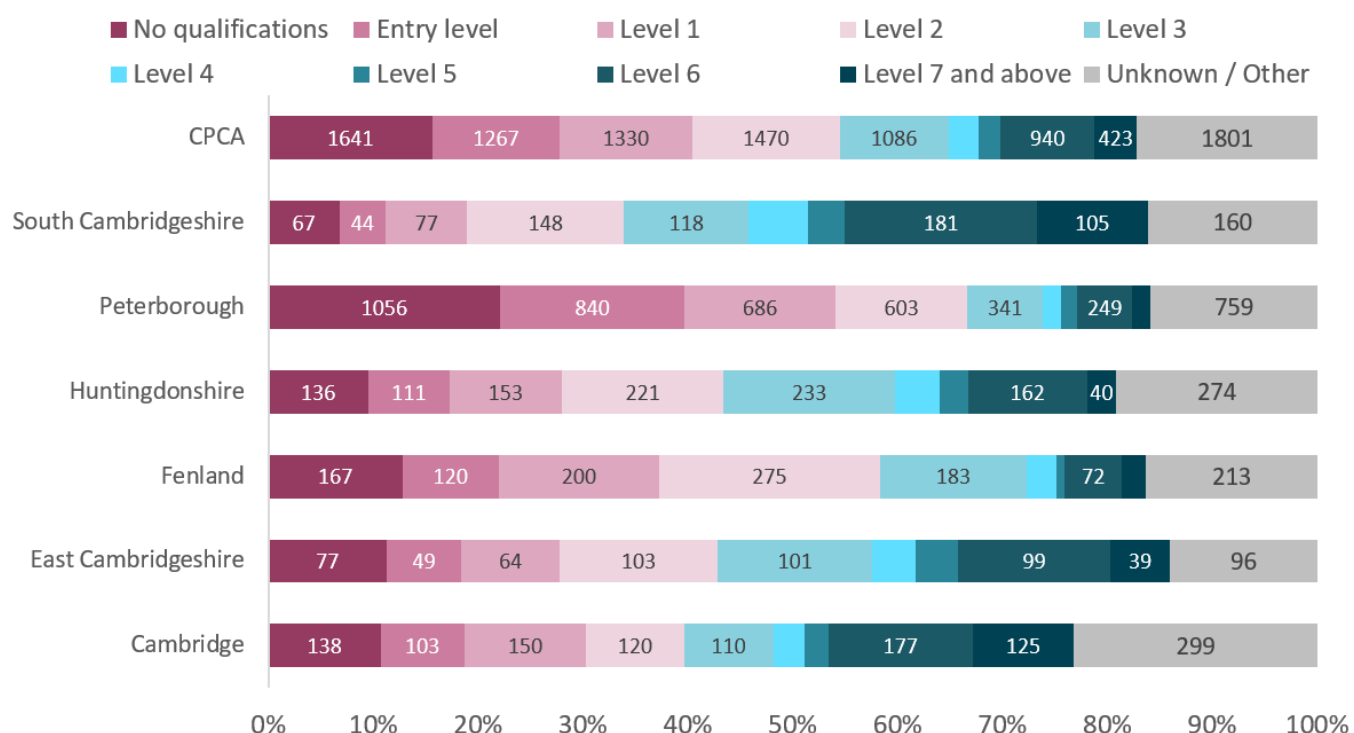
Figure 15. Prior employment status of CPCA AEB learners by age group (2019/20)



Across the area, 55% of learners who enrolled in AEB courses had level 2 or below prior education levels, including 15% of learners with no qualifications at all. Again, this varies by place: only in Fenland and Peterborough do the proportions exceed half of enrolments, at around 60% and 65% respectively. Across other districts, more learners start at higher prior attainment levels²⁷.

²⁷ Metro Dynamics analysis for CPCA, *Covid-19 Labour Market Implications for Priority Sectors*, February 2021.

Figure 16. Prior education attainment levels of CPCA AEB learners by age group (2019/20)



There are barriers to people being able to take up the skills provision currently available for adults. This is important in an area with rural communities, where transport and digital connectivity remain major barriers to learning for many, combined with other health, financial, childcare, and mental health barriers that people in more deprived and isolated communities face.

Inflexibility and length of courses, with a **focus on qualifications rather than agile skills provision**, also presents a barrier to entry for people who may have particular job relevant upskilling or reskilling needs, but without the need, financial resources or time to pursue further formal qualifications.

Support into and between work

Sustained support is required for people experiencing multiple and complex barriers to education and labour market entry. Current support being provided through European Social Fund (ESF) funded projects alongside Department for Work and Pensions (DWP) programmes will need to continue in a new funding landscape. However, there will also be a need to support people into and between work who are not picked up by the DWP system.

Covid-19 has triggered significant increases in Universal Credit and Jobseekers Allowance claimants, weakening the past strength of the area having below average levels of claimants. Claimants (JSA and UC) has risen by 96%, affecting 4.2% of the working age

population, compared with 5.3% nationally between March 2020 and August 2021²⁸. Continuing close working with DWP, DfE and partners will be important to maximise the impact of Kickstart, Restart, Digital Skills Bootcamps, the health and care sector work academy, traineeships, and the Lifetime Skills Guarantee.

Economic inactivity has risen by 19.7% compared with a fall nationally of -4.4% during the pandemic, so rates are about in line with national averages at 21%. The rate for students is higher in Cambridgeshire and Peterborough at 34% compared with 26.8% nationally. This is far more pronounced in certain places, with a very large rise in students in Huntingdonshire of 417.6% and South Cambridgeshire of 134.9%, compared with a fall of -21.1% in East Cambridgeshire and -1.8% in Peterborough²⁹. In response to the rise in inactivity, a priority area will be supporting people into work from study and back into work for those who have left the labour market. Supporting employers with job creation and matching in communities will also be key.

Many of the jobs hit hardest by Covid-19 are often held by young people. As seen above, pre-pandemic, the proportion of school leavers at 18 progressing into an unstained destination were below average in every place except Peterborough and Fenland, with rates of 15.3% and 13.9% respectively compared with 13.3% nationally³⁰. However, **the rate of NEETs (young people not in education, employment or training) across the area in 2021 is low**, at 2.5% across Cambridgeshire, and 4.3% in Peterborough, compared with 9.3% across the UK³¹. A new NEET strategy has been developed for the area, which will have targeted measures to continue to reduce the NEET population.

Overall economic inactivity and unemployment levels have moved closer to national averages, indicating inequality and gaps in people having the experience, exposure and opportunities – from providers and employers – to lead their own learning and career development. It is hard to predict the extent to which these patterns will hold, as recovery continues and the area moves to a ‘rebound’ position. However temporal, this has been a significant change from the norm in the area, the impacts of which must be addressed and future recurrence mitigated for.

²⁸ Metro Dynamics analysis of ONS claimant data (2021).

²⁹ Metro Dynamics analysis of ONS Annual Population Survey (APS) data (2020).

³⁰ Metro Dynamics analysis of DfE school leaver destinations data (2019).

³¹ CPCA NEETs data (2021).

3 Where we want to be

Pre-existing priorities

CPCA's 2019 Skills Strategy was underpinned by the findings of the CPIER and aligned with the aims of the 2019 Local Industry Strategy (LIS), which sets out how Cambridgeshire and Peterborough will maximise the economy's strengths and remove barriers that remain to ensure the economy is fit for tomorrow's world. It supports the aims of the National Industrial Strategy by boosting productivity in Cambridgeshire and Peterborough.

Figure 17. CPCA 2019 Skills Strategy in summary

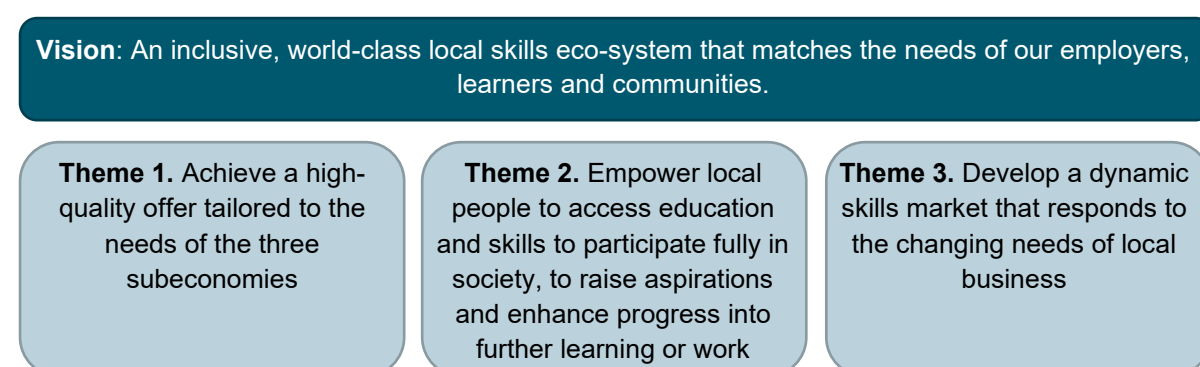
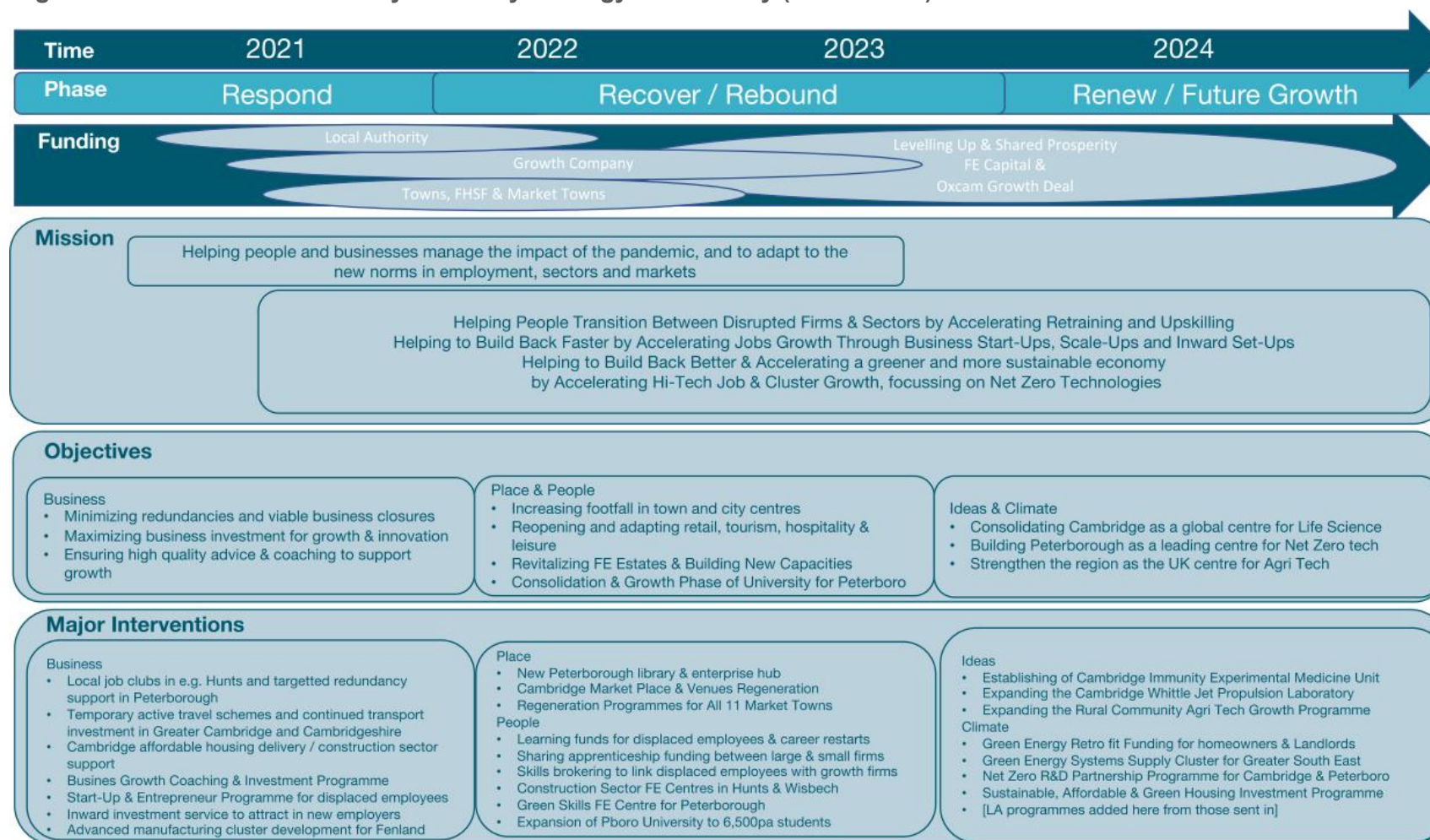


Figure 18. CPCA 2019 Local Industrial Strategy in summary

People	Ideas	Business	Infrastructure
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	Ensuring that the area's economic base grows by harnessing innovation, enhancing Cambridge's position nationally and globally, especially around life science, AI and data technologies, whilst bringing innovation-based growth to Peterborough and the Fens too	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	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			

The area's Local Economic Recovery Strategy (LERS) set out how CPCA will accelerate the recovery, rebound and renewal of the economy, helping people affected, and achieving the ambition to double GVA by 2042 in a digitally enabled, greener, healthier and more inclusive way.

Figure 19. CPCA Local Economy Recovery Strategy in summary (March 2021)



As noted in the introduction, few would question the ongoing relevance of the mission at the core of *Developing Talent* and the LERS, and many good things have been achieved through the actions flowing from it, as shown below. However, there is also still work to do.

Figure 20. Progress on 2019 Skills Strategy actions

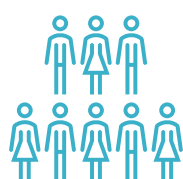
2019 Strategy action	Progress
Opportunity Area to improve education in Fenland and East Cambridgeshire	In progress – received additional year of funding from DfE – want to make more progress on skills and market towns
Skills brokerage service and strong early engagement between businesses and providers including in careers advice with targeted support on STEM, T Levels, employer outreach, work readiness and careers pilots	Achieving – skills brokerage service launched in February 2021 as part of Growth Works
Apprenticeship Levy pooling to improve access for SMEs, and provide placements through sector academy apprenticeship hubs across the area	Achieving – apprenticeship Levy pooling mechanism in place, CPCA Skills, Training, Apprenticeship and Recruitment Hub in place
Connect local businesses in key sectors to the Digital Talent Portal for greater visibility of talent for employers and attracting young people to jobs through social media	Achieving – digital talent portal launched as part of Growth Works
Health and care sector work academy – 2,100 new learners	In progress – lower levels of uptake so far than expected – the project has been reprofiled with DWP to run to 2023
University for Peterborough that raises HE participation and aspiration, and delivers technical courses aligned to local employers' needs and jobs of the future	In progress – ARU Peterborough in development and on track to open in 2022, awaiting outcomes
Work and Health Programme to support progression of adults into work who have become disconnected from the labour market	Achieving – DWP Restart contract with Reed replaced Work and Health Programme to operate over next 3 years
Achieve a skills base that matches business needs through funding and programmes that CPCA has responsibility for – map AEB provision and improve provision through transition pilots and sector focused retraining schemes	In progress – sector retraining schemes launched in 2020, AEB progressing – fewer learners in 2020 than 2019 due to Covid-19
Lobby Government for further devolution opportunities and to shape skills reforms to make an outcomes based and business led skills system	In progress – further lobbying on further devolution and local control of funding for skills, including National Careers Service and Careers and Enterprise Company activity
Sector pilots and skills hubs to overcome rurality with transport links	In progress – Chatteris hub in development

An updated vision

Building on the ambition for Cambridgeshire and Peterborough set out in the 2019 Skills Strategy, the updated vision to unlock potential for all across the area is for:

A successful, globally competitive economy offering high-skilled, well-paid, good quality jobs, delivering increased productivity and prosperity to support strong, sustainable and healthy communities and enabled by an inclusive, world-class local skills system that matches the needs of our employers, learners and communities.

Going further than the 2019 Strategy, this document also sets out what this vision means for each of the groups interacting with the skills system: people, employers, providers and place leaders:



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



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



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

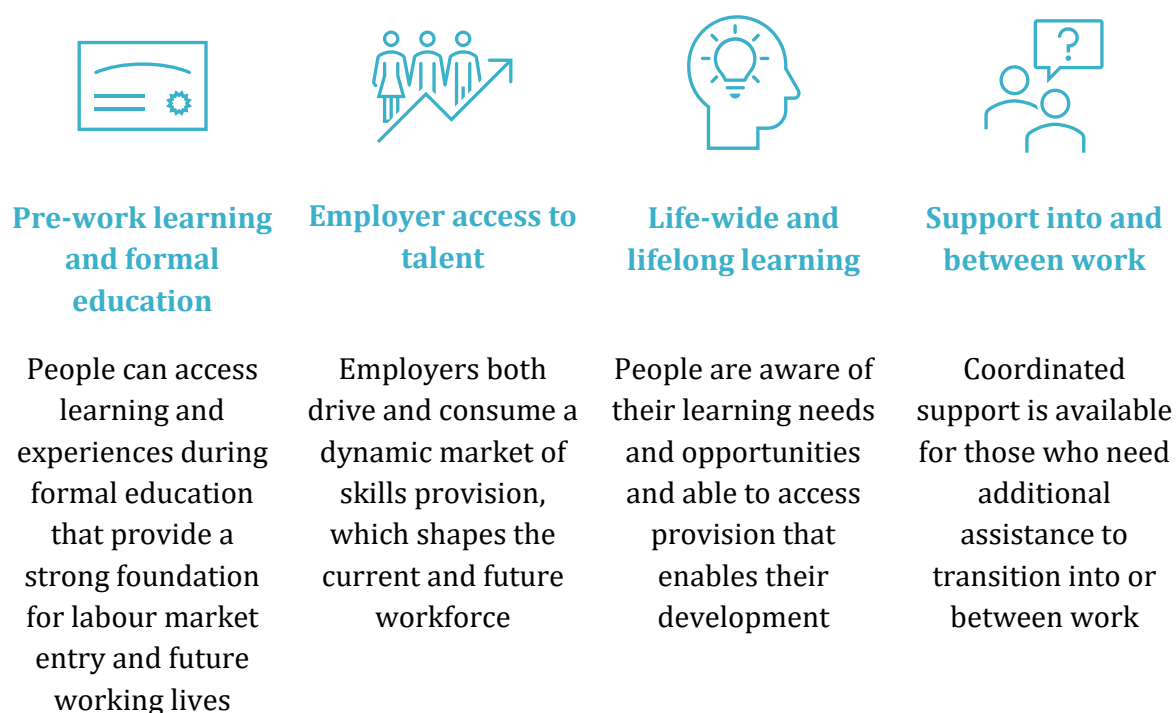


Place leaders secure outcomes for the whole place, convening and supporting collaboration between employers and the integrated skills system, as well as linking into other local services for people across Cambridgeshire and Peterborough to lead healthy lives and fulfilling careers.

These vision statements may read as common sense, but the system across the area struggles (and has historically struggled) to deliver these experiences. There is more that can be done so that people are universally drivers of their own personal development, learning and careers journeys, and can access the support they need, so that employers can get the skills they need for their staff, so that providers work collaboratively across our area, and so that the Combined Authority and place leaders empower, enable and convene. More, and more effective, collaboration between all parties in the system is critical to achieving this as the status quo in the future.

The updated vision also defines new themes on which to focus our strategy. These reflect the four areas where residents and employers can benefit most from an ambitious skills system that supports the development of life and work skills, and through which the area grows a strong and inclusive labour market.





Figure 21. Core themes for employment and skills



Whilst the detail of the action required to ensure these elements are in place will evolve as time passes and the context changes, these themes should remain stable, setting the direction *and* providing a reference point to maintain course.









To guide action under each of these themes a set of long-term outcomes has been identified. Set out on the following page, these outcomes will steer the work of partners across the area in achieving the vision and enabling people, employers, providers and place leaders to experience the skills system in this way.

Figure 22. Long-term outcomes

<p>Pre-work learning and formal education</p>  <ul style="list-style-type: none"> • People understand how their ambitions can be realised through learning and training and are connected to opportunities, experiences and role models. • Providers have increased numbers of students taking courses and apprenticeships aligned both to local job opportunities and their interests and ambitions. • Providers are outcomes driven, progressing learners into and between jobs and careers with the skills – from basic employability to soft skills, to technical capabilities that employers need. • The skills system enables social mobility through equal access to career advice, education, skills, and employment opportunities. 	<p>Employer access to talent</p>  <ul style="list-style-type: none"> • Employers can access a pipeline of skilled people seeking to move into the workforce and the right skills development training for their current staff. • Employers can easily access – physically and digitally - and navigate support to adapt their workforce planning in response to structural changes in the economy. • Employers can and do articulate their skills needs both in terms of long-term workforce planning/strategy (skills for which they have consistent/repeating demand over time) and short-term workforce demand (skills which for which they have an immediate, unmet need). • Employers have well defined and designed jobs, for which the skills requirements and development prospects are clear to staff and candidates. • Providers collectively plan, design and deliver learning and training provision responding to employers' long-term needs and can respond with agility to short-term demand.
<p>Life-wide learning and training</p>  <ul style="list-style-type: none"> • People are drivers of their own learning and work journey, making informed decisions about the selection of training, development and work activities that are right for them. • People are equipped with the soft and technical skills to respond to opportunities in the labour market and see clear pathways into and between a variety of occupations and careers. • People can access - physically and digitally – and navigate an agile and responsive skills system to upskill and reskill throughout their careers. • Providers are outcomes driven, progressing learners into and between jobs and careers with the skills – from basic employability to soft skills, to technical capabilities that employers need. 	<p>Support into and between work</p>  <ul style="list-style-type: none"> • People can access support into education and employment how and when they need it, at any point in their lives and whatever their starting point. • Place leaders collectively reduce barriers – health, mental health, digital and connectivity – for people to access learning, training and employment.

CPCA will hold itself and partners to account to these outcomes with clear set of progress indicators, working as a set of measures cutting across our groups and themes:

Figure 23. Progress measures

Group	Indicator	Pre-work learning and formal education 	Employer access to talent 	Life-wide and lifelong learning 	Support into and between work 
People 	Economic activity (increasing)				✓
	Low or no qualifications (decreasing)	✓	✓	✓	
	In work universal credit (decreasing)				✓
Employers 	Median wages (increasing)		✓	✓	
	GVA and productivity (increasing)		✓		
	Skilled jobs (increasing)		✓		
Providers 	Participation rates (increasing)	✓		✓	
	Progression at 18 into FE, Vocational and HE (increasing)	✓			
	Skill levels (increasing)	✓	✓	✓	
Place Leaders 	Employment levels (increasing)		✓		✓
	Economic inactivity (decreasing)				✓
	Travel to work and learn times (improving)	✓		✓	✓

4 How we will get there

Setting a direction

This vision for the skills system is a long-term project. The starting point is ensuring that short-term strategic priorities are approached as a step in the right direction towards longer-term change.

In order to deliver on short-term priorities, CPCA will set strategic delivery plans with five-year terms that will form part of the wider Business and Skills Strategy. CPCA will develop and agree with partners detailed action plans, addressing short-term priorities and objectives that will move forward the process of delivering the long-term vision. Progress on these will be monitored and priorities calibrated prior to setting out a subsequent strategic plan.

The detail of the strategic action plans will be developed with partners across the area, to agree respective roles and responsibilities in delivery. These action plans will need to take into account:

- **Things already in motion** - activities/interventions which are funded, approved and are either already being delivered or which will be delivered over the next five years.
- **Things needed in the future** - activities/interventions which are needed to underpin longer term and future development/growth, for which additional exploration, investment and potentially system change will be required.

Actions needed in the future can be achieved through a number of mechanisms:

- Making use of existing structures in order to deliver new projects/programmes. For example, directing the devolved Adult Education Budget, expanding the CPCA Growth Works programme, and delivering ongoing programmes with partners such as Sector Based Work Academies and Restart. This may also include forming new sector groups, or modifying place-based structures that sprang up in response to Covid-19.
- Bidding into upcoming funding opportunities and making the case for devolved control to the Combined Authority – importantly the Levelling Up Fund (LUF), UK Shared Prosperity Fund (UKSPF), and the National Careers Service, as well as integrating new activity into projects currently being developed, such as ARU Peterborough.

Together partners across the area also need to start preparing the ground now for some bigger change projects that the vision and outcomes call for. Some of these can be contributed to by shorter-term projects, but they will need further scoping and iterative development to ensure all partners and stakeholders are brought along the change journey.

Linking to national policies and strategies

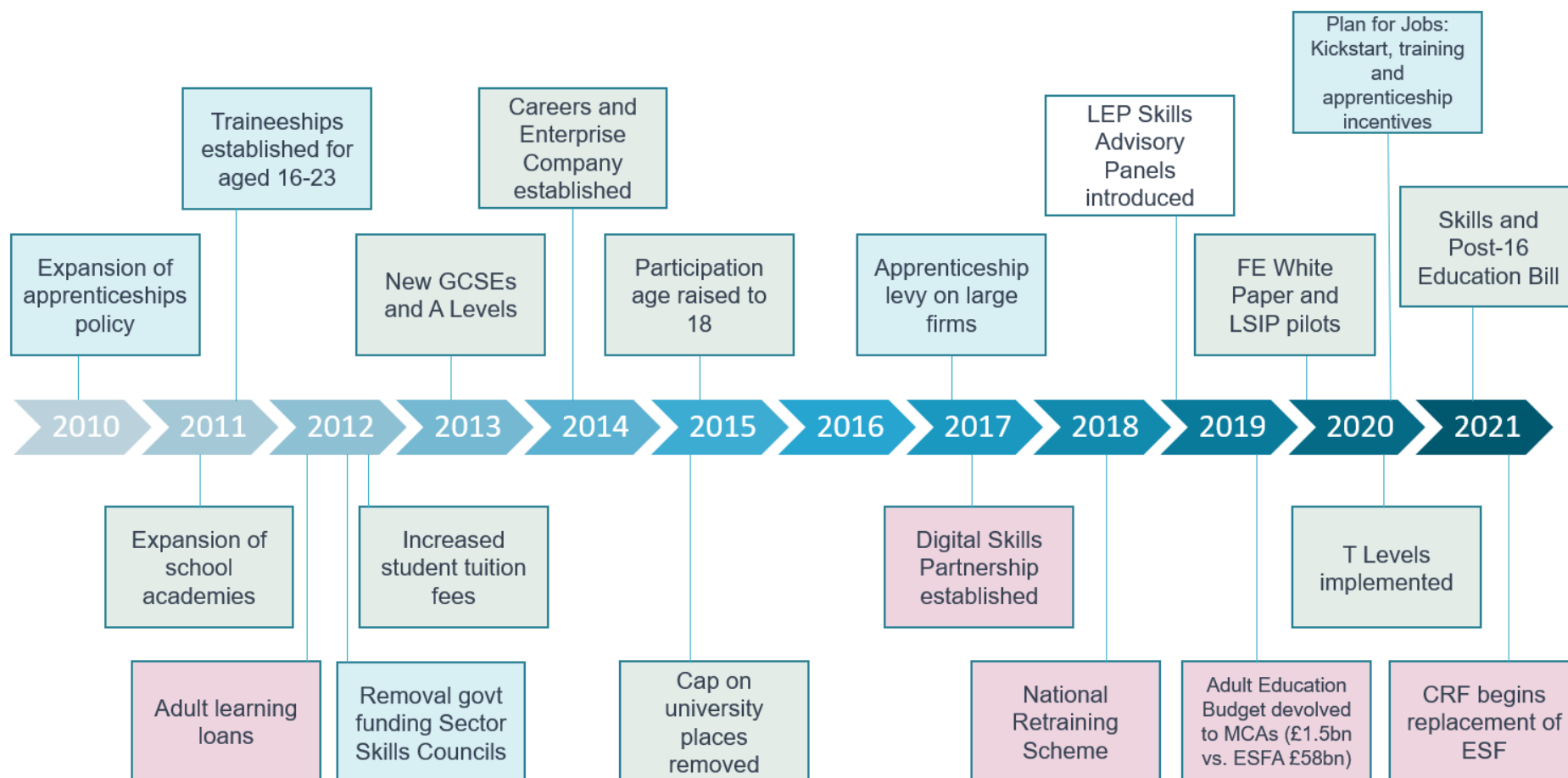
A number of Government policies and strategies are directly relevant to the strategic priorities in this skills strategy and will shape the future of funding and devolution through which it will be delivered. Partners across the area must work together to ensure these are leveraged optimally for Cambridgeshire and Peterborough.

Skills is a busy policy landscape. As shown in the timeline over the page, the last 10 years have seen a succession of re-shaping policies. The period has also seen legislative change, in 2017 both the Technical and Further Education Act and the Higher Education and Research Act brought the most significant changes for decades. As this Strategy is written, the Skills and Post-16 Education Bill is passing through Parliament.

In the short-term, the following strategies will be key to shaping the local response:

- **HMT's Plan for Jobs (2020)** brought together labour market support programmes delivered through DWP and DfE – Kickstart, Restart, apprenticeship and traineeship incentives, Lifetime Skills Guarantee. This focuses on supporting jobs with direct help for individuals to find work and upskill, protecting jobs in those sectors hit hardest by the pandemic, and creating jobs and training opportunities.
- **HMT's Plan for Growth (March 2021)** sets out the vision for 'building back better' through pillars of infrastructure, skills and innovation as key to the UK's recovery from Covid-19. The Government wishes to improve productivity and level-up the UK whilst increasing high-quality skills provision and training, and transforming FE. This will in part catalyse the development of creative ideas and technologies that will shape the UK's future high-growth.
- **The connected Innovation Strategy (September 2021) and Net Zero Strategy (October 2021)**, aims at boosting Britain's role as a including proposals to make the UK a Scientific Superpower and including policies to boost renewable energy production and heating, power and transport innovation.
- **DfE's Skills for Jobs White Paper (2021)** set out current legislative reforms in technical education that is currently being passed into legislation through the Skills and Post-16 Education Bill. Focusing on skills gaps at higher technical levels that risk the UK falling behind its global competitors, reform aims to transform the skills system to put employers at the heart of the system and to make training a lifelong and flexible option for all.
- **A Levelling Up and Devolution White Paper** is anticipated from Government, setting out its approach to developing growth in places and further plans for devolved powers and funding in England. This is against the backdrop of expected decisions on future growth and skills funding through the UKSPF.





Figure 24. Key national skills policy developments 2010-2021



Short-term priorities

Focus now and in the first five years will be on the following short-term priorities:

Figure 25. Short-term priorities

<p>Pre-work learning and formal education</p> 	<ul style="list-style-type: none"> • Improving careers education, specifically around STEM and green skills, as well as information, advice and guidance • Widening education access and participation to make education more inclusive and the student body (and future workforce) more diverse • Enhancing exposure to role models, work experience, and understanding of various training routes into sectors and occupations • Capital investment to improve teaching facilities and kit, particularly for providers of FE, alongside support for staff capacity building
<p>Employer access to talent</p> 	<ul style="list-style-type: none"> • Supporting Covid-19 recovery, growth and net zero transition by developing priority skills and responding to acute issues • Driving up and sustaining employers' engagement with and influence on education and training • Embedding modern work practices and conditions and improving job quality
<p>Life-wide and lifelong learning</p> 	<ul style="list-style-type: none"> • Improving access to careers information, advice and guidance at any age • Providing support to upskill and reskill in response to economic restructuring (e.g. following Covid-19, Brexit, further digitisation, as net zero transition intensifies) • Increasing work-based learning, particularly apprenticeships, and introducing more accessible formats (e.g. short courses/ online/blended learning). • Ensuring inclusion in continued and community learning and support for disadvantaged people, adults with SEN, care leavers and ex-offenders
<p>Support into and between work</p> 	<ul style="list-style-type: none"> • Supporting unemployed and NEETs into training and employment • Providing support for disadvantaged groups to access the labour market • Targeting support for Covid-19 recovery and transitions for displaced workers

The CA's role in delivering this is as a place leader with partners, and convener of skills provision across Cambridgeshire and Peterborough. It will continue to expand its delivery and direction of adult skills programmes, support partners to overcome barriers and improve place outcomes for our residents, and make the case for expanded devolution of economic growth funding and flexibilities. In the immediate term, the CA will focus on:

- **Developing growth in jobs** – focused on business, GVA, productivity and jobs growth at least at level 3 in Peterborough and Fenland, and at level 4+ focusing on priority sectors across Cambridgeshire and Peterborough.
- **Supporting people into growing, changing and new jobs** – throughout people's lives – from creating strong pathways post-18 to utilising Life Long Skills Guarantee and entitlements – with higher level skills that employers need. In line with Government's Skills White Paper, this means including employers in shaping the system.
- **Co-designing with stakeholders and place leaders an agile skills system** for Cambridgeshire and Peterborough, with a regional curriculum, and enabling support through our Local Transport and Connectivity Plan and infrastructure and digital investment.

The CA will also lead the way on establishing three linked longer-term change projects that are critical to ensuring our skills system can truly meet the needs of our local communities:

1. **A regional curriculum enabling strategic collaboration across providers, with learning and training aligned to local job opportunities and careers** – using robust data and information from employers to inform the experiences, skills development and qualifications that school, college and university students need for local job opportunities and careers.
2. **A dual-track system, anticipating long-term needs and responding with agility in the short-term** – with providers who can *both* lead on future workforce development to provide a pipeline of talent and respond to short term skills needs from industry.
3. **A coordinated place-based action framework, to engage all stakeholders in addressing multiple/complex issues** – convening place leaders, providers, schools and partners to focus on improving skill and qualification levels and getting people into good jobs and to achieve higher earnings.

These three projects will ensure **effective** provision is delivered using an **agile** approach, in a way suited to the nuances of **our places**.

Cutting across all of these will be the commitment to inclusive growth and the ongoing action of CPCA, Local Authorities and Cambridge and Peterborough Integrated Care System to work together, and with wider partners, to place health and wellbeing at the centre of system development and delivery.

Moving forward in our places

The vision, outcomes and short-term priorities set out in the previous sections present the collective ambitions and call to action across Cambridgeshire and Peterborough. These actions are relevant *on some level* everywhere. However, as demonstrated in the review of existing data, moving forward requires action to take account of the different starting points in each of our places.

The following sections consider each Local Authority in turn, recapping on the specific strengths, weaknesses, opportunities and threats present in the local economies, prior to setting out the nuance of the short-term priorities given this local context and corresponding initial actions are included. Finally, each section suggests where additional place-based indicators, above and beyond those set out for the area as whole, might be useful to track progress more specifically.

Peterborough place priorities

Summary SWOT analysis

	Strength
	Opportunity
	Weakness
	Threat

Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
Low levels of high skills in the area – the proportion of Peterborough’s population qualified to NVQ4+ is 32.1%, and a higher proportion of people are qualified up to NVQ level 2 than level 3 at 21.1% and 17.8% respectively	Highest GVA growth at 15% and productivity growth at 7.9% in the area	Higher rate of people working at occupational level 1 (17%) than nationally (9.2%) and lower at level 4	41.1% of Peterborough’s communities are deprived , double the national average
Engagement in HE has 31.6% of pupils progressing into HE at 18 (average for the area but slightly lower than national) and 6.7% of working age population currently in HE study (second highest in the area)	Lowest earnings joint with Fenland at £23,973, and job creation has been slower than average at 8% in recent years	Transition to net zero will impact manufacturing and supply chains – impacting the jobs and skills employers need and creating new jobs, occupations and new opportunities for those who can access support for new skills	Highest rate of Universal Credit claimants at 7.2%, with long term trends exacerbated by Covid-19 through an 88% rise in UC claimants
Poor engagement in post-18 technical education with just 8.3% of pupils moving from 16-18 study into FE and 8.6% onto apprenticeships	Fastest growing population projected at 11.7% by 2040, and working age population currently growing at 1.2%	Transformation in Industry 4.0 through automation and digitisation will continue to change how manufacturing and engineering operates and the skills employees need	Peterborough’s NEETs rate is higher than average and much higher than Cambridgeshire – at 7% NEET or unknown, compared with 3.2% for Cambridgeshire, and 5% for England
Peterborough is a net importer of apprentices from other districts and almost half of all AEB enrolments in 2019/20 were in Peterborough, at 6,720	Covid-19 and Brexit have impacted supply chains and labour supply , disrupting normal distribution and demand patterns – particularly affecting manufacturing	39% of current employment in advanced manufacturing and materials is exposed to automation , and 33% of current employment in digital and IT is exposed to automation	Economic inactivity is slightly higher than average but with a recent rise of 5.5%
Peterborough College operating and ARU Peterborough being established to serve students across the region	Stronger physical connectivity in Peterborough than other places in the area – enhancing access for people to employment and training	A rise in self-employment of 12% along with low earnings suggests precarity in work in Peterborough	
Young people may not have the role models in their communities as exposure for future opportunities	Relatively high workplace training rates at 25.4% suggest residents can access up to date work experience and skills – but may be employed with lower skills		
	Opportunity to capitalise on clusters of priority sectors to increase high skilled local opportunities and to promote good work with employers in the foundational economy facing recruitment challenges		

Strategic action

	Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
	Strategic priorities			
First priorities for Peterborough:	<ul style="list-style-type: none"> Widening education access and participation, increasing school achievement, and progression into technical education 	<ul style="list-style-type: none"> Supporting Covid-19 recovery, growth and net zero transition by developing priority skills and responding to acute issues in priority sectors such as manufacturing and digital 	<ul style="list-style-type: none"> Providing support to upskill and reskill in response to economic restructuring (e.g. following Covid-19, Brexit, further digitisation, as net zero transition intensifies) 	<ul style="list-style-type: none"> Supporting unemployed, NEETs and young people from deprived communities into training and employment
	<ul style="list-style-type: none"> Increasing level 4+ qualifications through progression and access into HE locally Enhancing exposure to role models, work experience, and understanding of various routes into sectors and occupations Capital investment to improve teaching facilities and kit, particularly at FE Improving careers education, information, advice and guidance 	<ul style="list-style-type: none"> Higher skilled jobs creation through innovation Embedding modern work practices and conditions and improving job quality Increasing employers' engagement and influence on education and training and connecting residents to opportunities across the area 	<ul style="list-style-type: none"> Creating and growing more level 3 and 4 jobs across sectors Increasing work-based learning, particularly apprenticeships, and introducing more accessible formats (e.g. short courses/ online/blended learning) Ensuring inclusion in continued and community learning and support for disadvantaged people, adults with SEN, care leavers and ex-offenders Improving access to careers information, advice and guidance at any age 	<ul style="list-style-type: none"> Targeting support for Covid-19 recovery and transitions for displaced workers Providing support for disadvantaged groups to access the labour market
	Actions			
	<ul style="list-style-type: none"> Continue establishment and development of ARU Peterborough Expand employers engaging with schools and colleges in T Level placements Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice Social value contracts - require businesses receiving local funding to do outreach in schools 	<ul style="list-style-type: none"> Net zero Green Skills Centre CRF – Start and Grow pre-start up and micro business enterprise skills support for individuals Energy Hub supply chain development Rapid response skill gap mapping for recovery/Brexit Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform, using Growth Works as a local engagement model 	<ul style="list-style-type: none"> All Age Careers Advice – bringing together careers provision through different contracts with enhanced support AEB Innovation Fund - pilot new provision Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future 	<ul style="list-style-type: none"> CRF – Turning Point funded internships and short courses for work re-entry and digital/management Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and furthest from labour market, and deliver DWP support Add Work and Health Programme to Growth Works model Expand short courses through innovative course design, such as skills bootcamps
	Additional progress measures			
	<ul style="list-style-type: none"> Increasing progression rates post-18 into HE, FE, and apprenticeships towards national levels 	<ul style="list-style-type: none"> Increasing number of professional and technical jobs, at least at level 3 	<ul style="list-style-type: none"> Reducing numbers of workers at level 1 and 2 and increasing at level 3 and 4 	<ul style="list-style-type: none"> Falling levels of economic inactivity and UC claimants Reducing NEETs and unsustained destinations after school

Fenland place priorities

Summary SWOT analysis

	Strength
	Opportunity
	Weakness
	Threat

Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
Lowest and falling levels of high skills , going against national trends (27% qualified to NVQ4+ compared with 43% nationally), with lower skills rising	Only place with shrinking GVA at -4.1%, and fastest falling productivity at -11.6%	Covid-19 has disrupted education and accelerated digitisation of training, worsening the impact of rural and other connection barriers	20% of Fenland’s communities are deprived – the second highest in the area but in line with the national average
69% of students progress from GCSE into vocational courses – compared to most taking A Levels elsewhere in the CPCA area, and post-Y11 vocational courses are growing at levels 1 and 2, while falling at level 3	Lowest earnings jointly with Peterborough at £23,973, and low proportion of jobs in priority sectors with 5.4% growth	Highest levels of self-employment at 18.7%, rising by 40% at a time of national fall suggests support needed for people transitioning mid-career	Covid-19 has exacerbated long term trends in unemployment and deprivation in Fenland – with an 83% rise in UC claimants
Poor engagement in post-18 formal education – lowest levels of residents in HE in the area at 3.2% and much lower than average progression at 18 into FE at 4.1%	Higher rate of people working at occupational level 1 (18.3%) than nationally (9.2%) and lower rates at levels 3 and 4	Transition to net zero will impact agriculture and supply chains – impacting the jobs and skills employers need	Residents risk being further left behind in growth and upskilling opportunities through weaker digital and transport connectivity to training and jobs
But higher than average progression at 18 onto apprenticeships at 10.7%, however this is mostly delivered outside of Fenland	Rural geography and lower physical connectivity is a barrier for people travelling and accessing work, worsened by flooding risk	Agritech is the priority sector most exposed to automation at 49% of current employment, and employment in agritech is less transferable to other priorities sectors than others	Fenland has the second highest proportion of 18 year olds moving into unsustained destinations (not progressing into and sustaining education or employment) in the area, slightly higher than national average at 13.9%
College of West Anglia campus in Wisbech, but rural access barriers to FE and HE – longer travel times to learning	Relatively high workplace training rates at 27.8% suggest residents are accessing up to date work experience and skills, but that employers have to provide training rather than sourcing this from the market		Rise of economic inactivity by 41.4% compared with a national fall
AEB learners are younger than average for the area, and more likely to have previous education at level 2 or below	Agriculture and food supply chains will continue to be impacted by labour shortages from Brexit in the short term, and agriculture is highly exposed to automation		
Young people may not have the role models in their communities as exposure for future opportunities	Fenland’s business base offers limited opportunities for high-skilled jobs , only 16% of jobs are professional and technical occupations, compared to 40% nationally.		

Strategic action

	Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
	Strategic priorities			
First priorities for Fenland:	<ul style="list-style-type: none"> • Widening education access and participation and increasing school achievement at level 3 	<ul style="list-style-type: none"> • Supporting businesses to start up, grow and create good jobs – upskilling people in leadership and management 	<ul style="list-style-type: none"> • Providing support to upskill and reskill in response to economic restructuring (e.g. following Covid-19, Brexit, further digitisation, as net zero transition intensifies) 	<ul style="list-style-type: none"> • Supporting unemployed, NEETs and young people into training and employment
	<ul style="list-style-type: none"> • Connecting people to education and training through transport and digital inclusion • Enhancing exposure to role models, work experience, and understanding of various routes into sectors and occupations • Capital investment to improve teaching facilities and kit, particularly at FE • Focus of increasing level 4+ qualifications on in-work training and progression • Improving careers education, information, advice and guidance 	<ul style="list-style-type: none"> • Supporting Covid-19 recovery, growth and net zero transition by developing priority skills and responding to acute issues • Embedding modern work practices and conditions and improving job quality • Increasing employers' engagement and influence on education and training and connecting residents in Fenland to opportunities across the area 	<ul style="list-style-type: none"> • Increasing work-based learning, particularly apprenticeships, and introducing more accessible formats (e.g. short courses/ online/blended learning) • Ensuring inclusion in continued and community learning and support for disadvantaged people, adults with SEN, care leavers and ex-offenders • Improving access to careers information, advice and guidance at any age 	<ul style="list-style-type: none"> • Targeting support for Covid-19 recovery and transitions for displaced workers • Providing support for disadvantaged groups to access the labour market • Connecting people to work through transport and digital inclusion
	Actions			
	<ul style="list-style-type: none"> • College of West Anglia Wisbech campus development • Expand employers engaging with schools and colleges in T Level placements • Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice • Social value contracts - require businesses receiving local funding to do outreach in schools 	<ul style="list-style-type: none"> • CRF – Start and Grow pre-start up and micro business enterprise skills support for individuals • Expand Growth Works in business management and leadership emphasising job design and creation, and skills training for small business leaders • Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform and engagement model • Rapid response skill gap mapping for recovery/Brexit 	<ul style="list-style-type: none"> • All Age Careers Advice – bringing together careers provision through different contracts with enhanced support • Direct AEB funding to priority skills needs, use AEB Innovation Fund to pilot new forms of training provision • Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future 	<ul style="list-style-type: none"> • CRF – Turning Point funded internships and short courses for work re-entry and digital/management • Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and furthest from labour market, and national DWP support • Add Work and Health Programme to Growth Works • Expand short courses through innovative course design, such as skills bootcamps
	Additional progress measures			
	<ul style="list-style-type: none"> • Increasing proportion of vocational courses age 16-18 studied at level 3 • Increasing progression rates post-18 into HE and FE towards national levels 	<ul style="list-style-type: none"> • Increasing number of professional and technical jobs, at least at level 3 	<ul style="list-style-type: none"> • Reducing numbers of workers at level 1 and increasing at level 3 • Increasing rates of in-work training (provided flexibility at various levels) 	<ul style="list-style-type: none"> • Falling levels of economic inactivity and UC claimants • Increasing investment in connectivity • Reducing unsustained destinations after school

Huntingdonshire place priorities

Summary SWOT analysis

Strength

Opportunity

Weakness

Threat

Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
Higher level skills are growing with 42.1% (just below national average) qualified to NVQ4+	Working age population is falling by -0.3% and the population is projected to further fall to 2040 by - 0.6%, suggesting future ageing	Opportunity to utilise Covid-19 impact of digital by default to increase digital learning and upskilling	Low levels of deprivation but highest rise in unemployment of 56% in 2020, and high rise in UC claimants of 98% during Covid-19
But higher proportion of people are qualified up to NVQ level 2 than level 3 at 18.9% and 17.6% respectively, threatening residents benefiting from future job opportunities	Higher than average GVA growth at 10.5% and growing productivity at 2.9%	Higher rate of people working at occupational level 4 (37.5%) than nationally (31%) and lower at levels 3 and 1	Economic inactivity rise at a time of national fall, with a significant rise in inactivity among students, but remaining lower than average
Strong engagement with HE – highest proportion of residents (at working age) in the area in HE at 8% with recent growth, and 35.6% progressing into HE at 18	Largely engaged workforce earning above average levels with resident annual earnings of £28,911, and self-employment growing	Transition to net zero will impact agriculture and manufacturing supply chains, the jobs and skills employers need, and create new jobs, occupations and opportunities for those who can access support for skills	
Poorer engagement with post-18 technical education with lower than average progression into FE at 5.4% and apprenticeships at 9.2%	Slower growth in priority sector employment at 7.5% (but still above national average at 6.6%)	Transformation in automation and digitisation will continue to change how agriculture and manufacturing operates and uses technology, and the skills employees need	
Cambridge Regional College campus in Huntingdon – serving students across the region	Agriculture and food, manufacturing supply chains will continue to be impacted by labour shortages from Brexit over the short term	Agri-tech is the priority sector most exposed to automation at 49% of current employment, and employment in agri-tech is less transferable to other priorities sectors than others	
Second highest number of AEB enrolments in 2019/20 at 1,798, (but significantly lower in absolute numbers than Peterborough)	Railway links and employment and learning hubs that can grow		
Huntingdonshire is a net exporter of apprentices to other districts (mostly South Cambridgeshire)			

Strategic action

	Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
	Strategic priorities			
First priorities for Huntingdonshire:	<ul style="list-style-type: none"> Widening education access and participation and increasing progression and achievement at level 4+ 	<ul style="list-style-type: none"> Supporting Covid-19 recovery, growth and net zero transition by developing priority skills and responding to acute issues 	<ul style="list-style-type: none"> Providing support to upskill and reskill in response to economic restructuring (e.g. following Covid-19, Brexit, further digitisation, as net zero transition intensifies) 	<ul style="list-style-type: none"> Targeting support for Covid-19 recovery and transitions for displaced workers
	<ul style="list-style-type: none"> Growing numbers of apprentices delivered with local employers Enhancing exposure to role models, work experience, and understanding of various routes into sectors and occupations Capital investment to improve teaching facilities and kit Improving careers education, information, advice and guidance 	<ul style="list-style-type: none"> Embedding modern work practices and conditions and improving job quality Increasing employers' engagement and influence on education and training and connecting residents to opportunities across the area 	<ul style="list-style-type: none"> Increasing work-based learning, particularly apprenticeships, and introducing more accessible formats (e.g. short courses/ online/blended learning) Ensuring inclusion in continued and community learning and support for disadvantaged people, adults with SEN, care leavers and ex-offenders Improving access to careers information, advice and guidance at any age 	<ul style="list-style-type: none"> Supporting unemployed into training and employment
	Actions			
	<ul style="list-style-type: none"> St Neots FE provision improvements Continue delivery of Apprenticeship Levy Pooling, apprenticeship delivery through local development projects at level 3 upwards for young people Expand employers engaging with schools and colleges in T Level placements Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice 	<ul style="list-style-type: none"> CRF – Start and Grow pre-start up and micro business enterprise skills support for individuals Rapid response skill gap mapping for recovery/Brexit Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform, using Growth Works as a local engagement model 	<ul style="list-style-type: none"> All Age Careers Advice – bringing together careers provision through different contracts with enhanced support Direct AEB funding to priority skills needs, use AEB Innovation Fund to pilot new forms of training provision Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future 	<ul style="list-style-type: none"> Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and those furthest from the labour market, and deliver national Covid-19 support programmes with DWP Add Work and Health Programme to Growth Works model Expand short courses through innovative course design, such as skills bootcamps
	Additional progress measures			
	<ul style="list-style-type: none"> Increasing progression rates post-18 into FE and apprenticeships towards national levels 	<ul style="list-style-type: none"> Increasing number of professional and technical jobs, particularly in priority sectors 	<ul style="list-style-type: none"> Increasing receipts of/participation in careers IAG for adults 	<ul style="list-style-type: none"> Reducing unsustained destinations after school

East Cambridgeshire place priorities

Summary SWOT analysis

	Strength
	Opportunity
	Weakness
	Threat

Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
Lower and falling high skills - levels qualified to NVQ4+ at 38.1% (compared with 43% nationally), and fastest growth at level 2 at 6.5% while falling elsewhere	High levels of employment with above average earnings at £27,238, higher GVA growth at 9.4%	Opportunity to utilise Covid-19 impact of digital by default to increase digital learning and upskilling in a rural area and FE cold spot	Low levels of deprivation – 0% of neighbourhoods in the national 20% most deprived
Low progression into HE with 25.4% of 18 year olds entering HE compared with 31.5% across the area and 35.2% nationally	Population growth has been slight and isn’t projected to grow – suggesting future ageing and a smaller future workforce	A more even spread of occupation levels means a lower rate of people working at each occupational level than nationally – but with more working at level 2 than 3	High rise in UC claimants of 104% during Covid-19
Highest progression into apprenticeships in the area at 18 at 11.4%	Clusters of employment in priority sectors are growing quickly at 14.3% growth in employment	Covid-19 has disrupted education increasing barriers in an FE cold spot	Economic inactivity is the lowest in the area and has fallen by more than national averages at -6.5%
FE provision cold spot in a rural area with a lack of physical facilities, and East Cambridgeshire is a net exporter of apprentices to other districts (mostly South Cambridgeshire)	Falling productivity at -6% and lower than average level of people working at occupation level 3 at 19.8% threaten growth opportunities	Transition to net zero will impact the jobs and skills employers need , and create new jobs, occupations and new opportunities for those who can access support for new skills	
East Cambridgeshire has the lowest AEB enrolment in the area , with 783 in 2019/20	Supply chains and labour shortages from Covid-19 and Brexit are affecting the range of industries	Transformation in automation and digitisation will continue to change a range of industries and the skills employees need	
Young people may not have the role models in their communities as exposure for future opportunities		Residents risk being further left behind in growth and upskilling opportunities through weaker digital and transport connectivity to training	

Strategic action

	Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
	Strategic priorities			
First priorities for East Cambs:	<ul style="list-style-type: none"> Widening education access and progression into HE, increasing achievement at level 4+ 	<ul style="list-style-type: none"> Supporting Covid-19 recovery, growth and net zero transition by developing priority skills, and growing jobs at level 4 	<ul style="list-style-type: none"> Increasing work-based learning, particularly progression into level 4 skills, and introducing more accessible formats (e.g. short courses/online/blended learning) 	<ul style="list-style-type: none"> Targeting support for Covid-19 recovery and transitions for displaced workers
	<ul style="list-style-type: none"> Capital investment to improve teaching facilities and kit, particularly at FE Connecting people to education and training through transport and digital inclusion Enhancing exposure to role models, work experience, and understanding of various routes into sectors and occupations Improving careers education, information, advice and guidance 	<ul style="list-style-type: none"> Increasing employers' engagement and influence on education and training and connecting residents to opportunities across the area Embedding modern work practices and conditions and improving job quality 	<ul style="list-style-type: none"> Providing support to upskill and reskill in response to economic restructuring (e.g. following Covid-19, Brexit, further digitisation, as net zero transition intensifies) Ensuring inclusion in continued and community learning and support for disadvantaged people, adults with SEN, care leavers and ex-offenders Improving access to careers information, advice and guidance at any age 	<ul style="list-style-type: none"> Connecting people to work through transport and digital inclusion Supporting unemployed into training and employment
	Actions			
	<ul style="list-style-type: none"> East Cambridgeshire FE provision development Expand employers engaging with schools and colleges in T Level placements Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice 	<ul style="list-style-type: none"> Rapid response skill gap mapping for recovery/Brexit Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform, using Growth Works as a local engagement model 	<ul style="list-style-type: none"> All Age Careers Advice – bringing together careers provision through different contracts with enhanced support Direct AEB funding to priority skills needs, use AEB Innovation Fund to pilot new forms of training provision Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future 	<ul style="list-style-type: none"> Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and those furthest from the labour market, and deliver national Covid-19 support programmes with DWP Add Work and Health Programme to Growth Works model Expand short courses through innovative course design, such as skills bootcamps
	Additional progress measures			
	<ul style="list-style-type: none"> Increasing progression rates post-18 into HE and FE towards national levels 	<ul style="list-style-type: none"> Increasing number of professional and technical jobs, at least at level 3 	<ul style="list-style-type: none"> Reducing numbers of workers at level 2 and increasing at level 3 	<ul style="list-style-type: none"> Increasing investment in connectivity Reducing unsustained destinations after school

Cambridge place priorities

Summary SWOT analysis

	Strength
	Opportunity
	Weakness
	Threat

Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
Highest rates of residents qualified to NVQ4+ at 60%, highest rate of students taking A Levels at 68%, and highest progression onto university from school at 41.2%	High levels of employment in priority growth sectors, and highest earnings in the area of £31,673	Lowest levels of in work training – with 11.9% of people reporting having had in work training in the last 13 weeks – threatens to leaving behind lower skilled workers	Localised inequality – rise in unemployment of 28.6% and rise in UC claimants during the pandemic of 103%, with 4.3% of neighbourhoods in top 20% deprived
Lowest levels of progression at 18 into FE at just 2.8% compared with 9% nationally and apprenticeships at 4.8% compared with 9.3% nationally, and an educational attainment gap – only 43% of disadvantaged pupils achieved the benchmark in GCSE English and Maths, vs. 75% of children not eligible for free school meals	But falls in employment levels of -3.5%, the slowest growth in GVA at 4.6% and falling productivity at -4.8% threaten to limit growth opportunities	Higher rate of people working at occupational level 4 (53.8%) than nationally (31%) and lower at levels 3 and 2	Below average economic inactivity falling at -2.9%
University of Cambridge, Cambridge Regional College, two Sixth Form Colleges and COWA Milton Campus are based here – serving students across the region	Cambridge’s population isn’t growing, and the working age population has shrunk by -3.4%, with a projected population fall of -2.1% by 2040	Covid-19 has disrupted education and accelerated digitisation of training - increasing inequalities	
Cambridge is a net importer of apprentices from other districts	Hospitality and leisure will continue to be impacted by labour shortages from Brexit over the short term	Transition to net zero will impact supply chains and a range of industries the jobs and skills employers need and create new jobs, occupations and new opportunities for those who can access support for new skills	
Access to HE, institutions and priority sector employers should mean good access for young people to experience and role models	Stronger physical connectivity and access to employment and learning	Transformation in Industry 4.0 through automation and digitisation will continue to change industries: 31% of current life sciences employment, 39% of current employment in advanced manufacturing, and 33% of current employment in digital and IT is predicted to be exposed to automation	

Strategic action

	Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
	Strategic priorities			
First priorities for Cambridge:	<ul style="list-style-type: none"> Ensuring access to technical education, apprenticeship and training choices are available to students not following A Level and university routes 	<ul style="list-style-type: none"> Supporting Covid-19 recovery, growth and net zero transition by developing priority skills and responding to acute issues 	<ul style="list-style-type: none"> Increasing work-based learning, particularly apprenticeships and for those with lower level skills, and introducing more accessible formats (e.g. short courses/ online/blended learning) 	<ul style="list-style-type: none"> Targeting support for Covid-19 recovery and transitions for displaced workers
	<ul style="list-style-type: none"> Capital investment to improve teaching facilities and kit, and expanding access Improving careers education, information, advice and guidance, particularly for students not following A Level and university routes 	<ul style="list-style-type: none"> Increasing employers' engagement and influence on education and training and connecting residents to opportunities across the area Opening up access in priority sectors to students following vocational and technical routes 	<ul style="list-style-type: none"> Improving access to careers information, advice and guidance at any age Ensuring inclusion in continued and community learning and support for disadvantaged people, adults with SEN, care leavers and ex-offenders 	<ul style="list-style-type: none"> Providing support for disadvantaged people to access the labour market Supporting unemployed into training and employment
	Actions			
	<ul style="list-style-type: none"> Continue delivery of Apprenticeship Levy Pooling, apprenticeship delivery through local development projects at level 3 upwards for young people All Age Careers Advice throughout school years Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice 	<ul style="list-style-type: none"> Rapid response skill gap mapping for recovery/Brexit Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform, using Growth Works as a local engagement model 	<ul style="list-style-type: none"> All Age Careers Advice – bringing together careers provision through different contracts with enhanced support Direct AEB funding to priority skills needs, use AEB Innovation Fund to pilot new forms of training provision Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future Expanding Region of Learning programme for community learning and talent development 	<ul style="list-style-type: none"> Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and those furthest from the labour market, and deliver national Covid-19 support programmes with DWP Add Work and Health Programme to Growth Works model Expand short courses through innovative course design, such as skills bootcamps
	Additional progress measures			
	<ul style="list-style-type: none"> Increasing progression rates post-18 into FE and apprenticeships towards national levels for young people following vocational routes 	<ul style="list-style-type: none"> Reversing employment level decline 	<ul style="list-style-type: none"> Increasing rates of in-work training (provided flexibility at various levels) 	<ul style="list-style-type: none"> Reducing localised inequalities

South Cambridgeshire place priorities

Summary SWOT analysis

	Strength
	Opportunity
	Weakness
	Threat

Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
High and growing levels of high skills at 56.2% with NVQ4+, and lower than average proportions qualified up to lower levels	Fast growing GVA at 13.1%, higher average annual earnings of £31,425, and highest growth in employment in priority sectors at 29.1%	Low levels of in work training – with 13.3% of people reporting having had in work training in the last 13 weeks – threat of leaving behind lower skilled workers	High growth of 60.2% in economic inactivity levels with falling productivity threatens to limit immediate growth opportunities
At 20.5%, lower progression from school here into HE suggests gaps in the right provision for some cohorts	Fastest growing working age population at 2% against a projected overall fall in population to 2040 of -3.7%	Higher rate of people working at occupational level 4 (46.2%) than nationally (31%) and lower at levels 3, 2 and 1	High rise in UC claimants of 135% during Covid-19
South Cambridgeshire is an importer of apprentices for the area, and higher than average proportions of school leavers progress into apprenticeships at 10%	But falling productivity at -5.4% compared with slight national growth at 1.2%	Covid-19 has disrupted education and accelerated digitisation of training - increasing inequalities	
Largest proportion of AEB learners in the area with prior education at level 3 and above	Supply chains and labour shortages from Covid-19 and Brexit are affecting the range of industries	Transition to net zero will impact supply chains and a range of industries in the jobs and skills employers need create new jobs, occupations and new opportunities for those who can access support for new skills	
Access to high level skills and priority sector employers should mean good access for young people to experience and role models	Stronger physical connectivity and access to employment and learning	Transformation in automation and digitisation will continue to change a range of industries and the skills employees need	

Strategic action

	Pre-work and formal education	Employer access to talent	Life-wide and lifelong learning	Support into and between work
	Strategic priorities			
First priorities for South Cambs:	<ul style="list-style-type: none"> Widening progression into HE from local schools and into FE and technical education 	<ul style="list-style-type: none"> Supporting Covid-19 recovery, growth and net zero transition by developing priority skills and responding to acute issues 	<ul style="list-style-type: none"> Increasing work-based learning to support growing productivity, and introducing more accessible formats (e.g. short courses/online/blended learning) 	<ul style="list-style-type: none"> Targeting support for Covid-19 recovery and transitions for displaced workers
	<ul style="list-style-type: none"> Capital investment to improve teaching facilities and kit, particularly at FE Improving careers education, information, advice and guidance 	<ul style="list-style-type: none"> Increasing employers' engagement and influence on education and training and connecting residents to opportunities across the area 	<ul style="list-style-type: none"> Improving access to careers information, advice and guidance at any age Ensuring inclusion in continued and community learning and support for disadvantaged people, adults with SEN, care leavers and ex-offenders 	<ul style="list-style-type: none"> Supporting unemployed into training and employment
	Actions			
	<ul style="list-style-type: none"> Continue delivery of Apprenticeship Levy Pooling, apprenticeship delivery through local development projects at level 3 upwards for young people All Age Careers Advice throughout school years Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice 	<ul style="list-style-type: none"> Rapid response skill gap mapping for recovery/Brexit Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform, using Growth Works as a local engagement model 	<ul style="list-style-type: none"> All Age Careers Advice – bringing together careers provision through different contracts with enhanced support Direct AEB funding to priority skills needs, use AEB Innovation Fund to pilot new forms of training provision Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future 	<ul style="list-style-type: none"> Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and those furthest from the labour market, and deliver national Covid-19 support programmes with DWP Add Work and Health Programme to Growth Works model Expand short courses through innovative course design, such as skills bootcamps
	Additional progress measures			
	<ul style="list-style-type: none"> Increasing progression rates post-18 into HE and FE towards national levels 	<ul style="list-style-type: none"> Increasing number of professional & technical jobs, at least at level 3 	<ul style="list-style-type: none"> Increasing receipts of/participation in careers IAG for adults 	<ul style="list-style-type: none"> Reducing unsustained destinations after school

Annex A: Progress measures

The progress measures set out in Fig. 23 in section 3, and localised in the place pages in section 4 are displayed in the below scorecard. This shows each place's relative position now on each indicator relating to the progress measures. In implementing this Employment and Skills Strategy and monitoring progress, the below can be updated in a dashboard to track progress. Each of the indicators is accessible in a nationally published dataset that is regularly updated.

Figure 26. Progress measures scorecard – current position on key indicators

Progress measure	Indicator	Date	Peterborough	Fenland	Huntingdonshire	East Cambridgeshire	Cambridge	South Cambridgeshire	National
Relative deprivation (reducing)	IMD overall	2019	41.1%	20.0%	1.9%	0.0%	4.3%	0.0%	20.0%
Low or no qualifications (decreasing)	% All people aged 16-64 : NVQ4+	2020	32.1%	27.0%	42.1%	38.1%	60.0%	56.2%	43.0%
	% All people aged 16-64 : NVQ3	2020	17.8%	25.3%	17.6%	19.2%	11.8%	16.1%	16.9%
	% All people aged 16-64 : NVQ2	2020	21.1%	23.9%	18.9%	25.1%	8.2%	13.5%	15.5%
	% All people aged 16-64 : NVQ1	2020	11.8%	8.2%	15.2%	8.0%	5.5%	6.6%	9.7%
	% All people aged 16-64 : Trade Apprenticeships	2020	1.7%	5.8%	1.8%	4.3%	3.7%	2.2%	2.8%
Progression at 18 into FE, apprenticeships and HE (increasing)	Pupils progressing at 18 into HE (%)	2018/19	31.6%	29.4%	35.6%	25.4%	41.2%	20.5%	35.2%
	Pupils progressing at 18 into FE (%)	2018/19	8.3%	4.1%	5.4%	4.7%	2.8%	9.8%	9.0%
	Pupils progressing at 18 into Apprenticeships (%)	2018/19	8.6%	10.7%	9.2%	11.4%	4.8%	10.0%	9.3%
	Pupils progressing at 18 into Work (%)	2018/19	27.7%	33.9%	32.8%	38.8%	34.3%	37.2%	25.6%
	Pupils progressing at 18 into Unsustained destination (%)	2018/19	15.3%	13.9%	10.9%	12.1%	9.6%	11.9%	13.3%
School participation (increasing)*	% 16-17 year olds in full time education or training	2021	87.9%			88.6%			87.4%
NEET numbers (decreasing)*	% 16-17 year olds NEET or not known	2021	7.0%			3.2%			5.5%
In-work training (increasing)	Received job related training in last 13 weeks 16-64 (%)	2020	25.4%	27.8%	15.7%	18.5%	11.9%	13.3%	
Employment levels (increasing)	Employed 16-64 (Rate)	2020	74.1	70.1	77.2	83.2	77.2	76.1	75.3
Earnings (increasing)	Resident annual earnings	2020	£ 23,973	£ 23,972	£ 28,911	£ 27,238	£ 31,673	£ 31,425	£25,780
GVA and productivity levels (increasing)	Total GVA (£) change %		15.0%	-4.1%	10.5%	9.4%	4.6%	13.1%	8.6%
	Productivity change (2014-2019)		7.9%	-11.6%	2.9%	-6.0%	-4.8%	-5.4%	1.2%
Skilled jobs (increasing)	Occupation skill level 4 (Rate)	2020	24.7%	14.2%	37.5%	28.3%	53.8%	46.2%	31.1%
	Occupation skill level 3 (Rate)	2020	26.3%	16.6%	19.3%	19.8%	12.7%	24.9%	28.0%
	Occupation skill level 2 (Rate)	2020	31.6%	31.8%	31.5%	27.5%	13.6%	17.8%	31.4%
	Occupation skill level 1 (Rate)	2020	17.0%	18.3%	6.1%	6.5%	9.9%	7.2%	9.2%
Economic inactivity (decreasing)	Economically inactive: 16-64 (Rate)	2020	21.7	25.3	19.3	16.8	19.6	21.7	21.1
Universal Credit (decreasing)	Universal credit claims % of working age pop	May-21	13.5%	9.2%	6.1%	5.3%	6.6%	4.7%	9.2%

Notes:

- School participation and NEET data is only collated at Upper Tier Local Authority level, and is therefore not available broken down by District in Cambridgeshire.
- Indicators for travel to work times are not included here as they are not regularly updated – these are based on 10-yearly census data. Indicators for vocational level study in Fenland and connectivity investment are also not included here as they are produced locally within local authorities and the CPCA.



Metro — Dynamics



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.4

Growth Works Management Review – January 2022

To:	Skills Committee
Meeting Date:	17 January 2022
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha
From:	Deputy Chief Officer Business Board and Senior Responsible Officer, Growth Works, Alan Downton, and Growth Co Chair, Nigel Parkinson
Key decision:	No
Recommendations:	<p>The Skills Committee is recommended to:</p> <p style="text-align: center;">Note the Growth Works programme performance up to 31st October 2021.</p>
Voting arrangements:	A simple majority of all Members present and voting

1. Purpose

- 1.1 Note the financial and non-financial performance of Growth Works and request any required changes to reporting going forward.
- 1.2 To note and comment upon the programme performance up to 31st October 2021.

2. Growth Works Service Line Performance

- 2.1 The overall performance to 31st October 2021 service line leading indicators are reported in the dashboard table below - Programme Outcome & Top Leading Indicators

Dashboard Summary – Programme Outcome and Top Leading Indicators							Overall RAG Status ●	
Service Line / Whole of Programme View	Target Indicator	Q4 Target	Q4 Actual (31/10)	YTD Total at Q4	Year 1 Target	Actual Outcomes in Q4 as at 31/10	Progress against Year-1 Target (at 31/10)	
All Service Lines – Outcome	Jobs created (inc. Apprentices)	N/A	68	769.5*	589	Up 331.5** ↑	↑	130.6%
Top Leading Indicators - Growth Coaching	Businesses provided with (i.e. undertaken) a Growth Diagnostic	486	142	494	832	Up 142 ↑	↑	59.4%
	Businesses starting coaching assignments (Growth support following diagnostic)	105	30	157	193	Up 30 ↑	↑	80.1%
Top Leading Indicators - Inward Investment	Inward investors receiving information, diagnostics, and brokerage support	9	10	104	18	Up 10 ↑	↑	577.7%
	Inward investor commitments to expand or for new investments	2	2	13	6	Up 2 ↑	↑	216.7%
Top Outcome and Leading Indicator – Skills	Additional training / learning outcomes (excludes apprenticeships)	129	25	123	209	Up 25 ↑	↑	58.8%
	CO23's / SME Engagement	20	4	18	33	Up 4 ↑	↑	54.5%
Top Leading Indicators - Grants & Equity	Companies receiving grants	10	7	39	28	Up 7 ↑	↑	139.3%
	Small Business Capital Growth Investment Equity (£000)	1,000	0	0	2,000	Level →	↓	0.0%

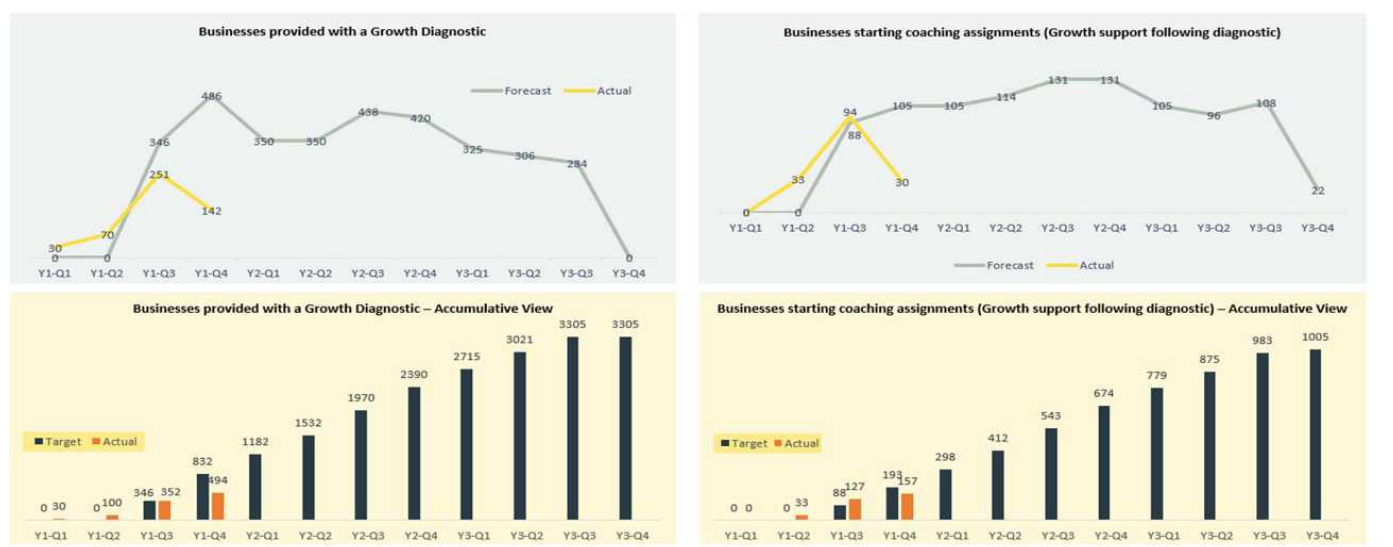
- 2.2 The project management team are highly confident that all Year 1 contractual outcomes will be met by 31st December 2021.
- 2.3 Highlights from year 1 achievements include:
 - Over 130% of jobs committed.
 - 577% of annual inward investors receiving support.
 - 216% of new/expanded inward investments.
 - Almost 140% of companies receiving grants.
 - Over 92% of apprenticeships.
 - Nil customer complaints received.
 - Equity pipeline is below forecast, although active with three EOIs in the pipeline for over £1.5m and more coming in at the run rate of £2m per quarter which would exceed year 1 and year 2 targets.

3. Growth Works Service Line Performance

3.1 Table breakdown of performance - Q4 targets are to 31st October

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	Q3 Actual	(Q4) This Quarter					Q4 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL				Q4 Target	Actual (31/10)	Actual (30/11)	Actual (31/12)	Q4 Total to 31/10	Target (31/12)	Actual (31/10)	% Q4 Actual / Q4 Target	Year-1 Target	YTD Actual	%YTD Actual / Yr-1 Target
Jobs created	46	1454	1723	3223	0	0	11	46	10.5			10.5	46	10.5	22.8% →	46	21.5	46.7% ↑
Businesses provided with (i.e. undertaken) a Growth Diagnostic	832	1558	915	3305	30	70	252	486	142			142	486	142	29.2% →	832	494	59.4% ↑
Businesses starting coaching journeys (enrolled in Get Set Accelerate)	154	385	466	1005	0	79	60	84	29			29	84	29	34.5% ↑	154	168	109.1% ↑
Businesses starting coaching assignments (Growth support following diagnostic)	193	481	331	1005	0	33	94	105	30			30	105	30	28.6% →	193	157	80.1% ↑
Businesses completing a coaching journey	44	327	634	1005	0	0	0	44	22			22	44	22	50% ↑	44	22	50% ↑

3.2 Performance shown as a line and bar chart - Q4 targets are to 31st October

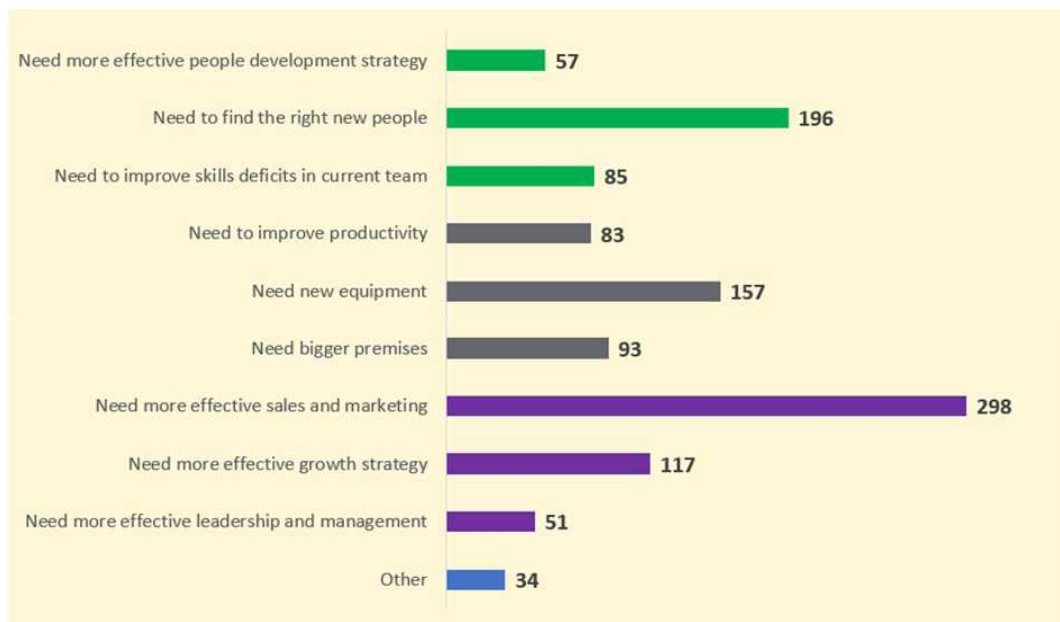


Diagnostics are behind forecast, however with increased marketing - as demonstrated in the latest 120-day plans shared by the service line with the Combined Authority and PMO - we maintain a high degree of confidence that this target will still be met.

3.3 Business enrolled by size

Number of employees	Count of Businesses	Profile
3-9	78	46.7%
10-49	60	35.9%
50-249	18	10.8%
TBD	11	6.6%

3.4 Business challenges cited by companies on their diagnostic forms. Data shown is to 31st October.



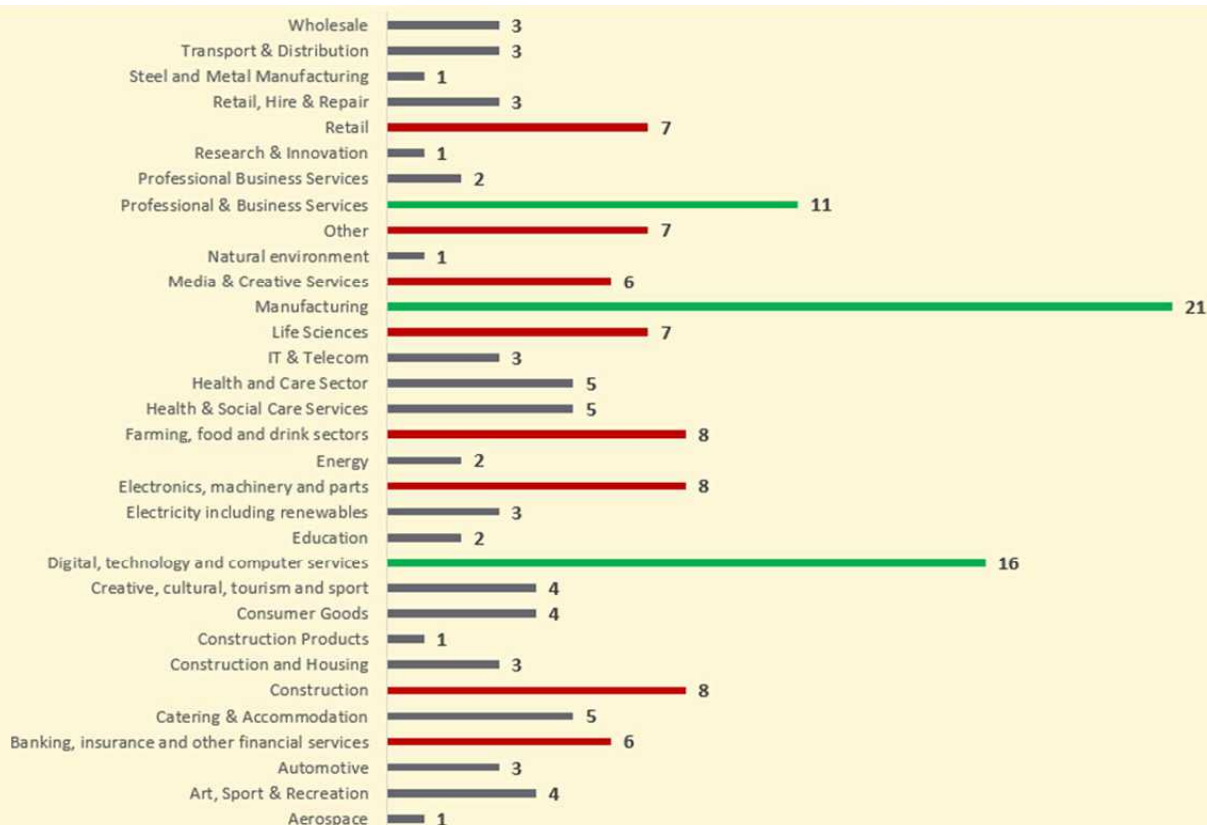
Businesses completing a diagnostic are asked to give their reasons for engaging with Growth Works with Coaching and share current business challenges and concerns they are faced with

The table opposite lists the reasons and the number of recorded entries against each (where a company may record more than one reason).

- Green bars indicate people and talent challenges.
- Grey bars indicate operational and infrastructure efficiency and effectiveness challenges.
- Purple bars indicate growth specific challenges.

Need more effective growth strategy will be broken down further from January 2022.

3.5 Businesses starting coaching journeys (enrolled in Growth Coaching) by sector. Data shown is to 31st October.



As of 31st October 2021, a total of 168 companies had started their coaching journeys. The table above lists the number of companies by sector.

- Green bars indicate sectors with more than ten companies.
- Brown bars indicate sectors with between six and ten companies.
- Grey bars indicate sectors with between one and five companies.
- The total number of companies illustrated in the bar chart is 164. there are an additional four companies where we are still verifying their sector which, once confirmed, will be recorded in HubSpot.

3.6 The Growth Hub

The Growth Hub has 4 full time employees. Due to expanding scope and developer limitations our HubSpot' enhanced functional development wasn't completed to end of June 2021.

3.7 Growth Hub Performance – Table breakdown of performance

Activity		Comments
Calls	37	Positive aspect - the calls coming in are from leaders & owners of businesses and generally last 45+ minutes. Giving a lot more depth and breadth to the calls. It appears not all calls are logged. Dealing with as part of monthly contractual meetings
Emails	3908	This is what is registered on HubSpot. It appears lots of emails aren't registered as these are only the emails sent through HubSpot not emails gone out through outlook. As above, dealing with as part of monthly contractual meetings.

Replies	381	
Meeting with businesses	63	

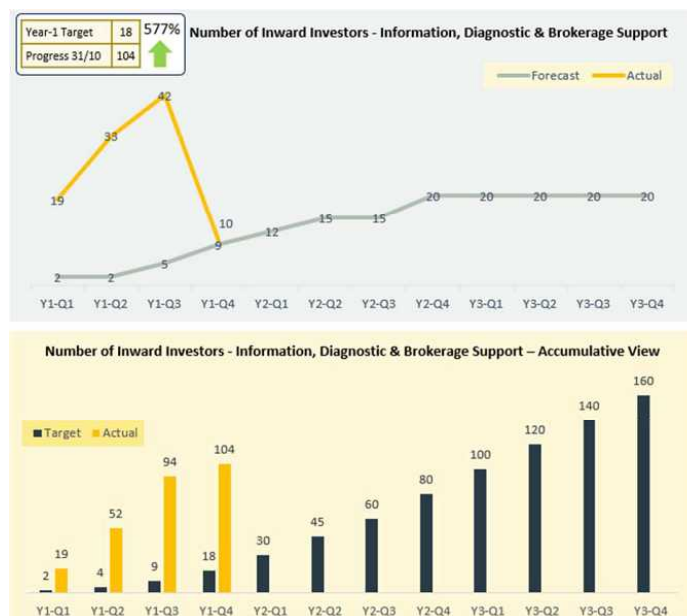
4. Inward Investment Service Line

4.1 The second Inward Investment supply chain event will take place from 13:00 to 16:00 on 8th December 2021 and is centered on artificial intelligence (AI). The Combined Authority region is already an internationally recognised center for AI, and our ambition, as set out in the Local Industrial Strategy, is to establish the region as the preferred global base for firms from across the world to create and adopt the technologies of tomorrow. To help us achieve this, Growth Works will be looking to maintain Greater Cambridge's global status as a leader in AI, while seizing untapped potential opportunities in the Fens and Peterborough. The full panel is made up of: Amadeus Capital, Deep Tech Labs, Cris Crespi (CTO of Cosworth – wanting to adopt AI tech into its presence in South Cambs) and will be moderated by Dr Chris Moore (DIT Tech/AI specialist).

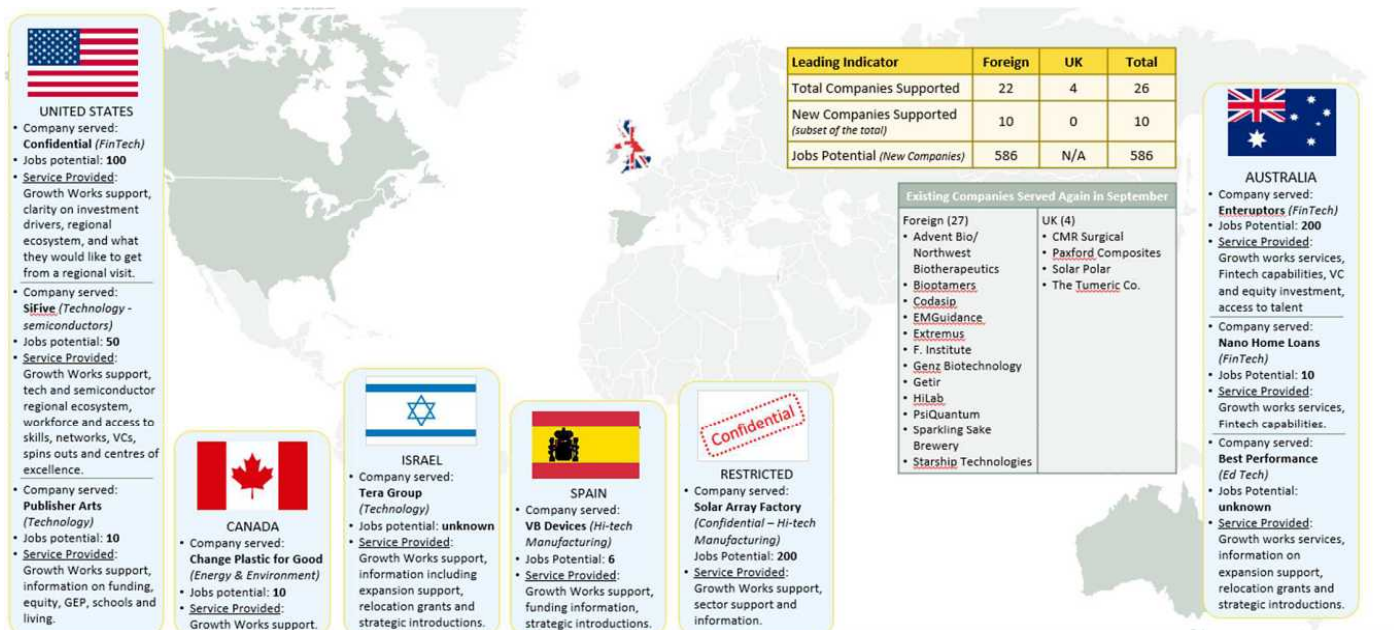
4.2 Table breakdown of performance - Q4 targets are to 31st October

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	Q3 Actual	(Q4) This Quarter					Q3 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL				Q4 Target	Actual (31/10)	Actual (30/11)	Actual (31/12)	Q4 Total to 31/10	Target (31/12)	Actual (31/10)	% Q4 Actual / Q4 Target	Year-1 Target	YTD Actual	% YTD Actual / Yr-1 Target
Jobs created	75	175	350	600	23	29	32	25	210			210	25	210	840%	75	294*	392%
Inward investors receiving information, diagnostics, and brokerage support)	18	62	80	160	19	33	42	9	10			10	9	10	111%	18	104**	577%
Inward investor commitments to expand or for new investments	6	15	19	40	6	2	3	2	2			2	2	2	100%	6	13	216%

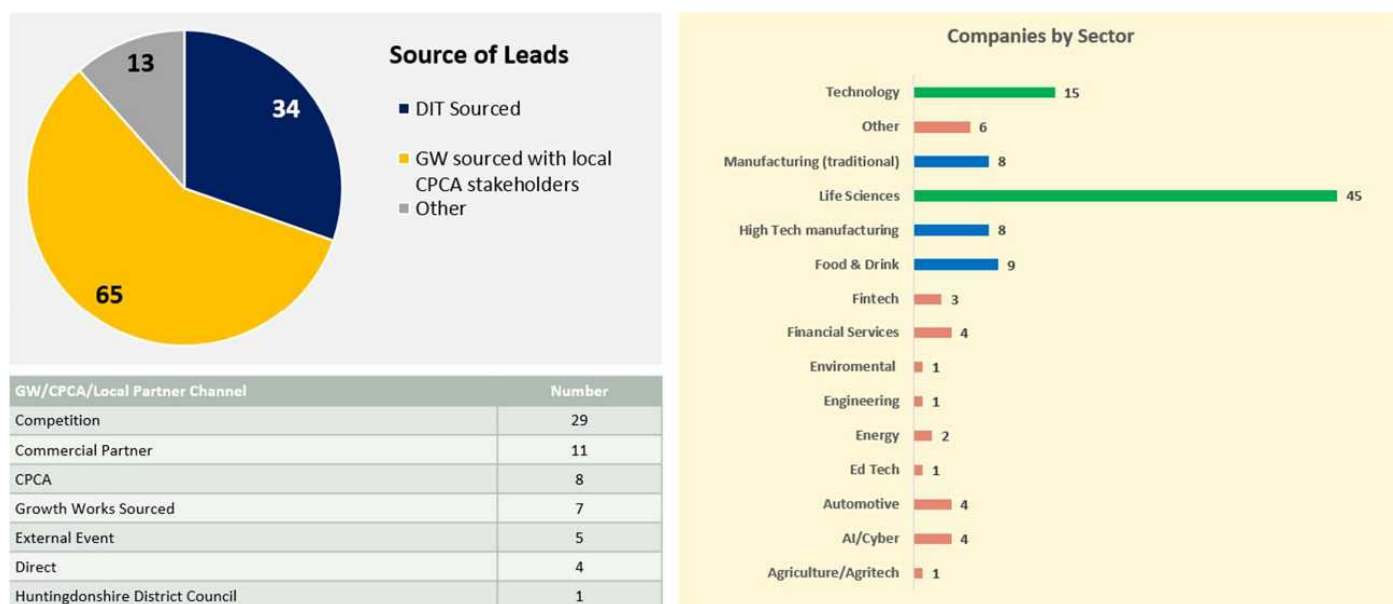
4.3 Performance shown as a line and bar chart - Q4 targets are to 31st October



4.4 Summary of International Investment Services (IIS) global enquiries for the period to 31st October

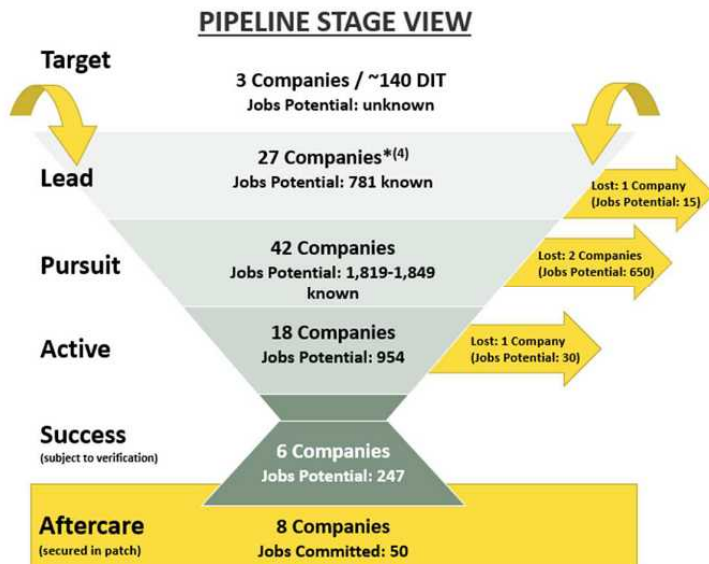


4.5 Inward Investment Service – origin of leads and sector coverage of leads for the period to 31st October.



- The data shows for every DIT inbound lead GW sources 2+ leads through its own efforts.
- The Life Sciences competition generated over 25% of all leads in the YTD
- Life Sciences companies account for over 40% of leads.

4.6 Inward investment – Pipeline for the period to 31st October



PIPELINE	
Stage	Notes
Target	3 companies: two remain to be actively engaged.
Lead	*Jobs potential on 16 of these is currently unknown. In addition, there are three (3) – Flusso, Better Origin, and Viva Arts – who were served but later qualified out as FDI clients and passed to other service lines, and one that has gone 'dormant' (RP Meats) – all four are shown here as *(4)..
Pursuit	Jobs potential on 16 of these is currently unknown, while the jobs potential on the top eight (8) of them is 1,461, as follows: Converting Technologies (261), Confidential DIT Food Manufacturing Company (240), Serum Institute (200), Enteruptors (200), Hong Leong Manufacturing Group (200), PsiQuantum (150), Global Gene Corp (110), and Guangzhou panana technology Ltd (100).
Active	Jobs potential on three (3) of account for 68% of the total, as follows: Ultimate Battery Company (321), Oatley (200), and Getir (130).
Success	The jobs are still reported as potential until such time as they land in patch on a payroll. Seven (7) of the wins reported have now moved into aftercare.
Aftercare	When companies have landed and set up successfully in patch they will be account managed through the IIS aftercare process – 1 company (Mibin) is being supported but not claimed as a 'win' because it landed through DIT (3 jobs).
NOTE	No wins or significant losses this month.

The pipeline of businesses is very healthy.

- 4.7 There is still a significant risk that without additional resources, the current team of two within International Investment Services will be overwhelmed by the volume of work and may not be able to respond as quickly and professionally as required. If a large, strategic inward investment opportunity lands in the pipeline, all resources will go to servicing this inward investment enquiry, and smaller opportunities will not be able to be supported, and the CPCA risks losing out on investment projects. Officers are currently working with Gateley Economic Growth Services Limited (GEG), Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) and the Combined Authority on potential solutions.
- 4.8 A significant amount of time and resource was invested by International Investment Services (IIS) in order to keep CMR within Cambridgeshire & Peterborough, with robust and comprehensive support, provided to pitches from three shortlisted locations - Alconbury, Lancaster Way and Bourn Airfield. A great success story, as CMR will relocate, within the Combined Authority Area.



11 October 2021

CMR Surgical to build new global manufacturing facility to meet Versius demand

- Growth Works began working with CMR in January 2021, part of the healthy pipeline we committed to bringing to CPCA ahead of contract commencement.
- 200+ skilled jobs to be created to 2023** – ranging from production, quality, manufacturing, engineering, supply, operations, and logistics.
- CMR is a 'conservative' company, so publicly reported 200 jobs at this moment in time, but 400 is achievable in the future.

- 11th October: CMR Surgical (a global surgical robotics business) announced plans for a new large-scale manufacturing facility in Ely.
- Ely was chosen from 14 potential locations – 9 in Europe, 5 in the UK.



Per Vegard Nerseeth, CEO of CMR Surgical

(Photographer: Keith Heppell)

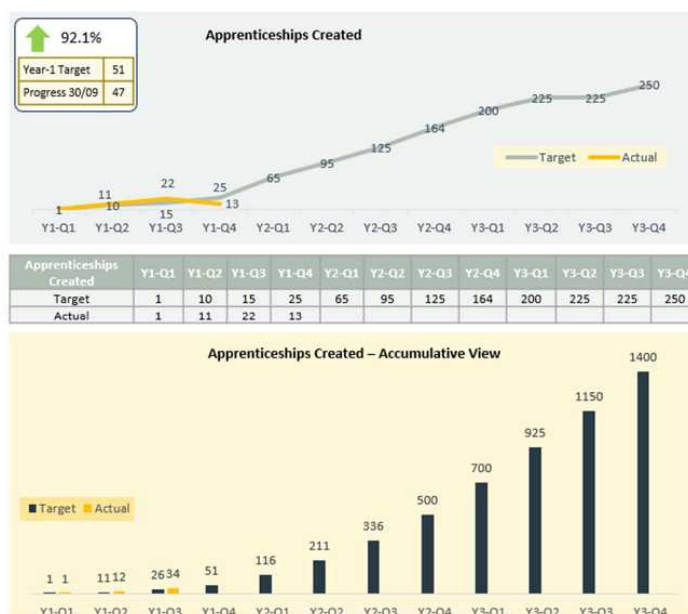
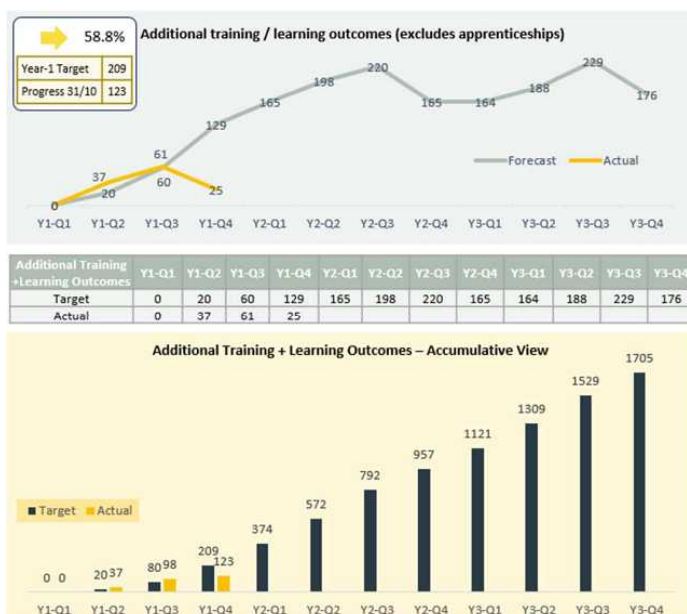
Picture sources: <https://cmrsurgical.com/> and <https://www.cambridgeindependent.co.uk/>

5. Skills Service Line

- 5.1 Growth Works with Skills are expected to meet or exceed Quarter 4 targets across all Leading Indicators.
- 5.2 There is a healthy pipeline for Quarter 1, Year 2. The team at Growth Works with Skills have now adopted a key account management system, where they have identified their top 60 companies to work with in addition to continuing their work engaging with SMEs across the Combined Authority Area.
- 5.3 European Social Fund (ESF) outputs are currently at 80% of their target. It is anticipated this target will be met by the end of the year.
- 5.4 The Digital Talent Platform following the refresh has attracted significantly more users. Work continues on a quarterly basis to update the content and improve its functionality.
- 5.5 A series of online events have been developed to engage businesses with their talent requirements. These events will continue into Year 2.
- 5.6 Through the Careers and Enterprise Company (CEC) contract, work continues to offer all 72 schools and colleges across the region support in achieving the Gatsby Benchmarks, to promote and facilitate the delivery of excellent careers provision for all young people.
- 5.7 A strong end to the 20-21 academic year resulted in the highest performing year of the CEC contract at the Combined Authority. This was a result of focused work to achieve contractual targets.
- 5.8 September saw the launch of the Careers Hub which contains 30 of the 72 schools and colleges within the region. Engagement with business and the schools and colleges remains challenging due to the instability caused by the growing covid cases within the region.
- 5.9 Table breakdown of performance - Q4 targets are to 31st October

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	(Q3) This Quarter					(Q4) Final Quarter Forecast	Q3 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL			Q3 Target	Actual (31/07)	Actual (31/08)	Actual (30/09)	Q3 Total to 31/07		Target (30/09)	Actual (31/07)	Variance (31/07)	Year-1 Target	YTD Actual	YTD Variance
Apprenticeships created*	51	449	900	1400	1	10	TBD	3			3	TBD	TBD	3	100%	51	14	27.4%
Jobs (via learning outcomes)***	50	100	200	350	0	1	TBD	0			0	TBD	TBD	0	100%	50	1	2.0%
Additional training / learning outcomes (excludes apprenticeships)	209	748	748	1705	0	23	60	21			21	129	60	21	38%	209	44	21.0%
GVA generated (£ 000)	TBD	TBD	TBD	15	TBD	TBD	TBD	TBD			TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Levy Employers signed up to pledge (£ 000)	3,000	5,500	6,500	15,000	£0	564	1,000	0			0	1,000	1,000	0	0%	3,000	564	18.8%
Levy Employers increasing utilisation of Levy (£ 000)	2,170	3,272	4,008	9,450	£0	TBD	830	0			0	840	830	0	TBD	2,170	£0	0%
SME's accessing Levy transfer (£ 000)	1,750	4,690	6,040	12,480	£0	1.5	500	0			0	750	500	0	0%	1,750	1.5	0.08%

- 5.10 Performance shown as a line and bar chart - Q4 targets are to 31st October



6. Grants & Equity Line Service

- 6.1 The Investment Appraisal panel currently consists of two voting members and the secretariat. Voting members are currently Nigel Parkinson, Chair of Growth Co and Nitin Patel, Business Board member. A third voting member from Growth Co Directors will be added in January 2022 to provide a decisive vote. Alan Downton, who has now joined the Combined Authority as the Deputy Chief Officer of the Business Board and SRO of the Growth Works contract, has been appointed a director of the Cambridgeshire Peterborough Business Growth Company Limited (Growth Co) and will be the third voting member of the panel.
- 6.2 The Secretariat is Paul Webster, Programme Director Gateley Economic Growth Services, supported by Bev Hurley from YTKO, Jonathan Finlay (Compliance) and Martin Montgomery, external from Gateley Legal, a Corporate Advisory Legal Partner, and all are non-voting.
- 6.3 The Investment Appraisal Panel have met four times this financial year in July, August, October and November and further meetings are scheduled on a monthly basis going forward. This panel reviews and authorises or seeks more information / due diligence or turns down businesses either seeking capital grants of between £20k - £150k at 50% match or equity investment £50k - £250k. It is working very well, and in many respects, we are very pleased at current performance.
- 6.4 The Capital grant allocation for the whole of the programme was £4.8m of which £2.04m needed to be rapidly allocated before the 31st March 2021. The balance of £2.8m was planned to provide an average quarterly allocation of £350k to ensure the longevity of the fund to June 2023. As of end of October 2021, month 1 of Q4, there have been 39 grants awarded since the contract began (value £2.63m) against a forecast of 28 for the year (forecast at £2.2m). The average grant is £67k against an average of £77k, however the fund has used 31% of the overall £2.8m available fund in just 6-months owing to the higher volume of awards. In November, a further three projects were approved for £218k. In order

to ensure that capital expenditure funds remain available until mid-2023, there are a number of actions we propose to take with the current scorecard:

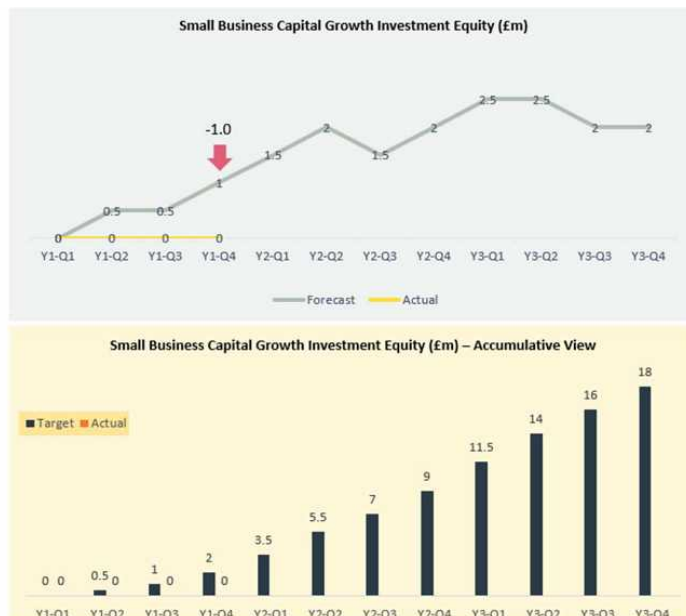
- a) Reduce the upper cap of £150k to £100k to avoid depleting the fund. This will support stating in target an average of £60k to £80k.
- b) Enhancement of the qualitative score card including positive actions for environmental weighting, social inclusion/return to work, living wage implementation and apprenticeship skill development.
- c) Directing businesses to exhausting all forms of available capital, including equity growth funding before a capital expenditure grant is requested. Where SME projects are restricted by internal budgets and investments outside of CPCA are outperforming relative to CPCA investments, we will work with the business' finance teams to provide the minimum grant required to lift the CPCA operation to the priority investment.

6.5 In addition, all marketing through Growth Works (YTKO delivery partner) of grants will be stopped with immediate effect to reduce demand focused on grant funding. Future capital expenditure grants will only be available once a business is signed up to coaching and it is then deemed / identified to be one of a number of barriers to growth and is on their growth plan.

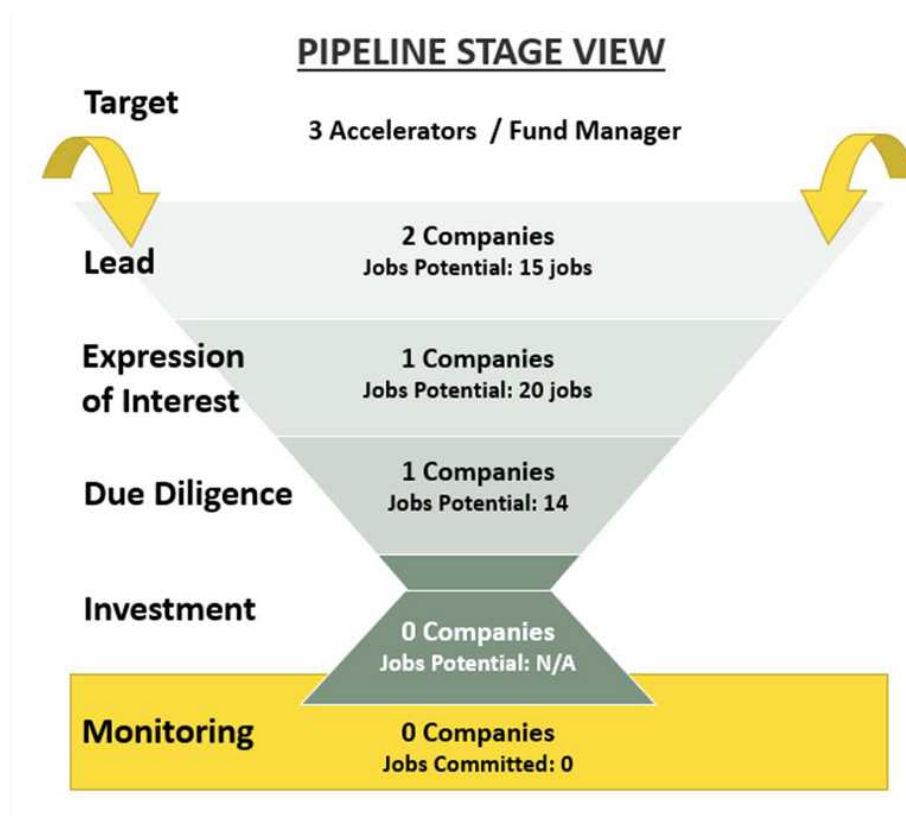
6.6 Table breakdown of performance - Q4 targets are to 31st October

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	Q3 Actual	(Q4) This Quarter					Q4 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL				Q4 Target	Actual (31/10)	Actual (30/11)	Actual (31/12)	Q4 Total to 31/10	Target (31/10)	Actual (31/10)	% Q4 Actual / Q4 Target	Year-1 Target	YTD Actual	%YTD Actual / Yr-1 Target
Jobs	397	474	584	1455	305 (baselined from 321)	0	0	397	98				0	98	+100%	397	403	+101.5%
Companies receiving grants*	28	26	12	66	32	0	0	5	7				0	7	+100%	28	39	+139.3%
Grants & Investments (Small Business Capital Growth Investment Fund)	18	26	12	56	32	0	0	5	7				0	7	+100%	18	39	+216.7%
Innovation & Relocation Grants**	10	0	0	10	0	0	0	0	0				0	0	0%	10	0	0%
Small Business Capital Growth Investment equity (£ 000)	2,000	7,000	9,000	18,000	0	0	0	1,000	TBD				0	0	0%	2,000	0	0%
Number of equity investment projects between £150k and £250k	4	19	17	24-40	0	0	0	2	TBD				0	0	0%	4	0	0%
GVA generated - (£ 000)	1,000	14,000	30,000	45,000	4,050 (est.)	0	0	TBD	X,XXX (est.)				TBD	TBD	0%	1,000	(4,050 est.)	+405%

6.7 Performance shown as a line and bar chart - Q4 targets are to 31st October



6.8 Equity pipeline as of 31st October 21



7. Performance Portal

- 7.1 Following our update in September 2021, Gateley Economic Growth Services are well advanced in the design and delivery of the Growth Works performance portal. The Software is SiteLantern and the Combined Authority has very recently had its first demonstration.
- 7.2 The aim of the portal is primarily to give our Local Authority partners, the Business Board, the Skills Committee, the Combined Authority and Cambridgeshire Peterborough Business Growth Company Limited (Growth Co) a means by which to monitor, review and drill down

into the five core service lines - Growth Hub, Skills, Capital Growth Fund investment (capital expenditure grants and equity), growth coaching and inward investment.

- 7.3 The portal will enable each stakeholder to design their own lens from the core common set of data. This means that each Local Authority and the Skills Committee will have open access to monitor and drill down on their respective geographical coverage in the style and format that suits them best. The Business Board, Combined Authority and CPCA Business Growth Co there will be a facility to do this with integration of the data sets and sources of data. Each user will be able to assess the data across different timelines, region, by sector, by company size, service received, etc.
- 7.4 Some of the data will be real time such as business customer movement in the pipeline, and some won't be by the very nature of the timelines in collecting such as grants disbursed.
- 7.5 GEG are at a stage where they are now looking for 1 representative from each Local Authority, 2 or 3 from the Business Board and the Skills Committee to undertake 'user testing' up to Christmas and be the "Champion" user of the SiteLantern for their group to shape and design their bespoke lens for what they would like to see from the programme.
- 7.6 The plan is for the portal to go live by 07th January 2022 and there will be a follow up communication to support this and training.

8. Qualitative Assessment

- 8.1 Growth Co and GEG want is to look at two key areas one being good quality performance assessed by both a NPS scoring system that will be within the December data with accompanying qualitative text, the other through robust contract management in order to show how well GEG and the consortia are delivering outcomes and the leading indicators. This plus our monthly contractual meetings, will hopefully amplify the evidence of our joint achievement and how meaningful partnerships can deliver better results.
- 8.2 Now that the services are beginning to deliver results, the plan now is to look in a lot more detail at the qualitative element, looking firstly at YTKO (delivery partner). The focus is to undertake more in-depth assessments of:
- Current return on investment from our marketing spend, what is our cost per acquisition and are we reaching the right people to convert
 - Are marketing budgets being fully exploited to generate the required pipeline of high quality businesses for Growth Coaching?
 - What is the feedback loop for companies receiving Growth Coaching, how are we monitoring client satisfaction and overall impact?
 - The quality and quantity of coaches / experts being deployed and looking at any gaps in our current pool or areas
 - Overall cost of the service line including a review of the organisational chart against the initial tender

- Deep dive into the ERDF grant schemes, focusing on the amount awarded, outputs from the grant, cost of administration and overall compliance

9. Forward Look

9.1 Schedule of upcoming reporting deadlines and meeting dates:

- Late December 120-day plans with activity to start year 2 are reviewed and signed off by Growth Co and the Combined Authority
- Late December 120-day marketing plans with events calendar identifying where GEG and the consortia are organising / hosting Growth Works events. To be published, so that Business Board members, Skills Committee members and Local Authorities are aware
- 7th Jan launch performance portal

Significant Implications

10. Financial Implications

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

11. Legal Implications

11.1 None.

12. Other Significant Implications

12.1 None.

13. Background Papers

13.1 None.

Adult Education Budget Annual Return and Evaluation

To:	Skills Committee
Meeting Date:	17 January 2022
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha
From:	Parminder Singh Garcha, Senior Responsible Officer – Adult Education
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Skills Committee is recommended to:</p> <ul style="list-style-type: none">a) approve the Adult Education Budget (AEB) Statutory Annual Return for submission to the Department for Education (DfE) for the 2020/21 academic yearb) note the Independent Evaluation of the second year of AEB devolution, note the findings from the AEB Outcomes and Impact report requested by the Business Boardc) note the early findings from the AEB cold spot analysis.
Voting arrangements:	A simple majority of all Members present and voting

1. Purpose

- 1.1 To inform the Skills Committee of the second submission of the Adult Education Budget (AEB) Statutory Annual Return to the Department for Education (DfE), in relation to the 2020/21 academic year and second year of devolution. This requirement is set out in the Ministry of Housing, Communities and Local Government's (MHCLG) *National Growth Assurance Framework* (V.4 September 2021).
- 1.2 To share the key findings from the Independent Evaluation of the second year of devolved AEB.
- 1.3 To note the headline findings from a report requested by the Business Board to spotlight employed status learners funded through AEB and consider the outcomes.
- 1.4 To note the initial findings from AEB provision 'cold spot' analysis, from 2019/20 AEB participation data, requested by Members and note the next steps.

2. Background

2.1 Annual Statutory Return

Mayoral Combined Authorities (MCAs) are required to provide a base level monitoring report to Government each January on the delivery of devolved functions, as part of wider monitoring and evaluation submissions, as per their devolution agreements and set out in the National Growth Assurance Framework.

- 2.2 For the first year of devolution, a report was presented to the Skills Committee on 11 January 2021, setting-out performance, and headlines from the independent evaluation. It was resolved that this reporting would form part of the annual cycle at Skills Committee, modelling greater transparency as best practice for devolved AEB. The Statutory Return is included in Appendix A to this report. We are also publishing local annual performance data as part of the process.

2.3 Independent Evaluation of 2020/21 (second year of devolution)

The Combined Authority is required to implement and maintain its own Local Assurance Framework, approved at Board. This sets out the requirement for an independent evaluation of AEB to be completed every year. Cambridgeshire Insights have been commissioned to deliver the evaluation for 2020/21, which includes quantitative analysis of provider data as well as qualitative research through a survey completed by AEB providers, learners and stakeholders. The Independent Evaluation is included as Appendix B to this report, but key findings are summarised below.

2.4 Methodology

There were five main stages in the evaluation:

- Desktop review of background documentation
- Analysis of learner data
- 14 provider survey responses, five follow up consultations with providers
- 112 students surveyed
- Six stakeholder consultations

2.5 Overall findings

AEB in the sub-region reached a total of 8,674 individual adult learners in 2020/21, participating in 14,872 enrolments - a nine per cent increase from 2019/20. The key characteristics across these learners were as follows:

- 79% took part in Adult Skills learning aims and 28% took part in Community Learning aims
- 13% were aged 19-23
- 21% were ethnic minorities
- 34% were unemployed and looking for work
- 33% had a prior attainment level of 1 or below
- 34% studied more than one learning aim
- 53% of enrolments were for learners residing in Fenland and Peterborough.
- Most providers (ten) had earned over 75% of their allocation, however, there were three providers who had earned between 50-75% and three who had spent less than 50%.

2.6 Key findings from the Provider Survey

The provider survey is anonymised to enable honest answers and feedback to be given and individual responses are not shared with the Combined Authority. Most providers (10 out of 14) felt delivery had been going 'very well' or 'quite well'. No providers selected the 'not very well' or 'not at all well' option. Qualitative feedback highlighted key delivery success measures as adaptation to new delivery models such as online provision along with the success with the fully funded English for Speakers of Other Languages (ESOL) programme.

Providers were asked how COVID-19 has impacted on provision, the comments on this ranged between providers. Some providers discussed difficulties with recruitment and enrolment of learners, others highlighted the challenges with retention of learners and learner progression when face-to-face support was limited. Some felt that existing online delivery models had protected them from negative impacts, whereas others had needed to invest in online delivery.

Most providers (12 out of 14) were satisfied with the support available to them from the Combined Authority. Providers praised the flexibility of the new devolution system, as well as the level of support available to them from the AEB team.

2.7 Key findings from the Learner Survey

Over 100 learners responded to the online survey, which was completed for the first time. Main findings are:

- 24% found out about their course from the Job Centre
- 59% were motivated to take part for personal development/self-improvement
- 95% of learners felt they had gained at least one outcome from their course
- 79% of learners were motivated to take up learning for health (mental or physical) reasons and saw an improvement in their health as an outcome.

2.8 Evaluation of the Combined Authority's local funding flexibilities

In 2020/21, several funding changes were implemented:

- Full funding for first full level 2 qualification for adults aged 24+
- Fully funded ESOL
- 4 per cent geographic uplift for the most deprived areas in the sub-region
- Increasing the low wage threshold to £18,000 before fees are payable.

One year in, it is too early to robustly assess any impacts funding changes may have had to the delivery of AEB locally. The early evidence suggests that the geographical uplift for areas of multiple deprivation and fully funded ESOL did not lead to a noticeable shift in learners or enrolments.

Despite this, seven out of the ten providers surveyed, using the geographical uplift commented on the importance of it to their delivery. Qualitative feedback from the survey highlighted the high value of the uplift for providers, especially where a large proportion of learners come from disadvantaged areas. The consultations highlighted this was useful as it helped in reaching people in more disadvantaged areas, and that this funding change made a positive difference.

Five out of six providers surveyed as using the ESOL change also stated it was important to their delivery. These providers highlighted the importance of the scheme in targeting non-English speaking individuals in Fenland, Peterborough, and Huntingdon.

Only one of the 14 providers responding to the survey had made no use of the funding changes or additions made available in the 2020/21 academic year. Table A below shows the take-up of funding flexibilities as well as participation on additional programmes for which the Combined Authority was allocated funding - High Value Courses, Sector Based Work Academies and Level 3 Adult Offer.

Table A	2019/20 (First year of devolution)	2020/21 (Second year of devolution)
Number of low wage pilot learners	154	596
Proportion of Adult Skills learning aims delivered to learners who reside in areas of geographical uplift eligibility	55%	53%
Number of first fully funded level 2 enrolments*	36	50
Extension of funding for ESOL enrolments**	2,038	2,053
One Year 18-19 Classroom Based Offer/High Value Course***	7	16
Number of Sector Based Work Academies eligible enrolments	N/A	369
Number of National Skills Fund Level 3 offer eligible enrolments****	36	68
<p>* 2020/21 figure includes learners who were part of the devolved 24+ first full level 2 offer</p> <p>** In 2019/20 only part of ESOL was fully funded. For both years a total count of ESOL adult skills enrolments are included</p> <p>*** Offer did not exist in 2019/20. Enrolments were counted by including 19 year olds who were on qualifications which formed the 2020/21 offer</p> <p>**** Offer did not exist in 2019/20. Enrolments for this year were counted by including learners who were on qualifications which formed the 2020/21 offer</p>		

2.9 Feedback from Stakeholders

For the first time, wider stakeholder interviews and a learner survey were undertaken. Wider stakeholders included:

- **Higher Education:** Anglia Ruskin University and University of Cambridge
- **Business representatives:** Business Board and Employment and Skills Board
- **Governance:** Skills Committee District Member
- **Public sector partners:** DWP
- **Providers:** Association of Education and Learning Providers

Most of the stakeholders were not aware of the specific funding changes that the Combined Authority had put in place for 2020/21.

2.10 Recommendations highlighted in the Independent Evaluation will be implemented as part of a continuous business improvement cycle. Two of these are:

1. earlier engagement and communication, which would be beneficial to providers to plan and/or mitigate the impact of changes on them
2. improve the dissemination and promotion of the learning offer to wider stakeholders and communities to increase enrolments.

2.11 A professionally type-set version of the Independent Evaluation is under development and will be published on the Combined Authority website in February.

2.12 Report to Business Board regarding employed status learners

Ensuring employers are at the 'heart' of the skills system is key to our mission to transform delivery of AEB. Raising skills levels supports greater productivity and prosperity in the sub-region. This aligns with the policy intent of the Skills Bill and the implementation of Local Skills Improvement Plans. A report looking at employed status learners for the first two years of AEB data was requested by the Business Board to examine in more detail and to identify trends and gaps. This is being presented at the January meeting of the Business Board. Appendix C provides a summary of the report. A spotlight on employed-status learners was not a focus of the Independent Evaluation for 2020/21 and so has been appended to this report for completeness.

The main findings from the first two years of AEB are that participation on level 3 courses is poor. Take-up of courses in growth and priority sectors, except for Health and Social Care are too low.

2.13 AEB Cold Spot Analysis

Members of the Skills Committee had previously requested further analysis of district-level 'cold spots' for adult education. Cambridgeshire Insights have completed the first phase of this analysis using 2019/20 AEB participation data. Following a request at the Combined Authority Board in November, this is being shared to inform commissioning conversations with providers and to proactively take feedback from members and stakeholders. However, the next phase of 'cold spot' analysis will be updated with 2020/21 AEB participation data and to include other adult funding streams, for consideration at Skills Committee in March.

The main findings are that St Neots and parts of South Cambridgeshire are particular 'cold spots' for adult education.

Significant Implications

3. Financial Implications

- 3.1 There are no financial considerations arising from the recommendations of this report.
- 3.2 The ongoing underspend in the AEB Budget has been reported regularly to both the Skills Committee and the Combined Authority Board. Proposals for use of the underspends and the creation of a Reserve Fund were approved at the September Skills Committee. Additional Grant Providers and Independent Training Providers are currently being contracted to further reduce the underspend, however it should be noted that this will not impact the financial year underspend greatly as the contracts are for the academic year.
- 3.2 The costs of the Independent Evaluation form part of the Service Level Agreement that the Combined Authority has with Cambridgeshire Insights, which is met by the AEB Programme Costs budget.

4. Legal Implications

- 4.1 There are no legal implications arising from the recommendations of this report.

5. Other Significant Implications

- 5.1 Environmental sustainability and net-zero - there are no implications arising from the recommendations of this report.

6. Appendices

- 6.1 Appendix A – AEB Annual Statutory Return 2020/21
- 6.2 Appendix B – AEB Independent Evaluation 2020/21
- 6.3 Appendix C – AEB Report to Business Board on employed status learners
- 6.4 Appendix D – AEB 'cold spot' analysis – summary of initial findings

7. Background Papers

- 7.1 [National Local Growth Assurance Framework \(V.4 September 2021\)](#)
- 7.2 [Cambridgeshire and Peterborough Local Assurance Framework 2021](#)
- 7.3 [Report to Skills Committee 11 January 2021 AEB Statutory Return](#)

3.1 Adult Education Budget

Appendix A: AEB Annual Statutory Return 2020/21

A. General Context

Cambridgeshire and Peterborough Combined Authority (“the Combined Authority”) has continued to build on the strong foundations established during the first year of devolution in 2019/20. Most notably this year, capacity to enhance the delivery of AEB was strengthened, with the appointment of a new Senior Responsible Officer (SRO) and a new Business Support Officer, to an agile but full complement of four staff, to build expertise and deliver greater impact in the sub-region. Further functions such as finance, legal, marketing and procurement are provided corporately. Data management and analysis is provided through a Service Level Agreement with Cambridgeshire Insights (part of Cambridgeshire County Council).

Governance: The Combined Authority (CA) has continued to ensure strong governance, with open and transparent decision making and delegation through the Skills Committee. Key decisions are recommended to the CA Board for approval. Papers for all Skills Committee meetings (including recordings of live streaming) is available at this link: [Skills Committee Meetings](#). A Programme Management Board is also convened half termly, consisting of cross-departmental CA staff, for regular performance monitoring and to provide internal challenge and support. The co-terminus Local Enterprise Partnership, The Business Board and the Employment and Skills Board (the Skills Advisory Panel for the sub-region) also received reports on AEB.

Internal Assurance and Audit: RSM have been instructed to review internal controls from transactions in 2020/21 and are due to report findings in January 2022.

Audit of Providers: An Audit Plan is in place. External audit firms have been instructed to undertake provider financial assurance functions.

Local Assurance Framework: The CA's [Local Assurance Framework](#) sets out the processes for ensuring accountable and transparent decision making, roles and responsibilities, project management, monitoring arrangements and evaluation. The first independent evaluation is published [here](#). The evaluation of the second year will be published in February 2022.

• Adult Education Policies and Funding Flexibilities

Our achievements in 2020/21 have been to:

- contract with eleven grant funded Colleges and Adult Learning Institutes and four Independent Training Providers. Allocations for 2020/21 are published [here](#).
- enable and assist providers to continue delivering through the national lock-down and provide support so learners continue to enrol and progress
- support economic recovery as per our [Local Economic Recovery Strategy](#) through AEB funded opportunities for reskilling and upskilling. Building referral routes through DWP for the unemployed and the CA's [Growth Works for Skills](#), our new skills brokerage service. A [Course Finder Tool](#) was created to promote local courses. Support for redundancy was also provided through AEB.
- Embed the performance management cycle in line with the published process and [AEB Funding Rules](#).
- Rebase providers who were underperforming and terminate contracts for unsuccessful providers. Two contracts were ended in 2020/21.

- Provide system-leadership, utilising AEB to promote co-operation and partnership in the furtherance of our [AEB Commissioning Strategy](#)
- Introduce an Innovation Fund – small grants programme, utilising the AEB underspend from 2019/20, match-funded with Local Growth Fund to provide a mix of capital and revenue grants to drive forward innovative practice. Fourteen projects were supported for funding of £0.5m.
- Work towards co-design and co-production with providers and stakeholders, to build trust and partnership. To improve the local skills system through regular briefings, intelligence sharing and input into CA policy and process development.
- Consult with providers, local stakeholders and citizens on future funding flexibilities and priorities (nearly 100 people replied to our open AEB consultation in February)
- Implemented a responsive commissioning process to bring new providers on-board. Four new providers have commenced delivery to fill gaps in provision
- Ensured a 'soft-landing' for the Level 3 Adult Offer from April 2021. Commissioned and implemented a promotional campaign '[Unlock with Level 3](#)' to promote the Level 3 Offer to potential learners
- Greatly increased the communications function and number of press releases, with regular coverage in local publications and social media channels to promote AEB and the impact in our local communities. Improved the information available on the CA's website.

The following funding flexibilities were provided in 2020/21:

- Fully funded first full level 2 qualification for all ages
- Fully funded English for Speakers of Other Languages (ESOL)
- Low wage threshold set at £18,000 before fees become payable
- A four per cent funding uplift for the 20 per cent most deprived post-codes (IMD 2019)

B. Spend from AEB in 2020/21

<u>Income</u>	
ESFA Grant	£13,288,322
Underspend from previous Academic Year	£345,800
Total Income	£13,634,122
<u>Expenditure</u>	
Programme Costs	£377,037
Grant Providers	£8,799,711
ITPs	£867,935
Innovation Fund	£203,928
Sector Based Work Academies	£5,541
High Value Courses	£37,927
Level 3 NSF	£75,048
Total Spend	£10,292,079

C. Analysis of Delivery in the Area

The following table sets-out the overall participation for the 2020/21 academic year:

Overall Participation in AEB Funded Provision		
Funding Category 2020/21	Learner Participation*	Number of Enrolments
Adult Skills Learning (Including Learning Support Funding)	7,512	11,848
Community Learning	2,794	3,512
Total	9,802	15,360
Source – Individualised Learner Record (2020/21, R14), Education and Skills Funding Agency		
NOTE: *Learners are counted using a count of UKPRN+Learner Reference Number. A learner who has taken part in learning across multiple providers may, therefore, be double counted. As a learner can enrol in multiple learning aims an individual may have taken part in both Adult Skills and Community Learning aims. Therefore the total will not equal an addition between the number of Adult Skills Learners and Community Learners		

Compared to the 2019/20 academic year, there was a

- nine per cent increase in enrolments
- 15 per cent increase in participation

D. Local Impact

Learners Exercising their Statutory Entitlement to Full Funding

The following table sets out the number of learners, enrolments and adult skills funding that were a part of the legal entitlement for eligible learners. That is:

- English and maths, up to and including level 2, for residents who have not previously attained a GCSE grade A* - C or grade 4, or higher, for residents aged 19 and over
- First full qualification at level 2 for residents irrespective of age; and
- First full qualification at level 3 for residents aged 19 to 23

Entitlement 2020/21	Learner Participation*	Number of Enrolments
Digital	11	15
English	864	923
Maths	743	791
Level 2	41	41
Level 3	140	142
All Entitlement	1,490	1,912
Non-Entitlement	6,321	9,936
Total Adult Skills	7,512	11,848

Source – Individualised Learner Record (2020/21, R14), Education and Skills Funding Agency

NOTE: *Learners are counted using a count of UKPRN+Learner Reference Number. A learner who has taken part in learning across multiple providers may, therefore, be double counted. As a learner can enrol in multiple learning aims an individual may have taken part in both Adult Skills and Community Learning aims. Therefore the total will not equal an addition between the number of Adult Skills Learners and Community Learners

E. Achievements

The following table shows the enrolments for 2020/21 against their completion status:

Funding Model	Total Enrolments	Completed Learning Activities	Withdrawal Break in Learning or Transfer to New Aim	Study Continuing/Outcome Unknown
Adult Skills	11,848	9,596	1,203	1,049
Community Learning	3,512	3,338	160	14
All Enrolments	15,360	12,934	1,363	1,063
Source – Individualised Learner Record (2020/21, R14), Education and Skills Funding Agency				

The table below shows the enrolment by funding model and their achievement status

Funding Model	Total Enrolments	Achieved	Partial Achievement	No Achievement	Withdrawal, Break in Learning or Transfer to a new aim	Study Continuing
Adult Skills	11,848	8,960	48	575	1,203	1,062
Community Learning	3,512	3,322	8	8	160	14
All Enrolments	15,360	12,282	56	583	1,363	1,076
Source – Individualised Learner Record (2020/21, R14), Education and Skills Funding Agency						

Adult Education Budget Devolution Evaluation – Year Two

Version: 1.2 DRAFT
December 2021

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INTRODUCTION

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

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

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

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

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

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

Evaluation

This report is the second-year evaluation following a year one report published for the 2019/20 year. These have first and foremost been formative exercises, designed to help the Combined Authority and wider stakeholders and partners understand how the first two years of devolution of the budget has gone, what works, lessons to be learnt and the potential for future impact.

A full impact evaluation is anticipated after three years of the Cambridgeshire and Peterborough Combined Authority Adult Education Budget delivery.

There were five main stages involved in the work:

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

The online provider survey was sent to all 16 providers and a response was received from 14 providers. To ensure that detailed feedback was gathered from a range of different providers, a purposive sampling approach was used to select providers for in-depth telephone consultations. Factors which informed sampling included:

- Provider size (contract value)
- Type of contract (grant/ITP)
- Provider delivery (adult skills/community learning)
- Previous experience of AEB delivery
- Range of responses to the survey questions.

Telephone consultations were carried out with five providers. All fieldwork was completed between September-October 2021.

The student survey was sent to a sample of 391 students from two adult education providers who had gained student's consent to participate in external surveys. A response was received from 112 students (29%).

Six stakeholder consultations were completed between November – December 2021. External stakeholders who cover the following organisations or memberships were consulted during this stage of fieldwork:

- CPCA Skills Committee
- CPCA Employment and Skills Board
- Business Board
- University of Cambridge
- Anglia Ruskin University
- DWP (Department for Work and Pensions)
- AELP (Association of Employment and Learning Providers)

To ensure the anonymity of those who have contributed to the evaluation, qualitative feedback received in all stages of fieldwork has been summarised in the report where necessary.

OVERVIEW OF FUNDED ACTIVITY

CPCA were awarded £10,759,247 in base allocation AEB funding for delivery in the 2019/20 academic year by the Education and Skills Funding Agency (ESFA). In addition to this, the CPCA were awarded £257,000 from the separate funding stream of the National Skills Fund. As part of the Lifetime Skills Guarantee announced by government in 2020, from April 2021 a targeted National Skills Fund level 3 adult offer has been developed to support adults without an existing full level 3 qualification. The Combined Authority determined the individual NSF allocations to providers.

For the 2020/21 year, over half a million pounds of 2019/20 unspent adult education budget and Local Growth Fund was allocated as part of a newly created Innovation Fund. All existing providers for 2020/21 could bid for grants for up to £50K to test new and innovative ways of delivering training courses to adults aged over 19.

In the second year, evidence was used from the first-year delivery, alongside local contextual and skills evidence, to implement a number of funding changes (please see Annex A for a description of each devolved measure). These changes included:

- Low Wage Scheme
- Geographical uplift (4% funding uplift for areas of skills deprivation)
- Fully funded first full level 2
- Fully funded English as a Second Language courses
- One Year 18-19 Classroom Based Offer/High Value Courses
- Sector-based Work Academies
- National Skills Fund Level 3 Offer

Provider Awards

AEB funding was awarded to 16 different providers in 2020/21, this was one less than 2019/20. The change in the overall number of providers was due to the following:

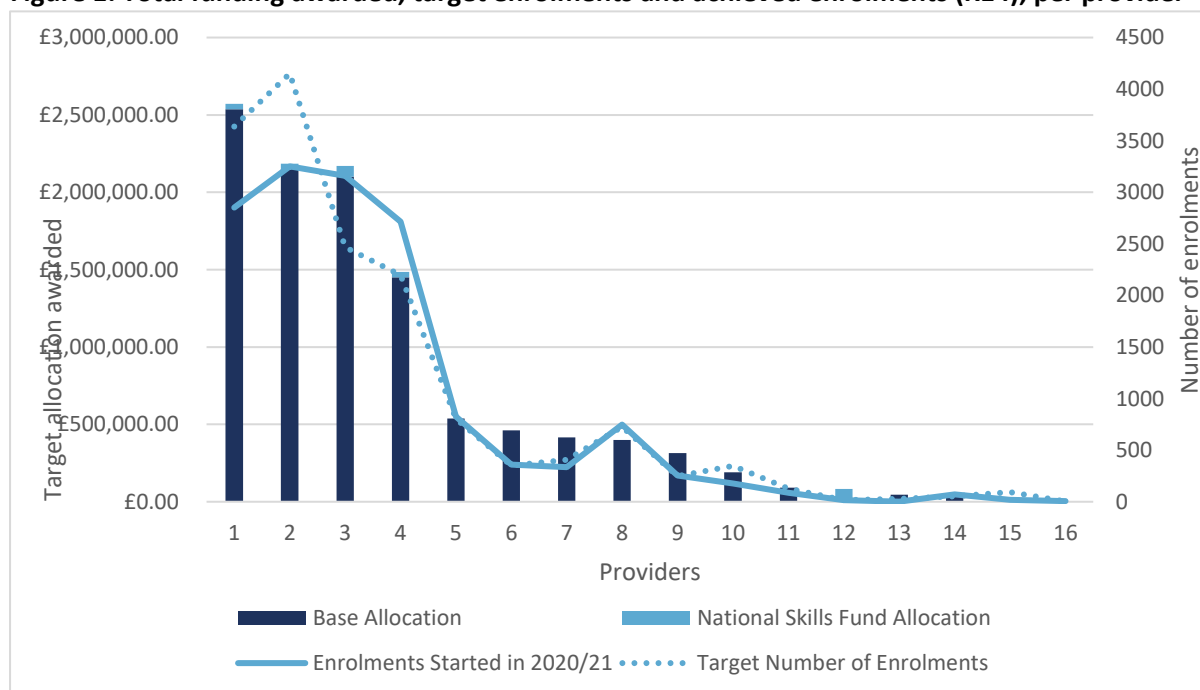
- The merger of Peterborough Regional College and New College Stamford into Inspire Education Group
- The loss of Central Bedfordshire Council and TCHC as providers
- Gaining GNR Training and the College of Animal Welfare as providers part way through the academic year

Of these, eleven were grant providers (existing providers within a ten-mile radius of the CPCA boundary) and five were Independent Training Providers (ITPs).

The total amount of funding awarded (excluding National Skills Fund allocations) ranged from £3,520 to £2,535,600 for grants and from £0¹ to £537,765 for ITPs.

The chart below shows the total funding award amount (both base allocation and National Skills Fund allocation where applicable) for each provider along with the total number of targeted and achieved enrolments.

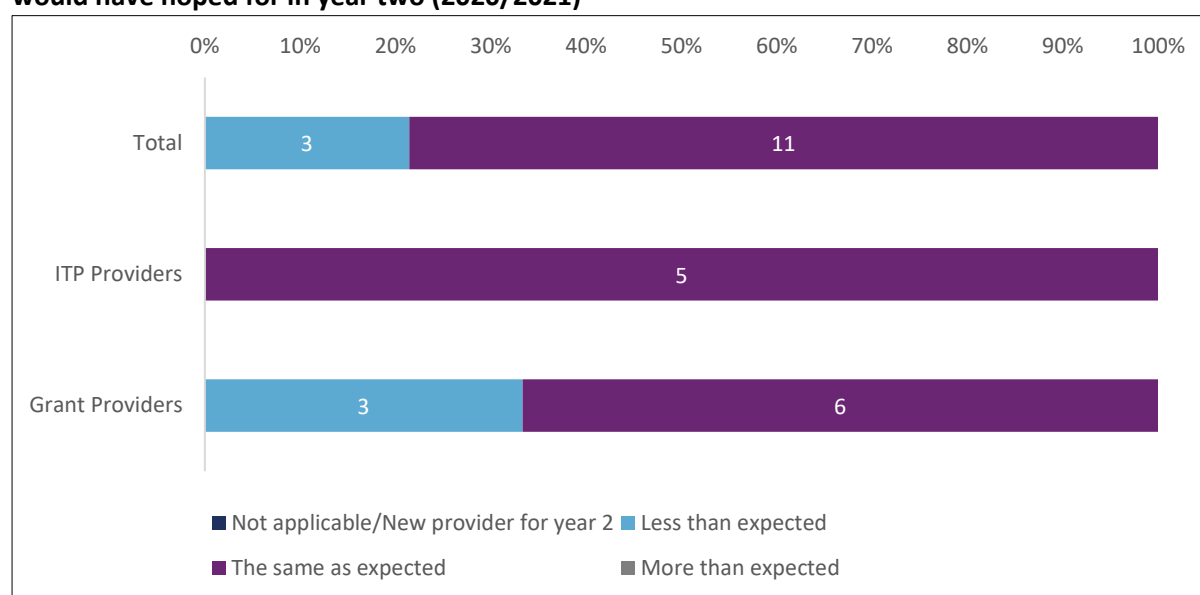
Figure 1: Total funding awarded, target enrolments and achieved enrolments (R14), per provider



¹ One Independent Training Provider (ITP) received no base funding allocation but did receive a National Skills Funding allocation.

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

Figure 2: Provider survey response to how the amount of funding received compared to what they would have hoped for in year two (2020/2021)



In response to the survey question on the amount of funding received, most providers (eleven) indicated that they received the same amount of funding as they had expected for 2020/21, with the remaining three providers (all grant providers) receiving less than expected. In the follow up consultations one provider who had received less funding than expected stated that this linked to their allocation being determined based on 2019/20 delivery which had been impacted by Covid-19.

Most providers (ten) who responded to the survey indicated that they would like to receive more funding in year three (2021/22), with the remaining four providers (all grant providers) indicating that they would like to receive the same amount of funding. Providers were asked about their plans for any additional funding, specifically whether they would: increase provision, provide additional provision, or anything else. Most providers (nine) indicated that they would use additional funding to increase provision. Five providers indicated that they would use the funding to provide additional provision. Qualitative feedback from the survey referenced existing demand as well as anticipated increasing demand in the future, linked to an increased online offer, receding impacts of Covid-19 and increases in sector-based work academies/training centres. Feedback from the consultations highlighted that provider would use the additional funding to expand online provision, increase provision in recently obtained teaching spaces, and offer more level 3 courses. Some providers discussed offering more courses which were aimed at returning to work, such as access programmes. However, they expressed that there were challenges with not being able to offer programmes to learners outside of the CPCA border, and with the size of groups, that providers were expected to obtain, it would be difficult to only offer these courses to CPCA learners.

Innovation Fund

The Innovation Fund is targeted at unemployed citizens or those at risk-of-redundancy, adults who require English language skills, health volunteers including those supporting the Covid-19 response, adults with learning difficulties and disabilities and ex-offenders.

The successful projects that were awarded funding are: Cambridge Regional College, City College Peterborough, Inspire Education Group, College of West Anglia, Skills Network and West Suffolk College. Projects range from training entrepreneurs with business start-up ideas, English and maths support for adults, careers guidance for adults to digital and construction skills training (see Annex B for project details).

As the successful bids were allocated funding part way through the year, the year two evaluation primarily focuses on the process of applying for the additional funding. Provider feedback on the Innovation Fund projects and any initial impacts are reported, however, a full review of projects and impact, should form part of the year three impact evaluation.

Of the 14 providers who responded to the survey, half (seven) applied for the Innovation Fund, five of these were grant providers and the remaining two were ITP providers. Six of these providers stated that they were successful in their application and one respondent did not provide an answer. Five of these providers were very satisfied with the application process while two were somewhat satisfied. Qualitative feedback around the application process highlighted positive feedback around the process being simplified, well managed and with clear communication. One provider highlighted a need for the opportunity to continue funding projects which are difficult to complete within six months.

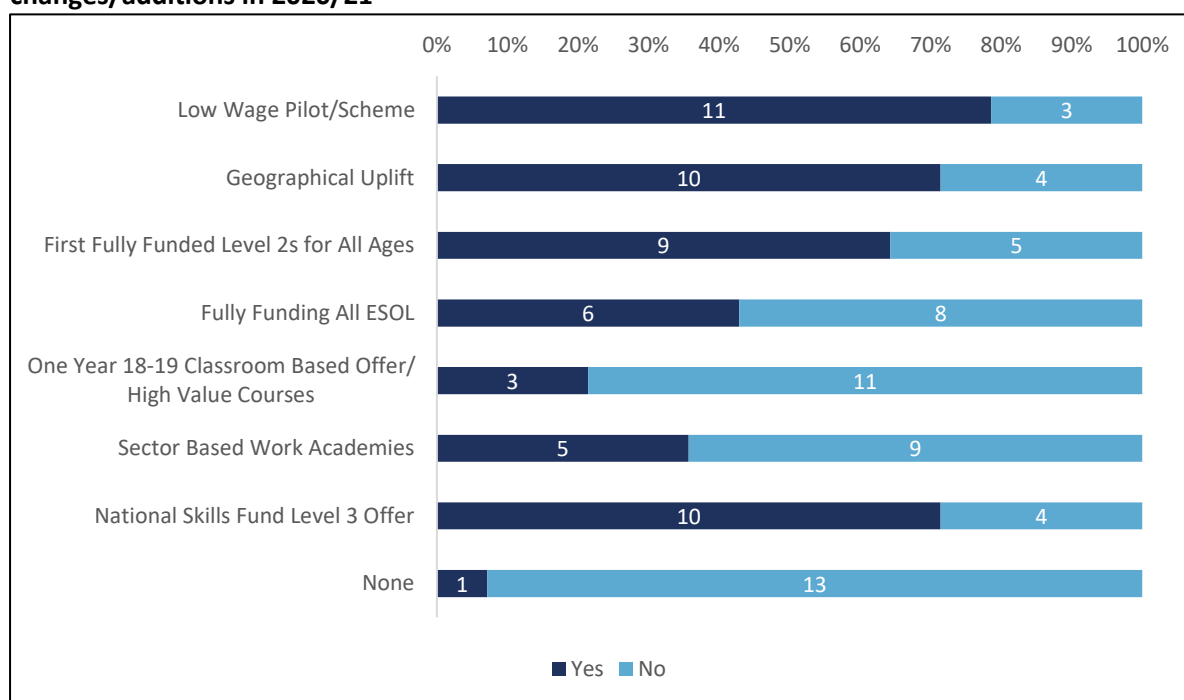
Qualitative responses from the survey which asked about the reason behind the application for the Innovation Fund highlighted that this was used for targeting hard to reach groups, and to deliver specific programmes which may have not been eligible for public funding. This ranged from the development of specific courses to new single spaces for residents and businesses to access learning, training, and social wellbeing activities. Additionally, the fund was used to support specific groups such as those made redundant because of Covid-19.

Follow up consultations with a selection of providers highlighted the various ways in which this fund was used, with many using it to support people in harder to reach groups. One provider used part of this fund to purchase laptops for adult learners experiencing digital poverty and this helped support connectivity issues experienced in more rural areas. The fund was also used to create new in demand courses, for instance the provider also used the Innovation Fund to provide a course for people who wanted their own business start-up, they stated that 70 per cent who completed the course now had a start-up. Other feedback around the Innovation Fund highlighted providers using the fund to increase their English to Speakers of Other Languages (ESOL) offer, one provider discussed how this was particularly successful in factories in Fenland, where people could complete courses while they were in employment. Additionally, this provider discussed how they extended the fund to provide digital skills, which allowed them to teach important and relevant skills around technology.

Funding Changes

In 2020/21, several funding changes were implemented (please see Annex A for a description of each devolved measure). Providers were asked which funding changes or additions they had made use of in 2020/21. The responses are displayed in figure 3 (below).

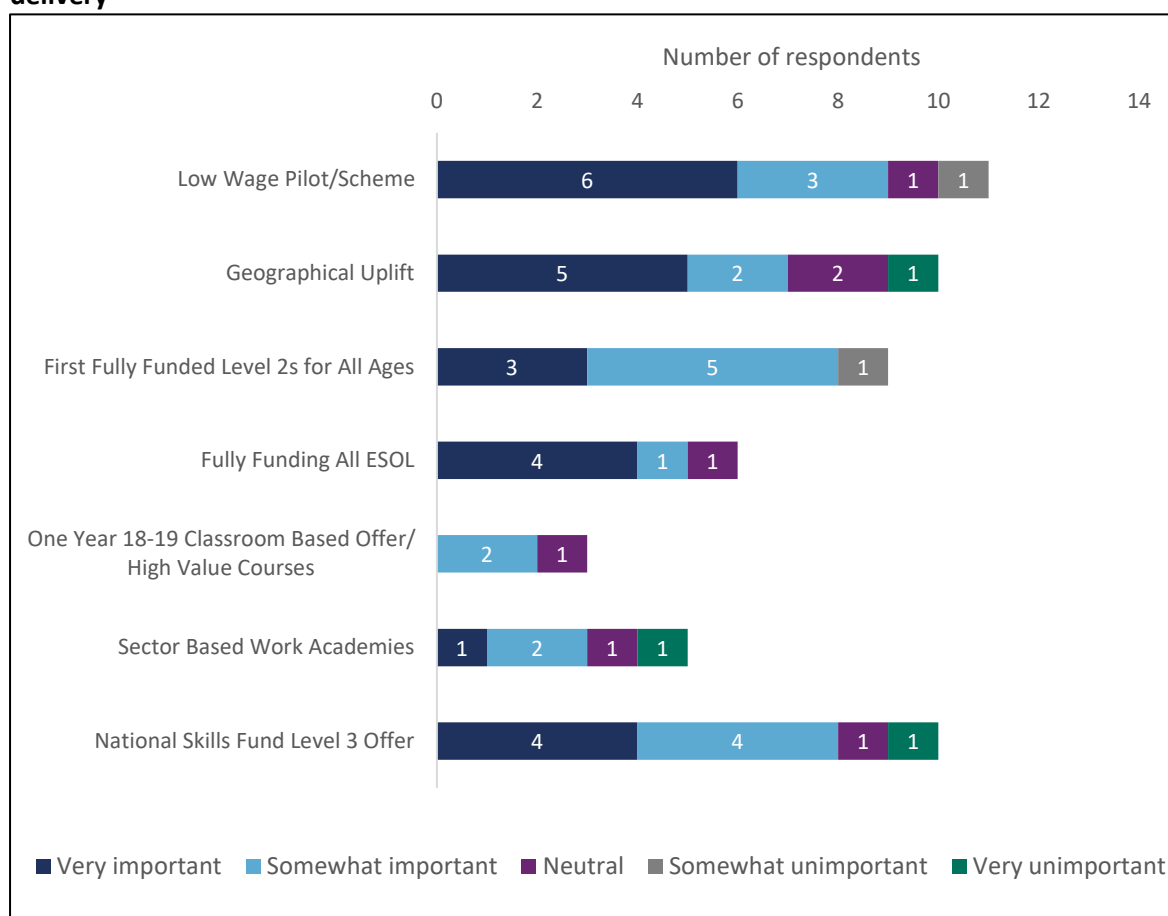
Figure 3: Provider survey response to whether or not they had made use of specific funding changes/additions in 2020/21



Most providers had made use of the low wage pilot (11), geographical uplift (10) or National Skills Fund offer (10). Only one of the 14 providers responding to the survey had made no use of the funding changes or additions made available in the 2020/21 academic year.

Providers were asked how important each of these funding changes or additions had been to their delivery, the responses are displayed in figure 4 (below). These responses have been analysed alongside qualitative feedback received both in the survey and during consultations with the results outlined in the following section.

Figure 4: Provider survey response to how important the funding changes had been to their delivery



Of the eleven providers who made use of the Low Wage Pilot/Scheme, nine outlined that this scheme was important to their delivery, with six stating that it was very important. In the consultations with one of the providers (who said this was neutral for their delivery), they stated that although it helped some people access provision it was not very well known. They stated that this could have been due to them not promoting the scheme.

The Geographical Uplift was also considered important by most providers who made use of the scheme, with seven of the ten who used it stating it was important to their delivery (five said it was very important). Of the remaining three, two providers said it was neutral to their delivery while one provider stated that it was very unimportant. Qualitative feedback from the survey highlighted the high value of the uplift, especially where a high proportion of learners come from disadvantaged areas. The consultations highlighted that this was useful as it helped in reaching people in more disadvantaged areas, and that this funding change made a positive difference.

Nine providers made use of the First Fully Funded Level 2s for all ages, and eight of these outlined that it was important to their delivery (three said it was very important). Feedback from consultations highlighted that this was important as it allowed providers to upskill more people and provide more fully funded courses.

Some of the funding changes/schemes were used less than others, the One Year 18-19 Classroom Based Offer/High Value courses was only used by three providers, two of which said it was somewhat important to their delivery. Feedback from consultations highlighted that providers felt many adults could not give up their jobs and income to participate in these courses.

The Sector-based Work Academies were used by five providers, three of whom stated it was important to their delivery (one highlighted that it was very important). One provider stated this funding change was very unimportant. Feedback from the consultations highlighted that this funding change was successful as it was a suitable transitional programme, especially as it was a short course with guaranteed interviews, focussed on leading to employment. Neutral feedback around these highlighted challenges relating to border issues, with many learners outside of the CPCA area.

Ten providers made use of the National Skills Fund level 3 offer, eight of which outlined that it was important to their delivery. One provider said it was neutral while the other said it was very unimportant. Qualitative comments from the survey highlighted the positive impact of the National Skills Fund for specific sector qualifications for over 24s. Follow up consultations with providers highlighted that this allowed them to fully fund more learners than they could previously, although one provider had trouble in getting level 3 learners enrolled. Some providers raised issues relating to the compiling of the list of courses funded via this offer, highlighting the need for local priorities to feature.

Fully funded ESOL was used by six providers, five of which stated that it was important to their delivery. Consultations with providers who used the scheme highlighted that this was a very important scheme as it cut the price of the course in half, allowing learners to choose the right course for them rather than deciding based on cost. Additionally, it was highlighted that there were many non-English speaking individuals in Fenland, Peterborough and Huntingdon, and ESOL courses were very valuable in targeting those learners.

DELIVERY AND OUTPUTS

Delivery

The following section provides an overview of AEB delivery based on data at quarter four (R14). £9,477,624.97 (including £193,160.69 for learning continuing over from 2019/20) spent so far²

- 14,872 enrolments starting in 2020/21
- 8,674 learners starting in 2020/21

Of this spend, £1,541,529 (including £33,811 for learning continuing over from 2019/20) was subcontracted to 25 providers who delivered 2,743 enrolments starting in 2020/21 to 1,854 learners. A full list of subcontractors is provided in Annex E.

CPCA Adult Education Budget reached a total of 8,674 people. The key characteristics across these individuals were as follows:

- 79% took part in Adult Skills learning aims and 28% took part in Community Learning aims³
- 13% were aged 19-23
- 21% were ethnic minorities
- 34% were unemployed and looking for work
- 33% had a prior attainment level of 1 or below
- 34% studied more than one learning aim
- 49% took part in a 'Preparation for Life and Work' aim

² Includes % uplift figure and estimated Community Learning spend based on a pre-agreed average amount of funding per enrolment

³ As a learner can enrol in multiple learning aims an individual may have taken part in both Adult Skills and Community Learning aims

Figure 5: Cambridgeshire and Peterborough Learner Characteristics 2020/21

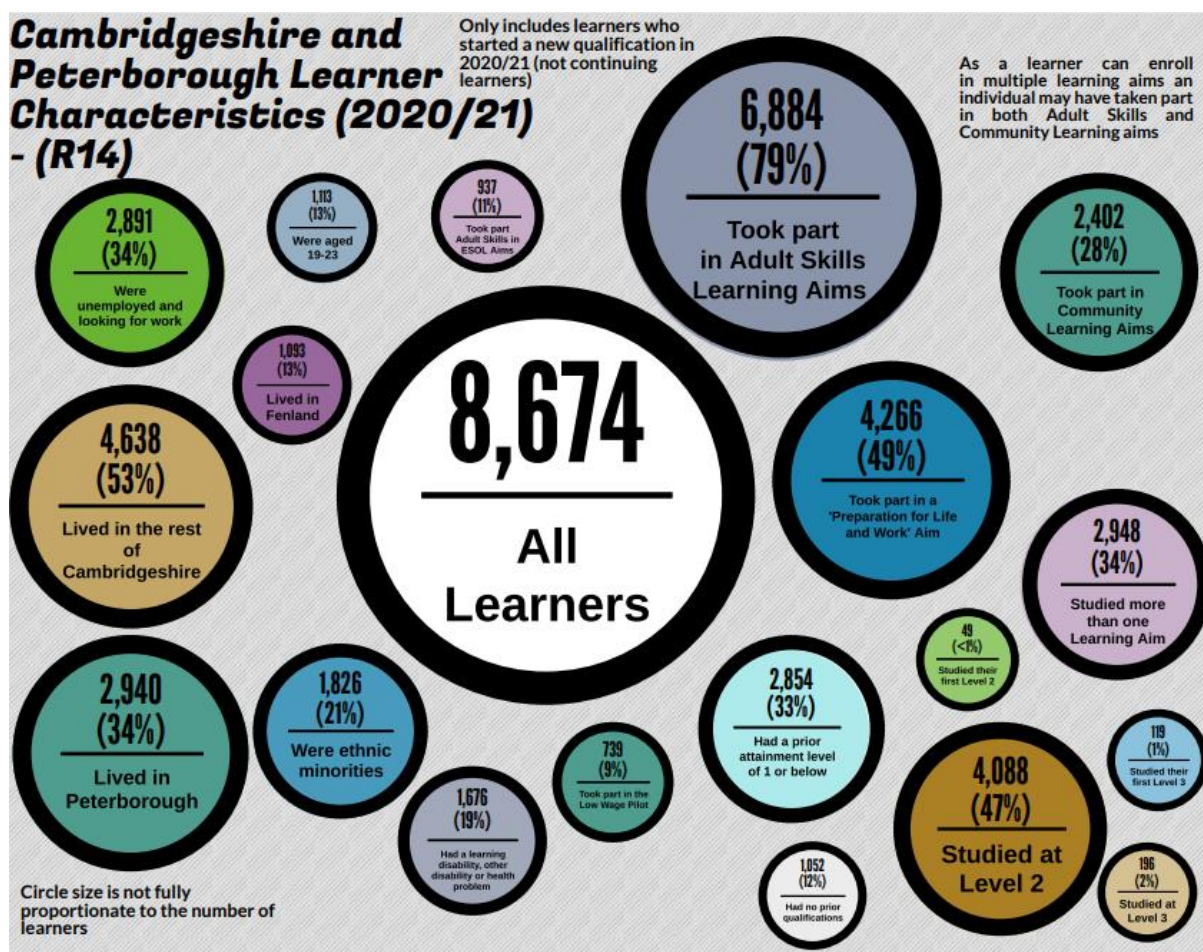
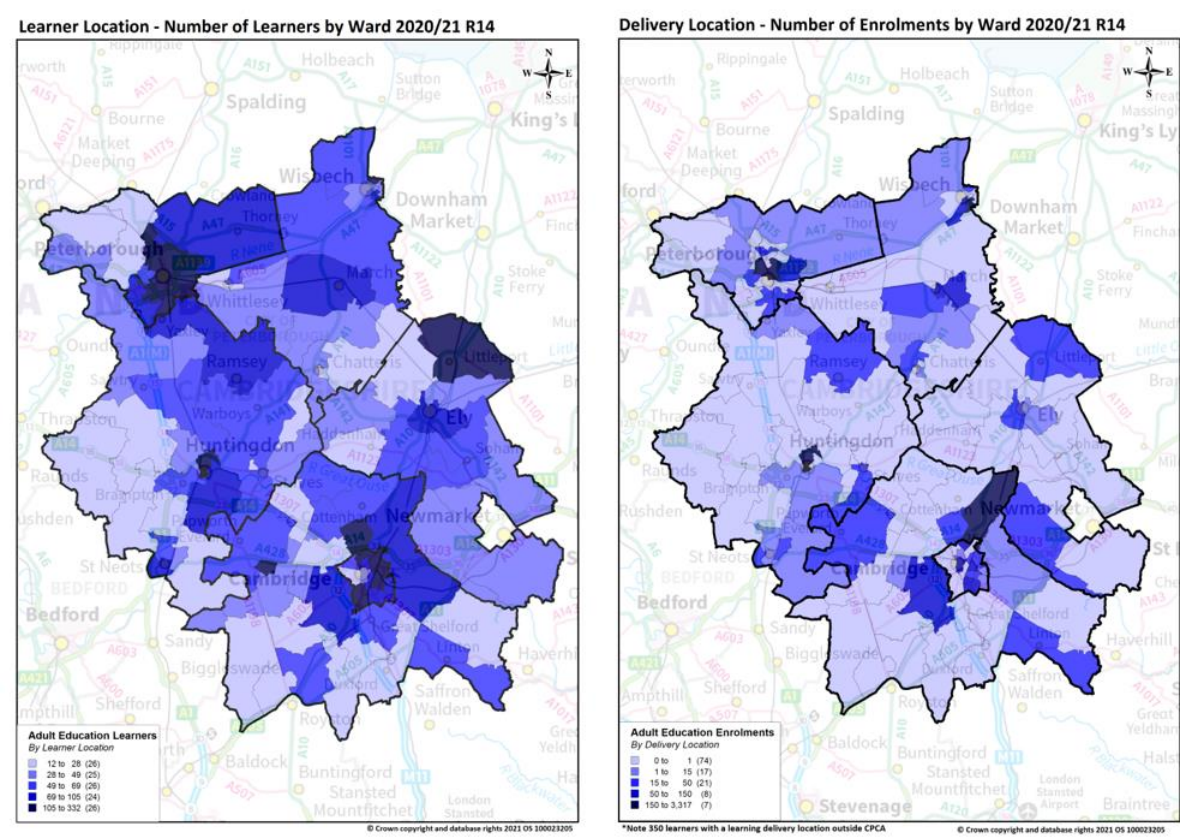


Table 1: Proportion of all enrolments by learner's home district

Learner's home district	Proportion of all enrolments	Change in proportion of enrolments since 2019/20
Cambridge	15%	+2%
East Cambridgeshire	7%	+1%
Fenland	11%	0%
Huntingdonshire	14%	+1%
Peterborough	42%	-6%
South Cambridgeshire	12%	+3%

The maps below display the count of learners by home location (left) and count of enrolments by delivery location (right) at the district ward level. Comparison between these maps illustrates that, in line with patterns observed in 2019/20, learners were more evenly distributed across the CPCA area based on their home location compared to delivery. Learners were mostly concentrated in Cambridge, Peterborough, Huntingdon and northern part of East Cambridgeshire with some cold spots for learners in the South and West of the region.

Figure 6: Learner home locations and learning aims delivery locations

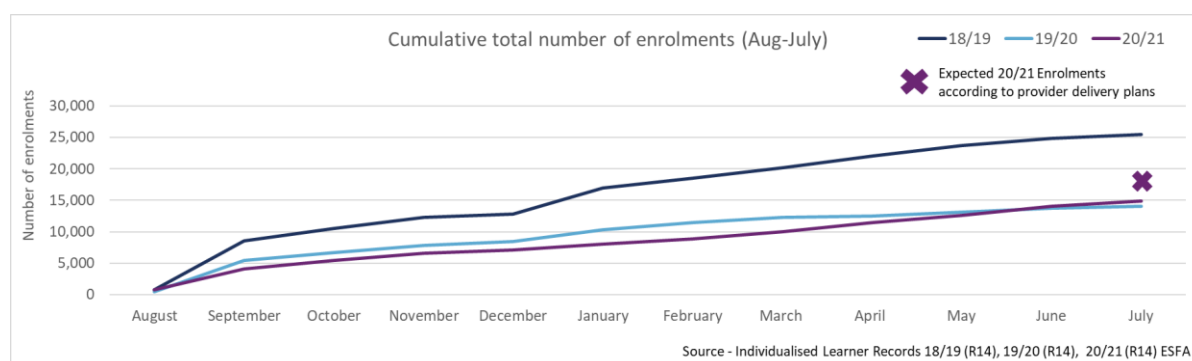


Performance against targets

Of the total 14,872 learning aims recorded in the 2020/21 academic year (R14), 79 per cent had been achieved. Of the learning aims which were recorded as completed, 95 per cent had been achieved. This is similar to the proportions in 2019/20.

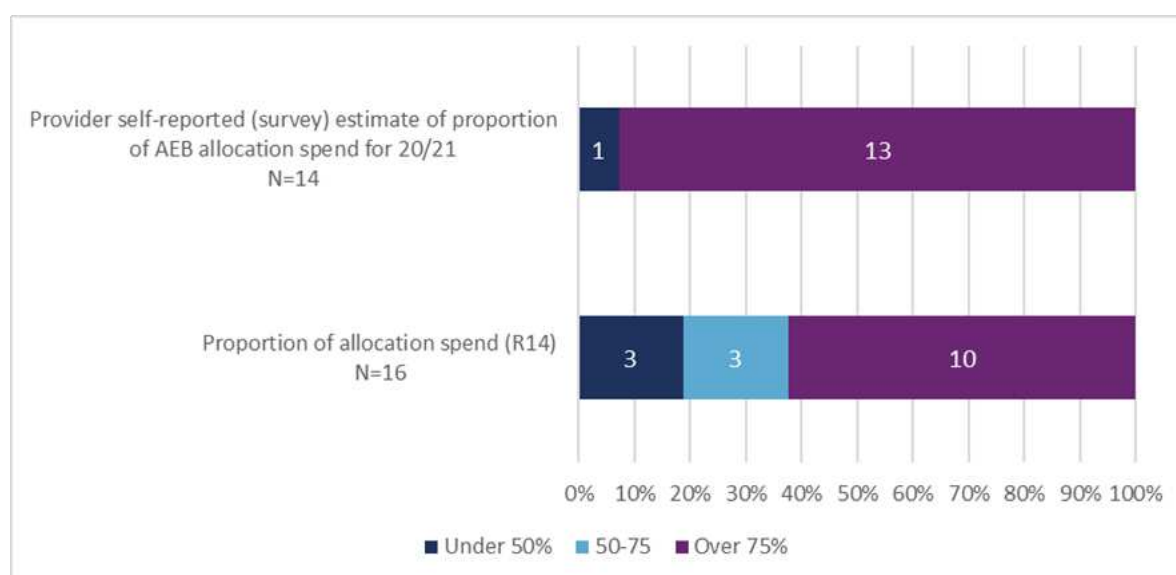
The chart below shows the cumulative total number of enrolments between August and July for 2018/19, 2019/20 and 2020/21. The number of enrolments for 2020/21 tracked slightly below those seen in 2019/20 up until April where enrolments then rose to finish just above 2019/20 levels in July 2021, although slightly below (-4%) the expected number of enrolments based on provider delivery plans.

Figure 7: Cumulative total number of enrolments (Aug-July), 2018/19, 2019/20 and 2020/21



Nearly all providers (13 out of 14) stated in the survey that they anticipated spending over 75 per cent of their year two allocation. One provider indicated that they anticipated spending under 50 per cent. The actual allocation spent for 2020/21 showed the majority of providers (ten) had spent over 75 per cent of their allocation at R14, however, there were three providers who had spent between 50-75 per cent and three who had spent less than 50 per cent.

Figure 8: Estimated (provider survey) and actual proportion of AEB allocation spend 2020/21⁴



⁴ Includes estimates of Community Learning spend

Provider Feedback on Delivery

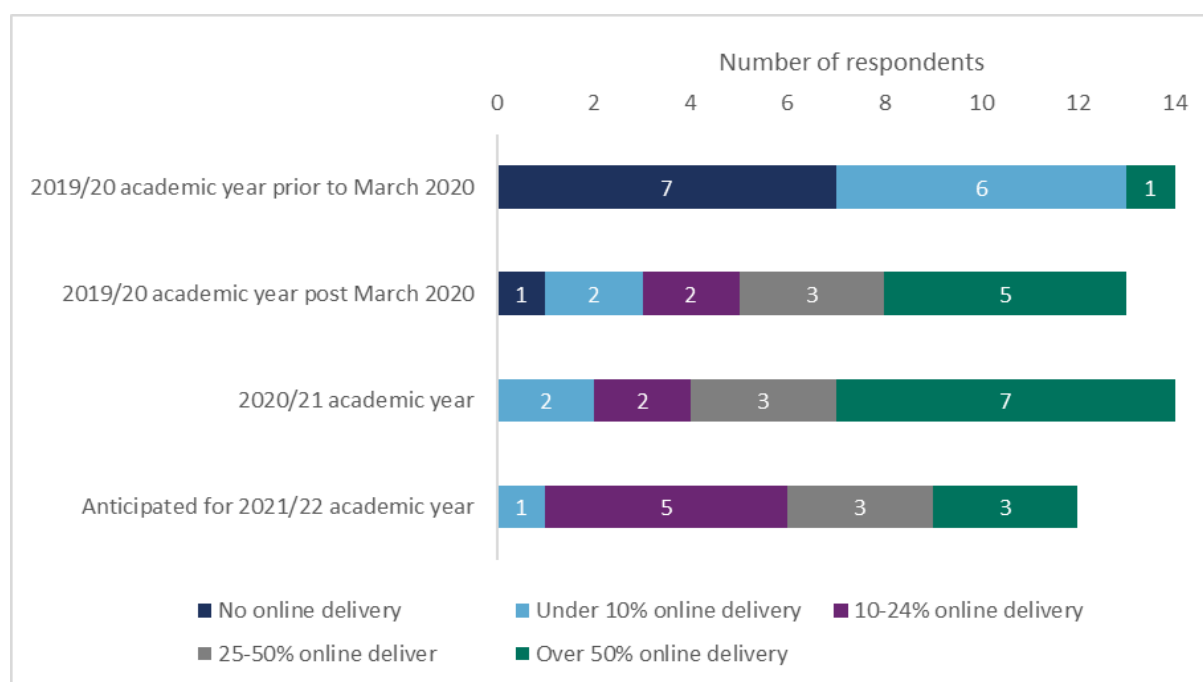
Providers were asked in the survey how they felt their delivery was going in the year-to-date. Most providers felt that their delivery had been going either 'very well' (six providers) or 'quite well' (four providers). Four providers felt that their delivery was going moderately well. No providers selected the 'not very well' or 'not at all well' option. Qualitative feedback in relation to delivery working well included providers indicating that they were on track to deliver their profile or deliver ahead of profile. The factors which were highlighted during consultations as being key to successful delivery included adaptation to new delivery models such as an increase in online provision along with the success with the fully funded ESOL programme. Additionally, one provider outlined how they saw the demand for courses relating to mental health increase considerably, and how they supported the delivery of these courses through the development of online learning packages.

A few providers raised challenges in relation to delivery which included issues in recruitment of learners due to the pandemic, along with being unable to deliver provision face to face. Feedback from the consultations highlighted that as restrictions eased and people returned to work, demand for courses decreased, and one provider therefore discussed having to work harder to get more learners in. However, it was outlined that demand has since increased, with the provider delivering more than expected. Providers who were delivering courses in specific sectors which were more likely to have been affected by the pandemic saw impacts on their ability to deliver.

Covid-19 Impact

Providers were asked in the survey about their proportion of AEB provision delivered online for four different time periods, see figure 9 (below). This highlighted that prior to Covid-19, half (seven) of the providers surveyed had no online delivery prior to the pandemic. This increased in the 2019/20-year post March 2020, where all but one of the providers were delivering some provision online. By the 2020/21 academic year, half (seven) of providers were delivering over 50 per cent of their provision online, with a further three providers delivering between 25-50 per cent online. This demonstrates the impact of Covid-19 on providers ability to deliver face to face and how delivery models had to be transformed. The anticipated proportion of provision to be delivered online in 2021/22 is slightly less than the 2020/21 peak with just three out of the nine providers who responded stating online delivery would be over 50 per cent. Most providers anticipated that online provision would account for between 10 per cent to 50 per cent of all provision in 2020/21.

Figure 9: Proportion of AEB provision delivered (estimated) online.



Providers were asked in the survey how Covid-19 has impacted on their AEB provision, the comments on this ranged between providers. Several providers discussed difficulties with recruitment and enrolment, such as challenges in recruiting enough learners and having to run more courses to have sufficient learner numbers to match vacancies. Some providers also highlighted the challenges with retention of learners and learner progression which was in part linked to limited face-to-face support for learners.

Provider feedback in the follow up consultations indicated that the impact of Covid-19 had varied between providers depending on their circumstances. Some providers felt that their delivery model had protected them from negative impacts, for example, being involved with sectors that had seen employment demand remain stable or even grow, feedback around this highlighted a considerable increase in the demand for courses relating to mental health. Some providers had delivery models which already included or easily adapted to online learning, which mitigated some of the negative impacts of Covid-19.

Providers who specialised in mostly face-to-face provision discussed changes they made to improve their online delivery, such as investments in smart technology and the development of online learning packages. There were discussions around assessment tools designed to determine whether people are suitable for online learning, with approaches being designed for individual students. Providers who experienced challenges with online learning outlined that certain courses, such as ESOL or practical courses were very difficult to deliver online, and that the online delivery model made it harder to reach people in more deprived areas, with people in these areas less likely to have the right tools to access online provision.

An increase in demand due to people being furloughed and spending more time at home was highlighted as a potential opportunity for Adult Education in last year's evaluation. Feedback from the consultations in year two highlighted that people returning to work led to decreased demand, however this has since stabilised with many providers delivering more than expected.

Learners were asked whether Covid-19 had impacted on their learning experience either positively or negatively. Most learners (54 per cent) stated that Covid-19 had not impacted on their learning experience. Under a fifth of learners (17 per cent) reported that Covid-19 had negatively impacted upon their learning experience, with 29 per cent of learners reporting a positive impact. Most qualitative comments relating to positive impacts referenced the accessibility and flexibility of online learning and having more time to study as a direct result of the pandemic (furlough, lockdown etc). Qualitative comments relating to negative impacts highlighted a preference for face-to-face learning and the disruption to learning because of Covid-19.

Other feedback from providers

Most providers (12 out of 14) were satisfied with the support available to them from the Combined Authority's AEB team, with nine of these providers indicating they were very satisfied. The evaluation of year one highlighted that most providers expressed positive feedback about their relationship with the AEB team, particularly highlighting levels of communication, access to support and the opportunity to work more closely than under the pre-devolution system. This was the case this year as well, with providers praising the flexibility and agility of the new devolution system, as well as the level of support available to them from the AEB team. One issue highlighted as an area for improvement was the communication of short-notice changes to guidance and rules, providers suggested that earlier engagement and communication would be beneficial to mitigate the impact of such changes on them.

Most providers (11 out of 14) were either very satisfied or somewhat satisfied with the level of administration involved in the process. However, two providers, indicated that they were very unsatisfied with the level of administration. Qualitative comments from the survey and feedback during the consultations relating to the negative aspects of the level of administration suggested that some providers found the system to be bureaucratic and they felt they were being micromanaged under the new devolved system.

Most providers (12 out of 14) indicated that they found the quarterly reviews helpful, rating between six to ten on a scale of one (not helpful) to ten (extremely helpful). Two providers answered on the negative side (four on the scale). Additionally, it was highlighted that the quarterly review meetings were particularly quantitative data driven and would benefit from more qualitative learner stories.

In the survey and in the telephone consultations providers were asked if they had any recommendations for the CPCA for future commissioning. Recommendations included: Renewal of funding for the Innovation Fund projects, continued engagement with local education providers and employers and allowing providers the opportunity to be more involved in strategic conversations, locally and nationally.

Notable changes to delivery 2018/19 (pre devolution) – 2020/21

Whilst specific funding changes were not introduced in 2019/20 there was an encouragement under devolution for providers to shift delivery of adult education in line with local priorities outlined in the Cambridgeshire and Peterborough Independent Economic Review (CPIER). Devolution has led to an active shift in the provision of adult education in Cambridgeshire and Peterborough and these changes have been sustained into the second year of devolution as evidenced by the figures in table 2 (below).

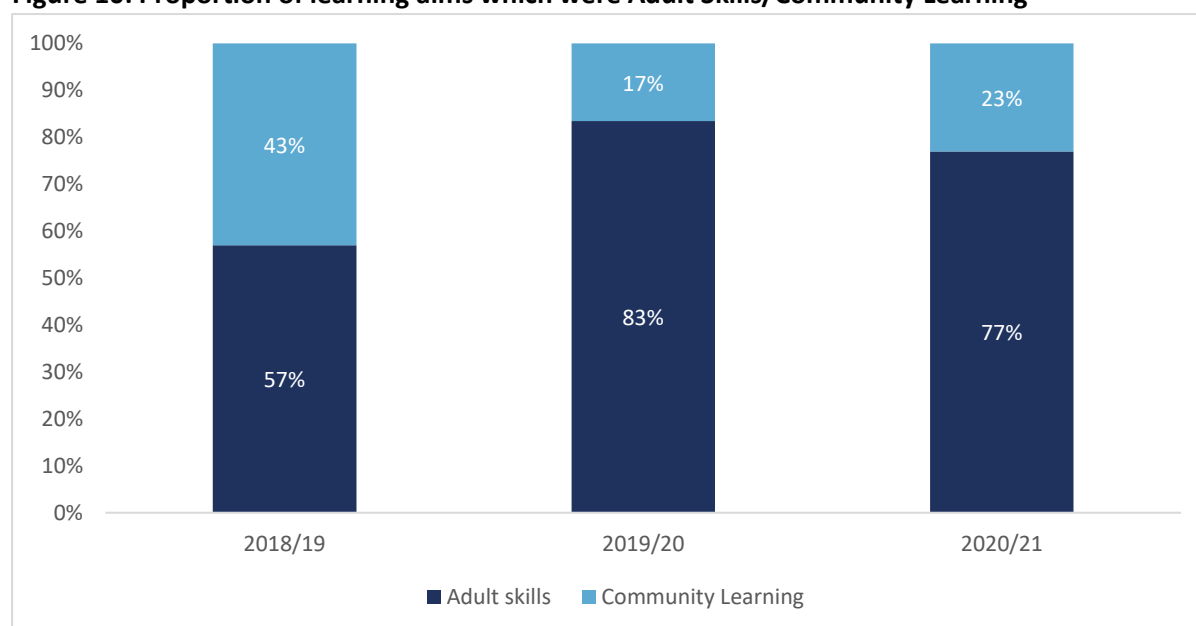
Table 2: Comparison of provision between 2018/19, 2019/20 and 2020/21

	2018/19 (pre-devolution)	2019/20 (first year of devolution)	2020/21 (second year of devolution)
Average Funding per learner*	£909.85	£914.67	£948.03
Number of providers	190	17	16
Proportion of learning aims subcontracted	41%	17%	18%
Proportion of Community Learning	43%	17%	23%
Proportion of Adult Skills	57%	83%	77%
Proportion of learning aims delivered to learners who reside in areas of deprivation**	22%	34%	28%

* data only available for Adult Skills learners.

** Top 20% most relatively deprived areas overall according to the 2019/20 Indices of Multiple Deprivation. The 2020/21 4% uplift area also included areas which fell into the top 40% most relatively deprived for adult skills in particular

The average funding per Adult Skills learner has increased under devolution from £909 in 2018/19 to £948 per learner in 2020/21. Both the total number of providers and the proportion of learning aims subcontracted decreased markedly in the first year of devolution and this simplification of provision has been sustained in year two. There was also a significant shift in the type of provision delivered between 2018/19 and 2019/20 with the proportion of Adult Skills provision rising and Community Learning decreasing correspondingly. This pattern was maintained in 2020/21, as illustrated in figure 10 (below), with Adult Skills accounting for over three quarters of all provision, albeit with a slight increase in the proportion of Community Learning from 17% in 2019/20 to 23% in 2020/21. Community Learning provision in 2019/20 become more evenly spread across the CPCA area, having previously been disproportionately focused on South Cambridgeshire and Huntingdonshire prior to devolution. This shift has been maintained in 2020/21 with learners enrolled on Community Learning living fairly evenly across the six CPCA districts.

Figure 10: Proportion of learning aims which were Adult Skills/Community Learning

Following on from an increase in the proportion of learning aims delivered to learners who reside in areas of deprivation from 22 per cent in 2018/19 to 34 per cent in 2019/20, this proportion decreased slightly to 28 per cent in 2020/21. The changes observed in 2019/20 were in part driven by an increase in Community Learning in Fenland and particularly Peterborough, which are the districts with the highest number of areas falling in the top 20 per cent most deprived nationally. In 2020/21 there was a reduction in the proportion of all Community Learning delivered to learners who reside in Peterborough, from 43 per cent to 23 per cent, which may be linked to the reduction of learning aims delivered to learners who reside in areas of deprivation in 2020/21.

These changes to provision were discussed during the consultation with one provider which had gone through a substantial transformation in 2019/20. In the year one evaluation, this provider explained that achieving a significant shift in provision from Community Learning to Adult Skills had involved a major service transition. A new model was developed based on the foundation of programmes meeting local skills needs and being tailored to local learners. The shift in provision was achieved through an active reduction in 'leisure style' offers within Community Learning (including from subcontractors) and the development of relationships with stakeholders and community groups, through geographically based development workers, to help tailor the delivery offer to local skills needs. A particular focus on the development of relevant programmes in areas of high deprivation was also discussed. In the follow up consultations of the year two evaluation this provider discussed these changes and outlined how they were working with the AEB team and providing training on Community Learning. This provider discussed their new delivery model with Adult Skills and highlighted that they did reasonably well, but Covid-19 had created further challenges by radically changing their delivery model again. They discussed how online delivery made it harder to reach people in more deprived areas, many of whom may not have access to participate in online courses.

In 2020/21 there were specific funding changes introduced to start to steer provision locally. Table 3 explores how these have impacted on provision in the first year of introduction.

Table 3: Comparison of funding change provision 2019/20 and 2020/21

	2019/20 (first year of devolution)	2020/21 (second year of devolution)
Number of low wage scheme learners	854	596
Proportion of Adult Skills learning aims delivered to learners who reside in areas of geographical uplift eligibility	55%	53%
Number of first fully funded level 2 enrolments*	36	50
Extension of funding for ESOL enrolments**	2,038	2,053
One Year 18-19 Classroom Based Offer/High Value Course***	7	16
Number of Sector Based Work Academies eligible enrolments	N/A	369
Number of National Skills Fund Level 3 offer eligible enrolments****	36	68
<p>* 2020/21 figure includes learners who were part of the devolved 24+ first full level 2 offer</p> <p>** In 2019/20 only part of ESOL was fully funded. For both years a total count of ESOL adult skills enrolments are included</p> <p>***Offer did not exist in 2019/20. Enrolments for this year were counted by including 19 year old learners who were on qualifications which formed the 2020/21 offer</p> <p>**** Offer did not exist in 2019/20. Enrolments for this year were counted by including learners who were on qualifications which formed the 2020/21 offer</p>		

While (one year in) it is too early to robustly assess any impacts funding changes may have had on the delivery of AEB locally, the data in table 3 shows small changes for some of the funding changes. Comparisons with figures on learners in 2019/20 who were on qualifications which formed the 2020/21 offer for both First Fully Funded Level 2 and National Skills Fund Level 3 Offer showed increases in the 2020/21 enrolments of 39 per cent and 89 per cent respectively.

The slight increase in the gross income eligibility threshold for the Low Wage Scheme has not resulted in an increase in Low Wage Scheme learners in 2020/21, with the number of learners down 30 per cent since 2019/20. A slightly lower proportion of employed adult skills learners were fully funded via the Low Wage Scheme in 2020/21 at 18 per cent compared to 22 per cent of all employed adult skills learners in 2020/21. One provider highlighted during the consultations that whilst the scheme helped some people access provision, it was not very well known. Low levels of awareness of the scheme may partially explain the figures seen. The majority of providers who used the Low Wage Scheme did state that this was important to their delivery.

The early evidence suggests that the geographical uplift and fully funded ESOL did not lead to a noticeable shift in learners or enrolments. However, most providers who made use of these funding changes did report that they were important to their delivery and provided feedback on positive impact as outlined in the [funding changes](#) section.

One possible explanation for the slight reduction in the proportion of Adult Skills learning aims delivered to learners who reside in areas of geographical uplift eligibility, despite this increase of funding, is greater challenges in reaching learners in deprived areas because of Covid-19 and the associated shift to online provision. One provider highlighted it was harder to reach deprived groups through online provision with accessibility to online learning being a potential participation barrier. Another influencing factor is a reduction in the number of learners with lower prior attainment in 2020/21. The number of entry level enrolments was down by 28 per cent in 2020/21 when compared to 2019/20. The geographical uplift targeted learners in the top 40 per cent of deprivation for Adult Skills nationally, as such a reduction in entry level learners would likely be linked to seeing lower numbers of learning aims delivered to learners in the geographic uplift eligibility areas.

Impacts

Two years in it is still too early to robustly look at impacts of the devolution of the Adult Education Budget. It is recommended that a full impact evaluation takes place after three years of delivery.

To explore emerging impacts, providers were asked in the survey whether they had seen any impacts of the devolution of the Adult Education Budget to date. Out of the 14 providers who answered the survey, 13 expressed views that impacts have already been seen, with all 13 having seen impacts on ways of working, while eight having seen impacts on provision and impacts on learners. Qualitative feedback from the survey highlighted that several providers felt that devolution had given the flexibility to match provision to local market conditions/demand and support localised initiatives. One provider specifically highlighted the National Skills Fund in meeting employer demand and supporting higher level skills delivery. Negative feedback from the qualitative comments from one provider discussed how prescriptive delivery plans were felt to hinder flexibilities for what communities need with a knock-on impact on provision and learners. A suggested improvement was to have frameworks based on groups of people rather than numbers of specific level enrolments.

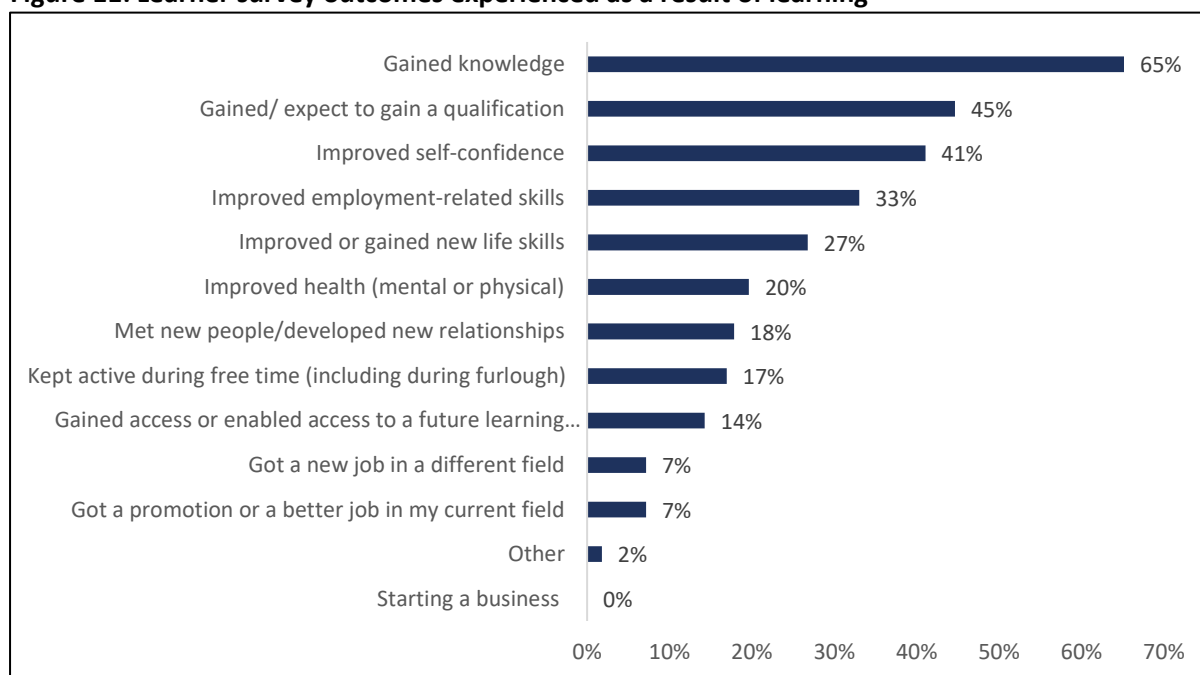
In the follow up consultations, providers were asked to elaborate on any impacts that they had seen in the year-to-date. Positive impacts which were discussed outlined the benefits of having more data about the labour market, allowing providers to align what they do based on what the economy

requires, providing them with a better evidence base and facilitating more focused local delivery. It was stated that devolution allowed for pragmatic conversations and allowed providers and the CPCA to work towards a common goal. Another positive impact of AEB highlighted by providers was around reaching people in more disadvantaged areas, with providers commenting on the importance of the funding changes and uplifts. Additionally, providers discussed how devolution had led to greater communication, allowing them to discuss what was viable and using the budget to work for the learners.

The learner survey asked learners about what motivated them to apply for their course and any outcomes that they had experienced because of their learning (see Annex D for the full analysis). The most common motivating factor was for personal development/self-improvement reported by 59 per cent of learners.

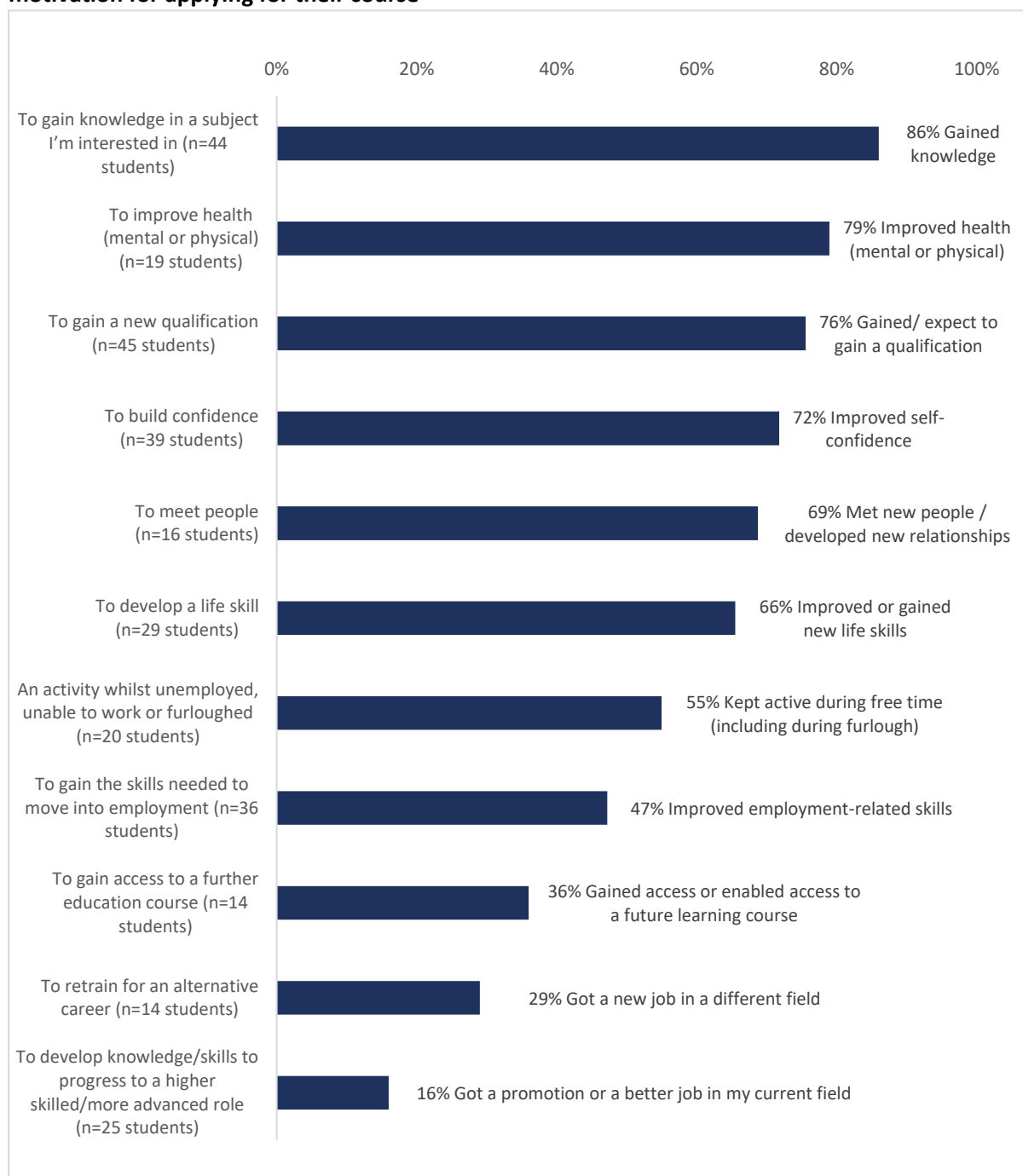
Most learners (68 per cent) reported having experienced two or more outcomes. The proportion of learners who had experienced each outcome is displayed in Figure 11 (below), the most reported outcome was having gained knowledge (65 per cent), having gained, or expecting to gain a qualification (45 per cent) and having improved self-confidence (41 per cent).

Figure 11: Learner survey outcomes experienced as a result of learning



Analysis of how outcomes experienced by learners linked with their reported motivations for pursuing their learning course showed a strong relationship, with a high proportion of learners experiencing outcomes linked to their motivating factors. Figure 12 (below) displays the proportion of learners who gained the outcome linked to factor which motivated them to apply for their course. The highest achieved outcome resulted from the most common motivation for applying which was 'to gain knowledge in a subject I'm interested in', with 86 per cent of these learners reporting that they had gained knowledge. The next highest achieved outcome related to health with 79 per cent of those motivated to apply for their courses to improve their health reporting that they had experienced an improvement in their mental or physical health.

Figure 12: Learner survey – proportion of students who gained the outcome linked to their motivation for applying for their course



Learner progression

Data on the progression of learners during the devolution period is limited. Nationally, the Education and Skills Funding Agency tracks levels of sustained progression and destination through an annual Outcomes Based Success Measures release. This release takes data collected from a variety of sources across HM Government to track learners through their further education and the labour markets. As the data tracks sustained destinations up to two years following the achievement of an aim the latest data (released in December 2021) only covers learning which ended in the 2018/19 academic year, before devolution of the budget to the Combined Authority. The first release of Outcomes Based

Success Measures which will cover the first year of devolution, 2019/20, is expected to be released in November 2022.

For 2020/21 work was done internally to track those learners in Cambridgeshire and Peterborough's ILR data who had taken part in learning in the 2019/20 academic year and had gone on to start an enrolment in 2020/21.

Using this data, we can see that out of the 15,277 learners who took part in learning during either the 2019/20 or 2020/21 academic year, 1,828 (12 per cent) started a new learning aim in each academic year. The table below shows how this is split across individual funding models.

Table 4: 2019/20 Learners Enrolled in 2020/21 by Fund Model

Fund Model	Number of Learners (2019/20 and 2020/21) *	Number of Learners who started a Learning Aim in Each Academic Year*	% of all 2019/20 and 2020/21 Learners
Adult Skills	12,312	1,711	14%
Community Learning	3,950	614	16%
All Learning	15,287	1,828	12%
* A learner can take multiple aims across different funding models. The 'All Learning' total only counts each learner once			
Source - Individualised Learner Record R14 2019/20 and 2020/21, Education and Skills Funding Agency			

A higher proportion of Community Learning learners across the two years of devolution (16%), started new CPCA funded Community Learning aims than Adult Skills learners starting new adult skills aims across the two years of devolution.

Over 2021/22 the Combined Authority will track these learners who took new CPCA funded aims across multiple academic years, including progression to higher levels of learning.

[Learner destination](#)

Providers were asked in the survey whether they were collecting feedback or destination data from individual students. All but one of the 14 providers who answered this question indicated that they were. Feedback collected varied between providers, whilst most providers collected some form of student surveys (at varying course intervals) some providers had additional feedback methods including student forums, learner interviews within observation process, monthly learner reviews, direct student/tutor feedback, mystery shoppers and follow up progression calls. Follow-up consultations with providers yielded more detail on the feedback gathered which ranged from feedback forms on course completion to structured follow ups up to six months after course completion. In addition, some providers had online portals which included course information as well as feedback opportunities. The content of this feedback varied from some providers focussing on course experiences and how this would aid their employability after completion to ongoing feedback systems where students were able to raise any issues or concerns. Challenges were highlighted around tracking where the learners came from, particularly if they entered via DWP.

In terms of national destination data, the first release of Outcomes Based Success Measures in 2022 will provide an indication of learning or employment destinations for learners.

Currently, within the ILR providers are required to record the destination of learners within two months of the end day of an episode of learning. This destination data is based on self-reported data

collection by providers. Data collection methods will vary from provider to provider and not necessarily represent a sustained destination that can be backed by additional data sources.

The following table shows internally produced analysis of the recorded destinations against learners who completed CPCA funded learning in 2020/21:

Table 5: Destination Data associated with CPCA Funded Learning Completed in 2020/21

Destination Category	Number of Learners
Education	746
Employment	2,711
Gap Year	-
Not in Paid Employment	2,467
Social Destinations	0
Voluntary Work	51
Other	1,986
Total Learners with an Associated Destination	7,701
Individual learners can appear across multiple destinations. They have only been counted once for the totals	
Values marked as '-' have been suppressed as they fall within the 1 - 10 range. 0 indicates 'true zero'	
Source - Individualised Learner Record , 2020/21 (R14), Education and Skills Funding Agency	

Out of the 2,711 learners who had a destination of 'employed' recorded against them, 451 were recorded as unemployed on their first day of learning. The other learners were already employed on their first day of learning.

Out of the 1,986 learners who had a destination marked as 'other', 1,802 (90 per cent) had an unknown destination. This made up 23 per cent of the 7,701 learners who had a destination recorded against them.

Additional comments - Feedback for CPCA

Providers were asked in the survey whether they had any additional comments, such as recommendations for the Combined Authority for future commissioning or current gaps in provision for adult learning. Of the 14 providers surveyed, six provided a response to this question. Some providers discussed collaboration and ongoing regular communication around provision needs and future funding as key to success. Other feedback included: a more considered business cycle to better support planning, budgeting, contracting, and marketing, less performance driven meetings and more flexibility to respond to community need and more effective relationship management and collaboration.

In the follow up consultation, providers were asked if they felt there were gaps in the existing provision of adult learning that they would like to see addressed through future funding. The providers who were asked this question felt that the current curriculum was covered, and although there may be skills shortages it was not clear where they were at present.

ADDITIONAL LEARNER FEEDBACK

The learner survey asked learners about their awareness around the devolution of funding and specifically the Combined Authority funding their course. Most learners were unaware that funding for adult education had been transferred from a national to local level within Cambridgeshire and Peterborough, with just over a quarter (27 per cent) stating that they were aware. This suggests that devolution has had little direct impact on learner's experiences of applying for and studying adult education in Cambridgeshire and Peterborough. A slightly higher proportion of learners (40 per cent) stated that they had awareness that their course was part-funded by the Combined Authority.

Learners were asked to rate how satisfied they were with the process of applying to their course, on a scale from one (*not at all satisfied*) to ten (*extremely satisfied*). The average score across the 112 students who answered was eight, with almost three quarters of learners (74 per cent) providing a rating of eight or above, indicative of a high level of satisfaction with the application process.

Learners were also asked about how they had initially learnt of the course that they went on to study. The most common routes for having learnt of the course were through the job centre (24 per cent), school (15 per cent), friends and family (13 per cent) or employer (13 per cent).

WIDER STAKEHOLDER FEEDBACK

Telephone consultations were carried out with six stakeholders from the following organisations or memberships:

- CPCA Skills Committee
- CPCA Employment and Skills Board
- Business Board
- University of Cambridge
- Anglia Ruskin University
- DWP (Department for Work and Pensions)
- AELP (Association of Employment and Learning Providers)

All stakeholders had general awareness of devolution and the shifting of adult education funding from a national to local level within Cambridgeshire and Peterborough. However, most stakeholders consulted did not have awareness of the specific funding changes which had been implemented locally under devolution in 2020/21. Stakeholders who did have awareness of the funding changes had gained this through involvement/membership of CPCA Boards and Committees. Stakeholders were generally supportive of the funding changes which had been implemented in 2020/21.

The level of contact between stakeholders and members of the CPCA AEB team varied from 'little' or 'no contact' right through to a regular open dialogue. Stakeholders with a higher level of contact reported positive feedback about their working relationship with the AEB team, citing the accessibility and responsiveness of CPCA colleagues. Stakeholders with little contact would welcome increased communication. General feedback across stakeholders was that there was always room for more communication/consultation with stakeholders to facilitate collaboration. A couple of stakeholders discussed having had direct opportunities to feed in CPCA, for example, by feeding into the Skills Strategy, or through involvement in the use of CPCA funding flexibility to address workforce shortages in the year. Opportunities such as these were highly valued by stakeholders.

Stakeholders were asked based on their knowledge and experience what areas they felt the CPCA should focus on in the next two-three years. A wide range of recommendations were received which can broadly be categorised in the following groups: ways of working, types of provision and the targeting of specific groups/areas.

Ways of working

- Collaboration

Collaboration was a recurrent theme in the stakeholder consultations with recommendations for increased links between all relevant local partners (e.g., business representative bodies, providers, higher education institutions etc) to develop a joined up, single-offer approach to upskilling individuals across the region. One stakeholder suggested that the Combined Authority should use its convening power to bring key partners together. A specific need was raised for industry engagement at a strategic level and in the development of provision. One stakeholder stated that the development of a single offer had the potential to reduce duplication where multiple agencies were working in the same area.

Stakeholders from within higher education discussed the potential for improving the link between level 4 university courses and provision at level 3 and below through work with the CPCA. The

facilitation of upskilling learners into work was discussed through a joint working approach to curriculum mapping linked to employer demand and by matching learners coming through lower-level qualifications to opportunities at level 4 (including bursaries and employer-funded provision linked to job opportunities).

Other recommendations for future ways of working included:

- **Impact measurement** – a couple of stakeholders highlighted a need for information on the impact of devolution measures, to understand the difference that has been made so far, particularly how skills are being enhanced. One stakeholder suggested that having access to a live dashboard would be beneficial to allow stakeholders to self-serve in obtaining information, enhancing transparency, and facilitating timely conversations where required.
- **Identifying gaps** and aligning funding accordingly
- Building sustainable structures with established networks to future-proof work in this area, irrespective of staffing changes
- A reduced reliance on grant funding to ensure all providers have an equitable experience.
- An increase in providers where the reduction in the number of providers has been too great and had a negative impact on availability of certain provision such as Community Learning in specific areas.

Groups/areas of need:

- **Inequalities** was a prominent theme which emerged in the consultations as a priority, with a focus on providing opportunities for those who need them most. Inequalities within the CPCA geography were discussed with Fenland, Peterborough and East Cambridgeshire all raised as areas with specific needs, for example, transport barriers to accessing available provision in rural areas.
- **Disabilities** – one stakeholder highlighted providing support and opportunities for those with both physical and mental disabilities as the highest priority. Wider potential benefits of the right type of employment for this group were raised relating to enhanced health and wellbeing in addition to the more direct benefits such as lifting individuals out of poverty.

Types of provision:

The general theme which emerged around future types of provision in Cambridgeshire and Peterborough was a focus on linking adult education to employment. Specific suggestions for focus included:

- **Careers advice** – enhancing careers advice and ensuring equitable advice for all. Specifically, a requirement to build on the minimum entitlement for careers education and guidance.
- Addressing skills challenges/employment gaps:
 - Digital skills
 - Health and social care related provision
- Focus on lower-level provision (level 2 and below) for those both in and out of the workforce
- Technical level 4s which link directly to employment
- Sector Based Work Academies
- Employer-led industrial training with direct links into employment

CONCLUSIONS (KEY FINDINGS)

Challenges remain in robustly assessing the impact of devolution during year two due to the impact of Covid-19 on adult education provision nationwide. **As of July 2021, across all providers, over £9 million of funding had been delivered to 8,674 learners, an increase on 2019/20.** Enrolments in July 2021 were just 4 per cent behind target, based on delivery plans. Most providers felt that delivery was going well and all but one provider anticipated spending over 75 per cent of their allocation.

Reductions in the total number of providers and the subcontracting of learning aims observed in 2019/20 have been sustained in 2020/21. Most providers reported being satisfied with the processes associated with the devolution of the budget and the support of the Combined Authority's AEB team. Providers and stakeholders both highlighted the beneficial impacts of a localised, evidence-based approach. Flexibilities under devolution, coupled with an enhanced evidence base, has facilitated the matching of provision to local market conditions and the support of localised initiatives. Stakeholders consulted during the evaluation highlighted the potential for increased collaboration between local partners to develop a joined-up approach to upskilling individuals across the region.

In 2020/21 several funding changes were implemented. **All but one provider surveyed had made use of at least one of the funding changes.** Most providers who made use of the Low Wage Scheme, Geographical Uplift, First Fully Funded Level 2s for All Ages or National Skills Fund Level 3 Offer stated that it had been **important to their delivery**. One year in it is too early to robustly assess any impacts funding changes may have had to the delivery of AEB locally. The early evidence suggests that the geographical uplift and fully funded ESOL did not lead to a noticeable shift in learners or enrolments, however, most providers who made use of these funding changes did report that they were important to their delivery and provided feedback on positive impact to learners.

The proportion of learning aims delivered to learners from areas of high deprivation decreased slightly in 2020/21 to 28 per cent, this follows an increase seen in the first year of devolution to 34 per cent. Potential influencing factors include a reduction in the proportion of Community Learning aims being delivered to Peterborough learners (a district with a high proportion of the top 20 per cent deprived areas nationally) and challenges in recruiting and retaining learners in deprived areas for online provision.

Covid-19 has led to a significant shift to online provision in 2020/21 when compared to delivery prior to the pandemic in 2019/20, with providers anticipating a slight reduction in online provision for 2021/22. Providers encountered challenges during the year because of Covid-19 including difficulties with recruitment and enrolment, retention of learners and learner progression. Only a small proportion (17 per cent) of students surveyed reported that Covid-19 had impacted negatively upon their learning experience with more students (29 per cent) reporting positive impacts.

ANNEX A – DEVOLVED MEASURES 2020/21

Low Wage Scheme: The Low Wage scheme was a national measure where providers could fully fund learners who were employed, or self-employed whose annual gross salary fell below a certain threshold and would normally be co-funded for courses, up to and including level 2. The low wage threshold for 2020/21 was higher in the CPCA than nationally at **£18,000** annual gross salary (compared to £17,374.50 nationally).

Geographical Uplift: The geographical uplift was a devolved measure where a 4 per cent adult skills funding uplift could be applied for learners in significant areas of relative deprivation across Cambridgeshire and Peterborough. For 2020/21 postcodes in the 20 per cent nationally most overall relatively deprived LSOAs and those which fell into the 40 per cent nationally most relatively deprived LSOAs for Adult Skills were applicable for the 4 per cent uplift for Adult Skills enrolments.

Fully funded first full Level 2: In CPCA in 2020/21 first full level 2 under the legal entitlement were fully funded irrespective of age, compared to nationally where they were only fully funded for 19–23-year-olds or those learners who are unemployed.

Fully Funding ESOL: In CPCA in 2020/21 all Adult Skills ESOL learners aged 19 or over were fully funded regardless of employment status. This differed from national policy where learners were fully funded only if they were unemployed, all other learners aged 19 or over were co-funded.

One Year 18-19 Classroom Based Offer/High Value Courses: High value courses was a national measure for 2020/21 and consisted of a one-year skills offer for 18- and 19-year-olds who were at higher risk of leaving education, employment or training because of Coronavirus. The one-year offer included level 2 and level 3 aims to support the needs of industrial strategy linked to higher wage returns.

Sector-based Work Academies: The Sector-based Work Academy Programme (SWAP) was a national measure designed to help Jobcentre Plus claimants build confidence to improve their job prospects and enhance their CV whilst also helping employers to fill local vacancies. SWAP lasted up to six weeks and comprised of pre-employment training, a work experience placement and a guaranteed job interview. Only the pre-employment element could be funded through AEB local flexibility.

National Skills Fund Level 3 Offer: The National Skills Fund Level 3 adult offer formed part of the Lifetime Skills Guarantee and was a national measure consisting of a targeted level 3 adult offer developed to support adults without an existing full level 3 qualification. The offer includes level 3 qualifications, on an approved DfE national list, which support the development of new skills for adult learners and improved the prospects of eligible adults in the labour market. The offer also included support funding and an applicable uplift based on guided learning hours. Individuals were fully funded if they did not have a pre-existing level 3 qualification and had not enrolled on level 3 qualifications approved for funding from 1 August 2021.

ANNEX B – INNOVATION FUND PROJECTS

Cambridge Regional College are delivering two projects:

Successful Start Ups programme to support people at the initial stages of business idea conception. Participants will undergo an intensive two-week course which will help them to understand the commitment and challenges that come with starting a business, understanding the key steps of creating and developing a start-up as well as enhancing their digital skills.

Cambridge Regional College's second scheme will deliver an innovative programme of maths and English learning online using Century Technology. The programme will identify each learner's individual learning needs and develop a bespoke package to develop their skills.

City College Peterborough and **Inspire Education Group** have been working together to open an information, advice and signposting Covid-19-secure skills shop in Peterborough city centre to support residents and employers in retraining and upskilling opportunities.

The project aims to offer specialist support to help people and businesses navigate the huge range of learning and training on offer and signpost them to appropriate opportunities for their needs. Follow-on digital, employability and life skills support workshops will be offered to those individuals at risk of redundancy, longer-term unemployed or in work and looking to upskill or retrain.

Plans to open the shop were momentarily put-on hold in lockdown, but the project is being launched online on both college websites and promoted through social media.

Inspire Education Group have additional funding to deliver a new blended intensive English and Maths course to adults in the area who are needing to quickly update their skills to help gain employment.

The Skills Network are delivering a Digital Bootcamp, providing essential Digital and Functional Skills to unemployed young people in Cambridgeshire and Peterborough. On completion, the young people will progress into apprenticeships. They will recruit 30 unemployed learners, providing a bespoke learning experience that prepares learners for future work, but provides a guaranteed progression route.

The Skills Network have also been awarded funding to develop and update of some key learning modules to support digital and employability skills.

The College of West Anglia's Enhancing Digital Literacy will deliver two bespoke courses to those who live in an area of high deprivation, one targeted at adults in Fenland with low level digital skills and one to those who are at a further disadvantaged by having English as a second language. This will enhance digital literacy to navigate the current technological environment we are facing, allowing them to progress onto further courses and to apply for new job opportunities that require new digital skills.

A second **College of West Anglia** scheme works with businesses to provide an education offer to employees.

West Suffolk College propose to create a Construction Training Hub at Alconbury Weald, working with Urban and Civic with specific focus on retraining people who have been displaced due to COVID-19 or who have been long-term unemployed. The hub will also offer upskilling opportunities to existing labour force to enable them to meet the technological changes, the digitalisation of construction and meeting the jobs of the future.

ANNEX C – AEB EVALUATION PROVIDER SURVEY: SUMMARY OF FINDINGS

Question 1: Please select your institution from the list below

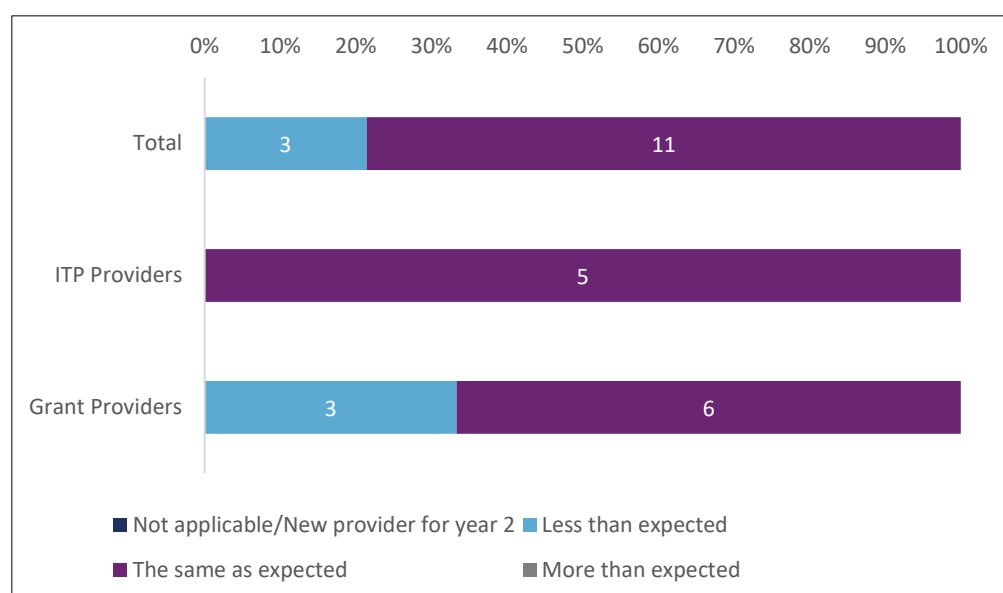
All 14 respondents answered question one, which asked which institution they belonged to.

- Five respondents were **ITP providers**
- Nine respondents were **Grant providers**

Question 2: How did the amount of funding received for year two compare to what you would have hoped for?

All 14 respondents answered question two, which asked which them how the amount of funding received for year two compared to what they would have hoped for.

Figure 1: How did the amount of funding received for year two compared to what was hoped for?

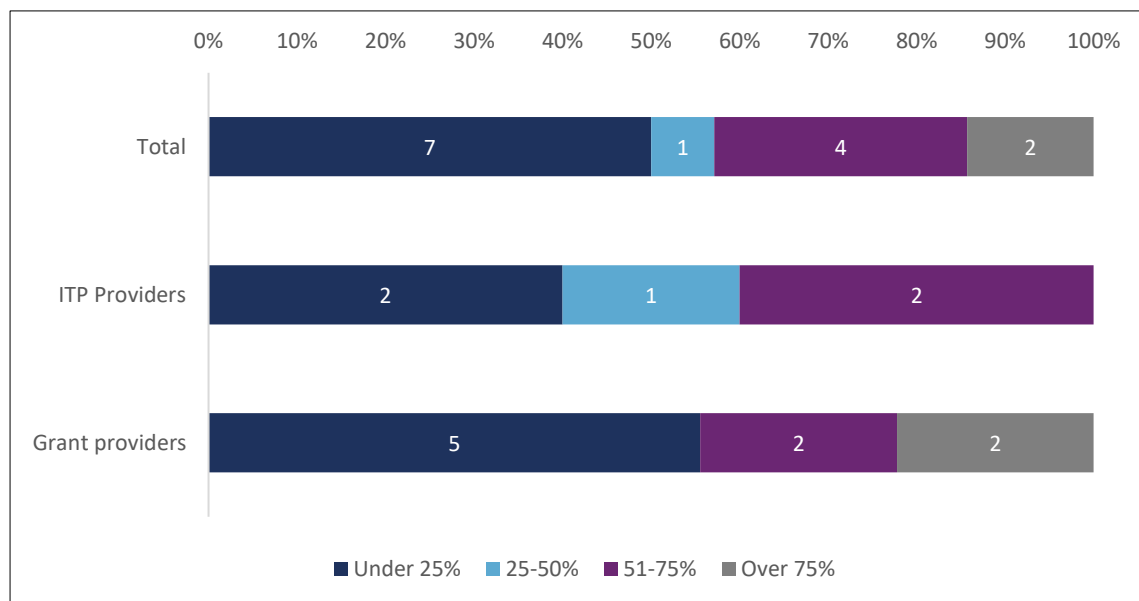


- Most respondents indicated that the amount of funding received for year two was **‘the same as expected’** compared to what was hoped for **(11 respondents)**
- Three respondents indicated that the amount of funding received for year two was **‘less than expected’** compared to what was hoped for

Question 3: What proportion of your overall Adult Education budget does the CPCA AEB budget make up?

All 14 respondents answered question three, which asked what proportion of their overall Adult Education budget does the CPCA AEB budget make up.

Figure 2: The proportion of providers overall Adult Education budget the CPCA AEB budget makes up

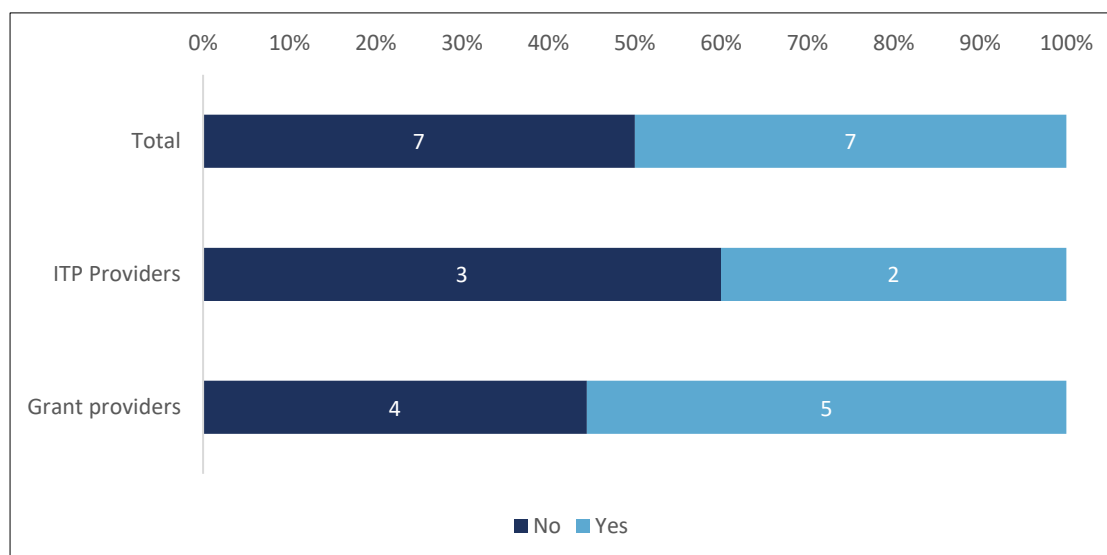


- Most respondents indicated that the CPCA AEB budget makes up '**under 25%**' of their overall adult education budget (**seven respondents**)
- Just under a third of respondents indicated that the CPCA AEB budget makes up '**51-75%**' of their overall adult education budget (**four respondents**)
- Two respondents (both Grant providers) indicated that the CPCA AEB budget makes up '**over 75%**' of their overall adult education budget
- One respondent (an ITP provider) indicated that the CPCA AEB budget makes up '**25-50%**' of their overall adult education budget

Question 4: Did you apply for the Innovation Fund?

All 14 respondents answered question four, which asked whether they applied for the Innovation Fund.

Figure 3: Applying for the Innovation Fund



- Half of respondents applied for the Innovation Fund (**seven respondents**) and the other half (**seven respondents**) did not apply

Question 5: What was the reason behind your application for funding from the Innovation Fund?

Of the seven respondents who applied for the Innovation Fund, six provided comments outlining the reason behind their application, including:

- Supporting the engagement and retention of hard-to-reach groups
- The delivery of specific provision (including where it would not normally have been eligible for public funding), from the development of specific courses
- Creating new single spaces for residents and businesses to access learning, training, and social wellbeing activities
- Supporting specific groups such as those made redundant because of Covid-19.

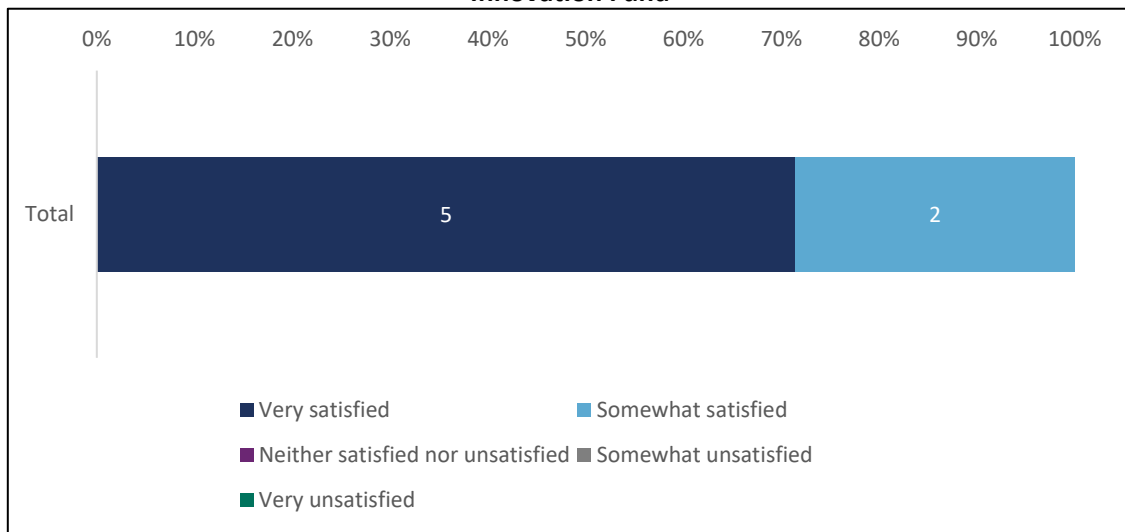
Question 6: Were you successful in your application?

Of the seven respondents who applied for the Innovation Fund, six stated that they were successful and one respondent did not provide an answer.

Question 7: Overall, how satisfied or dissatisfied were you with the process of applying for the Innovation Fund?

All seven providers who applied for the Innovation Fund answered question seven, which asked how satisfied or dissatisfied they were with the process of applying for the Innovation Fund.

Figure 4: How satisfied or dissatisfied respondents were with the process of applying for the Innovation Fund



- Most respondents indicated they were ‘**Very satisfied**’ with the process of applying for the Innovation Fund (**five respondents**).
- Two respondents indicated they were ‘**Somewhat satisfied**’ with the process of applying for the Innovation Fund.

Question 8: Is there anything that you would like to highlight as an example of where the process of applying for additional funds has worked particularly well, or anything that you would like to see done differently in future bidding processes?

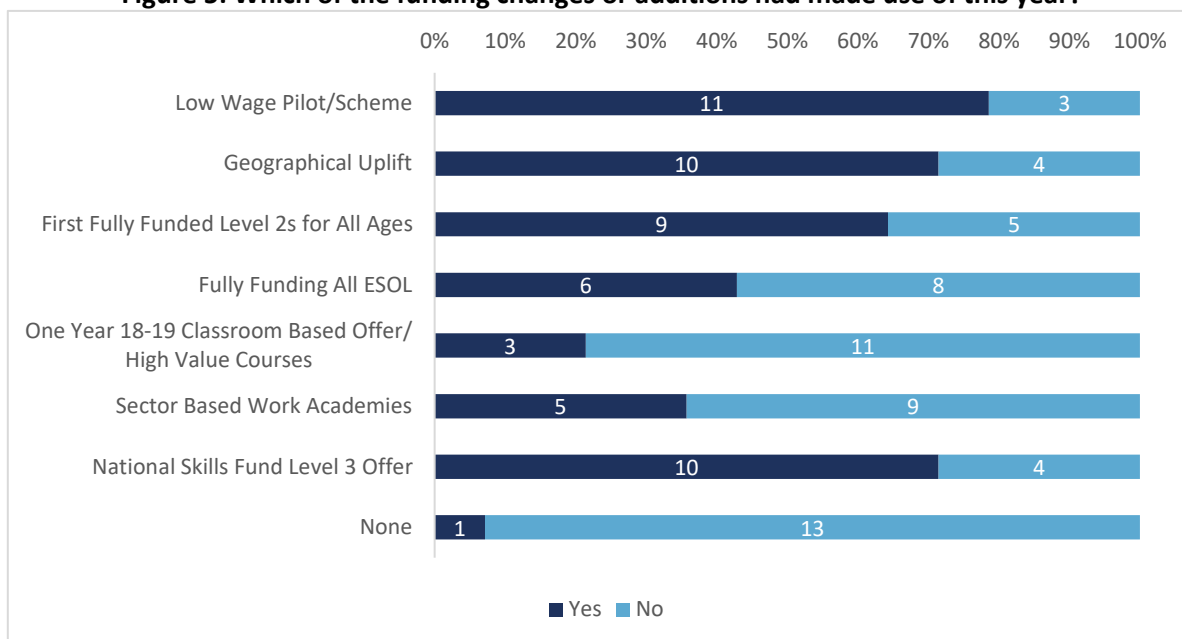
Six respondents answered question eight, providing comments about the process of applying for additional funds. Feedback included:

- positive comments about the process being simplified, well managed and with clear communication
- an issue with a lack of information at the point of bidding relating to management requirements and project evaluation
- the potential in future to have the option to continue funding for projects that do not complete in six months.

Question 9: Which of the following funding changes or additions have you made use of this year?

All 14 respondents answered question nine, which asked about the funding changes or additions they had made use of.

Figure 5: Which of the funding changes or additions had made use of this year?

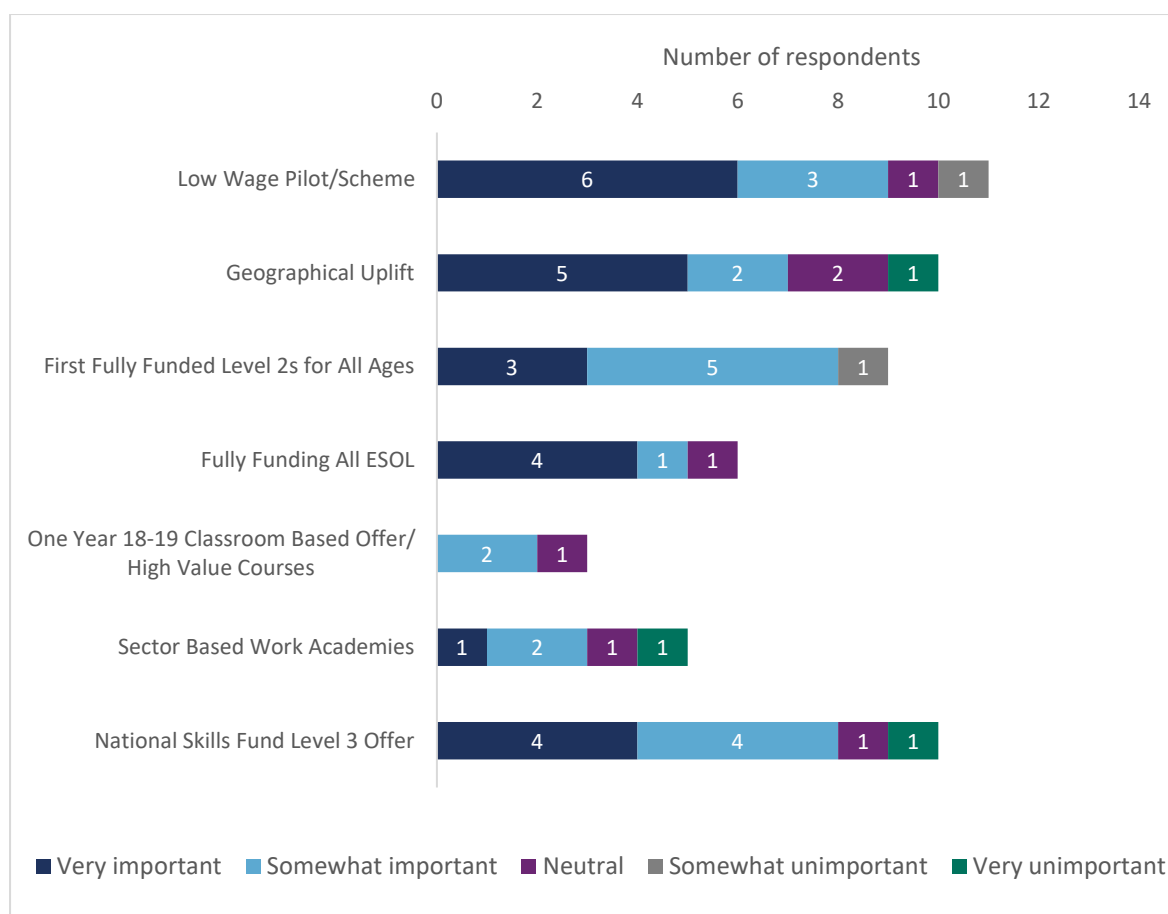


- Most respondents indicated that they had made use of the Low Wage Pilot (**eleven respondents**)
- Most respondents indicated that they had made use of the Geographical Uplift (**ten respondents**)
- Most respondents indicated that they had made use of the National Skills Fund Level 3 Offer (**ten respondents**)
- Most respondents indicated that they had made use of the First Fully Funded Level 2s for All Ages (**nine respondents**)
- Just under half of respondents indicated that they had made use of Fully Funded All ESOL (**six respondents**)
- Five respondents indicated that they had made use of Sector Based Work Academies
- Three respondents indicated that they had made use of the One Year 18-19 Classroom Based Offer/High Value Courses
- One respondent (an ITP provider) indicated that they had not made use of any of the funding changes/additions

Question 10: How important have these changes been to your delivery?

All 13 respondents who had made use of at least one of the funding changes answered question ten, which asked how important the funding changes had been to their delivery. Not all respondents provided an answer for every funding change. Answers on importance for delivery were only analysed for respondents who had made use of the funding change.

Figure 6: How important the funding changes or additions been for respondents who had made use of them?



- Most respondents that had made use of the Low Wage Pilot stated it was either 'somewhat important' or 'very important' to their delivery **(nine out of eleven respondents)**
- Most respondents that had made use of the First Fully Funded Level 2s for All Ages stated that it was either 'somewhat important' or 'very important' to their delivery **(eight out of nine respondents)**
- Most respondents that had made use of the Geographical Uplift stated that it was either 'somewhat important' or 'very important' to their delivery **(seven out of ten respondents)**
- Most respondents that had made use of the National Skills Fund Level 3 Offer stated that it was either 'somewhat important' or 'very important' to their delivery **(eight out of ten respondents)**

- Most respondents that had made use of Fully Funded All ESOL stated that it was either 'somewhat important' or 'very important' to their delivery **(five out of six respondents)**
- **Three out of the five respondents** that they had made use of Sector Based Work Academies stated that it was either 'somewhat important' or 'very important' to their delivery
- **Two out of the three respondents** that they had made use of the One Year 18-19 Classroom Based Offer/High Value Courses stated that it had been 'somewhat important' or 'very important' to their delivery.

Question 10.8: Please provide comments relating to any of the funding changes:

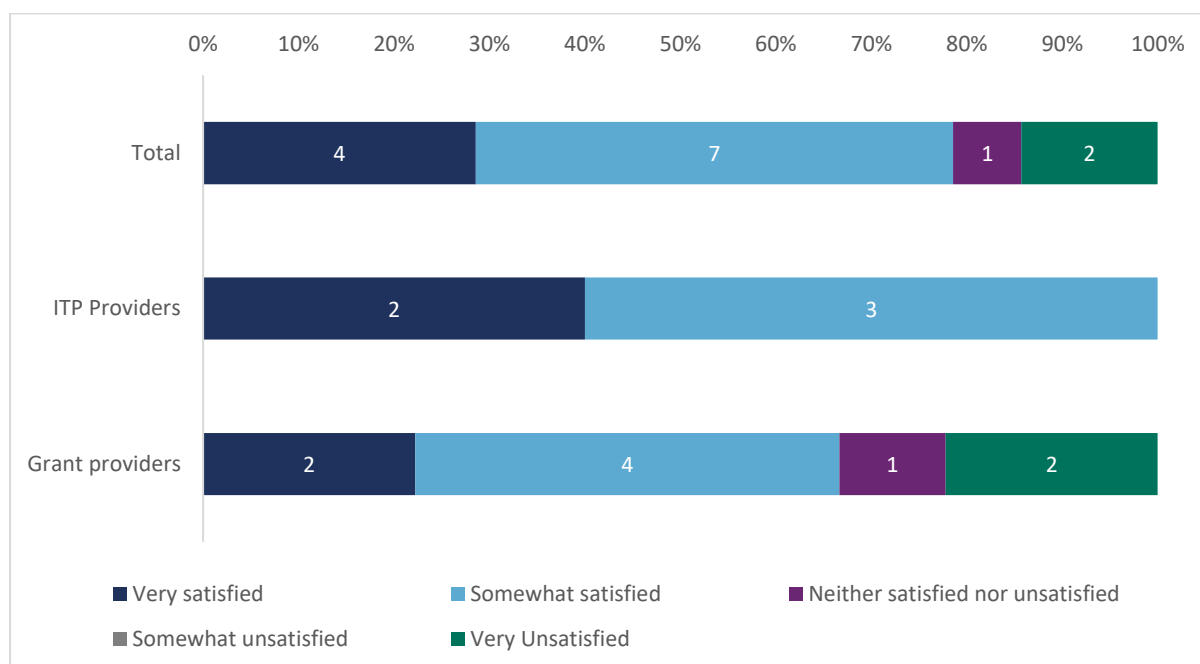
Six respondents provided comments relating to the funding changes. Comments included:

- The importance of the funding changes in upskilling and retraining, with wider impacts on the local economy and resident's life chances
- High value of uplifts where a high proportion of learners come from disadvantaged areas
- Positive impact of the National Skills Fund for sector specific qualifications for over 24s
- Challenges of Covid-19 limiting impact on approach this year but anticipated potential impact in the future, including supporting more learners through ESOL funding
- The challenge of last-minute funding changes when budgets and marketing collateral had already been prepared.

Question 11: How satisfied are you with the level of administration (for example, forms relating to subcontracting, EAS, delivery plans etc)?

All 14 respondents answered question eleven, which asked how satisfied they were with the level of administration (for example, forms relating to subcontracting, EAS, delivery plans etc).

Figure 7: How satisfied providers are with the level of administration (for example, forms relating to subcontracting, EAS, delivery plans etc)



- Half of all respondents indicated they were **'Somewhat satisfied'** with the level of administration **(seven respondents)**.
- Just over a quarter of respondents indicated they were **'Very satisfied'** with the level of administration **(four respondents)**.
- Two respondents (both grant providers) indicated they were **'Very unsatisfied'** with the level of administration
- One respondent (a grant provider) indicated they were **'Neither satisfied nor unsatisfied'** with the level of administration

Question 11.1: Are there any ways in which you feel these processes could be improved?

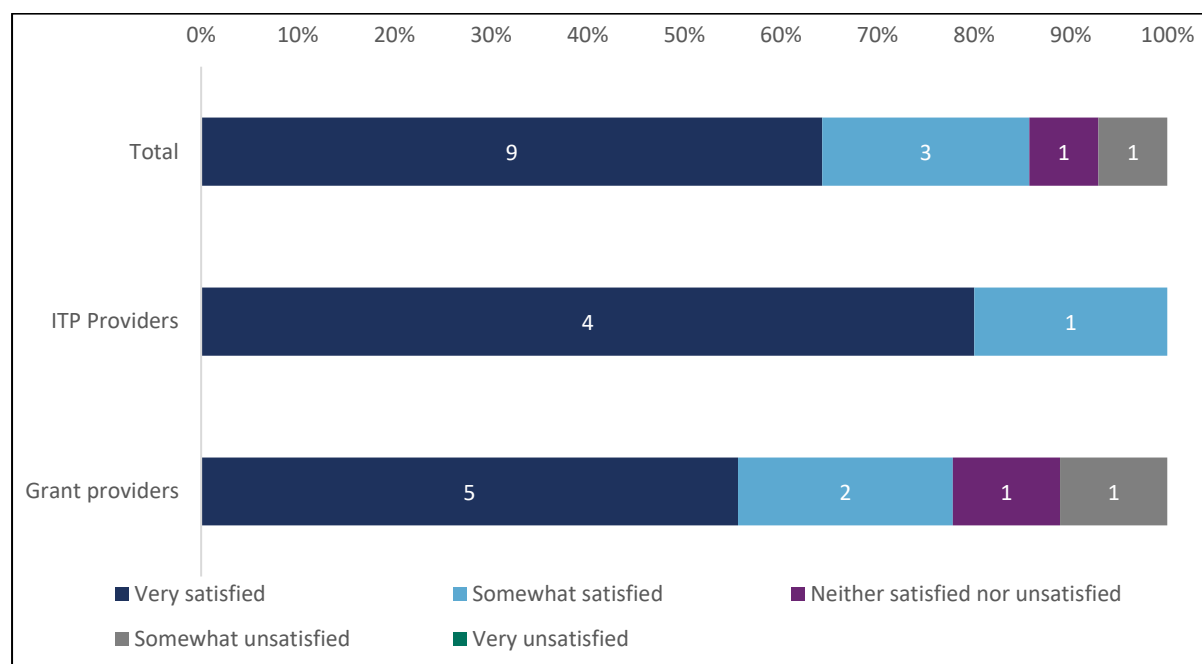
Six respondents answered question 11.1, providing feedback on how processes could be improved.

- Several respondents discussed issues with the delivery plans, including the high level of detailed information required and the need for greater flexibility
- A couple of respondents gave positive feedback about the process/support of the AEB team.
- Other points raised included:
 - A need for more detail on the AEB allocation profile spreadsheet
 - Potential for more decisive advice in response to queries
 - Improvements needed for template for delivery (formulas and guidance)
 - The need to chase to obtain some details
 - Funding cuts without methodology
 - Level of bureaucracy/micro-management.

Question 12: How satisfied are you with the support available to you from the AEB team?

All 14 respondents answered question 12, which asked how satisfied they were with the support available from the AEB team.

Figure 8: How satisfied providers are with the support available to you from the AEB team



- Most respondents indicated they were **‘Very satisfied’** with the level of administration (**nine respondents**)
- Three respondents indicated they were **‘Somewhat satisfied’** with the level of administration
- One respondent (a Grant provider) indicated they were **‘Neither satisfied nor unsatisfied’** with the level of administration.
- One respondent (a Grant provider) indicated they were **‘Somewhat unsatisfied’** with the level of administration.

Question 12: Are there ways in which you feel this support could be improved or elements that you would like to see more of?

Six respondents answered question 12, providing feedback on the support available to them from the AEB team. Comments included:

- Positive feedback about the level of support/relationship with the Combined Authority’s AEB team
- A point was raised about the data reviews being too data driven with limited focus on human stories
- An issue was raised with the number of requests for documents with an example around the request for the Self-Assessment Report for 2020/21 ahead of its publication.

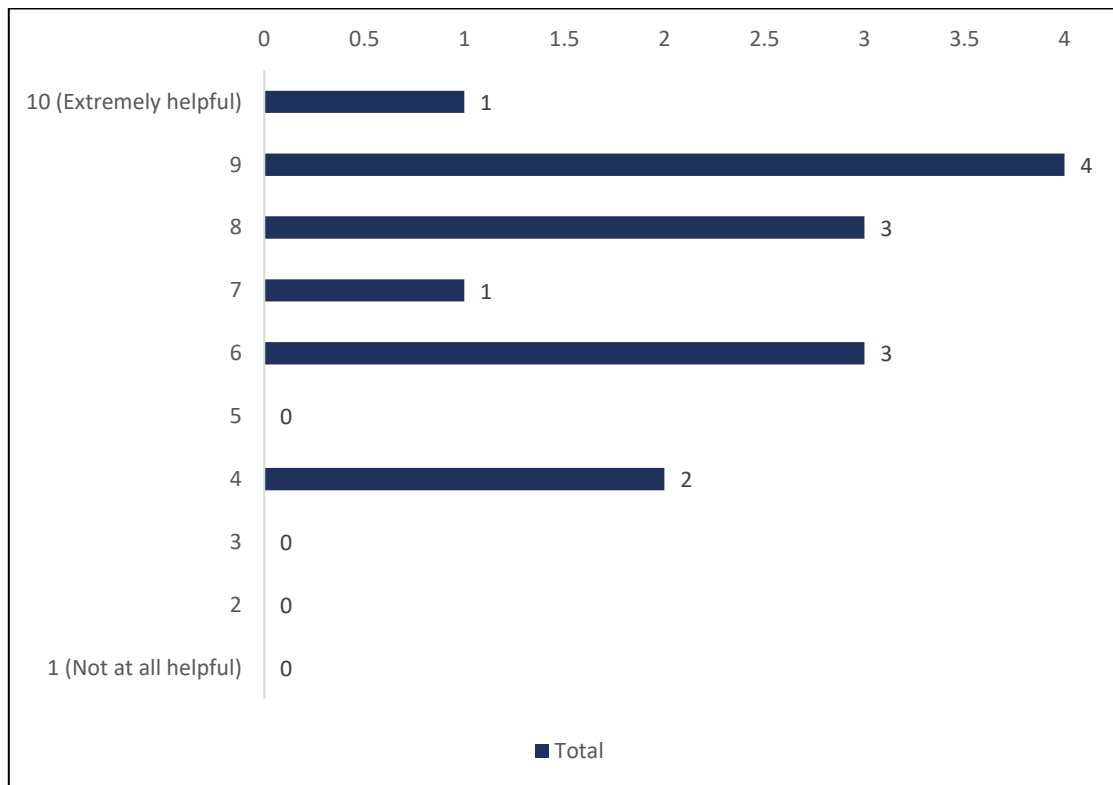
- Limited marketing presence from CPCA.

Question 13: On a scale of 1-10, how helpful have you found the quarterly reviews?

1 (Not at all helpful) - (Extremely helpful) 10

All 14 respondents answered question 13, which asked how helpful they found the quarterly reviews.

Figure 9: How helpful providers have found the quarterly reviews

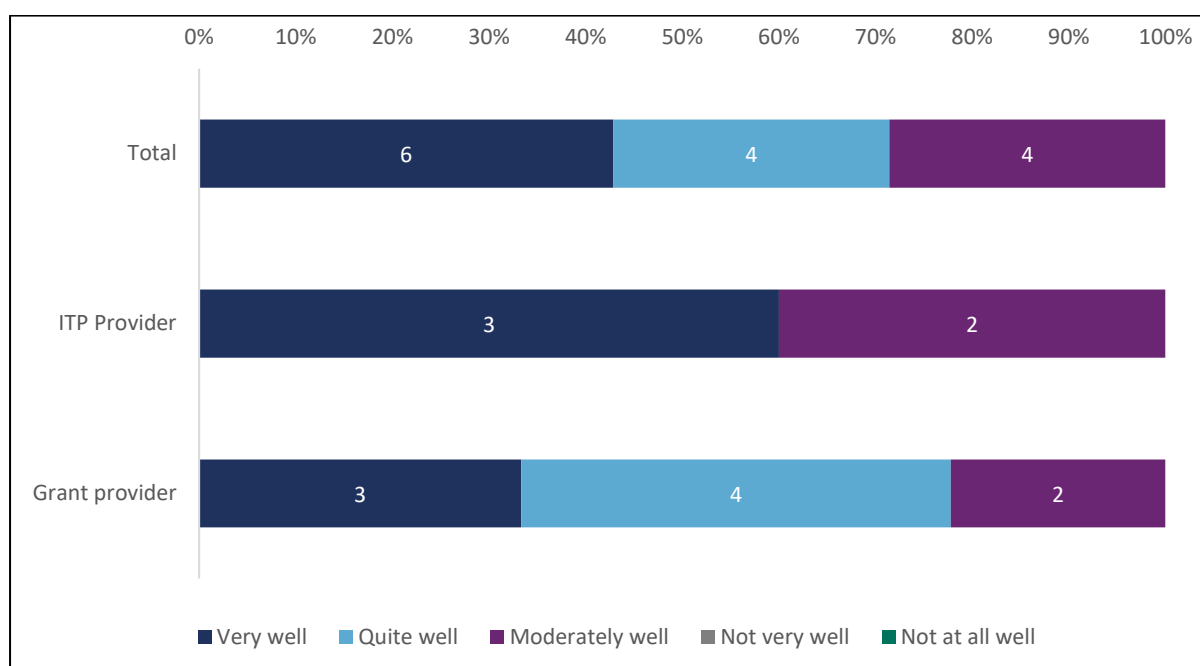


- Most respondents answered on the **positive** side of the scale (six to ten), finding the quarterly reviews helpful (**12 respondents**), with over half of respondents selecting either '8', '9' or '10' on the scale (**eight respondents**)
 - Two respondents answered on the **negative** side of the scale (four on the scale)

Question 14: How do you feel that your delivery has worked in the year-to-date?

All 14 respondents answered question 14, which asked how helpful they felt their delivery has worked in the year-to-date.

Figure 10: How providers feel that their delivery has worked in the year-to-date



- Just under half of respondents indicated that delivery went **‘Very well’** (six respondents)
- Four respondents (all Grant providers) indicated that delivery went **‘Quite well’**
- Four respondents indicated that delivery went **‘Moderately well’**
- No respondents indicated that their delivery was going **‘Not very well’** or **‘Not at all well’**

Question 14.1: Please explain why this is the case.

13 out of 14 respondents answered question 14.1 which asked them to provide a further explanation about how their delivery had worked in the year-to-date.

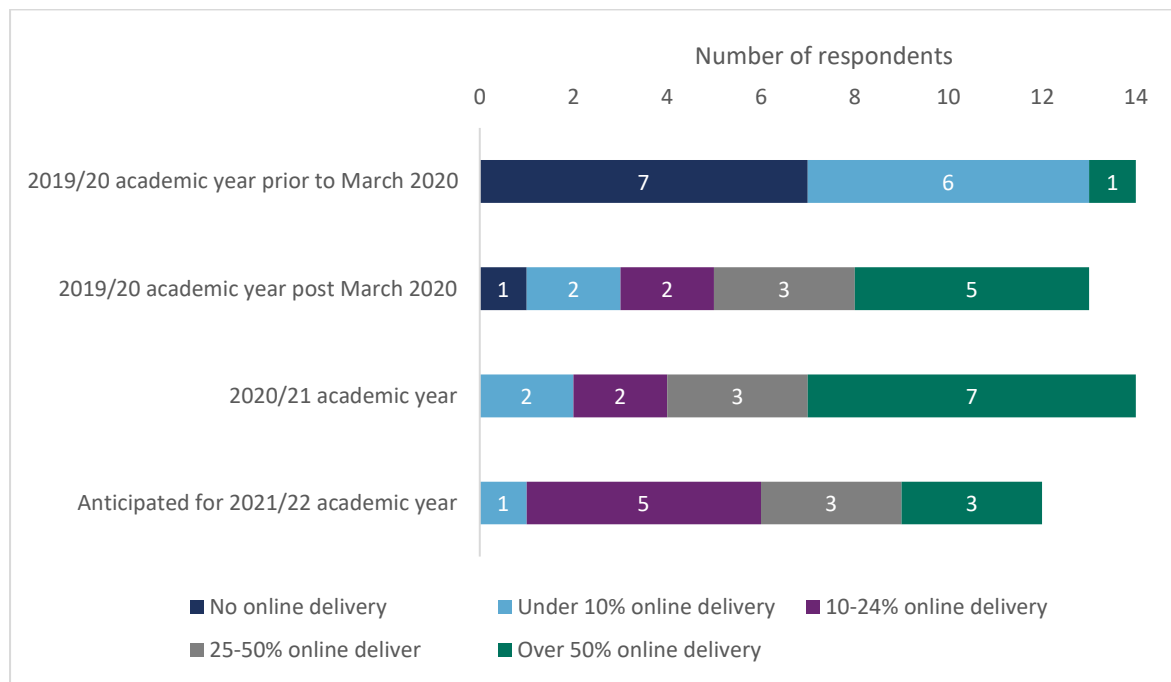
- Several respondents discussed challenges with recruitment experienced as a result of Covid-19. Specific challenges mentioned included: dips in recruitment as restrictions were relaxed which directed attention elsewhere, a reluctance from the Job Centre Plus to refer learners to face-to-face learning, adult’s ability to be able to commit to education and difficulties with attracting the right clientele for purely online delivery.
- A few respondents highlighted that flexibility and innovation had been key to maintaining delivery. Specifically, providers mentioned the development of a strong online offer/blended online and face-to-face delivery model as being key. The flexibility of allowing learners to carry into 2021/22 was also raised as important.
- A few respondents discussed challenges with face-to-face provision impacting on delivery. The impact on employability offer/delivery in specific sector settings such as in hospitals was raised as well as the impact of stop start government guidance.
- Positive comments in relation to delivery included:
 - Full funding of ESOL enabling the best programme offer for learners, many of whom would not have been eligible for funding previously due to being in employment but not necessarily having the English language skills to progress.

- A positive take up of the full level 3 offer (linked to flexible offer through online platform)
- Potential for innovation fund to support more challenging and harder to reach groups.

Question 15: What proportion of your AEB provision was delivered online for the following time periods?

All 14 respondents answered question 15, which asked about their proportion of AEB provision delivered online for four different time periods. Not all respondents provided an answer for every period.

Figure 11: Proportion of online provision



Question 16: How has Covid-19 impacted on your AEB provision (e.g. the level and type of demand, learner engagement, delivery methods etc)?

13 out of the 14 respondents answered question 16 which asked about the impact of Covid-19 on AEB provision.

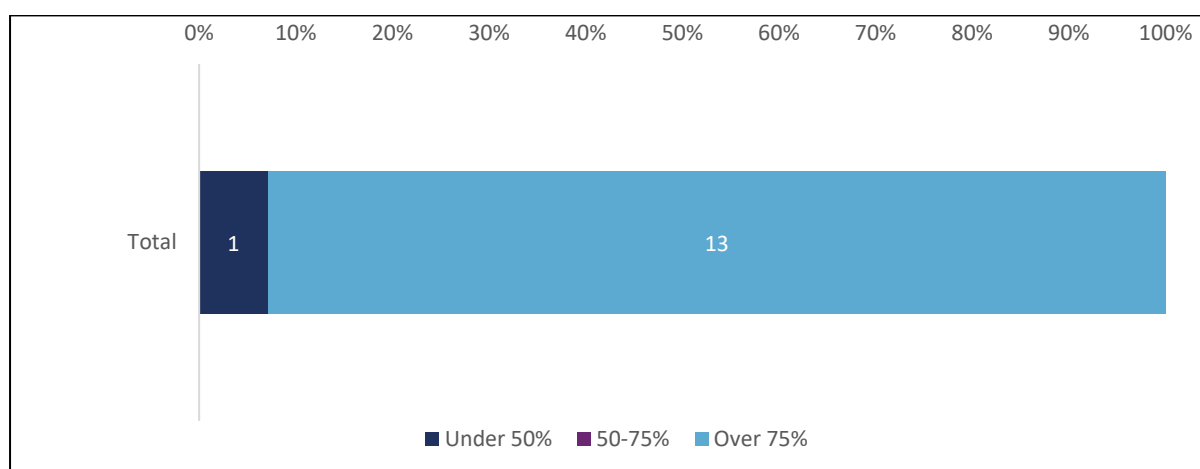
- Several respondents discussed challenges with recruitment and enrolments. Specific feedback included:
 - Difficulty in recruiting enough learners and having to run more courses to have sufficient learner numbers to match vacancies
 - A high impact was discussed in relation to employability programmes/courses (challenges with partner employers) and in practical subjects, learning centres and JCP/PET provision
- Several respondents discussed the need to make changes to their delivery model, primarily shifting previously face-to-face provision to online delivery.

- A few respondents discussed fluctuations in demand with an increase in demand noted for sector-specific courses. Variation in learner demand was also linked to changes in circumstances such as learners being on furlough/returning to work.
- A few respondents discussed challenges with retainment of learners and learner progression which was in part linked to limited face-to-face support for learners.

Question 17: How much of your AEB allocation do you anticipate spending this year?

All 14 respondents answered question 17, which asked how much of their AEB allocation they anticipated spending this year.

Figure 12: How much of their AEB allocation providers anticipated spending this year

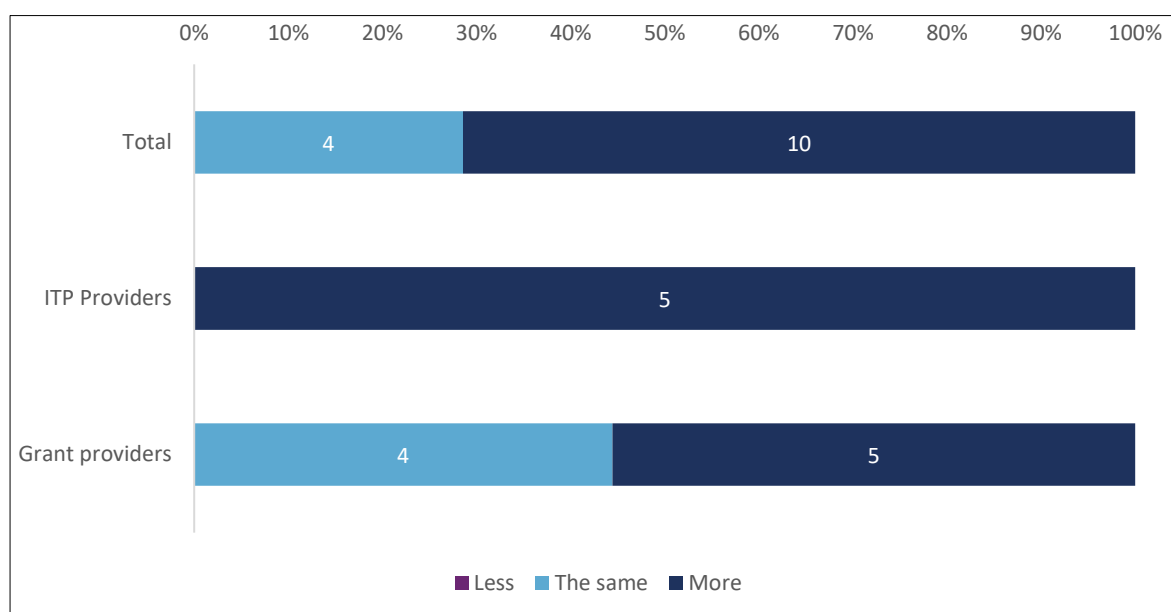


- Most respondents indicated that they expect to spend '**Over 75%**' of their AEB allocation (**13 respondents**)
- One respondent (a Grant provider) indicated that they expect to spend '**Under 50%**' of their AEB allocation.

Question 18: Would you have liked to receive more or less funding for year three (2021/22)?

All 14 respondents answered question 18, which asked whether they would have liked to receive more or less funding for year three (2021/22).

Figure 13: Would providers have liked to receive more or less funding for year three (2021/22)



- Most respondents indicated that they would have liked **‘more’** funding for year three (2021/22) (**ten respondents**).
- Four respondents indicated they would have liked **‘the same’** funding for year three (2021/22).

Question 18.1: Please can you explain why this is the case

13 out of the 14 providers answered question 18.1 which asked them to explain why they would want to receive more/less funding for year 3.

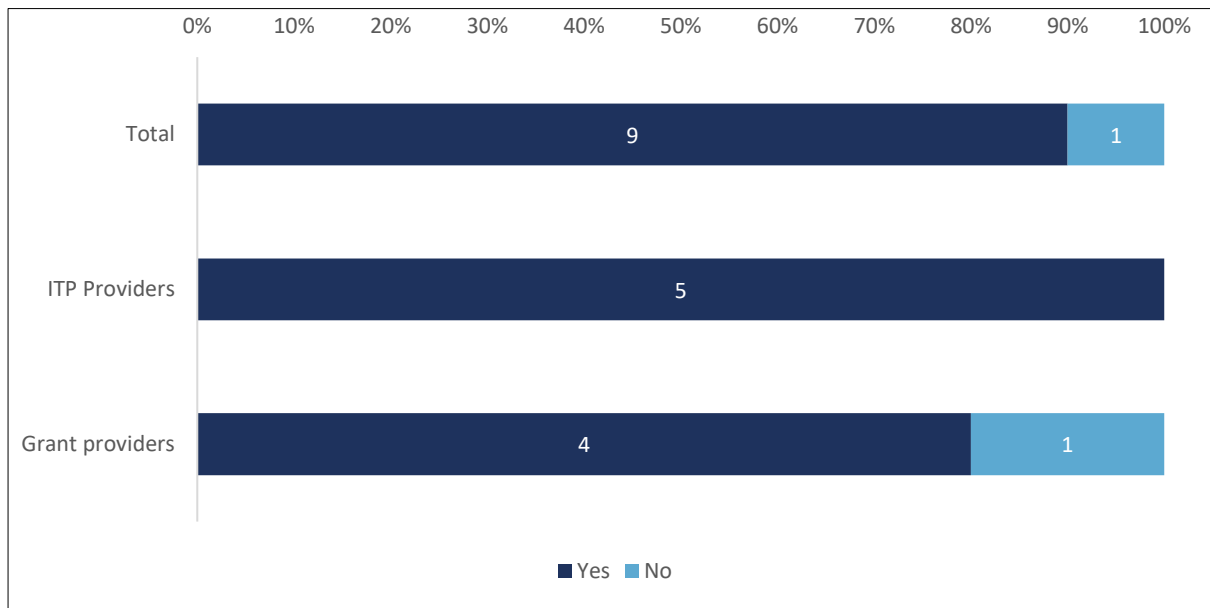
- A few respondents who stated that they would like more funding discussed evidence of existing demand and anticipated increase in demand in the future. Reasons discussed included the increased online offer, anticipated reducing impact of Covid and increases in sector-based work academies/training centres.
- Respondents who stated that they would like to receive the same amount of funding discussed working towards meeting their allocations in 2021/22, potential future increases were discussed through applying for growth funding or a higher allocation in 2022/23 which would allow sufficient lead-in time.

Question 19: If you would like to receive more funding for year three, what would you plan to do with the additional funding? Please tick all that apply

Question 19.1: Increase provision

All ten respondents who would like to receive more funding for year three answered question 19.1, which asked whether they would have liked to increase provision with the additional funding.

Figure 14: Would providers increase provision with the additional funding?

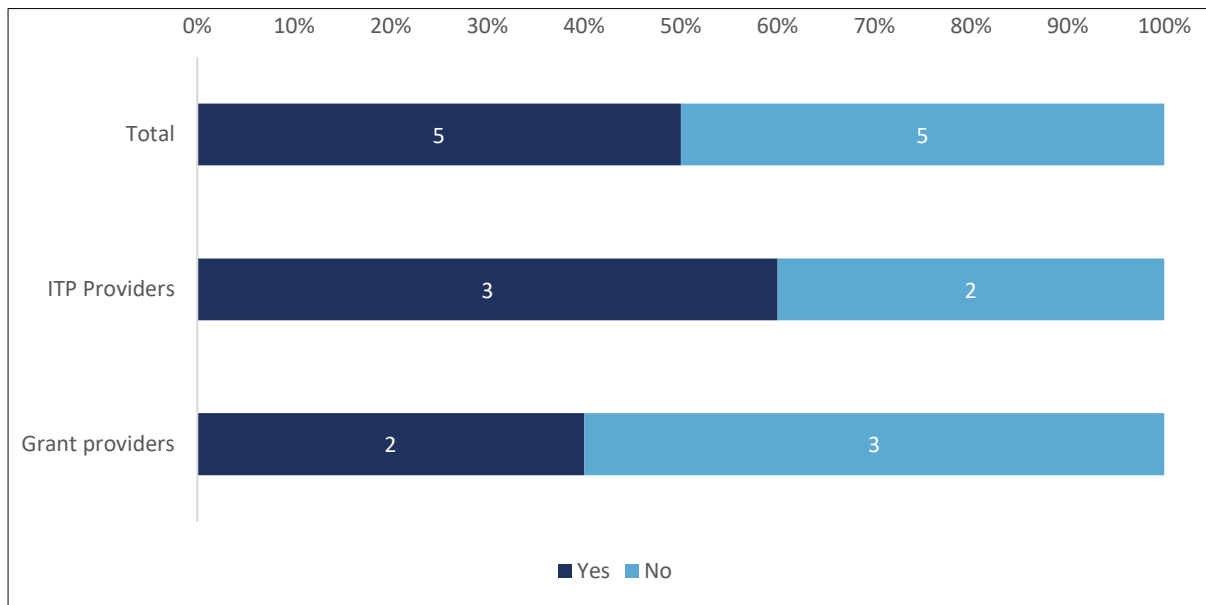


- Most respondents indicated that they would increase provision with the additional funding (**nine respondents**).
- One respondent indicated they would not increase provision with the additional funding.

Question 19.2: Provide additional provision

All ten respondents who would like to receive more funding for year three answered question 19.2, which asked whether they would have liked to provide additional provision with the increased funding.

Figure 15: Would providers deliver additional provision with the extra funding?



- Half of respondents indicated that they would provide additional provision with the extra funding **(five respondents)**.
- Half of respondents indicated that they would not provide additional provision with the extra funding **(five respondents)**.

Question 20: Have you seen any impacts of the devolution of the Adult Education Budget to date? Please tick all that apply

- Several respondents highlighted that devolution had given the flexibility to match provision to local market conditions/demand and support localised initiatives. One respondent stated that the true impact of this has been affected by the restrictions of the pandemic. One respondent specifically highlighted the National Skills Fund in meeting employer demand and supporting higher level skills delivery.
- A few respondents discussed negative impacts on ways of working which included: increased administration, prescriptive delivery plans and bureaucratic performance management processes. One respondent discussed how prescriptive delivery plans hinder flexibilities for what communities need with a knock-on impact on provision and learners. A suggested improvement was to have frameworks based on groups of people rather than numbers of specific level enrolments.
- A couple of respondents discussed the impact of the innovation fund in trying new approaches and delivering new provision. Specific examples included training for business start-ups, online maths and English skills delivery and improving access to careers advice for adults.
- Other feedback included:
 - Benefits to learners – access to additional funding pots, the low wage pilot, fully funded ESOL
 - More collaborative working between providers facilitated by the CPCA
 - Challenges of not being able to support learners in other devolved areas due to a lack of funding.

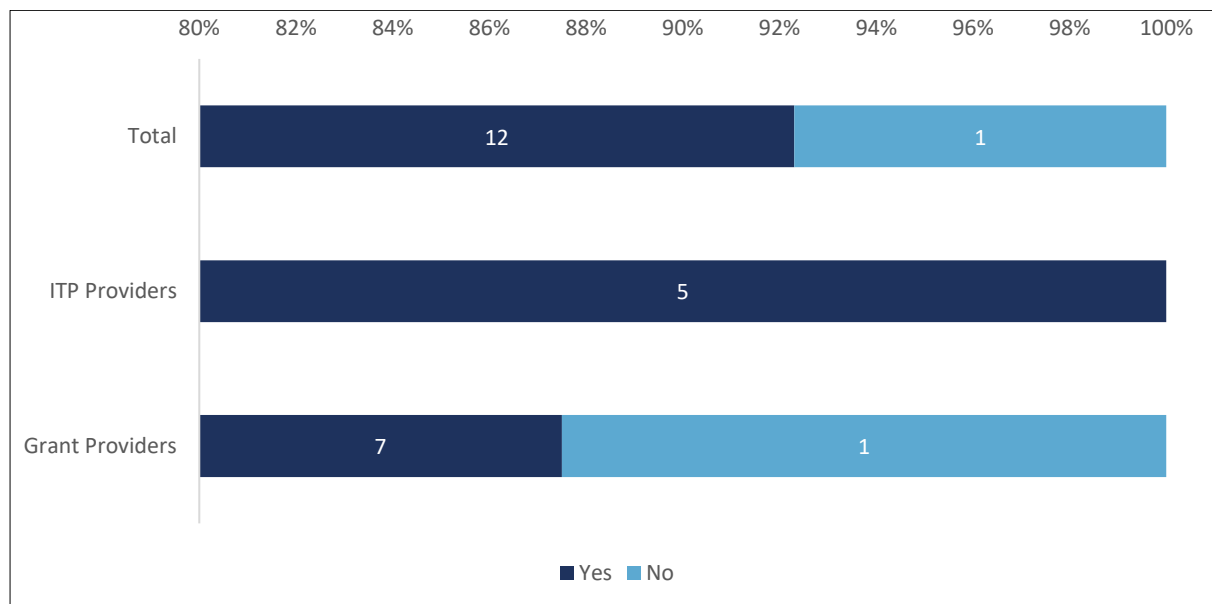
Question 21: Do you have any additional comments (for example, recommendations for the CPCA for future commissioning or current gaps in provision for adult learning activities that you would like to see addressed)?

- A couple of respondents raised collaboration and ongoing regular communication around provision needs and future funding as key to success.
- Additional feedback included:
 - A more considered business cycle to better support planning, budgeting, contracting, and marketing
 - More effective relationship management and collaboration
 - Less performance driven meetings and more flexibility to respond to community need
 - Difficulties in implementing the adult level 3 offer because of the need to make group sizes viable
 - Would like to see continued funding for some existing Innovation Fund projects
 - Would like the funding variation for online mental health courses to be extended for another year
 - Significant unmet demand for high quality ESOL in Peterborough.

Question 22: Are you gathering feedback from individual students?

13 respondents answered question 22, which asked whether they gather feedback from individual students.

Figure 16: Are providers gathering feedback from individual students?



- Most respondents indicated that they do gather feedback from individual students (**12 respondents**).
- One respondent (a Grant provider) said they do not gather feedback from individual students.

Question 22.1: If yes, please explain how you are gathering feedback (timescales, information recorded etc)

A wide variation in the type of feedback gathered. Types of feedback gathered included:

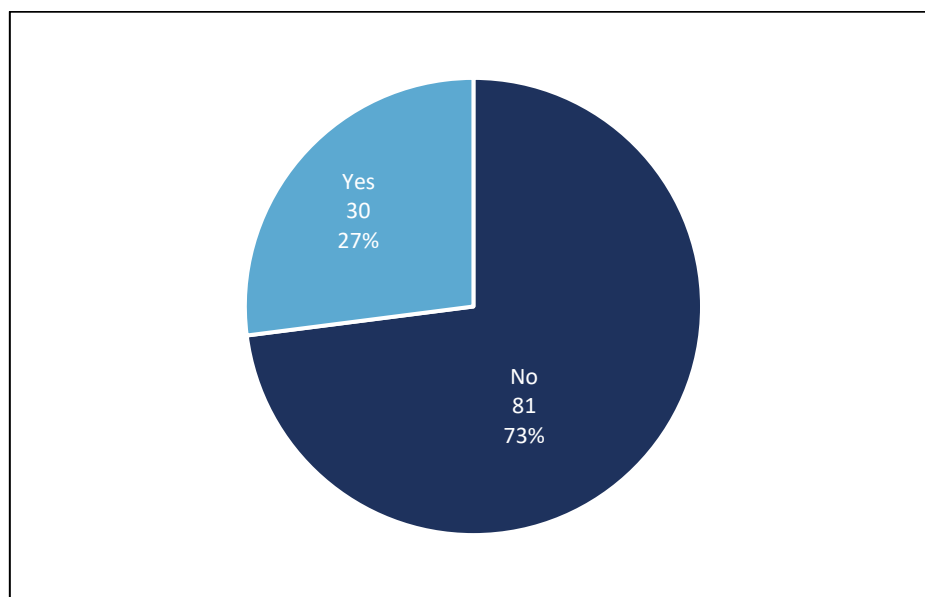
- End of course evaluations
- In year student surveys (intervals varied between providers)
- Student forums
- Learner interviews within observation process
- Mystery shoppers
- Monthly learner reviews (course progress)
- Direct student/tutor feedback
- Follow up progression calls

ANNEX D – AEB EVALUATION LEARNER SURVEY: SUMMARY OF FINDINGS

Question 1: Prior to this survey, were you aware that funding for adult education had been transferred from a national to local level in Cambridgeshire and Peterborough?

111 out of 112 respondents answered question 1, which asked whether they were aware that funding for adult education had been transferred from a national to local level in Cambridgeshire and Peterborough.

Figure 17: Awareness that funding for adult education had been transferred from a national to local level in Cambridgeshire and Peterborough

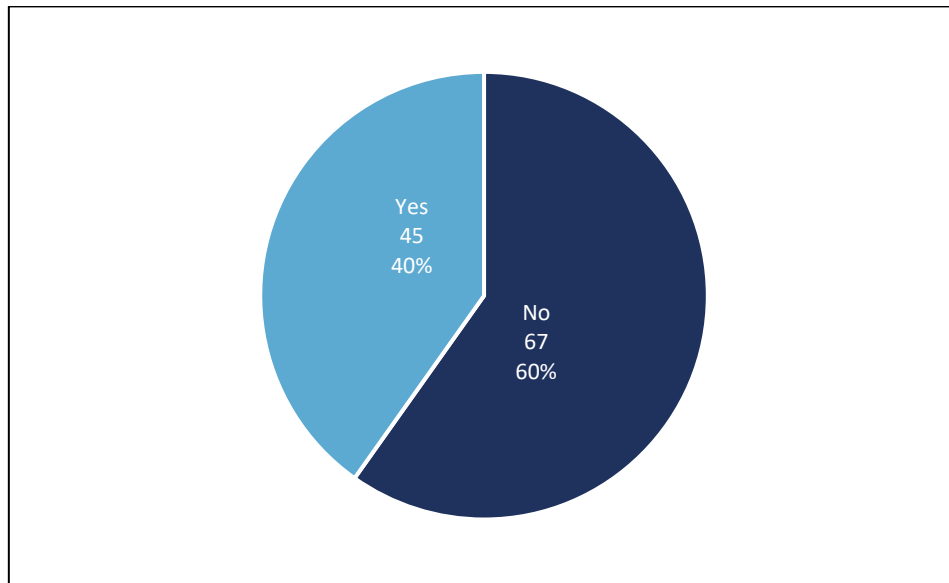


- **Most respondents (73 per cent, 81)** answered ‘**No**’, indicating they were not aware that funding for adult education had been transferred from a national to local level in Cambridgeshire and Peterborough
- **27 per cent of respondents (30)** answered ‘**Yes**’, indicating they were aware that funding for adult education had been transferred from a national to local level in Cambridgeshire and Peterborough
- **One respondent did not answer this question**

Question 2: Were you aware that your course was part-funded by the Cambridgeshire and Peterborough Combined Authority?

All 112 respondents answered question two, which asked whether they were aware that their course was part-funded by the Cambridgeshire and Peterborough Combined Authority.

Figure 18: Awareness that course was part-funded by the Cambridgeshire and Peterborough Combined Authority

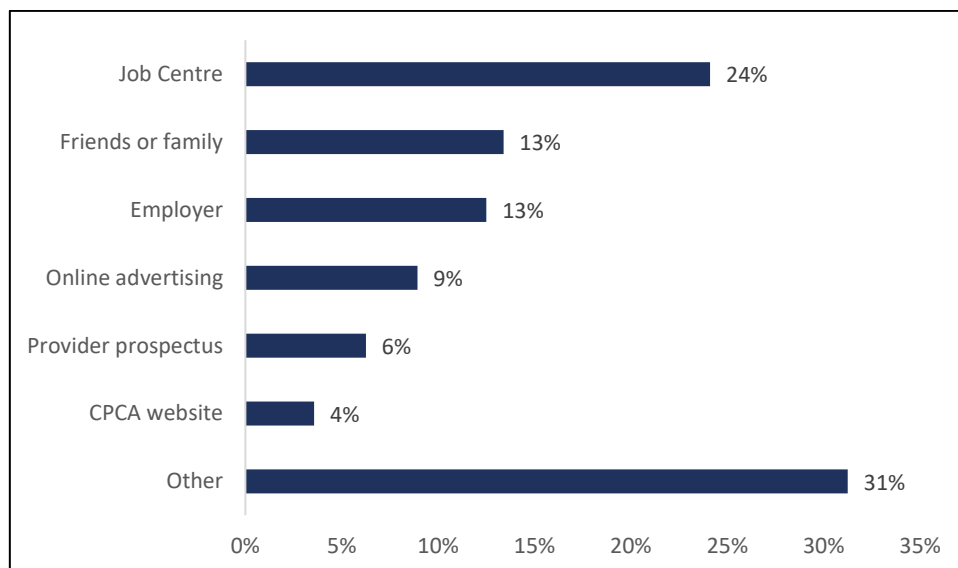


- **Most respondents (60 per cent, 67)** answered ‘No’, indicating they were not aware that their course was part-funded by Cambridgeshire and Peterborough Combined Authority
- **40 per cent of respondents (45)** answered ‘Yes’, indicating they were aware that their course was part-funded by Cambridgeshire and Peterborough Combined Authority

Question 3: How did you first learn of the course which you went on to study?

All 112 respondents answered question three, which asked how they first learnt of the course they went on to study.

Figure 19: Method of learning about course of study



- **24 per cent of respondents (27)** indicated they first learnt of their course of study through a ‘Job Centre’

- **13 per cent of respondents (15)** indicated they first learnt of their course of study through 'friends or family'
- **13 per cent of respondents (14)** indicated they first learnt of their course of study through an 'employer'
- **9 per cent of respondents (10)** indicated they first learnt of their course of study through 'online advertising'
- **6 per cent of respondents (seven)** indicated they first learnt of their course of study through a 'Provider prospectus'
- **4 per cent of respondents (four)** indicated they first learnt of their course of study through the 'CPCA website'
- **31 per cent respondents (35)** indicated 'Other'

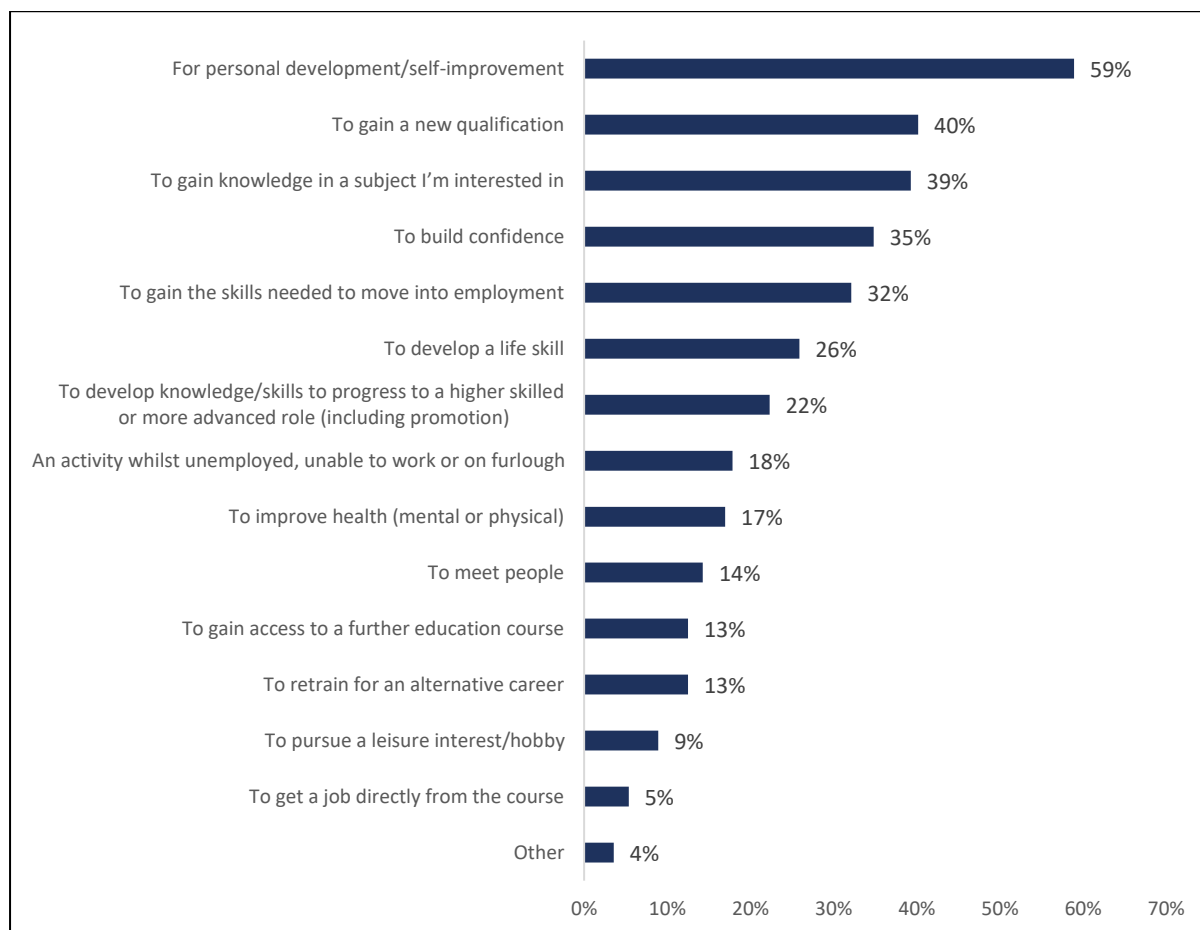
For the 35 respondents who indicated 'Other':

- **49 per cent of respondents (17)** indicated they first learnt of their course of study through school, citing emails, pamphlets, and letters specifically
- **11 per cent of respondents (four)** indicated they first learnt of their course of study through research, citing internet searchers specifically
- **11 per cent of respondents (four)** indicated they first learnt of their course of study through word of mouth, citing teachers and other points of contact
- **6 per cent of respondents (two)** indicated they first learnt of their course of study through libraries.

Question 4: What motivated you to apply to your course? (Please tick all that apply)

All 112 respondents answered question four, which asked what motivated them to apply to their course. Respondents could select multiple answers.

Figure 20: Motivations for applying to course



- **59 per cent of respondents (66)** indicated they were motivated to apply for their course **‘for personal development/self-improvement’**
- **40 per cent of respondents (45)** indicated they were motivated to apply for their course **‘to gain a new qualification’**
- **39 per cent of respondents (44)** indicated they were motivated to apply for their course **‘to gain knowledge in a subject I’m interested in’**
- **35 per cent of respondents (39)** indicated they were motivated to apply for their course **‘to build confidence’**
- **32 per cent of respondents (36)** indicated they were motivated to apply for their course **‘to gain the skills needed to move into employment’**
- **26 per cent of respondents (29)** indicated they were motivated to apply for their course **‘to develop a life skill’**
- **22 per cent of respondents (25)** indicated they were motivated to apply for their course **‘to develop knowledge/skills to progress to a higher skilled or more advanced role (including promotion)’**
- **18 per cent of respondents (20)** indicated they were motivated to apply for their course for **‘An activity whilst unemployed, unable to work or on furlough’**
- **17 per cent of respondents (19)** indicated they were motivated to apply for their course **‘to improve health (mental or physical)’**

- **14 per cent of respondents (16)** indicated they were motivated to apply for their course **‘to meet people’**
- **13 per cent of respondents (14)** indicated they were motivated to apply for their course **‘to gain access to a further education course’**
- **13 per cent of respondents (14)** indicated they were motivated to apply for their course **‘to retrain for an alternative career’**
- **Nine per cent of respondents (ten)** indicated they were motivated to apply for their course **‘to pursue a leisure interest/hobby’**
- **Five per cent of respondents (six)** indicated they were motivated to apply for their course **‘to get a job directly from the course’**
- **Four per cent of respondents (four)** indicated they were motivated to apply for their course for **‘Other reasons’**

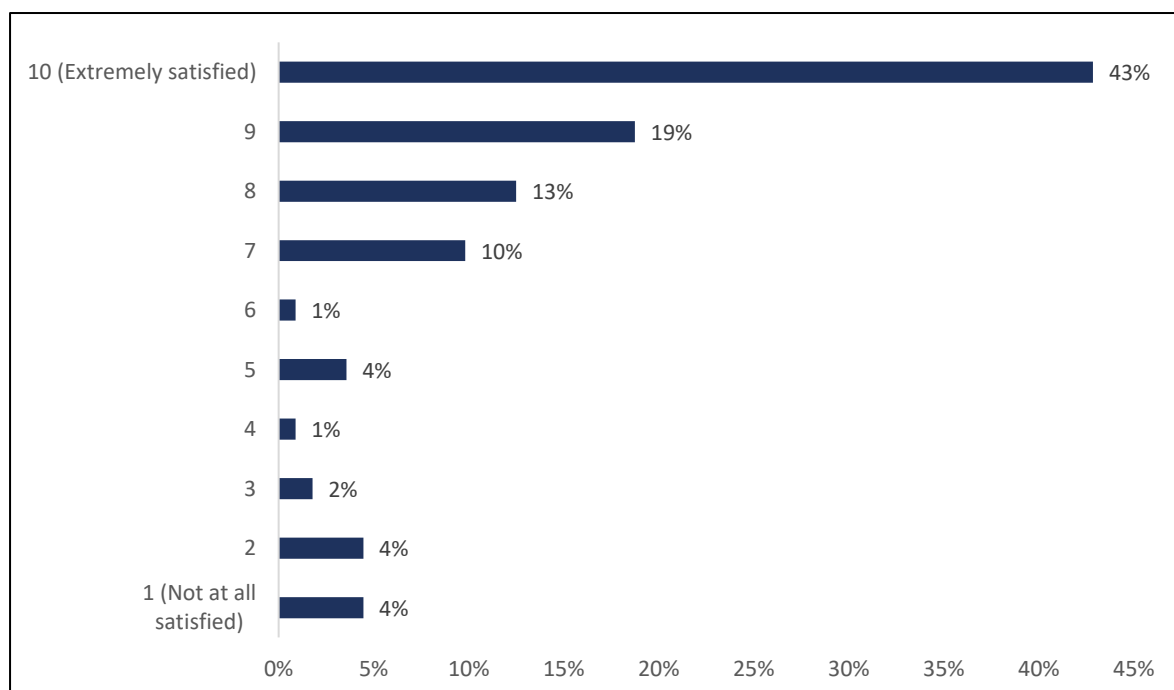
The responses from the four respondents who were motivated to apply for their course for **‘Other reasons’** are listed below:

- Requirement for Job Centre
- To understand the hiring process for civil servants
- To update CV
- To improve skills.

Question 5: On a scale of one to ten, how satisfied were you with the process of applying for your course? One (Not at all satisfied) Ten (Extremely satisfied)

All 112 respondents answered question five, which asked them to rate how satisfied they were with the process of applying for their course on a scale of one (Not at all satisfied) - ten (Extremely satisfied).

Figure 21: Satisfaction with process of applying to course



- **43 per cent of respondents (48)** rated their satisfaction with applying to their course as a ten, indicating they were extremely satisfied
- **85 per cent of respondents (95)** rated their satisfaction with applying to their course positively (six - ten)
- **12 per cent of respondents (13)** rated their satisfaction with applying to their course negatively (one - four)
- **4 per cent of respondents (four)** rated their satisfaction with applying to their course neutrally (five).

Question 5.2: [If you have any comments about the process of applying for your course, please add them here](#)

29 respondents left comments for question 5.2. The main themes are summarised below:

- **Eight respondents** commented on the process being complicated and taking a long time
- **Seven respondents** commented on the process being easy and straightforward
- **Four respondents** commented on how helpful and friendly provider staff were

Other feedback included:

- High numbers of emails
- Confusion on what course to start on with conflicting advice given.

Question 6: [What outcomes have you experienced because of your learning? \(Please tick all that apply\)](#)

All 112 respondents answered question six, which asked what outcomes they have experienced because of their learning. Respondents could select multiple answers.

Figure 22: Outcomes experienced as a result of learning



- **65 per cent of respondents (73)** indicated they 'gained knowledge'
- **45 per cent of respondents (50)** indicated they 'gained/expect to gain a new qualification'

- **41 per cent of respondents (46)** indicated they **'improved self-confidence'**
- **33 per cent of respondents (37)** indicated they **'improved employment-related skills'**
- **27 per cent of respondents (30)** indicated they **'improved or gained new life skills'**
- **20 per cent of respondents (22)** indicated they **'improved health (mental or physical)'**
- **18 per cent of respondents (20)** indicated they **'met new people/developed new relationships'**
- **17 per cent of respondents (19)** indicated they **'kept active during free time (including during furlough)'**
- **14 per cent of respondents (16)** indicated they **'gained access or enabled access to a future learning course'**
- **Seven per cent of respondents (eight)** indicated they **'got a new job in a different field'**
- **Seven per cent of respondents (eight)** indicated they **'got a promotion or a better job in their current field'**
- **Two per cent of respondents (two)** indicated experienced **'other'** outcomes
- **No respondents** indicated they **'started a business'**

Question 6.2: Please list any other outcomes you have experienced or provide any further details on the outcomes you have selected

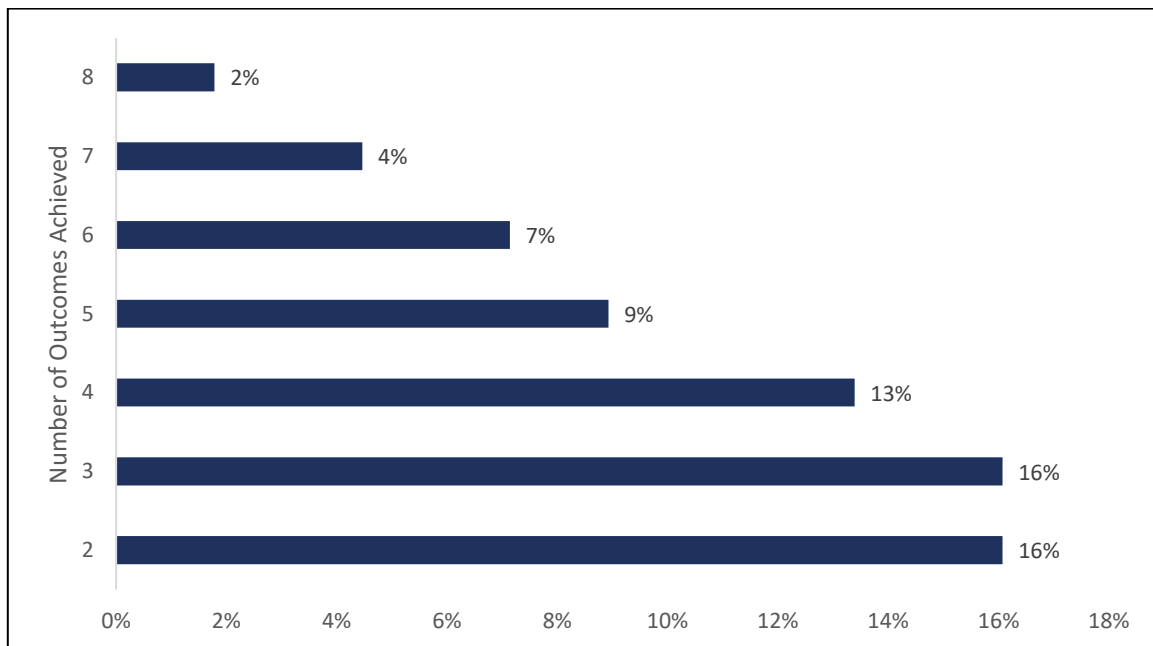
16 respondents left comments under question 6.2, which asked them to list any other outcomes they have experienced or provide any further details on outcomes selected.

- Eight respondents commented on increasing knowledge/gaining skills. Respondents mentioned adding to skills needed for current employment, having a better knowledge base, and learning something new outside their work field
- Two respondents commented on gaining confidence, one respondent mentioned how a literacy course help them to gain confidence in using a computer and form filling.
- Other points included:
 - Getting through to the interview stage for the job their course prepared them for
 - Increasing their interest in a specific field and encouraging them to introduce related initiatives with their employer
 - Practicing communicating with people they do not know
 - Starting a new job a few weeks after finishing the course
 - No outcomes due to not finishing course
 - No outcomes due to not receiving feedback from course supervisor/poor management.

Number of Outcomes Achieved

68 per cent of respondents (76) achieved at least two outcomes.

Figure 23: Number of Outcomes Achieved

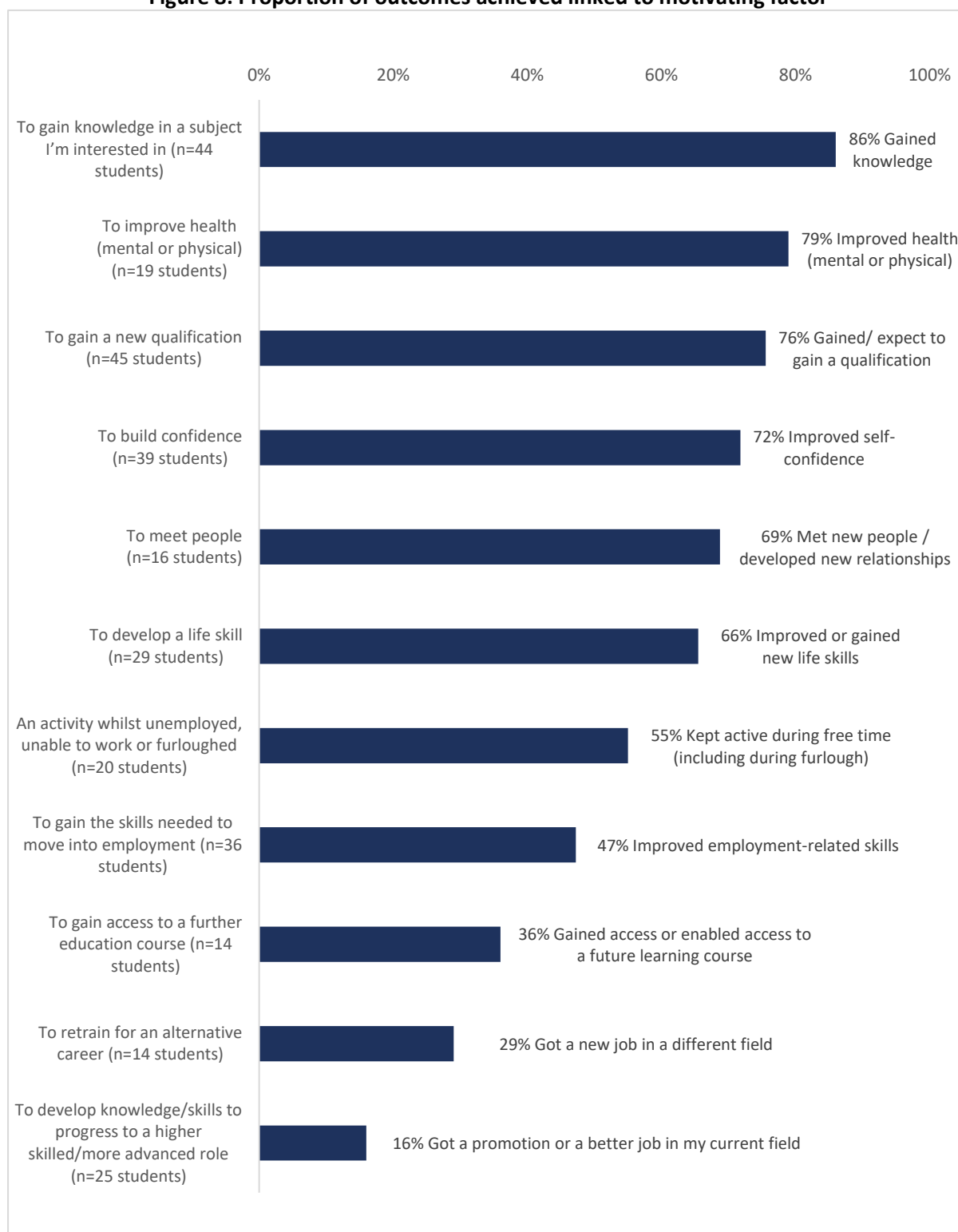


- **16 per cent of respondents (18)** achieved **two** outcomes
- **16 per cent of respondents (18)** achieved **three** outcomes
- **13 per cent of respondents (15)** achieved **four** outcomes
- **Nine per cent of respondents (ten)** achieved **five** outcomes
- **Seven per cent of respondents (eight)** achieved **six** outcomes
- **Four per cent of respondents (five)** achieved **seven** outcomes
- **Two per cent of respondents (two)** achieved **eight** outcomes.

Motivations and Outcomes

When looking at what motivated respondents to apply for their course and what outcomes they experienced, there are strong correlations with certain motivations and outcomes.

Figure 8: Proportion of outcomes achieved linked to motivating factor



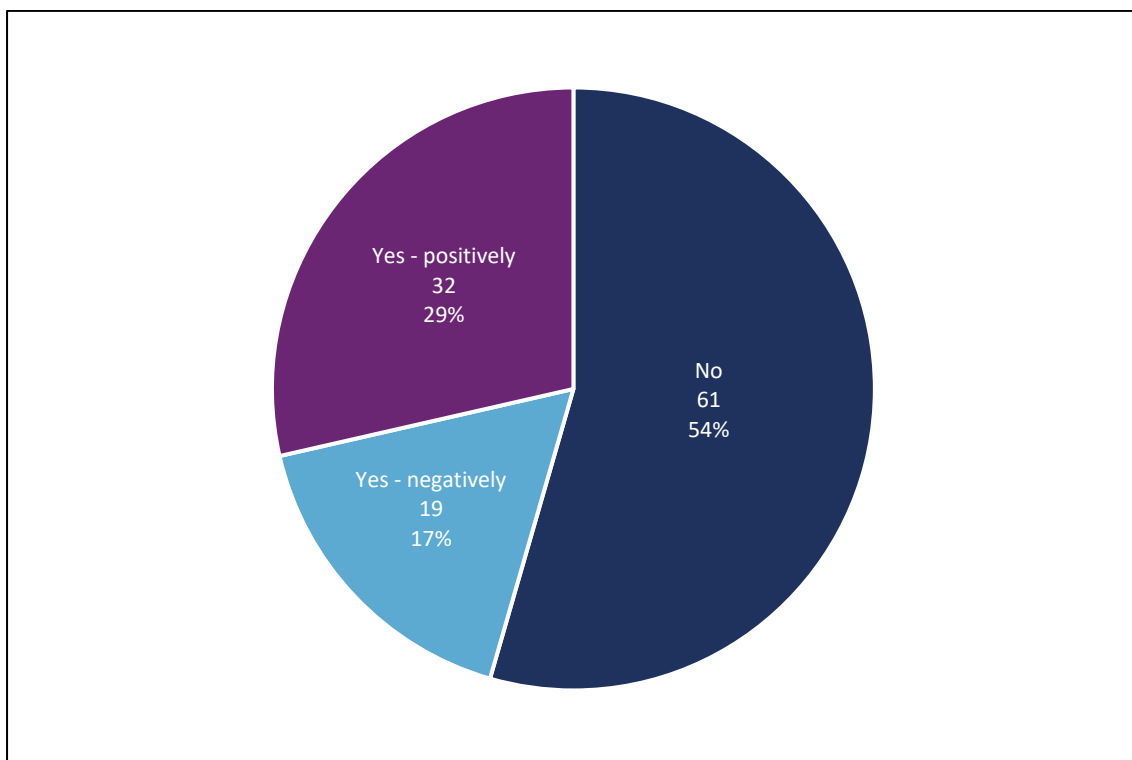
- **86 per cent of respondents (38)** who applied for their course **‘to gain knowledge in a subject I’m interested in’**, experienced **‘gained knowledge’** as an outcome
- **79 per cent of respondents (15)** who applied for their course **‘to improve health (mental or physical)’**, experienced **‘improved health (mental or physical)’** as an outcome
- **76 per cent of respondents (34)** who applied for their course **‘to gain a new qualification’**, **‘gained/expect to gain a qualification’** as an outcome

- **72 per cent of respondents (28)** who applied for their course **‘to build confidence’**, experienced **‘improved self-confidence’** as an outcome
- **69 per cent of respondents (eleven)** who applied for their course **‘to meet people’**, **‘met new people/ developed new relationships’** as an outcome
- **66 per cent of respondents (19)** who applied for their course **‘to develop a life skill’**, experienced **‘improved or gained new life skills’** as an outcome.

Question 7: Has Covid impacted on your learning experience?

All 112 respondents answered question seven, which asked whether Covid had impacted on their learning experience.

Figure 24: Impact of Covid on learning experience



- **Most respondents (54 per cent, 61)** answered **‘No’**, indicating that Covid has not impacted on their learning experience
- **29 per cent of respondents (32)** answered **‘Yes – positively’**, indicating that Covid has positively impacted their learning experience
- **17 per cent of respondents (19)** answered **‘Yes – negatively’**, indicating that Covid has negatively impacted their learning experience

Question 7.2: If yes, please describe how Covid has impacted on your learning (examples may include having the time/flexibility to start learning, changes to the timeframe of your course such as having to pause your learning or having a delayed finish date, changing from in-person to online learning, having less peer-based learning etc).

41 respondents who answered yes to question seven answered question 7.2, which asked them to describe how Covid has impacted on learning.

- **Eleven respondents** commented on online learning being flexible and accessible. Specific points mentioned included being able to study around jobs and family life, enough time to study at their own pace and not having to commute. Respondents mentioned that online learning was easy to do from home and one respondent mentioned how online learning allowed them to keep on studying during the pandemic
- **Seven respondents** commented on having free time to study because of furlough, being made redundant or just generally having more time due to lockdowns
- **Seven respondents** commented on generally preferring face to face learning as opposed to online. One respondent mentioned preferring socialising in-person, and another mentioned the opportunity to ask more questions and discuss with classmates
- **Four respondents** commented on the transition from in-person to online learning. One respondent mentioned getting used to online courses and then back to in-person
- **Three respondents** commented on disruption to learning. One respondent mentioned being delayed in completing their course due to being ill with Covid whilst another respondent mentioned cancelled courses. Another respondent said they ended college early and found online courses annoying due to being on an electronics engineering course
- **Two respondents** commented on learning being a distraction to lockdown, having their course to focus on
- Other points included:
 - Lack of meeting people and not being physically active leading to poor mental health
 - Not finishing all the course activities due to caring responsibilities
 - Not meeting anyone in person
 - Being distracted and demotivated
 - One respondent mentioned that they would question signing up for their Introduction to Counselling course if it had been in person, mentioning the course worked very well online.

ANNEX E – SUBCONTRACTORS

AEB Provider	Subcontractor Provider
Cambridge Regional College	Cambridge Community Arts
	The Skills Network Limited
Cambridgeshire County Council	Bottisham Village College
	Cambridge English Language Society
	Comberton Village College
	Ely College
	Groundwork East
	Longhurst Group Limited
	Romsey Mill Trust
	Social Echo North Huntingdonshire Cic
	SPS Training Solutions Limited
	St Ives Academy
	Switch Now Community Interest Company
	Tempus Training Limited
	United Learning Trust
	Workers' Educational Association
College of West Anglia	The Skills Network Limited
	Waste Management Assessment Services Limited

Inspire Education Group	Anglia Professional Training Limited
	Aspire Sporting Academy Ltd
	Gladstone District Community Association
	Learning Curve Group Limited
	Peterborough City Council
	Peterborough Skills Limited
Peterborough City Council (City College)	Axiom Housing Association Limited
Rutland County Council	Peterborough Regional College (Now Inspire Education)

3.1 Adult Education Budget

Appendix C - Key findings from AEB report to Business Board January 2022 being shared with Skills Committee to compliment the Evaluation

Purpose of this report

- 1.1 To provide greater visibility of the Adult Education Budget (AEB) to the Business Board, providing an over-view of performance and the delivery of outcomes from the first two years of devolution.
- 1.2 To respond to requests from the Business Board to provide a spotlight on how the AEB is evolving to better serve the local labour market and highlight areas that require improvement.
- 1.3 To consider and be cognisant of the views of Business Board (and employers more widely) in driving improvements to the wider skills system and courses funded through devolved AEB, to ensure they a catalyst for productivity in the sub-region.

2. Background

- 2.1 Our vision for Skills in Cambridgeshire and Peterborough (“the sub-region”) is to ensure that learners and employers are at the heart of the skills system. Given the status of the Business Board as the coterminous Local Enterprise Partnership for the sub-region, the substantial opportunity is to ensure there is strategic alignment between regional growth and the delivery of adult skills.
- 2.2 Control of the £12m annual Adult Education Budget (AEB) through devolution, is arguably the main lever that the Combined Authority has, to directly impact change and improvement in the local skills system. Through commissioning decisions, implementing local funding rules, accountable decision-making and funding flexibilities, the potential to ‘do things differently’ for business and residents is considerable.
- 2.3 Prior to devolution, the balance of funding and provision was out of step with regional skills needs and employer demand for suitably qualified and trained workforce. Some 43 per cent of learning aims in the region were Community Learning, mainly for leisure/pleasure rather than opportunities for workforce development, given the regional skills challenges. There is certainly value in Community Learning, particularly in supporting health, wellbeing and community connection and a role for public funding for Community Learning in the overall mix of provision. This should not be at the detriment of skills for work. In 2020/21 the mix and balance was managed to 23 per cent community Learning and 77 per cent adult skills. The planning assumption for the future is to retain an 80:20 balance of provision of Adult Skills to Community Learning.

- 2.4 The Combined Authority commissions courses from 17 education and training providers, including Colleges, Adult Learning Institutes and Training Providers, with £11m contracted from a £12m budget. Funding Allocations to providers are published on the Combined Authority Website.
- 2.5 Over the first two years of devolution, a considerable package of funding flexibilities and enhancements have been implemented, deviating from the national funding system and providing greater access to fully funded adult skills programmes, including:
- Fully funding first level 2 courses for all ages
 - Fully funding English for Speakers of Other Languages (and flexibility to pilot delivery of ESOL in the workplace)
 - Fully funding first level 3 courses for all ages and second Level 3 in priority sectors (and for the unemployed looking to reskill)
 - Piloting a level 4 and 5 course offer for the low-waged
 - Lifting the threshold for low-waged to £20,000 (nationally it is £17,374)
 - Providing a bursary for Care Leavers aged 19-22 to continue in education
 - Providing a four per cent funding uplift for learners from the 20 per cent most deprived localities across the sub-region
 - Providing a 10 per cent funding uplift for 19–24-year-olds, to provide greater support for young people to progress to employment or Higher Education
 - Allowing funding to be used for purchasing digital devices during the pandemic to tackle digital exclusion.
- 2.6 Access to AEB funded courses by employers are through the Growth Works for Skills brokerage service or directly through college and provider employer engagement teams. The full range of available courses is regularly updated on the Growth Works web-site.
- 2.7 An Independent Evaluation of the first year of devolved AEB in 2019/20 was undertaken by Cambridgeshire Insights and is published on the Combined Authority website. An Independent Evaluation of the second year of devolved AEB, will be published in February 2022.
- 2.8 **National Context – Local Skills Improvement Plans**

The Skills and Post-16 Education Bill is at report stage, progressing through parliament. It makes provision to implement policies set out in the Government's Skills for Jobs white paper, published in January 2021. Key aims include improving employers' involvement in planning for local training provision and enabling flexible access to further education and training for adults irrespective of age. Mayoral Combined Authorities (MCAs) will continue their role in commissioning of AEB and setting the wider strategy for skills in their area.

- 2.9 Employer Representative Bodies (ERBs) such as Chambers of Commerce will lead the production of Local Skills Improvement Plans (LSIPs) for a given geography, working with appropriate stakeholders including MCAs. In the new system, LSIPs will articulate employer demand for skills and areas for investment. Colleges will be required to deliver the priorities set out in the LSIP and be judged by Ofsted on their effectiveness in meeting local skills needs. College governors will have to ensure their institution is addressing local skills need. In this sub-region, to ensure effective LSIP delivery, it is suggested that an enhanced Employment and Skills Board would be well-placed to take on the LSIP role with the sponsorship of ERBs.

3. Local Skills Context

Skills levels within local areas are reported through the Office for National Statistics (ONS) Annual Population Survey Data. Taking an average over three years, the qualification levels of employed 16–64-year-olds in the sub-region are similar to England. A slightly lower proportion of the sub-region have no qualifications, than England and a slightly higher proportion are qualified up to level 2 and level 4+ specifically as shown in Table A below:

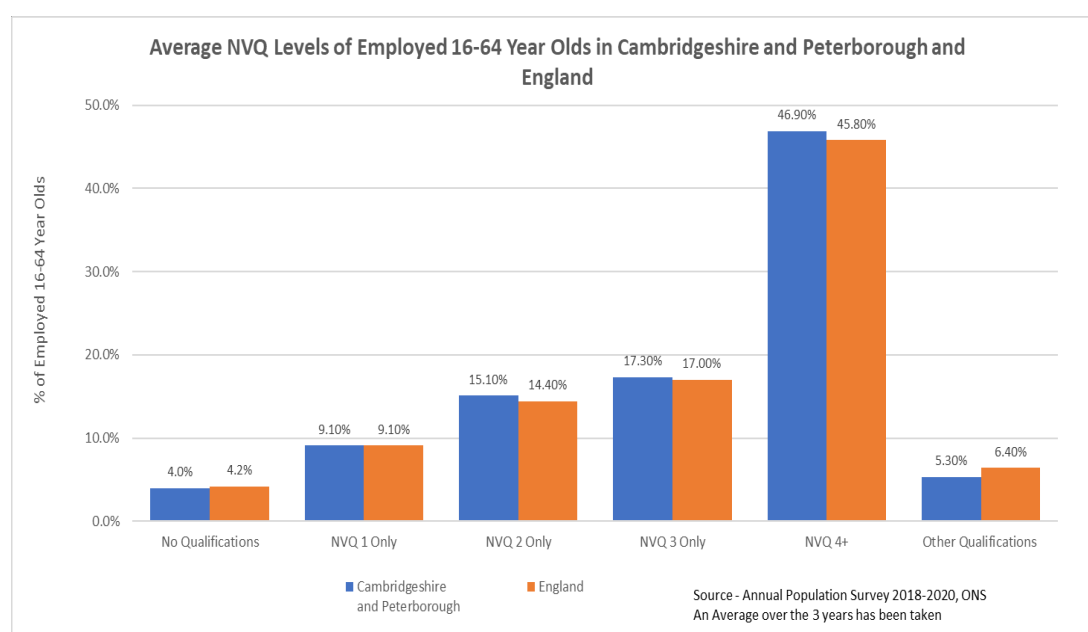


Table A Source: ONS Annual Population Survey

The headline performance of the region masks skills deprivation in Peterborough and Fenland. Therefore, the AEB programme has directed funding to these areas, with 52 per-cent of learning aims delivered to Peterborough and Fenland residents and plans to increase participation in the North of the sub-region further. For context, ONS 2020 data shows:

- In Peterborough, of the working-age population: 7.8 per cent of residents have no qualifications compared to 6.4 per cent nationally. This equates to approx. 10,000 people.
- 50.8 per cent are qualified to level 3 compared to 61.3 per cent nationally.

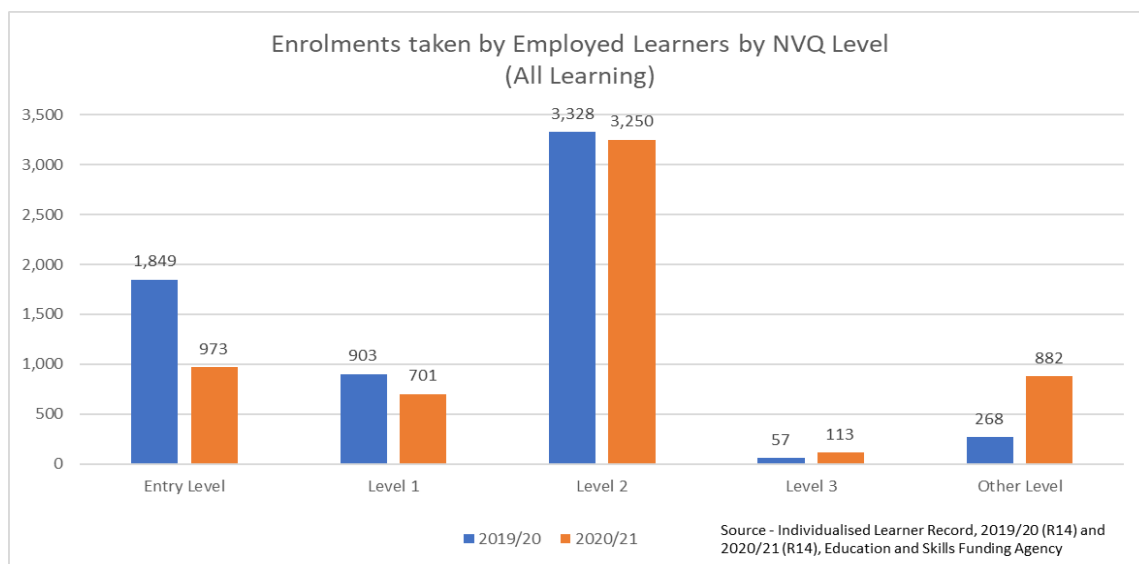
- In Fenland, of the working-age population:
56.5 per cent are qualified to level 3 compared to 61.3 per cent nationally
- 28 per cent are qualified for level 4 compared to 43.1 per cent nationally

4. Headline Performance in 2019/20 and 2020/21

- 4.1 Table B below shows the participation of residents from the sub-region, who enrolled onto AEB funded courses since devolution and their employment status. In 2019/20, 51 per cent of learners were employed. In 2020/21, this dropped to 46 per cent, mainly due to the pandemic, with a corresponding increase in unemployed.
- 4.2 This equated to an investment of £3.08m in 2019/20 and £2.71m in 2020/21 on employed status learners. The data presented through-out this report, shows self-reported employment status by a learner at the point of enrolment

TABLE B: Status of Learners	2019/20		2020/21 (Active Enrolments Only)	
	Number of Learners	% of Learners	Number of Learners	% of Learners
Employed	4,277	51%	4,192	46%
Unemployed	2,332	28%	3,051	34%
Unemployed, Not Looking for Work	1,017	12%	1,429	16%
Not Collected	998	12%	593	7%
Total	8,421	100%	9,030	100%
As learners can appear against multiple categories, a sum of the categories will not result in the overall total number of learners				
TABLE B: Source – Individualised Learner Record 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency				

- 4.3 Looking more deeply at employed learners, the levels at which they are studying can be seen in Table C below:



In both 2019/20 and 2020/21 level 2 courses made up most enrolments taken by employed learners. Compared to 2019/20 a lower proportion of enrolments were at an entry level, and at level 1. There is anecdotal evidence that during the pandemic, lower skilled individuals were least likely to enrol onto courses, particularly when they were delivered online.

- 4.4 In respect of level 3, the Combined Authority's objective is to double enrolments every year for the next five years, to provide progression for residents having completed level 2, upskilling or returning to work. Labour market data shows buoyant vacancies for 'technician/specialist' level jobs at level 3. The aim is to increase this from two per cent of enrolments in 2020/21 to ten per cent over the next five years, with a specific focus on Peterborough and Fenland.
- 4.5 Table D below shows the subject sectors that are being studied by employed learners on AEB funded courses:

Tier 1 Subject Sector	Proportion of Enrolments Taken by Employed Learners		Change between Years
	2019/20	2020/21	
Preparation for Life and Work	52%	42%	↓
Health, Public Services and Care	28%	30%	↑
Business Administration and Law	4%	6%	↑
Science and Mathematics	3%	3%	↔
Arts, Media and Publishing	3%	2%	↓
Languages, Literature and Culture	2%	2%	↔
Retail and Commercial Enterprise	2%	1%	↓

Information and Communication Technology	2%	6%	↑
Agriculture, Horticulture and Animal Care	2%	2%	↔
Education and Training	1%	2%	↑
Engineering and Manufacturing Technologies	1%	1%	↔
Construction, Planning and Built Environment	1%	1%	↔
Leisure, Travel and Tourism	0%	1%	↑
Social Sciences	0%	0%	↔
History, Philosophy and Theology	0%	0%	↔

Source – Individualised Learner Record 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency

Preparation for life and work subject sector, also includes basic skills: English and English for Speakers of Other Languages (ESOL). TABLE D highlights some of the gaps and concerns with the mix of provision, currently available for adults. Of particular concern are the low numbers of enrolments in engineering and manufacturing technologies, science, mathematics, and construction.

- 4.6 Table E maps the Combined Authority's growth and priority sectors for employed status learners. It highlights areas for further investigation:
- Are growth sector employers, who account for approx. 20 per cent of all employment in the sub-region, accessing AEB funded courses to upskill their workforce?
 - Is the low proportion of enrolments in growth sectors reflective of the skills required by these sectors, being degree level or above?
 - Is there a mismatch between the courses being offered by AEB providers and growth sector employer needs?

	2019/20		2020/21	
	% of Employed Learners	% of Enrolments Taken by Employed Learners	% of Employed Learners	% of Enrolments Taken by Employed Learners
Growth Sector				
Life Sciences	1%	0%	1%	0%
Digital and AI	1%	1%	1%	1%
Agritech	2%	1%	3%	2%
Advanced Manufacturing and Materials	1%	1%	1%	1%
Total Growth Sectors	4%	3%	4%	3%
Priority Sectors				
Hospitality and Leisure	1%	1%	2%	1%

Health and Care	37%	27%	38%	30%
Education	2%	1%	3%	2%
Construction	1%	1%	1%	1%
Transport and Wider Manufacturing	2%	1%	1%	1%
Total Priority Sectors	43%	32%	44%	35%
Both Learners and Enrolments can appear across multiple categories of Growth and Priority Sectors, therefore % will not necessarily sum to the total for either set of sectors				
Source - Individualised Learner Record 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency				

The new Employment and Skills Strategy will identify the skills components from the individual growth sector strategies that Business Board has approved. The new round of commissioning and procurement of new training providers was approved at the November meeting of the Combined Authority Board and will increase the focus on growth and priority sectors.

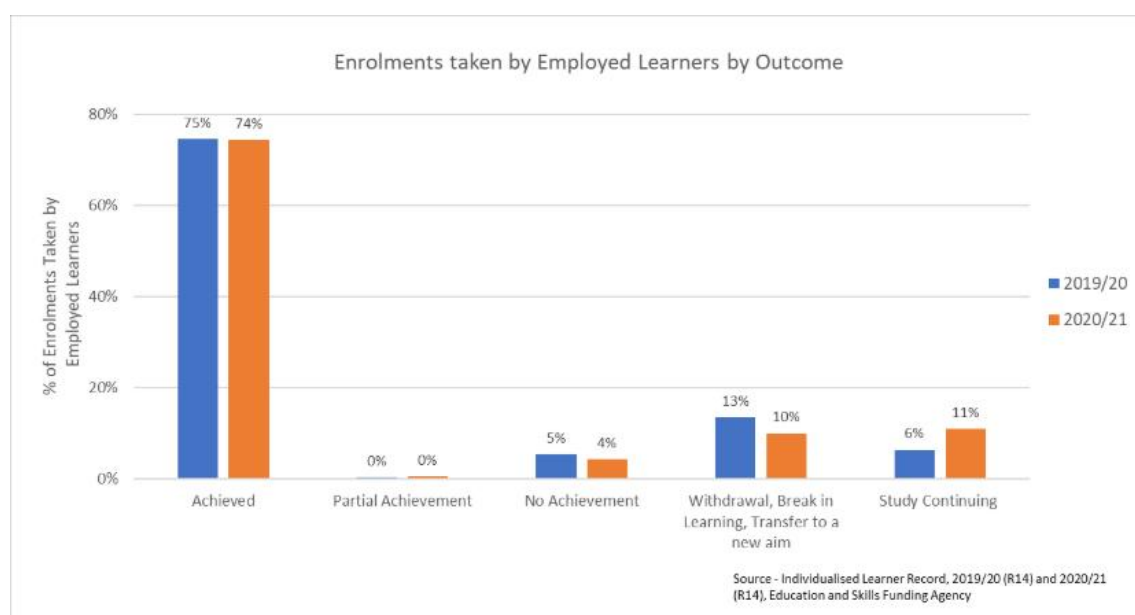
- 4.7 Regarding, basic skills, a recent Institute of Learning and Work report highlighted there are nine million working-age adults with low literacy or numeracy and five million have low skills in both. Most of these adults are employed. Table E shows the take-up of basic skills qualifications and the higher number of ESOL enrolments for employed learners. The flexibility for fully funding ESOL in the sub-region has helped to keep enrolments steady during the pandemic. Basic skills for adults are fully funded including the Essential Digital Skills qualification. Take-up of the Essential Digital Skills qualification has been low, with further activity to promote being planned.

TABLE E: Basic Skills Category	2019/20		2020/21	
	% of Employed Adult Skills Learners	% of Adult Skills Enrolments taken by Employed Learners	% of Employed Adult Skills Learners	% of Adult Skills Enrolments taken by Employed Learners
Literacy	22%	16%	16%	13%
Numeracy	17%	12%	15%	12%
Digital*	N/A	N/A	0%	0%
ESOL	12%	16%	11%	17%
Total Basic Skills	41%	44%	36%	43%
Non-Basic Skills	67%	56%	67%	57%
* The Digital Basic Skills Category was not introduced until the 2020/21				
As learners can appear against multiple categories, the % of learner figures will not add up to 100%				
Source – Individualised Learner Record 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency				

5. Outcomes and Destinations

- 5.1 Table F below shows in 2019/20, 75 per cent of employed learners achieved their learning

aims and this dropped slightly to 74 per cent in 2020/21. In 2020/21 a lower proportion of enrolments resulted in no achievement, or some form of withdrawal, break in learning or transfer to a new aim than in 2019/20.



5.2 Outcomes-Based Success Measures 2017/18 - Sustained Employment Destination

The Department for Education (DfE) collects outcomes-based success measures (OBSM) of further education students. The latest data available is for those who completed their learning in the 2018/19 academic year and identifies their education and/or their employment outcomes for the following year. While the specific definition of 'sustained' vary between different types of outcomes, generally it means that the outcome was active between the months of October and March of the following academic year.

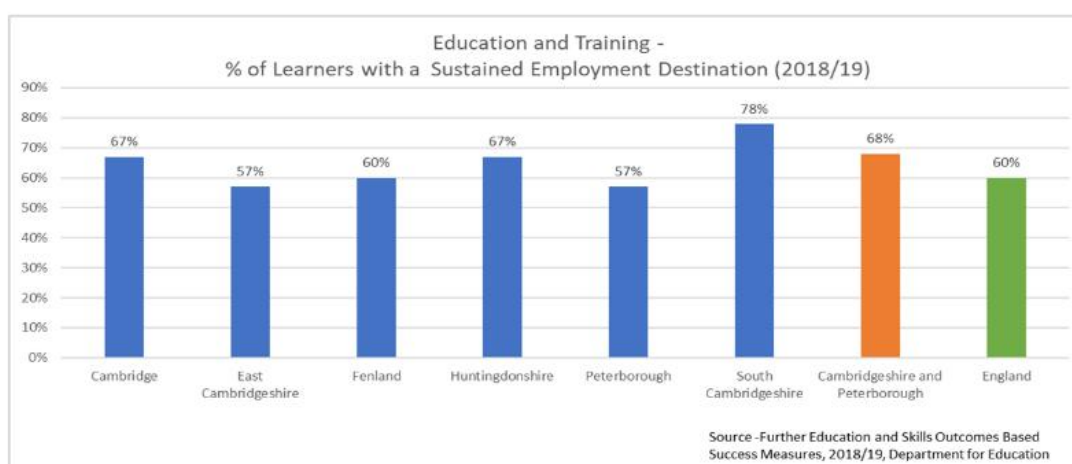


Table F above shows a higher proportion of learners in the sub-region had a sustained employment destination compared to England:

- In this sub-region, Peterborough and East Cambridgeshire fell below the England average
- The local authority with the highest proportion of learners in a sustained employment destination was South Cambridgeshire and the only local authority which was above the sub-regional average.

5.3 Since devolution, the Combined Authority has requested all commissioned providers to record destinations for learners. This destination data is based on self-reported data collection by providers. Data collection methods will vary from provider to provider and does not necessarily represent a sustained destination that can be backed by additional data sources. A more accurate source of data on sustained destinations is the Outcomes Based Success Measures produced by the Department for Education on an annual basis in the above table F.

5.4 CPCA Local Destination Data

Table H below shows the number of learners with a recorded destinations and the category. As there is no published bench-marking data for destinations, it is difficult to make a comparative judgement about the data, but it provides an overall survey of destinations and can be analysed for individual providers. Work is underway to implement a consistent destination tracking system for the sub-region.

Table G: Destinations Recorded for Learners who were funded by Cambridgeshire and Peterborough Combined Authority

Destination Category	2019/20	2020/21
Education	1,012	899
Employment	3,058	2,890
Gap Year	-	-
Not in Paid Employment	1,955	2,652
Social Destinations	-	
Voluntary Work	50	63
Other	2,017	2,182
Total Learners with Outcome	7,340	8,053
Total Learners	8,421	9,030

Individual learners can appear across multiple destinations. They have only been counted once for the totals

Values marked as '-' have been suppressed as they fall within the 0 - 10 range

TABLE G Source - Individualised Learner Record, 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency

5.5 Table H below attempts to ascertain whether the destination secured by the learner is a direct association with CPCA funded learning, completed in 2020/21. This link was produced by looking at the completion dates of individual enrolments and identifying any destinations associated with that learner following the completion of that learning. Out of the 2,711 learners who had a destination of

'employed' recorded against them, 451 (17 per cent) were recorded as unemployed on their first day of learning.

TABLE H: Destination Category	Number of Learners
Education	746
Employment	2,711
Gap Year	-
Not in Paid Employment	2,467
Social Destinations	0
Voluntary Work	51
Other	1,986
Total learners with an associated destination	7,701
Total Learners	9,030

TABLE H: Destination Data associated with CPCA Funded Learning Completed in 2020/2. Source: Individualised Learner Record, 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency

Note: Individual learners can appear across multiple destinations. They have only been counted once for the total. Values marked as '-' have been suppressed as they fall within the 1 - 10 range. 0 indicates 'true zero'

6. Next Steps

6.1 This report has provided a baseline position for Business Board and greater visibility of AEB data that was not accessible pre-devolution. It has highlighted the performance during the first two formative years of devolution, outcomes being delivered and the operating context. It has identified gaps in sectoral coverage and take-up of level 3 courses. The Employment and Skills Strategy and Skills Action Plan will identify the specific interventions to improve employer-responsive skills provision.

6.2 Despite the challenge of the pandemic and national lock-downs, resulting in college closures, providers in the sub-region, still delivered a nine per cent increase in enrolments in 2020/21 compared to 2019/20. For future years, the Combined Authority Board has approved three-year plan-led funding for colleges. This will provide greater stability, partnership, and a lever for investment in growth and priority sectors.

6.3 Building capacity for delivery of training for green jobs, retrofit and carbon literacy among businesses and citizens is a key priority for investment. Proposals are being developed for implementation in 2022/23.

6.4 The Combined Authority Board has approved commissioning of independent training providers for a five-year contract period from 2022/23 to

2026/27 for up to £3m of AEB per year. Part of this investment will be focussed on addressing the gaps in growth and priority sectors and bespoke employer programmes, which could be non-qualification bearing. Blended and online learning will continue to be part of the mix of delivery.

6.5 There has been some recent successes in the Combined Authority's ability to use its agility and local powers to commission providers to respond rapidly to acute labour-market shortages, faster than national procurement for non-devolved areas. This has included HGV drivers, rail engineering operatives, hospitality staff and construction workers.

6.6 Given the emphasis of the Skills and Post-16 Education Bill, on employers being at the 'heart of the skills system' through LSIPs, Business Board should consider how it ensures employer skills needs continue to be effectively articulated through Employer Representative Bodies and the Employment and Skills Board.

ITEM 3.1 Adult Education Budget

APPENDIX D - Cambridgeshire and Peterborough AEB cold spot analysis

1. Introduction and Purpose

This analysis uses geographical mapping to visualise areas across the Combined Authority which have lower levels of Adult Education Budget (AEB) funded provision relative to the resident population (defined as a 'cold spot'). The purpose is to provide an evidence-based approach to inform future commissioning and planning of provision with Colleges, Adult Learning Institutes, and training providers.

2. Key Findings

From the 2019/20 resident participation data in the Combined Authority's devolved AEB, **South Cambridgeshire** and **Huntingdonshire** have lower levels of participation in comparison to the overall Combined Authority population. This analysis identified the Huntingdonshire parish of **St Neots** as the area with the lowest provision relative to resident population across the Combined Authority. There is greater participation in Peterborough in relation to the overall CPCA population, which is in alignment with the Combined Authority's commissioning strategy during 2019/20.

3. Methodology

This analysis was completed by comparing proportions of 2019/20 AEB funded learners by location of residence and proportions of Combined Authority residents for geographies at different levels including:

- Local Authority
- Local Authority Ward
- Parish

Learner resident location numbers were extracted from the Individualised Learner Record (ILR) for the 2019/20 academic year with population data using the ONS mid-year 2020 population estimates.

The number of learners and the number of residents for each area was calculated as a proportion of the total number of learners and total resident population. The proportion of residents was then deducted from the proportion of learners for each district, ward, or parish. This gave a resultant figure which was less or greater than 0 depending on which proportion was greater. In the maps and tables this is referred to as 'Percentage Difference'.

The lowest 10 per cent of wards and parishes with the greatest negative percentage difference between the proportion of learners and proportion of population is defined as a cold spot. In the heat maps, darker areas are 'colder'.

4. Cold spots by Local Authority

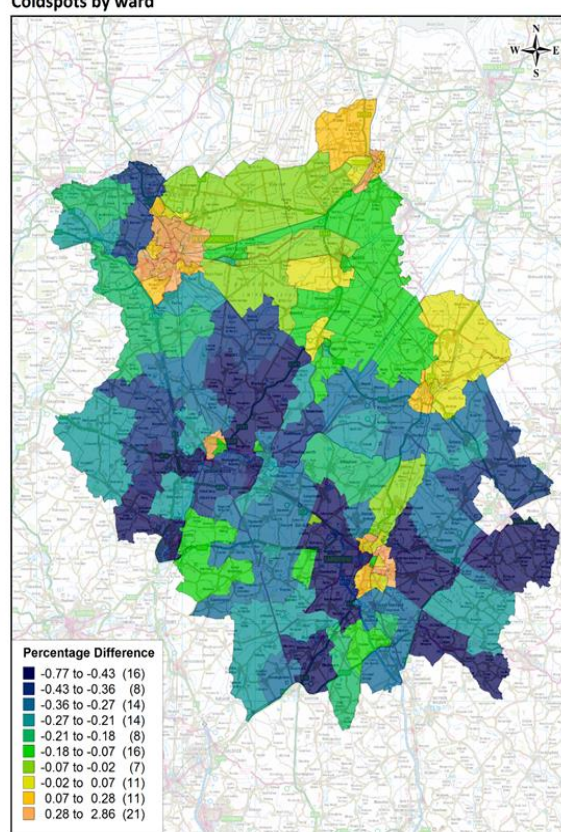
The following table shows how adult education provision relative to population varies across the six local authorities.

Percentage Difference by Local Authority	
Local Authority	Percentage Change
South Cambridgeshire	-7.6
Huntingdonshire	-7.2
East Cambridgeshire	-2.8
Cambridge	0.1
Fenland	0.4
Peterborough	17.3

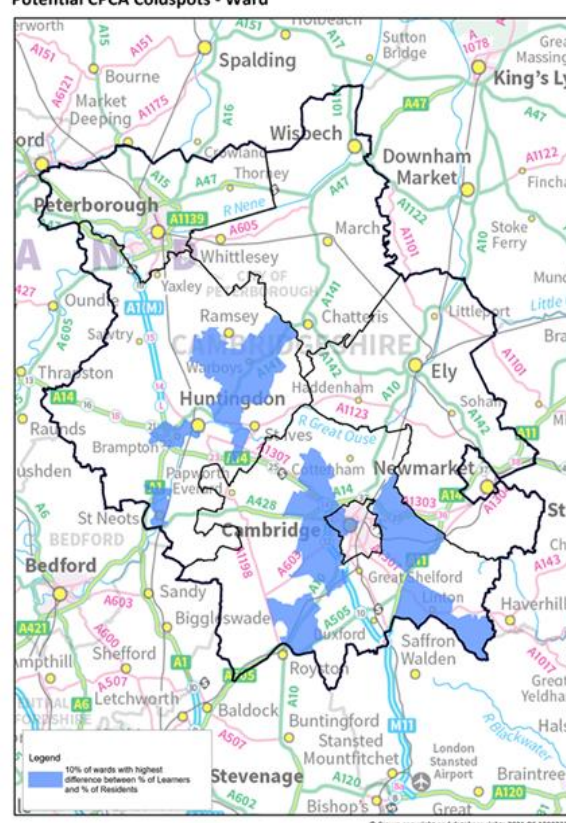
South Cambridgeshire and **Huntingdonshire** are the coldest spots for adult education provision at a local authority level with the greatest negative percentage difference between the proportion of total learners and the proportion of total residents (**-7.6** and **-7.2** respectively).

The map on the left shows the percentage difference across all areas with darker

Coldspots by ward



Potential CPCA Coldspots - Ward



colours representing wards with a higher negative disparity between the total proportion of Cambridgeshire and Peterborough's population against the number of learners. The map on the right highlights ten per cent of wards with the highest

negative disparity between the proportion of the total population and the number of learners.

AEB participation data shows a defined north/south divide between Cambridge, Huntingdonshire and South Cambridgeshire and East Cambridgeshire, Fenland and Peterborough.

5. Wards classed as cold spots

There is also a rural/urban divide with rural areas being colder than urban areas. The urban areas in the east of Cambridge City, Wisbech in Fenland and Peterborough city centre are notable potential hotspots. This could be influenced by access to learning in these areas.

The following tables show the percentage of wards in each local authority which fall into the ten per cent of wards with the highest negative disparity between the proportion of the population and proportion of learners and the 10 wards with the highest negative percentage differences.

Top 10 wards with the greatest negative disparity between proportion of total CPCA population and total number of learners				
Ward Name	Local Authority	Percentage Difference	Average Index of Multiple Deprivation (IMD) Decile 2019 (where 1 is most relatively deprived 10%)	
Newnham	Cambridge	-0.77		9
Castle	Cambridge	-0.68		9
Harston & Comberton	South Cambridgeshire	-0.60		9
St Neots Priory Park & Little Paxton	Huntingdonshire	-0.58		5
St Neots Eynesbury	Huntingdonshire	-0.55		6
Linton	South Cambridgeshire	-0.52		9
Market	Cambridge	-0.52		7
Girton	South Cambridgeshire	-0.52		10
Melbourn	South Cambridgeshire	-0.50		7
Warboys	Huntingdonshire	-0.50		4
*Note that as the IMD is calculated at an LSOA level a ward level average has been calculated. LSOA and Wards are not coterminous.				
*This table uses 2018 Ward boundaries. Boundary changes have taken place since 2018.				

Percentage share of wards classed as coldspots by local authority			
Local Authority	% of Wards in Local Authority in 10% of wards with highest negative disparity between population and learners	% of Total Wards in 10% of wards with highest negative disparity between population and learners in CPCA	
Cambridge	21%		23%
Huntingdonshire	20%		38%
South Cambridgeshire	19%		38%
East Cambridgeshire	0%		0%
Fenland	0%		0%
Peterborough	0%		0%

In South Cambridgeshire only 19 per cent of wards were in the bottom ten per cent but they made up 38 per cent of all the wards in the bottom ten per cent overall.

Newnham stands out as the ward with the greatest negative percentage difference (-0.77) between the proportion of learners and the proportion of the population. Castle (-0.68) and Harton and Comberton (-0.61) also stand out as notable cold spots.

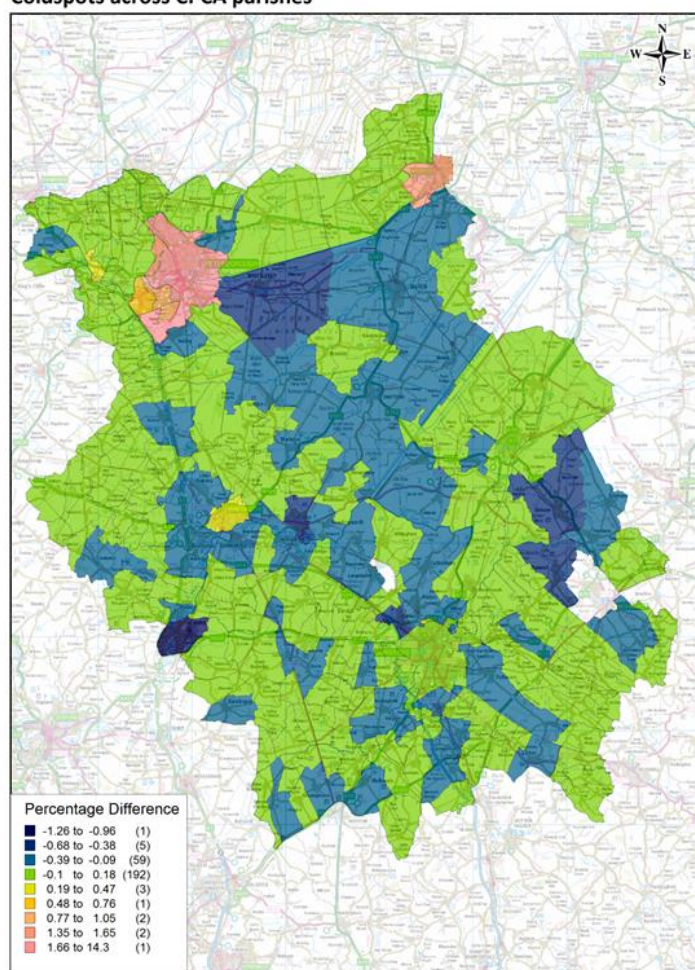
The IMD scores show that overall, the wards identified fall into the least relatively deprived areas, with five out of ten having average deciles of either 9 or 10. Only two wards fall into the 50 per cent most relatively deprived, St Neots Priory Park & Little Paxton (5) and Warboys (4) which are both in Huntingdonshire.

6. Cold spots by Parish

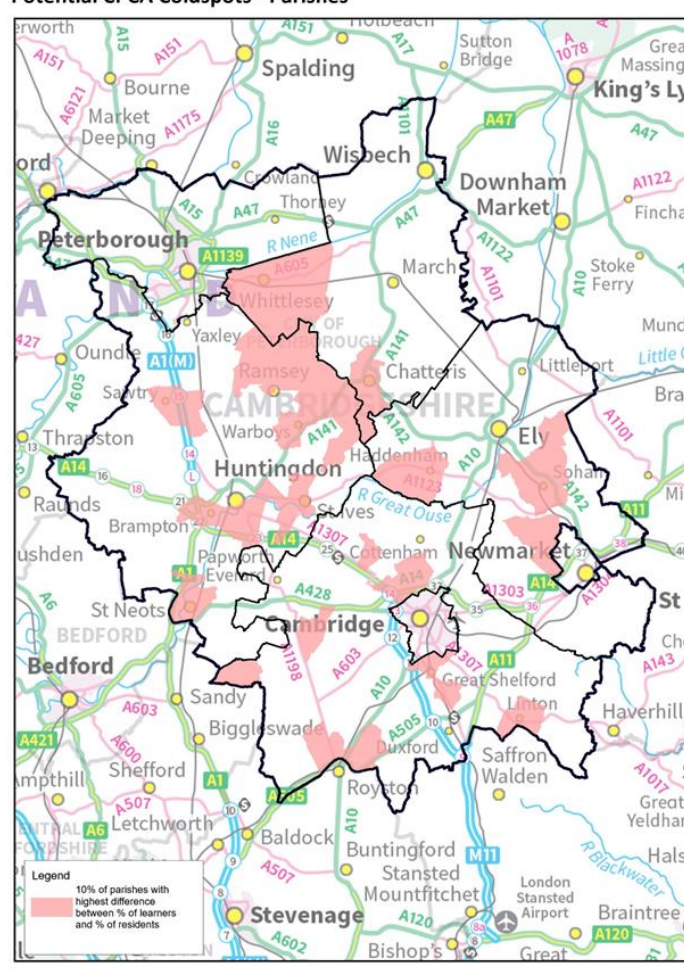
The following maps shows percentage differences between CPCA Learners and residents at a parish level, including the unparished area of Cambridge city and the centre of Peterborough.

The map on the left shows the % difference across all areas with darker colours representing parishes with a higher negative disparity between the total proportion of

Coldspots across CPCA parishes



Potential CPCA Coldspots - Parishes



Cambridgeshire and Peterborough's population against the number of learners. The map on the right highlights the 10% of parishes with the highest negative disparity between the proportion of the total population and the number of learners.

NOTE: *The white area to the north of Cambridge is the parish of Northstowe which had no population estimate in the data source used for analysis.

The non-parished area of Peterborough (+14.3) and the parish of Wisbech (+1.64) stand out as notable potential hotspots with higher proportions of learners compared to the proportion of the total population.

The following tables show the percentage of parishes in each local authority which fall into the ten per cent of parishes with the highest negative disparity between the proportion of the population and proportion of learners and the ten parishes with the highest negative percentage differences.

Percentage share of parishes classed as coldspots by local authority			
District	% of Parishes in Local Authority in 10% of parishes with highest negative disparity between population and learners		% of Total Parishes in 10% of parishes with highest negative disparity between population and learners in CPCA
South Cambridgeshire	11%		41%
Huntingdonshire	14%		41%
East Cambridgeshire	8%		11%
Fenland	13%		7%
Peterborough	0%		0%
Cambridge	0%		0%

Top 10 parishes with the greatest negative disparity between proportion of total CPCA population and total number of learners			
Parish	Local Authority		% Difference
St Neots	Huntingdonshire		-1.26
St Ives	Huntingdonshire		-0.67
Whittlesey	Fenland		-0.54
Girton	South Cambridgeshire		-0.46
Soham	East Cambridgeshire		-0.45
Burwell	East Cambridgeshire		-0.40
Melbourn	South Cambridgeshire		-0.38
Longstanton	South Cambridgeshire		-0.37
Chatteris	Fenland		-0.36
Bourn	South Cambridgeshire		-0.35

When looking at cold spots by parish, St Neots stands out as the parish with the greatest negative percentage difference (-1.26) between the proportion of learners and the population.

7. Next steps

This analysis is the first step in identifying areas of low participation in AEB only, since the Combined Authority took control of the budget. It does not include participation of adults aged 19+ in other skills provision such as apprenticeships, Advanced Learner Loans, European Social Fund or any other funding.

Further research and investigation is required to:

- look at the demographic profiles of these areas, particularly with reference to labour-market, prior-attainment, travel-to-learn, skills levels, age and deprivation to help prioritise the Combined Authority's investment
- refresh the analysis with the 2020/21 data-set to see if there have been any changes
- build-in other funding streams to look at participation across all skills programmes and the impact of an expanded online learning offer in 2020/21
- triangulate with Cambridgeshire County Council for 16-18 sufficiency requirements, gaps in the provision of technical education, and places for 16-25 year-olds with SEND
- frame in the context of wider infrastructure changes such as travel, major housing schemes, sustainability, net-zero carbon and demographic factors
- disseminate the refreshed analysis to districts to gather local intelligence and views from citizens and local business

There will be a further paper to Skills Committee, to look at the specific need in **St Neots** and potential options.

Source: Data analysis undertaken by Cambridgeshire Insights



**CAMBRIDGESHIRE
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COMBINED AUTHORITY

Agenda Item No: 3.2

Local Skills Report Refresh

To:	Skills Committee
Meeting Date:	17 January 2022
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:	<p>The Skills Committee is recommended to:</p> <p>a) Note the paper that provides an update on the Local Skills Report</p>

1. Purpose

The purpose of this paper is to inform the Skills Committee of the refreshed Local Skills Report which is due to be published by 28th January 2022.

The publication of the Local Skills Report is a requirement of the Skills Advisory Panel (SAP), funded by the Department for Education (DfE). The first 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 first 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 by 28th January 2022. The updated Local Skills Report is included as an appendix.

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.
- 3.2 The Local Skills Report is widely used by Central Government colleagues to inform them of skills performance and activity in the regions.
- 3.3 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.

3.4 The updated version includes the new Employment and Skills Strategy and associated action plan, subject to the Strategy being approved at the Combined Authority Board on 26th January 2022. All of the core indicators have also been updated with the latest available data.

Significant Implications

4. Financial Implications

4.1 There are no direct financial implications.

5. Legal Implications

5.1 There are no legal implications.

6. Appendices

6.1 The Local Skills Report

7. Background Papers

7.1 [Local Skills Report \(March 2021\) \(Item 3.1 refers\)](#)

Cambridgeshire and Peterborough Local Skills Report. January 2022

Cambridgeshire and Peterborough Skills Advisory Panel



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR



Contents

<i>Chapter 1: Foreword</i>	3
<i>Chapter 2: Introduction</i>	4
<i>Chapter 3: Skills strengths and needs</i>	6
Local landscape and context	6
Local policy context	9
Summary of skills strengths across the area and our sub-economies	9
Local Population	9
Growth Sectors	9
Provision	9
Delivery	10
Understanding the variation in skills needs across the area and our sub-economies	10
Impact of COVID-19 and factors influencing future skills demand	11
Concluding statement	12
<i>Chapter 4: Cambridgeshire and Peterborough Skills Strategy</i>	13
An updated vision	13
Moving forward	15
<i>Chapter 5: Skills Action Plan</i>	17
<i>Chapter 6: Assessment of Progress</i>	24
<i>Chapter 7: Case Studies and Positive Impact Stories</i>	29
<i>Chapter 8: Looking forward</i>	47

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 eighteen 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'.

We have recently published our new Employment and Skills Strategy, which has been developed in partnership with many of our key stakeholders. We are committed to make a difference for the lives of our residents and believe the successful implementation of our new strategy will provide opportunities for all.

Chapter 2: Introduction

Skills Advisory Panels (SAPs): the national context

Since 2018, Skills Advisory Panels (SAPs) have been bringing together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. SAPs are part of Mayoral Combined Authorities and Local Enterprise Partnerships and there are 36 in total across England. The Department for Education (DfE) has supported SAPs with grant funding primarily to produce high-quality analysis of local labour markets and publish **Local Skills Reports which set out the local skills strengths and needs and how the SAP proposes its area addresses its key priorities.**

This second iteration of SAPs' Local Skills Reports comes at a time when DfE is Trailblazing new Local Skills Improvement Plans (LSIPs), in eight areas of the country. Developed by Employer Representative Bodies, LSIPs are part of a suite of reforms launched in DfE's "**Skills for Jobs**" White Paper that aim to put employers more firmly at the heart of the skills system. An evaluation of the eight Trailblazers will inform the national roll out of the programme. In the meantime, and before LSIPs are rolled out across the country, it is DfE's intention that Skills Advisory Panels and this Local Skills Report should continue to influence the behaviour of local partners and feed intelligence to central government, including to sectoral focussed skills teams and the national-level Skills and Productivity Board (SPB).

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.

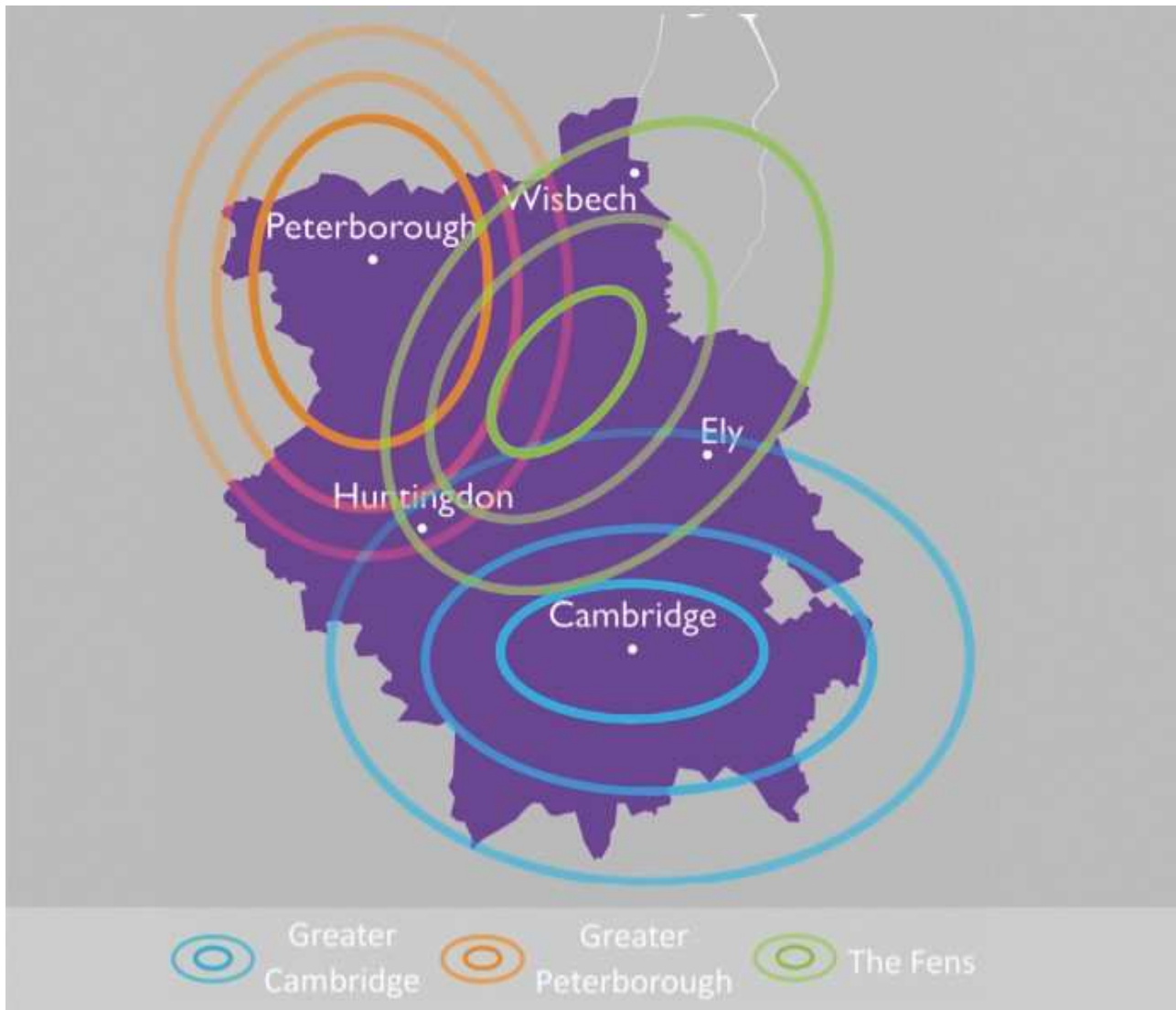
The ESB helps to steer the skills agenda in Cambridgeshire and Peterborough plus build on the good work being undertaken by all partners. It aims to support the implementation of the Local Industrial Strategy and support the recommendations of the Skills Strategy and its supporting evidence base.

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

- A cross-cutting strength for the Combined Authority area comes through the devolved budget responsibilities attached to Mayoral Combined Authority (MCA) areas. 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.
- Within the Indices of Multiple Deprivation, 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.
- 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.
- While Peterborough has lower educational attainment, the demand for work remains high. 79% of the working age population in Peterborough are economically active, the same as the England average.
- 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.
- The employment sectors which have seen the most growth between 2019 and 2021 are Green Jobs, Agri-Tech and Construction, all of which have seen over a 50% increase in vacancies in this time, this is against a 5% increase across all vacancies.

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 were 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

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

² Cambridgeshire and Peterborough Independent Economic Review (CPIER).

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:**

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

Engagement with local councillors and business leads also identified **Health and Social Care** and **Construction** as growth sectors.

In addition to the above growth sectors, the following sectors are among those considered a priority across government, most of which overlap with those identified locally:

³ Cambridgeshire and Peterborough Independent Economic Review (CPIER)

- Adult Social Care
- Construction (including buildings/retrofit)
- Digital and Technology
- Haulage and Logistics
- Manufacturing.
- Green Jobs⁴

The below table highlights demand in the sectors discussed above through local vacancy data, looking at change in demand in these sectors from 2019 to 2021 demonstrates which sectors have seen the most growth. **The sectors which have seen the most growth in this time are Green Jobs, Agri-Tech and Construction, all of which have seen over a 50% increase in vacancies from 2019 to 2021, this is against a 5% increase across all vacancies.** Demand in Education has decreased in this time, with less vacancies, on average, in 2021 than in 2019. In 2020/21 the Health, Public Services and Care subject sector saw the second highest proportion of adult education and training achievements across Cambridgeshire and Peterborough. This sector along with Engineering and Manufacturing Technologies also saw high proportions of apprenticeship achievements, suggesting a strong supply of employees for these relevant growth sectors.

Sector	Average monthly vacancies in 2019	Average monthly vacancies in 2021	% Growth
Agriculture & Food (Agri-Tech)	463	746	61%
Adult Social Care	3,339	3,809	14%
Construction	2,427	3,684	52%
Digital and Technology*	5,112	6,839	+34%
Education	2,543	2,269	-11%
Green Jobs	131	219	67%
Haulage and Logistics	1,478	1,951	32%
Life Sciences	323	373	16%
Manufacturing	4,734	6,114	29%
All sectors	47,976	50,508	5%

* digital sector definition calculated using DCMS Digital Sector SOC code definition.

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

⁴ Green jobs are calculated by EMSI, who use over 350 job titles to identify green vacancies. The top 5 titles over the last three years are:

1. Environmental Consultants
2. Environmental Health and Safety Specialists
3. Environmental Health and Safety Managers
4. Wind Turbine Technicians
5. Environmental Advisors

underpinned by a high-quality environment, which will create jobs and boost local and regional economies.⁵

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. 78% of the working age population in Peterborough are economically active, only slightly below the England average of 79%⁶.** As highlighted in the **Cambridgeshire and Peterborough Skills Strategy⁷** the working age population is projected to grow more slowly than the national average.

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.**

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**

⁵ Cambridgeshire and Peterborough Local Industrial Strategy: A Partner in the Oxford-Cambridge Arc.

⁶ Annual Population Survey: July 2020-June 2021.

⁷ Cambridgeshire and Peterborough Combined Authority Employment and Skills Strategy; October 2021.

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. **The Combined Authority is also a net importer of learners.** 1,365 Cambridgeshire and Peterborough residents learn outside of the area, while 1,500 learners live outside Cambridgeshire and Peterborough and study within the geography, resulting in a net inflow of 135 learners⁸.

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**⁹. 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 Deprivation¹⁰, 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

8

⁹ 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.

¹⁰ 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

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.**

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.**

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.**

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 developing the previous Skills Strategy. It provided **a framework within which expenditure against strategic priorities to inform** the best use of the devolved Adult Education Budget. It also guided expenditure to ensure that businesses have the skills they need to improve productivity and drive economic growth.

Given the fast-moving pace of the skills requirement in a post COVID era, along with the impact of Brexit, requirements of NetZero and the evolution of the LERS, the **Skills Strategy has been refreshed to reflect the changing skills needs and challenges in the current and predicted future economic context.**

An updated vision

Building on the ambition for Cambridgeshire and Peterborough set out in the 2019 skills strategy, the updated vision is for:

A successful, globally competitive economy offering high-skilled, well-paid, good quality jobs, delivering increased productivity and prosperity to support strong, sustainable and healthy communities and enabled by an inclusive, world-class local skills system that matches the needs of our employers, learners and communities.

Going further than the 2019 strategy, this update also sets out what this vision means for each of the groups interacting with the skills system: people, employers, providers and place leaders:



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



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



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



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

These vision statements may read as common sense, but the system across the area still has work to do to deliver these experiences. There is more that can be done so that people are universally drivers of their own personal development, learning and careers journeys and can access the support they need. Employers can access the skills they need for their staff, providers work collaboratively across our area, and the Combined Authority and place leaders empower, enable and convene.

The updated vision also defines new themes on which to focus our strategy. These reflect the four areas where residents and employers can benefit most from an ambitious skills system that supports the development of life and work skills, and through which the area grows a strong and inclusive labour market.

Core themes for employment and skills



Pre-work learning and formal education

People can access learning and experiences during formal education that provide a strong foundation for labour market entry and future working lives.



Employer access to talent

Employers both drive and consume a dynamic market of skills provision, which shapes the current and future workforce.



Life-wide learning and training

People are aware of their learning needs and opportunities and able to access provision that enables their development.



Support into and between work

Coordinated support is available for those who need additional assistance to transition into or between work.

Whilst the detail of the action required to ensure these elements are in place will evolve as time passes and the context changes, these themes should remain stable, setting the direction *and* providing a reference point to maintain course.





To guide action under each of these themes the strategy document sets out a series of long-term outcomes and progress measures, to steer the work of partners across the area in achieving the vision and enabling people, employers, providers and place leaders to experience the skills system in this way.

Moving forward

This vision for the skills system is a long-term project. The starting point is ensuring that short-term strategic priorities are approached as a step in the right direction towards longer-term change. Focus now and in the first five years will be on the following short-term priorities:

Short-term priorities

Pre-work learning and	<ul style="list-style-type: none"> Improving careers education, specifically around STEM and green skills, as well as information, advice and guidance
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<p>formal education</p> 	<ul style="list-style-type: none"> • Widening education access and participation to make education more inclusive and the student body (and future workforce) more diverse • Enhancing exposure to role models, work experience, and understanding of various training routes into sectors and occupations • Capital investment to improve teaching facilities and kit, particularly for providers of FE, alongside support for staff capacity building
<p>Employer access to talent</p> 	<ul style="list-style-type: none"> • Supporting covid recovery, growth and net-zero transition by developing priority skills and responding to acute issues • Driving up and sustaining employers' engagement with and influence on education and training • Embedding modern work practices and conditions and improving job quality
<p>Life-wide learning and training</p> 	<ul style="list-style-type: none"> • Improving access to careers information, advice and guidance at any age • Providing support to upskill and reskill in response to economic restructuring (e.g. following covid-19, Brexit, further digitisation, as net-zero transition intensifies) • Increasing work-based learning, particularly apprenticeships, and introducing more accessible formats (e.g. short courses/online/blended learning).
<p>Support into and between work</p> 	<ul style="list-style-type: none"> • Supporting unemployed and NEETs into training and employment • Providing support for disadvantaged groups to access the labour market • Targeting support for Covid-19 recovery and transitions for displaced workers

To deliver on short-term priorities, CPCA will set strategic delivery plans with five-year terms that will form part of the wider Business and Skills Strategy. Detailed action plans will be developed and agreed for each Local Authority, addressing short-term priorities in such a way that action will move forward the process of delivering the long-term vision.

These action plans take into account:

Things already in motion - activities/interventions which are funded, approved and are either already being delivered or which will be delivered over the next five years.

Things needed in the future - activities/interventions which are needed to underpin longer term and future development/growth, for which additional exploration, investment and potentially system change will be required.

Together partners across the area will start preparing the ground now for some bigger change projects that the vision calls for. Some of these can be contributed to by shorter-term projects, but they will need further scoping and iterative development to ensure all partners and stakeholders are brought along the change journey.

Three change projects have been identified to ensure **effective** provision is delivered using an **agile** approach, in a way suited to the nuances of **our places**:

1. A regional curriculum enabling strategic collaboration across providers, with learning and training aligned to local job opportunities and careers.
2. A dual-track system, anticipating long-term needs and responding with agility in the short-term.
3. A coordinated place-based action framework, to engage all stakeholders in addressing multiple/complex issues.

Cutting across all of these will be ongoing the action of CPCA, Local Authorities and Cambridge and Peterborough Integrated Care System to work together, and with wider partners, to place health and wellbeing at the centre of system development and delivery.

A visual of the Employment and Skills strategy is detailed below:



Chapter 5: Skills Action Plan

As discussed in the previous Chapter the new Employment and Skills Strategy has informed a comprehensive action plan that will be reviewed twice a year by both the Employment and Skills Board (SAP) and the Skills Committee. The action plan has been created by place, recognising the differing needs across the Combined Authority. The action plan will be reviewed on a six monthly basis.

Strategic action: Fenland

	Pre-work and formal education	Employer access to talent	Life-wide learning and training	Support into and between work
Strategic priorities				
First priorities for Fenland:	Widening education access and participation and increasing school achievement at level 3	Supporting businesses to start up, grow and create good jobs – upskilling people in leadership and management	Providing support to upskill and reskill in response to economic restructuring (e.g. following Covid-19, Brexit, further digitisation, as net-zero transition intensifies)	Supporting unemployed, NEETs and young people into training and employment
	<p>Connecting people to education and training through transport and digital inclusion</p> <p>Enhancing exposure to role models, work experience, and understanding of various routes into sectors and occupations</p> <p>Capital investment to improve teaching facilities and kit, particularly at FE</p> <p>Focus of increasing level 4+ qualifications on in-work training and progression</p> <p>Improving careers education, information, advice and guidance</p>	<p>Supporting Covid recovery, growth and net-zero transition by developing priority skills and responding to acute issues</p> <p>Embedding modern work practices and conditions and improving job quality</p> <p>Increasing employers' engagement and influence on education and training and connecting residents in Fenland to opportunities across the area</p>	<p>Increasing work-based learning, particularly apprenticeships, and introducing more accessible formats (e.g. short courses/ online/blended learning)</p> <p>Improving access to careers information, advice and guidance at any age</p>	<p>Targeting support for Covid-19 recovery and transitions for displaced workers</p> <p>Providing support for disadvantaged groups to access the labour market</p> <p>Connecting people to work through transport and digital inclusion</p>
Actions				
	<p>College of West Anglia Wisbech campus development</p> <p>Expand employers engaging with schools and colleges in T Level placements</p> <p>Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice</p> <p>Social value contracts - require businesses receiving local funding to do outreach in schools</p>	<p>CRF – Start and Grow pre-start up and micro business enterprise skills support for individuals</p> <p>Expand Growth Works in business management and leadership emphasising job design and creation, and skills training for small business leaders</p> <p>Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform and engagement model</p> <p>Rapid response skill gap mapping for Recover/Brexit</p>	<p>Improving access to careers information, advice and guidance at any age</p> <p>Direct AEB funding to priority skills needs, use AEB Innovation Fund to pilot new forms of training provision</p> <p>Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future</p>	<p>CRF – Turning Point funded internships and short courses for work re-entry and digital/management</p> <p>Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and furthest from labour market, and national DWP support</p> <p>Add Work and Health Programme to Growth Works</p> <p>Expand short courses through innovative course design, such as skills bootcamps</p>
Progress measures				
	<p>Increasing proportion of vocational courses age 16-18 studied at Level 3</p> <p>Increasing progression rates post-18 into HE and FE towards national levels</p>	<p>Increasing number of professional & technical jobs, at least at level 3</p>	<p>Reducing numbers of workers at level 1 and increasing at level 3</p> <p>Increasing rates of in-work training (provided flexibility at various levels)</p>	<p>Falling levels of economic inactivity and UC claimants</p> <p>Increasing investment in connectivity</p> <p>Reducing unsustained destinations after school</p>

Strategic action: Peterborough

	Pre-work and formal education	Employer access to talent	Life-wide learning and training	Support into and between work
Strategic priorities				
First priorities for Peterborough:	Widening education access and participation, increasing school achievement, and progression into technical education	Supporting Covid recovery, growth and net-zero transition by developing priority skills and responding to acute issues in priority sectors such as manufacturing and digital	Providing support to upskill and reskill in response to economic restructuring (e.g. following Covid-19, Brexit, further digitisation, as net-zero transition intensifies)	Supporting unemployed, NEETs and young people from deprived communities into training and employment
	<p>Increasing level 4+ qualifications through progression and access into HE locally</p> <p>Enhancing exposure to role models, work experience, and understanding of various routes into sectors and occupations</p> <p>Capital investment to improve teaching facilities and kit, particularly at FE</p> <p>Improving careers education, information, advice and guidance</p>	<p>Higher skilled jobs creation through innovation</p> <p>Embedding modern work practices and conditions and improving job quality</p> <p>Increasing employers' engagement and influence on education and training and connecting residents in Fenland to opportunities across the area</p>	<p>Creating and growing more level 3 and 4 jobs across sectors</p> <p>Increasing work-based learning, particularly apprenticeships, and introducing more accessible formats (e.g. short courses/online/blended learning)</p> <p>Improving access to careers information, advice and guidance at any age</p>	<p>Targeting support for Covid-19 recovery and transitions for displaced workers</p> <p>Providing support for disadvantaged groups to access the labour market</p>
Actions				
	<p>Continue establishment and development of ARU Peterborough</p> <p>Green skills centre and net zero ARU programme</p> <p>Expand employers engaging with schools and colleges in T Level placements</p> <p>Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice</p> <p>Social value contracts - require businesses receiving local funding to do outreach in schools</p>	<p>Net-zero Green Skills Centre</p> <p>CRF – Start and Grow pre-start up and micro business enterprise skills support for individuals</p> <p>Energy Hub supply chain development</p> <p>Rapid response skill gap mapping for Recovery/Brexit</p> <p>Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform, using Growth Works as a local engagement model</p>	<p>Improving access to careers information, advice and guidance at any age</p> <p>AEB Innovation Fund - pilot new provision</p> <p>Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future</p>	<p>CRF – Turning Point funded internships and short courses for work re-entry and digital/management</p> <p>Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and furthest from labour market, and deliver DWP support</p> <p>Add Work and Health Programme to Growth Works model</p> <p>Expand short courses through innovative course design, such as skills bootcamps</p>
Progress measures				
	Increasing progression rates post-18 into HE, FE, and apprenticeships towards national levels	Increasing number of professional & technical jobs, at least at level 3	Reducing numbers of workers at level 1 and 2 and increasing at level 3 and 4	<p>Falling levels of economic inactivity and UC claimants</p> <p>Reducing NEETs and unsustained destinations after school</p>

Strategic action: Huntingdonshire

	Pre-work and formal education	Employer access to talent	Life-wide learning and training	Support into and between work
	Strategic priorities			
First priorities for Huntingdonshire:	Widening education access and participation and increasing progression and achievement at level 4+	Supporting Covid recovery, growth and net-zero transition by developing priority skills and responding to acute issues	Providing support to upskill and reskill in response to economic restructuring (e.g. following Covid-19, Brexit, further digitisation, as net-zero transition intensifies)	Targeting support for Covid-19 recovery and transitions for displaced workers
	<p>Growing numbers of apprentices delivered with local employers</p> <p>Enhancing exposure to role models, work experience, and understanding of various routes into sectors and occupations</p> <p>Capital investment to improve teaching facilities and kit</p> <p>Improving careers education, information, advice and guidance</p>	<p>Embedding modern work practices and conditions and improving job quality</p> <p>Increasing employers' engagement and influence on education and training and connecting residents in Fenland to opportunities across the area</p>	<p>Increasing work-based learning, particularly apprenticeships, and introducing more accessible formats (e.g. short courses/online/blended learning)</p> <p>Improving access to careers information, advice and guidance at any age</p>	<p>Supporting unemployed into training and employment</p>
	Actions			
	<p>St Neots FE provision improvements</p> <p>Continue delivery of Apprenticeship Levy Pooling, apprenticeship delivery through local development projects at level 3 upwards for young people</p> <p>Expand employers engaging with schools and colleges in T Level placements</p> <p>Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice</p>	<p>CRF – Start and Grow pre-start up and micro business enterprise skills support for individuals</p> <p>Rapid response skill gap mapping for Recovery/Brexit</p> <p>Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform, using Growth Works as a local engagement model</p>	<p>Improving access to careers information, advice and guidance at any age</p> <p>Direct AEB funding to priority skills needs, use AEB Innovation Fund to pilot new forms of training provision</p> <p>Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future</p>	<p>Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and those furthest from the labour market, and deliver national Covid support programmes with DWP</p> <p>Add Work and Health Programme to Growth Works model</p> <p>Expand short courses through innovative course design, such as skills bootcamps</p>
	Progress measures			
	Increasing progression rates post-18 into FE and apprenticeships towards national levels	Increasing number of professional & technical jobs, particularly in priority sectors	Increasing receipts of/participation in careers IAG for adults	Reducing unsustained destinations after school

Strategic action: East Cambridgeshire

	Pre-work and formal education	Employer access to talent	Life-wide learning and training	Support into and between work
	Strategic priorities			
First priorities for East Cambs:	Widening education access and progression into HE, increasing achievement at level 4+	Supporting Covid recovery, growth and net-zero transition by developing priority skills, and growing jobs at level 4	Increasing work-based learning, particularly progression into level 4 skills, and introducing more accessible formats (e.g. short courses/online/blended learning)	Targeting support for Covid-19 recovery and transitions for displaced workers
	<p>Capital investment to improve teaching facilities and kit, particularly at FE</p> <p>Connecting people to education and training through transport and digital inclusion</p> <p>Enhancing exposure to role models, work experience, and understanding of various routes into sectors and occupations</p> <p>Improving careers education, information, advice and guidance</p>	<p>Increasing employers' engagement and influence on education and training and connecting residents in Fenland to opportunities across the area</p> <p>Embedding modern work practices and conditions and improving job quality</p>	<p>Providing support to upskill and reskill in response to economic restructuring (e.g. following Covid-19, Brexit, further digitisation, as net-zero transition intensifies)</p> <p>Improving access to careers information, advice and guidance at any age</p>	<p>Connecting people to work through transport and digital inclusion</p> <p>Supporting unemployed into training and employment</p>
	Actions			
	<p>Development of FE provision</p> <p>Expand employers engaging with schools and colleges in T Level placements</p> <p>Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice</p>	<p>Rapid response skill gap mapping for Recovery/Brexit</p> <p>Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform, using Growth Works as a local engagement model</p>	<p>Improving access to careers information, advice and guidance at any age</p> <p>Direct AEB funding to priority skills needs, use AEB Innovation Fund to pilot new forms of training provision</p> <p>Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future</p>	<p>Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and those furthest from the labour market, and deliver national Covid support programmes with DWP</p> <p>Add Work and Health Programme to Growth Works model</p> <p>Expand short courses through innovative course design, such as skills bootcamps</p>
	Progress measures			
	Increasing progression rates post-18 into HE and FE towards national levels	Increasing number of professional & technical jobs, at least at level 3	Reducing numbers of workers at level 2 and increasing at level 3	<p>Increasing investment in connectivity</p> <p>Reducing unsustained destinations after school</p>

Strategic action: Cambridge City

	Pre-work and formal education	Employer access to talent	Life-wide learning and training	Support into and between work
	Strategic priorities			
First priorities for Cambridge:	Ensuring access to technical education, apprenticeship and training choices are available to students not following A Level and university routes	Supporting Covid recovery, growth and net-zero transition by developing priority skills and responding to acute issues	Increasing work-based learning, particularly apprenticeships and for those with lower level skills, and introducing more accessible formats (e.g. short courses/ online/blended learning)	Targeting support for Covid-19 recovery and transitions for displaced workers
	Capital investment to improve teaching facilities and kit, and expanding access Improving careers education, information, advice and guidance, particularly for students not following A Level and university routes	Increasing employers' engagement and influence on education and training and connecting residents in Fenland to opportunities across the area Opening up access in priority sectors to students following vocational and technical routes	Improving access to careers information, advice and guidance at any age	Providing support for disadvantaged people to access the labour market Supporting unemployed into training and employment
	Actions			
	Continue delivery of Apprenticeship Levy Pooling, apprenticeship delivery through local development projects at level 3 upwards for young people All Age Careers Advice throughout school years Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice	Rapid response skill gap mapping for Recovery/Brexit Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform, using Growth Works as a local engagement model	Improving access to careers information, advice and guidance at any age Direct AEB funding to priority skills needs, use AEB Innovation Fund to pilot new forms of training provision Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future	Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and those furthest from the labour market, and deliver national Covid support programmes with DWP Add Work and Health Programme to Growth Works model Expand short courses through innovative course design, such as skills bootcamps
	Progress measures			
	Increasing progression rates post-18 into FE and apprenticeships towards national levels for young people following vocational routes	Reversing employment level decline	Increasing rates of in-work training (provided flexibility at various levels)	Reducing localised inequalities

Strategic action: South Cambridgeshire

	Pre-work and formal education	Employer access to talent	Life-wide learning and training	Support into and between work
	Strategic priorities			
First priorities for South Cambs:	Widening progression into HE from local schools and into FE and technical education	Supporting Covid recovery, growth and net-zero transition by developing priority skills and responding to acute issues	Increasing work-based learning to support growing productivity, and introducing more accessible formats (e.g. short courses/online/blended learning)	Targeting support for Covid-19 recovery and transitions for displaced workers
	Capital investment to improve teaching facilities and kit, particularly at FE Improving careers education, information, advice and guidance	Increasing employers' engagement and influence on education and training and connecting residents in Fenland to opportunities across the area	Improving access to careers information, advice and guidance at any age	Supporting unemployed into training and employment
	Actions			
	Continue delivery of Apprenticeship Levy Pooling, apprenticeship delivery through local development projects at level 3 upwards for young people All Age Careers Advice throughout school years Continue to deliver Growth Works Talent Pledge – linking employers to schools and colleges and enterprise advisers, and providing careers advice	Rapid response skill gap mapping for Recovery/Brexit Continue delivery of Growth Works Skills Brokerage and Digital Talent Platform, using Growth Works as a local engagement model	Improving access to careers information, advice and guidance at any age Direct AEB funding to priority skills needs, use AEB Innovation Fund to pilot new forms of training provision Green Jobs Action Plan and build on success of Form the Future model, supporting skills for the future	Deliver local ESF projects up to 2023 focused on young people, NEETs, ex-offenders, and those furthest from the labour market, and deliver national Covid support programmes with DWP Add Work and Health Programme to Growth Works model Expand short courses through innovative course design, such as skills bootcamps
	Progress measures			
	Increasing progression rates post-18 into HE and FE towards national levels	Increasing number of professional & technical jobs, at least at level 3	Increasing receipts of/participation in careers IAG for adults	Reducing unsustained destinations after school

Chapter 6: Assessment of Progress

As the new Employment and Skills Strategy and action plan commences in January 2022 these actions are too new to assess. Therefore, this chapter focuses on the actions of the 2019 Skills Strategy and assesses progress made and those actions which are being carried forward into the new action plan.

2019 Strategy action	Progress
Opportunity Area to improve education in Fenland and East Cambridgeshire	Achieving – received additional year of funding from DfE – we want to make more progress on skills and market towns
Skills brokerage service and strong early engagement between businesses and providers including in careers advice with targeted support on STEM, T Levels, employer outreach, work readiness and careers pilots	Achieving – skills brokerage service launched in February 2021 as part of Growth Works
Apprenticeship levy pooling to improve access for SMEs, and provide placements through sector academy apprenticeship hubs across the area	Achieving – apprenticeship levy pooling mechanism in place, CPCA Skills, Training, Apprenticeship and Recruitment Hub in place
Connect local businesses in key sectors to the Digital Talent Portal for greater visibility of talent for employers and attracting young people to jobs through social media	Achieving – digital talent portal launched as part of Growth Works
Health and care sector work academy – 2,100 new learners	In progress – lower levels of uptake so far than expected – the project has been reprofiled with DWP to run to 2023
University for Peterborough that raises HE participation and aspiration, and delivers technical courses aligned to local employers' needs and jobs of the future	In progress – ARU Peterborough in development and on track to open in 2022. Three phases of funding secured.
Work and Health Programme to support progression of adults into work who have become disconnected from the labour market	Achieving – DWP Restart contract with Reed replaced Work and Health Programme to operate over next 3 years
Achieve a skills base that matches business needs through funding and programmes that CPCA has responsibility for – map AEB provision and improve provision through transition pilots and sector focused retraining schemes	In progress – sector retraining schemes launched in 2020, AEB progressing – fewer learners in 2020 than 2019 due to Covid

2019 Strategy action	Progress
Lobby government for further devolution opportunities and to shape skills reforms to make an outcomes based and business led skills system	In progress – further lobbying on further devolution and local control of funding for skills, including National Careers Service and Careers and Enterprise Company activity
Sector pilots and skills hubs to overcome rurality with transport links	In progress – Chatteris hub in development

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.

In February 2021, we launched a new Labour Market Information (LMI) Portal, providing high quality, reliable labour market information to two main audiences – learners making decisions about their future careers, and leaders looking for a better understanding of our region's labour market.

Bringing together a series of interactive tools, the portal helps young people and careers advisors to understand the types of roles currently in demand, and the sectors that are growing, or likely to grow, in the near future.

This advice will help our learners get the information they need, empowering them to make informed decisions and build a rewarding career. For leaders, the LMI provides a strategic overview of the regional labour market, including current skills shortages, opportunities, and how the local labour market affects our region's economy.

A further dashboard has been developed providing data on the skills supply and qualifications achieved within the Combined Authority. This is used to help understand the gaps in provision.

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 ARU Peterborough University campus will open in September 2022 with an initial intake of 2,000 students, with future phases of development allowing for up to 7,000 students by the 2030/31 academic year. The campus will be developed via a phased approach, with each phase introducing a new teaching or research building as viability is established. Success of the early phases of the project becomes the foundation for reinvesting in later phases. Existing development plans for the phases are:

- **Phase 1: First Teaching Building** [under construction] - Establish the ARU Peterborough campus in the city via the first teaching building, providing space for 2,000 students from September 2022 and 3,000 in total, studying Health, Social Care, Education, Management, Finance and Law.
- **Phase 2: Net Zero Innovation Incubator** [under construction] - Build a base of innovative and collaborative start-ups to support bottom-up development of the innovation ecosystem: 20 hi-tech start-ups and scale-ups building an indigenous innovation ecosystem specialising in net zero technologies in an innovation incubator on the ARU Peterborough campus with Photocentric as anchor tenant, generating jobs for ARU graduates to enter in the local innovation ecosystem.
- **Phase 3: Second Teaching Building and Living Lab** [funding secured] - Grow the University via a second teaching building supporting 1,000 more students from 2024/25 and 1,750 more students in total, expanding its curriculum into STEM fields and embedding the University in Peterborough through the Living Lab and Cultural Quarter. The Living Lab will be a public-facing, high-quality interactive science centre for Peterborough with public space for exhibitions and events, designed to stimulate and inspire more young people into STEM sectors, particularly in net zero opportunities.
- **Phase 4: Peterborough Research Institute & R&D Programme** – Attract a major Research Institute onto the university campus in Peterborough to support bottom-up development of the innovation ecosystem focused on net zero technologies. The Research Institute will develop and lead an R&D Programme (the **Peterborough and Fenland Innovate to Grow Programme**) which will help to spread research from the Research Institute and its industrial members into local businesses, enabling collaboration in the ecosystem and creating opportunities for local businesses to link into the Research Institute's global network of major net zero-focused businesses. The ultimate effect of this 'top down' approach to establishing an innovation ecosystem is to stimulate individual and supply chain based local business growth and attract more larger, higher value and knowledge intensive businesses into the region, growing local demand for higher-level skills, aligned to ARU Peterborough's curriculum.
- **Phase 5: Third Teaching Building & Sports Science Facility** – Expand further the teaching capacity with space for an additional 2,250 students on the embankment campus for a total student headcount of 7,000 by 2030/31, allowing the university to reach a critical mass. This Phase will include the relocation of the current Embankment Athletics Track to produce a Sports Science Facility in Peterborough. Like the Living Lab within the Phase 3

building, these sports facilities will be open to the public and play an active role in increasing sports and fitness engagement across the city.

Adult Education Budget

Placeholder – waiting data from 20-21 academic year.

Levelling Up

Placeholder

Technical Education and Apprenticeships

To further stimulate the demand of technical education pathways- with a specific emphasis on 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 networksthat 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 peoplefor the world of work. We have 72 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 needsand is underpinned by the internationally recognised Gatsby Career Benchmarks.**

The Combined Authority was successful in their bid for a Careers Hub, which was

launched in September 2020. The Careers Hub supports 30 schools and colleges across all districts and it is the ambition of the Combined Authority to secure a second Careers Hub for the remaining 42 schools who are supported via the Enterprise Advisor Network.

The Careers Hub allows the region to offer and trial innovative ways of improving Careers Education locally that will improve outcomes for young people, education and employers. Through the CPCA Careers Hub, Communities of Practice are being established to improve CEIAG in SEND schools ensuring it is relevant and meaningful with employer support aligned to the needs of the school and their pupils.

As part of the Opportunity Area, there is an established Cornerstone Group who are link directly with Schools. The Careers Hub is in the process of expanding this group to be more representative of businesses in the area to improve careers education, ensuring key skills for their sector are understood by teachers and education leaders, and by championing jobs in their local area.

In anticipation of the launch of the Shared Prosperity Fund (SPF), the Combined Authority has engaged with a range of stakeholders in the region to undertake a gap analysis on the current provision and to determine the need for future support within careers education. This activity will support the development of a bid that will support the development and delivery of careers provision in the area.

In January 2021 the Combined Authority will be launching their Experiences of Work Charter. This Charter is endorsed by the Mayor and is designed to offer young people wider opportunities of experiencing the workplace. We will be appealing to employers in the area to offer their support by pledging time, resource or experience to support our young people in understanding more about careers, skills and the opportunities available to them.

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, 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. Evidence of impact is provided through a series of case studies.

Committed to community: Anglian Water upskilling workers and learners since 2013

Anglian Water, one of our Cornerstone employers for the Fens and East Cambridgeshire, believes businesses can and should make a positive difference to the communities they work within. They've committed to focus on a small number of locations in our region and give them the time and dedication needed to deliver valuable change.

Starting in Wisbech, alongside their Alliance partners, and with the help of Business in the Community, Anglian Water seconded a project manager into the town in 2013. Eight years on, that project manager is still there, embedded in the community, understanding its challenges and the actions required to make meaningful, long-term change. Over those eight years Anglian Water has developed a remarkable partnership with Fenland District Council, the Business Board and Combined Authority, Cambridgeshire County Council, the town's schools and colleges, and the local community.

Nurturing young minds

Anglian Water began working with Thomas Clarkson Academy in 2013, supporting assemblies and careers talks. It's since developed a varied programme, ranging from providing whole year group STEM-focused days for year 7, 8, 9, and 10 students, to holding mock interviews and digital solutions Insight Work Experience days for year 12 students. It's developed a close working relationship with the career lead at the academy, and held an insight afternoon for all the school's staff to explore curriculum links. It's hosted an annual STEM-focused event to celebrate Women in Engineering Day, with separate days focusing on primary and secondary schools. All primary and secondary schools in Wisbech and the surrounding Fens have been invited to attend.

Ellie Shepherd, Cromwell Community College Student, said: 'I came here and I didn't realise how many engineering jobs there were. I never really thought about it before and now I see how many opportunities there are.'

Leanne Searle, Assistant Head of Tech, said: 'It's been brilliant to see them engaged, working collaboratively and doing lots of things they wouldn't have the opportunity to do at school. We've really valued the day and had a brilliant time and met some interesting people too.'

Working closely with Thomas Clarkson Academy, Anglian Water has supported over 1,600 students, and in total has helped more than 5,000 young people across the town. With its Alliance partners, it's also developed new courses at the College of West Anglia which feed directly into its apprenticeship programmes, to broaden students' understanding of career opportunities and improve transferable skills. This has been so successful that it's now developed similar partnerships with West Suffolk College, Milton Keynes College and the Grimsby Institute. So far, 72 students have gained apprenticeships, and a further 48 are

currently on the programme.

As a Cornerstone employer, Anglian Water can offer face-to-face and virtual insight days, and focused lessons to primary, secondary and SEND schools. Becoming an Enterprise Advisor for Sir Harry Smith Community College has allowed it to understand the pressures on the secondary schools in the area.

Anglian Water has developed a programme that supports the development of employability skills plus an understanding of STEM careers and the curriculum, whilst encouraging social mobility, diversity and inclusion.

Transforming Wisbech Garden Town

Anglian Water's desire to deliver place-based regeneration goes beyond the education sector. Working with ourselves and Fenland District Council, it's helped build a transformational vision for the Wisbech Garden Town. This vision looks at the regeneration of Wisbech, improving transport links to the surrounding area, including Cambridge, by reconnecting the town to the rail network. Now, Anglian Water works with other stakeholders to unlock the potential of the surrounding area, by managing water in a more integrated way across the Fens – which is vital in our battle against climate change and to secure water supplies for the future. Called Future Fens: Integrated Adaptation, we hope the initiative will become an international exemplar of what can be achieved through holistic planning.

The success Anglian Water has seen in Wisbech is shared equally with those in the community who have worked alongside them. Transformation takes time, but it has shared learnings throughout, and promoted the approach to other areas in our region and beyond. There are now similar place-based pilots across the UK – in Blackpool, Rochdale, Bradford, Lowestoft, Norwich, Coventry and St Austell – with a target to see a total of 12 up and running by 2022. By working with Business in the Community and their members, Anglian Water can spread this model for businesses to deliver support in local communities and drive real improvements in social prosperity.

Jobsmart , Peterborough College

Keith's story: from low confidence to full employment with Jobsmart , Peterborough College
We championed a portfolio of projects that support residents furthest from the labour market to acquire skills and eventually become employed. Keith was one such resident.

Keith had been coming to the Jobsmart Centre since February 2019, attending their positive Mindset course. This is an encouraging course, where clients participate in creative and confidence-building activities to improve their wellbeing and happiness. There are no entry requirements, and local residents are referred or self-refer for many reasons – some are socially isolated, some bereaved, and some have mental health issues. In Keith's case, he was a man in his 50s who had cared for his parents for the last 30 years. When they died, Keith was faced with the prospect of finding work at a time when his confidence was low.

Keith began to blossom on Mindset. By September, the Jobsmart team felt he could go a step further and join the four-week Pathway into Security programme. This is designed so clients can attend with absolutely no knowledge of the security industry, but they leave inspired with the understanding and expertise to embrace a new career. Included in this programme are the Extended Certificate in Understanding Stewarding at Spectator Events, the Award in Working as a Door Supervisor, the Award in Working as a Security Officer and the Award in Working as a CCTV Operator, all at Level 2. Whilst on the course, Keith was given help to set up his Security Industry Authority account and start an application for his

Door Supervisor licence. The college funds the license, removing any barriers that could otherwise have prevented him going into work.

Keith's tutor writes: 'Keith was amazing! He really embraced the whole course and became the life and soul of the group. He was the joker, who made us all laugh with his antics when he was acting out being a troublemaker in the car park during the CCTV course – students get to role-play, pretending to be involved in criminal activities so the other students can film them and get used to operating the CCTV equipment. This was so very far removed from the withdrawn individual who had started with us.'

Keith secured employment with a local funeral director as a funeral assistant. The security qualifications on his CV had shown the employer he had the personal discipline and ability to operate at this level. His kindness and warm personality were able to shine out at the interview.

Keith is still working there now. He has also improved his health and wellbeing, having lost over two stone in weight, and is feeling good about himself.

Multi-million-pound Construction Hub nears completion at Cambridge Regional College, Huntingdon Campus

'A key enabler of further economic development': state-of-the-art Construction Hub at the Cambridge Regional College Huntingdon Campus.

The Hub is designed to support construction skills development in the region, and therefore the growing job market in the sector.

Addressing skills shortages

Cambridge Regional College is the largest provider of construction training in the area, and the new Huntingdon campus development will address high levels of skills shortages in occupational areas including construction, electrical, brickwork and carpentry – all of which will be catered for in the new facility.

The Hub will see a further 180 people trained each year, including school leavers, adults, and apprentices. This facility will also see the creation of nine direct employment opportunities at Cambridge Regional College.

The hub recruited its first students in September 2021.

Principal Mark Robertson said, 'We are delighted that the new training facilities at our Huntingdon campus will provide industry standard training for many more people to develop the skills they need for good jobs in the construction industry. With the construction sector booming in the region, this is the perfect time for students to gain the skills that will give them great employment opportunities.

This development has come at a time of high demand, with a 2018 Construction Industry Training Board study identifying Huntingdon as the location for the largest percentage of the Combined Authority's 9,000 construction employers, accounting for 12% of all firms, many of which are small to medium enterprises.

With further data suggesting a shortage of around 15,000 skilled people in the Eastern region, and 47% of all vacancies in the construction industry remaining unfilled due to skills shortages, the Construction Hub is identified as a key enabler of further economic

development in the Cambridgeshire and Peterborough Independent Economic Review (CPEIR) and Local Industrial Strategy (LIS).'

Health and Care Sector Work Academy: City College Peterborough

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.

The Academy will train 2100 learners throughout the lifetime of the project.

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."

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."

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.

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.

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, through working in partnership with key stakeholders a refresh of the LERS was undertaken in 2021 and the new Employment and Skills Strategy is to be published in 2022.

Areas for future development

The main focus of the SAP will be to implement the new Employment and Skills Strategy. This provides the blueprint for all the future development required in the region. Some areas of focus include:

- 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.
 - Net Zero – informing and equipping our residents to empower them to meet our targets
 - 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.
 - 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 Refresh.

December 2021: Annex A & B

Cambridgeshire and Peterborough Skills
Advisory Panel



Contents

Cambridgeshire and Peterborough Local Skills Report. December 2021: Annex A & B.....	1
Cambridgeshire and Peterborough Skills Advisory Panel	1
Annex A: Skills Advisory Panel Core Indicators	4
Local Landscape	5
Local Landscape - Summary of indicators	5
People	5
Places	5
Map 1: Indices of Multiple Deprivation 2019: National Decile for Overall Deprivation by Lower Super Output Area (LSOA).....	7
Local Landscape - Core Indicators.....	9
Core Indicator 1: Employment by sector	9
Core Indicator 2: Employment by occupation	11
Core Indicator 3: Enterprises by employment size band	13
Impact of COVID-19 on enterprises by size – national data	13
.....	Error! Bookmark not defined.
Core Indicator 4: Business birth and death rates	14
Core Indicator 5: Employment rate and level.....	15
Core Indicator 6: Gross Value Added (GVA)	16
Core Indicator 7: Wages	17
Core Indicator 8: Population by age group.....	18
Core Indicator 9: Claimant Counts and Alternative Claimant Counts	19
Core Indicator 10: Income, Employment and Education Deprivation	21
Skills Supply.....	22
Skills Supply- Summary	22
Skills Supply- Core Indicators	23
Core Indicator 11: Qualification levels:	23
Core Indicator 12: Further Education Achievements.....	24
Core Indicator 13: Apprenticeship Achievements	26
Core Indicator 14: Higher Education Qualifiers	27
Core Indicator 15: KS4 destinations:.....	28
Core Indicator 16: KS5 destinations:.....	29
Core Indicator 17: Further Education and Skills Destinations.....	30
Core Indicator 18: Apprenticeship destinations	32
Core Indicator 19: Higher Education Graduate destinations	33
Core Indicator 20: Graduate retention	34
Core Indicator 21: Employer provided training	35
Skills Demand	36

Skills Demand – Summary	36
Skills Demand - Core Indicators	37
Core Indicator 22: Online vacancies	37
Core Indicator 23: Growth Sectors and Occupations	39
Core Indicator 24: Skills that need developing:	41
Mapping Skills Supply and Demand.....	43
Summary	43
Core Indicator 25: Staff Proficiency.....	44
Core Indicator 26: Hard-to-fill and skills shortage vacancies:	45
Annex B: COVID-19 Impact monitoring summary	46
Summary	46
Government Support	46
Annex B: Maps referenced within the main Local Skills Report	47
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.....	48
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.....	49
Annex B: Map 3, Adult Education in Cambridgeshire and Peterborough. Delivery Location: number of enrolments by Ward in 2020/21 R14.....	50
Annex B: Map 4, Adult Education in Cambridgeshire and Peterborough. Learner Residence: number of learners by Ward in 2020/21	51
Annex B: Map 5, Adult Education Providers in Cambridgeshire and Peterborough.....	52
Annex B: Reference List	53

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 was commissioned and reported to the Combined Authority Employment and Skills board in 2021**. 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)

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-2020: June 2021.

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

- **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 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.

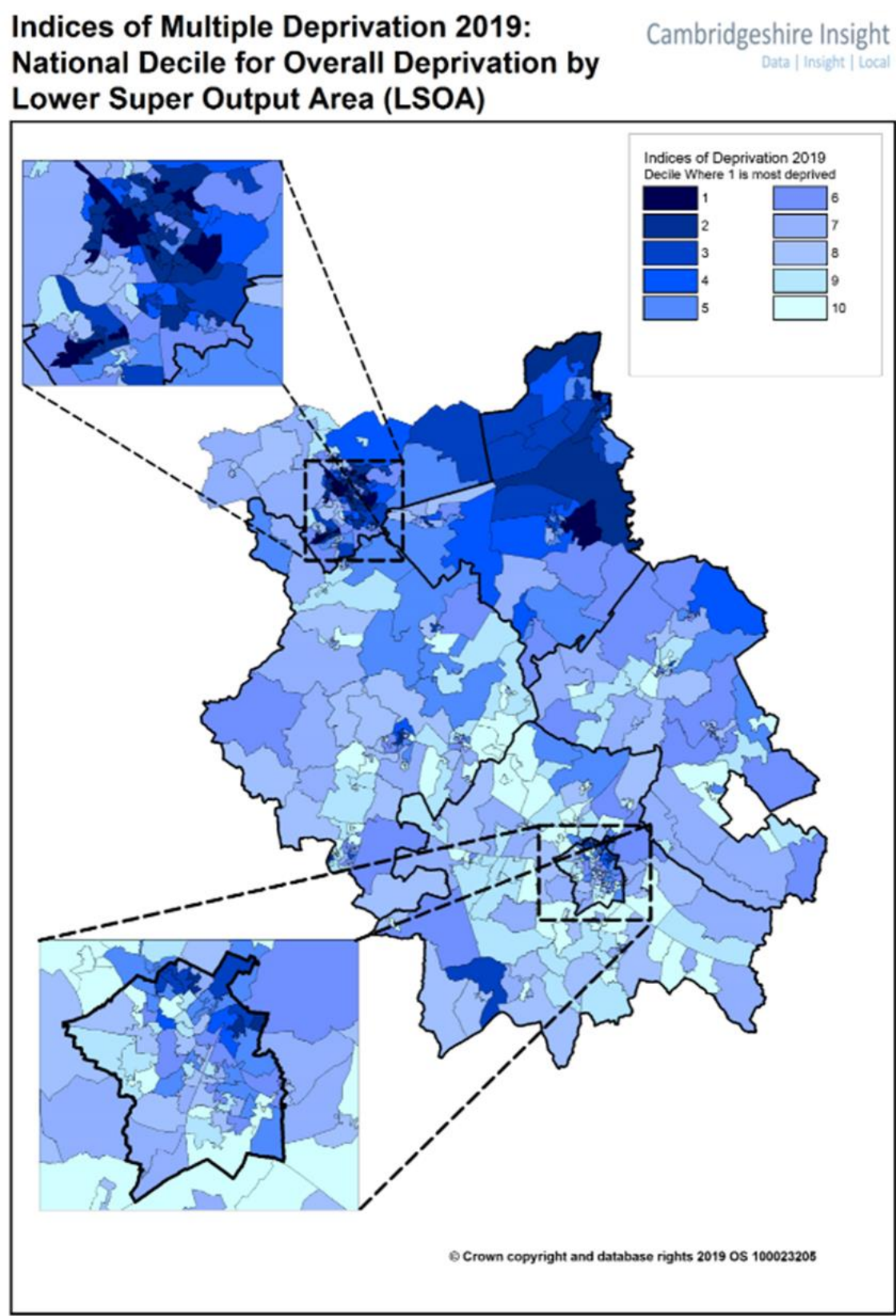
The table below outlines how local authority districts in the Combined Authority rank for overall deprivation⁶, as well as Education, Skills & Training specifically. This highlights these pockets of heightened need in Education and Skills, notably in Fenland and Peterborough. For both of these areas,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

Deprivation Domains ⁷	Cambridge		East Cambridgeshire		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.

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



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 £27.3 in Fenland to above the national average at £35.1 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 an impact on this.

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).

- 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 have a better understanding of the short-term impacts** through Claimant counts insights. Whilst 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, such as Peterborough. **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.**

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

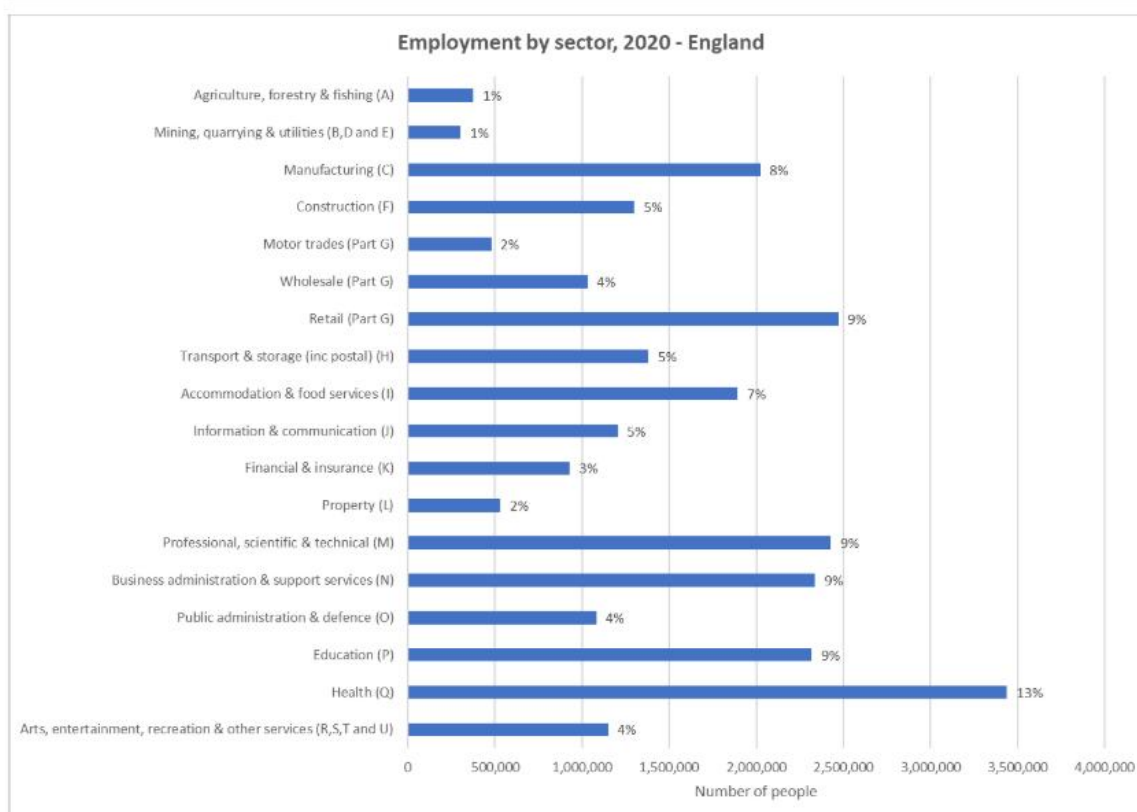
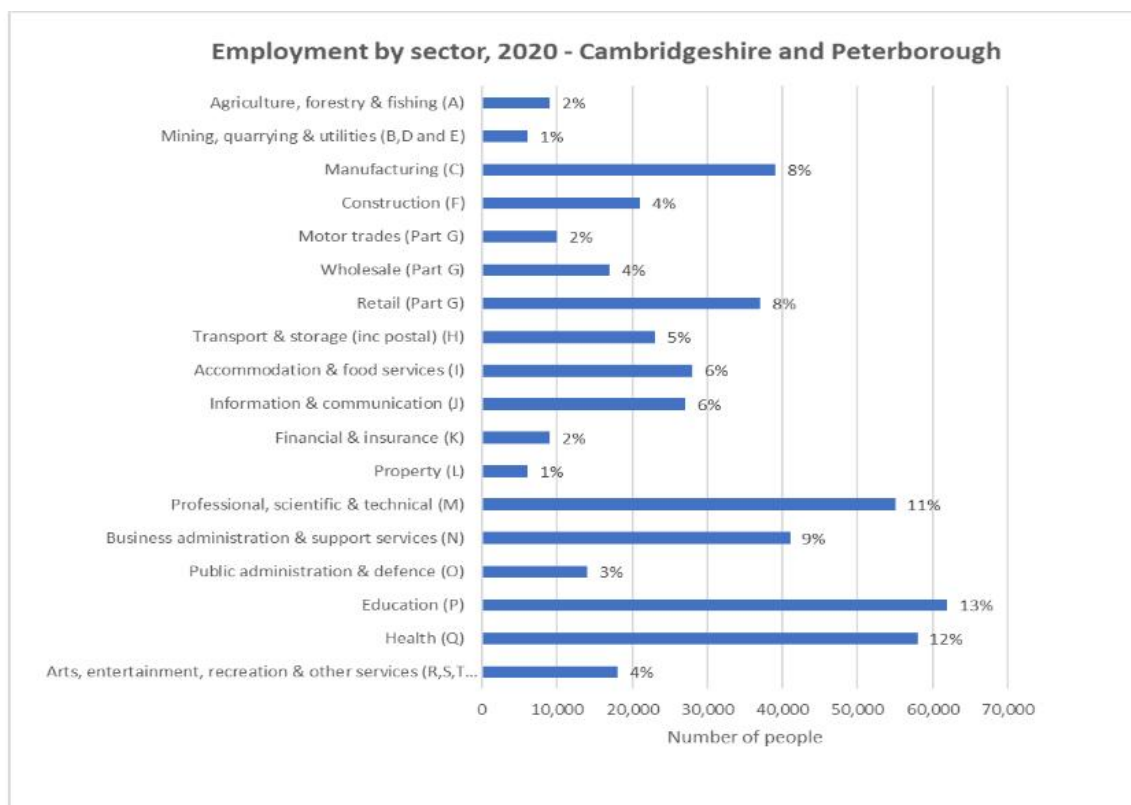
- Historical performance over time suggests that the economic recovery has been strong across all the constituent local authorities, as well as the Combined Authority as whole. **This bodes well for a post COVID-19 recovery.**

Local Landscape - Core Indicators

Core Indicator 1: Employment by sector

The 2020 Business Register and Employment Survey (BRES) outlined that Cambridgeshire and Peterborough's largest employment sectors were **Education; Health; Professional, Scientific, and Technical; Business administration and support services; and Manufacturing**. These sectors accounted for over half of all employment in the area in 2020. There were higher proportions of individuals in employment in Education, Professional, Scientific and Technical, Manufacturing, and Information and Communication sectors locally than there were nationally at the time of the 2020 survey.

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



Source: [Business Register and Employment Survey, 2020 \(published 2021\), 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.

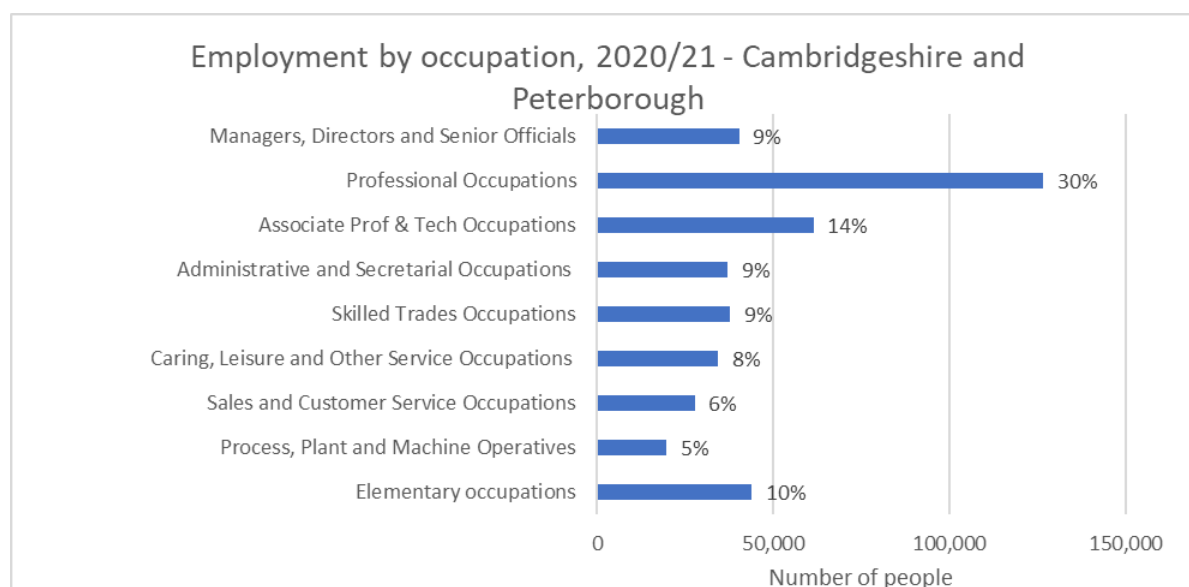
For instance, when considered at a Combined Authority level it does not appear as though there is a higher than national level of employment in the Agricultural sector. However, at a district level **Agriculture accounts for 8% of employment in Fenland and 6% of employment in East Cambridgeshire, compared with just 1% nationally.** Similarly, **Manufacturing accounts for 15% of employment in Fenland, 13% in Huntingdonshire, 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 24% of employment in South Cambridgeshire and 15% in Cambridge, whilst nationally it accounts for 9%. Furthermore, in Cambridge, the Education sector accounts for 29% of employment, whereas nationally it accounts for 9%. In Peterborough, Business administration & support services accounts for 12% 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 2020-21, there are **more individuals in professional employment in Cambridgeshire and Peterborough than there are nationally**, with Professional Occupations accounting for 30% of occupations locally compared to 23% in England.





Source: [Annual Population Survey, July 2020-June 2021, 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 49% in Cambridge, 40% in South Cambridgeshire, 27% in Huntingdonshire and 24% East Cambridgeshire, all of which are above the national average of 23%. In contrast, in Peterborough Professional Occupations account for 21% and in Fenland they account for 12%, considerably below the national figure.**

There are also higher proportions of employment in the Managers, Directors and Senior officials' Occupation in South Cambridgeshire (13%) and Huntingdonshire (12%). Nationally, this Occupation accounts for 11%, slightly higher than the Combined Authority proportion overall (9%).

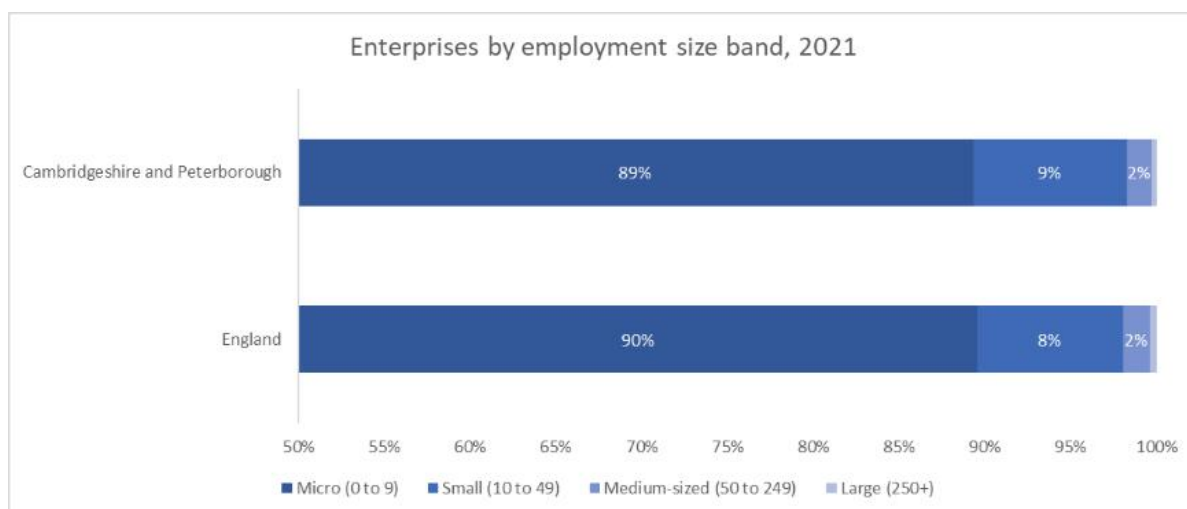
In Fenland, there are higher proportions of employment in Elementary Occupations (24%), Skilled Trades Occupations (17%), and Process, Plant and Machine Operative Occupations (10%), all of which are at considerably higher rates than across the Combined Authority overall and nationally. Peterborough also has notably higher proportions of Elementary occupations (17%) compared with nationally.

Skilled Trades occupations account for 9% across both the Combined Authority area overall and nationally. Process, Plant and Machine Operatives account for 5% at a Combined Authority level and 6% at a national level. Elementary Occupations account for 10% at a Combined Authority and 9% at a national level.

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.**

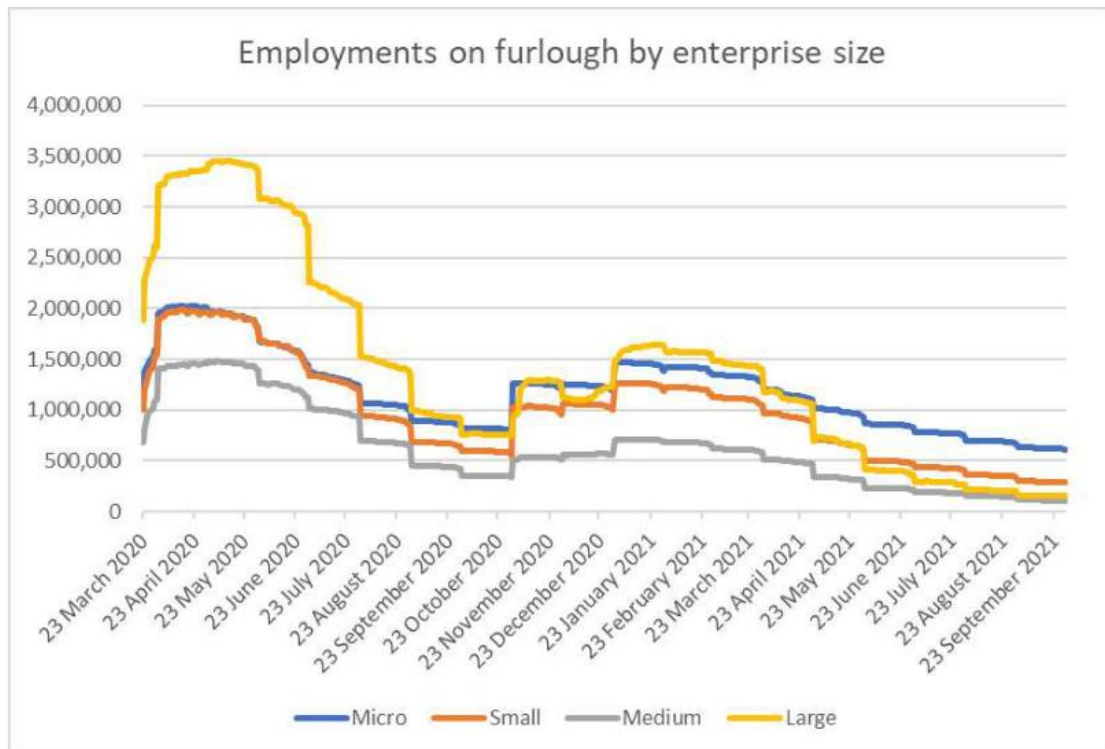


Source: [UK Business Counts, 2021, 2020 SAP boundaries](#)

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

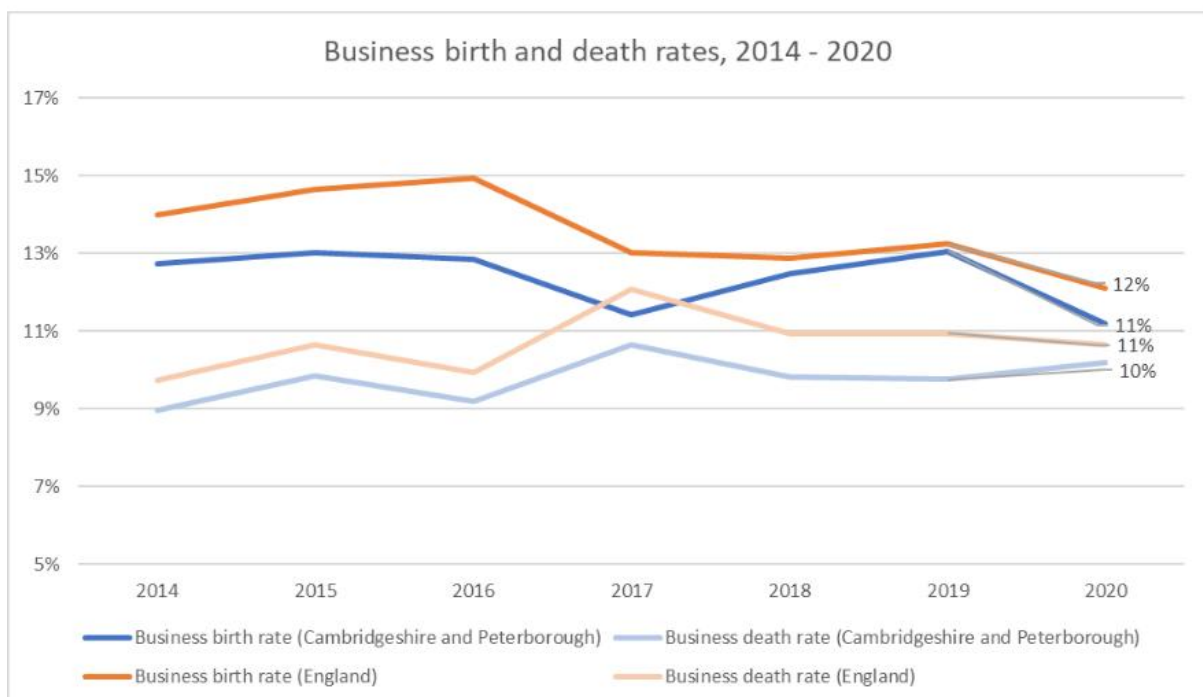
Data from the government's Coronavirus Job Retention Scheme highlights the impacts of COVID-19 on enterprises and how this has affected their employees nationally, at the start of the scheme large enterprises had the highest number of employments on furlough. However, from April 2021 onwards, micro enterprises had more employments on furlough, following a more substantial decrease in large enterprises. Data from November 2021 highlights that micro and small enterprises had the highest number of employees on furlough when the scheme came to an end on 30th September 2021. Smaller enterprises with employees on furlough may not be able to afford to keep them on after the scheme ends.



Source: [Coronavirus Job Retention Scheme statistics: 16 December 2021](#)

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. Business births increased slightly in 2019 but in 2020 business births decreased to 11% overall. This decrease was also seen across England.



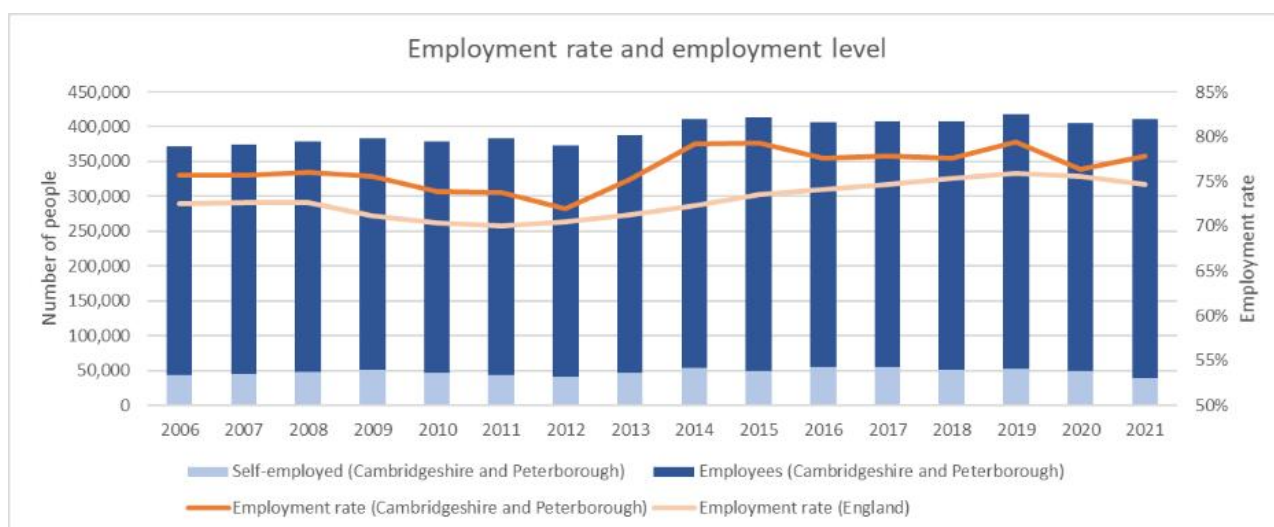
Source: [Business demography, UK - Office for National Statistics \(ons.gov.uk\)](#)

Historically, business death rates have been slightly lower in Cambridgeshire and Peterborough than they have been nationally. In 2020, 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.**

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 76% from the 79% level in 2019, remaining slightly above the national rate of employment (76%). In 2021¹¹, the employment rate across Cambridgeshire and Peterborough increased by 2% to 78%, nationally there was a -1% decrease, to 75%.



Source: [Annual Population Survey, 2006 - 2021, 2020 SAP boundaries](#)

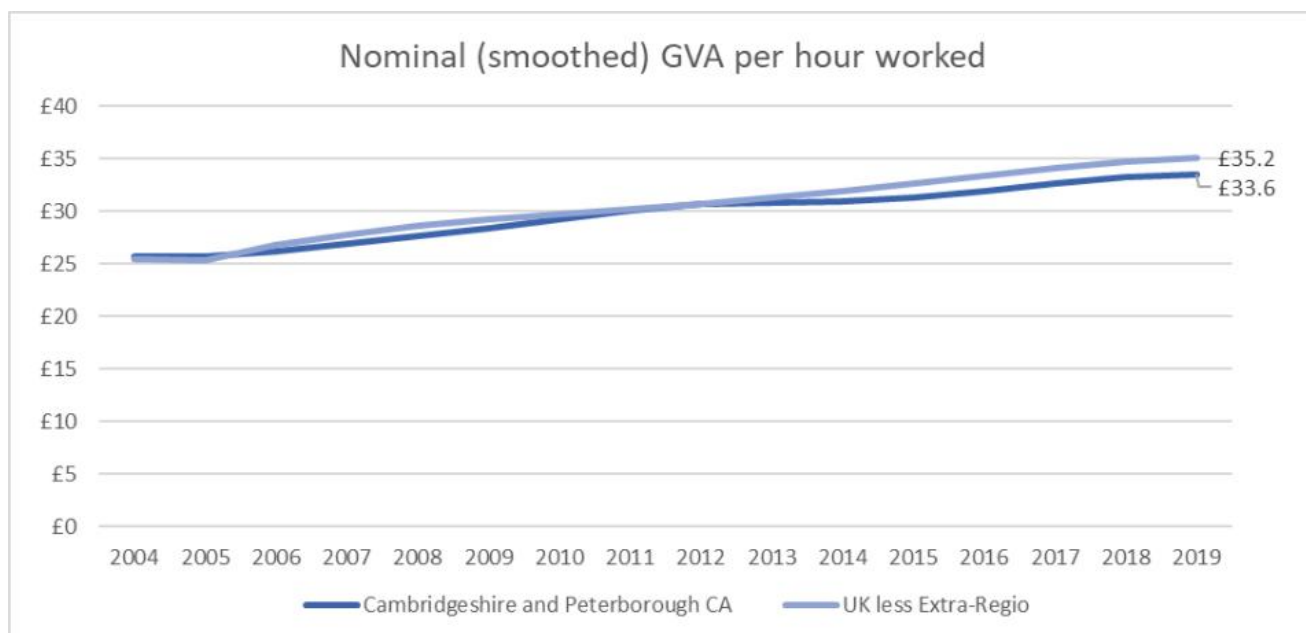
Of those in employment, **90% were employees and 10% were self-employed in Cambridgeshire and Peterborough** in 2021. The proportion of people self-employed has ranged between 10-15% since 2005 but has declined in recent years from a peak of 15% in 2015. Nationally, the number of people who are self-employed has been slightly higher with 13% self-employed in 2021.

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

¹¹ In the twelve months ending June 2021.

Core Indicator 6: Gross Value Added (GVA)

Gross Value Added (GVA)¹² 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 – 2019 \(published 2021\), 2018 LEP/MCA boundaries](#)

GVA ranges across the Combined Authority from below the national average (£35) at £27 in while South Cambridgeshire and Huntingdonshire are both in line with the national average (£35). 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.¹³

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.¹⁴

¹² 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).

¹³ Cambridgeshire and Peterborough Local Industrial Strategy.

¹⁴ IBID

Core Indicator 7: Wages

Median gross **weekly wages increased both locally and nationally from 2014-2019**, before decreasing from 2019 to 2020, with the below core indicator chart highlighting this. **However, from 2020 to 2021 there were increases across Cambridgeshire and Peterborough and in England overall in both workplace and residents' weekly wages.** Across the Combined Authority area, resident wages saw the largest increase from £603.5 in 2020 to £640.4 in 2021, nationally this went down from £589.9 in 2020 to £613.3 in 2021. Workplace wages also increased from £571.7 in 2020 to £602.5 in 2021 across Cambridgeshire and Peterborough. Nationally residents' weekly wages were £590.0 in 2020 and £613.3 in 2021.

Wages have been higher for Cambridgeshire and Peterborough residents, compared to England as a whole, with current weekly wages just over £27 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 £10 less per week.



Source: [Annual Survey of Hours and Earnings, 2014 - 2021](#)

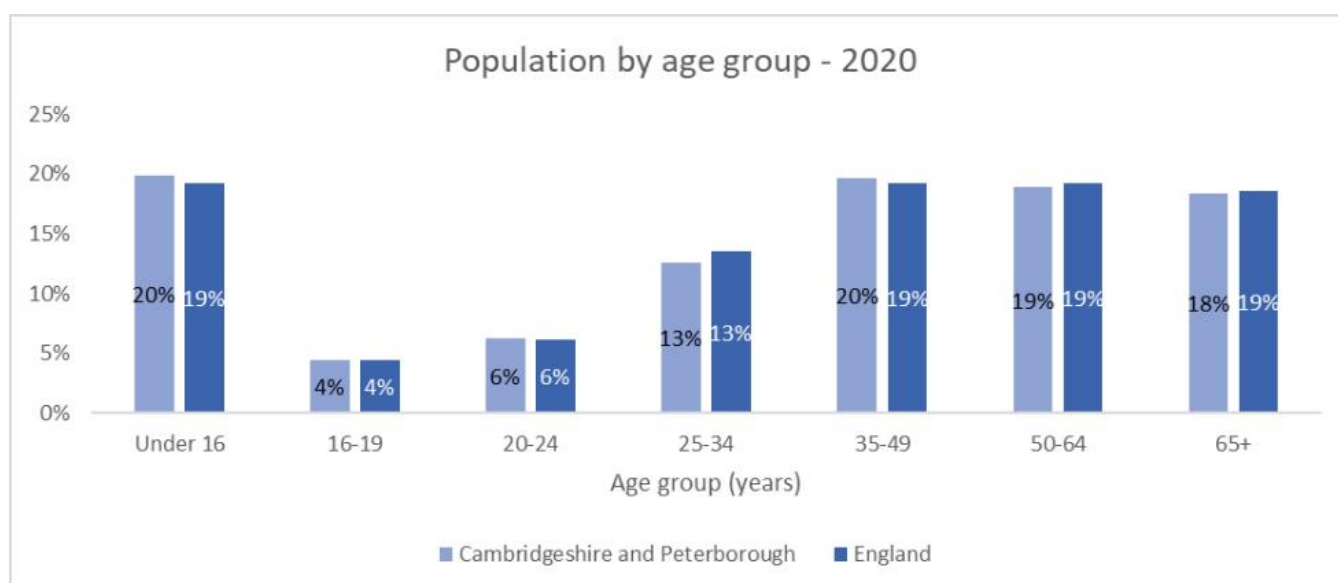
Wages across the Combined Authority area differ substantially between local authorities. **Residents and workers in South Cambridgeshire earn more weekly compared to the rest of the Combined Authority and national averages.** On average, residents of South Cambridgeshire earn £783 per week, while those working in the area earn £723. Cambridge also has above national average wages for both those who reside and work in the area, with residents earning £729 per week and those who work in the area earning £687. **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 £547 per week while workers in the area earn a lesser £463. Alternatively, in Peterborough, residents earn £566 while workers have a slightly higher weekly wage of £570. 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 people under the age of 16. **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, 2020, 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 866,200.¹⁵ These local estimates are slightly higher than the national estimates of the core SAP indicator below, which suggests the total population is just under 860,000.

¹⁵ Cambridgeshire and Peterborough local population estimates and forecast, Cambridgeshire County Council Business Intelligence.

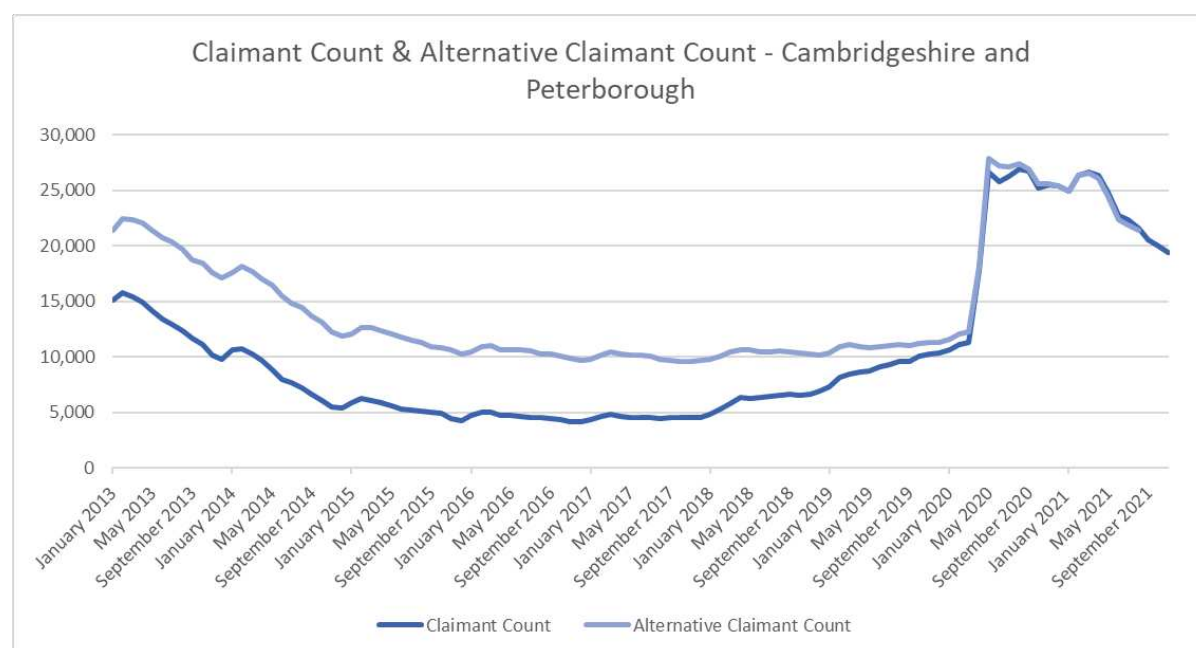
These local estimates suggest that there has been around a 7.6% increase in total population across the Combined Authority area as a whole since 2011.¹⁶ This growth has been particularly driven by a 10.9% increase in population in Peterborough and a 10.5% increase in Cambridge, with both cities experiencing large development. Peterborough is the fourth fastest growing city in the UK.¹⁷

Core Indicator 9: Claimant Counts and Alternative Claimant Counts

The Claimant Count measures the number of people (aged 16+) claiming benefit principally for the reason of being unemployed. Since April 2015, the Claimant Count now includes all Universal Credit claimants who are required to seek work and be available for work, as well as all Job Seeker Allowance claimants (the number of people claiming Jobseeker's Allowance and National Insurance credits at Jobcentre Plus local offices).

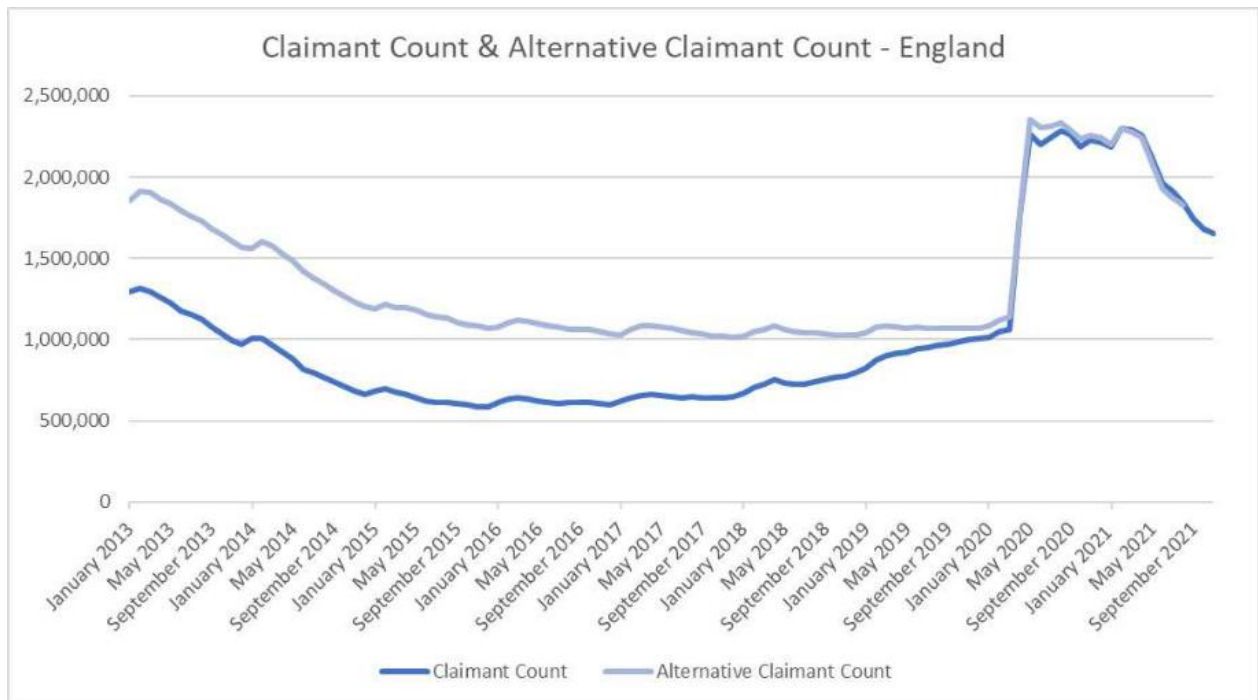
Historically, across all age groups, the claimant rate in Cambridgeshire has been lower than England overall while the rate in Peterborough has been similar to the national proportion. The total claimant numbers had been on downwards trajectory since 2013 (following increases associated with the 2008 financial crisis) until 2020, both locally and nationally.

The first national lockdown in March 2020 saw the number of claimants rise, both locally and nationally, and this is yet to see a recovery to pre-pandemic levels.



¹⁶ IBID

¹⁷ Cambridgeshire and Peterborough Independent Economic Review (CPIER).



Source: [ONS claimant count](#) & [DWP Stat Xplore](#), January 2013 – November 2021 (Alternative claimant count available to August 2021), 2020 SAP boundaries.

There were notable increases in claimant counts from March to May 2020 across the Combined Authority area, with a 161% increase across Cambridgeshire and 102% increase across Peterborough. Nationally there was 113% increase in this time period.

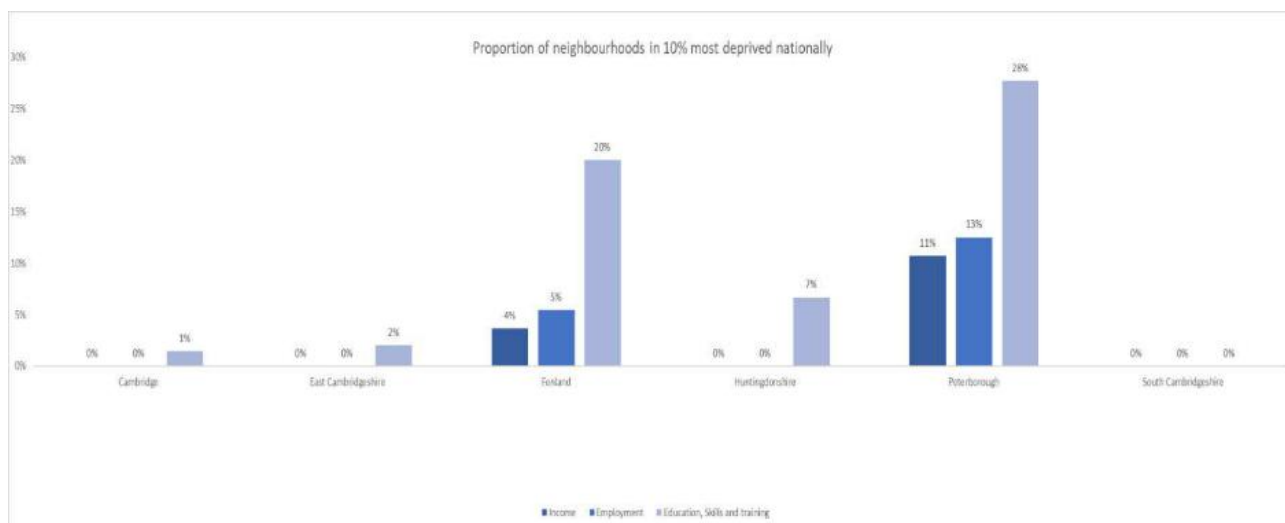
Claimant rates have remained high since the start of the pandemic, although slight decreases were evident across all age groups from March 2021. **However, the number of claimants aged 16+ across Cambridgeshire and Peterborough overall was still 19,405 (3.7% of working age population) in November 2021, in November 2019 this figure was 10,255 (1.9%).**

There are considerable differences in claimant counts by location, with the highest proportions evident towards the north of the Cambridgeshire and Peterborough area. However, there are also clear pockets around the rest of the area where higher proportions of claimants can be observed, such as within the Kings Hedges and Arbury wards in Cambridge, and Huntingdon and St.Neots in Huntingdonshire. This distribution is similar to what was found in the 2019 Indices of Multiple Deprivation (IMD) where the northern districts of the Cambridgeshire and Peterborough area exhibit the highest levels of relative deprivation (across factors such as income, employment, education and health).

It should be noted that these differences across the local area existed prior to the pandemic, as outlined in the IMD and more deprived locations will have had a higher rate of claimants prior to the 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.**

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

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.¹⁸ 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 Business, Administration and Law, 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 a decrease in the number of apprenticeships starts in 2020/21 (-4% on the previous academic year).

¹⁸ Cambridgeshire 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.

- 42% of graduates from HEIs in Cambridgeshire and Peterborough move to London¹⁹, 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.

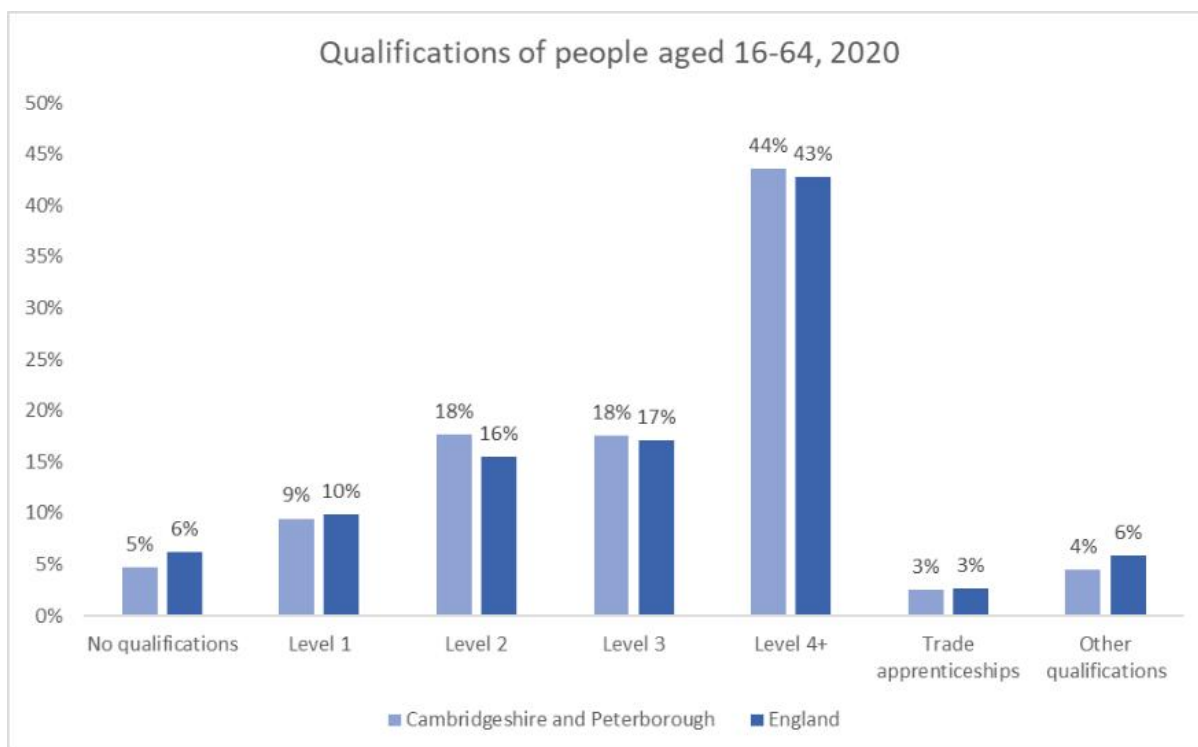
Skills Supply- Core Indicators

Core Indicator 11: Qualification levels:

Cambridgeshire and Peterborough has a slightly higher proportion of people with higher level qualifications compared to national averages, with 1% 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 (5%) compared with nationally (6%). However, **there are vast differences in educational attainment evident across the local authorities within Cambridgeshire and Peterborough.**

¹⁹ Figures based on graduate residence 5 years after graduation.



Source: [Annual Population Survey, January 2020 – December 2020, 2020 SAP boundaries](#)

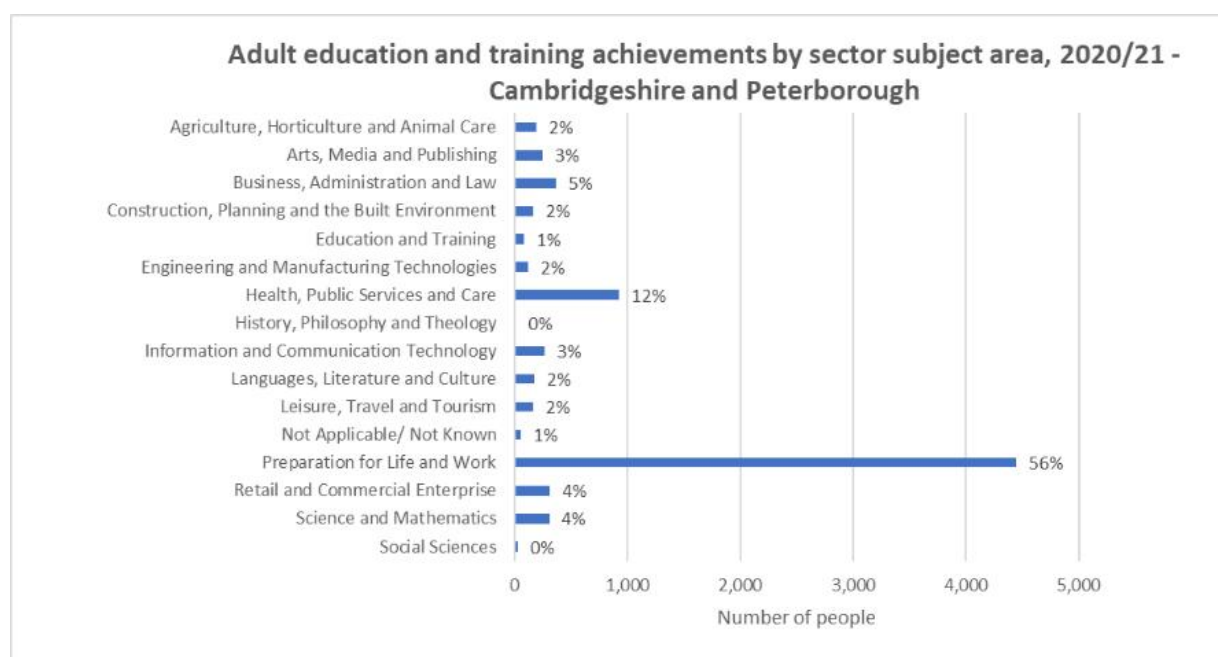
The highest levels of educational attainment are clear in Cambridge, with 61% having level 4 and above qualifications, and South Cambridgeshire with 58%, both of which are considerably above the England average (43%). However, below national average levels of educational attainment can be found in the Combined Authority area, particularly in Fenland, where 28% have Level 4 and above qualifications and in Peterborough, where the rate is 32%.

While Peterborough has the highest proportion of residents with no qualifications (8%) and much lower proportions with high Level 4+ qualifications (32%) compared to the rest of Combined Authority and national averages, this is not reflected in the economic activity of those who reside there. **79% of the working age population in Peterborough are economically active, the same as the England average.**

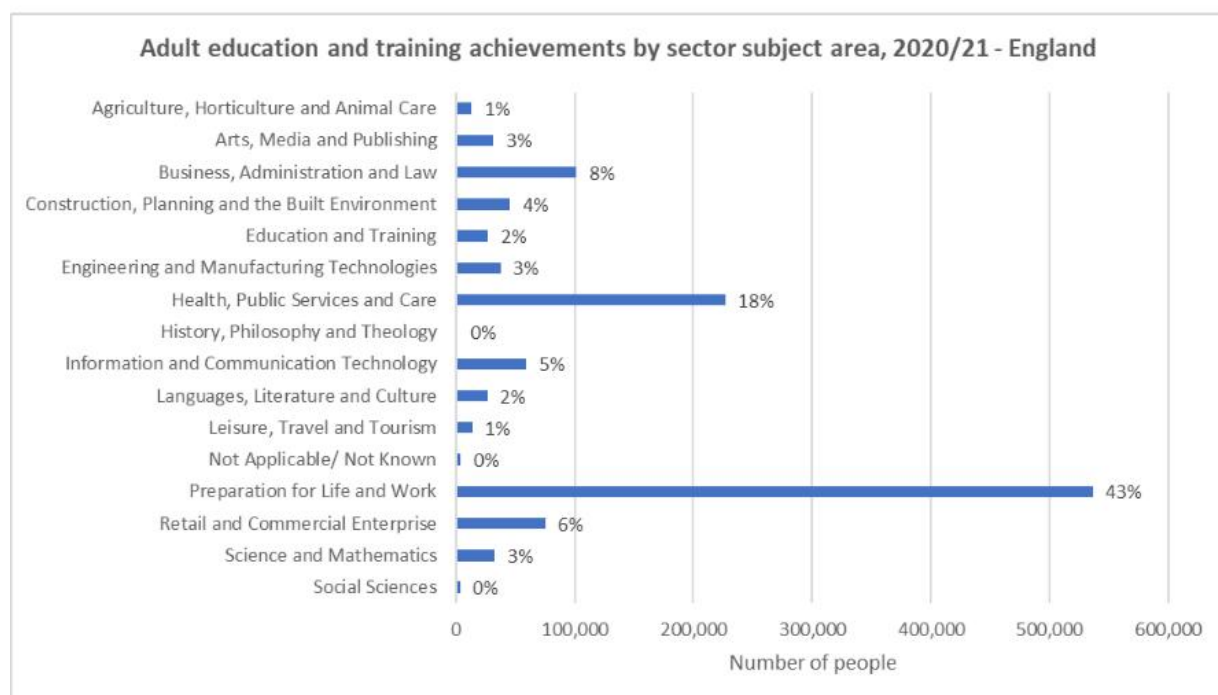
Core Indicator 12: Further Education Achievements

Further education achievements locally are similar to national achievements, with Preparation for Life and Work, Health, Public Services and Care and Business, Administration and Law being the top three specialised areas of achievement.

FE Education & Training Achievements 20/21 – Cambridgeshire and Peterborough



FE Education & Training Achievements 20/21 – England



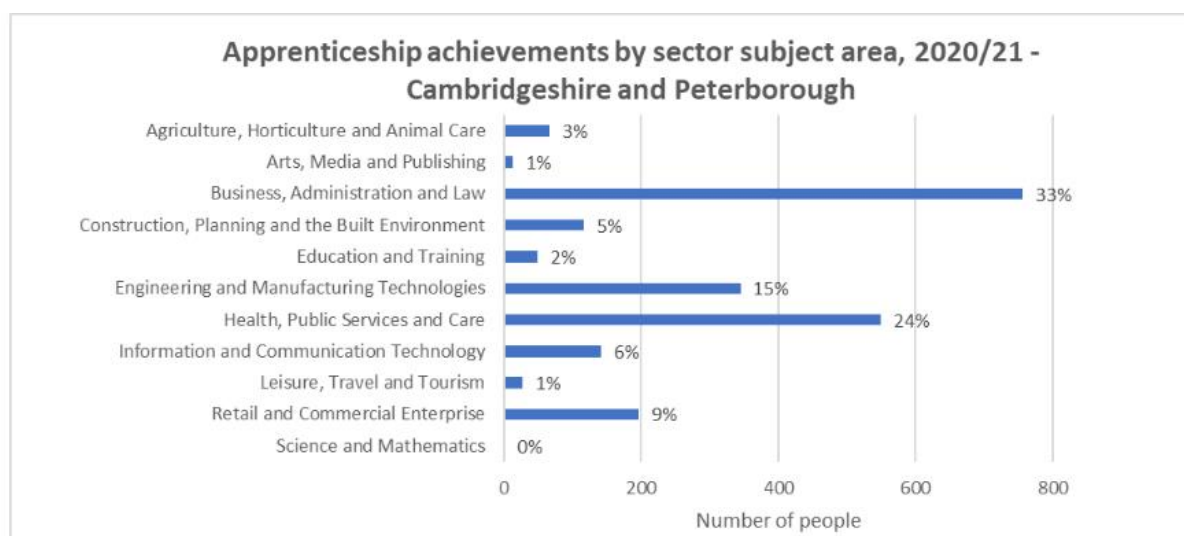
Source: [Further Education & Skills data, DfE, \(published 2021\), 2020 SAP boundaries](#)

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.

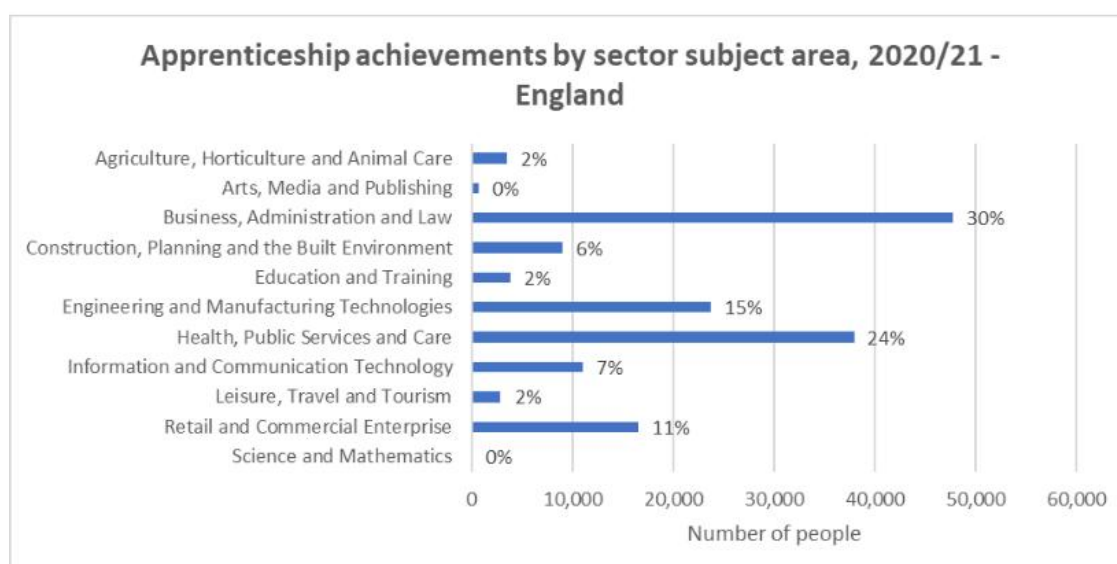
Core Indicator 13: Apprenticeship Achievements

In Cambridgeshire and Peterborough the largest proportion of apprenticeship starts are in Health, Public Services and Care with greater proportions of starts in this sector when compared to nationally. However, the highest concentrations of achievements are in Business, Administration and Law 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 20/21 – Cambridgeshire and Peterborough



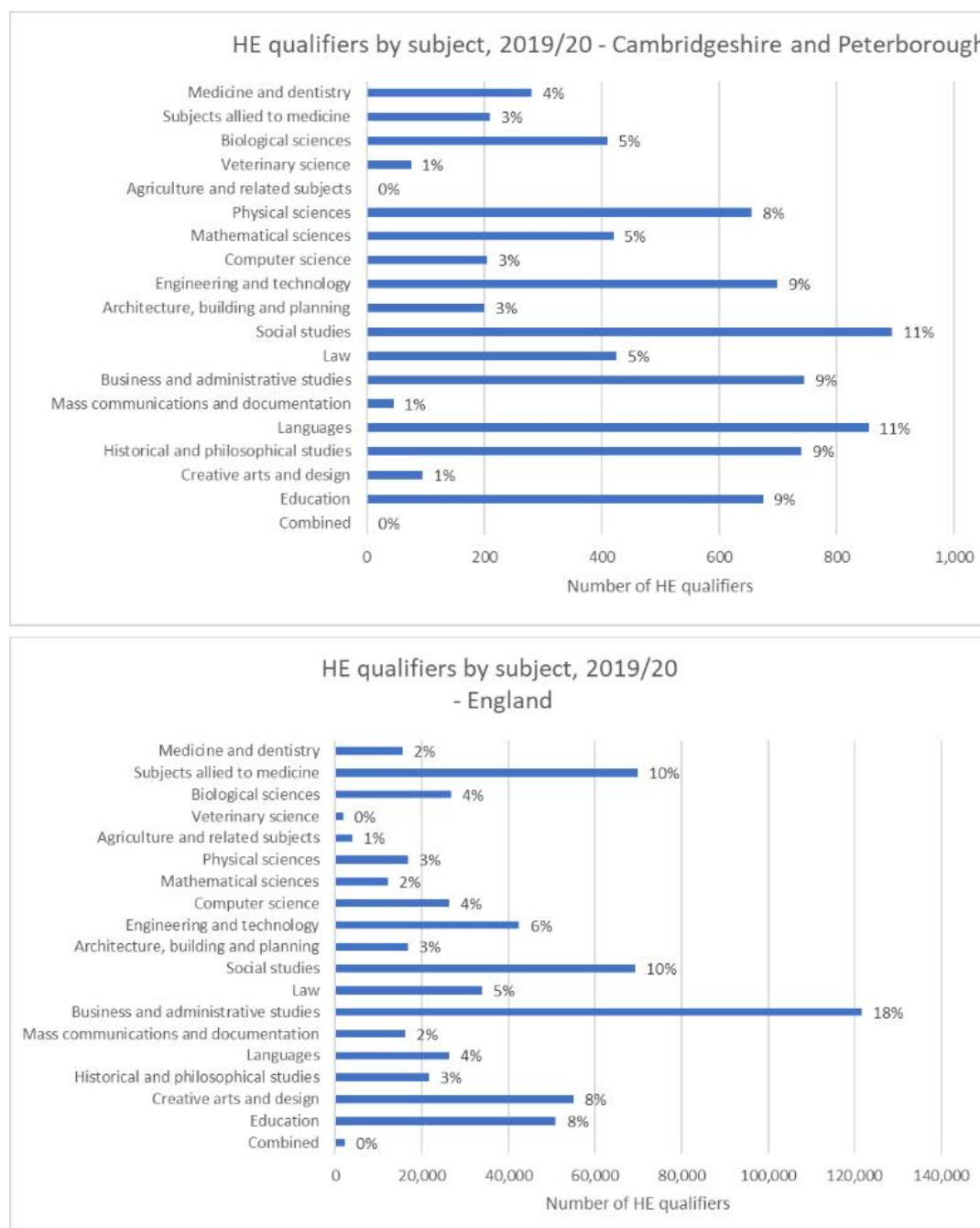
Apprenticeship Achievements 20/21 – England



Source: [Apprenticeships and traineeships, Academic Year 2020/21, GOV.UK](#)

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, 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, and Creative arts and design.



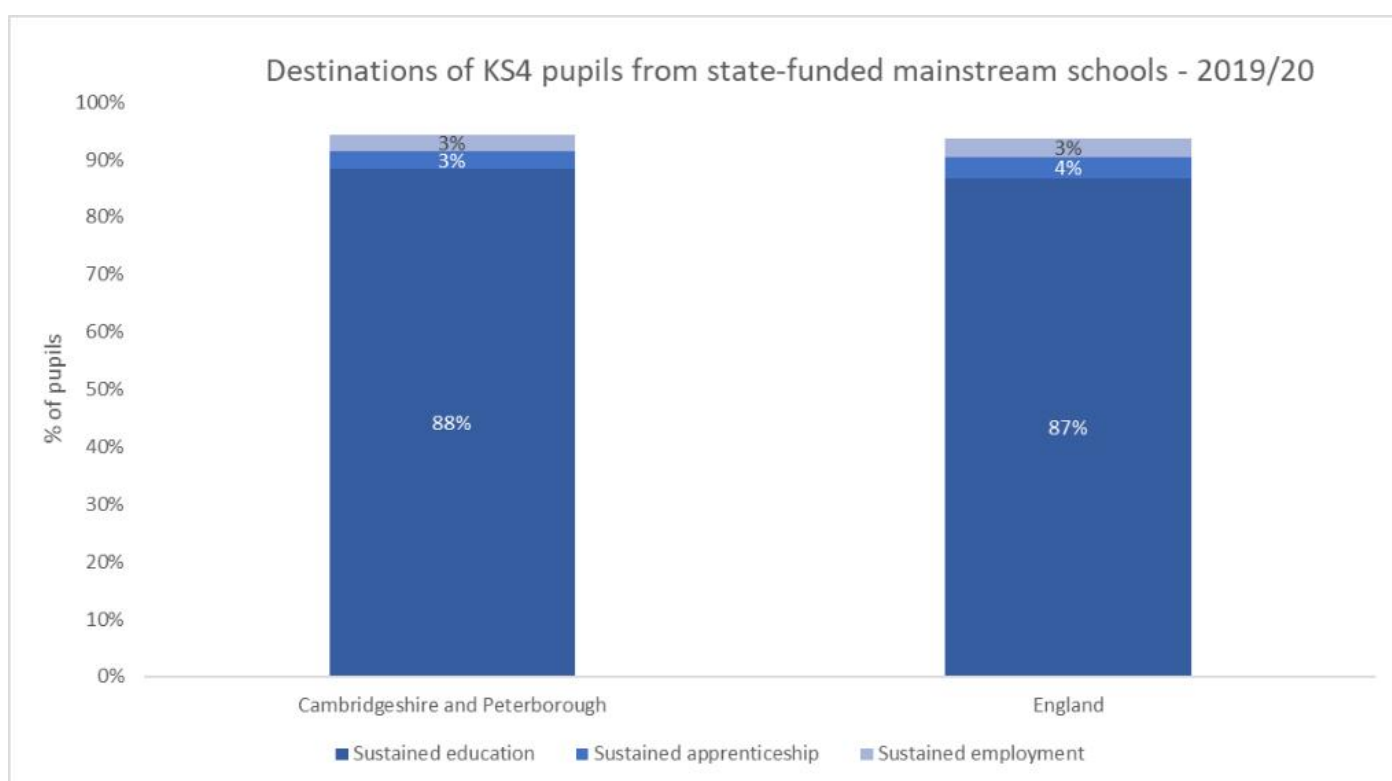
Source: [HESA, 2019/2020 qualifiers \(published 2021\), 2020 SAP boundaries](#)

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:

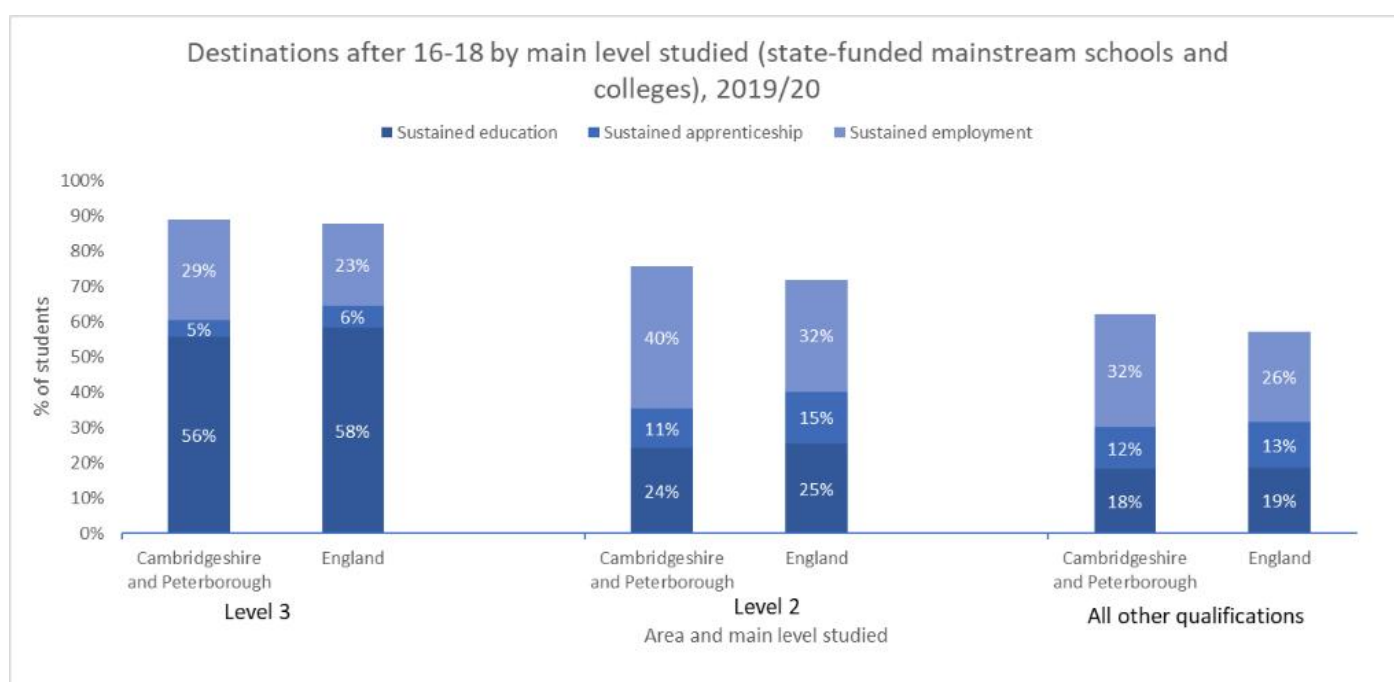
There is a slightly higher percentage of KS4 pupils who go into sustained education (+1%), and a slightly lower percentage going into sustained apprenticeships (-1%) across Cambridgeshire and Peterborough, compared with England as a whole. Overall, the proportional split of outcomes is very similar when 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, 2019/20 \(published 2021\), 2020 SAP boundaries](#)

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, 2% less go into sustained education (56%) and 1% less go on to sustained apprenticeships (5%).



Source: [16-18 Destinations Measures, DfE, 2019/20 \(published 2021\), 2020 SAP boundaries](#)

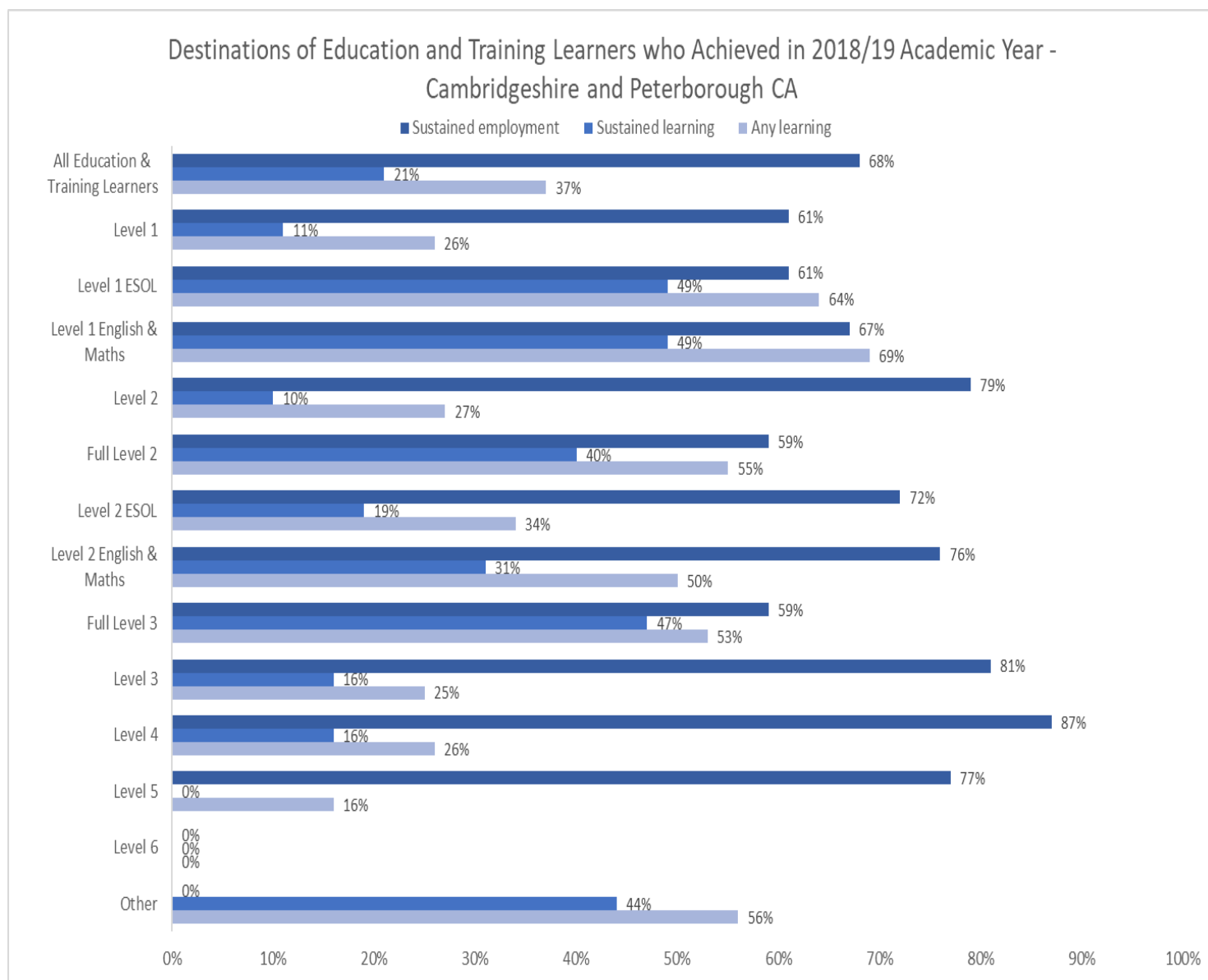
Across Cambridgeshire and Peterborough, proportionately more KS5 leavers go into employment than the national average. On the contrary, Level 2 leavers show different patterns with more variation in their destinations. The key differences can be seen in the lower proportions going into sustained education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

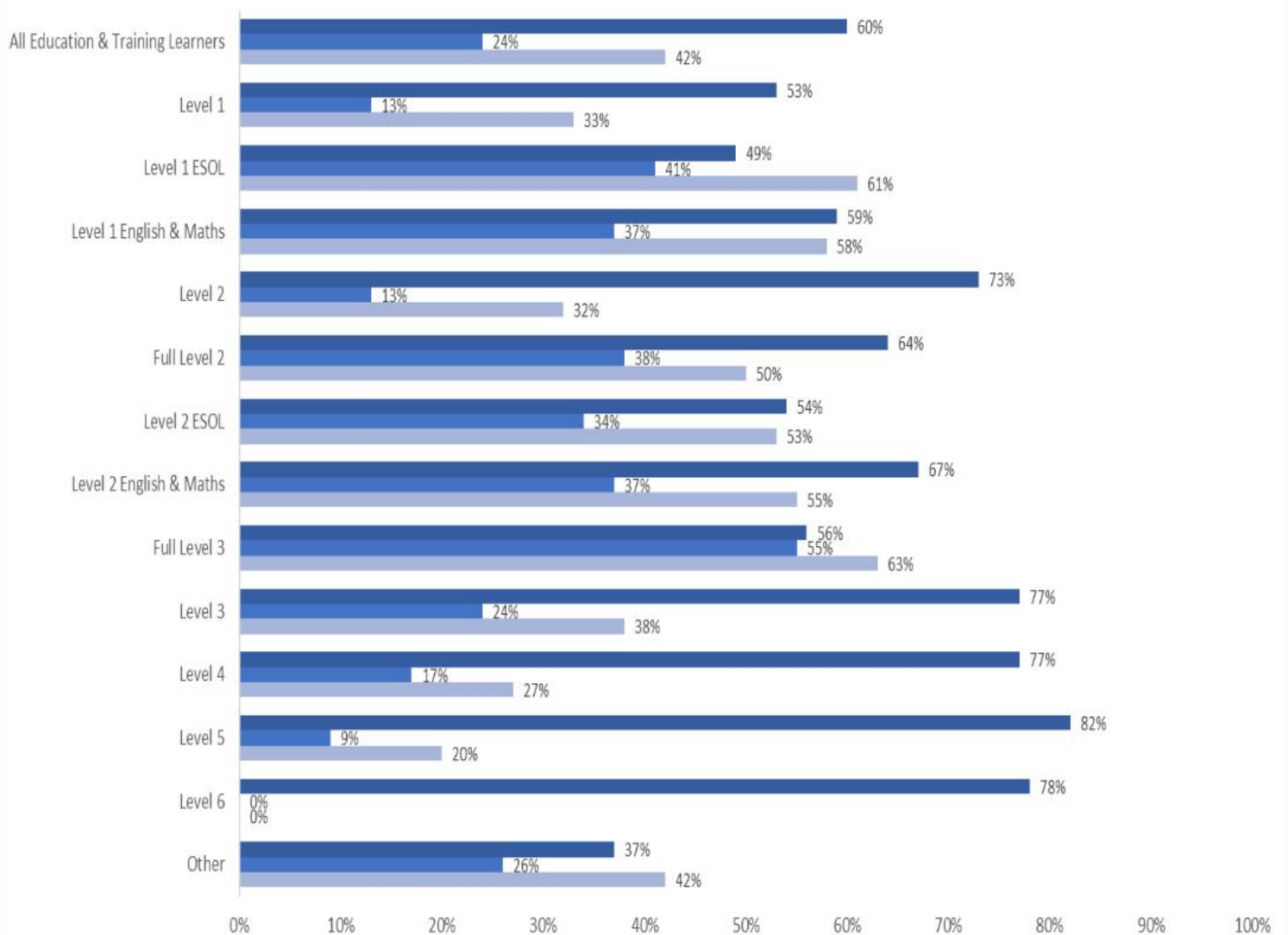
FE and skills destinations:

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 except for Level 1 ESOL and Level 1 English & Maths learners. This is generally the case nationally as well except for Level 1 ESOL, Full Level 3 and Other learners who have gone onto further learning.



Destinations of Education and Training Learners who Achieved in 2018/19 Academic Year - England

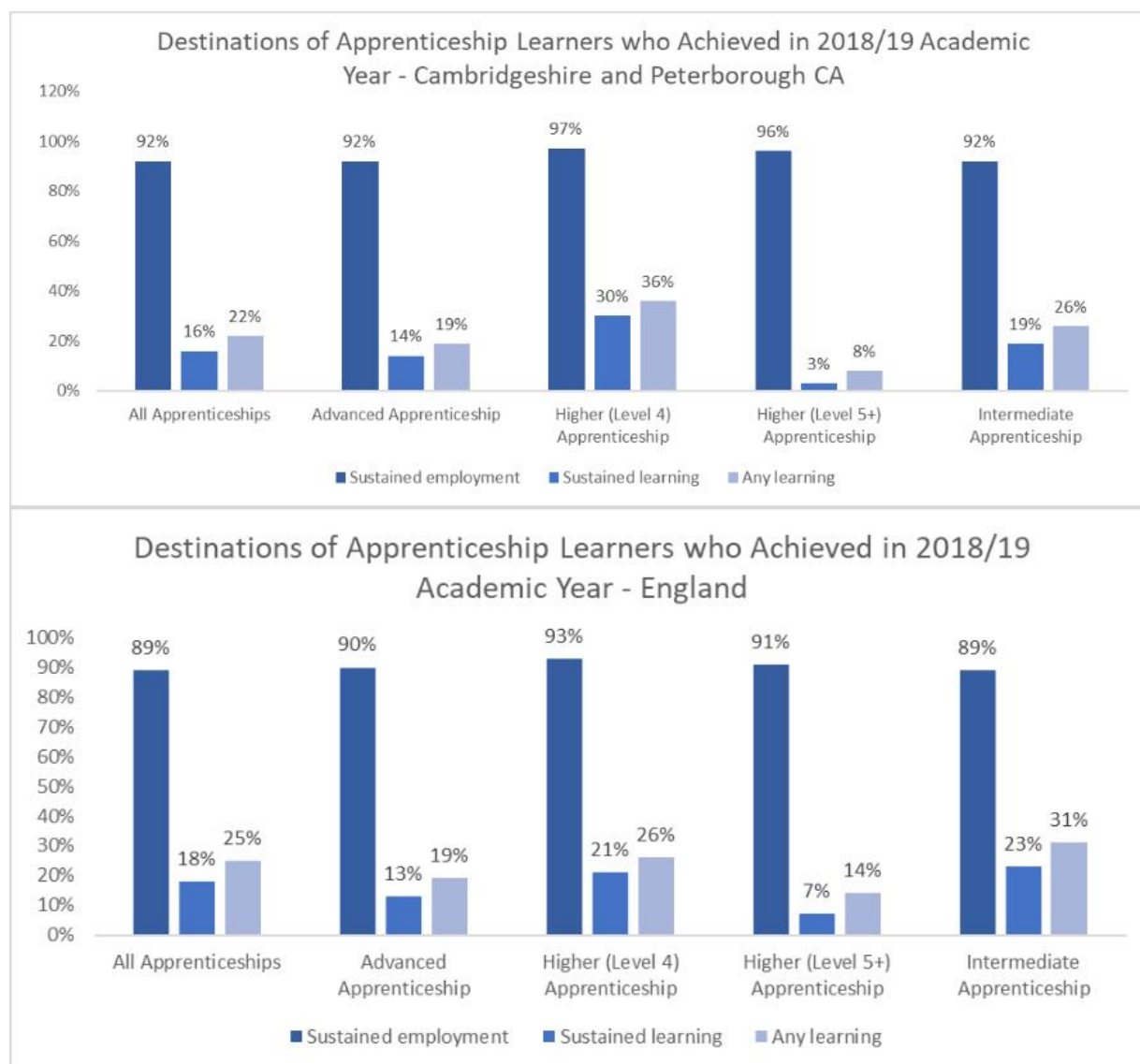
■ Sustained employment ■ Sustained learning ■ Any learning



Source: [FE outcome based success measures, 2018/19, DfE, \(published 2021\), 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. Learners who studied higher level apprenticeships are more likely to have a sustained employment destination, for example 96% of Level 5+ apprenticeship learners going onto sustained employment.**

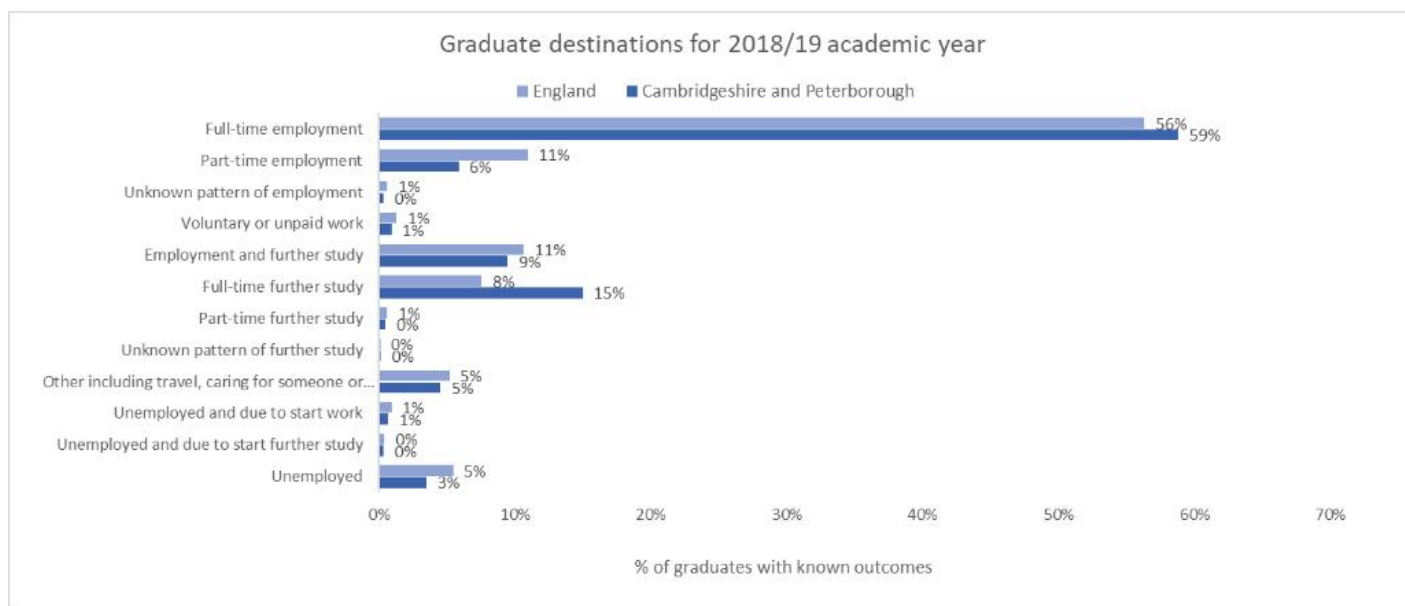


Source: [*FE outcome based success measures, 2018/19 achievements, DfE, \(published 2021\), 2018 LEP/MCA boundaries*](#)

Analysis of apprenticeships in the 2020/21 academic year highlights that a large proportion of apprenticeship starts have been in a small number of sectors. Health, Public, Services and Care apprenticeships have accounted for a large proportion, notably in South Cambridgeshire (34%), Peterborough (20%) and Huntingdonshire (16% respectively). Peterborough saw the greatest proportion of apprenticeship starts in Business, Administration and Law (34%) and South Cambridgeshire the largest proportion of Engineering and Manufacturing Technologies starts (34%).

Core Indicator 19: Higher Education Graduate destinations

Graduate outcomes in Cambridgeshire and Peterborough portray a positive local picture when compared to national outcomes, with 3% more going into full time employment, 7%



more going into full-time further study and 2% less becoming unemployed. Locally, most graduates go into full-time employment, with just under 1 in 4 going into further study or a combination of employment and further study.

Source: [HESA, 2018/19 graduates \(published 2021\), 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.²⁰ 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.

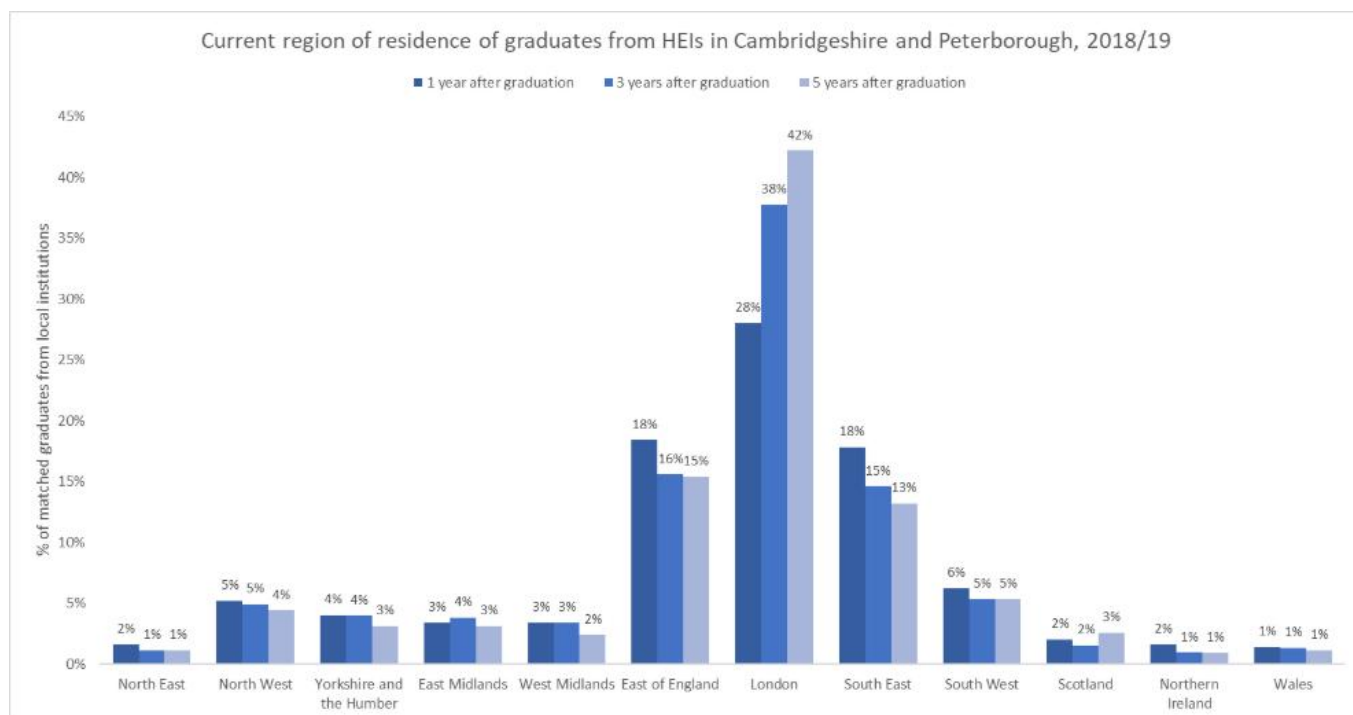
When we look at the same data for the University of Cambridge, a very different picture is portrayed. 4% were earning £17,999 or less, 4% were earning in between £18,000 and £20,999, 22% were earning in between £21,000 and £26,999, 15% were earning between £27,000 and £29,999 and 56% were earning £30,000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

²⁰ HESA, Graduate Salaries Experimental Statistics.

Core Indicator 20: Graduate retention

Most graduates from HEIs in Cambridgeshire and Peterborough move to London, with 42% 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 18% 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 the same amount. This highlights a clear North/South divide, with 78% residing in the South of the country 5 years after graduation.

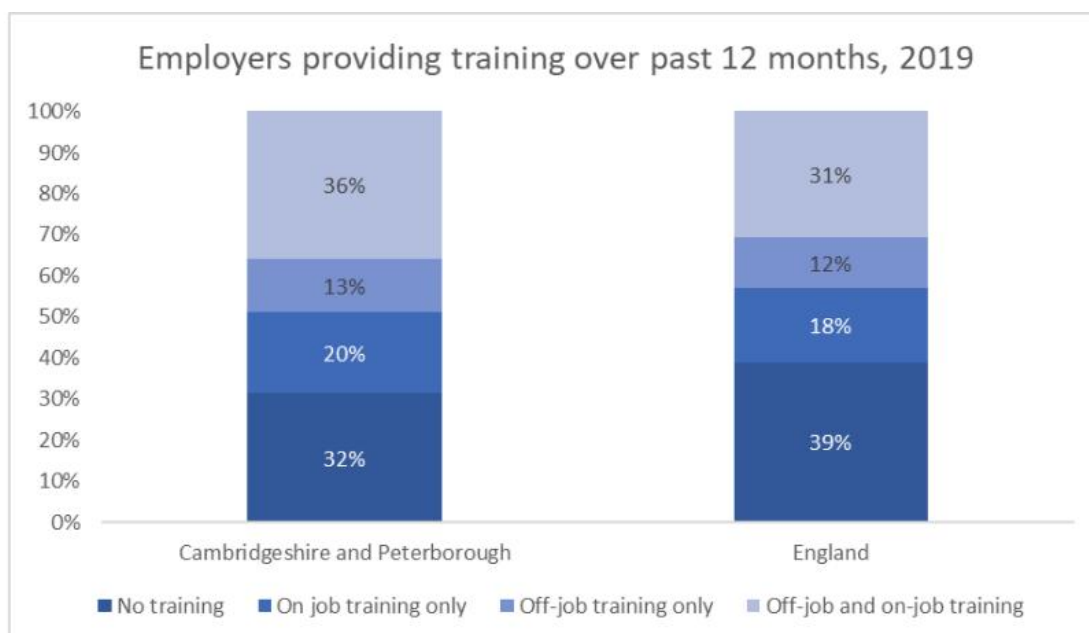


Source: [*Graduate Outcomes in 2018/19, DfE, \(published 2021\), 2020 SAP boundaries*](#)

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 report²¹ 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.**

²¹ 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.²²

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 have shown strong recovery in 2021, longer-term impacts are yet to be seen.

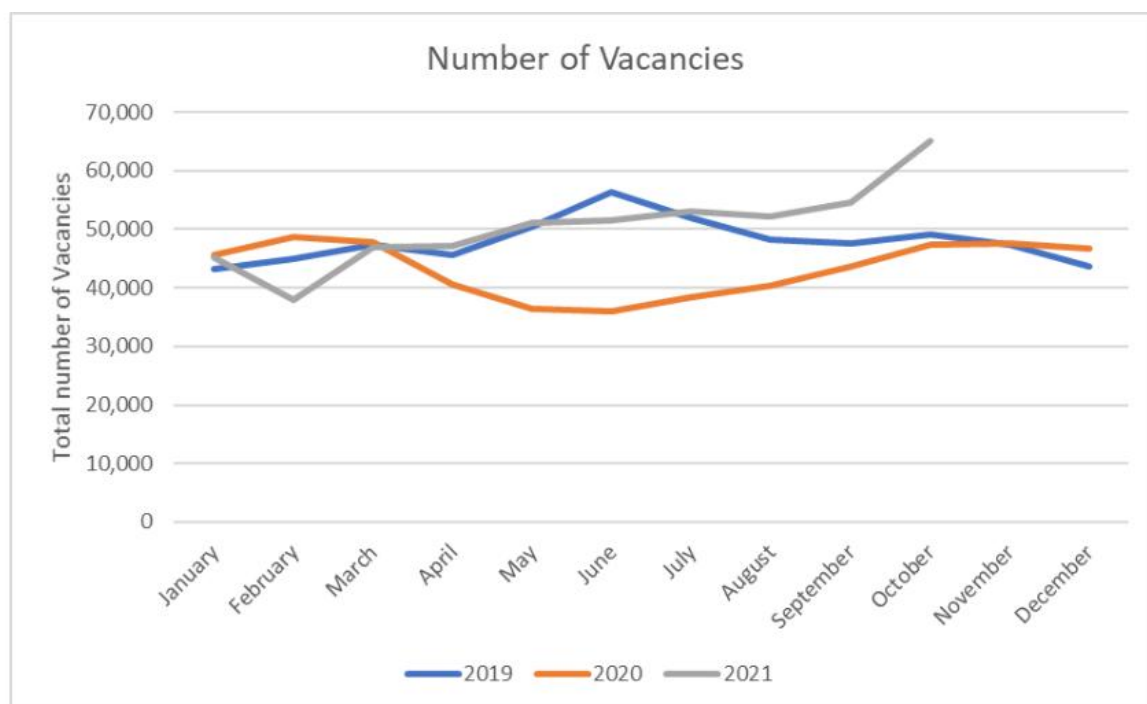
- Overall demand for occupations across the Combined Authority is projected across the high-low skills continuum.
- While vacancies have shown a short-term recovery, the longer-term impacts of the pandemic and how this has influenced the job market is still yet to be seen.

²² 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 April and May 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 47,000²³ unique vacancies each month in Cambridgeshire and Peterborough, but in June 2020 there were around -23% less, with approximately 36,000 vacancies advertised.**



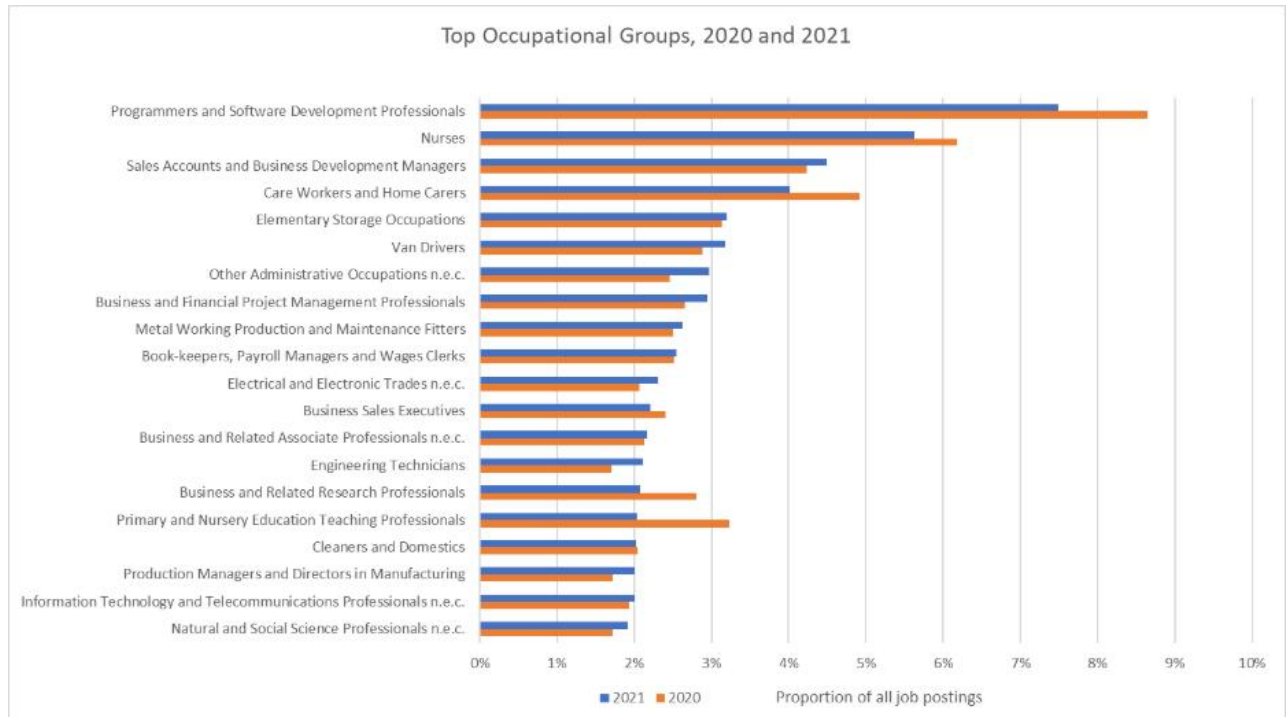
Source: [EMSI Burning Glass \(Number of Vacancies across Cambridgeshire and Peterborough in 2019-2021\)](#)

However, as illustrated in the chart above, the number of vacancies has recovered to above pre-pandemic levels. By the end of 2020, the number of vacancies had exceeded 2019 levels. In early 2021, there was another decline evident, associated with the national lockdown and government restrictions in place. **Since then, the number of vacancies across the Combined Authority area have been increasing month on month, with over 65,000 unique job postings in October 2021, the highest number of postings across the area for the past five year.** Similar patterns can be seen at a Local Authority level, with peaks and troughs evident at particular times of the year. By October 2021, all the Combined Authority districts had recovered to above pre-pandemic levels, with more vacancies than their five-year average.

However, it should be noted that the longer-term impacts of COVID-19 are still unknown, and while vacancies have shown a recovery in 2021, the longer-term impacts of the pandemic and how these have influenced the job market are still yet to be seen.

²³ Average based on monthly vacancies from November 2016-October 2021.

The top two occupational groups across Cambridgeshire and Peterborough in both 2020 and 2021 were Programmes and Software Development Professionals and Nurses. These occupations accounted for higher proportions of occupations in 2020 than they did in 2021, the demand for nurses is likely influenced by the increased demand for health care workers due to the COVID-19 pandemic. Occupations from our growth sectors, such as programmers and software development professionals **highlight the demand from our IT and Digital and Life Sciences Sectors.**



Source: [EMSI Burning Glass \(Number of Vacancies across Cambridgeshire and Peterborough in 2019-2021\)](#)

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 report²⁴, 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.

²⁴ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris.

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 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
Health and social care associate	
2) professionals	2) Process, plant and machine operatives
	Skilled metal, electrical and electronic
3) Health professionals	3) trades
	Textiles, printing and other skilled
4) Customer service occupations	4) trades
5) Corporate managers and directors	5) Administrative occupations

Please note these forecasts were produced prior to COVID-19

Source: [Working Futures, 2017-2027 \(published 2020\), 2017 LEP boundaries](#)

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 report²⁵ 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.

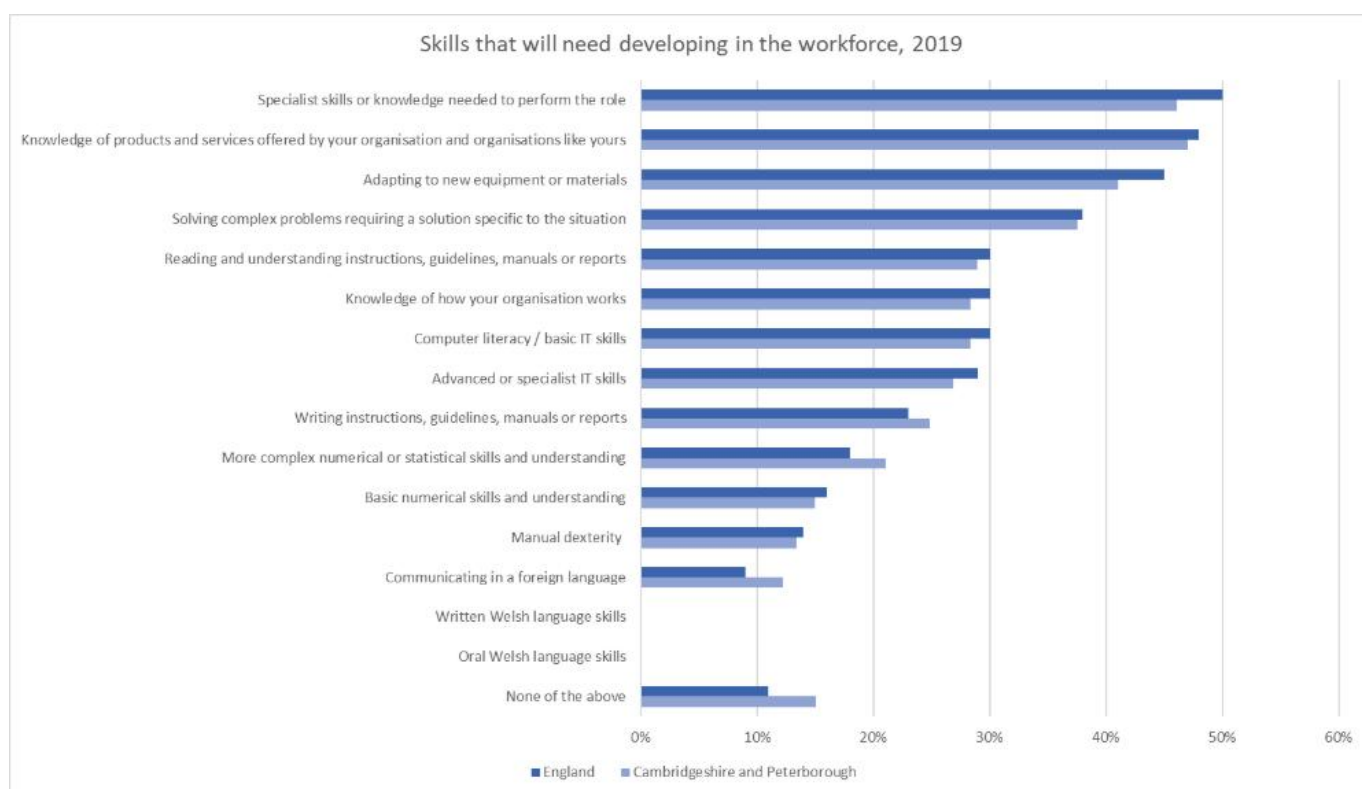
²⁵ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

To further support this, the East of England Forecasting Model (EEFM)²⁶ 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.

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.²⁷

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 report²⁸ 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.

²⁶ East of England Forecasting Model. Available: <https://cambridgeshireinsight.org.uk/eefm/>

²⁸ Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base, Hatch Regeneris

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.

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.

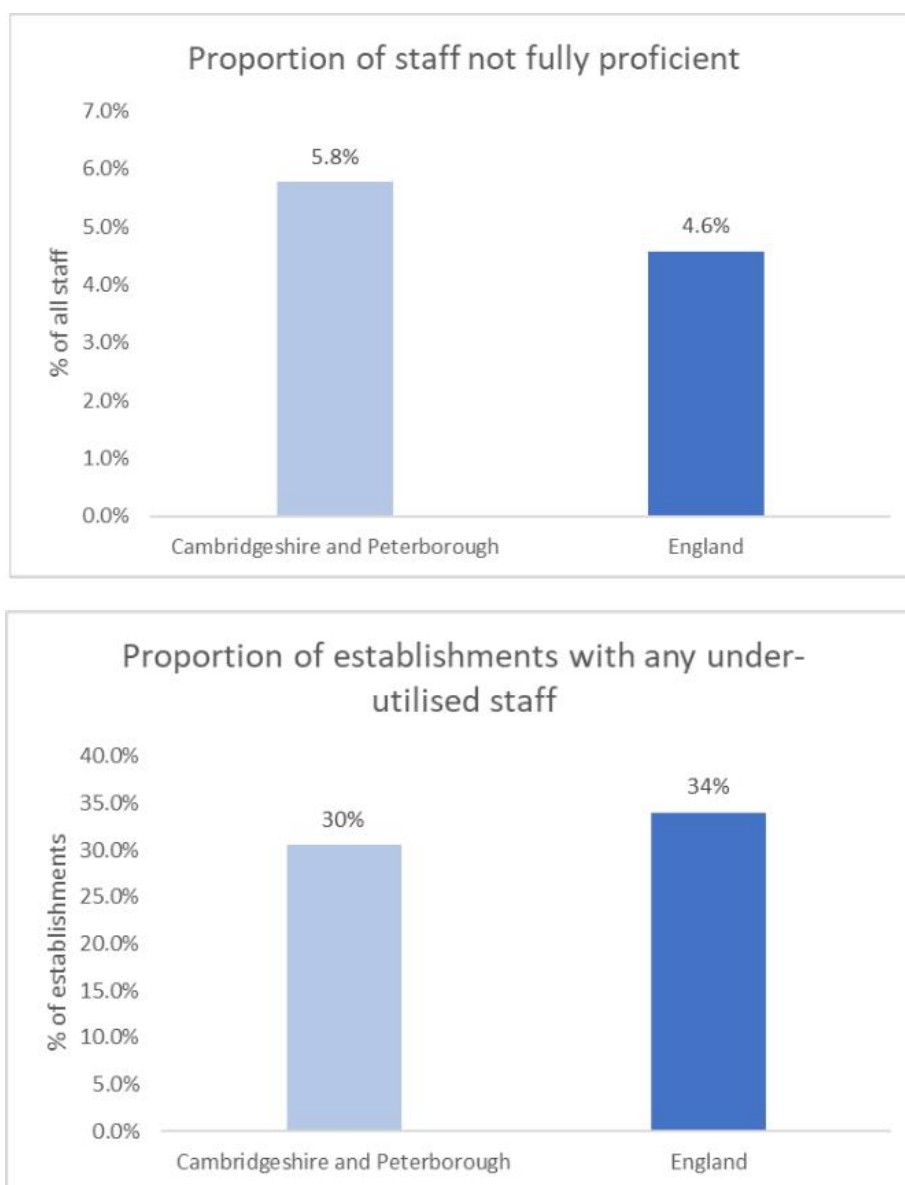
Contextual factors underpinned by our local landscape are key in understanding the challenges associated in matching skills supply to demand.

- 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.**

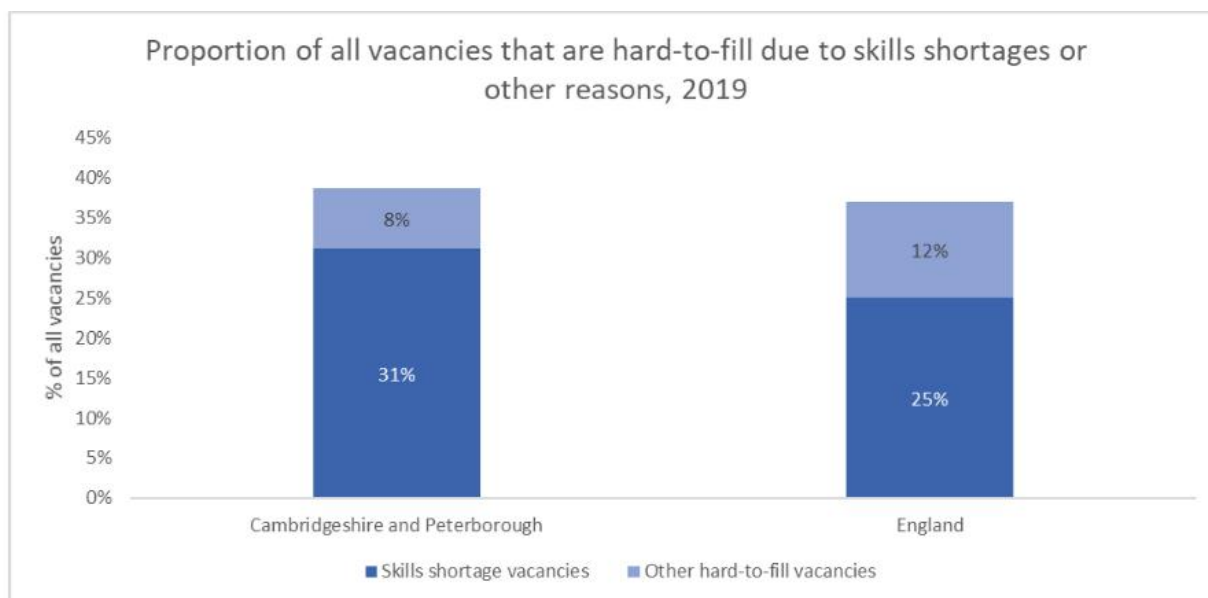
However, in Cambridgeshire and Peterborough there are a lower proportion of establishments with any under-utilised staff at 30%, compared with nationally where this is 34%. **This will be influenced by the specific demands of our growth sectors, which have a unique demand for skills.**



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 report²⁹ 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.

²⁹ 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 Government support scheme data: Coronavirus Job Retention Scheme (CJRS) and Self Employment Income Support Scheme (SEISS) from DWP.

Summary

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 five 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. On the 4th March 2021 the government announced an extension to the CRJS to support individuals and businesses who were impacted by disruption caused by COVID-19 with the CRJS remaining open until the 30th September 2021. This has been analysed as a fourth wave as for claim periods starting on or after 1 May 2021, employers can claim for employees who were employed on 2 March 2021. This means employers could claim furlough for employees who were not employed before 31 October 2021 as long as they were employed by 2 March.

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. Wave 3 saw increases in furlough support, reflecting stricter restrictions and lockdowns in late 2020 and into early 2021. This wave saw 36,100 employments furloughed representing 10% of employees.

The final update from the fourth wave indicates that 12,100 employments were on furlough at 30 September 2021, representing 2.3% of employees aged 16-64 across Cambridgeshire and Peterborough. This is less than England overall, where 2.8% were furloughed in the same period. Overall, 139,500 employments were furloughed at some point across Cambridgeshire and Peterborough from the beginning of the scheme to the 30 September. This represents 26% of employees aged 16-64. This is less than England overall, where 27% were furloughed.

The Self-Employment Income Support Scheme provided support for self-employed individuals whose business has been adversely affected by COVID-19. Applications for the fifth grant of SEISS were open between the 29 July and the 30 September 2021. To make a claim for the fifth grant businesses must have had a new or continuing impact from coronavirus between 1 May 2021 and 30 September 2021. The grant was worth either 80% or 30% of their average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and capped at £7,500 for the higher percentage or £2,850 for the lower percentage. To be eligible for SEISS 5 an individual must have been eligible for SEISS 4, 3, 2 and 1.

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. Wave 3 saw a further slight decrease in claims, with 25,000 claims made to the end of January 2021, to a value of £93.3million. Wave 4 also saw a decrease in claims, with 21,900 claims made to the 6th June 2021, to a value of £63.7million.

Final data from all five waves indicates that 118,200 claims have been made from the beginning of the scheme up to 28 October 2021 across Cambridgeshire and Peterborough. This makes up a total value of £334.9 million.

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.

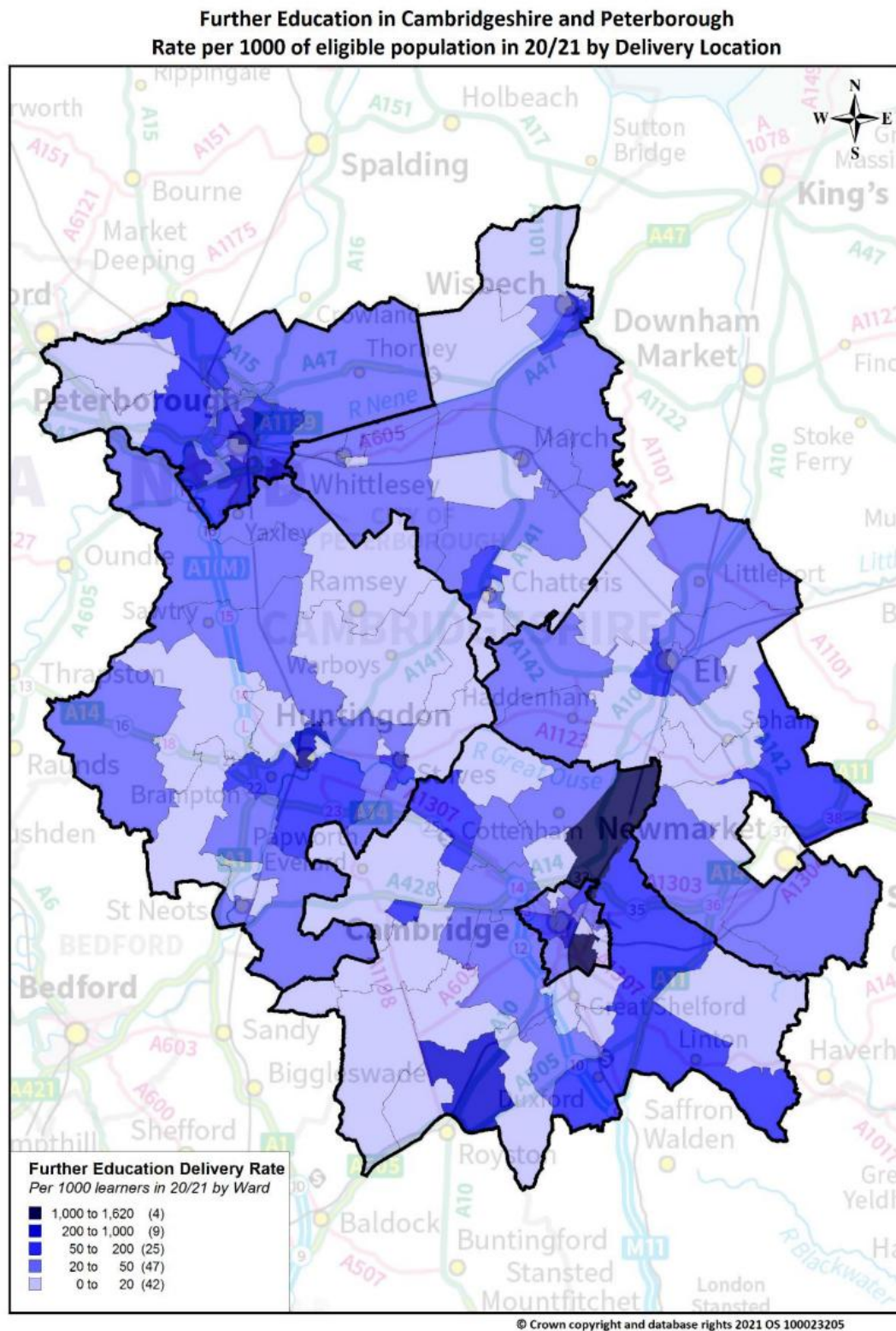
However, looking at learner residence highlights more dispersal within the Combined Authority, although some of the areas with the highest rates of learners are still found within Peterborough and some Cambridge wards, likely influenced by population density. The districts of South Cambridgeshire and East Cambridgeshire have multiple wards with high concentrations of learners. 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 number of enrolments by delivery location and numbers of learners by home location at ward level.

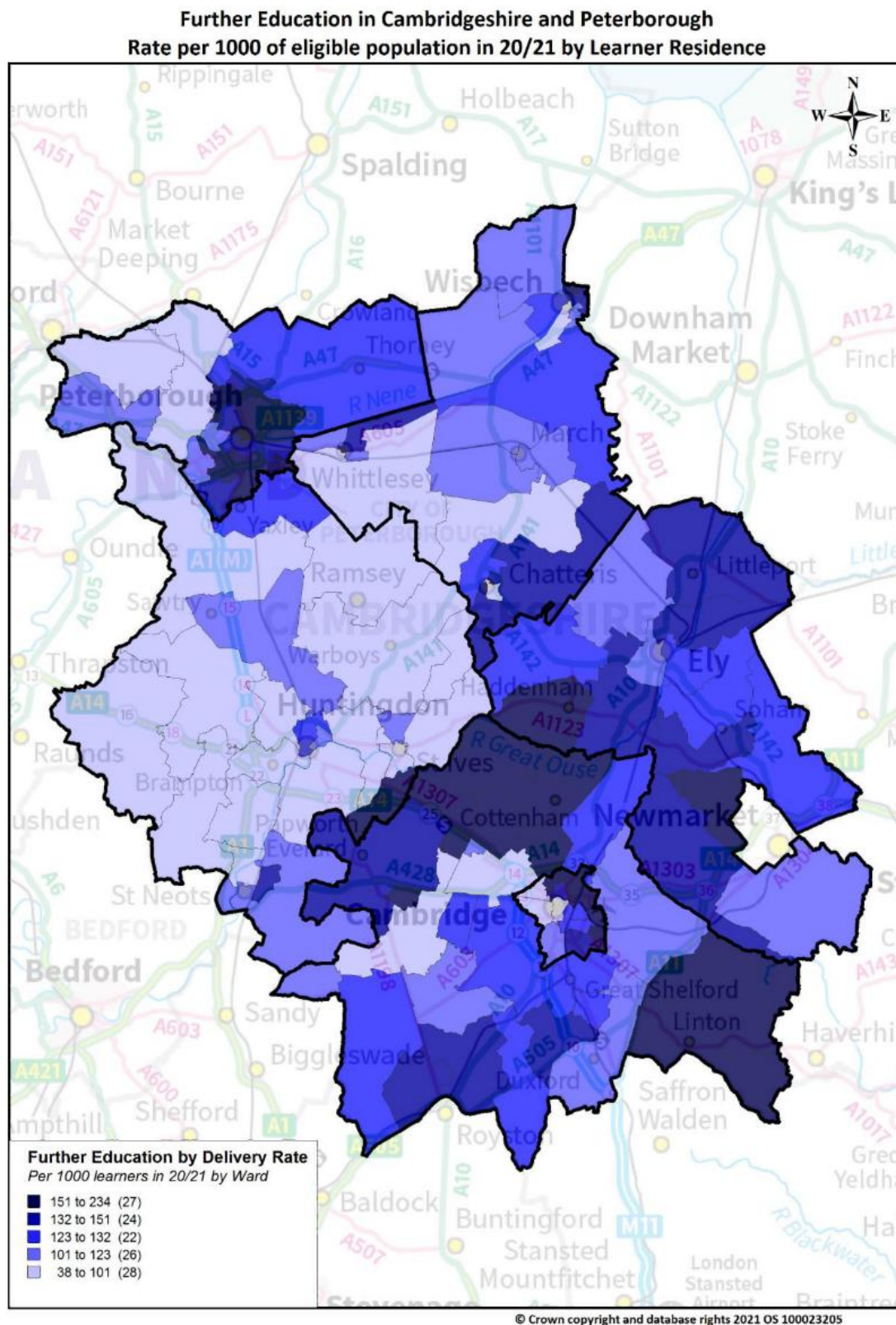
Comparison between these maps illustrates that learners are more evenly distributed across the Combined Authority area compared to delivery, which is more concentrated in a few hotspots around Peterborough, Cambridge, and the East Cambridgeshire and Fenland market towns of Ely, Littleport, Wisbech Chatteris and March. Learners are also concentrated in 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 2020/21 academic year by Delivery Location

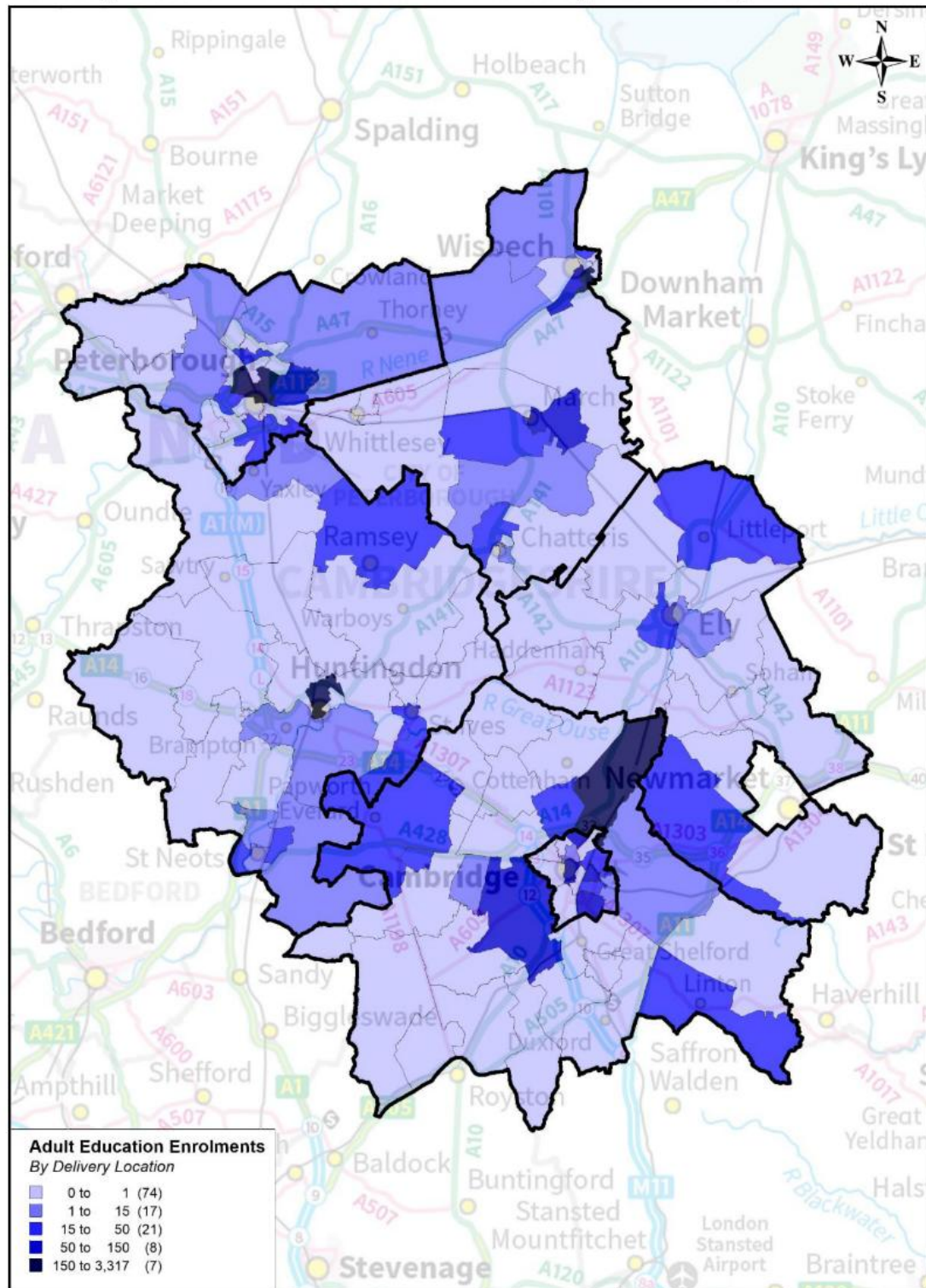


Annex B: Map 2, Further Education in Cambridgeshire and Peterborough: Rate per 1000 of eligible population in the 2019/20 academic year by Learner Residence



Annex B: Map 3, Adult Education in Cambridgeshire and Peterborough. Delivery Location: number of enrolments by Ward in 2020/21 R14

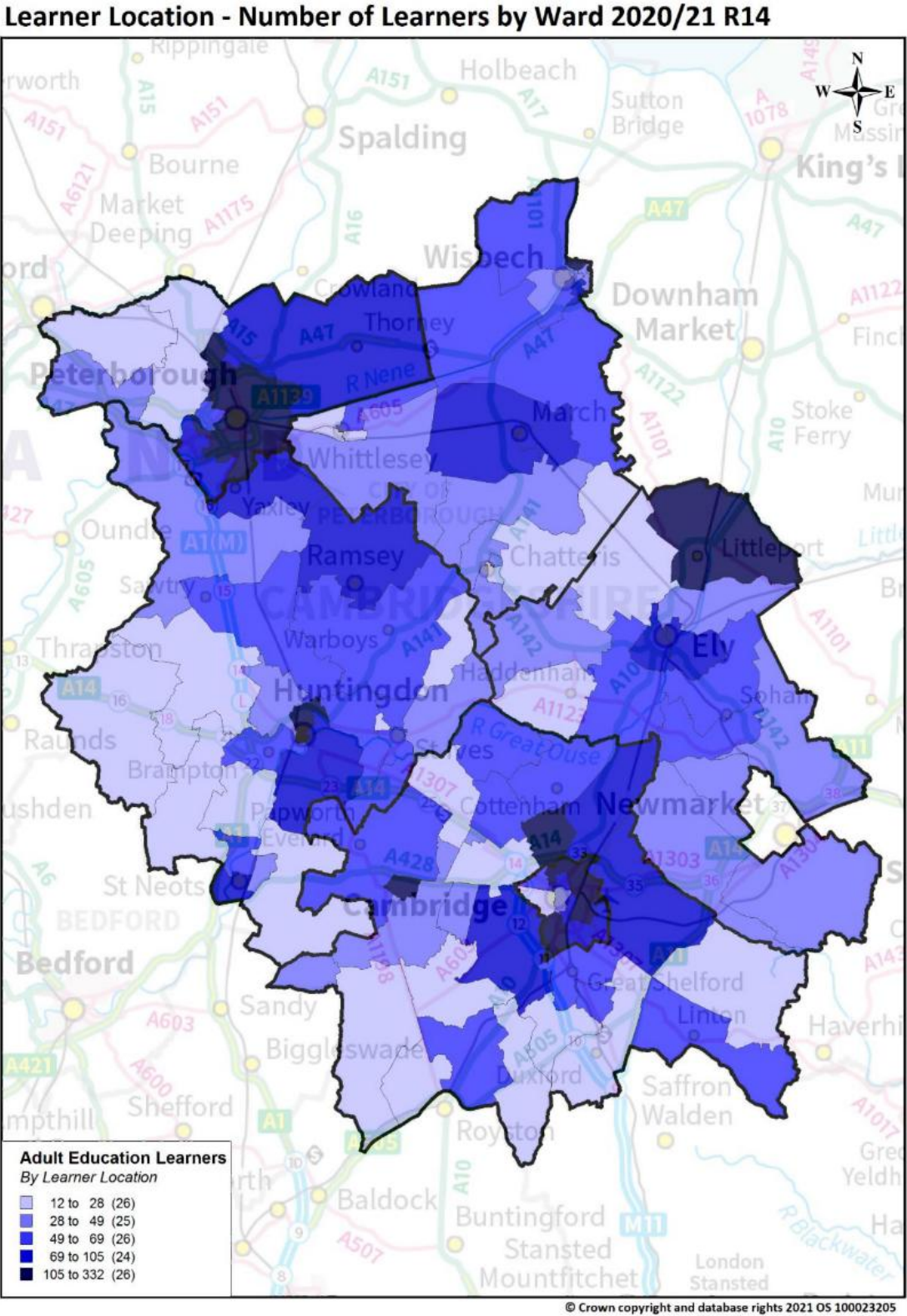
Delivery Location - Number of Enrolments by Ward 2020/21 R14



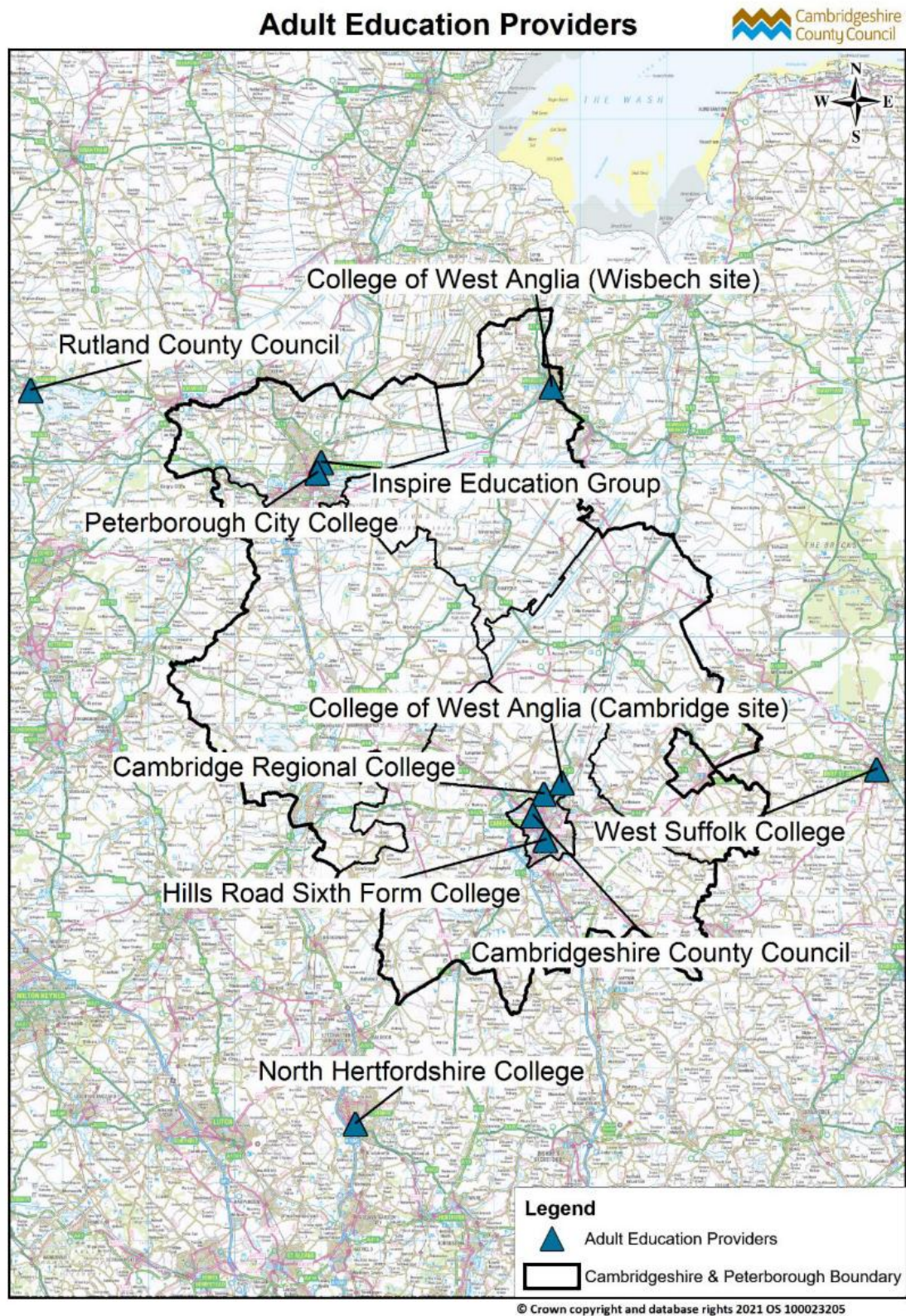
*Note 350 learners with a learning delivery location outside CPCA

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Annex B: Map 4, Adult Education in Cambridgeshire and Peterborough. Learner Residence: number of learners by Ward in 2020/21



Annex B: Map 5, Adult Education Providers in Cambridgeshire and Peterborough



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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.3

Digital Skills Bootcamps Update

To:	Skills Committee
Meeting Date:	17 January 2022
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha, Chair of the Skills Committee
From:	Fliss Miller, Senior Responsible Officer – Workforce Skills
Key decision:	Yes
Forward Plan ref:	n/a
Recommendations:	<p>The Skills Committee is recommended to:</p> <ul style="list-style-type: none">a) Note the paper providing an update on the contract for Skills Bootcamps, Wave 2.

1. Purpose

- 1.1 The purpose of this paper is to provide the Skills Committee with an update on the delivery of Skills Bootcamps - Digital in the East of England.

2. Background

- 2.1 The Combined Authority submitted a competitive consortium bid to the Department of Education (DfE) on the 12th February 2021 for the delivery of Skills Bootcamps – Digital in the East of England.
- 2.2 The Combined Authority received notification that it has been awarded £1,826,250 for the delivery of Bootcamps in the East of England. Of the nine consortium delivery partners, the DfE have only approved two providers to deliver the Bootcamps in the Consortia; Cambridge Regional College (CRC) and Purple Beard, an Independent Training Provider.
- 2.3 The funding is to support 805 learners within the East of England. The Bootcamps are Level 3 or above and must address the needs of employers and the wider economy.
- 2.4 The CPCA was the only successful bidder in the East of England for the delivery of Digital Bootcamps.
- 2.5 There was a significant delay in the notification of the award. The original schedule by DfE was for successful bidders to be informed of the outcome in March/April 2021. The contract was awarded in June 2021.

3. Delivery and Performance

- 3.1 The first cohort of learners started in September 2021. To date there have been 193 enrolments on 4 programmes. A breakdown by course and provider is detailed below.

PROVIDER	DIGITAL BOOTCAMP
Purple Beard	Cloud Engineering <ul style="list-style-type: none">• Data Pathway• Cloud Pathway
Purple Beard	DevOps <ul style="list-style-type: none">• Front End Development Pathway• DevOps Pathway• Data Pathway
Cambridge Regional College	Various <ul style="list-style-type: none">• Digital Marketing• Web Production and Web Analytics• Advanced Database Design

- 3.2 CRC have requested that their contract for delivery is reduced. We are in contract negotiations with the DfE and an Independent Training Provider to see whether we can transfer 300 learners from CRC to a new provider.
- 3.3 Purple Beard are performing well. They are also seeking a change to their contractual outputs. The change request is to reduce their bootcamps from four to two. This is due to limited employer and learner demand for two of their courses.
- 3.4 The Combined Authority has also been chosen as a provider to be part of Ofsted's Thematic Study of Skill Bootcamp delivery. The team met with an Ofsted Her Majesty's Inspector (HMI) in November. A visit as part of the Thematic Study is anticipated in Q1 2022 (a prospective schedule of dates, between January to March, will be confirmed based on provider timetables shared). No judgement words, grades or identification of providers will take place.

4. Funding and Governance

- 4.1 The Combined Authority is the Lead Partner and the accountable body for the delivery of the contract.
- 4.2 The Combined Authority will award £1,764,157.50 to consortium partners to deliver the Digital Bootcamps, based on the agreed contractual payment terms.
- 4.3 Funding from the DfE is paid monthly in arrears based on performance as outlined below:
- 30% on receipt of data collection sheet detailing learners start date
 - 60% on receipt of data recording of achievement
 - 10% on receipt of recording of 'job outcome' (with job outcome being either new job, change of role for existing employee or new opportunities in the case of the self-employed)
- 4.4 To date we have received £107,709.74 from the DfE, associated with learners reaching the 30% threshold for payment.

Significant Implications

5. Financial Implications

- 5.1 Whilst the DfE has awarded the Combined Authority £1,826,250 for the delivery of the contract, the funding is claimed in arrears upon delivery and therefore there is no risk to the Combined Authority regarding paying providers for work not completed. The only risk is that of underperformance by the providers and therefore the possibility that the DfE may not award the Combined Authority future contracts based on this.

6. Legal Implications

6.1 There are no significant legal implications.

7. Appendices

7.1 None.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.4

Budget & Performance Report

To: Skills Committee

Meeting Date: 17 January 2022

Public report: Yes

Lead Member: Councillor Lucy Nethsingha

From: Vanessa Ainsworth, Finance Manager

Key decision: No

Forward Plan ref: N/A

Recommendations: The Skills Committee is recommended to:

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

Voting arrangements: A simple majority of all Members present and voting

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 January 2021 Combined Authority Board Meeting, the Board approved a Medium-Term Financial Plan (MTFP) which includes a balanced revenue and capital budgets for 2021/22. 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 30 November 2021, is set out in Table 1. below.

Table 1. Skills Revenue Expenditure Budgets 2021/22						
Skills Revenue Expenditure	November Budget £'000	Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 30 Nov 2021 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
AEB Devolution Programme	11,367.6	-	11,367.6	7,786.2	10,455.2	(912.4)
AEB High Value Courses	236.6	-	236.6	37.9	37.9	(198.7)
AEB Innovation Fund - Revenue	500.0	-	500.0	242.3	475.0	(25.0)
AEB Level 3 Courses	808.8	-	808.8	178.4	477.9	(330.9)
AEB National Retraining Scheme	39.5	-	39.5	-	39.5	-
AEB Programme Costs	442.1	-	442.1	252.4	466.1	24.0
AEB Sector Based Work Academies	233.2	-	233.2	5.5	155.5	(77.7)
Careers and Enterprise Company (CEC)	222.1	-	222.1	-	211.1	(11.0)
Digital Skills Bootcamp	1,826.3	-	1,826.3	4.7	1,826.3	(0.1)
Health and Care Sector Work Academy	3,031.0	-	3,031.0	188.8	730.3	(2,300.7)
Mid-life MOT	40.0	-	40.0	20.6	40.0	-
Skills Advisory Panel (SAP) (DfE)	112.3	-	112.3	10.0	91.7	(20.6)
Skills Rapid Response Fund	115.2	-	115.2	26.6	108.7	(6.5)
Total Skills Revenue Expenditure	18,974.7	-	18,974.7	8,753.4	15,115.3	(3,859.4)

- 3.2 The Forecast Outturn as set out in the table above shows a reduction in expected costs for the year of £3,859.4k compared to the budget, and compared to £3,209.6k reported at the November committee. '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 variances in the AEB expenditure were outlined in the AEB Reserve Fund paper presented to the Skills Committee and CA Board in September. This paper gave full details of the use of the projected underspends across the various budget lines, with spend being spread across the academic year, which straddles two financial years.
- b. The CEC budget line began the Careers Hub aspect of the contract in September, and as such the budget has not yet been fully committed. Most of this budget is either staffing or charges from the Cambridgeshire & Peterborough Growth Company (Growth Co) for delivery of the service. There have been delays in creating the legal contracts between the Combined Authority and Growth Co, and as soon as these are completed invoices will flow between the two organisations.
- c. Digital Skills Bootcamp is the subject of a separate paper at this committee where further details can be reviewed.
- d. As reported at previous committees the Health & Social Care Work Academy is forecasting a large underspend. This item is the subject of a separate paper at this committee where further details can be reviewed.
- e. Skills Advisory Panel funding has been received and most of the income has been spent or committed, with a small amount still being finalised in the next few months.
- f. The Skills Rapid Response budget has been spent or committed with a small amount held in reserve to allow for quick reactive responses to emerging opportunities as per the title of the budget.

3.4 A breakdown of the Business & Skills Directorate 'Skills Revenue' income for the period to 30 November 2021, is set out in Table 2. below.

	July Budget £'000	Board Approvals & Adjustments £'000	Revised Budget £'000	Actuals to 31st Aug 2021 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Skills Revenue Funding Streams						
Adult Education Budget	(12,097.6)	(1,076.4)	(13,174.0)	(13,174.0)	(13,174.0)	-
Careers Enterprise Company Funding	(211.0)	-	(211.0)	(32.3)	(211.0)	-
Mid-Life MOT	(40.0)	-	(40.0)	-	(40.0)	-
Skills Advisory Panel Grant	(75.0)	-	(75.0)	(75.0)	(75.0)	-
Total Skills Revenue Expenditure	(12,423.6)	(1,076.4)	(13,500.0)	(13,281.3)	(13,500.0)	-

4. Performance Reporting

- 4.1 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.
- 4.2 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
- 4.3 These metrics are updated to align with the Board Performance Reports

- 4.4 Appendix 1 also shows the current RAG status for Skills projects, as at the end of October 2021.

5. Financial Implications

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

6. Legal Implications

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

7. Appendices

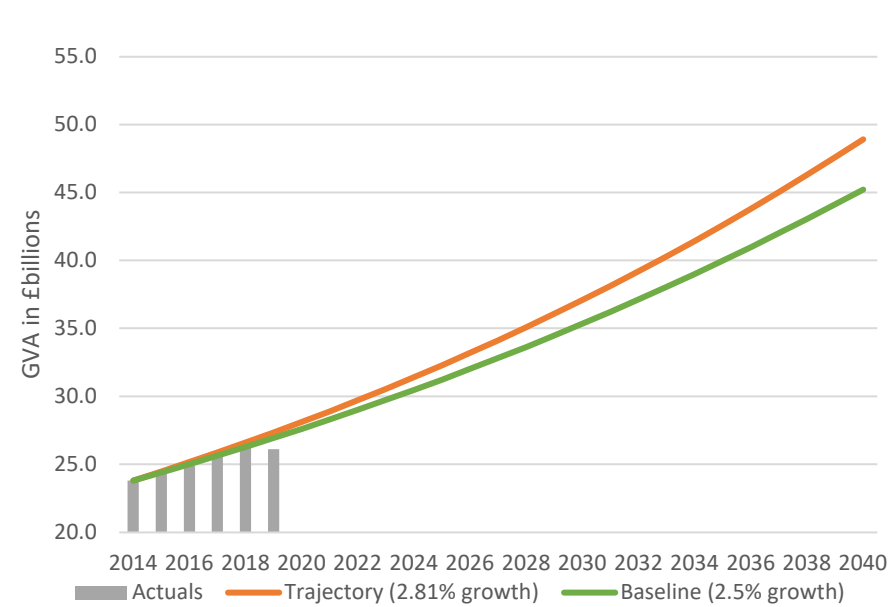
- 7.1 Appendix 1 – Performance Dashboard

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

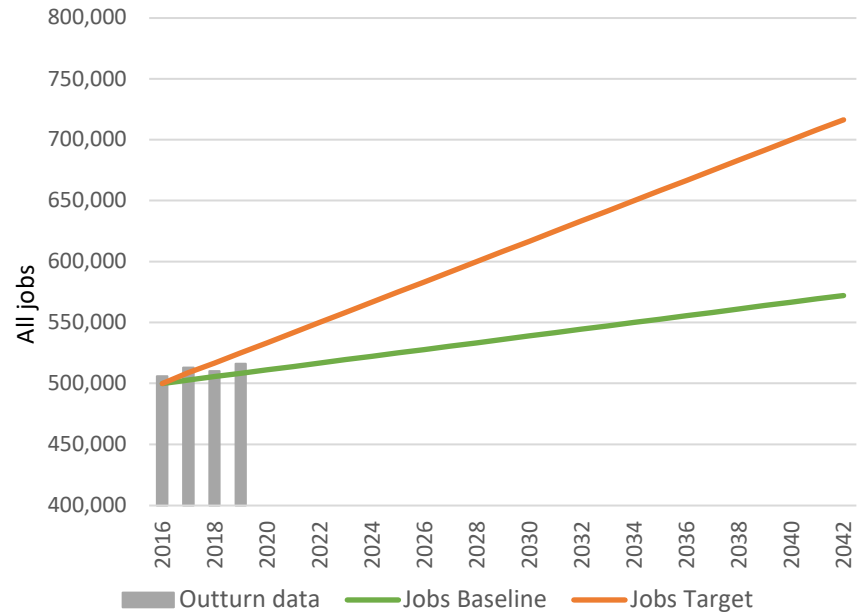
COMBINED AUTHORITY PERFORMANCE DASHBOARD
DEVOLUTION DEAL TRAJECTORY

GVA TRAJECTORY V BASELINE



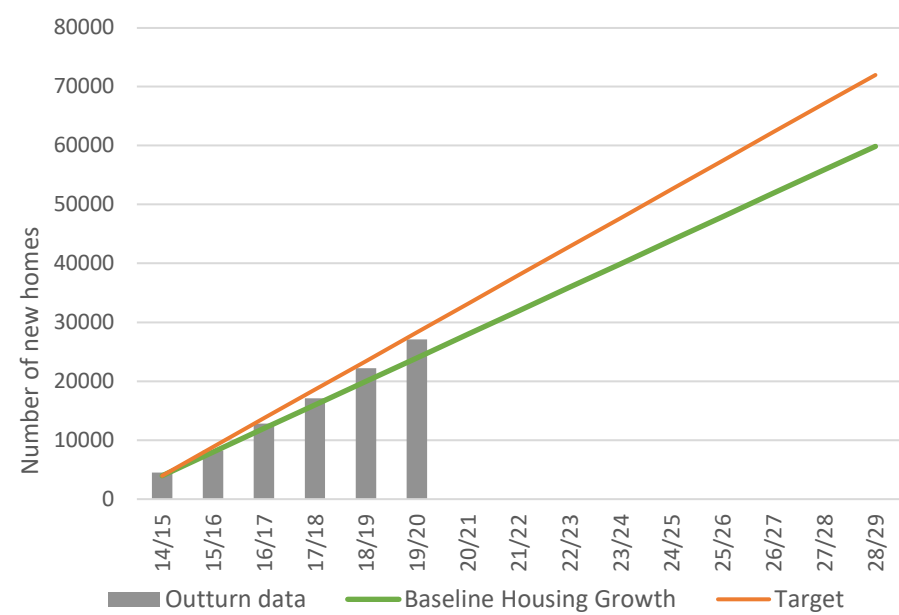
This has been updated in line with National Reporting standards. The CPCA Devolution Deal committed to doubling GVA over 25 years with 2014 as the baseline. To achieve this target the CPIER identified the region would require annual growth of 0.31% on top of the 2.5% baseline growth.

JOBS TRAJECTORY V BASELINE



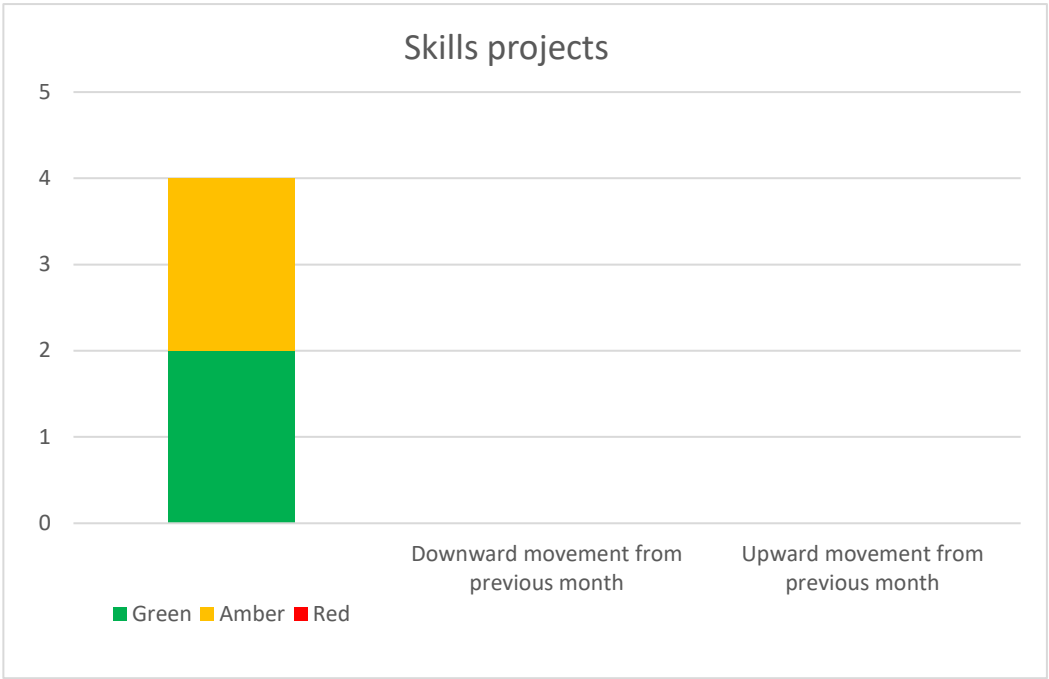
Target is derived through the CPIER by the GL Hearn report with a high growth scenario of 9,400 additional job growth per annum and a baseline of 4,338 jobs per annum.

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
Adult Education Budget (AEB)	Green
Business Growth Service	Green
University of Peterborough	Amber
Health & Care Sector Work Academy (HCSWA)	Amber

Data as at the end of November 2021

