

Skills Committee Minutes

Meeting: Monday 15 March 2021

Time: 10.00am – 11.45am

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

Apologies: Councillor Chris Seaton

Part 1 - Governance Items

124. Announcements, Apologies for Absence and Declarations of Interest

Apologies received from Councillor Chris Seaton.

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

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

126. Petitions

No petitions were received.

127. Public Questions

Questions received from Overview and Scrutiny Committee

128. Skills Committee Agenda Plan

It was resolved to note the agenda plan.

129. Combined Authority Forward Plan

It was resolved to note the forward plan

Part 2 – Reports to Combined Authority Board

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

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

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

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

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

In discussing the report Members;

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

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

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

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

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

131. Business Growth Service

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

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

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

In discussing the report Members;

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

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

It was resolved unanimously to:

note the report from Business Board.

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

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

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

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

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

In discussing the report Members:

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

It was resolved unanimously to:

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

Part 3 – Delivery

133. Adult Education Budget Evaluation 2019/20

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

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

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

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

In discussing the report Members:

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

It was resolved unanimously to:

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

134. Adult Education Budget – COVID-19 Response

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

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

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

In discussing the report:

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

It was resolved unanimously to:

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

135. Employment and Skills Board Update

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

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

It was resolved unanimously to:

- a) note the Employment and Skills Board update

136. Budget and Performance Report

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

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

In discussing the report Members:

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

It was resolved unanimously to:

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

Part 4 – Date of the next meeting

137. It was resolved to:

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