SKILLS COMMITTEE

Wednesday 6 February 2019

15:00p.m – 17:00p.m

Incubator 2, Alconbury Weald Enterprise Campus, Huntingdon, Cambs PE28 4WX

AGENDA

Open to Public and Press

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Papers	Pages
	Part 1 – Governance Items			
1.1	Apologies and Declarations of Interests	Chair	Oral	
1.2	Minutes – 21 November 2018 and Action Log	Chair	Yes	3 – 9
1.3	Public Questions	Chair	No	
1.4	Agenda Plan	Chair	Yes	10 - 11
	Part 2 – Reports to Combined Authority Board			
2.1	Adult Education Budget Devolution Governance and Establishing the Skills Advisory Panels (SAP)	Chair/Dan Thorp – Place Assistant Director	Yes	12 - 20
	Part 3 – Delivery			
3.1	University of Peterborough – Update of Reviews	Chair/Dan Thorp – Place Assistant Director	Yes	21 - 39

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Papers	Pages
3.2	Skills Strategy – Update of Progress	Chair/Dan Thorp – Place Assistant Director	Yes	40 - 150
	Part 4 – Date of next meeting			
4.1	Date: Wednesday 3 April 2019 – Incubator 2, Alconbury Weald Enterprise Campus, Huntingdon, Cambs PE28 4WX			-

The Skills Committee currently comprises the following members

		Portfolio Responsibilities/Member	Board Member	Substitute
1	Chair	Portfolio Holder for Skills and Chair of Skills Committee	Cllr John Holdich	Cllr Lynne Ayres
2	Member	Member for Huntingdonshire District Council	Cllr Graham Bull	Cllr Ryan Fuller
3	Member	Member of East Cambridgeshire District Council	Cllr Charles Roberts, Deputy Mayor	Cllr Anna Bailey
4	Member	Member for South Cambs District Council	Cllr Eileen Wilson	Cllr Aiden Van de Weyer

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

Public speaking on the agenda items above is encouraged. Speakers must register their wish to speak by making a request in writing to the Democratic Services Manager (Tamar Oviatt-Ham) no later than 12.00 noon three working days before the day of the meeting. The request must include the name, address and contact details of the person wishing to speak, together with the full text of the question to be asked. For more information about this meeting, please contact Tamar Oviatt-Ham at the Cambridgeshire County Council's Democratic Services on Cambridge (01223) 715668 or by email at tamar.oviatt-ham@cambridgeshire.gov.uk

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
SKILLS COMMITTEE: MINUTES

Date: Wednesday, 21 November 2018
.
Time: 2.00p.m. to 3.10p.m.

Present: Councillors John Holdich (Chairman), Graham Bull, Charles Roberts and Eileen
                Wilson.

1.   APOLOGIES AND DECLARATIONS OF INTERESTS

There were no apologies or declarations of interests.

2.   PETITIONS

None received.

3.   PUBLIC QUESTIONS

None received.

4.   MEMBERSHIP AND TERMS OF REFERENCE

The Committee received a report detailing its terms of reference, and procedural
arrangements.

In discussing the report, Members queried the responsibilities of officers in terms of the
skills agenda. It was agreed that an outline of the skills team would be produced for the
Committee with information in relation to roles and responsibilities. **ACTION**

Attention was drawn to the need to remove the error at 5.2 of Appendix 2. **ACTION**

It was resolved unanimously to:

        note the terms of reference and procedural arrangements for the Committee.

5.   UNIVERSITY OF PETERBOROUGH – REVIEW AND EVALUATION FOR PHASE 1
**   AND 2 OF THE PROGRAMME**

The Committee received a report outlining the next steps for the delivery of the
University of Peterborough programme and the outline and scope of work of both the
Financial and Technical/Partnership Approach reviews of the work that had been
carried out on the University of Peterborough Programme. It was noted that this period
of review created an opportunity of pause and reflection to ascertain how the Combined
Authority investment in the programme had supported the advancement of the project.
There had been large movements in the Higher Education (HE) market in terms of
business models and it was timely to review if the approach and partnership was still fit
for purpose.

The Chairman expressed his full support for the programme and highlighted the need to be flexible as it was more than just buildings. In discussing the report Members:

- Queried the impact of Brexit and the potential for fewer European Union Students, and whether it was the right time to establish a new university given that a number were reported to be insolvent. The Director of Business and Skills acknowledged that overseas students were a significant part of the market model, which had stimulated the need for the review. It was noted that here were currently 100 new applications for new universities in the pipeline making the market crowded. The University of Peterborough therefore needed to be in the top 25% in order to get approval. Members clarified that there was a need to ensure the Peterborough offer was innovative and covered a niche in the market that matched the skills required locally.

- Highlighted the social benefits that a group of students would bring to the City and its attractiveness to employers.

- Questioned whether the Committee would be able to input its vision for a university into the report. Members noted there was already a draft vision which would be circulated to the Committee. It was also noted that the vision would be brought to the next meeting for amendment and validation by Committee. **ACTION**

- Queried recommendation (c), as decisions on direction of travel would need to come through the Committee before being presented to the Board. It was noted that there was therefore no need to go to Board at this stage.

It was proposed by Councillor Bull and seconded by Councillor Wilson, with the unanimous agreement of the Committee, to remove recommendation (c)

It was resolved unanimously to:

a) note that the CPCA had commissioned both a Financial Review with Pinsent Masons and a Technical /Partnership approach review with Gleeds.

b) note the timetable for delivery and reporting back.

6. ADULT EDUCATION BUDGET DEVOLUTION

The Committee received a report on the current state of the devolution of the Adult Education Budget (AEB) from the Department for Education to the Cambridgeshire and Peterborough Combined Authority (CPCA). The report sought to secure support for the proposal for progressing with the next steps of devolution of the AEB and its implementation.

In discussing the report Members:

- Noted that work had been ongoing on the devolution of the AEB for 7-8 months with the aim to take on the powers from the academic year 2019/20.

- Noted that a report, outlining a series of options in relation to the governance of the AEB, would be brought to Committee in February 2019 including options for managing any underspends.

- Discussed the resourcing proposals of the AEB and highlighted concerns in relation to the proposed programme costs and the top slicing allocation of 4.9%. It was noted that resourcing as it stood was crucial to ensuring the successful devolution of the AEB, and that it would be subject to monthly review. Members noted that staffing was comparible under industry standards and had been compared with counterparts. The Authority had one of the leanest structures and would be reviewed to make it even leaner. It was questioned whether all the staff should be appointed on permanent contracts and members were of the view that the situation would be kept under close review by the Committee.

- Discussed the grant commissioning process. The biggest provider Stedfast was aware that it would have to go out to procurement for future contracts. The process was to go out to tender in January and then award for April, May, June and July. Members noted that the Combined Authority would look at contracts up to 10 miles within the edge of the Authority's border, which would include the College of West Anglia.

- Queried whether any modelling had been carried out on needs requirements in each area. It was noted that work had been done to look back on what had been funded in the past and individual funding records. The Skills Strategy would identify what needed to be provided in order to deliver what businesses needed. One Member highlighted the need to also consider life skills as well as employability.

- Queried whether destinations for individuals following courses had been looked at. It was noted that this would be reviewed in future. Members were informed that there was a limit to how much the Authority could change the providers in the first year. Over the course of the financial year the Skills Strategy would be developed to enable the mapping of the courses needed for 2021. Courses would be slowly moved across without causing commercial impacts on providers.

- Acknowledged the importance of the Skills Strategy in relation to this funding. It was noted that the Strategy was going out to consultation with businesses in December.

- Queried whether the terms of a minimum contract value as highlighted in 2.43 of the report would be applied rigorously. It was acknowledged that in letting contracts, particularly in rural areas, £50,000 was a considerable amount of money. It was noted that this would need to be reflected in the procurement exercise. Members commented on the need for flexibility and discretion in relation in supporting smaller providers.

- Questioned the memorandum of understanding covered in 2.35 of the report and the Combined Authority's commitments. It was noted that this was covered in the Authority's strategic risk register.

- Highlighted the need to understand the responsibilities resting with the Business Board in relation to skills. It was noted that Sections 2.14 to 2.16 would be developed further for the February meeting.

- Noted the need to commit to the system and software build costs highlighted in table 2 of the report.

It was resolved unanimously to:

a) note the progress on the devolution of the AEB Programme in Cambridgeshire and Peterborough.

b) comment on the proposed options for governance of the AEB as outlined in paragraphs 2.14 – 2.16 of the report.

c) endorse and recommend the Combined Authority Board approve business case requesting a top slicing allocation up to 4.9% to ensure the delivery of the AEB is resourced appropriately.

d) endorse and recommend the Combined Authority Board approve the proposed commissioning approach for the CPCA devolved AEB.

e) recommend the Combined Authority Board authorise officers to enter into a negotiated grant commissioning process to develop and work with the 15 indigenous and contiguous Cambridgeshire and Peterborough Colleges and Local Authority providers currently grant funded by the Education Skills Funding Agency. (This will mean disinvestment in the remaining 120 Grant funded providers spatially distant from Cambridgeshire & Peterborough.)

f) recommend the Combined Authority Board agree to procure contracts for services for all other providers, including Independent Training Providers, Further Education Institutions based outside of the CPCA area and other organisations (which may include the voluntary & community sector). Further to give delegated authority to the Director of Business & Skills to award contracts.

g) note the procurement timeline for contracts for services.

7. SKILLS PRIORITISATION PLAN – CAREERS ENTERPRISE COMPANY

The Committee received a report on the next steps in the delivery of the Careers Enterprise Company (CEC) contract. The report sought support for the proposed ways of working in the delivery of the contract post March 2019. A review of all operational services had been undertaken, evaluated against the requirements of the devolution deal, mayoral commitments and interventions that achieved the 2020 ambition. Officers had been working with the CEC to engage potential service providers to undertake the remaining CEC contract terms. If no delivery partner could be identified then the CEC contract would cease at the end of March 2019.

In considering the report Members:

- Noted that there had been a full review of all projects across the Combined Authority, looking at operational costs and reducing staffing structures. An outcome

of this had been a review of the CEC Contract as it gave low outcomes. The Combined Authority would look to design better vehicles for employer encounters and experience of the workplace. The recommendation was to pull away from the standards model of the CEC Contract and build a better contract.

- Sought assurance that if an alternative provider could not be found then this would be brought back to Committee to review any risk of a gap in service.

It was resolved unanimously to endorse the following and forward to the Combined Authority Board for approval:

a) that the CPCA cease resourcing the Careers Enterprise Company contract for delivery.

b) that delegated authority be provided to the Portfolio Holder and Director of Business and Skills to engage with the CEC to identify potential local partners to undertake the remaining CEC Delivery Contract.

8. **SKILLS STRATEGY UPDATE**

The Committee received a report giving an update on the process to shape the Skills Strategy document. It was noted that the Skills Strategy Review had been commissioned by the then GCGP LEP and the Combined Authority and presented to the Combined Authority Board on 29 October 2018. In order to produce the Skills Strategy, wider consultation had been sought, focusing on local priorities that would have the most impact on productivity and skills. The proposal was to share the draft strategy through a series of round table events in late November – early December and present the draft Strategy to the Committee in January for comment and feedback, with the final strategy be presented to Skills Committee in February for endorsement, before going to Combined Authority Board for sign off in March.

In considering the report Members:

- Queried the tight timescales as it was important to get the strategy right. It was noted that the timescales could roll forward a month but that the Strategy would need to be approved by April in order to be ready to submit any requests for funding to CLG.

- Requested that Ramsey be included in the Opportunity Area in Fenland East Cambridgeshire. It was noted that this area had been defined by the Department for Education. However, it would be possible to share best practice.

It was resolved unanimously to:

a) agree the process for shaping the Skills Strategy.

b) note the timeline for collating feedback, to inform the development of the Skills Strategy.

c) endorse the next steps in the process.

9.   **PERFORMANCE REPORT – NOVEMBER 2018**

The Committee received a report outlining the Skills Dashboard.

In considering the report Members:

-   Noted that the University of Peterborough Project continued to be rated red as the outcomes of reviews was still awaited.

-   Noted that the AEB project was rated amber at this stage as the procurement aspect of the programme required additional capacity.

-   Noted that the Apprenticeships Grant was rated amber due to unclaimed grant funding and a national downturn in Apprenticeships. Within the current landscape the promotion of the AGE Grant had sat with the Colleges/ Providers. Members noted that the Combined Authority was working with Peterborough City College on a campaign. The Mayor was also holding discussions with other Mayors to lobby government.

It was resolved unanimously to:

a) note the current activity within the Skills Team and be aware of status and progress to date.

10.   **DATE OF THE NEXT MEETING**

Members noted the date of the next meeting as 6 February 2019.

Chairman

Skills Committee Action Sheet – 21 November 2018   **Agenda Item: 1.2**

Date	Minute Ref	Report Title	Action	Delegated officer	Status	Date completed
21/11/18	4.	Membership and Terms of Reference	It was agreed that an outline of the skills team would be produced for the Committee with information in relation to roles and responsibilities	Kim Cooke	Complete	12/12/18
21/11/18	4.	Membership and Terms of Reference	Attention was drawn to the need to remove the error at 5.2 of Appendix 2	Tamar Oviatt-Ham	Complete	30/11/18
21/11/18	5.	University Of Peterborough – Review And Evaluation For Phase 1 And 2 Of The Programme	Members noted there was already a draft vision which would be circulated to the Committee. It was also noted that the vision would be brought to the next meeting for amendment and validation by Committee	Kim Cooke	Complete	29/11/18

	SKILLS COMMITTEE AGENDA PLAN Agenda Item:1.4	Updated on 17/01/19		

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 11http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/CPCA-Constitution-.pdf

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

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

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

- Minutes of previous meeting and Action Log
- Agenda Plan

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for reports	Agenda despatch date
06.02.19	University of Peterborough – Update of Reviews	Kim Cooke	No	24.01.19	29.01.19
	Skills Strategy – Update of Progress	Kim Cooke	No		
	Adult Education Budget Governance and Establishing the Skills Advisory Panels	Neil Cuttell	No		
03.04.19	Adult Education Budget – Options for Future Delivery	Neil Cuttell	2019/017	21.03.19	26.03.19

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for reports	Agenda despatch date
	Skills Strategy	Kim Cooke	2019/004		
	University of Peterborough – Outline Business Case	Kim Cooke	2019/009		
10.07.19				**27.06.19**	**02.07.19**
09.10.19				**26.09.19**	**01.10.19**
08.01.20				**18.12.19**	**23.12.19**
08.04.20				**26.03.20**	**31.03.20**

To be programmed:

CAMBRIDGESHIRE
& PETERBOROUGH
COMBINED AUTHORITY

SKILLS COMMITTEE	AGENDA ITEM No: 2.1
6 FEBRUARY 2019	PUBLIC REPORT

ADULT EDUCATION BUDGET DEVOLUTION GOVERNANCE & ESTABLISHING THE SKILLS ADVISORY PANEL ("SAP")

1.0 PURPOSE

1.1. To provide governance options to the Skills Committee and request it to recommend its preferred model for governance around the devolution of the Adult Education Budget to the Combined Authority Board.

1.2. The report also provides the Committee with information relating to the emergence of the Skills Advisory Panels ("SAP") for inclusion in the governance of Skills during 2019 for Cambridgeshire and Peterborough.

DECISION REQUIRED	
Lead Member:	**Councillor John Holdich**
Lead Officer:	**Neil Cuttell, Programme Manager Skills**
Forward Plan Ref: Insert ref no on FP	**Key Decision: No**
The Skills Committee is recommended to: (a) Approve Option 2 as outlined within the report (b) To authorise Officers to prepare Terms of Reference for a SAP inclusive of the AEB for approval at the next meeting of the Skills Committee.	**Voting arrangements** Simple majority of all Members

2.0 BACKGROUND

2.1. In July 2018, approval was obtained from the CPCA Board for the Business Board to lead on a Skills Board and report into the Skills Committee of the CPCA.

2.2. In order to ensure that (i) Business and Industry both play a prominent role in the skills agenda within the Cambridgeshire and Peterborough area; and (ii) both providers and customers of the AEB have a voice in designing and shaping the AEB programme locally, an inclusive governance structure is required.

2.3. In November 2018 the Skills Committee received a report that proposed the following basic options on potential governance models:

a) the creation of an Adult Education Programme Board ("AEPB") that could include members of the Business Board, the CPCA Skills Committee, AEB Providers and Customers; and

b) adapting the Skills Committee to include representation from both Business and the AEB Provider base.

2.4. Members of the Skills Committee were asked to comment on the above options.

3.0 GOVERNANCE OF AEB

3.1 As a consequence of the devolution of the AEB, the CPCA has a duty to ensure that the governance of the AEB programme is strong and robust. The DfE requested within the Readiness Conditions of June 2018 that the CPCA ensures collaborative involvement with stakeholders in the design and delivery of the AEB locally.

Skills Advisory Panels ("SAPs")

3.2 Skills Advisory Panels (SAPs) are a 2017 manifesto commitment and a key initiative under the Government's Industrial Strategy to address mismatches between skills supply and employer demand more effectively. In early December 2018, the CPCA received a letter from the Minister of State for Apprenticeships & Skills informing of support in the creation of SAPs in each Combined Authority area.

3.3 SAPs aim to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges; this includes both immediate needs and challenges and what is required to help local areas adapt to future labour market changes and to grasp future opportunities. The aim is to help colleges, universities and other providers deliver the skills required by employers now and in the future. The government has (i) published guidance on the purpose, composition and responsibilities of a SAP; and (ii) provided an analytical toolkit to support SAPs to carry out high quality skills analysis, which can be used by SAPs to fully understand and assess their skills needs and wider labour market challenges. An offer of £75,000 has been provided to each Combined Authority to analyse their local skills needs and priorities. Appendix 1 provides a fact sheet on SAPs.

3.4 The creation of SAPs is only sought where no existing Employment & Skills Board has been operational. Therefore, there is an option to provide consistency and alignment for governance of the AEB programme and other Skills programmes and activities within one inclusive, local Cambridgeshire and Peterborough Board. Officers would develop and report back to the Skills Committee with a comprehensive Terms of Reference to include SAP requirements at a future meeting.

4.0 Governance Options for delivery of the AEB Programme

4.1. There are certain issues around the creation of a separate Board within the governance of the AEB that need to be identified, agreed and implemented. At present there is a governance structure that identifies a role for the CPCA Board, the Business Board and the Skills Committee.

4.2. There are currently three identified options available for the Skills Committee to consider, these are:

Option 1: Creation of an Adult Education Programme Board (**"AEPB"**) & a SAP, both of which will sit alongside the Skills Committee.

Option 2: Creation of a SAP, which fulfils the requirements of the AEB Government Governance Guidance, to sit alongside the Skills Committee.

Option 3: Significant change to the Terms of Reference for the Skills Committee to be able to take on all three functions to fulfil its current Terms of Reference, AEB and Panel functions.

4.3. **Option 1:** The creation of a new AEPB would provide focus of role for participants as to the purpose of formation and delivery. This group could consist of Business, AEB Providers and Members of the Skills Committee. This option has a partially developed Terms of Reference but has not yet identified businesses or individuals who may wish to participate. The creation of an AEPB could create some confusion between the different responsibilities of the CPCA Board, Skills Committee and Business Board, and be considered to be overly administrative given the emergence of SAPs.

4.4. **Option 2:** The creation of a SAP provides an option to align with Adult Education governance for Cambridgeshire and Peterborough. The SAP could therein report to the Skills Committee but have a wider portfolio of programme and projects to advise and deliver on, which would ensure synergy with other skills programmes within the area. However, as it is in its infancy, no Terms of Reference have yet been developed nor have any potential members been identified. The DfE is seeking to agree a Memorandum of Understanding with the CPCA by the end of January 2019 for the creation of a SAP by October

2019.

4.5. **Option 3:** The Skills Committee could decide to ask the Combined Authority Board to significantly change its Terms of Reference and the role it currently has, to be more inclusive of its membership. In such an event, consideration would be given as to whether Businesses, AEB Providers and Customers could potentially become members of the Board. Further consideration would be required as to structure, governance and accountability.

4.6. Officers have reviewed how other Mayoral Combined Authorities operate the governance of the AEB. At the West Midlands Combined Authority (WMCA) and Greater Manchester Combined Authority (GMCA) the AEB is operated on the basis that the Employment & Skills Board are tasked with setting the Strategic Aims and the approach as an advisory body to the Executive Board who sign off and agree the grant allocations. At WMCA the Skills Board will become the SAP.

4.7. **Options Table**
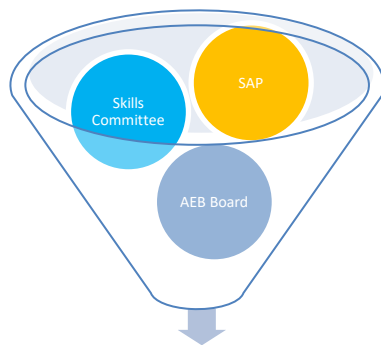
Effective Governance

Option/Issue	AEPB	SAP	Skills Committee
Focused Role for AEB	✓	✗	✓
Existing Terms of Reference	✓	✗	✓
Wider Role for Skills	✗	✓	✓
Business Inclusion	✓	✓	✗
Provider & Customer Inclusion	✓	✓	✗
Additional Forum or Group	✓	✓	✗
Currently Operational	✗	✗	✓

4.8. Officers would advise that the Skills Committee recommend to the CPCA Board that Option 2 is endorsed for the purpose of clarity of roles and responsibilities,

inclusion and decision making. This will allow the Skills Committee to have a decisive and distinctive role in providing strategy and resources to Skills, whilst providing an inclusive, operational & knowledge driven, advisory role to key partners in assisting the development of strategy and delivery locally. Officers would also advise that the governance arrangements decided upon are reviewed in 18-24 months to ensure that they are effective.

5.0 FINANCIAL IMPLICATIONS

5.1. A grant of £75k is awarded along with responsibility for the SAP. The restrictions on this funding will be set out in an MOU with Government which has not yet been seen but early indications suggest that it will be ringfenced for use in building analytical capacity and not used toward the cost of supporting and implementing the SAP. As such there will be some costs associated with supporting the SAP but it is anticipated that the majority of these will be covered by existing resource and thus not have a significant impact.

6.0 LEGAL IMPLICATIONS

6.1. Funding provided for the SAP must be used solely for the purpose for which it is intended;

6.2. Complete and accurate records must be kept in order to show how funding has been utilised.

6.3. Any and all data must be obtained, processed, stored, used and shared, in strict accordance with GDPR.

7.0 SIGNIFICANT IMPLICATIONS

7.1. There are significant implications on ensuring that the appropriate governance arrangements are in place for the AEB and the requirement for a SAP. These include ensuring good decision making, evidence and knowledge to inform decision making, and inclusion of key stakeholders and partners. The provision of AEB was offered by DfE on the basis that the 'Readiness Conditions' submitted in May 2018 were undertaken and implemented, a component part of this was ensuring that the Governance of the AEB was robust and inclusive.

8.0 APPENDICES

8.1. Fact Sheet on Skills Advisory Panels (SAPs).

Source Documents	Location
CPCA Board Minutes July 2018	The Incubator 2, First Floor, Alconbury Weald Enterprise

[CPCA Skills Committee Minutes 21st November 2018](#) [CPCA Board Minutes November 2017](#)	Campus, Alconbury Weald, Huntingdon, PE28 4WX

Skills Advisory Panels: Factsheet

Key Messages

- Skills Advisory Panels aim to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges.

- As part of the Secretary of State's speech on technical and vocational education on 6 December, we have published some guidance for Mayoral Combined Authorities, the Greater London Authority and Local Enterprise Partnerships on the role of Skills Advisory Panels. The guidance[1] sets out the purpose, composition and responsibilities of a Skills Advisory Panel.

- Alongside the governance guidance, we have also published an analytical toolkit[2] to support Skills Advisory Panels to carry out high quality local skills analysis, which will be used by Skills Advisory Panels to fully understand and assess their skills needs and wider labour market challenges, now and in the future.

- The Secretary of State for the Department for Education also announced that each Skills Advisory Panel will get £75,000 to analyse their local skills needs and priorities, which could include employing a labour market analyst.

Skills Advisory Panels

- Skills Advisory Panels aim to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges.

- This includes both immediate needs and challenges and looking at what is required to help local areas adapt to future labour market changes and to grasp future opportunities. This will help colleges, universities and other providers deliver the skills required by employers, now and in the future.

The Skills Advisory Panel governance

- This guidance sets outs the role of the Skills Advisory Panels, their purpose, composition and responsibilities.

- Where existing employment and skills boards are functioning well, they will take on the Skills Advisory Panel function rather than a new body needing to be created.

- Where they do not, we expect areas to reform existing boards so that they have a membership that represents all types of providers (e.g. Further Education, Higher Education and independent providers), employers (including SMEs and larger employers

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[1] https://www.gov.uk/government/publications/skills-advisory-panels-saps-role-and-governance
[2] https://www.gov.uk/government/publications/skills-advisory-panels-analytical-toolkit

from across the private and public sectors), the voluntary and community sector and other key local stakeholders (including at least one local authority for non-Mayoral Combined Authority areas and Greater London).

- We expect the Skills Advisory Panels to reflect the geography of the Local Industrial Strategies. Where the Mayoral Combined Authority leads on the Local Industrial Strategy, we expect that it will lead on the development of the local Skills Advisory Panel. Where the Mayoral Combined Authority leads on the development of the local Skills Advisory Panel but the relevant Local Enterprise Partnership boundaries extend beyond the Mayoral Combined Authority area, we would expect that the Skills Advisory Panel analysis covers the full geography of those Local Enterprise Partnerships and for those Local Enterprise Partnerships to be appropriately represented on the Panel.

Developing thinking around stronger influence

- The consultation *Provider Funding for the Delivery of T Levels* was published in November 2018[3]. This proposes a requirement in provider funding agreements to have due regard to the skills analysis, local plans and strategies published by the Skills Advisory Panel, and expects providers to work together to provide the skills offer that is needed without undue duplication. It is proposed that this is reciprocated with a requirement on Skills Advisory Panels to have regard for providers' missions and capabilities in their planning work.

- We believe that this would strike the right balance between providers offering a range of T Levels locally that meet local and regional skills priorities, whilst at the same time allowing providers to take account of other factors such as national skills needs, breadth of provision and social mobility. This policy is being consulted on and we would welcome views on how the policy should be defined and developed.

- We are exploring whether we should give Skills Advisory Panels any additional influence over skills supply.

The Analytical Toolkit

- Alongside the governance guidance, an analytical toolkit[4] and accompanying list of useful data sources[5] have been published to support Skills Advisory Panels to carry out high quality local skills analysis and identify their existing and future skills gaps and employment priorities.

- Skills Advisory Panels' analysis will also support strong Local Industrial Strategies, which all areas will have in place by early 2020.

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[3] https://www.gov.uk/government/consultations/funding-for-the-delivery-of-t-levels
[4] https://www.gov.uk/government/publications/skills-advisory-panels-analytical-toolkit
[5] https://www.gov.uk/government/publications/skills-advisory-panels-analytical-toolkit/skills-advisory-panels-data-sources

Funding to develop analytical capability

- We will also provide £75,000 to each Skills Advisory Panel to grow their analytical capability. Where applicable, this will be after any resolution on geography Local Enterprise Partnerships have been agreed in line with the Government expectations set out in *Strengthened Local Enterprise Partnerships,* published by the Ministry of Housing, Communities and Local Government (MHCLG) in July 2018[6].

- The £75,000 funding can be used towards employing a new labour market analyst, though the Skills Advisory Panel will decide on the exact use of funding. The following non-exhaustive list is provided as examples of suitable ways of delivering the new role of the Skills Advisory Panel:

    - Employing staff to produce high-quality analysis of local skills needs and wider labour market challenges
    - Provision of training to analytical staff
    - Obtaining improved analytical tools
    - Obtaining new and/or improved sources of data

- We will put in place a Memorandum of Understanding (MoU) between Government and local areas agreeing the expectations on what the funding should be spent on.
- The Skills Advisory Panel should ensure the results of their analytical work is shared as widely and transparently as possibly, including with local colleges, employers, central government and other Skills Advisory Panels.

Next Steps

- The Department for Education's Skills Advisory Panels programme team will hold a Q&A session on Tuesday 11 December at 4pm where skills analysts and policy leads are invited to ask questions.

- We will work with local areas to support their progress in implementing these changes, which we expect to be in place by October 2019. We will review with them their progress both in developing robust governance structures and analytical capacity in summer 2019 to determine whether they are on track.

- If any further funding is made available to Skills Advisory Panels, it will be dependent on sufficient progress. In addition, levels of progress could have implications for any future requirements on skills providers and government agencies to make use of a Skills Advisory Panel's analysis.

- The Department for Education's Skills Advisory Panels programme team will look at how to spread best practice across Local Enterprise Partnerships and Mayoral Combined Authorities, how to address concerns around data availability and what analytical support central government should provide.

- For any enquiries on the Skills Advisory Panels, please contact us:

    SAP.PROGRAMME@education.gov.uk.

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[6] https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships

SKILLS COMMITTEE	AGENDA ITEM No: 3.1
6 FEBRUARY 2019	PUBLIC REPORT

UNIVERSITY OF PETERBOROUGH – REVIEW AND EVALUATION FOR PHASE 1 AND 2 OF THE PROGRAMME

PURPOSE

1.1. To provide the Skills Committee with an update in relation to the delivery of the University of Peterborough programme and outline the actions required from reviews to inform the development of an Outline Business Case.

<u>DECISION REQUIRED</u>		
Lead Member:	**Councillor John Holdich**	
Lead Officer:	**John T Hill – Director of Business and Skills**	
Forward Plan Ref: N/A	**Key Decision: No**	
The Skills Committee is recommended to: (a) Provide officers with comment on the Vision (Appendix 1). (b) Note the outcome of the Gateway Review – Recommendations and Action Plan (Appendix 2). (c) Note the revised timetable for Pinsent Mason's and Gleeds' Reviews.		**Voting arrangements** No decision is necessary at this stage

2.0   BACKGROUND

2.1 The University of Peterborough project has reached a period of pause and reflection whilst we await the outcome of the Reviews commissioned by the Cambridgeshire and Peterborough Combined Authority last November/ December 2018. It is imperative that the findings of these reviews are developed through key stakeholders' input to ensure that the programme is moving in the right direction. A Vision document produced in September 2018 was shared with the Skills Committee on 21st November 2018 for comment. It was also circulated and shared with the Higher Education Steering Group on

25th November 2018 who endorsed the content. The Skills Committee are asked to provide comment and steer on the Vision (Appendix 1).

3.0 GATEWAY REVIEW FINDINGS.

3.1 Complementary to the Vision work, it was agreed that a Gateway Review would be carried out to ascertain progress of the project to date and make recommendations for the future. The Gateway Review was carried out by Local Partnerships to "Health-check" the CPCA process for the sign-off of the £9.7M investment into this project. It was undertaken over 3 days in November. The panel interviewed 25 key stakeholders from the Combined and Local Authorities as well as Education stakeholders, to ascertain the viability of the proposed project and progress thus far towards being able to sign-off procurement of buildings to house the New University on the embankment site. The findings of the Review included 7 recommendations – 2 of which were critical – "Carry out analysis and evaluation of alternative HE providers (including Anglia Ruskin University) as part of an Outline Business Case" and "Defining what constitutes a Technical University for Peterborough", 2 essential recommendations to be addressed over the next 3 months and 3 further recommendations.

3.2 They concluded that, further to the recommendations annotated below and the Action Plan produced by the Combined Authority the next phase of the project should focus on the production of an Outline Business Case.

Ref	Recommendation	Critical /Essential / Recommended
2.	Carry out analysis and evaluation of alternative HE providers (including ARU) as part of an Outline Business Case.	Critical
6.	Define what constitutes a technical University for Peterborough.	Critical
1.	The Programme Steering Group will need to be reconstituted with consideration given to the New University Shadow Board. The Programme Steering Group will need to have its terms of reference and membership reviewed.	Essential
3.	The programme needs to be defined within the context of an overall new business plan supported by a business case agreed by all key stakeholders. The programme definition needs to detail quantifiable outputs within specified timescales and resourcing requirements.	Essential (once the option study completed)
4.	Accountabilities for the delivery of programme activities need to be assigned to named individuals and targeted benefits need to be specified within the programme definition	Recommended
5.	Opportunity Peterborough is well placed to make links with business, schools and the UoP. More linkage is required with schools, academies and other college communities	Recommended
7.	Further preparatory work should be undertaken to bring forward the Embankment site so that a comprehensive mixed-use scheme can be promoted including University campus	Recommended

3.3 Elements of the findings for recommendations 6 and 2 of the Gateway Review will be covered by the Gleeds' Technical and Partnership Review currently

under way.

3.4   Other areas of focus for the Gleeds' Review which supports the Higher Education plan in the Outline Skills Strategy Framework include:

Buildings and Infrastructure	Business-led technical course provision	Delivery Model exploration
Delivery Partners	Investment Strategy	Student offer and experience

4.0 THE PINSENT MASON REVIEW

4.1   Pinsent Mason were commissioned to report on UCP's progress made, through the CPCA's funding of activities to support the application to Office for Students with regards to route and process to achieving Degree Awarding Powers and/or New Degree Awarding Powers, University Title and related, required University governance arrangements. Pinsent Mason still have additional reporting to convey to the CPCA and officers are currently working with them to finalise their report.

5.0 GLEEDS TECHNICAL/PARTNERSHIP REVIEW NEXT STEPS

5.1   Due to staffing changes at Gleeds, this project is running approximately 3 weeks behind schedule. To that end, the findings of this Report will be available in early February 2019.

5.2   Both the Pinsent Mason and Gleeds' Reviews will be reported to the Chair of the Skills Committee as a priority, and formally to the next Skills Committee on 3rd April 2019. Recommendations from these reviews will inform the scope of the Outline Business Case which will be subsequently developed

6.0 FINANCIAL IMPLICATIONS

6.1.   The CPCA has paid £668,602 to the UCP following the issue of Letters of Comfort, this money has now been spent (to December 2018) and UCP are now seeking further funding from the CPCA to complete the work agreed in the Funding Agreement shared with UCP in September 2018.

6.2.   The Funding Agreement is pending sign off from the UCP Board and UCP are seeking a further £446k to complete their work against the Funding Agreement to the end of this financial year (subject to approval of this by the CPCA Board).

6.3.   The revised outcomes agreed with UCP to continue work on the project until March 2019 for this Funding Agreement of £446k are for programme management staffing costs, degree course development, marketing and student recruitment.

6.4. The GCGP/LEP allocation of £720k spanning July 2017-October 2020 has seen £120k spent on Project Management and from the £600k allocated to develop Taught Degree Awarding Powers. To date, £295k has been claimed in total, leaving £305k of the original funding to be spent by October 2019.

7.0 LEGAL IMPLICATIONS

7.1 As this is a progress update, there are no legal implications arising from the content of the report at this stage.

8.0 SIGNIFICANT IMPLICATIONS

8.1 There are significant implications in continuing with the programme without a full-scale review of current operations. The HE landscape is evolving and changing and the Authority needs to ensure it future-proofs its investment and ambitions for the University.   A full review, however, will enable the Authority to navigate and capture changes in the landscape as well as offer up recommendations and options to confirm direction of travel.

8.2 The significant implications of not enabling (the arrears) funding for UCP claims for the period September 18-March 2019 are: relationship fracture between CPCA and ARU/PRC (UCP), cessation of course development and progress towards degree awarding powers, loss of momentum in student recruitment for September 2019.

9.0 APPENDICES –

- Appendix 1 - Vision Document
- Appendix 2 - Gateway Review

University of Peterborough – Visioning Exercise, September 2018

Introduction and purpose: The Cambridgeshire and Peterborough Combined Authority (CPCA) has the establishment of an independent University of Peterborough (UoP) as a key ambition of its Devolution Agreement with Government, and a major priority of Mayor Palmer's manifesto. The CPCA has made financial allocations to progress this project – the most recent in March 2018 to earmark £9.74m. This latest allocation is to build facilities for the next phase of UoP institutional development on the Embankment development site adjacent to Peterborough city centre.

The project has been envisaged as an evolution of University Centre Peterborough (UCP) – currently a joint venture (JV) between Peterborough Regional College (PRC) and Anglia Ruskin University (ARU). UCP currently provides higher education courses to around 700 students under franchise from ARU in a bespoke building on the PRC campus. An earlier June 2017 CPCA decision had approved £6.53m based on a 'Phase 2' UoP business case submitted by PRC/UCP, to build the capacity of the institution to move towards University status and provide interim accommodation for expansion.

PRC has led on formulation of the plan for UoP's establishment, based on 'managed withdrawal' of ARU from the JV, and application for Degree-Awarding Powers to Office for Students (OfS) for the new UoP institution. They are assisted in this process by a Higher Education Steering Group (HESG) of core partners - PRC, ARU, CPCA, Peterborough City Council (PCC) - and other key stakeholders.

In view of the developments that have taken place over the year 2017/18, the CPCA has commissioned a third party to undertake a refresh of the existing vision of the project – to ensure it is now 'fit for purpose' and reflects the ambitions, needs and circumstances of the new proposed university.

The Vision refresh exercise was conducted over July – September 2018 by Thirdlifeeconomics (an independent Third Party). The brief was to facilitate key partners to update and agree vision and mission statements in the light of recent developments, and capture these in a draft vision/mission storyboard with high level intermediate deliverables (over short, medium and longer terms). This is intended to inform a fuller autumn 2018 Business Case and Gateway Review exercises.

To deliver the brief Thirdlifeeconomics has:

- Reviewed relevant documentation and web material useful for the exercise
- Conducted +/-15 Stakeholder interviews of HESG and many of its constituent organisations
- Benchmarking and comparative analysis based on work with other cities and universities
- Presented preliminary findings and discussed them at HESG 30/07
- Facilitated a Technical Working Group development session – 14/08
- Drafted this visioning paper

The high-level vision and specification for the project: At a high level, all core partners have indicated a willingness to work towards an independent UoP with characteristics of:

- ➢ "…a thriving, independent, campus-based university…"
  - o at scale – rising above 10,000 students during the 2030s
  - o powerhouse for economic and intellectual growth of city and GP districts
  - o city centre campus – anchoring major redevelopment of the Embankment;
  - o meeting needs of employers – for new types of jobs and organisations ('Industry 5.0'?);
  - o With strong roots in the city region and with YP not currently progressing to HE
- ➢ A new model of university fit for 2020s purposes and beyond
  - o civic, higher-level apprentices and in-work/LLL, digital, accelerated/modular degrees, ladder of progression issues etc.
- ➢ High quality provider, building on UCP student experience strengths.

Augmented with the following features:

- ➢ Building three university 'missions' of teaching **excellence**, research **relevance** and **knowledge transfer** (to business, government and society)
- ➢ Recognising the city region in the UoP institutional DNA in terms of features such as environment capital, future smart city, circular economy and as a hub for important agriculture, land-based and engineering industries
- ➢ Recognising soon-to-be completed CPIER report in terms of future skills needs – e.g. T-skills, digital etc
- ➢ With the Embankment location having built in civic roles from Day One – e.g. Sports Village, Library, Waterfront living and leisure destination, Innovation Centre/hub of the Greater Peterborough eco-system etc
- ➢ Design in highest standards of digital literacy, campus sustainability and accessibility, learning and networking spaces, outreach inclusivity, and support for graduate retention locally.

This vision can form the basis for the CPCA Business Case and Gateway Review design and appraisal exercises in Autumn 18 with indicative short, medium and long-term milestones of:

- ➢ *Short-term* (i.e. 2019-20)
  1. Peterborough Campus governance (Council) and academic boards established
  2. 10 year institutional development plan agreed
  3. Gateway Review and Business Cases completed
  4. Agreed OfS applications progressed
  5. Site secured
  6. Phase One Embankment project designed, authorised and commissioned
- ➢ *Medium-term* (i.e. 4-5 years)
  1. Phase One Embankment campus opened – including academic but also some civic roles and functions
  2. UCP curriculum offer deepened and broadened to recognise city region priorities and innovative delivery opportunities
  3. Student enrolment 2-3000 – majority local/sub-regional
  4. Commensurate increase of GP 18-24 yr olds participation in HE
  5. Retain high levels of retention and student satisfaction
  6. Small RD&I footprint established in areas relevant to GP development
  - o Significant hub of business and innovation eco-system – both physical and outreach

> *Long-term* (i.e. 10 years +)
>   1. Embankment site a major multi-faceted city destination
>   2. Anchored by University campus of over 10k undergraduate and significant GP students
>   3. Teaching excellence and research relevance well-established and recognised
>   4. GP HE participation at least at national average levels
>   5. HEI a major hub for business and innovation eco-systems with science park and outreach
>   6. 'Peterborough phenomenon' a credible global profile alongside Cambridge

Goals and Indicators of achievement:

> *Project Short and Medium-Term Outputs*
>   o 2019-20
>   ▪ Delivery models agreed across all core partners;
>   ▪ Institutional design and 10-year business strategy agreed and established
>   ▪ CPCA/PCC Embankment JV Development partnership agreed;
>   ▪ Phase one project design completed; and delivery contracted
>   ▪ Transition from UCP, and ARU's future footprint in city agreed
>   o Early – mid-2020s
>   ▪ Embankment site opened successfully and growing to over 2000 enrolments
>   ▪ Peterborough's HEI campus recognised nationally and globally as a new type of university with positive student and business-user feedback

> *Long term goals*
>   o Raising Peterborough and GP HE participation rates and higher-level skills attainment
>   o Attraction, retention and development of talent
>   o Peterborough's growth as a successful city region – with increasing profile and reputation for digital and technology capabilities in public, private and social sectors

> *Project purposes and deliverables to 2030*
>   o Viable, resilient and sustainable campus by mid 2020s, with potential to migrate to a full-service independent institution over the medium term (+/-10 years)
>   ▪ Teaching numbers rising to 10,000 FTE learners by 2030
>   ▪ Research numbers in a range up to 100 FTE P/G researchers and up to 25 research degrees pa with at least a seven-figure sum pa of research income
>   ▪ Full suite of knowledge exchange activities undertaken including Exec Ed, innovation and incubation centre(s), global and local research partnerships
>   o Anchoring the Embankment quarter as a vibrant, multi-role city destination

Gateway Review 0
Strategic Assessment

Cambridgeshire and Peterborough Combined Authority
New Peterborough University programme

Project Title: New Peterborough University programme
Local Partnerships Gateway Number: LP503G000

Version number: Final v01
Date of issue to PO: 23 November 18
Project Owner: John T Hill
Gateway Review dates: 21/11/2018 to 23/11/2018

Gateway Review Team Leader:
Paul Monaghan

Gateway Review Team Members:
Andrew Rowson
Steve Simister
Tony Lawson

This report is an evidence-based snapshot of the project's status at the time of the review. It reflects the views of the independent Review Team, based on information evaluated over a three day period, and is delivered to the Project Owner at the conclusion of the review.

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Delivery Confidence Assessment

Delivery Confidence Assessment	Amber Red

This ambitious programme has strong political support which should provide a firm foundation for a successful outcome.

The Review Team finds that partners are working hard to deliver a New University for Peterborough. Whilst there is a common high-level vision to deliver a new University for Peterborough there is a significant divergence of views about how best to achieve this outcome. The Review Team strongly recommend a period of strategic reassessment to reset the programme commencing with an analysis of the options for delivering the new University.

Partners are not communicating effectively, and this is impacting on collaboration and negatively impacting on the delivery. The Governance will also need to be reviewed and improved to strengthen decision making and improve oversight of the programme.

There is no business case which all partners are able to agree. It will be important to develop an Outline Business Case which commands the support of all key stakeholders and can provide the confidence to allow the release of funding to progress the programme.

The Delivery Confidence assessment RAG status should use the definitions below.

RAG	Criteria description
Green	Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly
Amber/Green	Successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and if addressed promptly, should not present a cost/schedule overrun
Amber/Red	Successful delivery of the project/programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and whether resolution is feasible
Red	Successful delivery of the project/programme appears to be unachievable. There are major issues on project/programme definition, schedule, budget required quality or benefits delivery, which at this stage does not appear to be manageable or resolvable. The Project/Programme may need re-baselining and/or overall viability re-assessed

Summary of report recommendations

The Review Team makes the following recommendations which are prioritised using the definitions below.

Ref	Recommendation	Critical /Essential / Recommended
2.	Carry out analysis and evaluation of alternative HE providers (including ARU) as part of an Outline Business Case.	Critical
6.	Define what constitutes a technical University for Peterborough.	Critical
1.	The Programme Steering Group will need to be reconstituted with consideration given to the New University Shadow Board. The Programme Steering Group will need to have its terms of reference and membership reviewed.	Essential
3.	The programme needs to be defined within the context of an overall new business plan supported by a business case agreed by all key stakeholders. The programme definition needs to detail quantifiable outputs within specified timescales and resourcing requirements.	Essential (once the option study completed)
4.	Accountabilities for the delivery of programme activities need to be assigned to named individuals and targeted benefits need to be specified within the programme definition	Recommended
5.	Opportunity Peterborough is well placed to make links with business, schools and the UoP. More linkage is required with schools, academies and other college communities	Recommended
7.	Further preparatory work should be undertaken to bring forward the Embankment site so that a comprehensive mixed-use scheme can be promoted including University campus	Recommended

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately
Essential (Do By) – To increase the likelihood of a successful outcome the programme/project should take action in the near future.
Recommended – The programme/project should benefit from the uptake of this recommendation.

Project Title: New Peterborough University programme
Local Partnerships Gateway Number: LP503G000

Background

The aims of the programme:

The Cambridgeshire and Peterborough Combined Authority has agreed funding worth £9.74 million for Capital spend and £3.8m for curriculum development to accelerate the establishment of a University of Peterborough. It is proposed the new University will have Degree Awarding powers within the next three years subject to agreement by the Office of Students (OfS). The OfS replaced HEFCE as the main regulator of higher education and is an independent public body that reports to Parliament through the Department for Education (DfE). OFS was established by the Higher Education and Research Act 2017.

The driving force for the programme:

The aim of this programme is to secure an independent fully-fledged University of Peterborough. We are advised the funding was provided by the Cambridge and Peterborough Combined Authority to help accelerate the increase in University student numbers in the city. Early projections were 3,000 by 2022 and 12,500 in 2030 by expanding the curriculum, recruiting staff, and boosting the city's Higher Education profile. A new embankment riverside site (55 acres) has been identified for the University of Peterborough campus in the centre of Peterborough owned by the Peterborough City Council (PCC) currently the site of a leisure centre and other recreational facilities. The new University is part of a developing industrial strategy for the Peterborough area tasked with creating opportunities for local young people and attracting and developing a better skilled workforce for employers. It is hoped it will also lead to the creation of thousands of new jobs, provide a significant boost to the local economy and help regenerate an area of the town.

The delivery status:

The University Centre Peterborough (UCP) is currently working towards obtaining University degree awarding powers which they hope to achieve in the 2019-20 academic year on a probationary basis subject to approval by the Office for Students (OfS). Since 2009, the UCP has successfully delivered predominately franchised higher education courses in partnership with Anglia Ruskin University (ARU) and Peterborough Regional Further Education College (PRC). The academic portfolio has remained largely stable with UCP now delivering higher education courses to approximately 700 students.

The UCP has developed a draft Curriculum Growth Strategy 2018-2023 which has been created to provide an evidence-based roadmap of how the portfolio of courses at UCP should evolve over the next five academic years. It considers national applicant trends, the local and regional preferences of the local potential student market, and the current curriculum offering at UCP alongside a series of internal and external levers that may significantly influence growth.

In order for UCP to (eventually) be awarded "University Title" it must first receive Degree Awarding Powers (DAP) from OfS in its own right. As a result of the Higher Education & Research Act (2017), the avenues through which DAP can be granted have been expanded, offering the opportunity for providers to receive the ability to write and award their own degrees on a probationary basis by the OfS (known as "New DAP"). The application for such powers involves the development of a detailed Probationary Plan, which is to be agreed and then monitored by the Quality Assurance Agency. Several steps have already been taken to enable UCP to support the application for such powers. UCP is currently undergoing a revalidation process with ARU, providing an immediate opportunity to reinvigorate its existing portfolio of ARU courses delivered by UCP.

Current position regarding Local Partnerships Gateway Reviews:

This will be the first of a series of reviews planned to assess the status of the programme to create a new University in Peterborough.

Purposes and conduct of the Gateway Review

Purposes of the Gateway Review

The primary purposes of a Local Partnerships Gateway Review 0 are to review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to the authority's overall strategy.

Appendix A gives the full purposes statement for this Review.

Conduct of the Gateway Review

This Local Partnerships Gateway Review 0 was carried out from 21 November 2018 to 23 November 2018 at the Cambridge and Peterborough Combined Authority offices in Alconbury Weald and the Peterborough City Council offices in Peterborough. The team members are listed on the front cover.

The people interviewed are listed in Appendix B.

The Review Team would like to thank John T Hill, Kim Cooke, Jo Smith, Tony West, Peterborough City Council executive suite staff and Jill Peagram for their support during the review and openness of interviewees which contributed to the Review Team's understanding of the Programme and the outcome of this review.

Findings and recommendations

1: Policy and organisational context: preconditions for success

The Review Team found strong political support for the establishment of a new University at the heart of Peterborough. This is an important element in their ambition to raise aspirations among young people and the educational attainment of the wider population. This is part of a wider industrial/business strategy to support local business employment and attract new employers into the area.

UCP is a partnership between PRC and ARU. PRC have initiated the formal process to work towards achieving full awarding powers of an independent University. Currently the Cambridgeshire and Peterborough Combined Authority (CPCA) are providing strategic support and some funding. PCC are also providing strategic support and have identified a site in their ownership in Peterborough which is considered suitable for a city centre campus for the proposed new University of Peterborough. Whilst there is partnership working and some programme governance in the form of a HE Steering Group there are some serious challenges including :-

- Clarity of leadership - whilst UCP are leading the process to obtain University status there is no effective overall co-ordinating leadership of all the partners in the programme to create a new University.
- Clarity of roles and responsibilities for governance - the current bodies are not currently effective as decision making bodies and implementation bodies. Implementation is weak.
- This confusion around governance and leadership has made the communication between key partners very poor. This is also creating a lack of trust and conflicting views concerning the current status.
- There has been a substantial turnover of key staff in leadership roles of some of the partners including UCP, PRC and CPCA. Additionally, a number of important management roles are being filled by interim staff.
- As a result of the lack of leadership and poor communication cross organisational working is not effective.

There is no evidence that formal/sustainable mechanisms exist to permit access to expert advice from wider stakeholders, e.g. an advisory panel supporting a Programme Steering Group consisting of business/industry representatives (CoC, FSB, professional bodies, Opportunity Peterborough, etc.). It appears that there is insufficient use of expert resources to support the development of Project/Workstream teams. A core delivery team is needed to drive delivery supported by all key stakeholders.

There is a need for a cross organisational programme plan over the next 5-6 years (including resourcing requirements) to facilitate flexibility and respond to unexpected outcomes. Creating this would assist co-ordination of Project/ workstreams such as the initial permanent accommodation facilities needed after the confirmation of degree awarding powers. It would also be sensible to seek support to facilitate team building within and across the partners to improve communication and support the new governance arrangements.

Recommendation 1
The Programme Steering Group will need to be reconstituted with consideration given to the New University Shadow Board. The Programme Steering Group will need to have its terms of reference and membership reviewed.

Strategic Options for the Creation of a new University in Peterborough
Currently PRC are working towards obtaining Degree Awarding Powers for an independent Peterborough University. Several interviewees have expressed strong reservation about the appropriateness of the new University being a wholly owned subsidiary of PRC. PRC are currently an FE organisation with some significant academic and financial challenges. Addressing these challenges will require and absorb PRC's dedicated management time and effort. There is also a strong desire by many stakeholders to see a fully independent University.

The Review Team suggest that there are alternative models/options which could be adopted to deliver a new University in Peterborough. Before a decision is made to proceed and fund PRC/UCP to develop into the new University consideration should be given to alternative options (including corporate structures). The Review Team note that to date no evidence exists of any detailed options analysis and evaluation of alternative institutions.

We suggest that the current UCP degree awarding timetable is extended to accommodate a thorough consideration of alternative options, the development of an OBC, establishment of robust governance arrangements, agreement of funding arrangements and associated conditions, as well as the establishment of a strong cross organisational programme delivery team with strong programme and work stream controls.

Recommendation 2
Carry out analysis and evaluation of alternative HE providers (including ARU) as part of an Outline Business Case.

Recommendation 3
The programme needs to be defined within the context of an overall new business plan supported by a business case agreed by all key stakeholders. The programme definition needs to detail quantifiable outputs within specified timescales and resourcing requirements.

Recommendation 4
Accountabilities for the delivery of programme activities need to be assigned to named individuals and targeted benefits need to be specified within the programme definition.

Recommendation 5
Opportunity Peterborough is well placed to make links with business, schools and the UoP.   More linkage is required with schools, academies and other college communities.

2: The business case: scope and stakeholders

There is strong stakeholder commitment and desire to achieve the development of a University. This commitment has been backed by significant funding and management effort.

The PRC business case of February 2018 was not fully accepted by CPCA (as funders). We were advised that there were several areas which needed to be clarified in order to satisfy funding drawdown. We understand to date this information has yet to be fully provided by UCP. There is some confusion within UCP about what is required by CPCA to satisfy them. This is indicative of the poor communication between partners as noted above. CPCA are seeking Funding agreement sign off by both CPCA and UCP and a new business case as a precondition to release further funding.

The Review Team suggests the following steps:
- Separate analysis and evaluation of strategic options
- Development of an OBC informed by the results of the above

The Review Team has found some divergence of view on the nature of the new University. Whilst there is full agreement that this University should serve the local community and business there are several views on how this should be achieved. The approach to defining the curriculum needs to be a balance between student demand and the needs of the local economy. Currently it appears that UCP are mostly basing their curriculum on feedback from students and the current ARU curriculum offer. Other partners would prefer there was a stronger emphasis on the local business community. There is a lack of structured engagement of the business community to date although some good links are being made.

There is an emerging consensus that a technical University is needed. However, there is a need for a sharper definition of what constitutes a Technical University with specific sectors and new course structures spelt out in some detail e.g. agri tech, teacher training, science and digital/technology, financial services and engineering and construction, health and life science.

Recommendation 6
Define what constitutes a technical University for Peterborough.

Currently the growth of student numbers is below the projected rate. There seems to be an emerging consensus that student numbers are likely to be lower in early stages (2-3,000) although some suggested that to meet viability it would need to be circa 5,000 for an independent institution in the longer term. Chasing numbers may not be the right strategy in the short term because it could compromise quality and local links to industry. In the longer term the institution might seek to attract students from other parts of the country and internationally once track record and reputation established.

3: Review of current phase

There was a view expressed by several interviewees that there is a lack of skills and capacity outside the academic area. The Review Team are aware that the UCP team includes expertise in programme management, but this did not appear to be being fully exploited.

Processes and plans for identifying risk management, issue management, and change management are unclear and do not appear to be understood by all key stakeholders. It is also unclear the extent to which the finance functions are engaged within the programme. Project teams appear unclear

especially in the active management of the financial risk impacts. We also note Issue logs were incomplete and do not reflect the whole programme.

Non-alignment of stakeholders is the most important risk and has occurred. It is understood and recognised as an issue but is currently a barrier to progress. However, the mitigation process is not yet effective or pro-active enough. This report seeks to suggest some steps to resolve this issue.

It is unclear effective management controls are in place via Steering Group/Shadow Council and workstreams/subcommittees throughout the governance framework. Programme and work stream budgets, deliverables, and outputs seem unclear. In particular we note:-

- There is very limited evidence of periodic reporting of actual activities against planned activities, budget performance, impact on delivery timescale, resourcing requirements, work stream risks to date.
- It is unclear that the financial control and project accounting capability embedded within the programme team is adequate to assure successful completion of the programme within budget.
- It is also unclear that the current financial control and reporting processes are capable of accurately reporting against a budgeted and outturn performance.
- Large amounts of documents are being produced but not owned and accessible by all stakeholders (or being rejected) e.g. PRC accommodation plans. This may be partially due to a lack of trust between partners which has led to the commissioning of additional reports breeding further distrust.

4: Readiness for next phase

In our view, the next phase should centre on the production of a robust OBC. There will be other activities that can usefully be progressed. Initially, we suggest UCP should defer seeking DAP until a Strategic option study has been completed. This deferral, (6-9 months), would enable an OBC with a preferred option to be developed. This should encapsulate clear objectives, academic offer and plan, funding, ownership, partnering arrangements, resourcing, forecast student numbers, income, costs, accommodation plan, etc. to be worked up by PCC and CPCA and an academic partner.

Whilst this work is ongoing the Embankment site could usefully be assessed. It provides an opportunity to revitalise the city centre economy, footfall etc as well as a suitable University campus location. Some very positive ground work has been undertaken in PCC to promote a master planning approach and this needs to be pursued and supported together with a planning brief for the entire site of 55 acres to encompass not just campus facilities but also a comprehensive mixed-use development that could entail residential, leisure, retail, sporting and commercial uses. This would assist overall viability and assist with funding community elements.

Recommendation 7
Further preparatory work should be undertaken to bring forward the Embankment site so that a comprehensive mixed-use scheme can be promoted including University campus

The next Local Partnerships Gateway Review is expected when the OBC is completed.

APPENDIX A

Purpose of Local Partnerships Gateway Review 0: Strategic assessment

To review the strategic context, progress to date, direction of travel and preparedness of the University of Peterborough Project towards the goal of obtaining full University status. In particular assess the status of:-

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to the overall strategy.

- Confirm that the programme's potential to succeed has been considered in the wider context of the Authorities delivery plans and change programmes.

- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (e.g. to any existing projects in the programme's portfolio).

- Assess the draft Business Case

- Appropriate governance processes in place by both UCP / UoP

- Ensure that the programme is supported by key users and stakeholders.

- Project to ensure aligned with participating authorities' strategies

- Processes and procedures in place for management of project in place and progress to date

- Review the arrangements for identifying and managing the main programme risks (and individual project risks), including external risks such as changing business priorities. Identify good practice and any barriers to project delivery.

- Assess any contingency arrangements.

- Check that financial provision has been made for the programme and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised.
- Check any necessary system testing

- Risks and issues managed effectively

- Readiness to implement business change, Status of plans for roll-out.

- Check progress against plans and the expected achievement of outcomes.

- Check that there is engagement with the market on the feasibility of achieving the required outcome.

APPENDIX B

Interviewees

Name & Title	Organisation	Role linked to project
Mayor James Palmer	CPCA	Sponsor and Mayor of Cambridgeshire and Peterborough Combined Authority
Cllr John Holdich	PCC	Sponsor and Leader of PCC and Portfolio Holder for Skills plus Chair of the Skills Committee
Cllr Lynne Ayres	PCC	HESG member and Education & Skills Portfolio Holder for Peterborough City Council
Kim Sawyer	CPCA	CPCA Interim CEX
John T Hill	CPCA	Director of Business and Skills and Project Owner
Joanne Smith	CPCA	Interim Programme Manager – University of Peterborough
Kim Cooke	CPCA	Programme Manager – Strategic Investment
Noel O'Neil	CPCA	Interim Monitoring Section 151 Officer
Peter Geach	CPCA	Interim Legal representative
Karl Fenlon	CPCA	Interim Director of Finance (did not attend)
Pat Carrington	City College Peterborough	HESG member and Assistant Director for Employment & Skills for Peterborough City Council and Cambridgeshire County Council
Dave Anderson	PCC	HESG member and Interim Development Director PCC
Trevor Bolton	ARU	HESG member and Pro-Vice Chancellor Partnerships ARU
Peter Walker	UCP/PRC	Interim Principal/Finance Director PRC plus HESG (opt. Chair)
Sir Les Ebdon	UCP	Chair of HE Council
Liz Knight	UCP	HESG member and Academic Director plus Interim Chief Operating Officer for UCP
Daniel Cole	UCP	HESG member and TDAP Coordinator
Tony West	UCP	HESG member and Project Team Leader UoP for UCP
Paul Wilde	UCP	HESG member and Project Support Officer
Roy Bird	PRC	HESG attendee and Finance Assistant Director
Mark Woods	CMAT	HESG attendee and CEO Cambridgeshire Meridian Academies Trust
Stephen Illingworth	Greenwoods	HESG member, Estates sub group, independent Solicitor
Tom Hennessey	Opportunity Peterborough	HESG attendee plus Economic growth arm of Peterborough City Council and Skills Brokerage

SKILLS COMMITTEE	**AGENDA ITEM No: 3.2**
DATEOF MEETING **6 FEBRUARY 2019**	**PUBLIC REPORT**

SKILLS STRATEGY UPDATE

1.0 PURPOSE

1.1 The devolution deal and the creation of the Combined Authority gives Cambridgeshire and Peterborough the opportunity to take greater control of the skills system which is so central to achieving our vision of making Cambridgeshire and Peterborough the leading place in the world to live, work and learn. The new Skills Strategy will identify priorities and interventions that will enable our economy to grow and respond to the needs of our communities. The ambition within the emerging strategy is to become the best in class in the UK at shaping and developing the skills system to meet the local need.

1.2 This Committee is therefore leading the development of the new Skills Strategy for Cambridgeshire and Peterborough, which is now being built up from the   Hatch Regeneris Evidence Base Final Report – December 2018 (Appendix A). This document contextualises the role of the Combined Authority within the current Skills system and outlines it's role within the future system.

1.3 The Outline Skills Strategy Framework (Appendix B) produced and shared with Committee members in December seeks comment as part of the process to finalise the Strategy. It has also been shared with over 100 Key Stakeholders and feedback/consultations which will inform the final strategy and proposed interventions. This recognises that whilst the Combined Authority has influence through the powers received within the Devolution Deal, further investment is required to realise the aspirations of the area.

DECISION REQUIRED	
Chair of the Committee:	**Councillor John Holdich**
Lead Officer:	**John T Hill, Director of Business and Skills**
Forward Plan Ref: N/A	**Key Decision: No**
	Voting arrangements

The Skills Committee is recommended to: (a) Provide comment and steer on the Draft Skills Strategy Outline Framework (Appendix A) and Evidence Base Report (Appendix B) (b) Note the process for shaping the Skills Strategy. (c) Note the revised timeline for collating feedback, to inform the development of the Skills Strategy. (d) Endorse the next steps in the process.	Simple majority of all members

2.0 CURRENT DRAFT STRATEGY

2.1 Following the work commissioned by the Combined Authority, Hatch Regeneris have produced a comprehensive evidence base which is now underpinning the work to finalise a Skills Strategy. This evidence base was circulated to the Skills Committee in December, alongside other key partners and stakeholders. Since December, officers have been working with partners to develop the first draft of our strategy. The first stage of this has been the production of the Framework which was also circulated in December, and which the Committee is now asked to please provide comment and steer on.

2.2 The Skills Strategy for Cambridgeshire and Peterborough needs to be owned by all key stakeholders within the region, and link in to the activity undertaken across all partners. It should also align to the Cambridgeshire and Peterborough Independent Economic Review which has been agreed by the Combined Authority Board and which informed the Growth Statement. It also needs to be considered as part of the Local Industrial Strategy currently being produced. A series of Round Table events have been held with specific sectors as well as Education/Skills providers. These inputs will feed into an expert author group and the key officer group across the partnership and reported through the leaders of the Cambridgeshire Public Service Board before being brought back to this Committee in April. The timeline for sharing and development of the Skills Strategy is at Appendix C. The sequence of consultation follows the 3 drafts through the officers' group and expert author group to sign-off.

3.0 PRODUCING THE SKILLS STRATEGY

3.1 Next steps for producing the Skills Strategy:

a) Draft Evidence Base from Hatch Regeneris shared with CPCA Skills team for feedback – 14.11.18.

b) Draft Evidence Base shared with Portfolio holder for Skills for information and feedback – 15.11.18.

c) Skills Strategy Update paper for Skills Committee – 21.11.18.

d) Skills Strategy developed by skills team and key stakeholders through roundtable events – 22nd November to 19th December 2018.

e) Draft Skills Strategy Outline Framework and Skills Strategy Evidence Base Final Report December 2018 was circulated and shared to Key Stakeholders on 20.12.18.

f) Draft Skills Strategy Versions are to be shared in accordance with the timeline.

g) The Finalised Skills Strategy is to be shared with the Skills Committee - 3rd April 2019 with the final draft being authorised and adopted by the Combined Authority on 24th April 2019.

4.0 FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising from this report.

5.0 LEGAL IMPLICATIONS

5.1. There are no legal implications arising from this report.

6.0 APPENDICES

Appendix A - Skills Strategy Evidence Base Final Report – December 2018 – Hatch Regeneris
Appendix B – Skills Strategy Outline Framework
Appendix C – Timeline for sharing and development of the Skills Strategy

Source Documents	Location
Cambridgeshire and Peterborough Independent Economic Review (CPIER)	http://www.cpier.org.uk/final-report/

Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base Report

A Final Report by Hatch Regeneris

Cambridgeshire and Peterborough Combined Authority

Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base Report

December 2018

www.hatchregeneris.com

Contents Page

Executive Summary

i.   Devolution of skills budgets, and the constitutional framework of the Combined Authority represents a unique opportunity to reform the way in which skills programmes are commissioned and delivered locally. Whilst the powers received from Government are limited, there is clear scope to embed an approach which coordinates local resources and establishes priorities.

ii.   Given the strategic importance of the Skills Strategy, it needs to be evidence-based and enjoy support of politicians, officials, businesses, providers and learners. The current document provides a baseline of the skills landscape throughout the CPCA region. Its findings and recommendations will be used to inform the CPCA's Skills Strategy, Skills Framework and accompanying High Level Action Plan.

iii.   Our analysis shows that the area is home to three overlapping labour markets which inform the demand and flow of labour across the region. These are:

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

iv.   This classification does not match perfectly with administrative boundaries, and is based on travel to work patterns, supply chain mapping and housing market analysis.

v.   Broadly speaking: Cambridge and South Cambridgeshire have the highest skilled people and best educational outcomes; Peterborough and the surrounding area experience higher unemployment and greater economic inactivity, suggesting an economy marked by longer-term issues relating to engagement and long-term alienation; and Fenland has the poorest labour market performance, related to the accessibility of both jobs and training.

vi.   **This spatial pattern should inform the CPCA's design of institutions and policy interventions**.

vii.   CPCA actions should be based on four principals:

1)   Wherever possible the CPCA should look to simplify access to skills support for employers and learners. At the same time our Colleges and providers deserve a more stable basis for funding and relationships. This means contracting with fewer providers and developing deeper relationships. In this way, CPCA initiatives can help rebuild employer confidence in the local skills system.

2)   The CPCA should not tell others what to do but help determine priorities and push organisation towards what works best. In this context, the role of the CPCA is to commission, to test, and to facilitate collaboration between learners, employers, providers and organisations.

3)   The CPCA should tailor its intervention and activities to appropriate geographies, sectors and learners. Above all, a one-size-fits-all approach is not suitable for the three distinctive labour markets in the region.

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4) Finally, activity should be targeted on what makes the most difference to our people and economy. In this we can provide framework which clearly shows the advantages of further skills devolution.

viii. The CPCA will focus its influence and investment powers carefully, guided by its strategic imperatives, as set out below. This provides a high-level framework from which the CPCA can prioritise its resources, maintain a commissioning role and be an enabler for delivery.

Figure 1.1 Towards an Investment Framework
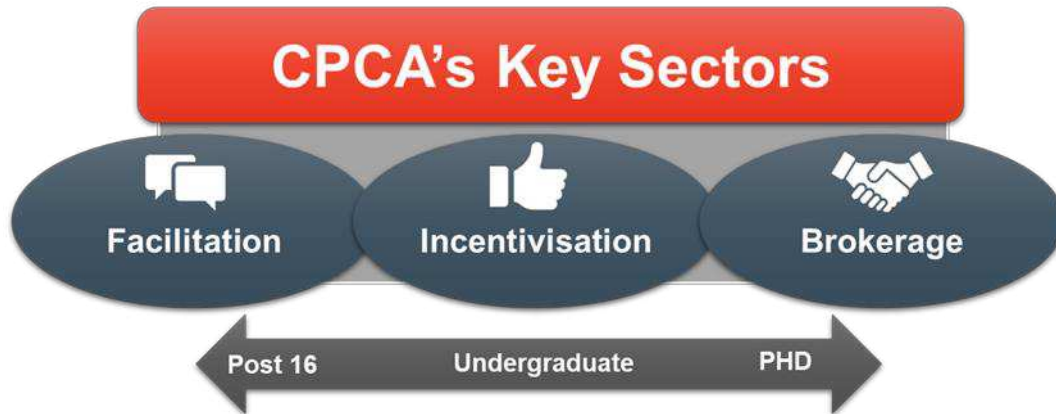
Source: Hatch Regeneris 2018

ix. The recommended investment framework, and details of projects and programmes are summarised in Figures 1.1 and 1.2 (below). In summary, activity should be focused facilitation, incentivisation and brokerage across important 'growth' and 'supporting 'sectors.

x. Of the suggested programmes and projects, the two most significant are the University of Peterborough and the creation of an area wide Skills Hub. Both will do much to improve life chances and labour market performance.

xi. At the same time, the CPCA should continue to lobby Central Government for the devolution of further power and money, as the investment framework and associated analysis presented clearly demonstrates the best outcomes will be achieved by trusting local partners and stakeholders that know the region best.

Figure 1.2 Recommended Investment Framework and Programmes

Priority·Sectors¤		Activities¤		Projects¤
Agriculture·and·Food¤	Broker¤	Improve·links·in·the·skills·system¤		• → Skills·Hub¶ • → Life·Science·Sector·Pilot¶ • → AEB·Devolution¶ • → Work·Readiness·Pilot¶ • → Health·and·Care·Sector·Work·Academy·¤
Life·Sciences¤		Aggregate·learner·and·employer·demand¤		
IT·and·Digital·Manufacturing,·Advanced·Manufacturing·and·Materials¤	Incentivise¤	Provide·investment·for·skills·innovations¤		• → Skills·Hub¶ • → Life·Science·Sector·Pilot¶ • → A·New·University·of·Peterborough¶ • → AEB·Devolution¶ • → Mayor's·Apprenticeship·Challenge·Fund¤
Logistics·and·Distribution¤		Create·a·more·sustainable·provider·base¤		
Education·and·Professional·Services¤	Facilitate¤	Provide·leadership·for·major·projects¤		• → Skills·Hub¶ • → A·New·University·of·Peterborough¶ • → Coordination·of·Local·Programmes¶ • → Health·and·Care·Sector·Work·Academy·¤
Construction¤		Bend·mainstream·funding·to·achieve·better·outcomes¤		
Health·and·Social·Care¤		Work·with·Government·to·drive·investment¤		

Source: Hatch Regeneris 2018

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1. Introduction and Context

Context

1.1 The Cambridgeshire and Peterborough Combined Authority (CPCA) 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 CPCA frames the impetus for the Skills Strategy. The Skills Strategy provides a framework against which expenditure against strategic priorities can be judged; focused on learning that delivers sustained job outcomes, productivity and economic growth. At a practical level, the Skills Strategy will inform best use of the devolved Adult Education Budget from 2018/19. It will also guide potential future expenditure so that businesses have the skills they need to improve productivity and drive economic growth.

1.2 The strategy will also set out the responsibilities and roles of the Combined Authority, districts, delivery bodies, providers and other agencies for skills delivery in our region.

1.3 Given the strategic importance of the Skills Strategy, it needs to be evidence-based and enjoy support of politicians, officials, businesses, providers and learners. The current document provides a baseline of the skills landscape throughout the CPCA region. Its findings and recommendations will be used to inform the CPCA's Skills Strategy, Skills Framework and accompanying High Level Action Plan.

Objectives

1.4 The objectives of the Skills Strategy Evidence Base Report are to:

- Provide a comprehensive report which marshals and builds on the existing evidence base by filling key gaps, updating data sources and drawing insights from recent national and local research.

- Identify challenges and opportunities facing the sub-region and how skill needs vary in different locations.

- Enable the development of a Skills Strategy Framework and High-Level Action Plan which provides the strategic direction required for CPCA to guide the expenditure of skills funding.

- Provide focus and direction for districts, delivery bodies, providers and other agencies.

1.5 An independent economic review to develop a plan for the sustained economic growth of Cambridgeshire and Peterborough, chaired by Dame Kate Barker, has recently finished its work (the Cambridge and Peterborough Independent Economic Commission – CPIER). The Commission provided advice to the Combined Authority on the case for greater fiscal devolution and the powers needed to unlock the delivery of major infrastructure and provide a clear understanding of strategic priorities. The Review is designed to provide a single strategic framework for future economic growth and prosperity. The Skills Strategy aligns with the recommendation and ambitions underpinning CPIER.

Structure and Scope

1.6 This Skills Strategy Evidence Base Report will include a comprehensive analysis of the sub-regional labour market, looking at demand and supply indicators, and identifying

challenges and opportunities. The report uses a tried and tested model for understanding local labour markets, summarised in Figure 1.3.

Figure 1.3 Model for Analysing Labour Markets
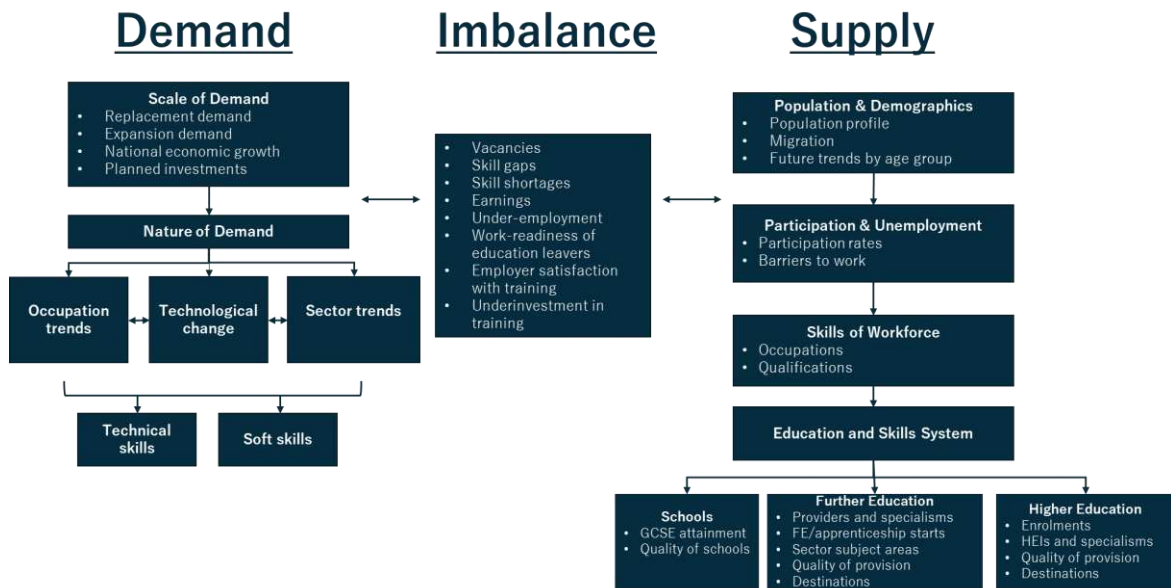
Source: Hatch Regeneris 2018

1.7 The analysis is structured as follows:

- **Part Two** – examines the national, regional and local policy context which will underpin skills ambitions and delivery.

- **Part Three** – revisits the economic context of Cambridge and Peterborough and outlines the appropriate geographical and sector focus.

- **Part Four** – concentrates on the people of region and provides a demographic profile of the area and its workforce.

- **Part Five** – outlines the scope and structure of the current skills infrastructure across the Combined Authority, focusing on both vocational and higher education.

- **Part Six** – looks at the demand for skills amongst employers in the area, using a mixture of Working Futures and bespoke sectoral studies.

- **Part Seven** – describes how the Combined Authority might build a more responsive local skills system, providing an investment framework and recommendations for existing and new programmes and policies.

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2. Policy Context

Introduction

2.1   Securing the appropriate skills for sustainable economic growth is an important component of national policy. This is reflected in the Government's Industrial Strategy which positions investment in people as a central foundation for Britain's future prosperity (Figure 2.1).

2.2   Released in 2017, The Industrial Strategy represents the Government's long-term plan for boosting Britain's productivity and earning power. The Strategy also recognises that sustainable growth needs to be centred on the theme of 'place'.

2.3   As a result, the CPCA will be expected to lead a Local Industrial Strategy which is sensitive to the nuances of the local economy and proposes tailored policy solutions based on a comprehensive evidence base.

Figure 2.1 The Foundations of Productivity

Source: National Industrial Strategy, Hatch Regeneris 2018

2.4   National Interventions will be targeted at what has been defined as the Four Great Challenges common to the five foundations of productivity. These are shown in Figure 2.2.

Figure 2.2 The Four Great Challenges

Source: National Industrial Strategy, Hatch Regeneris 2018

2.5   However. the Department for Education's statistics reveal significant regional variances in outcomes at every stage of education and skills provision.[1] To tackle this, the Industrial Strategy says devolution is pivotal for aligning local skills provision with economic need. Mayoral Combined Authorities (MCAs) are expected to link the requirements of business as outlined in both national and local industrial strategies with the supply of skills to their local area.

Policy Ambition in the Combined Authority

2.6   In Cambridgeshire and Peterborough, there is a strong desire to build a skills system which operates with greater flexibility and responsiveness to local need. Previously, this ambition had not been matched with meaningful powers to shape local provision. The Devolution Deal agreed with Government in 2017 incorporated the following skills and employment powers:

- Devolution of the **Adult Education Budget (AEB)** – AEB is used to fund statutory entitlements as well as broader types of learning activities. This increased flexibility is designed to enable the CA to commission courses which meet local skills needs.

- Responsibility for the **Apprenticeship Grant for Employers (AGE)** – AGE is financial support for Small Businesses to employ apprentices. The Combined Authority can vary the eligibility criteria (such as business size and sector) to meet local strategic priorities.

2.7   Crucially, the devolved budgets received within the Devolution Deal only cover provision for learners aged 16 and above – this impacts the scope of CPCA's influence on the system. Despite this, there are also commitments to collaborate with Government on programmes requiring local coordination as well as explicit support for the creation of an independent University in Peterborough. The Deal states that additional programmes can be funded through the £600m Single Pot unlocked by the Deal and the Combined Authority should prioritise spending on alleviating "genuine skills barriers to economic growth".

2.8   In return for this investment, the Combined Authority committed to delivering the following key growth targets:

- **Grow GVA from £22bn to over £40bn**

- **Deliver 72,000 new homes**

2.9   To assist with the delivery of these growth targets and to gain a richer understanding of the area's economic performance, the Cambridgeshire and Peterborough Independent Economic Commission (CPIER) was commissioned. The final CPIER report, published in September 2018 contained 14 key recommendations spread over some 136 pages of analysis. CPIER 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**

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[1]   DfE   (2017),   'Early   years   foundation   stage   profile   results: 2016   to   2017',   Available   at: https://www.gov.uk/government/statistics/early-years-foundation-stage-profile-results-2016-to-2017

- **Logistics and Distribution**

- **Education and Professional Services**

2.10 Although the final CPIER report notes that there is a "meta-trend towards the blurring of sectors at research and development level", it nevertheless endorses a largely sector-based approach to skills planning and delivery. Accordingly, the skills strategy will be focused on enhancing the skills of these key sectors. It is hoped that other Combined Authority workstreams, such as key infrastructure projects will complement the skills strategy; creating a 'whole place' approach to economic growth.

2.11 The growth sectors listed above are the most dynamic and offer the best prospects for future growth and prosperity. However, following consultations with business leaders, elected members and officials, two further skills priority areas have been identified as having key importance for the development of an area-based skills strategy. These are:

- **Health and Social Care**

- **Construction**

Building on Current Initiatives

2.12 There is clear overlap between CPCA's strategic growth sectors and the initial Sector Deals prioritised by Government within the Industrial Strategy. Sector Deals are bespoke partnerships between government and industry which seek to "boost productivity, employment, innovation and skills".

2.13 The first four sectors to agree a deal with government are:

- **Life Sciences**

- **Construction**

- **Artificial Intelligence**

- **Automotive Sector**

2.14 Seeking to build on the Life Sciences Industrial Strategy, the Life Sciences Sector Deal incorporates several key policies to ensure that the UK remains at the forefront of innovation. To build capacity within this sector, the following skills policies have been devised to facilitate the growth of the sector:

- Work with the Science Industry Partnership and connect it with Skills Advisory Panels to understand local supply and demand themes.

- Enhance domestic skills base using apprenticeships; working closely with the sector to ensure effectiveness and that they are meeting key skills gaps.

2.15 Increasing the number of apprenticeship starts to 3 million by 2020 is also a key target for Government as part of delivering a mixed economy of skills. The most significant development in this area is the introduction of the Apprenticeship Levy. This requires larger employers to contribute 0.5% of their wage bill to fund the development and delivery of apprenticeships. Since the Levy's introduction, the following national trends have emerged:

- Apprenticeship starts fell from 36,400 in February 2017 to 21,800 February 2018.

- The reduction of starts was reported to be particularly acute amongst young people (- 37% for those aged 19-24).

2.16 The CPCA has committed to assisting the Government to deliver more apprenticeship starts in the Devolution Deal. Except for the AGE grant, the Deal was explicit in stipulating

that all other initiatives to boost apprenticeship uptake would need to be funded through local resources.

2.17   In addition to increasing the number of apprenticeships, Government has also prioritised enhancing the quality and reputation of Britain's technical education offering. Since the Post 16 Skills Plan was published in 2016, Government has committed to a reformed technical education option which rivals the traditional academic route. Practically, this will result in over £500m annual backing for new T-Level qualifications and the ambition to increase training hours of 16-19 T-Level students by over 50%. Investment in this area and apprenticeships signals an acknowledgement of the need to diversify options available to students post 16 to drive future economic growth.[2] .

2.18   Within the Industrial Strategy, specific subject areas are targeted. Driving up the study of maths is a priority to meet the strong demand in the labour market at all levels nationally. This targets improvement to both basic and advanced maths skills, with there being a clear relationship between higher levels of maths attainment and earning potential for individuals. Additionally, all levels of digital skills are targeted within the strategy due to recent exponential growth and importance of digital literacy to both STEM and non-STEM related jobs. Specifically, this will see the investment of £84m to improve the teaching of computing and to drive up participation in computer science. Both policy developments will influence the statutory spend for the CPCA's Adult Education Budget. It has been confirmed that, in addition to a literacy and numeracy entitlement, there is likely to be a 'digital entitlement' for adult learners when the CPCA assumes responsibility for AEB in 2019. At the time of writing, there are no further public details of this entitlement and it is not known if extra funding will be available to cover the costs.

2.19   One further initiative to fall put of the Industrial Strategy is the National Retraining Scheme. This is a £100m programme scheme focused on supporting life-long learning which may offer opportunities for CPCA employers, learners and providers.

2.20   In recent years, centrally funded education and skills programmes have demonstrated tentative shifts towards a more localised delivery model. In Cambridgeshire and Peterborough, £6m has been committed to the Opportunity Area (OA) programme in Fenland and East Cambridgeshire. An OA is a dedicated geography where local and national stakeholders can collaborate to increase social mobility through education. This is indicative of the Government's wider skills commissioning priorities which includes minimising England's entrenched regional attainment disparities. The CPCA has representation on the Board of the Fenland and East Cambridgeshire OA and can therefore steer these initiatives locally to advance both Government's and its own strategic ambitions.

2.21   Consequently, local coordination of central government programmes represents a key role for the CPCA in relation to skills and employment. Immediate priorities in the Devolution deal included collaboration on the Work and Health Programme through joint commissioning with the CPCA. The Work and Health Programme acknowledges the inter-relationship between work and health, focusing on people with "less common" barriers to employment. The CPCA has committed to coordinating local resources and knowledge for this project and will provide local strategic oversight on the relevant programme boards and governance structures.

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[2] It is should be noted that the CPCA are does not have any providers that were successful in their bid to participate in the pilot programme.

3. Economic Context

Key Findings:

- CPCA's economic geography is defined by three labour market areas.

- The CPCA and Greater Cambridgeshire Growth Partnerships Local Enterprise Partnership (GCGP LEP) geographies are fundamentally different.

- The future growth agenda will shape the economic geography of the region, particularly commitments to the Oxford-Cambridge Arc, the London-Stansted-Cambridge Corridor and wider transit links.

- The Combined Authority and individual labour market areas show different sector specialisms.

- The area is home to large and globally-significant businesses, but smaller businesses dominate.

- Entrepreneurship a key ingredient to CPCA's economic growth.

3.1 The wider economic context underpinning the Evidence Base and Skills Strategy has been provided by the CPIER Interim and Final Reports. We include a summary of those elements which are most important for skills policy. We include supplementary information where the latest available data allows for a better understanding of the wider labour market dynamics.

Economic Geography

3.2 The Cambridgeshire and Peterborough area has a population of over circa 850,000 and covers an area of approximately 3,400 square kilometres. It consists of six local authorities **Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, Peterborough** and **South Cambridgeshire**.

Figure 3.1 CPCA and GCGP LEP Map
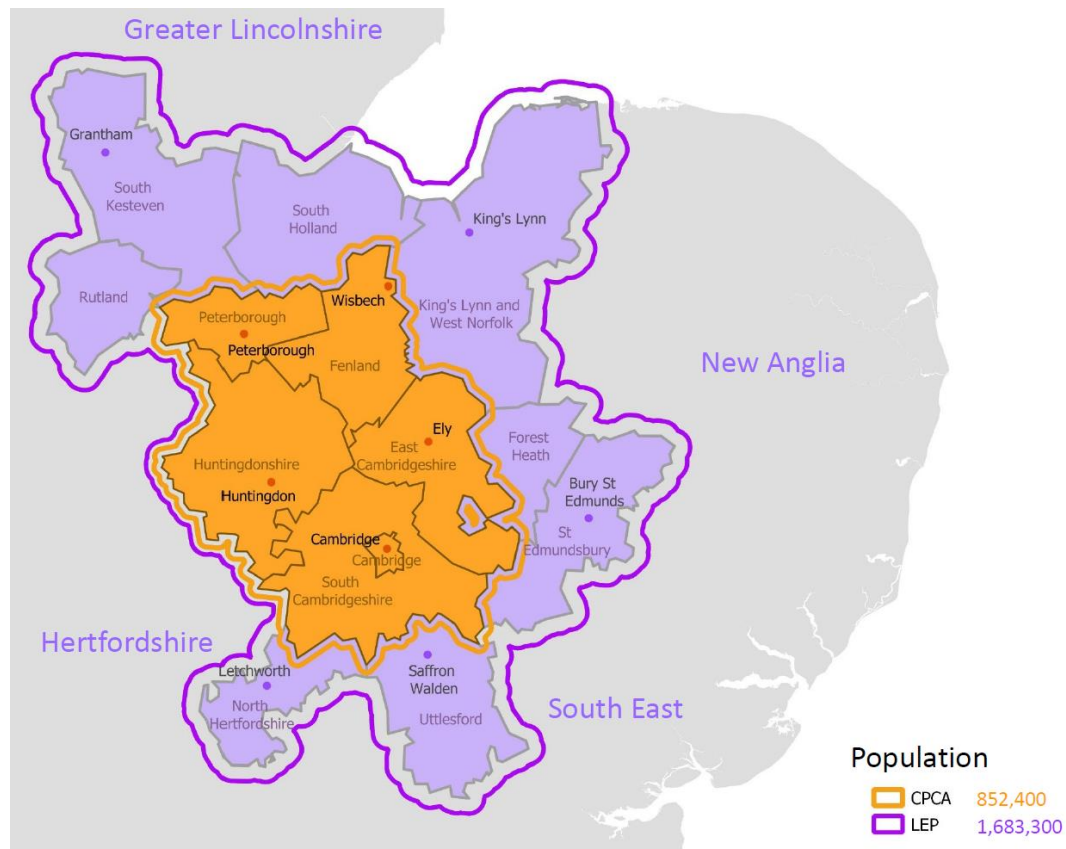
Source: CPCA, 2018

3.3 Its largest conurbations are focused on the cities of Cambridge in the south and Peterborough in the north-west, augmented by the smaller centres of Wisbech to the north-east, Huntingdon to the west and Ely to the east.

3.4 The map clearly shows that CPCA is a sub-set of the larger GCGP LEP geography, which has a significantly larger population – nearly double the size at 1.68 million.

CPCA is composed of three overlapping labour market areas

3.5 The CPIER Interim and Final Reports argued that the area is home to three overlapping labour markets which inform the demand and flow of labour across CPCA:

- **Peterborough and surroundings** (including north Huntingdonshire)

- **The Fens** (including Fenland, some of East Cambridgeshire and part of Huntingdonshire)

- **Cambridge and South Cambridgeshire** (including southern parts of Huntingdonshire and East Cambridgeshire as a third).

3.6 This classification does not match perfectly with administrative boundaries, and is based on travel to work patterns, supply chain mapping and housing market analysis. It is also supported by a district level analysis of commuting patterns based on the 2011 Census (see Figures 3.1-3.5).

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Figure 3.2 Cambridge and South Cambridgeshire Commuting Patterns	Figure 3.3 Peterborough Commuting Patterns
Total commuters = 143,818 Total inflow = 54,643	Total commuters = 87,906 Total inflow = 32,606
Source: CPIER, 2018	Source: CPIER, 2018
Figure 3.4 Fenland and East Cambridgeshire Commuting Patterns	Figure 3.5 Huntingdonshire Commuting Patterns
Total commuters = 51,529 Total inflow = 16,353	Total commuters = 61,182 Total inflow = 20,321
Source: CPIER, 2018	Source: CPIER, 2018
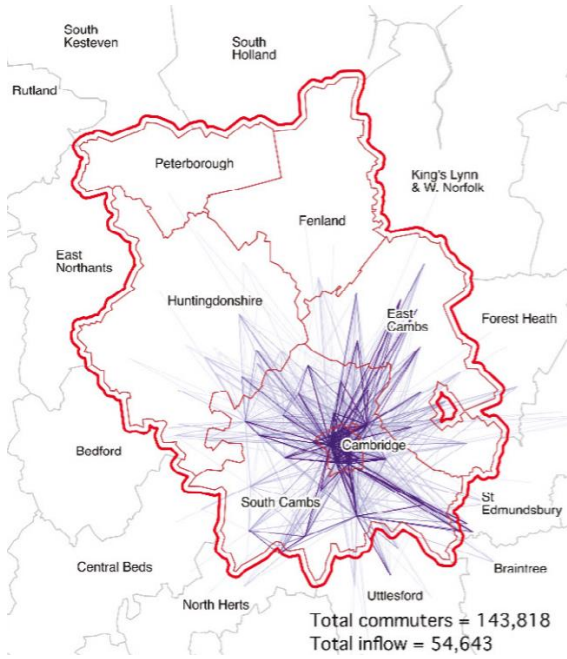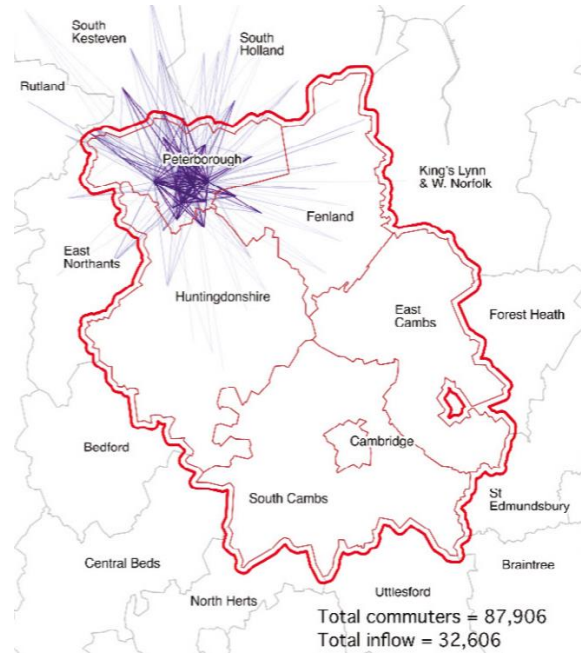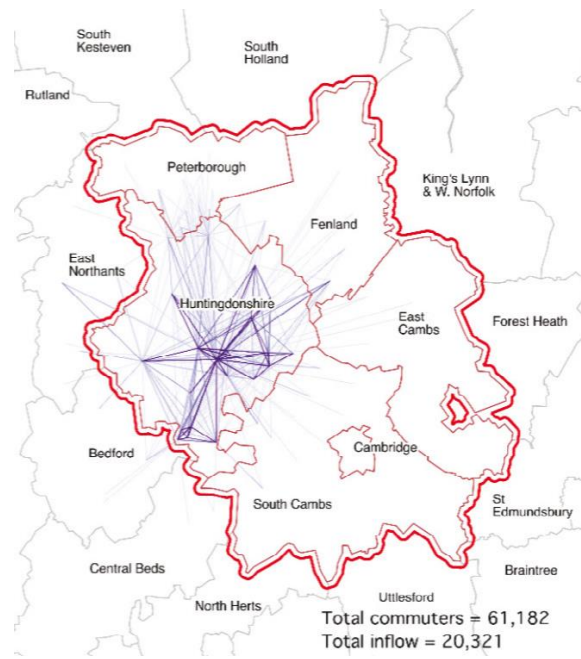
3.7   The analysis also places the three CPCA labour market(s) into a wider economic geography based on key transport corridors.

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3.8   The corridors are geographical concepts which attempt to capture both existing and potential economic linkages, demonstrating the potential that can be unlocked through greater connections between centres of national excellence.

3.9   The most significant of these is the Cambridge – Milton Keynes – Oxford corridor, where plans for East-West rail and the 'expressway' upgrade off-road links will bring about faster connections and more housing. It is also intended that this corridor stretches to connect to the east of Cambridgeshire.

3.10   Another key artery is the London-Stansted-Cambridge corridor, which recognises the potential of an international hub centred on Stansted, combining London and Cambridge's high growth businesses. Lastly, there is an important research corridor based on established Cambridge-Norwich links, focusing mainly on food science and agricultural technology.

Figure 3.6 Cambridge – Milton Keynes – Oxford Growth Arc

Source: National Infrastructure Commission, 2017

Sector Specialisation and Business Base

3.11   The composition and specialisation of CPCA's business base is well-evidenced through a variety of published data. Importantly, this allows for the business demography of the region to be used to confirm the strategically important sectors for the different sub-regional labour markets and the issues this creates for skills delivery and employability.

3.12   The standard methodology for contextualising sector specialisation and comparative advantage uses location quotients and shows the following broad specialisations (Table 3.1).

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Table 3.1 District Specialisms in the CPCA Area		
Area	**Key Specialisms**	**Additional Commentary**
Cambridge	• IT & Telecoms • Life Science and healthcare • High tech manufacturing • Education, arts, charity and social care	• Cambridge contributes 15.8% of total employment and 15.6% of total turnover in the Combined Authority. • The largest share of employment is found in the Information Technology and Telecoms sector (22.8% of total employment in Cambridge and 44.7% of total employment in the sector for the Combined Authority). • Life Sciences & Healthcare, Advanced Manufacturing and Knowledge Intensive Services are also all specialised – meaning that each of the four knowledge intensive sectors is a specialty in Cambridge.
East Cambridgeshire	• Primary (agriculture) • Advanced manufacturing • Transport & travel	• East Cambridgeshire contributes 9.8% of total employment and 7.6% of total turnover in the Combined Authority. • Cambridgeshire's most 'specialised' sector is Primary – which includes agricultural business. However, employment is much more concentrated relative to the UK than turnover, suggesting the conversion of employment to turnover (i.e. productivity) is lower than in primary sectors across the UK. • This would imply that these industries should look to improve the value of their output, given the numbers employed.
Fenland	• Primary (agriculture) • Construction & utilities • Wholesale & distribution	• Fenland contributes 5.2% of total employment and 4.9% of total turnover in the Combined Authority, the smallest contribution among the six districts. • Over half of total employment in Fenland is concentrated in SMEs, while micro firms account for approximately 30% of total employment. • The largest share of turnover in the area is originated by firms with 10-49 employees (28.2%). • SMEs have exhibited the highest rates of employment growth (8.4%) and have grown at a faster rate relative to the Combined Authority (6.0%). • The highest rate of growth in turnover is reported for large firms (7.8%).
Huntingdonshire	• Other business services • Construction & utilities • Manufacturing	• Huntingdonshire contributes 20.4% of total employment and 19.6% of total turnover in the Combined Authority. • The largest sector in terms of employment is Other Business Services (19.4% of the total for the district and 29.4% of the total the Combined Authority). • Knowledge intensive sectors account for 17.3% of total employment in the area, significantly below the average for the Combined Authority (25.3%).

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		The largest share of turnover is generated in the Manufacturing sector (23.7%).
Peterborough	• Advanced manufacturing • Transport and travel • Property & finance	• Peterborough contributes 25.5% of total employment and 24.7% of total turnover in the Combined Authority, the greatest contribution in the area alongside South Cambridgeshire. • Employment is particularly high in Property and Finance (27.9% of total employment and 63.9% of total employment for the sector CPCA area), Other Business Services (18.2% and 34.6%) and Wholesale total employment based on Cambridge Ahead data represents approximately 62% of total employment. • Employment in Peterborough is concentrated among firms with more than 250 employees, which account for 65.1% of total employment. • The share of turnover generated by large firms (71.0%) is substantially higher relative to the Combined Authority (52.8%). • Employment growth is mostly driven by large firms, which have been growing at higher rates compared to the whole area (10.1% and 7.3%, respectively).
South Cambridgeshire	• Life Science and Healthcare • High tech manufacturing	• South Cambridgeshire contributes 23.3% of total employment and 27.5% of total turnover in the Combined Authority, the highest contribution in the area alongside Peterborough. • The largest sector in terms of employment is Life Science and Healthcare (15.9% of total employment in the district and 69.5% of total employment in the sector for the Combined Authority). • Particularly high is employment in Biotechnology R&D (5,993) and in High-Tech Manufacturing – Life Sciences (2,193).

Source: CPIER, 2018

The CPCA and GCGP Areas

3.13   Table 3.2 shows the detailed breakdown of employment across the Combined Authority and LEP areas, according to broad Standard Industrial Classification (SIC). This helps to show the geographical variations in sector composition further and underpins the economic geography recommendations made by the CPIER.

3.14   What is most notable is the important distinction between the Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGP LEP) and Combined Authority geographies[3]. The LEP geography and employment numbers are far larger than the Combined Authority region, encompassing local authority areas in the neighbouring counties of Hertfordshire, Lincolnshire, Norfolk, Suffolk and Rutland.

3.15   Some of the most notable findings from the data and relative comparisons between CPCA and GCPC LEP are:

- The GCGP LEP economic geography is considerably larger than the Combined Authority, with total employment nearly 80% greater than CPCA.

- The share of employment across sectors is largely similar and not skewed greatly by inclusion of additional local authority areas within the GCPC LEP area.

- The sectors which show the greatest difference in employment share within the CPCA area are:

    - Manufacturing – has a 2% larger share of total employment (10%) in the GCGP LEP area.

    - Professional, Scientific & Technical Services – a 2% larger share of total employment (10%) in the CPCA area.

    - Other sectors which have a 1% greater share of total employment in CPCA include Information & Communication (5%), Business Administration & Support Services (11%) and Education (11%).

    - The small relative contribution of employment from East Cambridgeshire and Fenland is again pronounced, when observing sector composition.

3.16   A fuller local authority level analysis of the CPCA is provided in the CPIER Interim report[4].

Cambridge, Peterborough and South Cambridgeshire are home to large employers

3.17   Table 3.3 extends the analysis of the business base, looking at the breakdown of active companies by size. The data presents some clear differentiation across the CPCA.

3.18   Here we can see that the majority of the largest businesses are clustered around Cambridge, South Cambridgeshire and Peterborough, with micro and smaller businesses dominating in other areas. That said, proportionally, each of the six local authorities exhibit similar characteristics, in terms of being dominated by SMEs. Indeed, across the CPCA area, some 98% of trading businesses employ fewer than 50 people.

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[3] Note – whilst GCGP LEP has undergone changes to its operation and management, its economic geography remains unchanged. As such, the administrative areas captured for statistical purposes, remain unchanged.

[4] The final CPIER report can be found online here – http://www.cpier.org.uk/media/1669/cpier-report-140918-iii-na-highresdownload.pdf

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Table 3.2 CPCA Business Base – Employment by Local Authority								
Industry	Cambridge	East Cambridgeshire	Fenland	Huntingdonshire	Peterborough	South Cambridgeshire	Total CPCA	Total GCGP LEP*
Agriculture, Forestry & Fishing	10	190	650	70	60	110	1,125	2,000
Mining, Quarrying & Utilities	550	400	300	1,500	1,375	500	4,750	8,500
Manufacturing	1,750	3,500	6,000	10,000	7,500	10,000	39,500	83,500
Construction	1,500	2,250	1,875	4,000	3,500	5,000	18,000	39,500
Motor Trades	950	1,125	900	2,375	3,750	2,125	11,000	21,000
Wholesale	1,250	1,250	2,250	4,000	6,000	3,250	18,000	37,000
Retail	9,000	2,500	3,250	6,500	13,500	4,250	39,000	75,000
Transport & Storage (inc. Postal)	1,875	2,750	2,500	3,750	6,000	1,875	18,500	39,500
Accommodation & Food Services	7,500	1,875	1,625	4,750	5,500	3,750	25,000	53,000
Information & Communication	8,000	1,000	375	3,000	5,500	6,500	24,500	32,500
Financial & Insurance	1,375	250	350	850	5,000	950	8,500	14,500
Property	1,750	375	425	1,250	1,500	650	6,000	11,500
Professional, Scientific & Technical Services	14,000	2,375	1,250	6,000	5,000	17,500	46,000	67,000
Business Administration & Support Services	7,000	3,750	4,500	9,000	21,500	5,000	50,500	84,500
Public Administration & Defence	3,750	550	1,125	4,500	3,750	1,125	14,500	25,000
Education	22,500	3,000	3,000	4,750	7,500	6,500	47,000	73,500

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Industry	Cambridge	East Cambridgeshire	Fenland	Huntingdonshire	Peterborough	South Cambridgeshire	Total CPCA	Total GCGP LEP*
Health	15,500	2,125	3,500	10,000	13,500	9,000	53,000	91,500
Arts, Entertainment, Recreation & Other Services	5,500	2,750	1,125	3,750	4,500	3,000	20,500	36,500
Total CPCA	**103,000**	**32,000**	**35,000**	**79,500**	**115,000**	**81,000**	**445,500**	**795,500**

Source: BRES, 2016
*April 2017 LEP boundaries
Column do not total because of rounding errors

Table 3.3 CPCA – Businesses by Size									
District	**0 to4**	**5 to 9**	**10 to 19**	**20 to 49**	**50-99**	**100-249**	**250-499**	**500-999**	**1,000 +**
Cambridge	3,700	590	350	170	65	60	20	10	10
	74%	12%	7%	3%	1%	1%	0%	0%	0%
East Cambridgeshire	3,185	465	225	120	35	15	10	0	0
	79%	11%	6%	3%	1%	0%	0%	0%	0%
Fenland	2,720	420	165	105	30	25	5	5	0
	78%	12%	5%	3%	1%	1%	0%	0%	0%
Huntingdonshire	6,085	855	455	225	75	40	15	5	10
	78%	11%	6%	3%	1%	1%	0%	0%	0%
Peterborough	5,370	735	370	255	80	55	15	10	20
	78%	11%	5%	4%	1%	1%	0%	0%	0%
South Cambridgeshire	6,370	860	455	280	90	45	20	10	5
	78%	11%	6%	3%	1%	1%	0%	0%	0%
CPCA	27,430	3,925	2,020	1,150	375	245	80	35	45
	78%	11%	6%	3%	1%	1%	0%	0%	0%

Source: UK Business Count, 2017

Strong levels of new business creation and business survival

3.19   It is also helpful to understand the characteristics of the business base in terms of its relative age and the extent to which this is balanced by start-ups and more established businesses. We can therefore supplement this analysis by looking at the longevity of the business base, as set out in Table 3.4 below.

Table 3.4 Business Births and Survival								
	Births		**Long-Term Survival (2011)**		**Short-Term Survival (2011)**		**Short-Term Survival (2015)**	
	2011	2015	5-year survival	5-year %	1-year survival	1-year %	1-year survival	1-year %
Cambridge	525	705	255	49%	495	94%	630	89%
East Cambridgeshire	340	420	170	50%	315	93%	390	93%
Fenland	295	385	140	47%	280	95%	370	96%
Huntingdonshire	705	965	350	50%	665	94%	845	88%
Peterborough	650	1,170	280	43%	620	95%	1,065	91%
South Cambridgeshire	675	935	320	47%	650	96%	860	92%
CPCA	**3,190**	**4,580**	**1,515**	**47%**	**3,025**	**95%**	**4,160**	**91%**
England	232,460	344,385	102,240	44%	216,315	93%	308,685	90%

Source: ONS Business Demography, 2017

3.20   The analysis shows that long-term business survivorship is above the national (England) average (excluding Peterborough). Short-term survivorship has also performed above the national average, although Huntingdonshire and Cambridge have seen some deterioration since 2011 in survivorship.

3.21   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 CPCA as whole. Peterborough has seen a particularly large uplift in the number of new business creations, with the number of 2015 start-ups nearly 100% greater than the equivalent 2011 figures.

3.22   Collectively, these figures imply that although the business remains dynamic, the area has a core of well-established and embedded local employers of all sizes.

4. Our People and their Skills

Summary:

- All districts have experienced strong population growth and will have to cope with similar trends in the future.

- Notwithstanding this, the CPCA's workforce is getting older, and will continue to do so for the foreseeable future.

- All other labour market indicators strongly support the notion of three separate but overlapping labour market areas. Each area shows patterns of engagement and activity that can be readily explained by reference to geography, sector specialism and opportunity.

- Broadly speaking, Cambridge and South Cambridgeshire have the highest skilled people and best educational outcomes; Peterborough and the surrounding area experience higher unemployment and greater economic inactivity, suggesting an economy marked by longer-term issues relating to engagement and long-term alienation; and Fenland has the poorest labour market outcomes, related to the accessibility of both jobs and training.

- The pattern of supply suggests that there is an area-wide reliance on migrant workers as well as a suggestion that any future employer demands will have to be met from a proportionately smaller Working Age Population. This means that interventions may have to focus on new workforce entrants as well developing the existing workforce skills and development.

4.1 Setting out the characteristics of the supply of labour is critical to understanding the performance of the CPCA economy and how this may be limited by an inadequate fit with business demand for skills (Chapter 6). This is true in both the context of the economy today and its associated sectoral structure, as well as considering how the supply of skills will need evolve to support a changing CPCA economy.

Population and Demographics

4.2 A variety of information is available which helps to show how the Combined Authority's population and demographics shape the supply of skilled people within the labour market. Here, context is key, with data benchmarked against England averages to show how CPCA's population is distinct and whether the challenges and opportunities are unique to the Combined Authority area. Importantly, these findings support the interpretation of 'three overlapping labour market areas', as defined by CPIER.

Considerable and sustained population growth, more so than England

4.3 Cambridgeshire and Peterborough Combined Authority (CPCA) is currently home to around 850,000 people, accounting for 1.5% of England's total population[5]. The population has grown by 11% since 2006, accounting for an increase of almost 83,000 residents. This is greater than the England average. In tandem with this growth, the Combined Authority has benefitted from an expanded labour market.

4.4 This population increase has been driven by several factors, including an active physical growth agenda, alongside key infrastructure improvements and secured inward investments.

Figure 4.1 CPCA Historic Population Change (indexed where 2007=100)

Source: Annual Population Survey, 2017

4.5 However, the distribution has also been uneven. Peterborough and Fenland have seen the most significant population increases, over the period 2012-2016, with growth of 7% and 5% respectively[5].

The CPCA and national trends

4.6 Compared to England as a whole, CPCA's resident population varies in its profile, but also shares some common traits (Figure 4.2):

- CPCA has proportionally more children under the age of 10.

- CPCA has proportionally fewer people of old age.

- CPCA has proportionally fewer women.

- CPCA's has a Working Age Population (WAP) which is broadly in proportion to the English WAP.

- Differences are clear when looking at the larger proportion of females aged 25-29 at a national level, as well as the larger proportion of males aged 40-44 in CPCA.

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[5] ONS Mid-year Population Estimates, 2016

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Figure 4.2 CPCA Population Structure (2016)
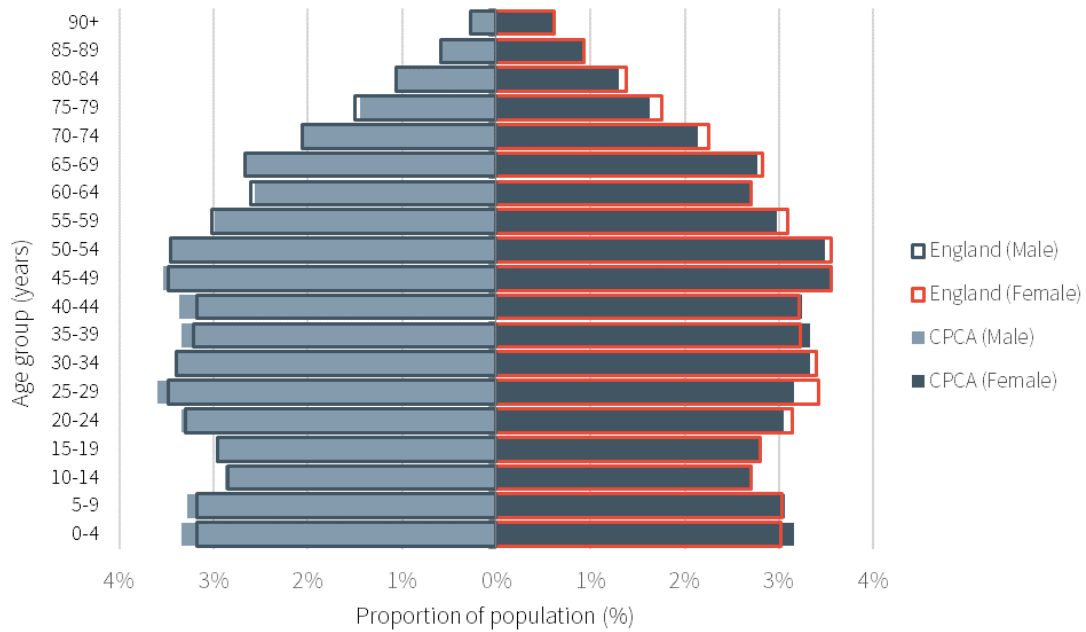
Source: ONS Mid-Year Population Estimates, 2016

CPCA's population is largely concentrated across a number of conurbations

4.7 The population of CPCA is highly concentrated, particularly in Cambridge and Peterborough, with a number of output areas being home to more than 5,000 people per square kilometre. Other key towns such as Huntingdon and St Neots, are also significant population centres, whilst Wisbech has pockets of high population density. Largely, however, the Combined Authority is characterised by its rurality and large areas of spare settlement and population distribution.

4.8 This distribution of population is not static and subject to change, as settlements continue to grow and physical regeneration takes place at key locations across the CPCA. This is interesting in the context of local authorities that have some of the overall smallest populations but have seen some of the most pronounced growth – Fenland for example. Whilst this may alter the dynamics of population density, it is expected that this will be localised and centred on existing settlements.

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Figure 4.3 CPCA Population Density (2016)
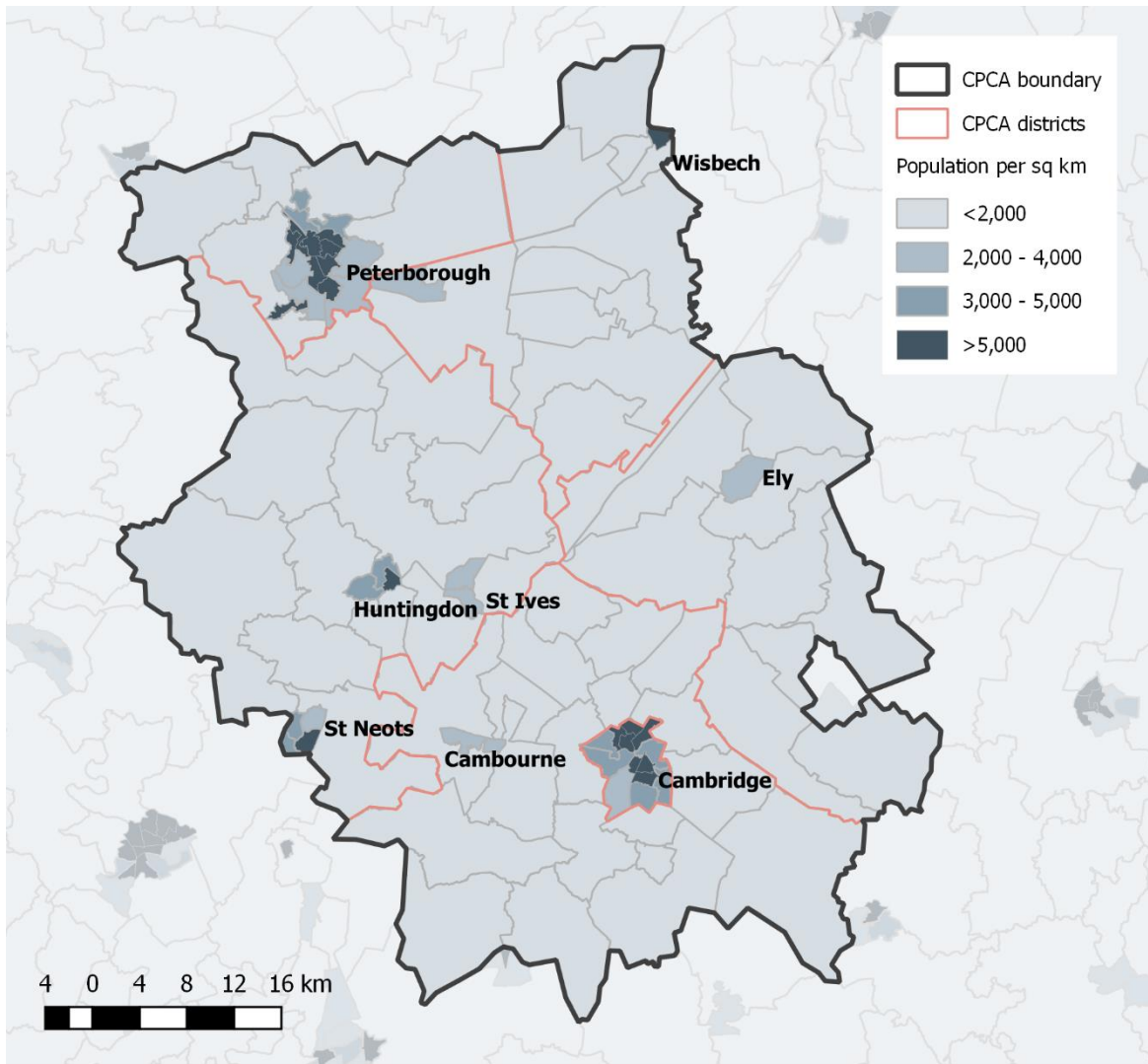
Source: ONS Mid-Year Population Estimates, 2016
Note: Population density has been calculated at the mid super output area (MSOA) level

Demographic nuances at a local level

4.9   The population of CPCA is distributed across the six districts as follows. Proportionally, Cambridge has the largest working age population (WAP), with those aged 16-64 comprising 72% of the total, followed by Peterborough (64%). Conversely, East Cambridgeshire and Fenland have the smallest WAPs – 61% respectively. Across CPCA as a whole, the WAP accounts for 64% of the total population.

4.10   Looking at the younger and older ends of the demographic spectrum, Fenland has the greatest share of elderly people (65+ years), whilst Peterborough has the largest proportion of young people, aged between 0-14 years-old. This has obvious implications for the design and delivery of skills solutions.

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Table 4.1 Age breakdown by district (2016)

District	Total Population	Age (years)				
		0-14	*15-24*	*25-44*	*45-64*	*65+*
Cambridge	124,600	16%	23%	29%	20%	13%
East Cambridgeshire	88,200	19%	9%	25%	27%	19%
Fenland	99,600	17%	11%	23%	27%	22%
Huntingdonshire	176,100	17%	10%	25%	28%	19%
Peterborough	196,700	21%	11%	30%	23%	14%
South Cambridgeshire	156,000	19%	10%	25%	27%	19%
CPCA	841,200	18%	12%	27%	25%	17%

Source: ONS Mid-Year Population Estimates, 2016

Projections suggest population growth will continue apace across CPCA

4.11 Future labour supply can be examined through projections and the extrapolation of current trends. Government commissioned population estimates form the basis for this and offer insights into how population growth is expected to be distributed across individual local authorities.

4.12 Projected population figures for the constituent districts of the Combined Authority area are shown in Figure 4.4. At an aggregated level, CPCA is expected to reach a total population of 868,000 by 2021, and 890,000 by 2026, the latter representing an increase of 5.7%, which will see the Combined Authority push closer total population of 1 million.

Figure 4.4 Projected population by district (2016, 2021 and 2026)
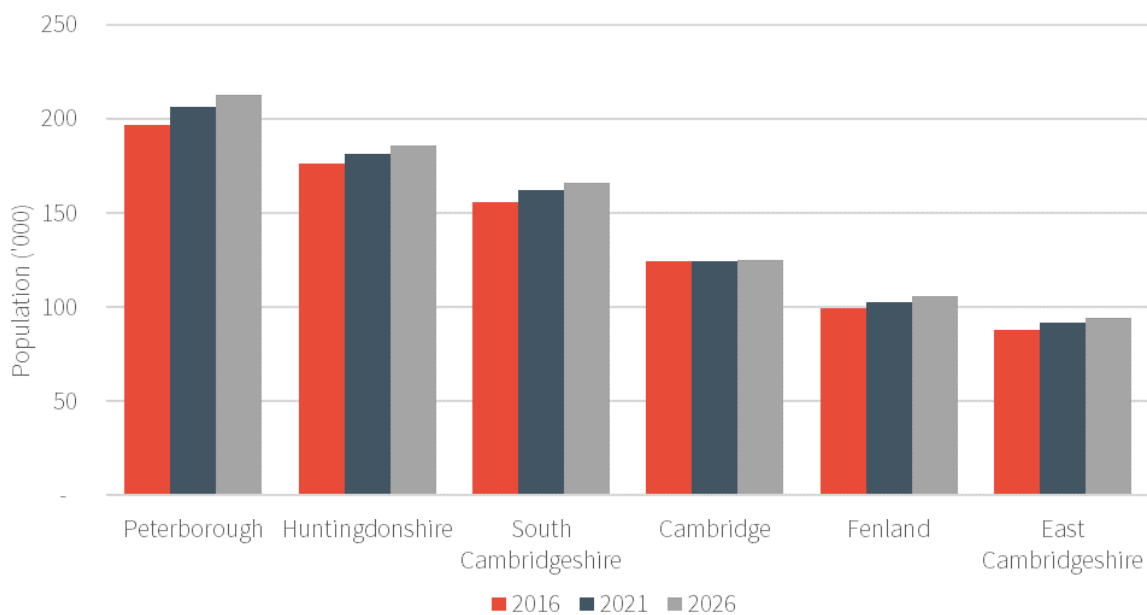
Source: ONS Mid-year Population Estimates, 2016

4.13 Anticipated population growth is most pronounced in Peterborough, Huntingdonshire and South Cambridgeshire, with all local authorities except Cambridge expected to see increases over the 2016-2026 period. The relative size of local authority populations will remain unchanged, however. Translating this to the three labour market areas – all three are expected to see an increase in overall population size.

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An ageing CPCA population which is getting older

4.14 Whilst the Combined Authority's WAP is expected to grow by 1.7% over a 10-year period, most of this is likely to occur across older age ranges (45-64 years). Of particular note is the expansion of the 75-84 year age cohort, which is expected to increase by 20,000 people (+45.3%) – a significant jump from 2016 levels.

4.15 This balance of demographic change poses a number of implications for the local economy and provision of services, such as health and social care. It also introduces some key questions around the pipeline of suitably skilled workers, who can meet the needs of existing vacancies and the type of opportunities offered by employers in the future.

Figure 4.5 Projected age structure (2016 and 2026)
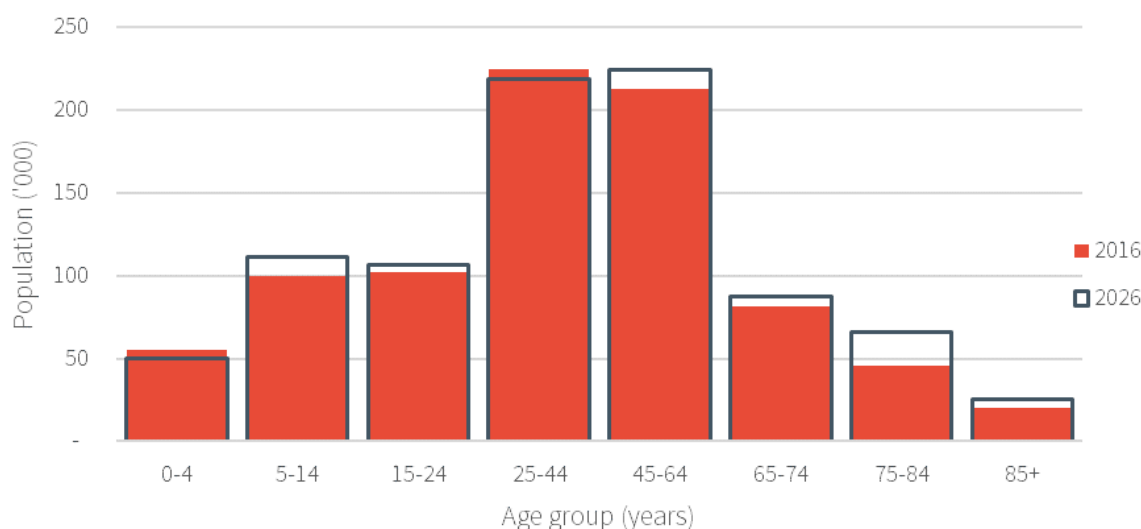
Source: ONS Mid-year Population Estimates, 2016

Other forecasts suggest higher levels of population growth could be expected

4.16 The East of England Forecasting Model (EEFM) provides an alternative view of growth to inform economic development and planning strategies and is refreshed annually. This predicts a slightly more aggressive population growth, reflected in expected demography and labour market change[6].

4.17 The EEFM suggests that the CPCA population could exceed 930,000 by 2026, reaching close to 1.1 million by 2045. In turn, this would see a corresponding increase in the WAP to over 570,000 (61% of the total) in 2026 and circa 630,000 (58%) in 2045.

4.18 Whilst the accuracy of longer-term forecasts must always be treated with caution, an even more sustained period of population growth is clearly possible, with implications for the labour market, especially in the context of a shrinking WAP share.

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[6] EEFM is developed and published by Cambridge Econometrics. Available here – https://cambridgeshireinsight.org.uk/eefm/

Labour Market Participation

4.20 Whilst the demographic makeup of the population is an important ingredient in the sustained economic vitality of CPCA and its attractiveness to investors, it is also necessary to understand how this population is engaging with the labour market.

An active labour market punctuated by low rates of unemployment

4.21 CPCA has an active labour market, based on Government-published statistics. The Combined Authority has approximately 427,000 economically active residents, accounting for 80% of the total population. This is a marginally higher economic activity rate than England as a whole.

4.22 In conjunction with this, the CPCA has an employment rate (78%) which exceeds the national average by 3 percentage points, equating to some 415,000 residents in work. This positive picture is also reflected in unemployment figures, with 2.2% of the WAP without a job, 1.3 percentage points less than the equivalent figure for England.

Table 4.2 CPCA – Labour Market Participation

	CPCA	England
Economic activity rate (16-64 yr. olds)*	80%	79%
Employment rate (16-64 yr. olds)*	78%	75%
Unemployment rate (16-64 yr. olds)*	2.2%	3.5%
% aged 18-24 in full time education	24%	33%

Source: Annual Population Survey, 2017
*Calculated as a proportion of all 16-64 yr. olds

4.23 Economic inactivity rates are also lower than those seen nationally (i.e. those not in employment and not actively seeking work), with 18.9% of the WAP identified as not participating in economic activity. The largest sub-set of this group are those who are looking after their family/home (27%) and people engaged in studies (24%), with the former being notably higher than the national average[7].

4.24 Collectively, the data paints an encouraging picture in terms of the productivity of the labour market, although it also suggests a tightness to the balance of supply versus employer demand for labour.

CPCA performance masks significant spatial variance at a local authority level

4.25 Positive messages at the level of the Combined Authority conceal considerable volatility in the respective performance of the six local authorities and three labour market areas. South Cambridgeshire (84%), East Cambridgeshire, Fenland and Huntingdonshire (80% respectively) each have the highest levels of employment, corresponding to the lowest levels of economic activity. By contrast, the largest conurbations and centres of employment have the lowest employment (Cambridge 74%, Peterborough 72%) and higher economic activity. This suggests that whilst these are buoyant economic locations, there are also challenges associated with labour market engagement.

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[7] Figures taken from Nomis Combined Authority profile, 2018.

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Figure 4.6 Employment, unemployment and economic inactivity rates across working age population (2017)
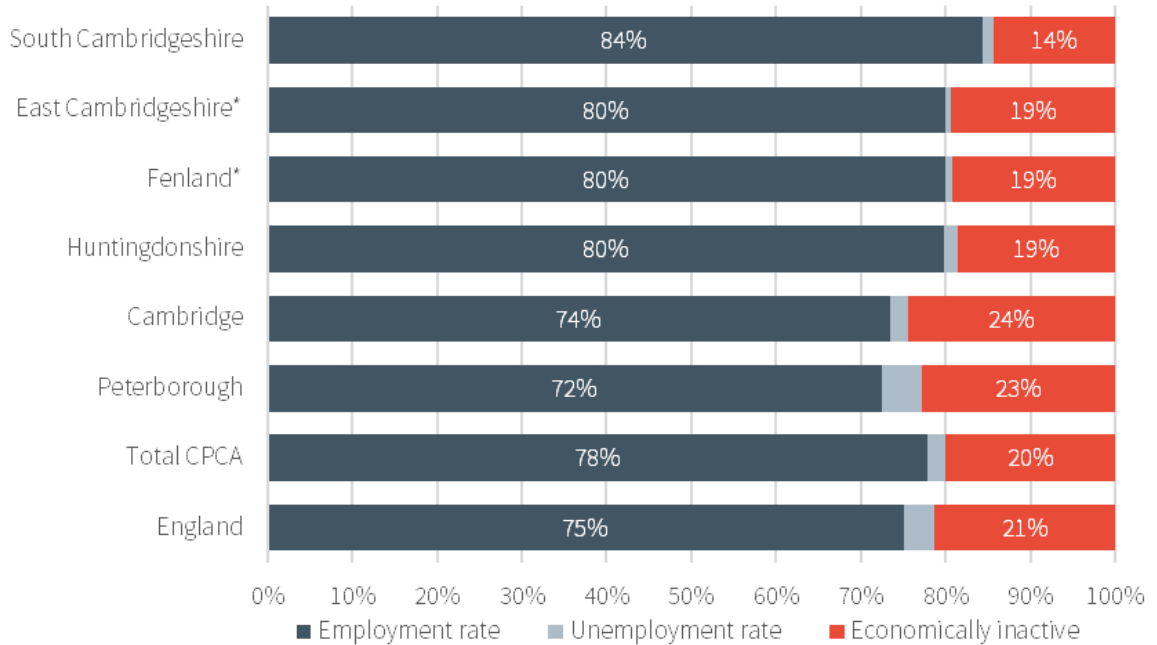
Source: Annual Population Survey, 2017
*Unemployment rates for these districts not available due to small sample size and have been estimated based on employment and economic activity rates.
Note: Unemployment rate has been calculated as a proportion of all 16-64 yr. olds.

4.26   Looking at unemployment rates, Peterborough's rate of unemployment (4.7%) is over double that of Cambridge (2.2%), suggesting challenges between labour supply and employer demand. By contrast, local authorities on the eastern side of the CPCA, show far lower levels of unemployment than both the Combined Authority and national averages.

Figure 4.7 Unemployment rates across working age population (2017)
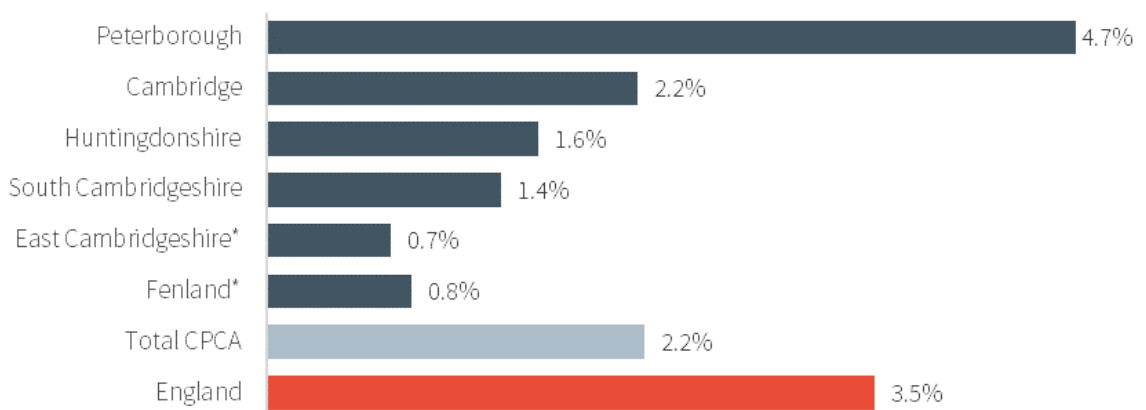
Source: Annual Population Survey, 2017
*Unemployment rates for these districts not available due to small sample size and have been estimated based on employment and economic activity rates.
Note: Unemployment rate has been calculated as a proportion of all 16-64 yr. olds.

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Greater numbers of young people are participating in the labour market

4.27   A smaller proportion of young people are in full-time education in the CPCA area (24%), compared to England as a whole (33%). Though CPCA is known for its world-class further and higher education establishments, particularly those centred on Cambridge, this is not necessarily translating into higher education participation amongst the resident population.

4.28   There is also considerable variation in educational participation across CPCA local authorities. Of note are the high levels of participation in South Cambridgeshire and Huntingdonshire, which are both more than the England average. Fenland and East Cambridgeshire represent the other end of the spectrum, with full-time education participation less than a third of the England average. Consultations related to the Opportunity Area initiative (Chapter 7) suggest that this patter is related to problems of accessibility and lower aspirations in rural areas.

4.29   This degree of variation in economic activity and employment, lends further credibility to the functioning of three separate labour market areas, across CPCA.

Figure 4.8 Proportion of young people (18-24 year olds) in full-time education
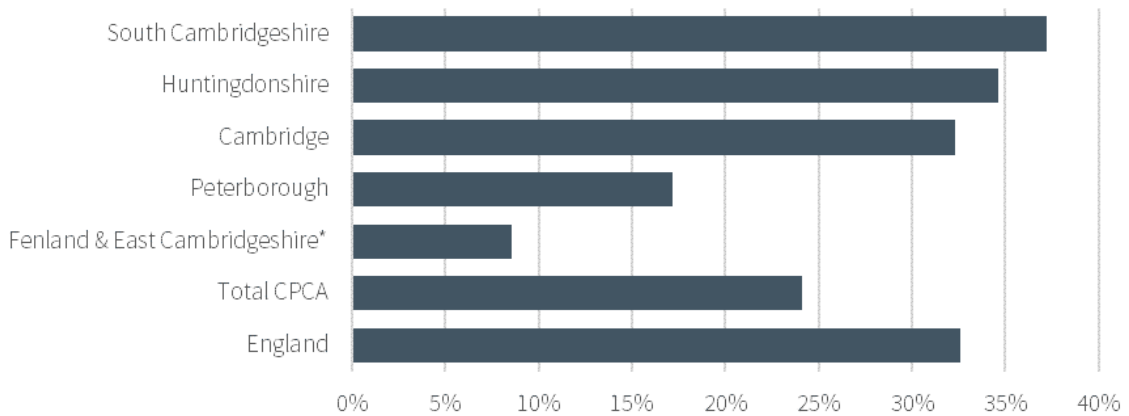
Source: Annual Population Survey, 2017
*Number of young people in full-time education for these districts not available due to small sample size and has been estimated using remainder of CPCA total.
Note: Unemployment rate has been calculated as a proportion of all 16-64 yr. olds.

Characteristics of Residents in Employment

Local authority shares of employment mirrors population distribution

4.30   Of the 415,300+ residents in employment in the CPCA in 2017, Peterborough accounts for the highest share of jobs (22%) followed by Huntingdonshire (21%) and South Cambridgeshire (19%). This follows a consistent pattern, linked to overall population size and density in these locations. Conversely, the identified labour market of East Cambridgeshire and Fenland contributes only 22% of total employment, combined.

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Figure 4.9 Proportion of Resident Workforce across total CPCA area

- Cambridge
- East Cambridgeshire
- Fenland
- Huntingdonshire
- Peterborough
- South Cambridgeshire
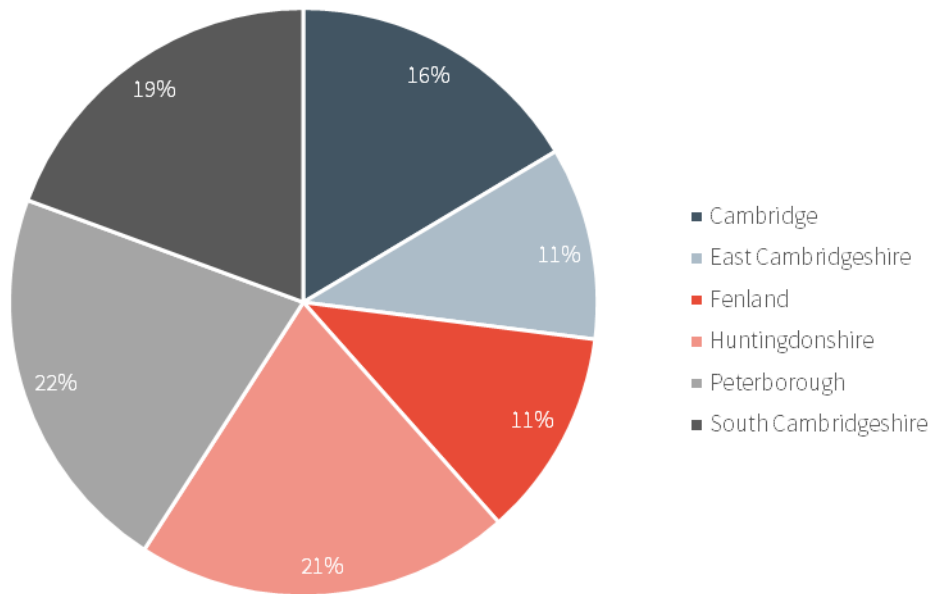
Source: Annual Population Survey, 2017

Part-time employment plays a major role in the CPCA economy

4.31   Approximately 31% of workers in CPCA are engaged in part-time work, compared to 32% in England, demonstrating the contribution part-time employment makes to economic output. From a sector perspective, the Retail and Hospitality (Accommodation and Food) sector has the greatest level of reliance on part-time workers, not unexpected given the shift-based and seasonal nature of roles in this sector. Also of interest, is the strong discrepancy in the rate of part-time work in the Property sector between CPCA and England, which remains unexplained by local consultees.

30

Table 4.3 Part time workers by sector (2017)			
Industry	**CPCA**		**England**
	No. of part-time workers	Part-time workers as a % of all workers	Part-time workers as a % of all workers
Agriculture, forestry & fishing	700	14%	21%
Mining, quarrying & utilities	240	5%	8%
Manufacturing	3,250	8%	9%
Construction	2,500	15%	15%
Motor trades	1,375	17%	15%
Wholesale	1,875	10%	14%
Retail	21,500	56%	57%
Transport & storage (inc. postal)	1,875	11%	16%
Accommodation & food services	16,000	59%	57%
Information & communication	3,250	14%	14%
Financial & insurance	1,375	15%	14%
Property	2,250	38%	25%
Professional, scientific & technical	9,000	17%	20%
Business administration & support services	14,000	30%	34%
Public administration & defence	2,750	22%	24%
Education	22,000	45%	47%
Health	25,000	44%	43%
Arts, entertainment, recreation & other services	8,500	46%	48%
All industries	**137,500**	**31%**	**32%**

Source: Business Register and Employment Survey, 2017

4.32   A higher proportion of CPCA's employment is also less secure, with 5.9% of jobs in non-permanent roles. This compares unfavourably to England (4.9%) and may be linked to employment in sectors that rely upon part-time roles, where seasonality leads to considerable volatility in employment patters, with tourism and leisure-based businesses being prime examples.

4.33   Also of note, yet difficult to pinpoint using statistics, is the preponderance of zero hours contracts and the extent to which these are contributing towards secure and higher value employment. There is an inherent danger that employment data masks these challenges and evidence to suggest that zero hours contracts are a particular concern within part-time employment.

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Residents are largely employed within the private sector

4.34   The public/private sector employee split in CPCA is 22:78, compared to 21:79 across wider England – broadly comparable and a demonstration of the importance of public sector employment.

4.35   Given Whitehall's continued commitment to austerity policies and cutting public spending, it is likely that the balance of private and public employment will be subject to further change. The transfer of public sector skills to private sector employment may also be occurring, such that skilled labour resources are not being lost within CPCA, rather re-categorised (e.g. contractors, self-employed).

Figure 4.10 Proportion of public and private sector employees in CPCA
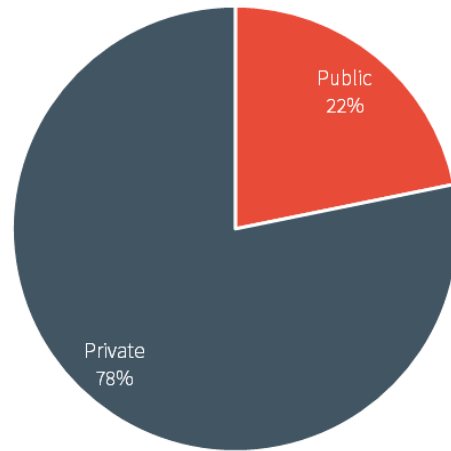
Source: Annual Population Survey, 2017

CPCA is reliant on migrant sources of labour to generate economic returns

4.36   The CPCA relies upon an inflow of labour to deliver economic output. This comes from two primary sources – internal migration from within the UK and people moving to the Combined Authority from international locations. The latter is significant in terms of the net inflow/outflow of migration from outside of the UK and as a proportion of total inflow migration, inclusive of domestic inflows.

Figure 4.11 CPCA – International Migration Flows

Net International Migration Inflow   International Migration Inflow as a Proportion of All Inflow Migration (%)
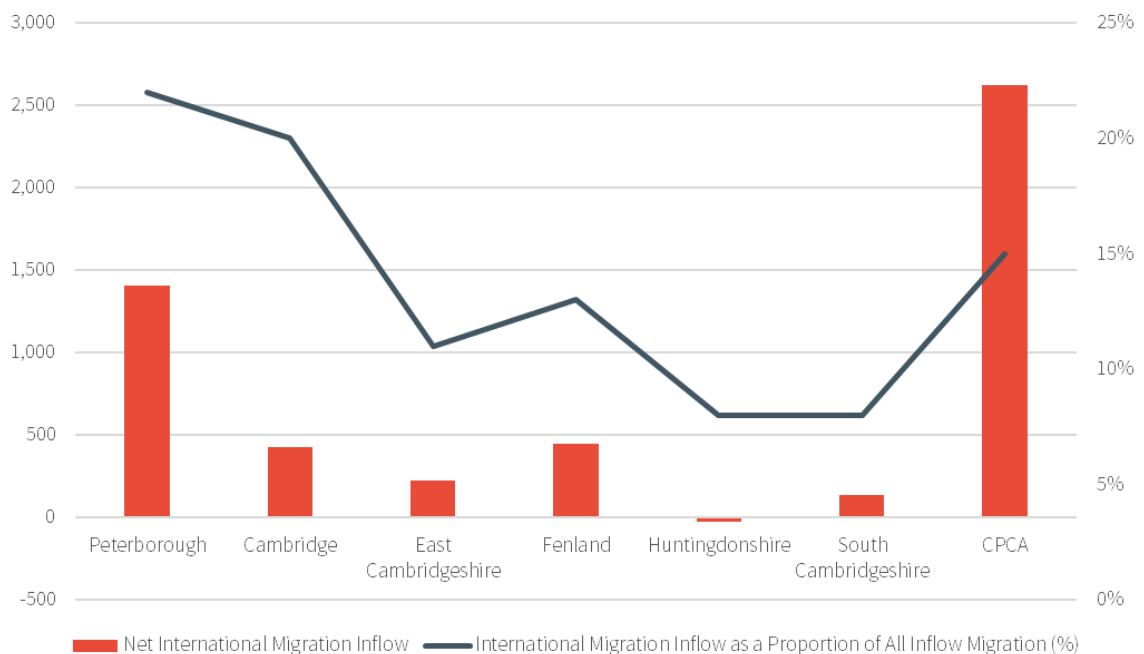
Source: ONS Local Area Migration Indicators, 2018

4.37   Based on 2017 mid-year population estimates, Peterborough saw the largest net inflow of migrant labour across the Combined Authority area (1,410), followed by Fenland (448) and

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Cambridge (426). Only Huntingdonshire saw a net loss during this period (-23), whilst over 2,600 international migrants entered the CPCA. Peterborough had the greatest reliance on international migration as a proportion of the total inflow (22%), whereas Huntingdonshire and South Cambridgeshire were far less so (8% respectively).

National Insurance registrations reinforce migrant labour messages

4.38 In the past year, CPCA has had a higher rate of National Insurance number (NINo) registrations than England as a whole, reinforcing assumptions around the inflow of migrant labour. Registrations were most highly concentrated in Cambridge and Peterborough, with approximately 40 and 20 NINo registrations per 1,000 residents. There have been almost 12,800 NINo registrations over the past year in CPCA overall.

Figure 4.12 Migrant NINo registrations per 1,000 residents (year to June 2018)
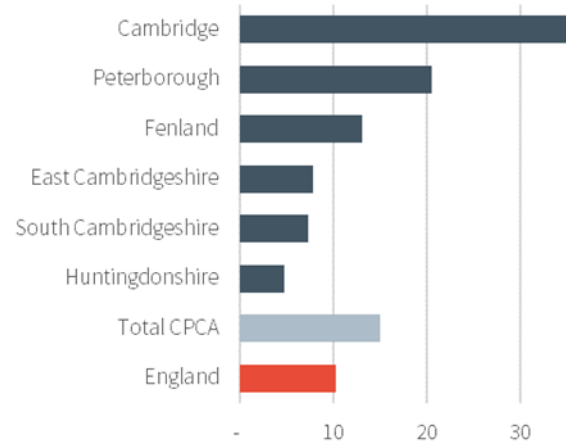
Source: DWP National Insurance number allocations to adult overseas nationals to June 2018

Occupational breakdown is representative of the sector distribution of employment

4.39 The occupational breakdown of residents across the Combined Authority is representative of the types of employment on offer and the sector composition of the CPCA economy. Residents also have a similar profile of occupational distribution to England, although the CPCA has a larger representation of people in higher value roles, particularly professional occupations (23%). This implies that the economy is delivering higher-value employment opportunities, although the proportion of residents in lower-value occupations, such as elementary occupations (11%) is also considerable and higher than the national average.

Figure 4.13 Resident occupational breakdown in CPCA and England

Source: Annual Population Survey, 2017

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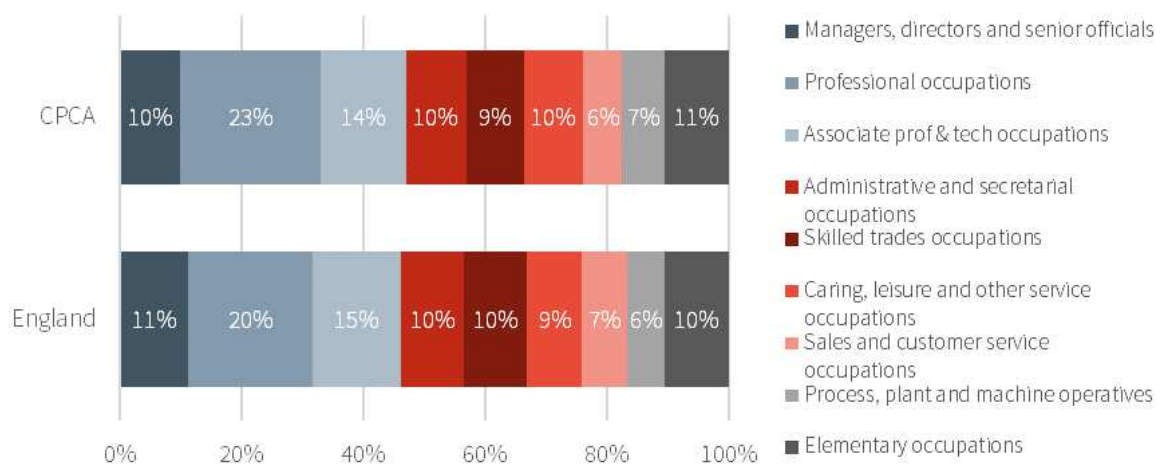
Qualification Profile

4.40 The level of qualifications obtained by the CPCA population allows for a more detailed understanding of the quality of skills on offer and helps to consider how these are likely to fit with the needs of employers, now and in the future.

Significant variation in qualifications outcomes across CPCA

4.41 Looking at the level of qualifications obtained by the WAP, there is once again significant variation in performance across CPCA districts. While Cambridge and South Cambridgeshire have very high levels of NVQ4+ (Higher National Diploma or degree and above) qualifications (58% and 55% respectively), Fenland and Peterborough have much lower levels of educational attainment. Indeed, 13% of Peterborough's WAP has no formal qualifications, which is almost double the England average, whilst only 23% of Fenland's WAP are qualified at NVQ level 4 and above.

4.42 Looking at the Combined Authority as a whole, CPCA's qualification profile is similar to that of England, with the largest proportion of the WAP qualified at NVQ4+ and NVQ3 (56%) combined.

4.43 This distribution of qualification outcomes is likely to be influenced by a number of factors, including the quality of local provision, sectoral make-up and the impact of physical growth and regeneration. They must also be considered in the context of evolving economies and nature of employer needs in the future.

Figure 4.14 Highest level of qualification across CPCA (16-64 yr. olds)
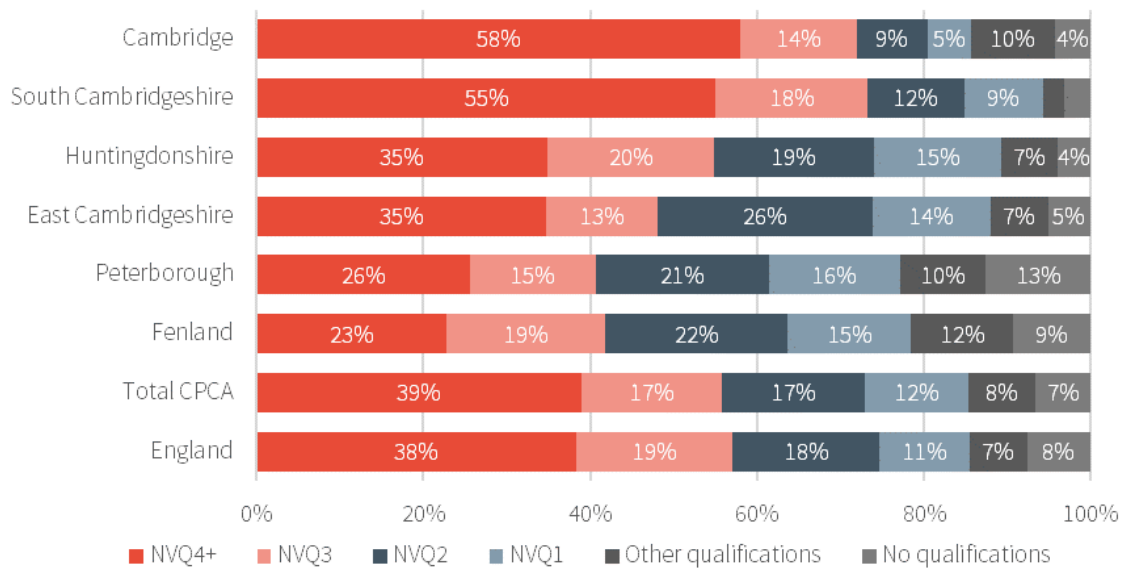
Source: Annual Population Survey, 2017

Earnings

4.44   Earnings are an obvious useful indicator of an individual's wealth and productivity. They help to show disparities in outcomes, both at a geographic level and also with reference to residents and those who live outside the CPCA area.

Mixed messages from resident and workplace-based earnings data

4.45   Weekly earnings vary widely across CPCA. The median earnings of residents in Fenland and Peterborough fall below the England-wide median (£556), at £493 and £462 per week respectively. By contrast, the median earnings of residents in South Cambridgeshire is £694 and £605 – well above the national median.

4.46   South Cambridgeshire and East Cambridgeshire display the widest gaps between resident and worker earnings. A person who works in South Cambridgeshire earns £64 less per week than a resident of the district, whilst this imbalance is almost as stark in East Cambridgeshire (£56). Peterborough and Cambridge illustrate the reverse, with residents earning £17 less than the equivalent person working in the area.

4.47   This suggests that there are differing dynamics at play across the CPCA's labour market areas. In some cases, local residents are gaining access to high value employment and the economic output associated with this is being retained within the local economy. In other areas, such as Peterborough and Cambridge, residents are earning less than their workplace-based equivalents, including those in-commuting to the area.

Figure 4.15 Gross median weekly earnings – Place of residence vs. workplace (2017)
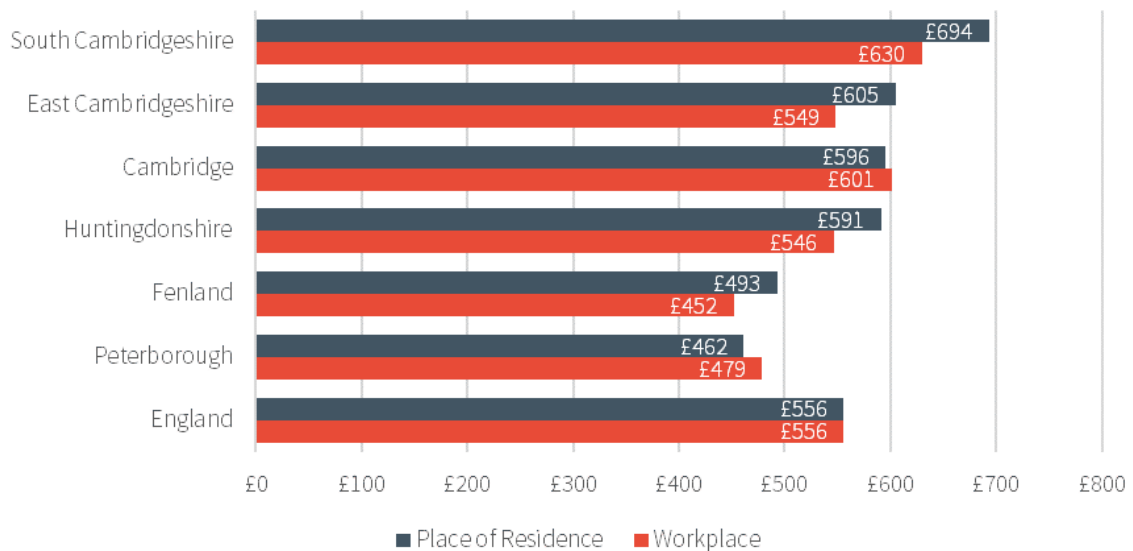
Source: ONS ASHE, 2017

Deprivation

4.48   Deprivation levels help to position the overall health of people and places and to pinpoint the underlying reasons leading to an area's socio-economic underperformance. The Indices of Multiple Deprivation (IMD) triangulate a number of deprivation measures to form an aggregated view, at a local authority level.

Deprivation is geographically distinct and most pronounced northern CPCA areas

4.49   The northern districts of CPCA exhibit the highest levels of overall deprivation (across factors such as income, employment, education and health) in the Combined Authority area. Issues are particularly acute in Peterborough and Wisbech, were deprivation levels are in the top 10% nationally. Within Fenland, deprivation is also dispersed across rural areas, where population density is lower and settlements more remote.

4.50   Towards the centre and southern end of the Combined Authority, deprivation is both less acute and extensive, with pockets observed in Huntingdon, Barnwell and Orchard Park.

Figure 4.16 Overall Deprivation Map
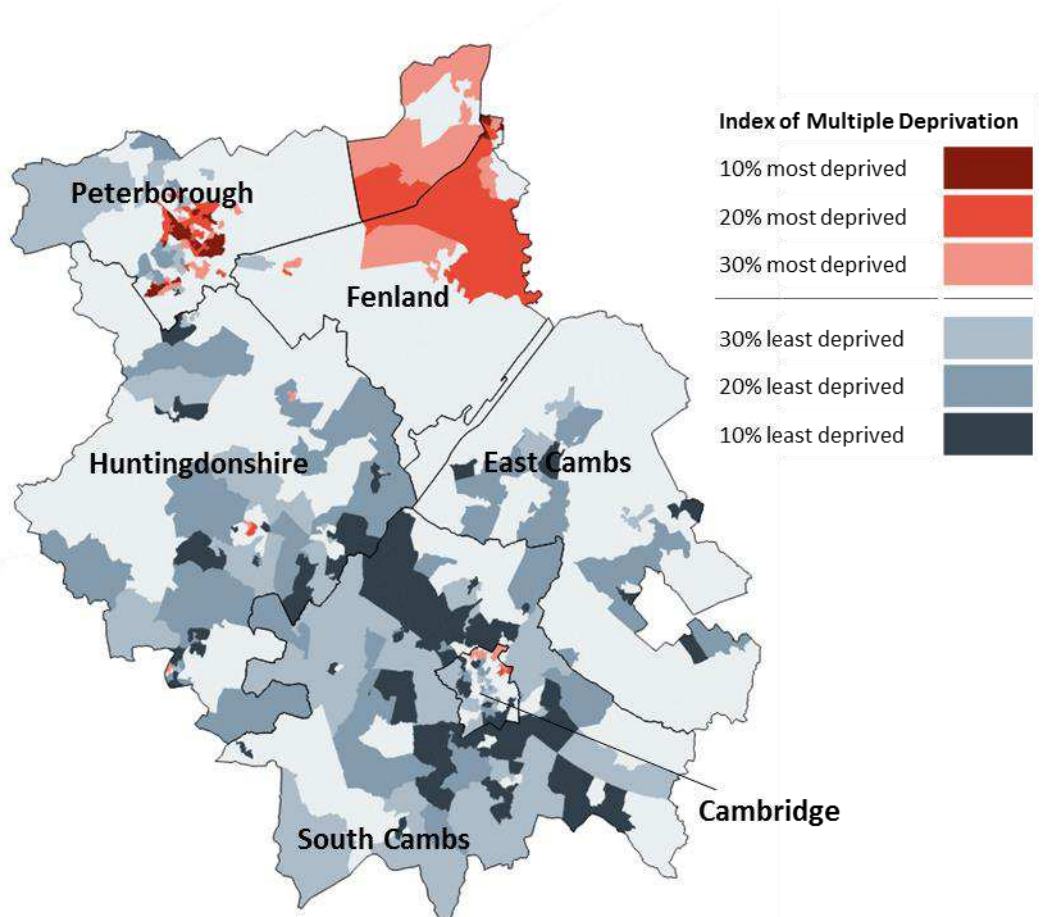
Source: IMD, DCLG, 2015

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Education, skills and training deprivation a key determinant of overall deprivation

4.51   The geographic distribution of education, training and skills deprivation suggests this is a key determining factor in the occurrence of overall deprivation across the CPCA. This measure considers a lack of attainment and skills in children, young people and adults.

4.52   Education deprivation is concentrated in the north-eastern areas of the CPCA. Peterborough and Fenland in particular have acute and extensive challenges, with both featuring in the highest decile for education deprivation in England. There are also small clusters in Huntingdon and Cambridge, although far less significant in geographical scale.

4.53   By contrast, significant areas of Huntingdonshire, South Cambridgeshire and Cambridge are in the lowest decile for education deprivation. This is broadly suggestive of a north-south split, with improved outcomes the further south one observes.

Figure 4.17 Education, Skills and Training Deprivation Map
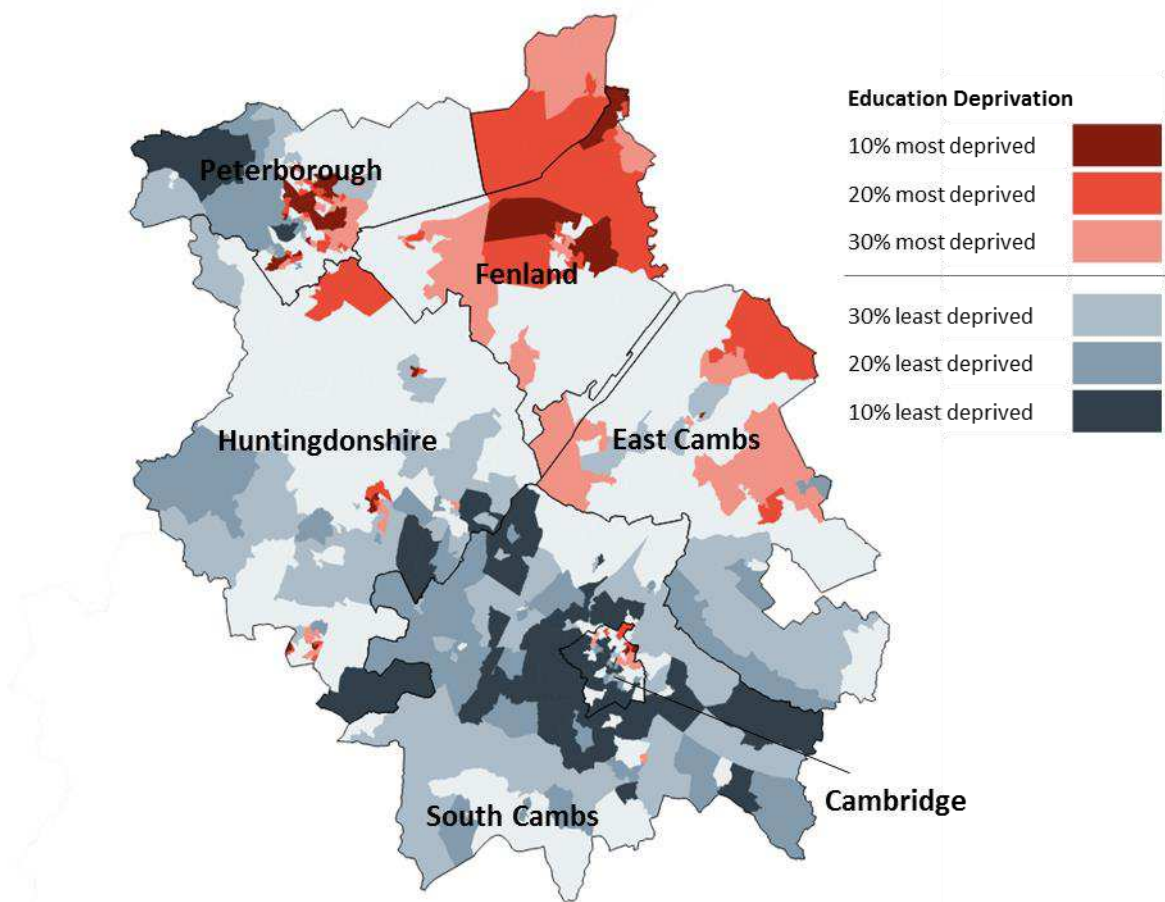
Source: IMD, DCLG, 2015

5. Our Current Skills System

Summary:

- The current Further Education (FE) offer in the Combined Authority is strong, although there is a significant minority of poorer performers. This includes inspection reports, student satisfaction and employer engagement.

- The Area Based Review process has highlighted deliverability and accessibility issues for learners in Fenlands and other rural areas.

- Employer feedback suggests a lack of confidence in some aspects of skills delivery.

- Success in apprenticeship completions is concentrated in a small number of sectors and geographies.

- Careers and qualifications performance deteriorates towards the east of the region, and Peterborough has a number of issues that may affect young people's prospects of employability.

- Universities are becoming increasingly better embedded with businesses in the west of the region, but there is a significant participation and aspirational challenge in Peterborough. This view is also reflected in employer feedback.

5.1 The quality of the skills system is obviously important to the supply of skilled labour. The skills system in Peterborough and Cambridge has been subject to considerable scrutiny, with policy and infrastructure changes implemented trough waves of initiatives driven by Central Government. This chapter shows current patterns of provision in the region and highlights particular areas of concern of industry and learners.

CPCA's Further Education Providers

5.2 The 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).

5.3 A summary of key post 16 institutions is set out below (Table 5.1). This includes tertiary colleges, sixth form schools and other institutions offering post 16 education.

CPCA's FE offer is generally strong but some institutions are underperforming

Table 5.1 Overview of FE Providers in CPCA			
Institution	**Number of students**	**Ofsted grading**	**Date of grading**
Abbey College, Ramsey	1,026	Good	2018
Arthur Mellows Village College	1,625	Outstanding	2014
Aurora Meldreth Manor School	11	Not available	-
Cambian Home Tree School	20	Good	2016
Cambian Wisbech School	19	Requires improvement	2017

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Cambridge Academy for Science and Technology	231	Good	2017
Cambridge Regional College	2,749	Good	2016
Castle School, Cambridge	166	Good	2017
City College, Peterborough	207	Good	2016
City of Peterborough Academy	550	Outstanding	2015
Comberton Village College	1,670	Outstanding	2013
Cottenham Village College	804	Good	2015
Cromwell Community College	1,158	Good	2016
Ely College	1,093	Inadequate	2015
Ernulf Academy	Not avail.	Requires improvement	2016
Granta School	108	Good	2017
Greater Peterborough UTC	138	Not available	-
Gretton School	91	Good	2017
Hampton College	1,387	Good	2017
Hampton Gardens Secondary School	178	Not available	-
Heltwate School	163	Good	2014
Highfield Ely Academy	125	Not available	-
Highfield Littleport Academy	40	Not available	-
Hills Road Sixth Form College	2,173	Outstanding	2006
Hinchingbrooke School	1,901	Good	2016
Impington Village College	1,324	Good	2016
Jack Hunt School	Not avail.	Good	2017
Ken Stimpson Community School	967	Good	2016
Long Road Sixth Form College	2,142	Good	2017
Longsands Academy	1,872	Good	2018
Marshfields School	173	Good	2016
Meadowgate Academy	164	Outstanding	2015
Neale-Wade Academy	1,336	Good	2016
Nene Park Academy	1,077	Good	2018
On Track Education Centre Wisbech	15	Requires improvement	2017
Ormiston Bushfield Academy	858	Good	2016
Park House	20	Not available	-
Parkside Community College	743	Outstanding	2017
Peterborough Regional College	2,892	Requires improvement	2017
Queen Katharine Academy	967	Not available	-
Samuel Pepys School	102	Good	2018
Sawtry Village Academy	991	Good	2018
Shelldene House School	5	Not available	-
Sir Harry Smith Community College	993	Good	2014
Spring Common Academy	175	Outstanding	2012
St Ivo School	1,776	Good	2016
St John Fisher Catholic High School	705	Good	2017
St Peter's School	997	Good	2017
Stanground Academy	1,400	Good	2017
The Beeches Independent School	6	Not available	-
The King's (The Cathedral) School	1,195	Outstanding	2013
The Netherhall School	1,040	Not available	-
The Phoenix School	150	Outstanding	2012

Thomas Clarkson Academy	1,218	Requires improvement	2017
Thomas Deacon Academy	2,247	Good	2015

Source: Ofsted Inspection Reports, various dates; SFA Data Cube, 2016/17; EFA allocations data, 2016/17. Yellow shading denotes outstanding Ofsted performance, blue inadequate.

5.4   Table 5.1 highlights some important patterns:

- Of the 54 listed post 16 institutions, **17%** have been rated by Ofsted as **outstanding**.

- Approximately **54%** of post 16 institutions have been rated by Ofsted as **good**.

- **9%** of post 16 institutions have been rated by Ofsted as **requiring improvement**.

- Only **2%** of post 16 institution have been rated by Ofsted as **inadequate**.

- The timeliness of Ofsted reviews varies considerably, with some institutions being rated more recently than others (an average of 2016).

- There is a broad geographical spread of post 16 schools and colleges across the Combined Authority area.

- There is great variety in the size of institutions, ranging from 2,900-5 pupils.

- The mix of institutions is representative of the balance of academic and vocationally-focused post 16 education on offer nationally and includes:

  - Tertiary education colleges

  - Colleges managed by local education authorities

  - Academies

  - Peterborough's University Technical College (UTC)

  - Faith schools.

Student and employer feedback suggest that challenges remain

5.5   Annually administered surveys offer insights into the level of satisfaction expressed by students and employers with respect to FE provision. This offers a mixture of messages and suggests that in some cases, satisfaction levels are low and worse than national benchmarks. The most exaggerated results relate to Cambridge Regional College (employer satisfaction score of 63%) and Peterborough Regional College (student satisfaction score of 69%). Conversely, student satisfaction levels at other FE institutions is considerably higher – in excess of 90% and greater than England averages.

5.6   The veracity of this data is somewhat limited by the quality of survey responses, and the results should be treated with caution. That said, the data appears to outline an imbalance between skills provision and the expectations of students and employers.

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Figure 5.1 Learner and employer satisfaction – key institutions and provision where Council is the lead provider

Source: FE Choices learner satisfaction survey, 2017 2018; FE Choices employer satisfaction survey 2016 to 2017. Data pertaining to Cambridgeshire County and Peterborough Councils may include providers who are subcontracted by local authorities. Peterborough City College have indicated an employer satisfaction score of 86%in the most recent assessment, but these figures have not been included in the diagram for the reasons noted above.

Area Based Review recommendations are re-shaping FE delivery across the CPCA

5.7 The GCGP LEP area was subject to an FE Area Based Review (ABR) in 2017/18, undertaken in conjunction with the Department for Education. The purpose of this exercise was to assess the quality of FE provision and training across the CPCA area, analyse performance in relation to attainment and business engagement, and examine new models of delivery and restructuring.

5.8 The final ABR report was published in August 2017, and set out a series of recommendations, aimed at enhancing performance, improving student and employer outcomes and increasing the efficiency of delivery. These recommendations are set out below:

Key Area Based Review Recommendations:

- Hills Road Sixth Form College to stand-alone, Long Road Sixth Form College to explore academisation as its preferred strategic option, or otherwise to remain a stand-alone sixth-form college.

- Peterborough Regional College to stand-alone with a focus on quality improvement.

- Cambridge Regional College and Huntingdonshire Regional College to merge with a specific focus on quality improvement of quality, long-term financial stability and to explore the potential to create a Joint Venture with Peterborough Regional College for the iMET centre (delivering specialist higher and degree-level technical pathways for the manufacturing, engineering and technology sectors).

- The College of West Anglia to work with colleges and stakeholders in the GCGP review area to develop a coherent offer for GCGP residents (especially in Fenland) and explore links with the iMET Centre.

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- GCGP LEP, Cambridgeshire County Council, Peterborough City Council, Rutland County Council and the colleges to explore options to plan and publicise travel arrangements in the interests of efficiency and improved service for students.

- GCGP LEP and Cambridgeshire County Council to collaborate with colleges to improve and develop an accessible post 16 offer for Fenland and East Cambridgeshire whilst avoiding needless duplication.

- The LEP, Combined Authority and colleges to ensure there is a forum to allow a strategic dialogue around skills provision and the needs of local employers and residents, supported by regular intelligence sharing and monitoring.

5.9   To date, a number of the recommendations have been actioned. Notable developments include the merger of Cambridge and Huntingdonshire Regional Colleges and the construction of the iMET Technical Skills Academy, which opened in at the Alconbury Weald Enterprise Campus in the summer of 2018.

CPCA Skills Case Study – St Neots

5.10   The CPCA commissioned a case study, to look at how local FE provision could best support locally-important target sectors, with considerable scope for growth and further specialisation. This was focused on the town of St Neots, in Huntingdonshire District, where the town masterplan identified manufacturing as a high performing sector.

5.11   In the context of the development of new technical training assets, such as iMET and a commitment to ensuring that future expansion leads to more local employment opportunities, the CPCA engaged in a conversation with sector representatives. This provided a 'real world' view on the fit between skills provision and sector requirements, setting out the interventions that would be necessary to overcome challenges and the role of stakeholders in delivering solutions.

St Neots – Manufacturing Sector Strengths

- Strategic location on A1-A428 axis

- Accounts for 15% of jobs, 26% GVA

- Town masterplan targets 500 new construction sector jobs

5.12   The case study findings resonate with the outcomes of the Area Based Review, emphasising the rationale for action.

Case Study Findings:

Ineffective business engagement with providers…	*Limited careers guidance to inform choices…*
Recurring Challenges	
Apprenticeships have yet to gain traction with employers…	*Focus on the present and skills needs of the future…*

- There remains a disconnect between provision and the needs of employers, with school curriculum timetables making structured engagement difficult.

- The appetite for a bottom-up approach from employers to raise sector awareness and develop a pipeline of students is strong, but the mechanisms are not in place for this to happen.

- Funding formulas and economies of scale can be key limiting factors, with there being issues generating insufficient student demand for the specialist courses.

- Technological change within the industry is occurring at pace, with education providers finding it difficult to keep pace with the rate of change and teach the technical skills required by employers.

- Employers reported considerable scepticism around the Apprenticeship Levy as a recruitment mechanism, with cost barriers a barrier to business take-up.

- Skills shortages were identified in more generic areas such as leadership and management, alongside specialist skills requirements.

- Due to the specialist nature of many of the firms, businesses have been choosing to deliver training in-house due to a lack of effective FE provision.

- Issues associated with sector perception are paramount – young people are making careers choices based on poor information and are not exposed to employment opportunities at an early enough stage in their education.

- Information and support, to guide study and career choices, remains skewed in favour of academic pathways, rather than vocational routes which are more applicable to the sector and provide more immediate employment opportunities.

FE Participation

FE participation levels have decreased across the Combined Authority area

5.13 The level of participation in FE learning decreased universally, across all CPCA local authorities from 2014/15-2015/16. Across the Combined Authority this equates to a decrease of circa 20%, across all learning types (apprenticeships, community learning and education and training).

5.14 Variation is seen at a local authority level, with a drop in FE participation most apparent in Fenland and Peterborough (approximately 30%). Comparatively, East and South Cambridgeshire were the least affected.

5.15 Participation data (as a proportion of residents) also suggests that the biggest drops have occurred where FE education is the most embedded, such as in the parliamentary constituencies of North East Cambridgeshire and Peterborough.

Figure 5.2 Change in participation across all FE learning types (2014/15 to 2016/17)

Source: Individualised learner record (ILR), 2016/17

5.16 The findings suggest a need to investigate and explore the reasons for these trends and how FE participation can be further encouraged within the resident population, especially in areas where attainment levels are already challenging.
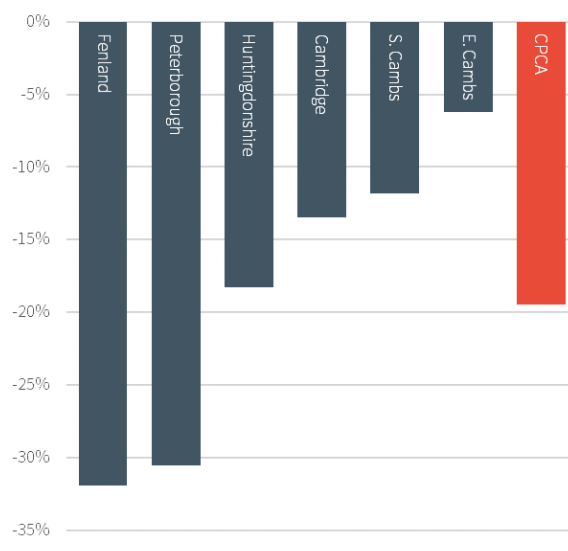
Figure 5.3 FE and skills participation per 1,000 residents by parliamentary constituency (2014/15)
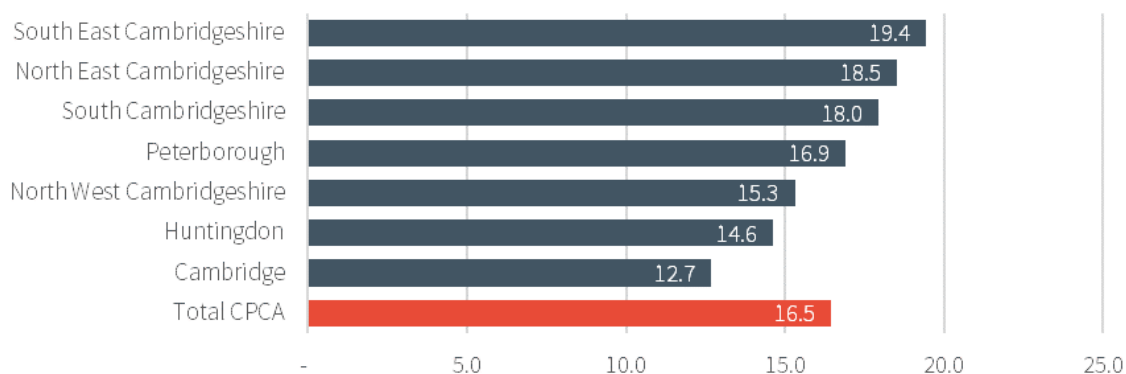
Source: DFE and ESFA FE data library, 'FE and skills by geography and equality and diversity', 2014/15; Parliamentary Constituency Mid-Year Population Estimates, 2015

Qualifications and Attainment

Qualifications profile exposes the limited reach of trade apprenticeships

5.17 Looking at the qualifications profile of those in employment across the CPCA, the importance of higher-level attainment is clear, with 44% of qualifications at NVQ level 4 and

above. This is most exaggerated in Cambridge (64%) and South Cambridgeshire (59%) which is the most knowledge-intensive of CPCA's three labour market areas.

5.18   Also apparent is the relatively small role that trade apprenticeships play in upskilling the labour markets in Cambridge, South Cambridgeshire, Peterborough and Fenland. There are more encouraging signals in East Cambridgeshire and Huntingdonshire however, where apprenticeships are making a greater contribution to employment.

Figure 5.4 Highest level of qualification of those in employment (%) (16-64 yr. olds)
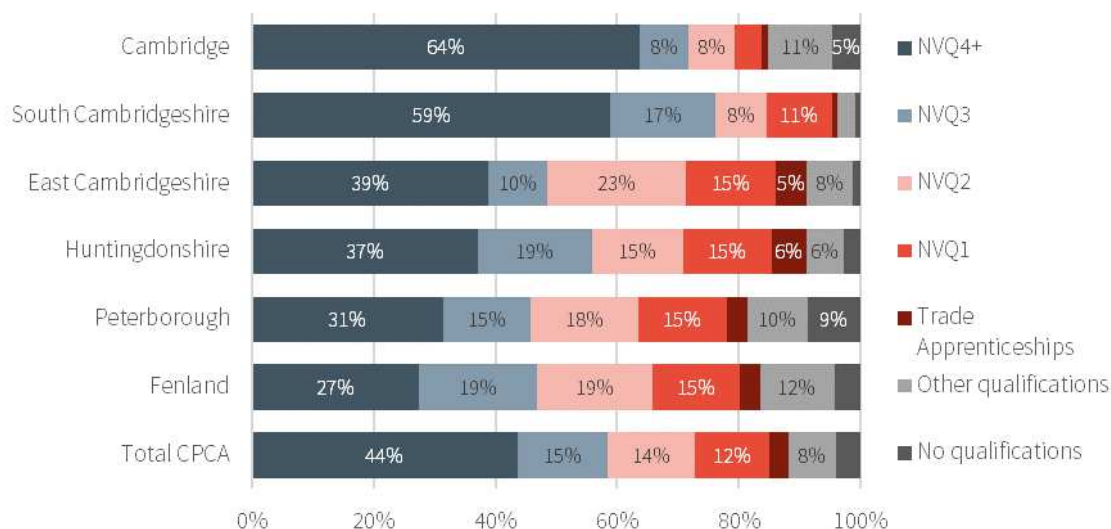
Source: Annual Population Survey, 2017 (ONS)

GCSE and A level results suggest a north-south divide in attainment outcomes

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

5.20   The latest GCSE and A level statistics show a clear contrast in attainment across the Combined Authority area. Cambridgeshire's GCSE average attainment score is 4 percentage points greater than the national average, whilst its A level results are even stronger, 6 percentage points higher than England.

5.21   These patterns are more exaggerated when comparing Peterborough's attainment levels relative to Cambridgeshire and England. Its average GCSE attainment scores are 2 percentage points less than the national benchmark and 6 percentage lower points than Cambridgeshire. A level discrepancy is greater still – attainment is 8 percentage points lower than England and a 14 percentage points distant of Cambridgeshire.

5.22   The data implies that Peterborough faces significant challenges, which may be hindering the employability prospects of its young people.

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Figure 5.5 GCSE and A Level performance, 2016 to 2017
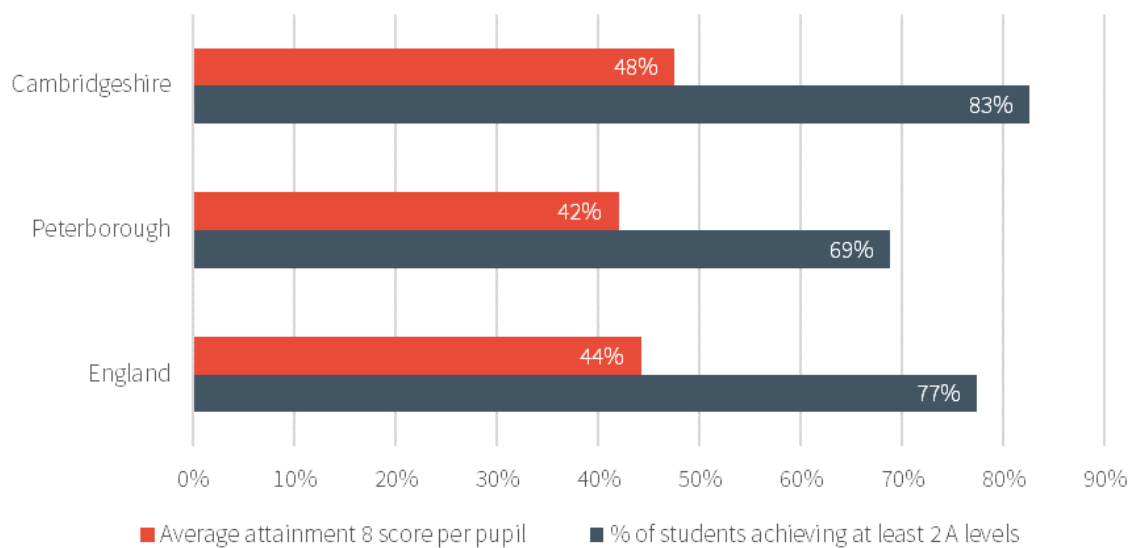
Source: DfE, 'A level and other 16 to 18 results: 2016 to 2017 (revised)' and 'GCSE and equivalent results: 2016 to 2017 (provisional)'.

Careers Cold Spots

5.23   The Careers and Enterprise Company has analysed a series of indicators to assess and understand where more career support is needed and to address careers cold spots, which are holding people back from maximising the benefits of labour market participation.

Careers and Enterprise data offers new insights into educational performance

5.24   Table 5.2 outlines the performance of Cambridgeshire and Peterborough, categorised as either positive or negative indicators. Generally, Cambridgeshire outperforms Peterborough on most measures, with the exception of female STEM A level participation.

5.25   Positive indicators include:

- Strong pupil GCSE attainment at grade A-C

- STEM A level entry, especially amongst female cohorts

- Sustained delivery of apprenticeships from aged 16 onwards.

5.26   Negative indicators include:

- Proportion of students qualifying for free school meals

- A limited supply of work-prepared school leavers amongst students aged 16

- A limited supply of work-prepared 17-18 year olds who have been recruited.

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Table 5.2 Career and enterprise indicators by local authority (various dates)			
Indicator	Cambridgeshire	Peterborough	Date of data
Positive indicators			
% Pupils attaining 5+ A*-C GCSEs (including English & Maths)	59%	49%	2014/15
% A-levels entered that are STEM (Maths & Science only)	30%	24%	2014/15
% STEM A-levels that are entered by girls (Maths & Science only)	40%	44%	2014/15
% In sustained apprenticeship destination post-KS4	4%	3%	2013/14
Negative indicators			
% known to be eligible for & claiming free school meals	8%	13%	2016
Poor/very poor preparedness for work in 16-yr-old school leavers	42%	53%	Unknown
Poor/very poor preparedness for work in 17 & 18-yr-olds recruited to first job from school	34%	28%	Unknown

Source: The Careers & Enterprise Company, 2016

Not in Education, Employment or Training

5.27 The numbers of people not in education, employment or training (NEETs) has been an important indicator, used by policy makers to help tackle perpetual labour market issues and employment challenges with the recession. It remains a helpful measure of how young people are engaging with the labour market and education system and where those remain distant from economic activity.

The distribution of NEETs within CPCA follows a similar pattern

5.28 Once again, there is considerable variance between the relative performance of Cambridgeshire and Peterborough. Cambridge's overall share of NEETs and proportion of 16 and 17 year olds were considerably less than Peterborough and England, with levels of 17 year old NEETs approximately 100% lower. Peterborough underperforms versus national benchmarks, with a total share of NEETs amongst 16 and 17 year olds, in excess of 12%.

Figure 5.6 NEETs as a proportion of total 16 and 17 year old populations
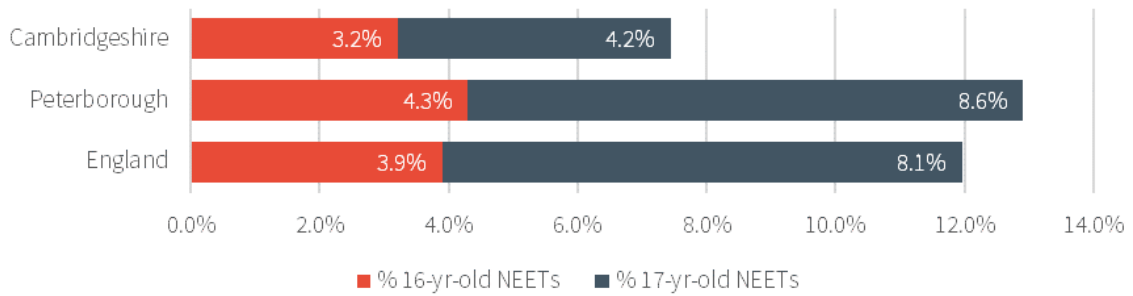
Source: Annual Population Survey, 2017

Apprenticeships

5.29   Apprenticeships are a core component of Government skills policy, regarded as a key tool in tackling skills shortages and developing stronger links between the labour market and employers. They are also expected to unlock new vocational routes to employment and offer a more balanced choice for those considering future career and training options. Nationally, the impact of apprenticeships has yet to reach the level expected by Government. In the context of the Apprenticeship Levy and introduction of new standards, take-up and support from employers has been underwhelming,

Apprenticeship take-up is driving participant completions

5.30   The number of apprenticeship starts and completions is to some degree, influenced by the relative size of each of the constituent local authorities. As such, Peterborough has seen the largest take-up and completion of apprenticeships over the course of 2016/17, with Huntingdonshire and South Cambridgeshire both seeing intakes exceed 1,000. Looking at the proportion of apprenticeship completions Cambridge saw the highest rate at 71%.

5.31   The throughput of apprenticeship completions across the CPCA area is encouraging and offers optimism in terms of the scope for future growth, addressing skills shortages and providing an alternative route to sustained employment which is of equivalence to academic study pathways.

Figure 5.7 Apprenticeship starts and achievements by local authority (2016/17)

Source: Individualised Learner Record (ILR), 2016/17

48
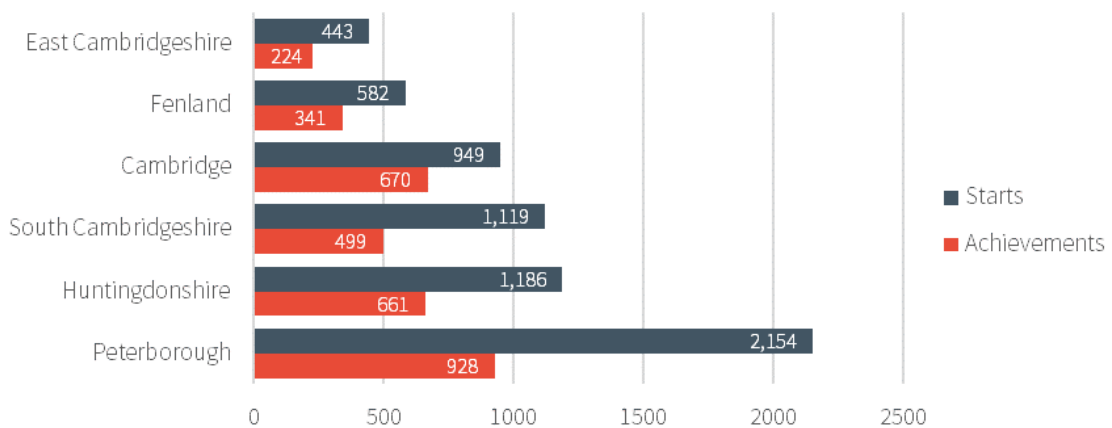
Success rates are particularly strong for participants aged 19-24

5.32　The success rate of apprenticeships across the CPCA, broken down demographically, is summarised in Figure 5.8. This reinforces messaging around the strong performance of Cambridge, driven especially by the 19-24 age cohort, with success rates in excess of 90%.

5.33　Other consistent trends across the CPCA are the higher success rates of the 25+ cohort versus age 16-18 equivalents, with the latter falling below 20% in South Cambridgeshire. This suggests that more may need to be done to improve performance and also to address the relative balance of apprenticeship delivery across the different age ranges.

Figure 5.8 Estimated success rate for apprenticeships by age group (2016/17)
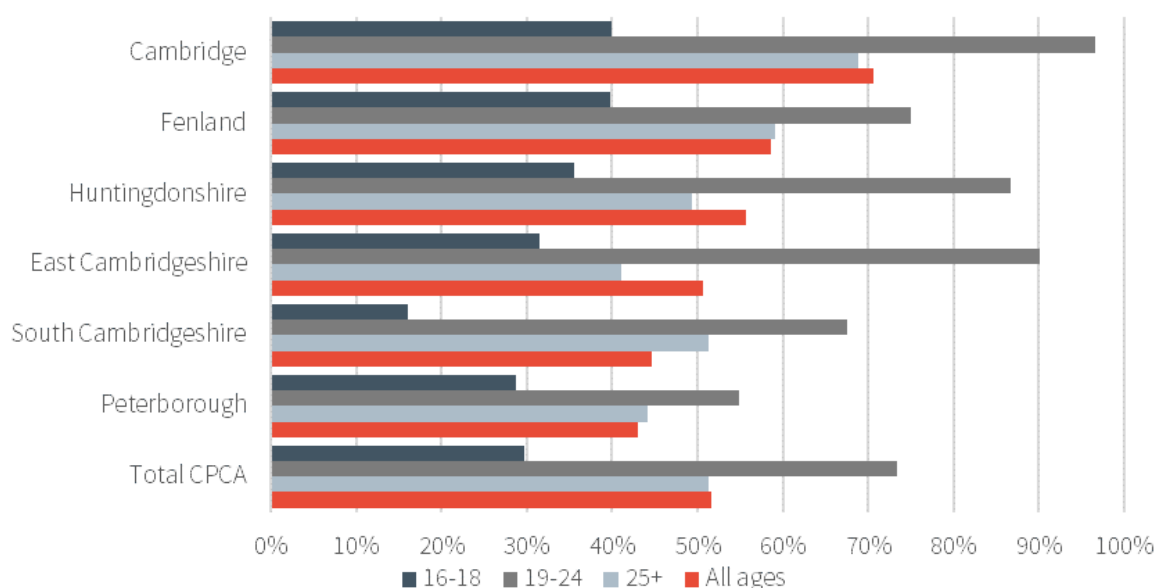
Source: Individualised learner record (ILR), 2016/17
Note: Success rate shows proportion of completed apprenticeships to starts in the same financial year (2016/17). It is an estimate of success rate only.

A large proportion of apprenticeship starts have been in a small number of sectors

5.34　The breakdown of apprenticeship starts by sector reflects the variance in provision across the Combined Authority, serving the differing skills needs of the three labour market areas. There is a reasonable correlation with the national picture but in some local authorities, differences are apparent.

5.35　In terms of the most pronounced results, Peterborough (35%), East and South Cambridgeshire (30% respectively) have had the greatest focus on Business, Administration & Law apprenticeships, whereas Fenland saw the greatest proportion of apprenticeship starts in Health Public Services & Care (34%) and Cambridge the largest proportion of Retail and Commercial Enterprise starts (25%).

5.36　Also of note are the sectors achieving the lowest proportion of starts across the CPCA. These include Education and Training, Leisure Travel and Tourism and Agriculture, Horticulture & Animal Care. Given the need for a strong supply of skilled people to support the physical growth and house building agendas taking place across the Combined Authority, the relatively small proportion of Construction, Planning & Built Environment apprenticeship starts is also a somewhat stark finding.

Figure 5.9 Apprenticeship participation by sector (2016/17)

Legend:
- Agriculture, Horticulture & Animal Care
- Business, Administration & Law
- Construction, Planning & the Built Environment
- Education and Training
- Engineering & Manufacturing Technologies
- Health, Public Services & Care
- Information & Communication Technology
- Leisure, Travel & Tourism
- Retail & Commercial Enterprise
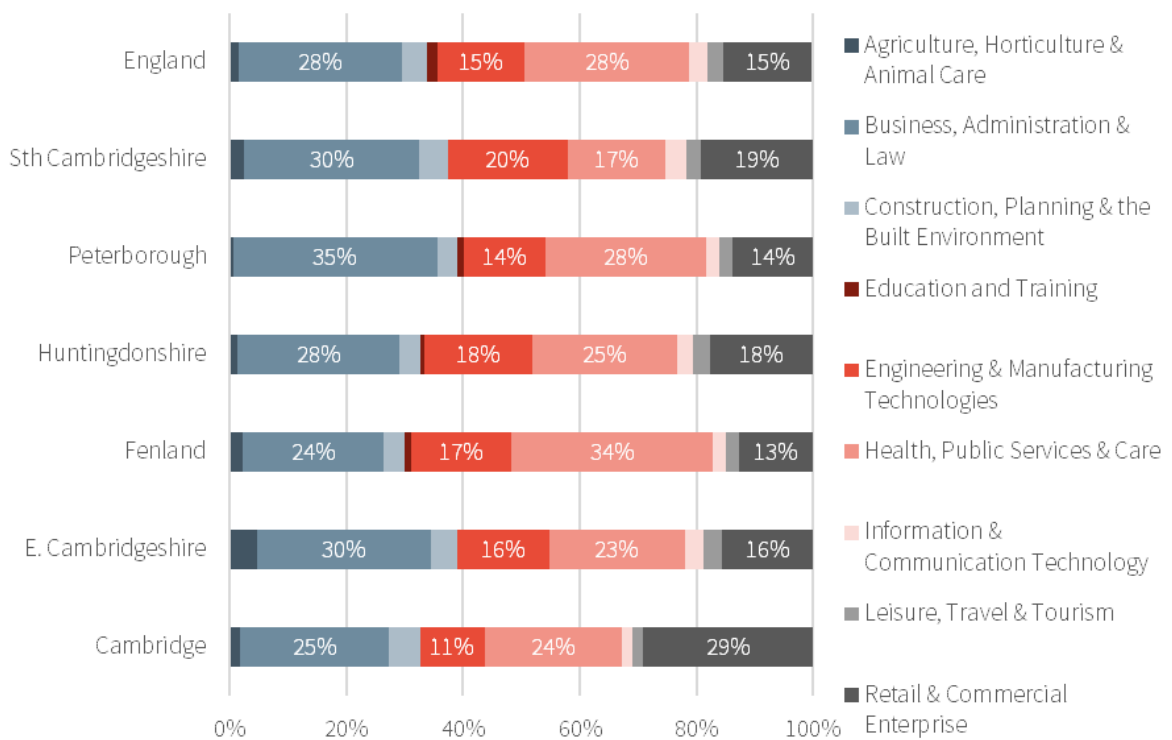
Source: DfE data library, Apprenticeships geography data tool, 2016/17

Traineeships

5.37 Traineeships augment Government apprenticeship policy and support for vocational learning and employment pathways. They are designed to help young people who want to get an apprenticeship or job but don't have appropriate skills or experience. They are also a useful introduction to an alternative career pathway, which places a greater focus on blending work readiness with academic study.

Traineeship participation levels are generally lower than England

5.38 Traineeship participation across the Combined Authority is generally low (20 per 100,000 residents) and behind levels observed at a national level (35 per 100,000 residents). In some cases, penetration is very low – Huntingdonshire, South Cambridgeshire and Cambridge being prime examples, where participation is below 10 per 100,000 residents. The exception to this is Peterborough (52 traineeships per 100,000 residents), where the delivery of traineeships appears to have gained significant traction.

Figure 5.10 Traineeship participation per 100,000 residents (2014/15)
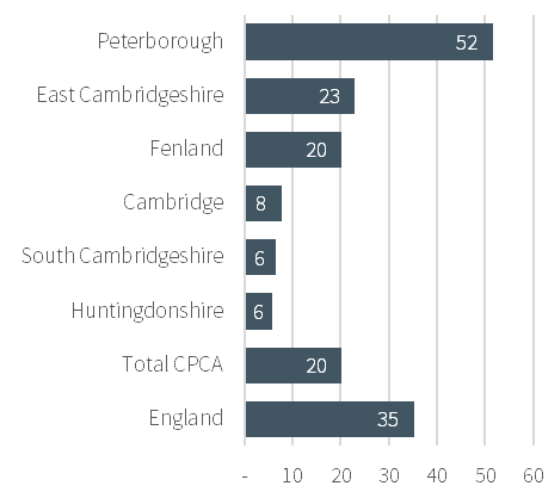
Source: DfE FE data library, 'Traineeships – starts by Local Authority and Local Enterprise Partnership'

5.39   The findings suggest that a lack of traineeship participation may be a contributory factor in skills shortages and work readiness issues reported by employers.

FE Learning and Training Outcomes

5.40   Young people and those who are also actively employed typically undertake other forms of FE learning and training in order to secure employment and support career progression. These are an important component of the Combined Authority's skills provision and are delivered by a broader spectrum of organisations.

FE outcomes largely driven by participant engagement with education and training

5.41   Across the CPCA area, education and training makes up the largest component of FE provision, both in terms of participant starts and achievements. Respective start and achievement levels across local authorities do not necessarily correspond to the demographic size of each, with Cambridge yielding the largest number of starts and achievements in 2016/17, yet Huntingdonshire (the second largest authority by population) ranking fourth.

5.42   Across the majority of local authorities, the relative prominence of community-based learning is also lower, most apparent in Peterborough, where the throughput of learners is particularly small. The exception is East Cambridgeshire, where community learning has been an important FE learning and work-based training pathway.

5.43   These figures need to be analysed in the context of data presented in Figure 5.2, which shows a trend of declining FE participation in all local authorities across the Combined Authority area.

Figure 5.11 Community learning and education & training starts and achievements

Source: Individualised learner record (ILR), 2016/17

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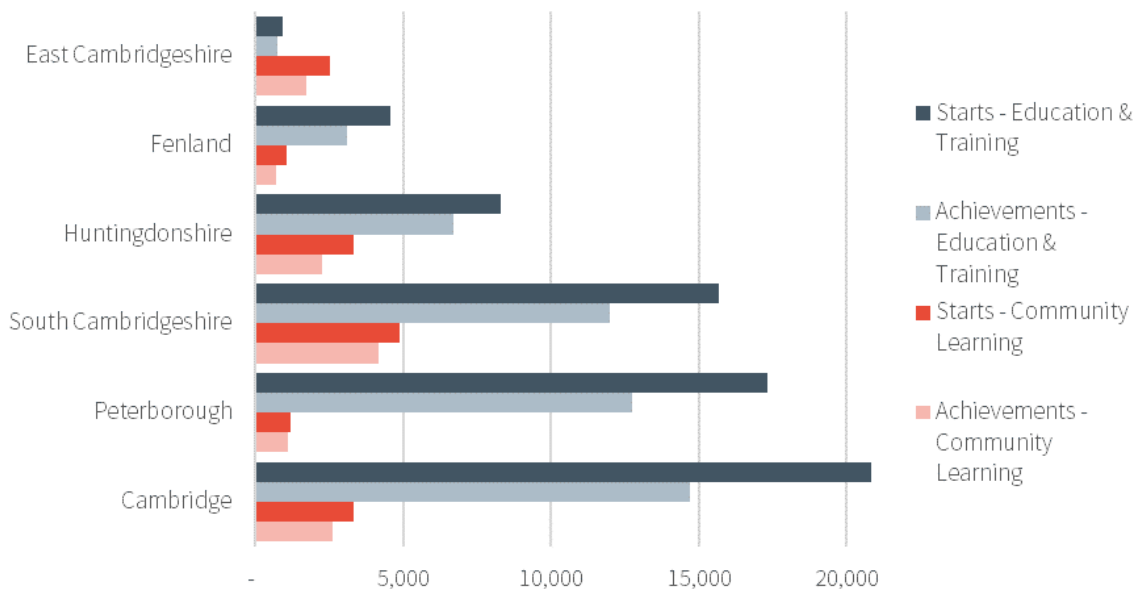
HE Provision

5.44 CPCA has developed an enviable HE profile thanks in part to the presence of institutions and universities that have a reputation for world-class teaching, attainment, innovation and research. These institutions form an integral part of the Combined Authority's skills ecosystem, generating a supply of skilled labour, whilst also creating strong connections to industry and stimulating entrepreneurship. The civic value of these institutions is anticipated to grow as their activities embrace place-making, social inclusion and establishing even stronger relationships with businesses.

Significant HE provision across the CPCA including world-class institutions

5.45 The Combined Authority is home to a number of universities and HE providers. These are a blend of traditional universities, satellite campuses and FE institutions offering HE courses. These are summarised in the table below.

Table 5.3 CPCA – Key HE Assets		
	Institution	**Summary of Offer**
Anglia Ruskin University	Anglia Ruskin University	• Satellite campuses in Cambridge and Peterborough, with an established presence in Cambridge and the latter specialising in healthcare related studies. • Circa 22,000 enrolments in 2018 covering a broad range of undergraduate and postgraduate subject areas. • Links to several CPCA priority sectors, including engineering, computer science and digital technology, health and medical science.
UNIVERSITY OF CAMBRIDGE	University of Cambridge	• Globally-significant institution that is internationally recognised for its academic excellence and leading research activity. • Internationalised student population with strong global links. • Ranked as the second-best university worldwide in 2018 based on a number of performance metrics[8]. • Circa 20,000 enrolments in 2018 across 65 subject areas. • Links to several CPCA priority sectors, such as engineering, manufacturing engineering, computer science and mathematics.

[8] The World University Rankings, The Times, 2018

UCP University Centre Peterborough	University Centre Peterborough	• Affiliated to Anglia Ruskin University and Peterborough Regional College, established in 2007. • The centre provides facilities to deliver HE courses on behalf of Anglia Riskin and Peterborough Regional College. • Available courses cover a range of subjects mostly at undergraduate level, including accounting and finance, computer and information systems, construction management, and mechanical and manufacturing engineering.
Cambridge Regional College first for training & skills	Cambridge Regional College	• Campus presence in Cambridge and Huntingdon, following merger with Huntingdonshire Regional College in 2017. • Home to over circa 3,000 students, with an increasing HE focus. • Significant programme of investment in teaching facilities. • HE level course focus is on business, technology, construction, engineering, education, policing and public service sectors. • Strong emphasis on the delivery of apprenticeships, including higher level qualifications.
Peterborough Regional College	Peterborough Regional College	• Peterborough Regional College offers education and training to over 10,000 students and businesses annually. • Is home to around 3,000 students, primarily at the Park Crescent campus, with HE delivery also undertaken at University Centre Peterborough. • Has a broad course offering with particular HE teaching specialisms in engineering and construction.

Source: Anglia Riskin University, University of Cambridge, Cambridge Regional College, Huntingdonshire Regional College, Peterborough Regional College, 2018

Higher Education Coverage and Participation

5.46 Whilst the CPCA benefits from a number of HE assets, located largely in primary urban centres, this does not necessarily translate into higher levels of participation and the actual reach of these institutions to local residents. It is important, therefore, to interrogate measures of participation to gain a fuller understanding of how local people benefit from access to HE.

53

HE coverage data exposes the presence of 'cold spots' across the CPCA

5.47   Analysis undertaken by the Higher Education Statistics Agency (HESA) provides a visual representation of HE coverage and how this varies geographically.

5.48   The map below shows where higher education students were studying across England in 2012 – 13, in relation to young populations in the area able to enter higher education. Where an area has a concentration of provision that could reasonably meet its young population, then it is red. If the young population in an area has little access to HE, then the area is shaded blue.

5.49   The map highlights a number of areas where HE provision is deemed to be very low, versus the population of young people it could serve. In some cases, areas in the north and north east of the Combined Authority are ranked as having the lowest levels of provision nationally. The picture elsewhere is more positive, with some areas (such as Cambridge) ranked as having the highest levels of HE provision nationally.

5.50   This data helps to confirm the presence of HE 'cold spots' and how these relate to the CPCA's three labour market areas. A lack of provision in these locations is likely to be a key consideration in terms of tackling skills challenges and opening up new opportunities for labour market participation.

Figure 5.12 Higher education entrants in relation to young population aged 10 – 14 years
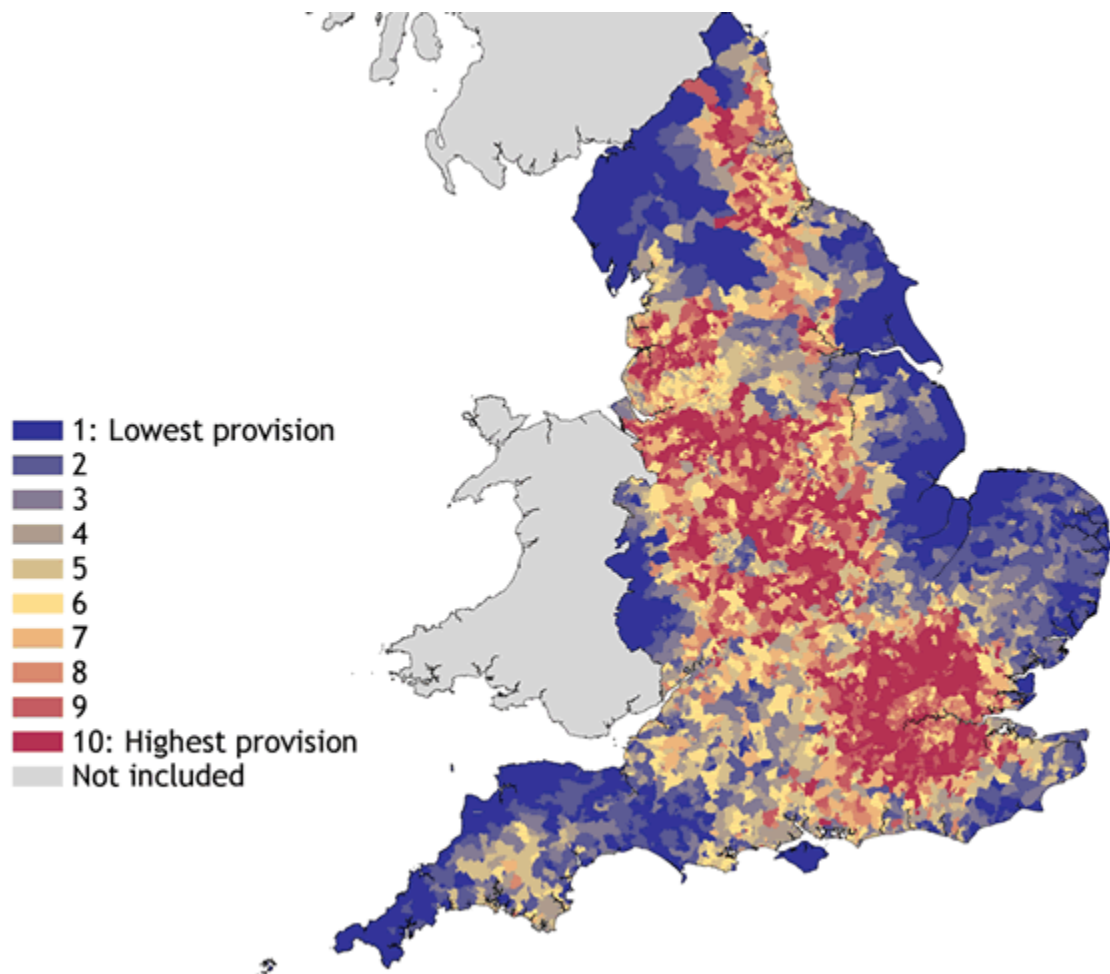
Source: HESA and ILR, 2012/13

54

5.51 An analysis of the number of higher education entrants at a local authority level reinforces messages around challenges being most acute in north and north-eastern areas of the Combined Authority. This is apparent in Peterborough and Fenland in particular, where HE entry is considerably lower than other local authorities and the CPCA average. By contrast, South Cambridgeshire's number of HE entrants is circa four times greater than Peterborough and Fenland, with Cambridge's performance similarly exaggerated.

Figure 5.13 Number of higher education entrants per young resident aged 10 – 14 years
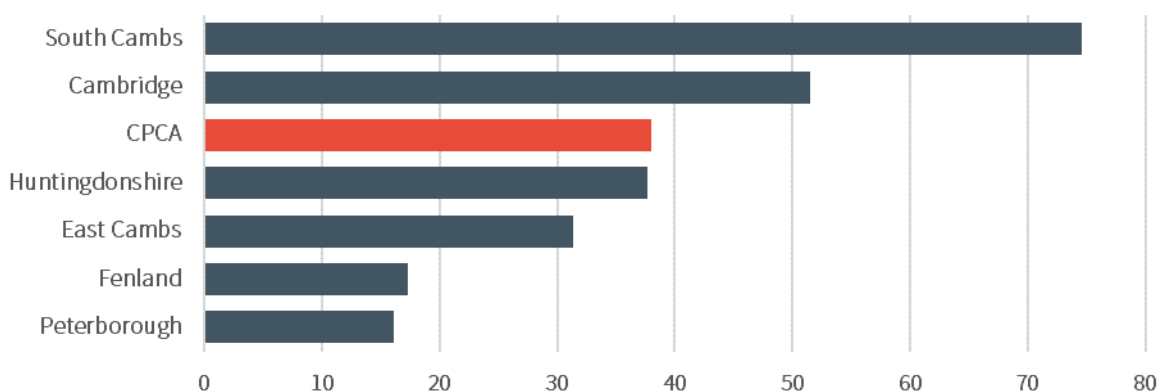
Source: HESA and ILR, 2012/13

Graduate Retention and Destinations

5.52 The supply of highly skilled labour, generated through HE provision and interaction, is also informed by available destinations data. The local economic and social returns associated with HE study are obviously dependent on the retention of graduates in the local area.

Poor retention of HE graduates may be holding back CPCA's economic potential

5.53 According to the HESA destination of leavers survey, approximately 17% of graduates studying in Cambridge remained in the city upon completing their studies. This ranked Cambridge 38th out of 44 UK cities, placing it in the bottom 10 cities for graduate retention. This underlines the impact of Cambridge being host to colleges which are globally connected and a considerable draw for international students.

Table 5.4 Retention rate, 2013/14 – 2014/15					
Top 10 Graduate Retention			**Bottom 10 Graduate Retention**		
Rank	City	Retention rate	Rank	City	Retention Rate
1	London	77%	43	Chatham	12%
2	Manchester	51%	42	Exeter	13%
3	Belfast	50%	41	Warrington	14%
4	Birmingham	49%	40	Coventry	15%
5	Glasgow	46%	39	Reading	17%
6	Aberdeen	43%	38	Cambridge	17%
7	Edinburgh	42%	37	Southampton	18%
8	Middlesbrough	38%	36	Oxford	18%
9	Newcastle	36%	35	Portsmouth	19%
10	Swansea	33%	34	York	20%

Source: HESA destination of leavers survey, 2013/14 – 2014/15

Note: Cities with fewer than 100 responses were not included. This applied to cities that have small campuses associated to a university elsewhere, such as Mansfield.

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Graduate destinations data suggests the outflow of graduates is considerable

5.54   Regional data provides further insights into the destination of student leavers. The East of England has performed reasonably well in terms of students remaining in the region to take up employment. That said, there has also been a considerable outflow of students outside of the region, representing a loss of skilled labour and economic capacity.

5.55   Further analysis of graduate outflows at a national level suggests that the loss of skilled labour to international destinations is considerable, with over 30% of survey respondents reporting that they were resident in countries outside of the European Union (EU). It is difficult to tie these results specifically to the CPCA area, however.

Figure 5.14 Migration of students and graduates to and from the East of England
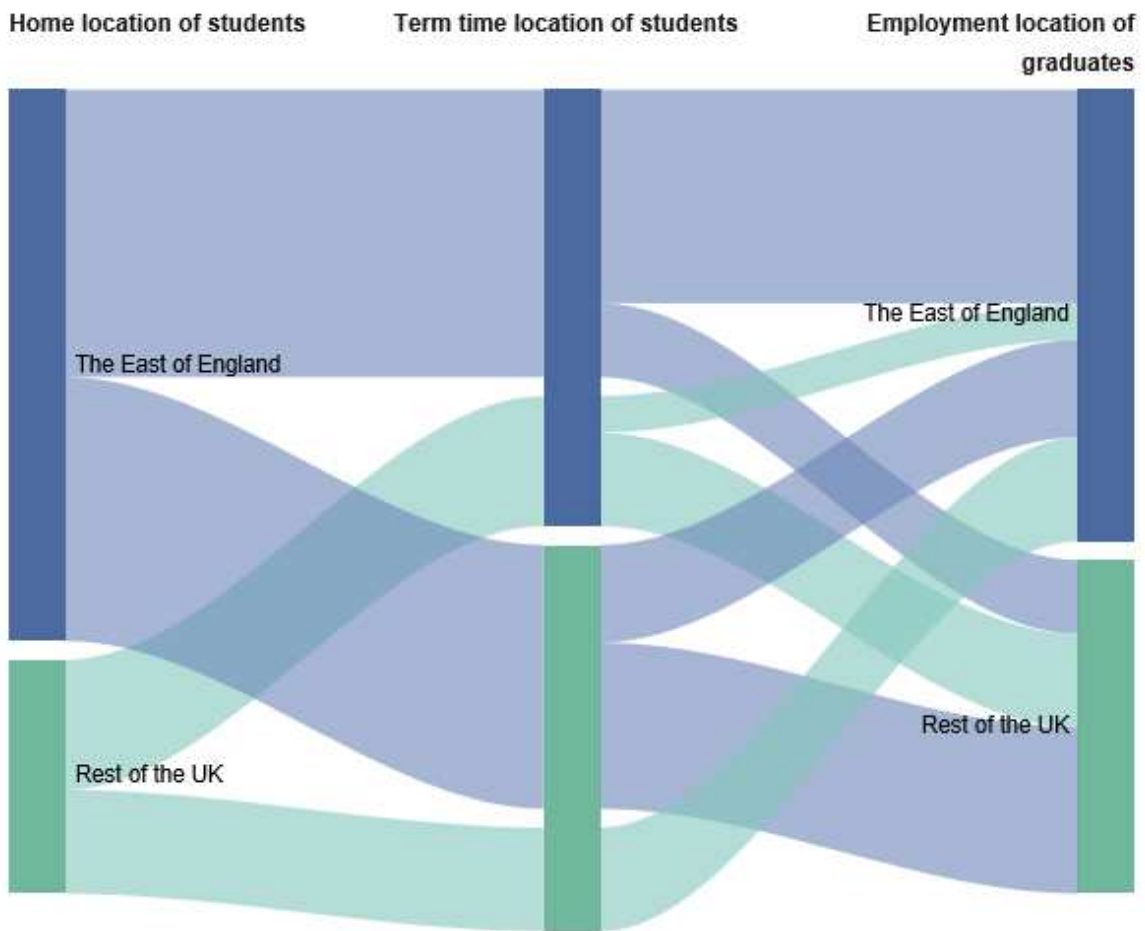
Source: HESA Destination of Leavers Survey, 2014/15

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.

56

Higher Education and Business Community Interaction

5.56 Within the context of skills policy, the changing role universities and an emphasis on their function as anchor institutions, it is helpful to gain deeper insights on how they interact with external stakeholders. This includes the business community, who are reliant upon HE institutions for the supply of skills, their research and innovation capabilities, ability to commoditise intellectual property and to cultivate entrepreneurial behaviour. This relationship is also vital to ensure that the curriculum and pedagogy reflects employer needs.

5.57 The Higher Education Business and Community Interaction Survey allows for an analysis of CPCA performance, based on data related to knowledge exchange between higher HE providers and the business community.

Infrastructure in place to facilitate engagement between HE and business

5.58 The CPCA benefits from an ecosystem of infrastructure which serves to maximise coordination between HE institutions and providers and employers. More specifically:

- Anglia Ruskin University and the University of Cambridge have both launched respective Strategic Plans, which outline their commitment to business outreach, collaboration and research. These are at varying degrees of implementation, with a pipeline of activity likely to strengthen relationships.

- Both universities have a structured system for business engagement and offer a direct enquiry point for SMEs. This provides targeted assistance to SMEs in and seeks to diagnose their needs, although neither has a formal system for recording staff business and community interaction activities.

Public funding plays an important role in the delivery of collaborative research

5.59 In terms of securing investment, Anglia Ruskin has a greater dependency on external sources, including those derived from a variety of UK government (43%) funding and EU (39%). This is considerably greater than the national average.

5.60 By contrast, the University of Cambridge draws the largest proportion of its funding from BEIS Research Councils and has a far lower reliance on EU funds. Funds sources from other investors are also less prominent – this is two thirds less than Anglia Ruskin.

5.61 Without stating the value of funding secured and the additional match investment this has leveraged, the data implies that CPCA's universities have been successful in accessing funding from a broad spectrum of investors and institutional variation will be driven by the differing teaching and research focuses of each.

Figure 5.15 Percentage of income from collaborative research related activities involving public funding, 2015/16
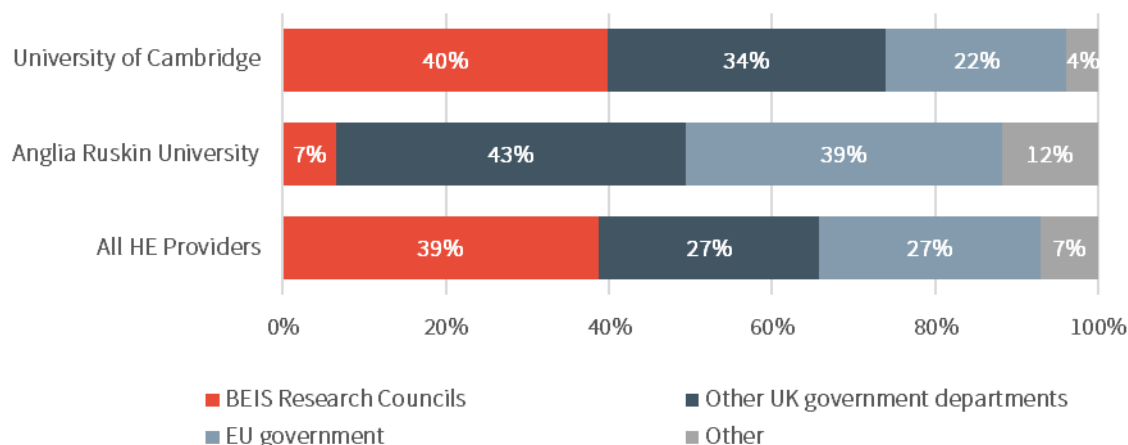
Source: HESA, HE Business and Community Interaction Survey, 2015/16

Universities are commercialising their assets and expertise to support business

5.62　In 2015/16 the University of Cambridge and Anglia Ruskin reported 600 research related activities with commercial organisations (including circa 30 SMEs), with a total value of over £25 million. This is comparatively higher than the average across all HE providers in the UK, with around 80% of research related activities not involving public funding occurring with commercial organisations. This compares to 42% across all higher education providers nationally, where there is a more equitable balance between commercial and non-commercial research contracts.

5.63　This offers strong evidence that CPCA's universities are harnessing their research capabilities and supporting the development of new products and services that have economic value. The social value of these contracts is less clear, as is the extent to which they are with businesses located within the Combined Authority, and therefore the economic consequence of this within the CPCA area.

Figure 5.16 Percentage of research contracts with commercial and non-commercial organisations (excluding public funding), 2015/16
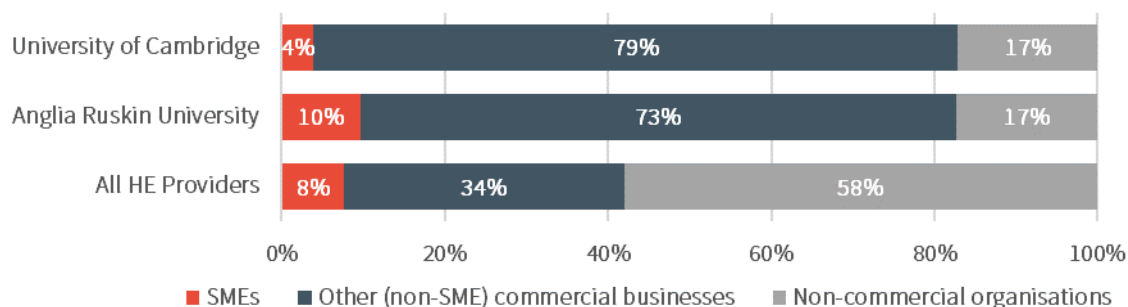
Source: HESA, HE Business and Community Interaction Survey, 2015/16

5.64　Both universities also commoditise their expertise through the supply of consultancy services. In 2015/16 the University of Cambridge and Anglia Ruskin provided 600 consultancy-related activities with commercial organisations (including around 200 SMEs), with a total value of over £26 million. The rate of consultancy services with SMEs is comparatively lower than the average across all higher education providers in the UK.

5.65 This appears to show a greater consultancy focus on supporting SMEs and organisations without a commercial focus. However, it is again difficult to isolate these transactions to businesses who are located in the CPCA area and the associated economic impacts.

Figure 5.17 Percentage of consultancy services with commercial and non-commercial organisations, 2015/16
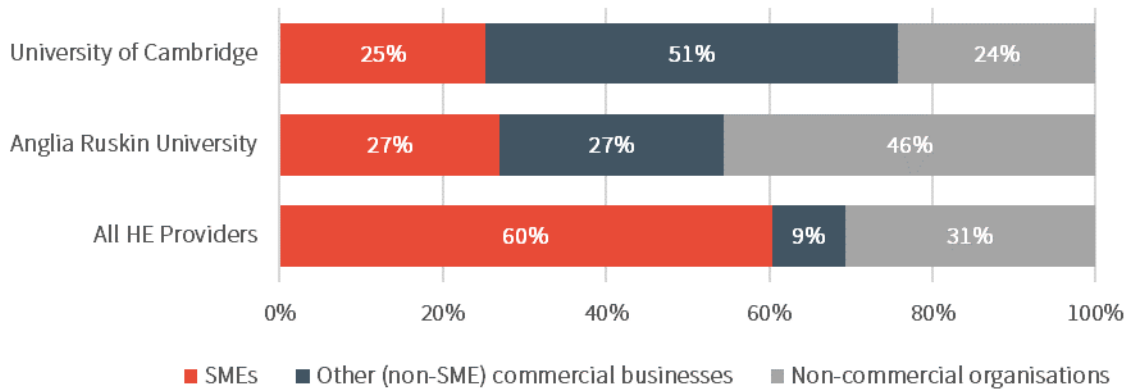
Source: HESA, HE Business and Community Interaction Survey, 2015/16

5.66 Universities develop and license innovative technologies, patents and cutting-edge research and transfer the benefits to the public through licensing agreements, often with start-up companies. In doing so, they ensure a broad practical application of research and generate income to support teaching and research programmes.

5.67 In a Combined Authority context, the largest proportion of licences granted by the University of Cambridge have been to non-commercial organisations, with the majority being software related. Licences granted to SMEs have generally been more focused on non-software related licensing and the transfer for of a broader spectrum intellectual property.

Figure 5.18 Licences granted by the University of Cambridge in 2015/16
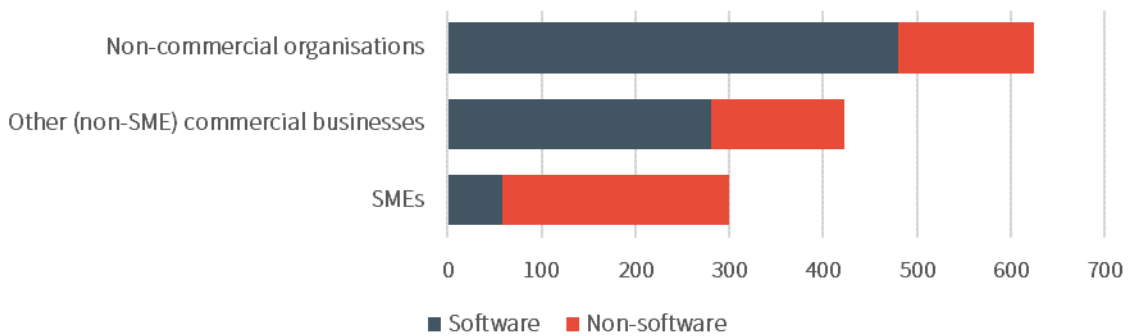
Source: HESA, HE Business and Community Interaction Survey, 2015/16

Note: Includes patents, copyright, design, registration and trademarks. No data is available for Anglia Ruskin University.

5.68 The ability for knowledge transfer to lead to new business formations and economic output is also a key measure university value. In 2015/16, the University of Cambridge had 77 spin offs still active, including 58 staff start-ups, 16 graduate start-ups and 3 social enterprises. This showcases the breadth of spin-off activity supported and importantly, the sustainability of these businesses. It also provides a feel for the contribution the university makes to CPCA's entrepreneurial culture.

6. The Demand for Skills

Summary:

- There is significant demand for skills across all the priority sectors identified in CPIER.

- The largest component of demand is 'replacement' rather than 'growth'. This reflects the conclusions of Chapter 4, that examined the demographic profile of the region's population.

- Skills gaps are likely to increase.

- Skills gaps and the number of hard-to-fill vacancies have important costs and impact for our employers.

- The highest proportion of hard-to-fill vacancies are at the elementary level, followed by skilled trades, administrative/clerical roles and associate professionals. Hard-to-fill vacancy challenges are most pronounced in Peterborough, although Cambridgeshire has reported difficulties at both ends of the skills continuum.

- In the absence of a convincing response from the skills system, employers are willing to offer their own solutions, 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.

- Good sector level intelligence is available from employers, representative bodies and other agencies.

6.1 The success, vibrancy and growth potential of CPCA's businesses requires to a supply of skilled labour that aligns with their requirement. An improper fit will lead to inefficiencies, is detrimental to inclusive growth and will lead to businesses recruiting employees from outside the CPCA's labour markets.

6.2 In order to pinpoint and address any imbalances in labour market, it is important to develop a deeper understanding of employer demand and the traits and skills that businesses expect to see from new and existing employees. We consider the following types of information:

- Data which sets out the sectoral structure of the economy and how this has changed over time.

- Research which provides a more forensic view of sectors that have been prioritised due to their potential for growth and specialisation.

- A survey-based review of the factors that are leading to skills shortages and gaps.

- Forward-looking forecasts, which set out expectations for sectoral growth/retraction and the impacts this will have on occupational structure.

Current Demand for Skills

6.3 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. We can see this by looking at recent trends and how the shape of the CPCA economy has evolved and is continuing to change.

Sector performance highlights trends and economic restructuring in CPCA

6.4   Figure 6.1 shows the extent of sector growth and shrinkage, based on employment. The key messages to be taken from this are:

- The largest sectors in 2016 suggest a combination of higher and lower value employment is important to the CPCA economy. The Health, Business Administration & Support Services and Professional, Scientific & Technical sectors all offer high value employment opportunity and are knowledge intensive.

- The Business Administration & Support Services and Professional, Scientific & Technical sectors have also seen the greatest absolute levels of growth. Large and lower value sectors, such as Retail and Manufacturing, have seen lower levels of growth and decreased in size respectively.

- The CPCA is not *overly* reliant on public sector employment.

- Reductions in employment in some sectors has occurred, but at a reasonably small scale, with the greatest overall losses occurring in the Manufacturing (-2,000) and Wholesale (-1,500) sectors.

- The overall composition of the economy has not shifted greatly over the 2011-16 period, with a minimal change to the overall sectoral structure.

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Figure 6.1 Employment by sector (2011 and 2016)
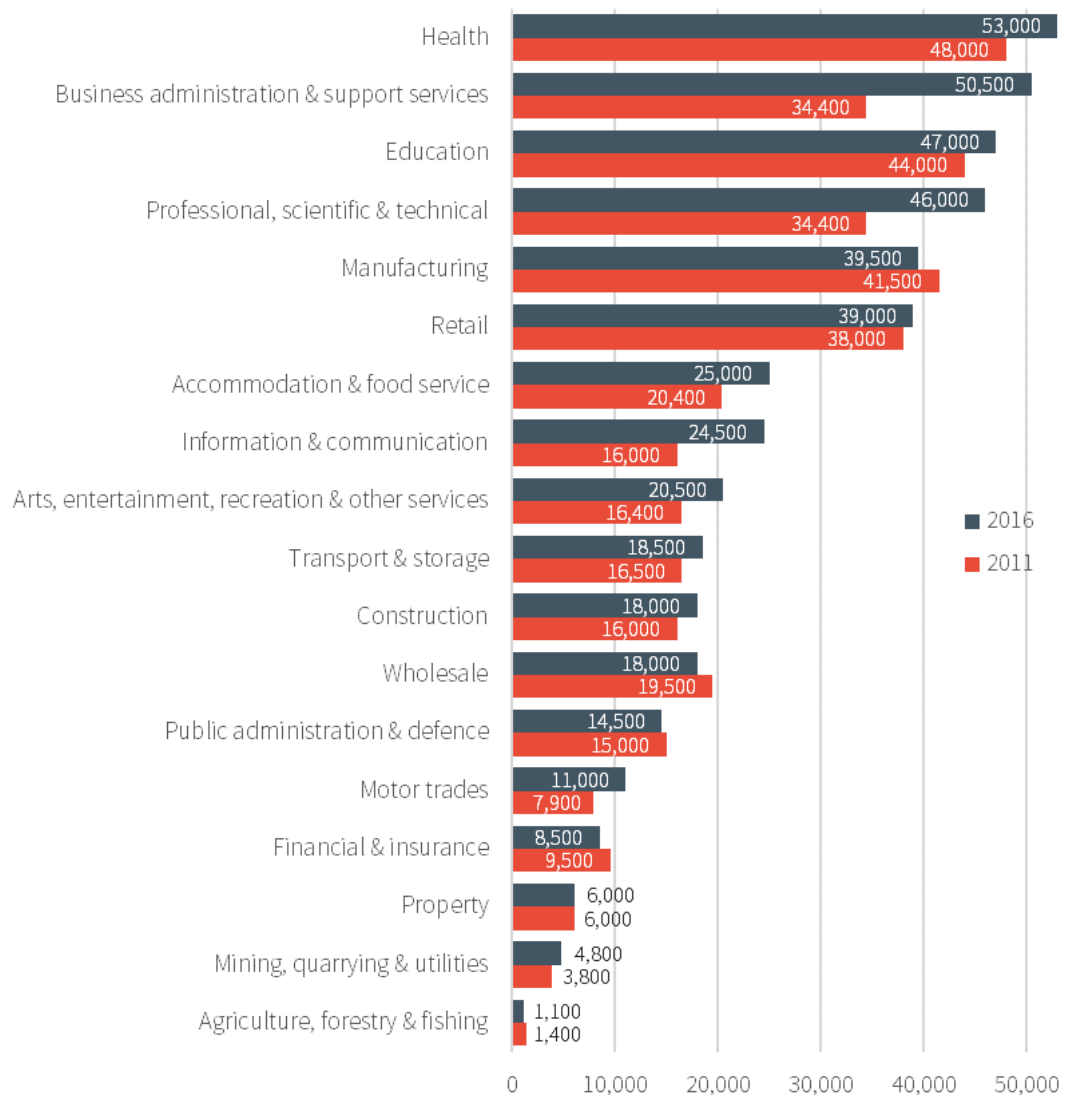
Source: Business Register and Employment Survey, 2016

6.5   This sectoral structure change provides cues as to the level of skills and aptitude required by these industries. They are also a key reference point for existing provision and suggest that learning and training should reflect the need to balance different skills levels.

6.6   Looking at proportional employment change by sector, different patterns emerge which show a different reflection of retraction and expansion. We note:

- The proportional loss of employment has been significant (greater than 10%) in two sectors – Agriculture, Forestry & Fishing and Financial & Insurance.

- In the context of austerity and fiscal cut backs, the proportional loss of Public Administration & Defence employment has been small (-3%).

- Some sectors have seen very significant proportional employment growth, most notably Information & Communication, Business Administration & Support Services, Motor Trades and Professional, Scientific & Technical. Largely, there is an emphasis on higher value economic activity here.

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Figure 6.2 Proportional change in employment by sector (2011-16)
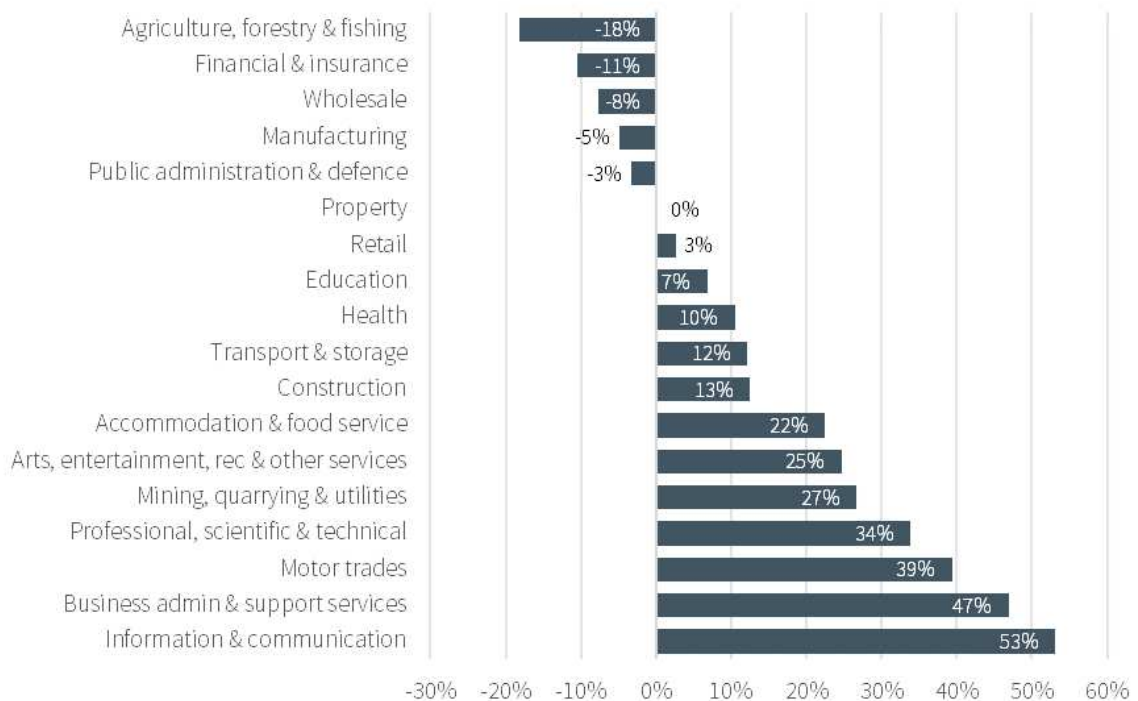
Source: Business Register and Employment Survey 2017

Sector specialisation has informed sub-regional policy and sector prioritisation

6.7   The CPIER commission provided a detailed review of the specialisation of the Combined Authority's sectors and how these inform sub-regional comparative advantages. A breakdown of this research by sector is outlined in Chapter 3 (Table 3.1). A consequence of this research too, is the sector specialisation that the three labour market areas exhibit and how this makes each distinct.

6.8   As a result, this research has shaped policy making and subsequent identification of a series of priority sectors. These reflect a balanced approach, which includes sectors that have significant growth potential, are high value/productive, make large employment contributions and those that are important with respect to servicing a successful economy, including the supply chains of growth sectors.

Priority Sector Analysis

6.9   The CPCA currently has a policy-driven focus on the following priority sectors:

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

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6.10 Consultations have also underlined the importance of enabling sectors, which are important in the context of demographic projections and supporting the delivery of physical development, such as regeneration, infrastructure and house building programmes. These sectors are:

- **Health and Social Care**

- **Construction**

6.11 Below we look in more detail at a sub-set of these priority sectors. This builds a more refined view of the skills requirements that employers believe hold the key to success. We focus on the Life Sciences and Construction sectors in particular. The former is arguably the most internationally competitive sector in the local economy, the latter is integral to CPCA ambitions for placemaking, transport and inclusive growth.

Science Industry Partnership Skills Strategy

Unique insights taken from national sector body research

6.12 The Science Industry Partnership (SIP) works on behalf of its members to provide a single influential voice to Government to ensure the science sector is heard and understood.

6.13 To deliver the sector's skills ambition the SIP works with its partners from trade and professional bodies, to training providers, Higher Education and LEPs. This is in the context of an evolving skills policy landscape related to the Apprenticeship Levy, Post 16 reform and UK Industrial Strategy.

6.14 In 2016, SIP published its Skills Strategy, setting out a vision and framework for delivery through to 2025. Developed by industry, the report places great emphasis on the economic capacity and innovative value of people and the imperative to invest in training to meet current and future sector skills needs. It also advocates the need to inspire the next wave of innovators, who will be well-placed to tackle scientific challenges and harness the power of new and emerging technologies.

Figure 6.3 SIP Skills Strategy

Source: SIP, 2016

6.15 A summary of relevant findings is included below. This clearly highlights the urgent need for action and the chronic skills shortages that have been holding back the sector in its current form. These challenges are put into sharp focus by sector forecasts, which project large demands for labour and the creation of many new jobs.

6.16 In a CPCA context, the SIP report is reflective of the challenges and opportunities facing local employers. Equally, the case for action could be used to inform a strategic response across the Combined Authority.

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Figure 6.4 SIP Skills Strategy

Source: SIP Skills Strategy 2025

Construction Industry Training Board

Evidence to support the need for a stronger supply of construction skills

6.17 The Construction Industry Training Board (CITB) works to ensure that British construction is delivering a world-class, innovative approach to developing its workforce to deliver quality in the built environment. It is focused on building competitive advantages for the construction industry and the people employed by the sector.

6.18 More specifically, the CITB seeks to:

- Make sure individuals have the skills to compete for the best jobs and develop fulfilling careers.

- Enable companies to have access to a highly-skilled workforce that gives them a competitive advantage.

- Ensure the construction industry has the skills to meet its clients' needs and future challenges.

- Position the UK construction industry as one that is world class.

6.19 In 2018, the CPCA commissioned the CITB to deliver bespoke research, to assess the performance of the construction sector in the sub-region and the extent to which it is constrained by skills shortages. This looks more closely at supply challenges and the potential imbalance between projected demand and the capacity of the existing workforce, through to 2022.

6.20 A summary of the main research findings is outlined in Figure 6.5 and shows the severity of labour shortfalls, relevant to construction-based occupations. Again, this evidence will play an important role in developing a strategic response and prioritising the areas where the CPCA can make the biggest impact.

Figure 6.5 CITB – CPCA Construction Labour Supply Research

An analysis of the opportunities presented by the construction landscape in the Greater Cambridge & Greater Peterborough area

June 2018

This work was commissioned by Greater Cambridge and Greater Peterborough combined authority. Its purpose is to inform stakeholders of where skills shortages are likely to be present over the next five years within the construction industry in the Greater Cambridge and Greater Peterborough area

Our estimate of the labour demand in the Greater Cambridge & Greater Peterborough is around 108,820 people in 2018. The projected growth between 2018 and 2022 suggest that the labour demand in 2022 will be around **108,500 people.** Demand estimates are shown opposite.

The gap analysis (below) compares the number of workers calculated as being required to meet the peak construction demand (as described in the demand section of this report) with the number of workers estimated as being available in the GCGP area (as described in the supply section of the report). This gives an indication as to the comparative risk of a shortfall between construction occupations.

RED – [Top quartile] are at high risk of an immediate shortfall of workers and are worthy of urgent consideration for action to increase numbers of skilled workers.

AMBER RED – [Second quartile] appear to be at risk of a shortfall and should be reviewed to determine where opportunities for further training and development exist

AMBER – [Third quartile] still show some risk of a shortfall but should be monitored and tested to compare with local qualitative opinions to assess whether greater priority should be given to address problems.

BLUE – [Bottom quartile] appear to be at relatively low risk compared with other occupations. This does not mean changes in construction demand, training provision or the movement of workers will not change this status and so monitoring is recommended. There is also known demand for some of these occupations on a national level that may have the effect of drawing workers away from the area. Surveyors and civil engineers in particular fall into this category.

Source: CITB, 2018

Skill Shortages and Gaps

6.21 While a statistical analysis of sector performance and trends is integral to determining the size of imbalances between the skills supply and demand, this can be augmented by qualitative sources of information. To this end, surveys capturing business perspectives and experiences help to provide a more comprehensive view of skills gaps and shortages, and where there are commonalities in the problems faced by employers.

6.22 The data presented below builds on analysis presented as part of a deep dive into the nature of skills demand across the CPCA area. In most cases this applies more up-to-date evidence to build up a picture of skills demand in 2018.

Significant job vacancy numbers across a broad spectrum of sectors

6.23 Job vacancies provide an indication of skills shortages and problems faced by employers in relation to recruitment. In Cambridgeshire, the largest proportion of vacancies were in the Education sector (circa 45%). Health and Social Work and Hospitality-based sectors also face considerable recruitment hurdles. Indeed, the data suggests that vacancy rates across a large number of sectors are reasonably high, and the total for the county was reported to be around 25%.

Figure 6.6 Percentage of establishments in Cambridgeshire with any vacancies
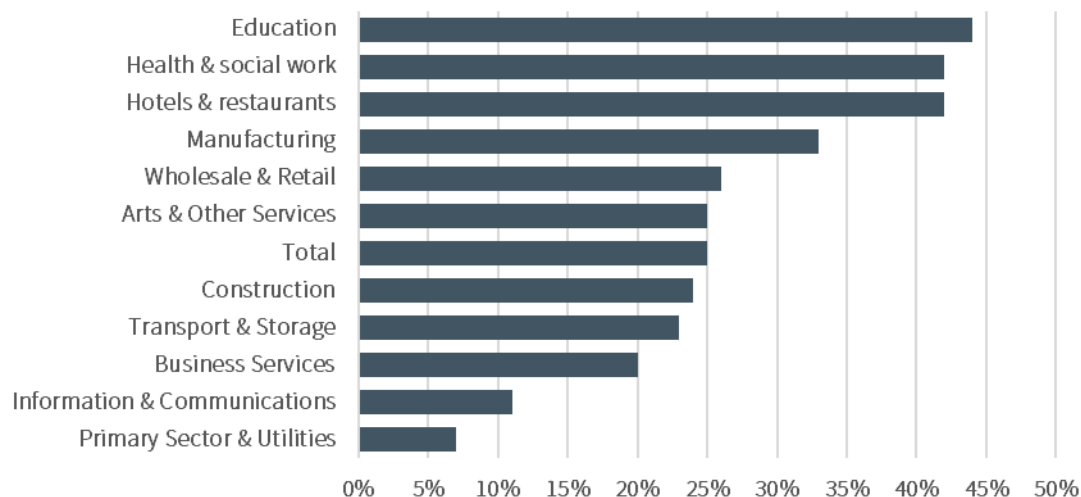
Source: UKCES Employer Skills Survey, 2017

Note: Data not available for Peterborough or England

Hard-to-fill vacancies in certain sectors are a stronger indication of skills shortages

6.24 Data relating to hard-to-fill or longer-term vacancies provide more compelling evidence of the challenges employers in certain sectors face when trying to recruit skilled labour. In this sense, they are a useful indicator of skills shortages and which sectors are most affected.

6.25 Figure 6.7 shows that there is some degree of correlation between current and long-term vacancies across Cambridgeshire's sectors. Alignment is strongest in the Hotel and Restaurants, Health & Social Work and Education sectors, where more than 15% of businesses in each reported a hard-to-fill vacancy. The data suggests that recruitment is more of a challenge at the lower end of the skills continuum.

Figure 6.7 Percentage of establishments in Cambridgeshire with at least one vacancy that is hard to fill
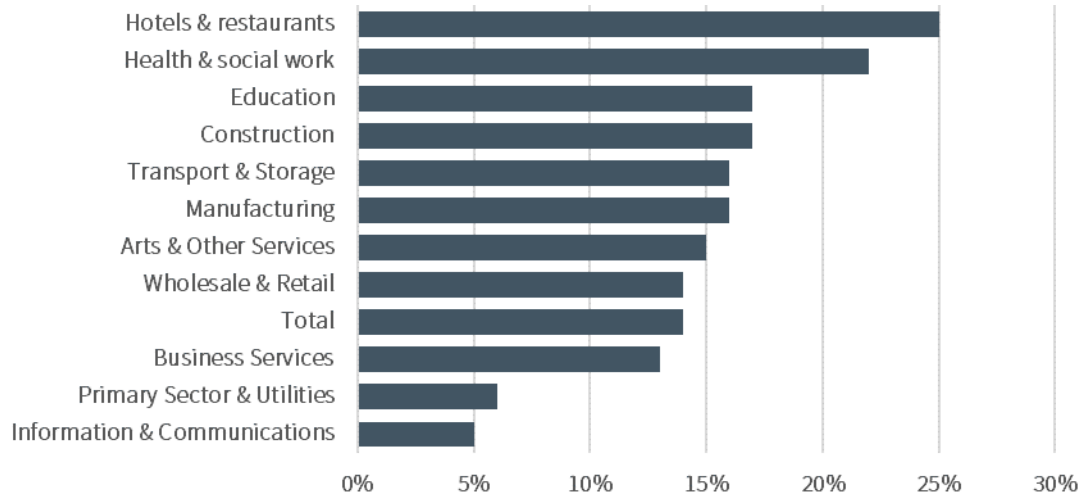
Source: UKCES Employer Skills Survey, 2017

Note: Data not available for Peterborough or England

Distinct hard-to-fill vacancies by occupation across the CPCA and local authorities

6.26 There is little correlation between the CPCA and England reinforcing differences in relative sector composition and the types of skills sought by employers. The highest proportion of hard-to-fill vacancies are at the elementary level, followed by skilled trades, administrative/clerical roles and associate professionals. Hard-to-fill vacancy challenges are most pronounced in Peterborough, although Cambridgeshire has reported difficulties at both ends of the skills continuum (sales/customer service staff and professionals).

Figure 6.8 Percentage of hard to fill vacancies by occupation
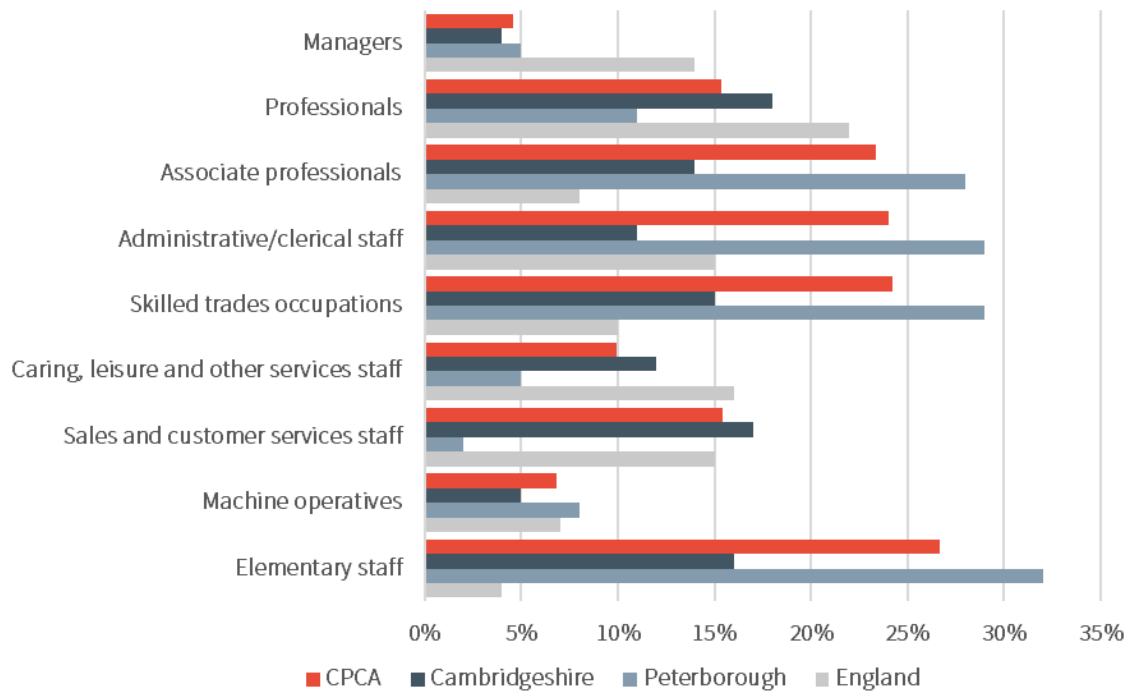
Source: UKCES Employer Skills Survey, 2017

Correlations between reported skills shortages and vacancies are apparent

6.27   Looking at reported skills shortages specifically, there are similarities with 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.

Figure 6.9 Percentage of establishments in Cambridgeshire with a skills shortage vacancy
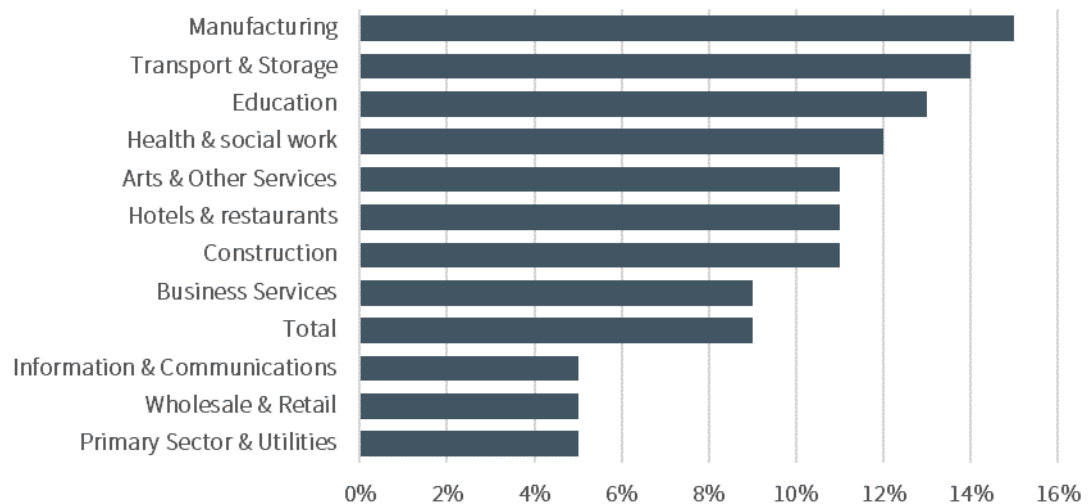
Source: UKCES Employer Skills Survey, 2017

Note: Data not available for Peterborough or England

Recruitment challenges driven by a variety of factors

6.28   Survey data allows for the underlying causes of recruitment challenges to be clarified. At a Combined authority level, the primary driver of hard-to-fill vacancies (reported by 70% of respondents) 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.

6.29   There are limited similarities between Cambridgeshire and Peterborough, with employers in the latter struggling with general applicant supply challenges. By contrast, firms in Cambridgeshire report a broader range of recruitment issues, including poor contract terms, insufficient work experience and too much competition from employers (i.e. an over-heated labour market).

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Figure 6.10 Top 10 Reasons reported by employers for having hard to fill vacancies
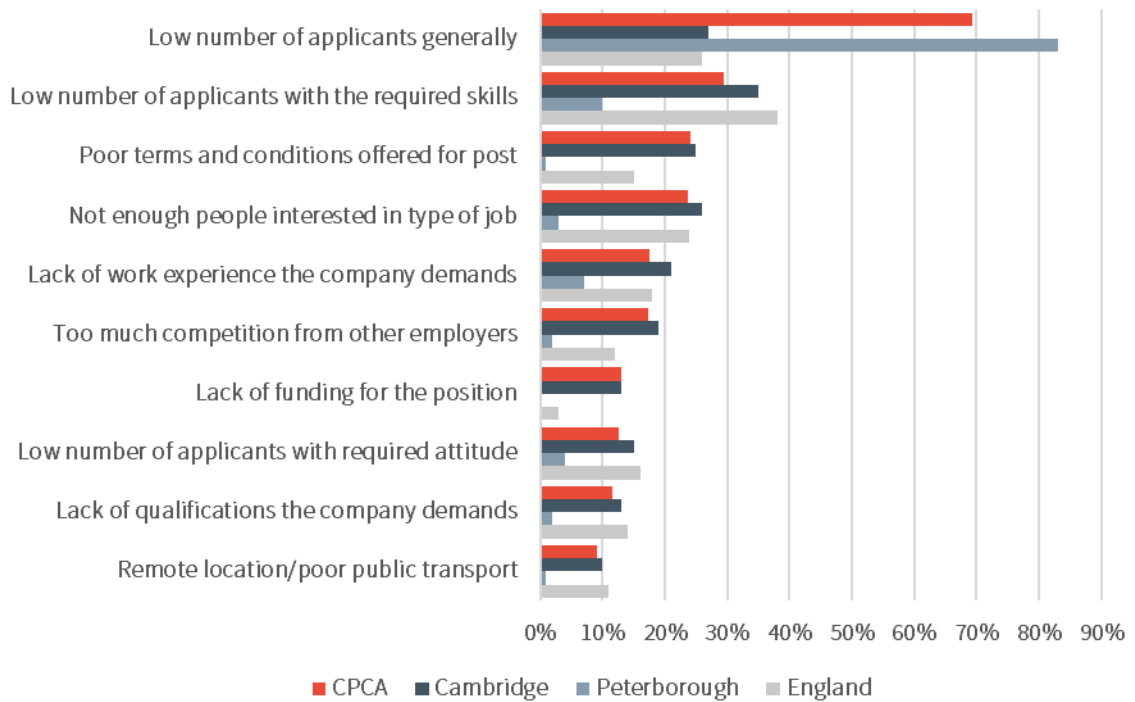
Source: UKCES Employer Skills Survey, 2017

Employers are taking action to unblock persistent recruitment problems

6.30   There is strong evidence to suggest that employers in Cambridgeshire are being proactive in their approach to overcoming hard-to-fill vacancy issues in Cambridgeshire. This is indicative of the approach taken by businesses across England with the most common actions taken by employers being increasing advertising/recruitment expenditure and the development of new recruitment methods and channels. A smaller cohort of employers have adjusted their employment offer requirements and increased trainee activity. Also of note is the low proportion of foreign labour recruitment, contracting and investment in the upskilling of the existing workforce, to address persistent vacancies.

Figure 6.11 Actions taken by employers to overcome hard to fill vacancies
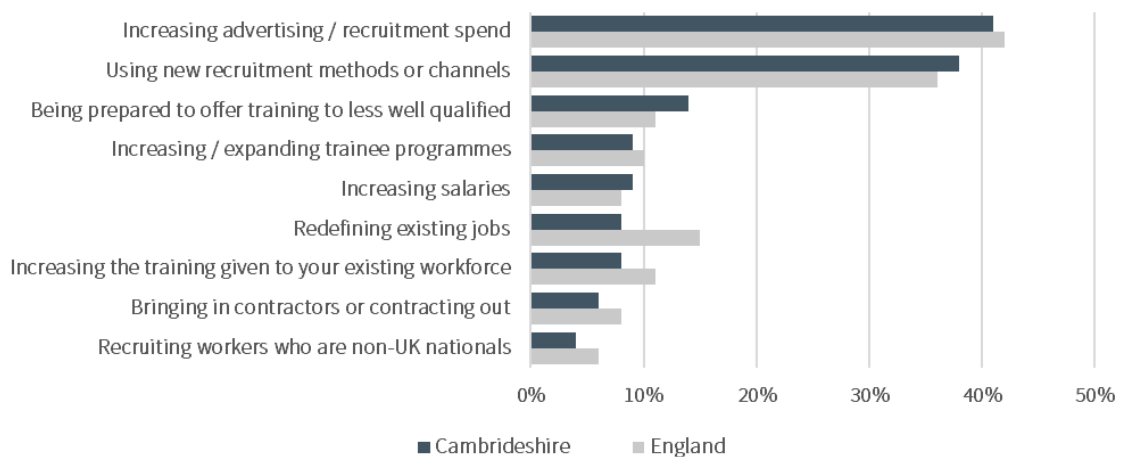
Source: UKCES Employer Skills Survey, 2017

Note: Data not available for Peterborough

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Employers are investing in training to upskill staff and mitigate skills shortages

6.31   Employers across the CPCA 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.

Figure 6.12 Percentage of employers who report providing training of different types
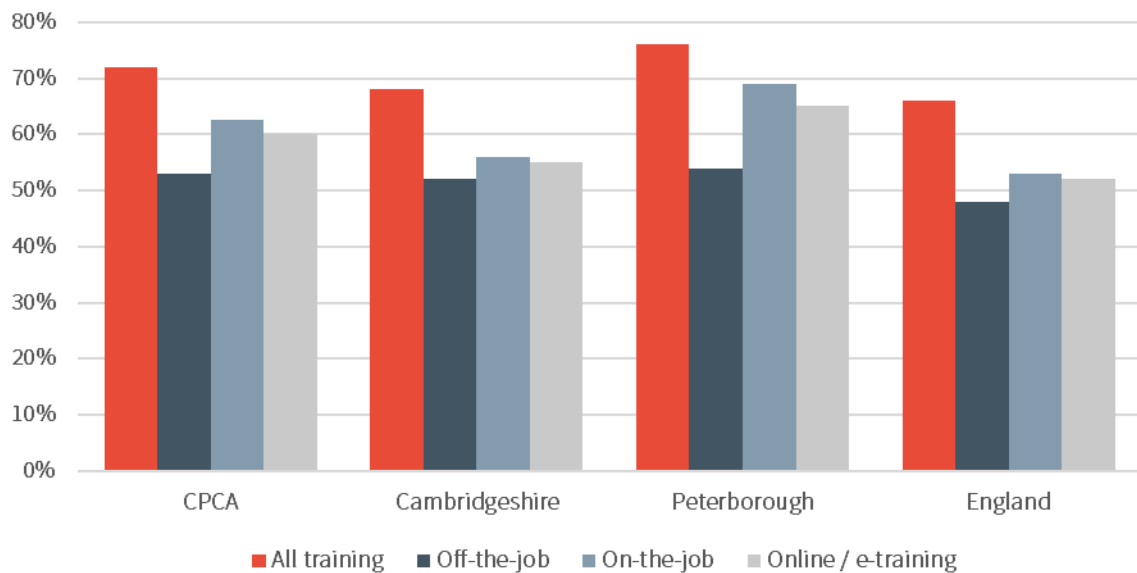
Source: UKCES Employer Skills Survey, 2017

Skills gaps are indicative of systemic education and training provision issues

6.32   The presence of skills gaps suggests that there may be more fundamental issues with the CPCA education training ecosystem, as they show an imbalance between skills supply and demand. Reported data reinforces this view, as employers across the Combined Authority have cited a number of impacts attributed to skills gaps.

6.33   The impacts felt by local firms are broad and are likely to have commercial ramifications for employers. Across the CPCA area, the most common impacts are linked to an increase in workloads for staff, whilst skills gaps are 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.

Figure 6.13 Percentage of reported impacts of skills gaps on employers
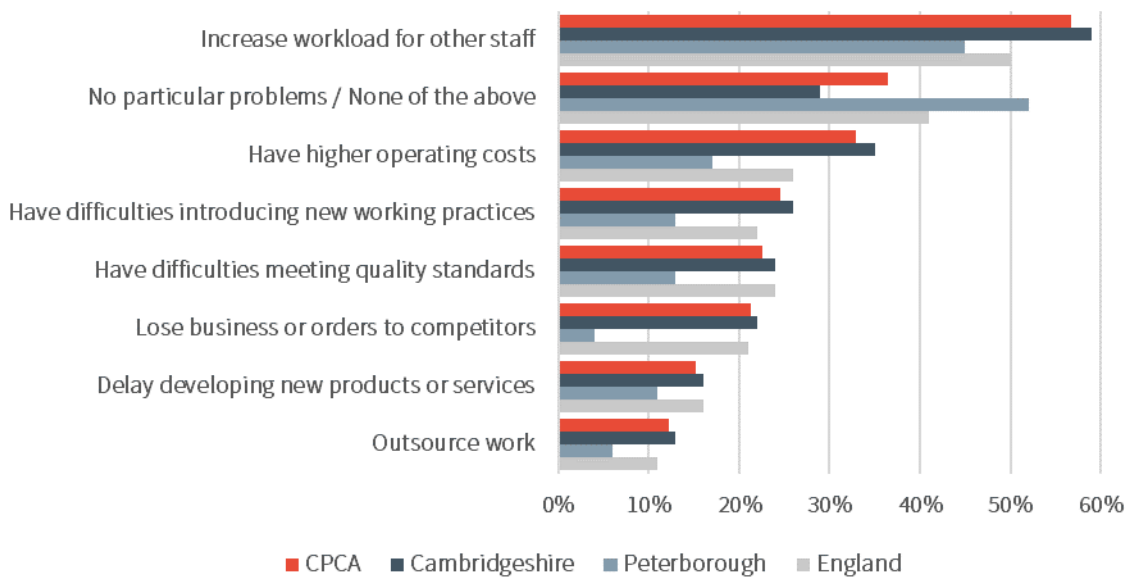
Source: UKCES Employer Skills Survey, 2017

Latest data analysis resonates with other research findings

6.34 Research commissioned by the GCGP LEP in 2016 looked in detail at the nature of skills demand in the area[9]. Whilst the level of analysis was deeper and reviewed a broader set of indicators, research findings offer parallels and reinforce the case for intervention.

RAND Report Findings:

- Overall, employers in the GCGP region report having a similar share of vacancies and hard-to-fill vacancies as in the rest of England.

- Life Sciences and the Information and Communications sectors experienced a higher rate of vacancies and skills shortages than in other parts of England, making a strategic response essential (given their priority sector status).

- Skills shortages were reported at both ends of the high-low skills continuum.

- The share of available vacancies and hard-to-fill vacancies for professionals in the Cambridge region was much higher than in the rest of England, in the context of increased future demand for highly-skilled roles.

- Comparatively, employers in the Cambridge region reported a higher unmet demand for low-level-skills occupations, suggesting supply constraints.

- Skills gaps and hard-to-fill vacancies had greater impact on employers in the GCGP region than England, particularly in the Life Sciences and Construction sectors.

- The main cause for difficulties in meeting the skills demand locally was the low number of applicants with the required skills.

- There is a need to develop solutions which provide more opportunities to upskill the local workforce, especially given the relative lack of employer investment in training the Cambridge area.

[9] Skills demand in the Cambridge area: Attracting and retaining skills, RAND Europe, 2016

Future Demand for Skills

6.35　To generate a complete picture of skills demand, it is important to consider how the CPCA economy is likely to change in the future. Forecasts offer insights here, largely based on an extrapolation of historic trends and other inputs.

Significant employment growth expected in high-value sectors

6.36　Working Futures projections show that, through to 2024, there is expected to be considerable employment growth across a broad arrange of sectors. This highlights some useful insights:

- Employment growth is expected to occur in sectors that span the high-low value continuum. Expansion in the Business Administration & Support (+4,092 jobs) and Information and Communication (+1,109 jobs) sectors are evidence of this.

- There is a correlation with expected workforce growth CPCA's priority sectors, including Health, Information & Communication, Construction and Professional, Scientific & Professional, suggesting the policy is well founded.

- Other sectors that are a focus for CPCA policy present a less optimistic picture, most notably Manufacturing (-2,264 jobs), Transport & Storage (-106 jobs) and Agriculture, Forestry & Fishing (-83 jobs).

Figure 6.14 Forecast Workforce Change by Sector for CPCA, 2019 – 2024
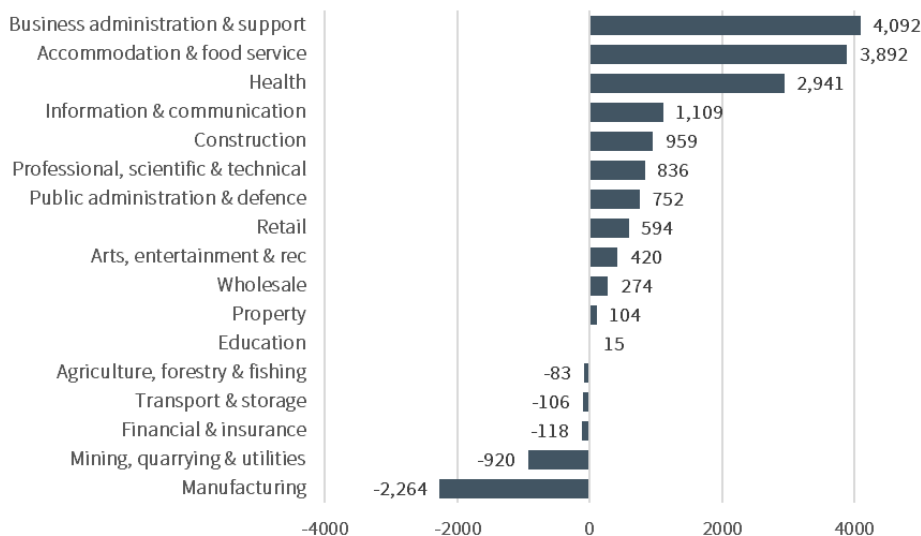
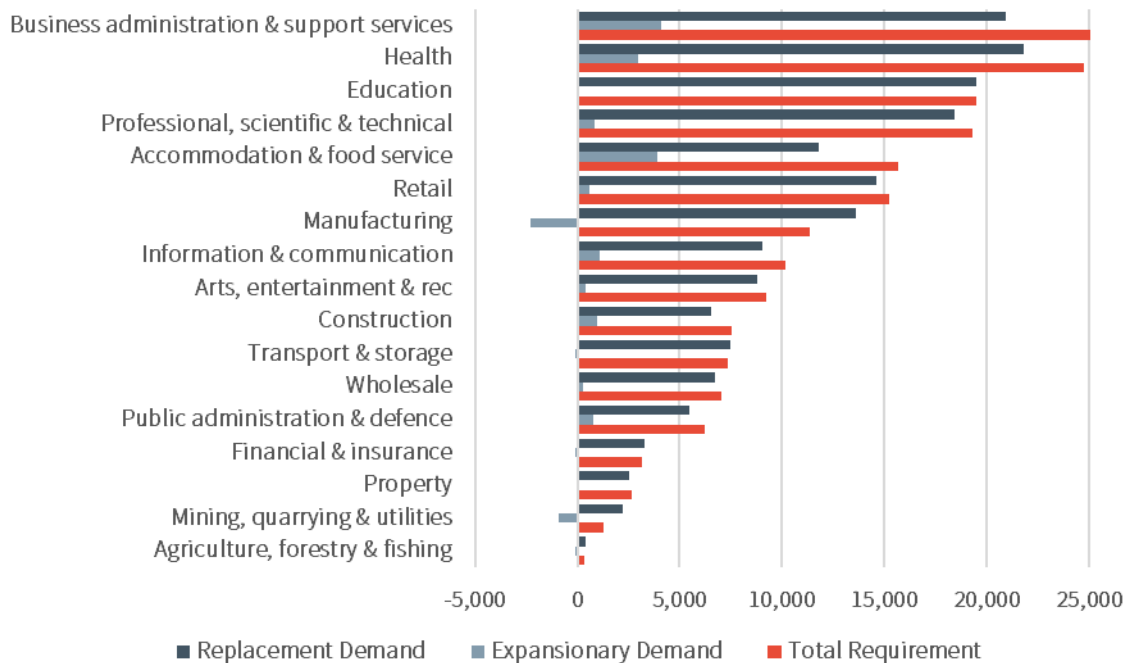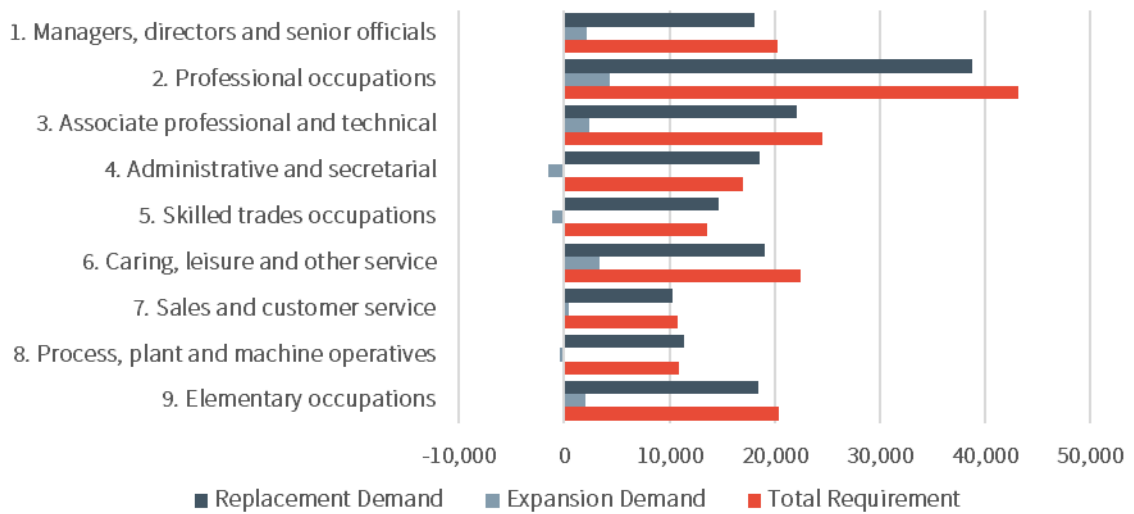Source: Working Futures Data, UKCES, 2015; BRES, 2016

Note: Demand calculated using projection rates for Greater Cambridge and Greater Peterborough LEP applied to 2016 CPCA employment data.

Employment demand will be largely driven by the need to replace existing roles

6.37　Forecasted sector-based employment demand is expected to come from the need to replace those who will leave existing roles, either through retirement or other means (replacement demand). This is the case for all sectors across the Combined Authority area. Sectors that are expected to grow the most through the creation of new jobs (expansion demand) include Business Administration & Support Services and Accommodation & Food Service, with less extensive growth in other sectors.

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6.38   Again, there is an alignment between CPCA's priority sectors and those which are expected to grow through the creation of additional employment, such as Health, Professional, Scientific & Technical, Information & Communication and Construction. That said, in all instances, the greater proportion of employment change is expected to come from replacement demand.

Figure 6.15 Forecast Employment Change by Sector for CPCA, 2019 – 2024

Source: Working Futures Data, UKCES, 2015; BRES, 2017

Note: Demand calculated using projection rates for Greater Cambridge and Greater Peterborough LEP applied to 2016 CPCA employment data.

Demand for occupations takes cues from expected sector employment change

6.39   Overall demand for occupations across the Combined Authority, is projected to across the high-low skills continuum. The largest demands are expected to come from Professional and Associate Professional and Technical occupations, which reflect 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 former is important to note, particularly in the context of demographic projections and the capacity of the WAP to meet future demand (Chapter 4).

6.40   Again, the balance of future occupation 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.

Figure 6.16 Forecast Occupation Change Across CPCA, 2019 – 2024
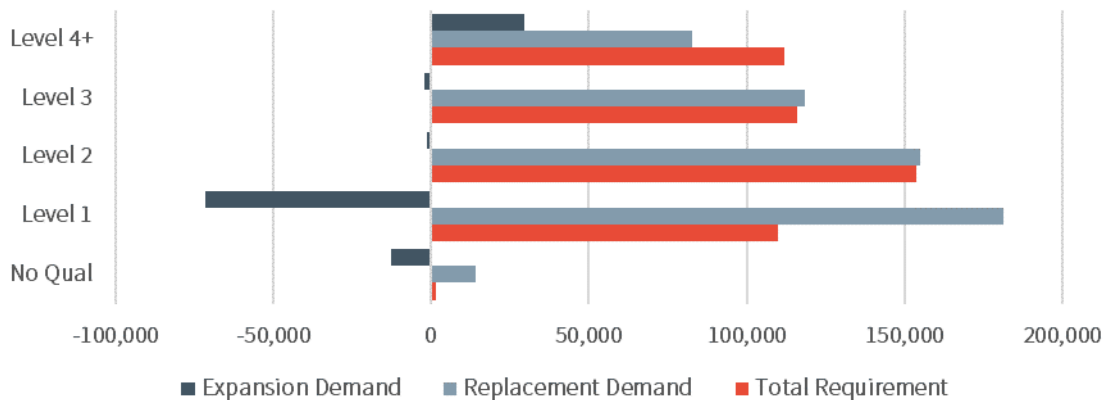

Source: Working Futures Data, UKCES, 2015; Annual Population Survey, 2019

Note: Demand calculated using projection rates for Greater Cambridge and Greater Peterborough LEP applied to 2017 CPCA occupation data.

Demand for new jobs will need to be serviced with higher-level qualifications

6.41   Forecasts tell a similar story in terms of the expected change in the qualification profile of the Combined Authority. The largest overall requirement is expected to be for NVQ level 2 skills, in excess of 150,000 employees. The combined demand for NVQ level 3 and 4+ is expected to exceed 200,000 roles. The majority of these are expected to be created through replacement demand, however higher-level qualification positions (NVQ level 4+) will be generated through the expansion of key sectors, creating new employment.

Figure 6.17 Forecast Qualification Level Change across CPCA, 2019 – 2024

Source: Working Futures Data, UKCES, 2015; Annual Population Survey, 2017

Note: Demand calculated using projection rates for Greater Cambridge and Greater Peterborough LEP applied to 2017 CPCA skills data.

EEFM Skills Forecasts

6.42   The East of England Forecast Model (EEFM) presents baseline forecasts for the East of England region and sub-region. This projects employment by sector, occupation and

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qualification through to 2045 and enables comparison with other forecasts. EEFM forecasts are largely aligned with other skills projections, showing a significant increase in the Management, Professional and Associate Professional Occupations and a falling number of those working in Administrative and Skilled Trades Occupations. This also serves to demonstrate that overall numbers of those working in Elementary and Sales and Customer Service roles are projected to stagnate.

Figure 6.18 Forecast Occupational Change across CPCA, 2019 – 2024
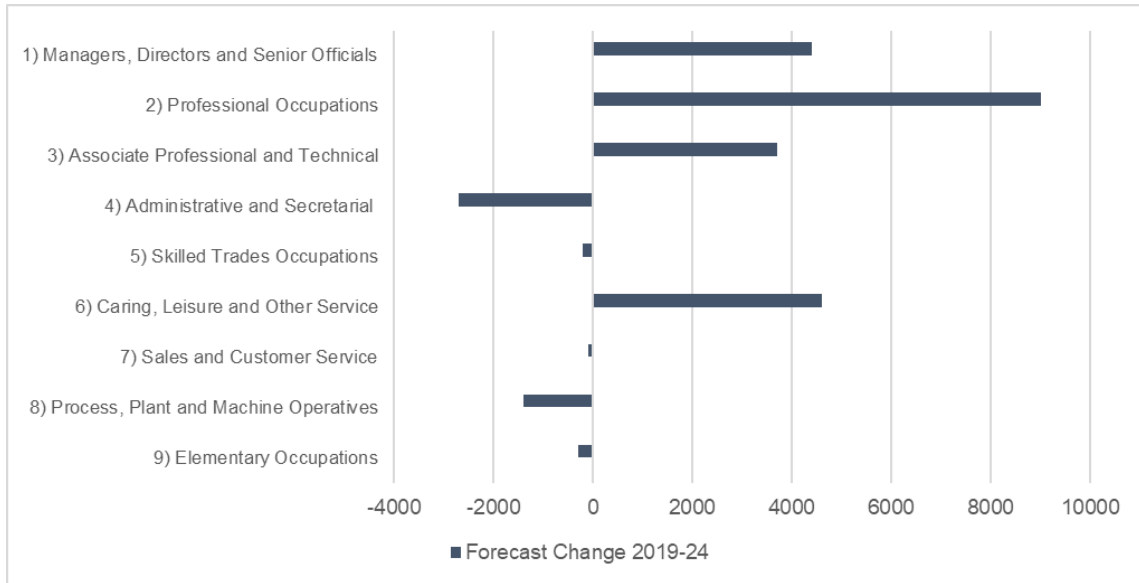
Source: East of England Forecasting Model, 2018

Note: Categories have been condensed from 25 sectors into 9 along the lines of best fit and to align with Working Futures data presentation by adding the total for Cambridgeshire with the total for Peterborough

6.43   Similarly, this presents the forecast change in qualification profile in terms of overall numbers over the period 2019-24. Whilst the overall numbers of people with Level 4+, Level 3 and apprenticeships are due to increase markedly over the five-year period, numbers of those with Level 2 and lower qualifications are projected to fall sharply. These projections show that demand for new jobs will be serviced by higher level qualifications.

Figure 6.19 Forecast Qualification Change across CPCA, 2019 – 2024
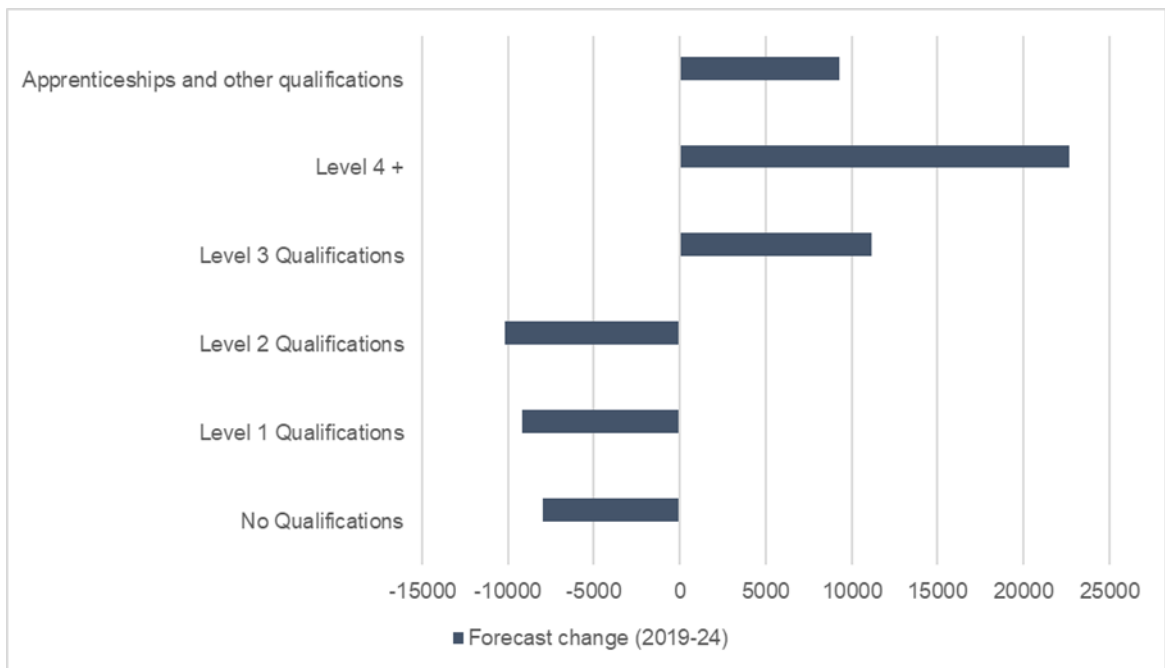
Source: East of England Forecasting Model, 2018

7. Delivering a Local Skills System

A CPCA Skills Strategy

7.1 Devolution of skills budgets, and the constitutional framework of the Combined Authority represents a unique opportunity to reform the way in which skills programmes are commissioned and delivered locally. Whilst the powers received from government are limited, there is clear scope to embed an approach which coordinates local resources and establishes priorities.

7.2 Fundamentally, the Combined Authority should seek to provide stability within the system through a clear articulation of its long-term priorities, what it commissions and the basis in which it contracts with providers. Specifically, this will ensure that devolved budgets and strategic influence are targeted towards the area's key sectors. In addition to this longer-term view of sector prioritisation, we recommend an investment framework for collaborators and partners.

7.3 The strategy should establish the role of the Combined Authority within the local skills landscape. Critically, this remit encompasses providing strategic oversight to existing programmes and addressing the inherent local weaknesses which constrain growth. Aligning with the findings of the Cambridgeshire and Peterborough Independent Economic Commission's final report, the strategy demonstrates how growth sectors will be facilitated through a skills system which is more flexible and responsive to local need. Therefore, the Combined Authority will ensure that local people are best equipped to take advantage of the opportunities created through economic growth. This culminates in a holistic vision where learners, providers and businesses are given an advantage over their counterparts in every other region of the United Kingdom.

7.4 This ensures that whilst the Mayor will continue to lobby for further devolution of skills budgets, they are not essential to enable the Combined Authority to deliver for Cambridgeshire and Peterborough's learners and businesses.

The Principles of Our Skills Strategy

7.5 There are **four** principles underpinning the recommendations in this strategy:

1) Wherever possible the CPCA should look to simplify access to skills support for employer and learners. At the same time our Colleges and providers deserve a more stable basis for funding and relationships. This means contracting with fewer providers and developing deeper relationships. In this way, CPCA initiatives can help rebuild employer confidence in the local skills system.

2) The CPCA should not tell others what to do, but help determine priorities and push organisation towards what works best. In this context, the role of the CPCA is to commission, to test, and to facilitate collaboration between learners, employers, providers and organisations.

3) The CPCA should tailor its intervention and activities to appropriate geographies, sectors and learners. Above all a one-size fits all approach is not suitable for the three distinctive labour markets in the region.

4) Finally, activity should be targeted on what makes the most difference to our people and economy. In this we can provide framework which clearly shows the advantages of further skills devolution.

CPCA – Strategic Imperative

7.6 The CPCA should focus its influence and investment powers carefully, guided by its strategic imperatives, as set out below. This provides a high-level framework from which the CPCA can prioritise its resources, maintain a commissioning role and be an enabler for delivery.

Figure 7.1 CPCA – Strategic Imperative

Source: Hatch Regeneris, 2018

7.7 This imperative is central to the CPCA's 30-year vision which sets out an ambitious future for Cambridgeshire and Peterborough, with a skilled and prosperous workforce at the heart of a thriving economy. The CPCA is uniquely placed to leverage the value of its statutory authority, relationships and buying power to create a skills and training ecosystem that is needed to support the sectors and jobs of the future.

An Investment Framework

7.8 The suggested investment framework focuses CPCA activity on strategically important sectors and important activities. The activities are broadly broken down into brokerage, incentivisation and facilitation (see Figure 7.2 and Table 7.1). The sectors are agriculture and food, life sciences; IT, digital manufacturing, advanced manufacturing and materials; logistics and devolution, education and professional services; construction; and health and social care.

Figure 7.2 CPCA Investment Framework

Source: Hatch Regeneris, 2018

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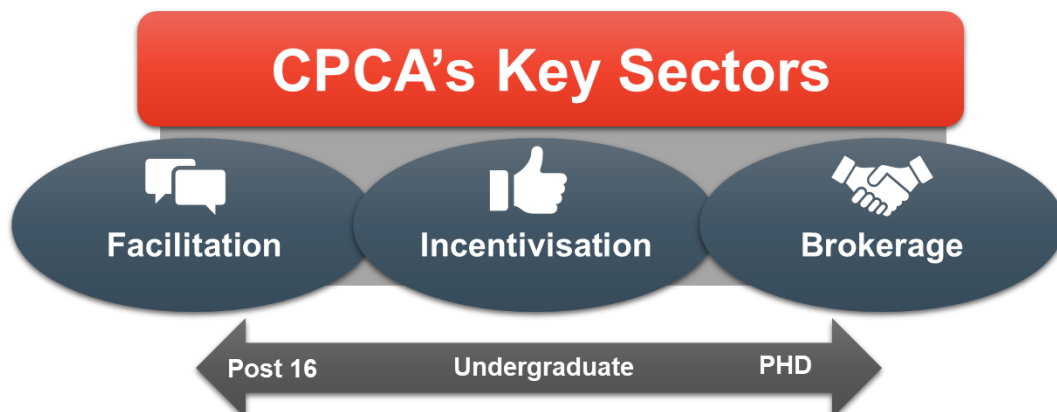
Table 7.1   CPCA Suggested Skills Investment Framework

Priority Sectors		Activities	
	Agriculture and Food	Broker	Improve links in the skills system
	Life Sciences		Aggregate learner and employer demand
	IT and Digital Manufacturing, Advanced Manufacturing and Materials	Incentivise	Provide investment for skills innovations
	Logistics and Distribution		Create a more sustainable provider base
	Education and Professional Services	Facilitate	Provide leadership for major projects
	Construction		Bend mainstream funding to achieve better outcomes
	Health and Social Care		Work with Government to drive investment

Source: Hatch Regeneris 2018

Focused Interventions: Recommendations
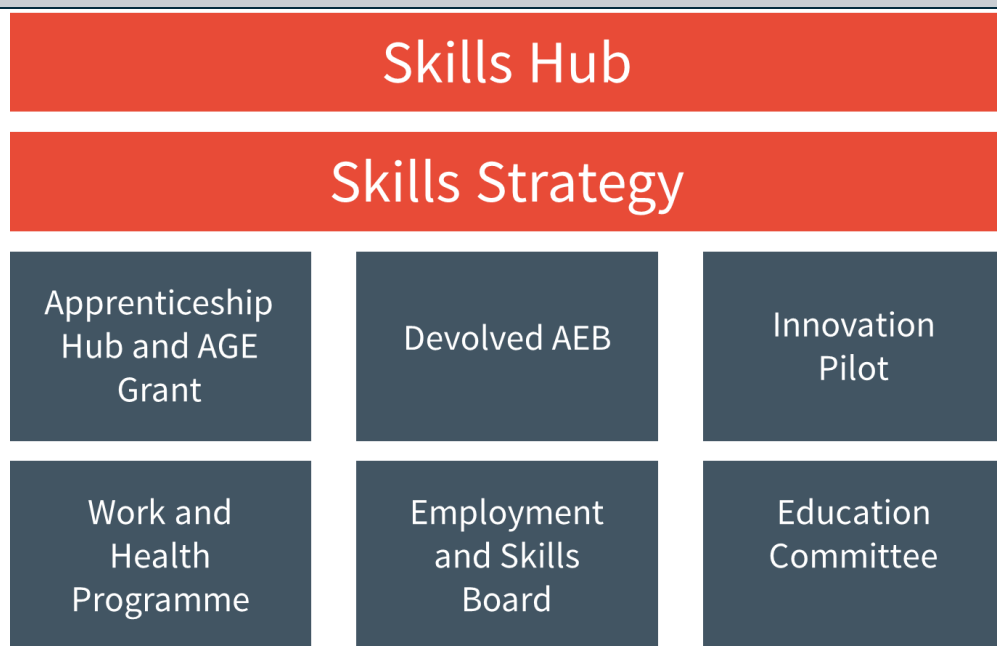
The Skills Hub

7.9   Proposals for a 'Skills Hub' were approved in principle by the CA Board in July 2017. The hub represents a coordinated approach to apprenticeships which seeks to provide clarity to business. It is proposed that the Hub fulfils a **brokerage** and **facilitation** role, bringing employers, learners and providers together. To avoid duplication with Greater Cambridge Partnership's (GCP) 'Greater Cambridge Apprenticeship Connection Service' proposals, we recommend that Hub should cover the geography outside of the GCP's remit (i.e. excluding Cambridge and South Cambridgeshire). This will enable both services to tailor responses to appropriate geographies, sectors and learners.

7.10   Initially, this will be a three-year pilot that covers the following elements to create a holistic apprenticeship offering:

- Administration of the AGE grant for SMEs (see below).

- Apprenticeship matching service for employers that do not already have a provider relationship.

- Support offering: Training Support Service to Employers, travel/accessibility support for apprentices living in rural areas, assisting providers through a 'top-up' which enhances the viability of delivering certain courses.

- Promotion of apprenticeships.

7.11 We recommend that the Skills Hub could house all the CPCA's operational skills activity including the administration of the Adult Education Budget as well as any future delivery programmes. (see Figure 7.3). Commissioning priorities associated with the AEB will be retained within the CA, ensuring that discretionary spend is more closely aligned with the strategic growth sectors identified within the evidence base and investment framework.

7.12 A significant part of the Combined Authority's end-to-end skills system will be to ensure there is a coordinated and holistic approach to apprenticeships that makes it easy for businesses to engage with. The model that the Combined Authority implements needs to ensure that it will enable demand to be stimulated and levels of apprenticeship take up to be increased with targeting of priority growth areas such as Advanced Manufacturing.

Figure 7.3 CPCA Skills Hub

Skills Hub
Skills Strategy

Apprenticeship Hub and AGE Grant	Devolved AEB	Innovation Pilot
Work and Health Programme	Employment and Skills Board	Education Committee

Source: Hatch Regeneris, 2018, adapted from Combined Authority Board Meeting papers 26 July 2017, Agenda item Skills Hub

7.13 The Hub proposals envisage a two -stage process. It will create a Flagship system ensuring the apprenticeship offer is designed in such a way to improve the skills, productivity and economic growth of the local businesses and economy. Phase 1 is the development of the Apprenticeship Hub which will support businesses, providers and schools to be able to offer world-class apprenticeships, looking to remove some of the barriers they currently face. Phase 2 would examine the feasibility of setting up an apprenticeship training agency (ATA) within the hub as this may address some of the employer issues where the business is not able to fully meet the requirements of an apprenticeship due to the size or specialist nature of an apprenticeship.

7.14 Details of AEB Devolution, the Innovation Pilot, Work and Health Programme, AGE Grant and the proposed Life Science pilot are provided below.

Life Sciences Sector Deal Pilot

7.15 The SIP (see Chapter 6) is a membership group of leading science industry employers. Included in the membership is substantial representation from companies based in Cambridgeshire including Medimmune, Amgen, Kymab and Mundipharma. The SIP has presented a series of proposals to the CPCA aimed at providing end-to-end skills solutions for the local science-based industries.

7.16 We recommend that:

- The Combined Authority supports SIP Cambridge as the science industries' employer forum and a strategic skills partner to direct employer-led skills solutions and investment.

- The Combined Authority invests in a set of regional and sector employer-led skills delivery programmes which meet employer need. These investment to a full business planning process.

7.17 The SIP is recognised as the national partner for skills delivery in the Government's Life Sciences Sector Deal, and the CPCA would be first MCA to trial a sector-based approach with such a major employer group. We recommend that if pilot programmes are taken-up, a clear monitoring and evaluation plan is put in place.

7.18 This initiative would see the CPCA demonstrating its commitment to **commissioning**, **testing** and **facilitating collaboration** between learners, employers, providers and organisations. It is also a model that could be applied to the other strategically important sectors identified in the investment framework.

The Mayor's Apprenticeship Challenge Fund

7.19 This proposal would pilot the provision of cash incentives to secondary schools to increase the number of 16 and 18-year-olds going into apprenticeships and vocational training. This, coupled with the incentivisation of business to employ apprentices through the continuation of the AGE Grant seeks to create a holistic approach to local apprenticeship promotion.

7.20 Consultations have shown strong provider resistance to this proposal, and we recommend that the scheme is subject to a thorough business planning and design exercise. If successful, this programme would provide a signalling mechanism to local schools and correct a systemic preference to push young people into academic routes rather than vocational training.

7.21 This initiative would see the CPCA demonstrating its commitment to **incentivising model behaviours**.

Strategic Coordination of Local Programmes

7.22 As agreed in the Devolution Deal, the Combined Authority will continue to support and shape new and existing centrally-funded programmes. This enshrines the CPCA's commitment to provide strategic oversight to national programmes operating within its geography. Initially, this will include (but is not limited to):

- Lobbying Government for further devolution of skills funding.

- Continued support for **the Fenland and East Cambridgeshire Opportunity Area Programme** – including representation on the programme board and working groups as appropriate.

- **DWP Work and Health Programme** – continued support to allow Cambridgeshire County Council to devote officer time to a programme designed to increase the employability and life chances of those currently unable to work.

- **The Health and Care Sector Work Progression Academy** – This CPCA supported programme is testing a new intervention that addresses a specific local labour and skills shortage in the Health and Care sector by stimulating progression and improving career prospects for those in receipt of in- and out-of-work benefits. The CPCA should continue to support this activity in a strategically important sector (see Investment Framework) and if successful, should explore the possibility of extension to other sectors that have low pay, low skilled employment.

- **The AGE Grant** - the Apprenticeship Grant for Employers of 16-24 year olds (AGE Grant) was a national scheme run by Central Government. £1500 was paid to business with less than 50 staff to allow them to take on one apprentice. Before the Cambridgeshire and Peterborough Combined Authority was fully established and as part of the devolution deal, the AGE Grant was the first pot of money that the Shadow Board of the Cambridgeshire and Peterborough Combined Authority could apply for. Within the first year of administering the AGE Grant, uptake was good, generating 524 new apprentices. The Government then ceased the scheme completely and replaced it with a scheme whereby they paid £1000 to businesses that took on a 16-18 year old. The CPCA board agreed to top up the £1000 paid by Government to take the 'grants paid' to businesses back to the original criteria of £1500 and £2000. Continued support for this scheme by the CPCA is clear sign that apprenticeships are valued, and that employers will receive support when employing young people.

AEB Devolution

7.23   Devolution of the Adult Education Budget to the CPCA was agreed in the Devolution Agreement of November 2015. Local devolution will put the Combined authority in control of AEB funding delivery from the 2019/20 academic year. It will enable a closer link between employer needs and the curriculum offer.

7.24   The primary purpose 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. Providers of adult education currently deliver a range of important learning in our community, including: literacy, numeracy, English Language, skills for employment, family literacy, and learning. Most is through colleges, local authorities and independent training providers and much of it has been successful in transforming lives for learners with people acquiring knowledge

and skills that has helped them to secure employment and progress into work and to further learning.

7.25 The CPCA and its AEB team have an opportunity to work with providers, learners and employers in simplifying the system, and to demonstrate the advantages of a devolved skills administration and delivery. We recommend that the AEB programme should:

- meet the Cambridgeshire and Peterborough priorities as listed in the skills strategy

- meet national entitlements and identified local priorities

- ensure responsiveness to learner need

- ensure responsiveness to employer need

- ensure progression

- align with other local services.

7.26 The Adult education budget priorities should:

- target low-skilled and low-paid adult residents in the workforce

- secure skills at level 3 and above

- increase digital provision.

- increase flexible delivery of learning that supports adults in work to upskill.

- target people in priority communities – Peterborough and The Fenlands.

- improve progression between levels particularly from level 1 to level 2 and from level 2 to level 3.

7.27 The devolution of AEB offers an historic opportunity to simplify the system and make it easier to navigate for learners and employers. It also provides a means to **strengthen the local provider base** by developing longer-term and deeper relationships with fewer providers.

A New University for Peterborough

7.28 There is a long-standing ambition between public sector partners, employers and the residents of Peterborough and surrounding areas to have an independent university in the city with its own degree-awarding powers. The University was a key feature of Cambridgeshire and Peterborough's devolution deal, demonstrating central government support to drive forward the proposal and help meet the demands for higher-level skills and education provision in the area.

7.29 **The University project is the single most important capital project in the CPCA's skills portfolio,** addressing the issue of low HE participation, poor aspirations and lack of employer confidence in the Eastern regions of the CPCA. To date the CPAC has allocated over £13m to this project, which could deliver a step-change in life-chances for young people in Peterborough and beyond. It will allow the CPCA to develop its **commissioning and strategic** powers, providing funding and the leadership opportunity necessary to deliver greater skills devolution.

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7.30   In this strategy we can do little more than endorse the views of the CPIER, who noted that:

> Both we as a Commission and the consultees who responded agreed that the purpose of the University in Peterborough ought to be strongly rooted in the local and sub regional economy. This should mean drawing on existing strengths in manufacturing and engineering – as one study 81 notes, the local economic benefits of university research tend to be magnified when local firms are 'technologically close' to the university. As the UK moves towards the digitalisation of industry, new types of jobs are being created at the interface between manufacturing and IT. Artificial Intelligence is also likely to revolutionise manufacturing. There are niches to be found here, and we were pleased to hear in our conversations with local businesses that they would be keen to support. Water management is another area where Peterborough has specialisms, and is particularly relevant for fen areas. **We warn those planning for the university to resist the temptation to try to develop an outstanding university on a shoestring – any such institution will require high-levels of investment in advanced machinery to be credible** [emphasis added]. Putting clear financial heft behind the proposal and hiring excellent people from successful universities will be needed to prevent the university from languishing in mediocrity or failing given the present apparent increased supply of university places relative to demand.[10]

Work Readiness Pilot

7.31   One of the underpinning finding of this Strategy is that too often school leavers do not possess some of the practical skills to function in the modern workplace, and that teachers and pupils lack knowledge of vocational career pathways. The Work Readiness Pilot - agreed to in principle by the CPCA board in July 2018 - seeks to remedy this by introducing a targeted three-year pilot programme in two pilot institutions. The project aims to develop an innovative programme for a group of targeted learners aged 13-16 to:

- develop student confidence and resilience and the personal skills required to flourish in the work place

- identify and support learners who could become Not in Education, Employment or Training (NEET) after 16

- develop a supported and personalised learning pathway, with progression routes to local training/further study/local employment opportunities

- optimise learners' progress from their starting points and support them to gain recognised qualifications at 16 and beyond.

7.32   For all learners aged 13-19 at Hampton Gardens School and Hampton College to:

- raise the profile of Apprenticeships at all levels

- promote STEM careers

- develop cutting edge technical education provision, to complement the academic offer at the Trust's schools

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[10] CPIER , Final Report , p. 111.

- build links with local employers, to further develop our work shadowing/ experience offer and establish progression routes to local traineeships / apprenticeship.

7.33 The proposal will address a problem that has been clearly identified through the analysis. It will also demonstrate the Combined Authority's commitment to improving educational outcomes and increasing the take-up of apprenticeships. The pilot is limited to Peterborough and should be subject to a full evaluation.

Summary

Table 7.2   CPCA Investment Framework and Recommendations

Priority Sectors		Activities		Projects
	Agriculture and Food	Broker	Improve links in the skills system	• Skills Hub • Life Science Sector Pilot • AEB Devolution • Work Readiness Pilot • Health and Care Sector Work Academy
	Life Sciences		Aggregate learner and employer demand	
	IT and Digital Manufacturing, Advanced Manufacturing and Materials	Incentivise	Provide investment for skills innovations	• Skills Hub • Life Science Sector Pilot • A New University of Peterborough • AEB Devolution • Mayor's Apprenticeship Challenge Fund
	Logistics and Distribution		Create a more sustainable provider base	
	Education and Professional Services	Facilitate	Provide leadership for major projects	• Skills Hub • A New University of Peterborough • Coordination of Local Programmes • Health and Care Sector Work Academy
	Construction		Bend mainstream funding to achieve better outcomes	
	Health and Social Care		Work with Government to drive investment	

Source: Hatch Regeneris, 2018

Appendix A - Selected Consultees

A.1 During the course of this study, we have consulted directly or indirectly with over a hundred organisations, providers, companies and individuals. Listing here does not mean that these bodies or individuals endorse the findings of this study. Consultees have included (the following:

Public Sector:

CPCA – members and officials
CPCA – Business Board
Cambridge City Council – members and officials
Public Health England
University of Cambridge
Department for Education
Department for Work and Pensions
Department for Business Enterprise and Innovation (BEIS)
Ministry of Communities, Housing, and Local Government
Education and Skills Funding Agency
Department for International Trade
London Stansted Cambridge Consortium

Other Bodies:

Cambridge Ahead
Opportunity Peterborough
CITB
ECITB
Cogent Skills
Disability Rights UK
Form the Future
Higher Education Steering Group, University College Peterborough
MetroDynamics Ltd
Rand

Employers:

Science Industry Partnership and its membership (25+)
St Neots Manufacturing Group and its membership (20+)
Cambridge and Peterborough NHS Foundation Trust
Local Chambers (various)

Providers, Colleges and Others

Anglia Ruskin University
Peterborough Regional College
City College Peterborough
New Anglia College's Group
West Anglia College
Long Road Sixth Form College
ASoC East (formerly ACER)
Members of the East Cambridgeshire Opportunity Area Board

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Cambridgeshire and Peterborough Draft Skills Strategy Outline Framework

Dec 2018

Skills Strategy – Outline Framework Dec 18

Introduction:

This Outline Framework is intended to be considered alongside the Evidence Base report developed by Hatch Regeneris for Cambridgeshire and Peterborough.

This represents the current development of the Evidence Base into a Skills Strategy and Delivery Plan, bringing ambitions together with commitments and existing programmes. This version is intended to gain input and feedback from partners, so that further detailed development can commence from January 2019 onwards.

An overarching vision:

This Framework seeks to establish the vision for the Skills Strategy in line with the overall vision for Cambridgeshire and Peterborough agreed by Leaders. It takes the core principles for the Combined Authority set out in the Evidence Base, and sets out what this collectively means the priorities of the Skills Strategy are.

The strategic leadership and governance of the skills system in our area is then set out, and under that leadership the current programme of planned interventions are summarised – there are many activities from across the partnership yet to be connected through this.

The Strategy is then underpinned by the key success measures which are proposed to guide decision making and investment

Explanation of key intervention areas:

This Framework then breaks downs and provides detail against the intervention themes that have emerged so far: a progression and apprenticeship marketplace, higher education, and the adult education budget.

Outline Delivery Framework:

The existing programme of delivery emerging within the Combined Authority is captured, along with an overview of funding arrangements and delivery planning.

Developing the strategy out, key questions:

This Framework finishes by setting out some proposed key questions that should be considered during the next phase of development, alongside further development of the core content captured in all the above, with partners.

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Cambridgeshire and Peterborough
Combined Authority Skills Strategy
Evidence Base Report

Devolution of skills budgets, and the constitutional framework of the Combined Authority represents a unique opportunity to reform the way in which skills programmes are commissioned and delivered locally. Whilst the powers received from Government are limited, there is clear scope to embed an approach which coordinates local resources and establishes priorities.
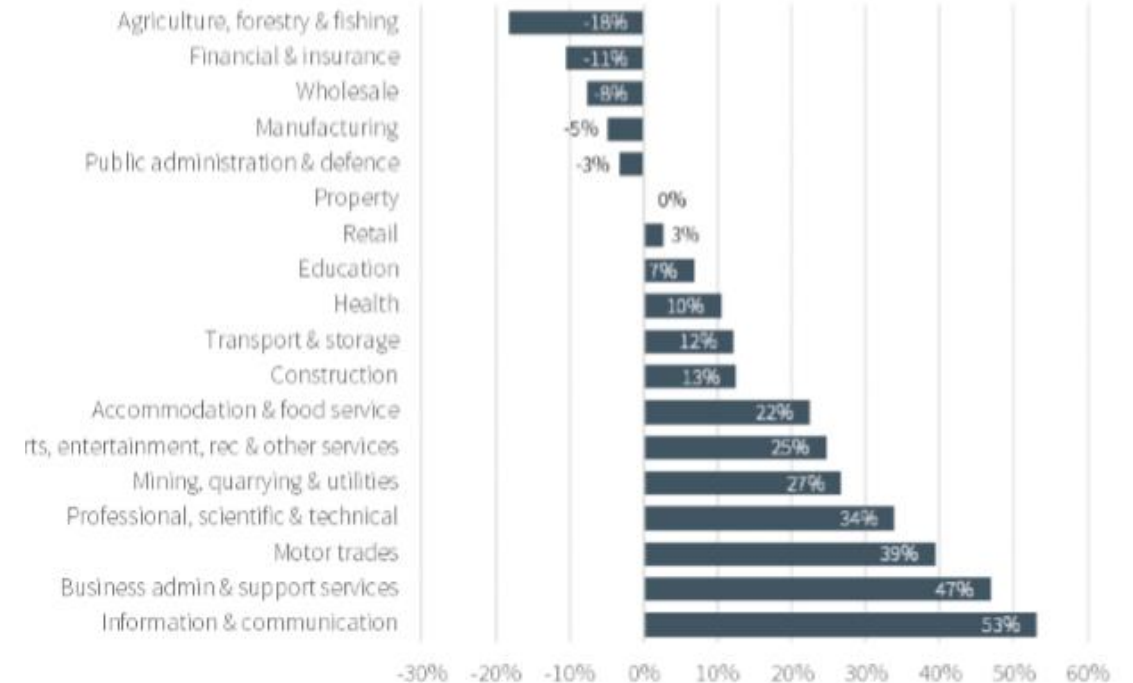
Priority Sector Analysis

The CPCA currently has a policy-driven focus on the following priority sectors:

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

Consultations have also underlined the importance of enabling sectors, which are important in the context of demographic projections and supporting the delivery of physical development, such as regeneration, infrastructure and house building programmes. These sectors are:

- **Health and Social Care**
- **Construction**

Figure 6.2 Proportional change in employment by sector (2011-16)

Sector	Change
Agriculture, forestry & fishing	-18%
Financial & insurance	-11%
Wholesale	-8%
Manufacturing	-5%
Public administration & defence	-3%
Property	0%
Retail	3%
Education	7%
Health	10%
Transport & storage	12%
Construction	13%
Accommodation & food service	22%
Arts, entertainment, rec & other services	25%
Mining, quarrying & utilities	27%
Professional, scientific & technical	34%
Motor trades	39%
Business admin & support services	47%
Information & communication	53%

Source: Business Register and Employment Survey 2017

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Cambridgeshire and Peterborough
Combined Authority Skills Strategy
Evidence Base Report

Figure 4.14 Highest level of qualification across CPCA (16-64 yr. olds)
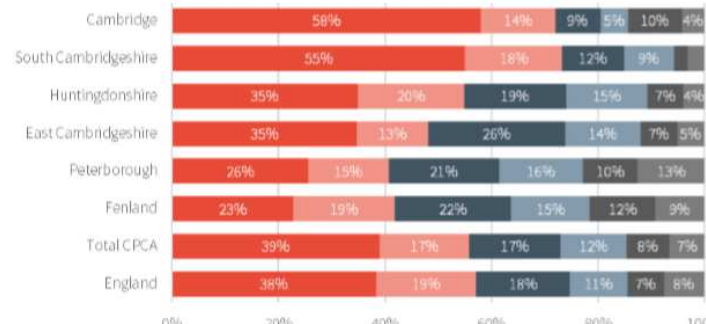
Education, skills and training deprivation a key determinant of overall deprivation

The geographic distribution of education, training and skills deprivation suggests this is a key determining factor in the occurrence of overall deprivation across the CPCA. This measure considers a lack of attainment and skills in children, young people and adults.
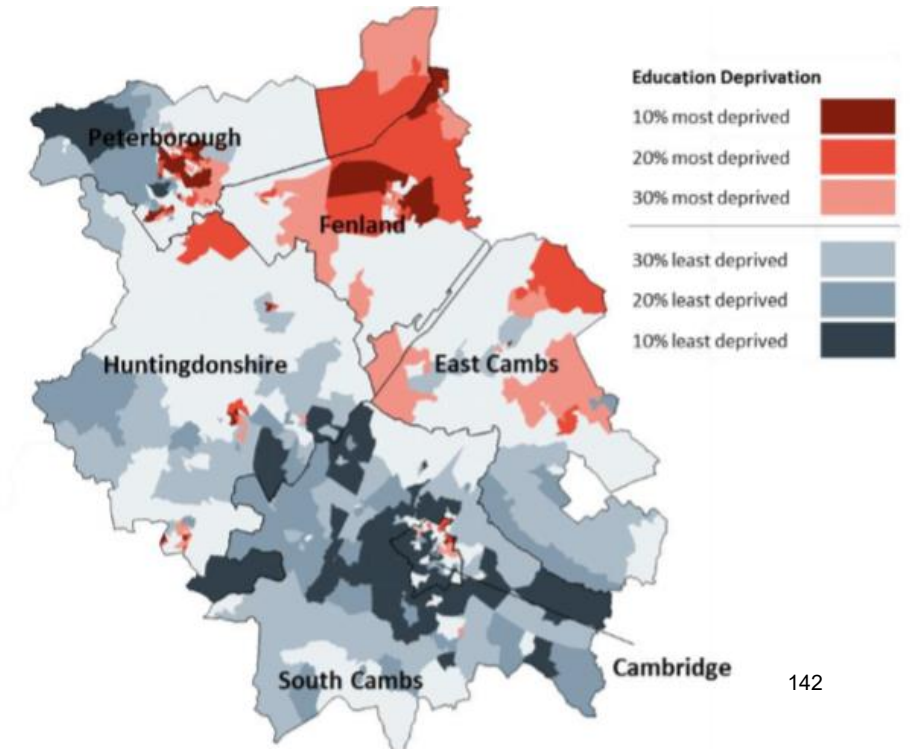
Education deprivation is concentrated in the north-eastern areas of the CPCA. Peterborough and Fenland in particular have acute and extensive challenges, with both featuring in the highest decile for education deprivation in England. There are also small clusters in Huntingdon and Cambridge, although far less significant in geographical scale.

By contrast, significant areas of Huntingdonshire, South Cambridgeshire and Cambridge are in the lowest decile for education deprivation. This is broadly suggestive of a north-south split, with improved outcomes the further south one observes.

Economic Context

Key Findings:

- CPCA's economic geography is defined by three labour market areas.

- The CPCA and Greater Cambridgeshire Growth Partnerships Local Enterprise Partnership (GCGP LEP) geographies are fundamentally different.

- The future growth agenda will shape the economic geography of the region, particularly commitments to the Oxford-Cambridge Arc, the London-Stansted-Cambridge Corridor and wider transit links.

- The Combined Authority and individual labour market areas show different sector specialisms.

- The area is home to large and globally-significant businesses, but smaller businesses dominate.

- Entrepreneurship a key ingredient to CPCA's economic growth.

Education Deprivation

- 10% most deprived
- 20% most deprived
- 30% most deprived
- 30% least deprived
- 20% least deprived
- 10% least deprived

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Vision

Cambridgeshire and Peterborough is the leading place in the world to live, learn and work ➡️ A local skills system that is world-class at matching the needs of our employers, learners and communities

CPCA Principles

- Should simplify access to skills support for employers and learners
- Not tell others what to do, but agree priorities
- Tailor interventions to appropriate geographies, sectors and learners
- Activity should be targeted on what makes most difference

Strategic Priorities

- Local provision is better matched against evidenced industry need, for today and looking to the future
- People are better prepared to enter the world of work
- Raising aspirations and influencing choices
- Our direct interventions are prioritised against biggest market failures
- National and local inputs are better coordinated
- Setting the agenda for future devolution

System Leadership and Governance

New Skills Advisory Panel / Skills Committee / AEB Board

To be streamlined in 2019 and include authority, provider and business inputs

Planned Interventions:

Progression and Apprenticeship Market Place:

- Skills Brokers and Ambassadors
- Talent Portal
- Apprenticeship Training Academy / Levy Handling Agency
- Sector Initiatives & Pilots
- Levy Utilisation Reform
- Work Readiness and Aspiration Pilot
- Mayor's Apprentice Challenge

Higher Education:

New Technical University of Peterborough

AEB:

Better commissioning against industry need, and influencing choices

What other Partnership activity should be connected?

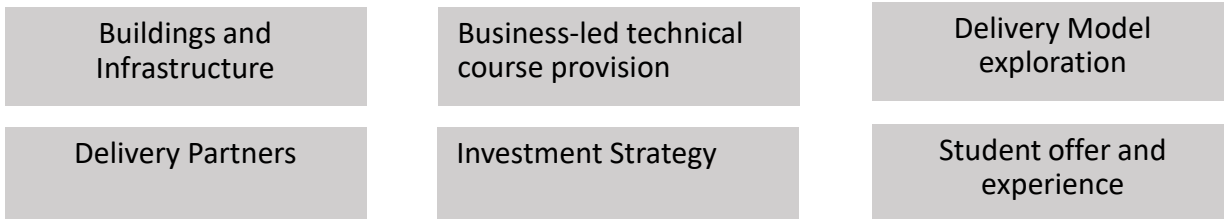Influencing Early Years and Primary?

- Opportunity Area

Key Success Measures

More employees into priority sectors **/** Increased Apprenticeships, HE, & FE take-up **/** Reduced Attainment Gap

Higher Education

Investment in new Technical University of Peterborough

Priority workstreams to deliver project:

Buildings and Infrastructure	Business-led technical course provision	Delivery Model exploration
Delivery Partners	Investment Strategy	Student offer and experience

Figure 5.13 Number of higher education entrants per young resident aged 10 – 14 years

| Area	Value
South Cambs	~75
Cambridge	~52
CPCA	~38
Huntingdonshire	~38
East Cambs	~31
Fenland	~18
Peterborough	~16

There is a long-standing ambition between public sector partners, employers and the residents of Peterborough and surrounding areas to have an independent university in the city with its own degree-awarding powers. Peterborough is a cold spot for Education and Skills and this development will increase participation in HE and raise aspirations. The outcomes of this intervention include:

- Developing a higher local skill set.
- Raising aspirations for greater progression from Level 3 to Level 6
- Providing a high-quality curriculum and qualifications fit for the modern workforce.
- Attract talent to a technical/vocational offer leading to better paid jobs.

The CA will continue to prioritise skills interventions, including supporting the establishment of a new University in Peterborough with a course mix driven by local employer demand for skills in both public and private sectors, encouraging apprenticeships, and through the LIS working to activate employer demand and motivate learners and their families to aspire.

Technical courses to fill skills gaps within priority sectors identified in the LIS and locality that meet the need of students, employers and the wider community. These courses will include accelerated degrees, higher level apprenticeships, HNCs, HNDs, BAs and BSCs.
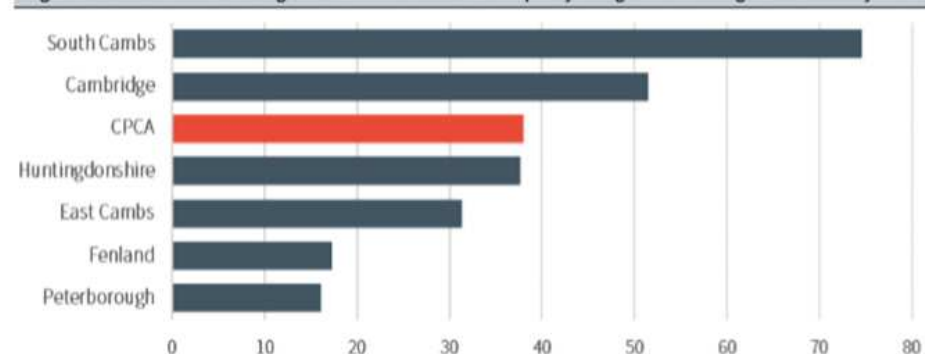
Distance and blended delivery approaches as well as opportunities to gain Batchelors and Masters within 3 years. Other delivery models include flipped classroom, work-based and problem based learning can be integrated into the development of degree apprenticeships. Delivery models to be refined dependent on curriculum offer, however, the need to use more digital based platforms is crucial to support harder to reach students to obtain degrees.

Land has been identified as a 55 acre site of Bishops Road in Peterborough. The first task with the land will be to prepare 10 acres of the site for development to house 2,000 students by 2022 in a "Signature" Building, a collection of campus buildings (teaching and learning space) and student accommodation. The student accommodation needs to be flexible/cost effective and different from traditional accommodation.

The curriculum offer needs to match student expectations and aspirations in order to grow the student numbers from the local area as well as being attractive to students from outside the area. Good student experiences include retaining high quality staff, delivering motivating lectures through a variety of delivery models to achieve through a well-planned and well - structured courses. Other key areas for a positive student experience include the offer of a good social life, good community atmosphere, good environment and high quality facilities. These will be reflected in the City's Masterplan for the Embankment site.

Adult Education Budget

Better commissioning against industry need, and influencing choices

Priority workstreams to deliver project:

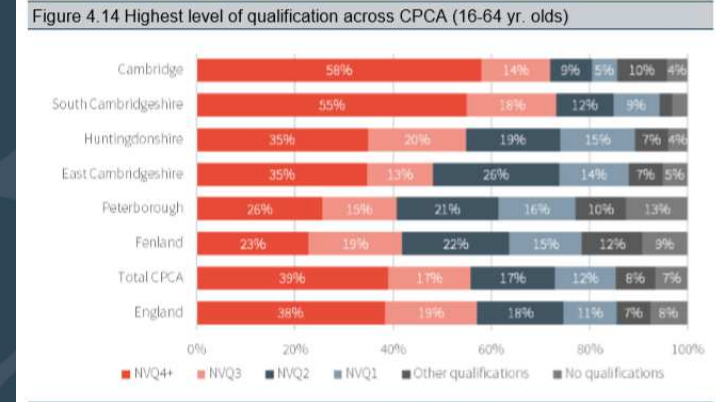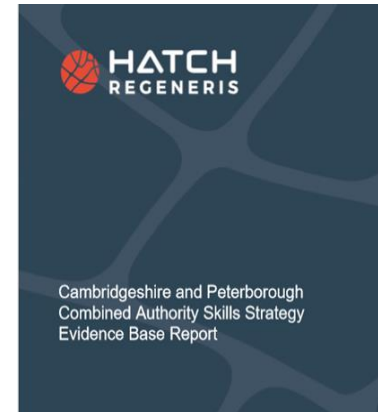| Building and focusing provider delivery capability locally	Strategic commissioning of resource to better meet business needs	Supporting transition towards more business needs focused provision	Stimulating demand for courses that meet business needs

The primary purpose of AEB 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 CPCA has an opportunity to work with providers, learners and employers in simplifying the system, and to demonstrate the advantages of a devolved skills administration and delivery.

The ability for the CPCA to operate AEB locally allows for the area to strategically define the needs and requirements of industry. Through a balanced approach of grant resourcing FE institutions, the CPCA will also procure new course provision with providers that is aligned to the key sectors, geographies and needs identified within the Skills Strategy Evidence Base. The CPCA will work with industry and business to define new course provision and appropriately target resources that will deliver the outcomes needed to grow and increase productivity in Cambridgeshire and Peterborough.

In AEB the current course provision by sector in 2017 is currently dominated by learning in 'preparation for life and work' and 'Arts, Media and Publishing'. The strategic procurement of course provision should allow the CPCA to assist in developing learning in courses that would be beneficial to the identified industry in Cambridgeshire and Peterborough including Health & Care, Logistics, Construction and Manufacturing.

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Cambridgeshire and Peterborough Combined Authority Skills Strategy Evidence Base Report

Figure 4.14 Highest level of qualification across CPCA (16-64 yr. olds)

The Adult education budget priorities should:

- target low-skilled and low-paid adult residents in the workforce
- secure skills at level 3 and above
- increase digital provision.
- increase flexible delivery of learning that supports adults in work to upskill.
- target people in priority communities – Peterborough and The Fenlands.
- improve progression between levels particularly from level 1 to level 2 and from level 2 to level 3.

The devolution of AEB offers an historic opportunity to simplify the system and make it easier to navigate for learners and employers. It also provides a means to **strengthen the local provider base** by developing longer-term and deeper relationships with fewer providers.

Progression and Apprenticeship Market Place in detail:

Targeting interventions to overcome market failures in the skills and education system between employers, providers, learners & parents

The flaws in the current system mean that market place facilitation is needed to match supply with demand, influencing provision and choices in doing so:
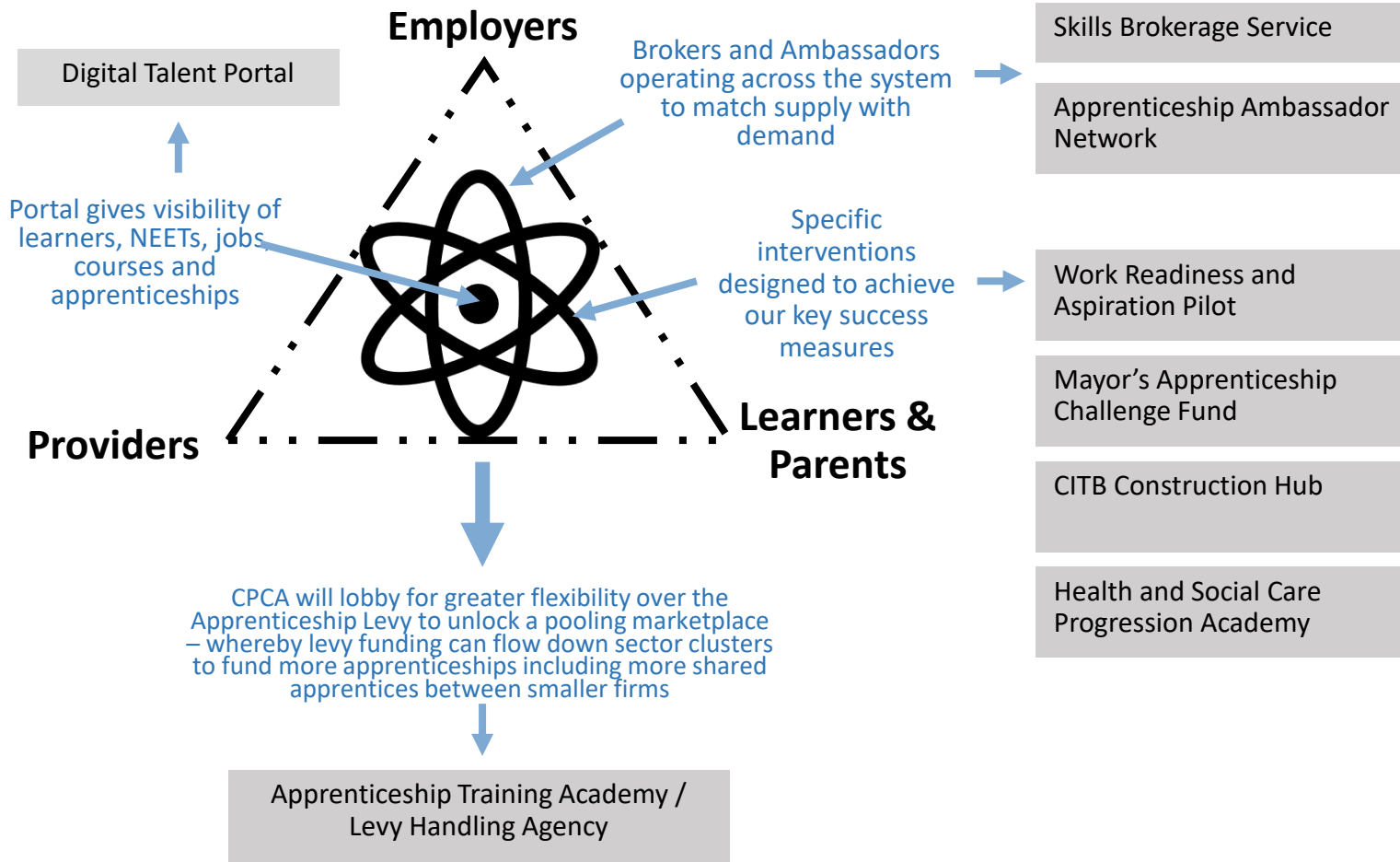
Digital Talent Portal: connecting employers, providers, and learners together in single online platform. Supported by central administration. Potential for future revenue generation

Skills Brokerage Service: specialist activity building relationships between businesses, providers and learners – focussed on achieving increase of apprenticeships

Apprenticeship Ambassador Network: voluntary network of business champions, encouraging businesses to overcome reticence to create apprenticeships, and encouraging uptake

Work Readiness and Aspiration Pilot: intensive interaction in school in area of deprivation to reduce NEETs. Plans for expansion beyond pilot

Mayor's Apprenticeship Challenge Fund: offering financial incentives to help overcome barriers to uptake, including travel costs and expenses

CITB Construction Hub: on-site training hub at Alconbury, working across the county. Supporting the hard-to-reach, workers from declining sectors, and military veterans into careers in construction

Health and Social Care Progression Academy: DWP funding pilot to support progression within and across priority sector

ATA/Levy Handling Agency: where brokerage makes connections within the existing market, the ATA would directly intervene to facilitate new apprenticeships – pooling common needs across groups of employers

Employers

Brokers and Ambassadors operating across the system to match supply with demand

Digital Talent Portal

Portal gives visibility of learners, NEETs, jobs, courses and apprenticeships

Specific interventions designed to achieve our key success measures

Providers

Learners & Parents

CPCA will lobby for greater flexibility over the Apprenticeship Levy to unlock a pooling marketplace – whereby levy funding can flow down sector clusters to fund more apprenticeships including more shared apprentices between smaller firms

Apprenticeship Training Academy / Levy Handling Agency

Skills Brokerage Service

Apprenticeship Ambassador Network

Work Readiness and Aspiration Pilot

Mayor's Apprenticeship Challenge Fund

CITB Construction Hub

Health and Social Care Progression Academy

Outline Delivery Framework

Direct Intervention	Place / Sector Impact	Current Funding Position		Delivery Plan	Key Success Measures
Technical University of Peterborough – Phase 1 & 2	• Greater Peterborough • Fens • Sectors TBC in project development	Fully funded: • £13.5m CPCA Capital (committed and in principle) • £720k Growing Places Fund	Potential for further funding through: • £5m Growth Fund • £15m Private Investment	In delivery and under review (CPCA/PCC)	• Increased FE take-up • Reduce attainment gap • Employment into priority sectors
Technical University of Peterborough – Phase 3		• To be developed in 2022		To be developed in 2022	
Adult Education Budget: Phase 1 – devolving	• Whole area • Potential across all priority sectors	Fully funded: • C. £12.1m Budget devolved to CPCA		In delivery (CPCA)	• Employment into priority sectors • Increased FE take-up • Progression levels 1-3
Phase 2 - localising				In development (CPCA)	
Progression and Apprenticeship Market Place Interventions:					
Work Readiness and Aspiration Pilot	• Greater Peterborough • Fens	2019/20 fully funded: • £104k CPCA Revenue	2020/21 expansion Potential for funding: • ESF PA1.2 (£200k)	In delivery	• Increased HE take-up • Reduce attainment gap
Brokerage Service	• Whole area • Potential across all priority sectors	2019/20 fully funded: • £200k CPCA • £250k GCP	2020/21 onwards: Potential for funding through ESF PA1.2 (£1m) + core revenue funding	Proposal to explore joint commissioning across CPCA & GCP Support strategic providers on patch to collaborate	• Increased Apprenticeships • Increased FE take-up • Reduce attainment gap
ATA / Levy Handling Agency	• Across all	Potential for funding ESF PA2.1 c. £1m		In development	• Increased Apprenticeships

Outline Delivery Framework (2)

Direct Intervention	Place / Sector Impact	Current Funding Position	Delivery Plan	Key Success Measures
Opportunity Area	• Fens • Focus on all sectors	Fully funded DfE programme £2m p.a. CPCA investment – 1FTE 2019/20	In delivery	• Reduce attainment gap • Support progression • Raising aspirations • Increasing social mobility
Apprenticeship Ambassador Network	• Focus on all places and all sectors	Fully funded (in kind)	In delivery	• New Apprenticeships • More employees into priority sectors
Apprenticeship Levy Pooling	• All places • Potential for all Sectors	Needs new flexibilities granted by HMG	In development	• New Apprenticeships • More employees into priority sectors
Mayor's Apprenticeship Challenge Fund	• Place focus?	Potential for funding c. £50k pilot, CPCA revenue funding	In development	• New Apprenticeships • More employees into priority sectors
Skills Hub Portal (digital and administration)	• All places • Across all sectors	Potential for funding c. £250k for two-year pilot – ESF PA2.1	In development	• Across all key success measures
Sector Initiatives and Pilots:				
• CITB Construction Hub	• Greater Cambridge (inc. Huntingdonshire focus) • Fens • Construction	Fully funded – CITB /Urban&Civic	Delivery from Q1 2019/20	• Reduce attainment gap • More employees into priority sectors
• Health and Social Care Progression Academy	• Greater Peterborough • Fens • Health and Social Care	Fully funded: • DWP Pilot Investment £5m	In delivery	• Reduce attainment gap

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Developing the strategy out, key questions:

The CPIER recommends Government to engage with the area regarding **devolution of all skills funding** as part of Devo 2	• What do we need to include around further devolution? • Post-16 Skills Funding? • Apprenticeship Levy Flexibilities? • What else should we be asking for now?
The CPIER recommends that we further **research the impact of Surestart-style provision**, particularly in more deprived communities and hard to reach groups	• Have acknowledged the importance of researching the impact of Surestart-style provision in the Growth Ambition Statement, but not brought it forward as an immediate priority • Is there a way that the partnership would like to explore this further as a connected piece of work to the Skills Strategy? • Could the DfE engage the Opportunity Area in this? What should be drawn from the current LA models and experience?
What **other activity across the patch** should be captured?	• What are other partners doing that will now be better coordinated through the Skills Advisory Panel? • What other activity should be referenced in the Skills Strategy?

We are seeking input by return from CPSB please. We will also be convening a review group in the New Year to help us develop the Skills Strategy to the next phase. First meeting will be early January

LOCAL INDUSTRIAL STRATEGY AND SKILLS STRATEGY – 2019 TIMETABLE

Following the process of engagement to produce the CPIER over 2017 to 2018, and the activity undertaken September – December 2018 to draft the Local Industrial Strategy and the Skills Strategy – this note sets out the remaining process, and milestones, for 2019.

This seeks to respond to concerns raised by CPSB that a thorough and clear process be put in place, so that all partners can input sufficiently.

For the purposes of this process, the Local Industrial Strategy and Skills Strategy will be combined into a single process throughout, separated in March and April when the respective strategies go through respective Board cycles.

In the timetable below, when any new versions are issued these will be to the officer group, with CPSB copied in.

Document Issuing		**18 Jan** V1.1 issued (inc. CPSB comments from 11 Jan)					**15 Feb** V2 issued	**4 Mar** V3 (final) issued				
CPSB / Leaders / Business Board	**11 Jan** CPSB comments received		**28 Jan** Business Board comment on V1.1	**4 Feb** Leaders Strategy Workshop V1.1	**8 Feb** Key changes from BB & Leaders Strategy reported to CPSB		**15 Mar** CPSB - final V3 reported for any final comments	**25 Mar** Business Board (LIS)	**27 Mar** CA Board (LIS)	**3 Apr** Skills Committee (Skills Strategy)	**24 Apr** CA Board (Skills Strategy)
Officer Working Group		**25 Jan** Meeting to review V1.1 & agree any key changes				**26 Feb** Meeting to review V2 and agree any final changes						
Skills Strategy Author Group			**30 Jan** Meeting			**27 Feb** Meeting						
LIS Author Group	MetroDynamics alongside CPCA officer team											