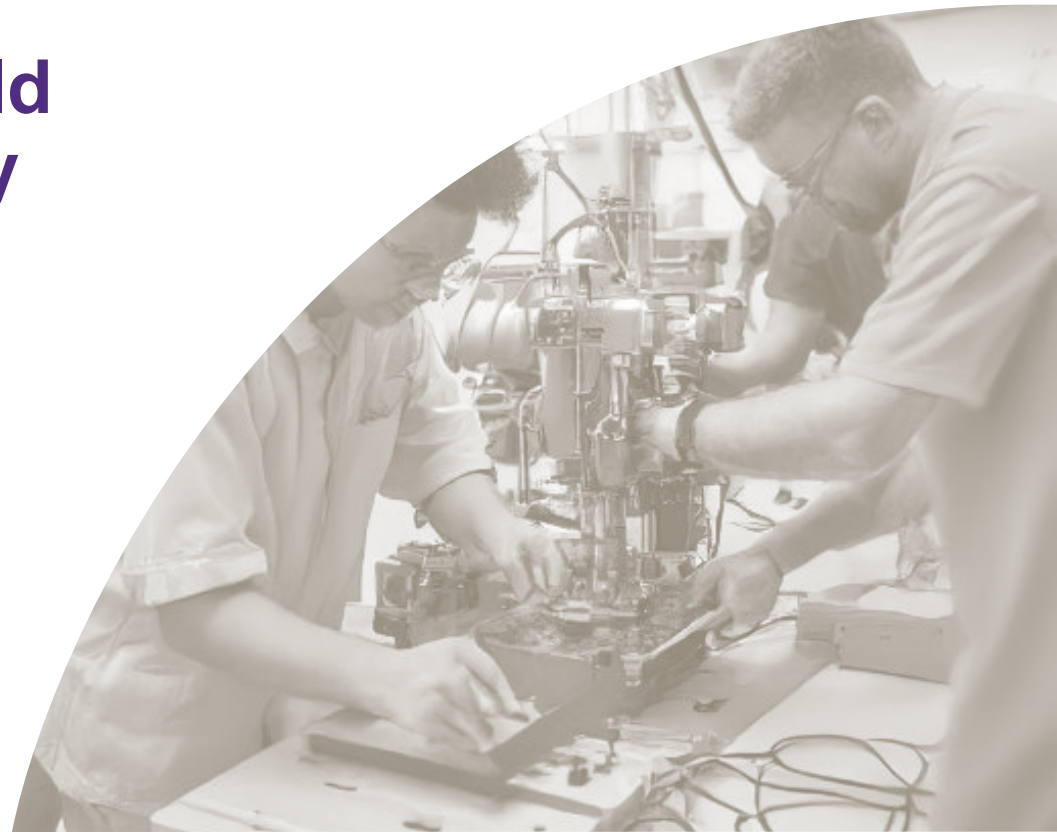


Further Education cold spots feasibility study

Presentation to the Skills and
Employment Committee
29 July 2024

Rob Turner
Melisa Wickham



Background

- CPCA previously secured funding for two new Post-16 education and training provisions in St Neots and East Cambridgeshire for c.4000 students
- Grant Thornton UK LLP was commissioned to explore the feasibility of this additional provision
- The work considers a range of Post-16 provision, including 19+ adult learning and 16-18 provision



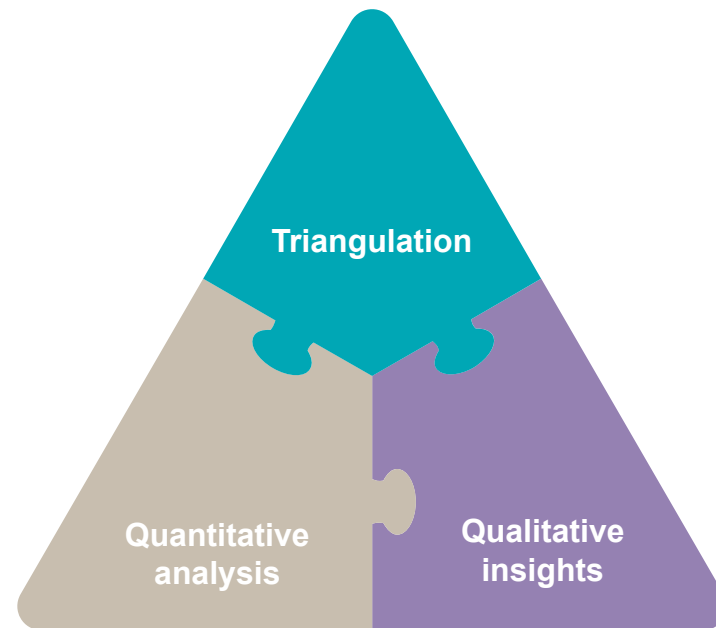
Our Approach

Quantitative analysis:

- 30+ datasets analysed
- Looking at context, labour demand stock and flow, supply stock and flow, and balance
- Drawn on Cambridgeshire Insights data

Qualitative insights:

- c. 20 semi-structured interviews
- 2 provider workshops with 22 participants
- Provider survey completed by 11 stakeholders
- Focus groups with c.40 year 9 & 10 students
- 2 workshops with business



KEY FINDINGS

Demand for skills will be driven by an evolving industrial base (i)

Cambridgeshire & Peterborough five key industries

Education	Information & communication	Professional scientific & technical	Primary & utilities	Manufacturing
East Cambridgeshire			Huntingdonshire	
<ul style="list-style-type: none"> • Employment relatively concentrated in primary and utilities, construction and manufacturing • All have had strong GVA growth, along with information and communication, accommodation and food, and the arts, entertainment and recreation 			<ul style="list-style-type: none"> • Employment relatively concentrated in primary and utilities, manufacturing, and public administration and defence • Significant employment in wholesale and retail and health and social work • Strong GVA growth in information and communication, and administration and support 	

FUTURE DRIVERS

- Science, research, engineering, and technology; caring personal service occupations; business, media, and public service professions
- And emergence of new markets related to digital and environmental transitions.

Demand for skills will be driven by an evolving industrial base (ii)

Growth in the Number of Jobs

9% Projected increase by 2035, about 2,800 new jobs annually



Significant growth in health and social work; professional services; support services; and accommodation and food.

Decline expected in manufacturing and finance and insurance

3/5

New jobs will be in professional occupations

Upskilling and Reskilling

6x Replacement demand is nearly six times greater than new demand

+19,700 Jobs to collectively be filled annually due to new jobs and replacement demand



Around 12,700 jobs to be filled in business and other services and public administration - growth and specialist sectors (respectively) in Huntingdonshire

Demand for skills will be driven by an evolving industrial base (iii)

The Need for Higher Level Skills

Growth in demand for undergrad and postgrad qualifications

Decline in lower-level qualifications



May be a particular issue in East Cambridgeshire where a high proportion of residents work in low skilled roles

Skills need by 2035

Undergrad & Postgrad qualification

+76,000

Low-level qualifications

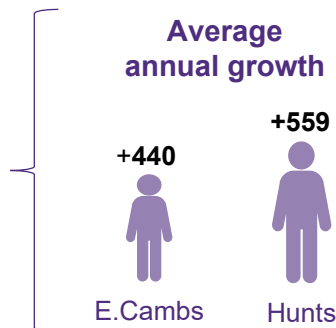
- 37,000

Population growth will create new learners but may be constrained by high employment/low participation (i)

Population Growth

Cambridgeshire Insights projects annual growth in C&P of 659,655 working age adults by 2041

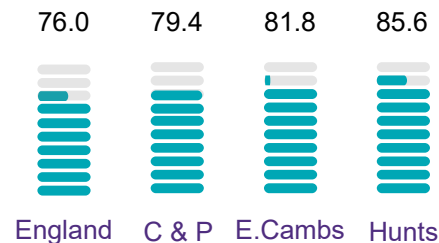
+4,383
Working age (16-64)
adults per annum to
2041
C & P



High Employment Rates

Employment rate in C&P particularly high

- Huntingdonshire: 85.6% (highest LA)
- East Cambridgeshire: 81.8% (2nd highest)



High youth employment (16-24) - especially in Huntingdonshire – indicates a preference for work over continued education

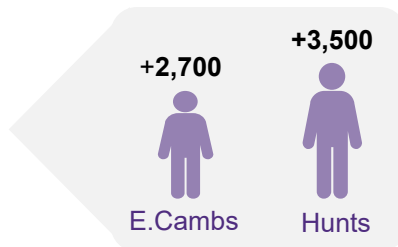
Population growth will create new learners but may be constrained by high employment/low participation (ii)

A Need to Support People into Work

90,900 working-age adults economically inactive across the region; 18,900 want a job

Consultations highlight the importance of “soft skills,” work readiness, and confidence as important in helping people move into work

Across the region
18,900
 economically inactive
 working age (16-64)
 adults want a job



Expected Growth in FE Demand

Additional FE places needed when considering population growth

Factoring in historic participation rates limit growth

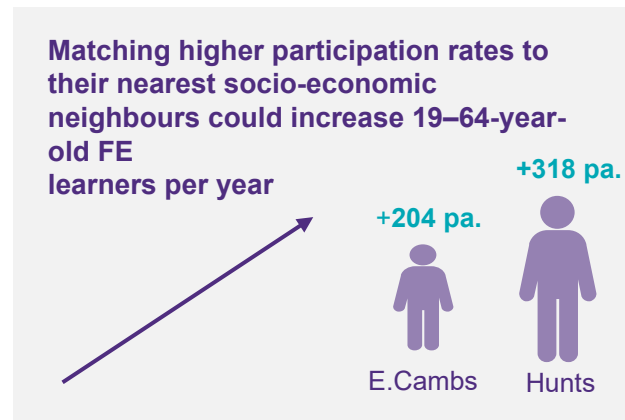
Expected ↑ per annum	E. Cambs	Hunts
Students	+ 36-96	+ 19-168
Sixth form places	+ 25	+ 50

Population growth will create new learners but may be constrained by high employment/low participation (iii)

Participation in FE

C&P has the lowest FE participation rate amongst devolved regions

Matching higher participation rates to nearest socio-economic neighbour could increase 19–64-year-old FE learners in both Huntingdonshire and East Cambridgeshire.



Accessibility and awareness are impacting on take-up of existing FE provision

- Residents and business had **limited awareness** of FE opportunities
- Transport routes and timings were seen as a **barrier** and additional cost for providers
- Potential for **accessibility improvements** from the launch of the £1 bus fare and an interest from providers to explore satellite provision
- Half of the providers that responded to our survey (11 total) operate at 80%+ **capacity**
- Providers expressed concerns about the **viability of existing provision** with additional provision due to student numbers and recruitment of teaching staff
- Providers identified challenges from a **lack of investment in facilities** – in terms of repairs, upgrades and creating flexibility of space
- Several plans to **expand existing provision**, including:
 - East Cambridgeshire Training Centre in Soham for lifelong learning and skills
 - LSIF funding supporting a range of green tech initiatives

OPTIONS FOR CHANGE

NOT mutually exclusive

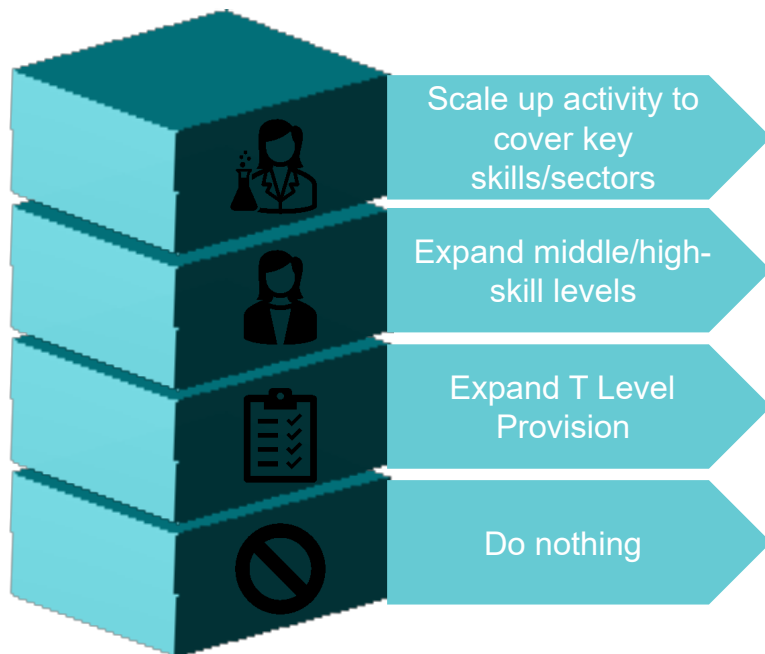
To note:

- Objective of this work is to provide an evidence based on the current & future need for FE provision
- Our recommendations don't include any strategic ambitions that the Committee and CA may want to consider

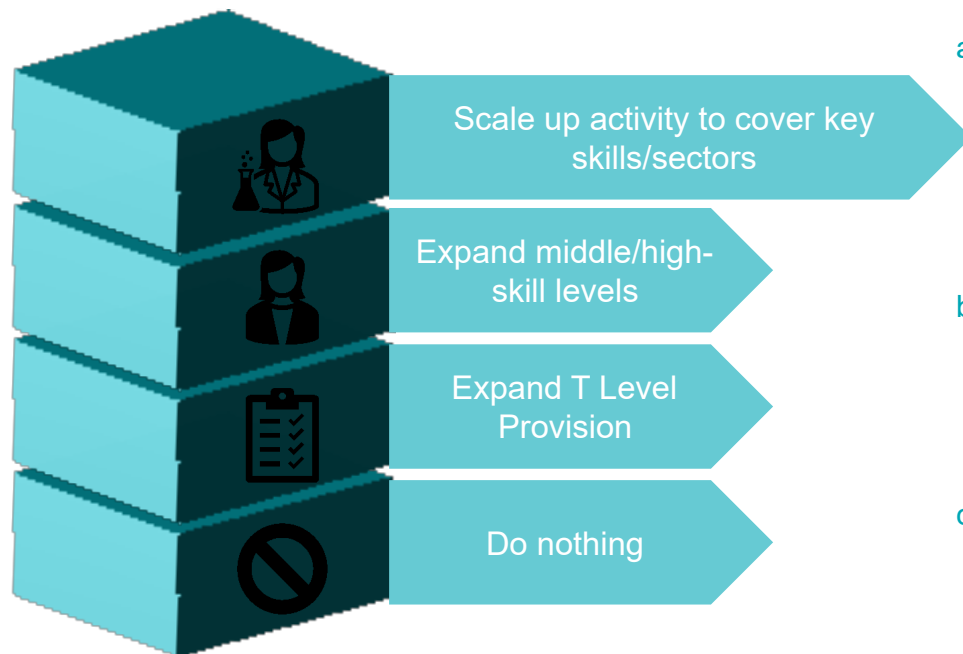
Overarching assumptions:

- That there is consistent and strategic delivery of skills across the regions
- Enablers around transport and awareness are managed

What needs to be done? Four emerging options

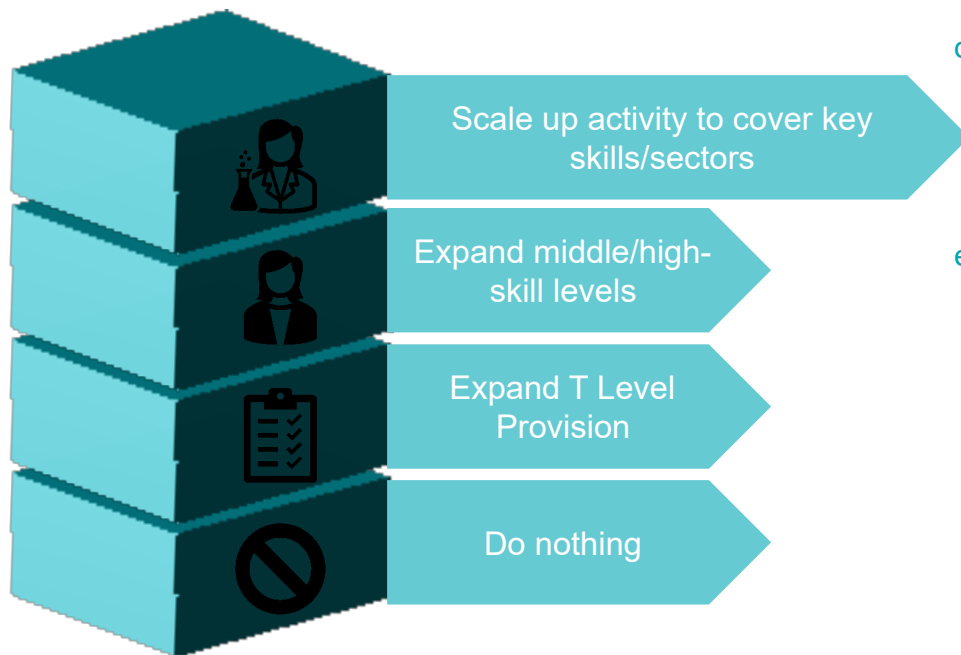


What needs to be done: Option 1



- a) **Entry level/work ready skills with a holistic wrap around:** providing soft skills and supporting people into work
- St Neots: any new offer should complement existing similar provision
 - E.Cambs: need to consider the potential new Training Centre in Soham
- b) **Specialist provision in health, social care and education:** building on sector strengths and meeting future need
- St Neots & E.Cambs: strong evidence of need which should be considered in tandem to existing provision to ensure complementarity
- c) **Specialist provision in tech/digital/AI:** to meet future growth and support reskilling/upskilling
- St Neots & E.Cambs: moderate evidence of need specific to place/different to needs across the region

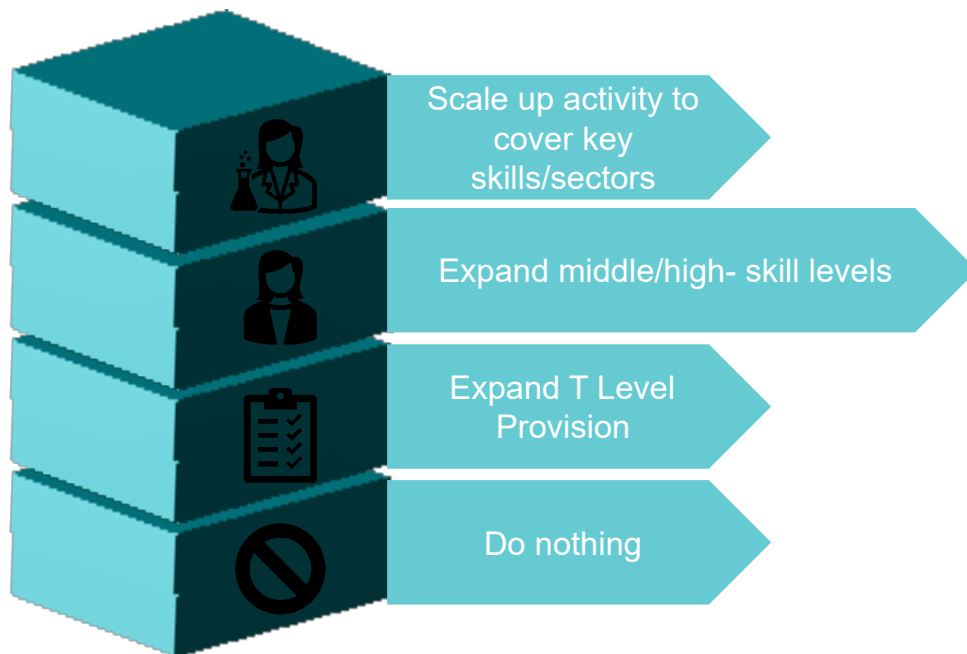
What needs to be done: Option 1



- d) **Specialist provision in construction & green skills:** to meet future growth and support net zero transition
- St Neots & E.Cambs: weak evidence of need specific to place/different to needs across the region, particularly given recent LSIF funding
- e) **Specialist provision in arts & culture:** small but growing sector with currently limited provision across the region
- St Neots & E.Cambs: moderate to weak evidence of need but possibility to support other sectors through transferrable and softer skills could be explored.

What needs to be done:

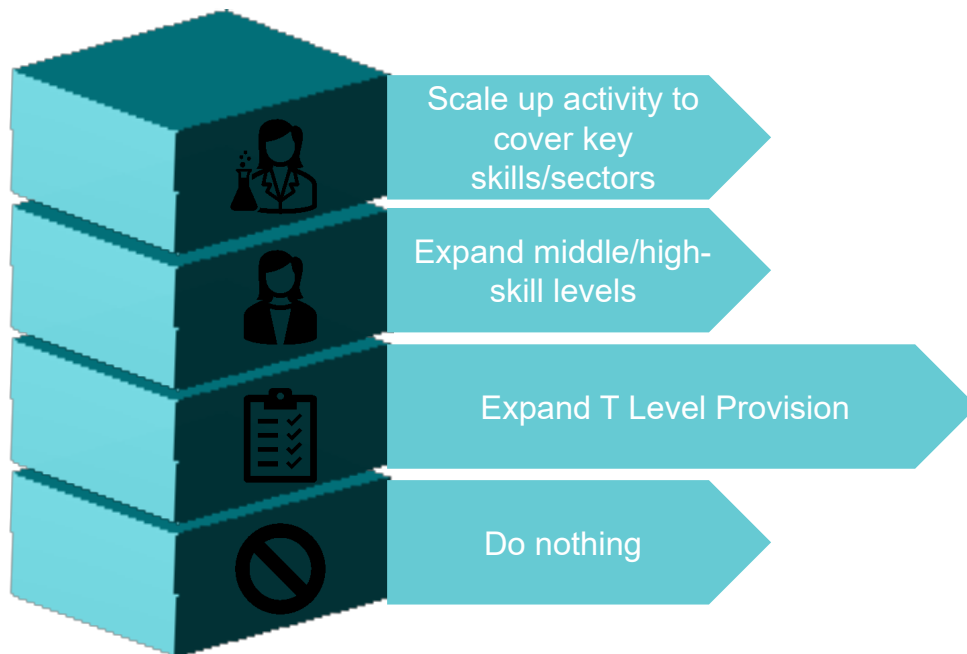
Option 2



To retain talent in the local area and support residents to compete for jobs in an increasingly high-skilled economy

- St Neots & E.Cambs: strong evidence of need, particularly in subjects where regional provision is low (e.g. business, admin and law; engineering and manufacturing)

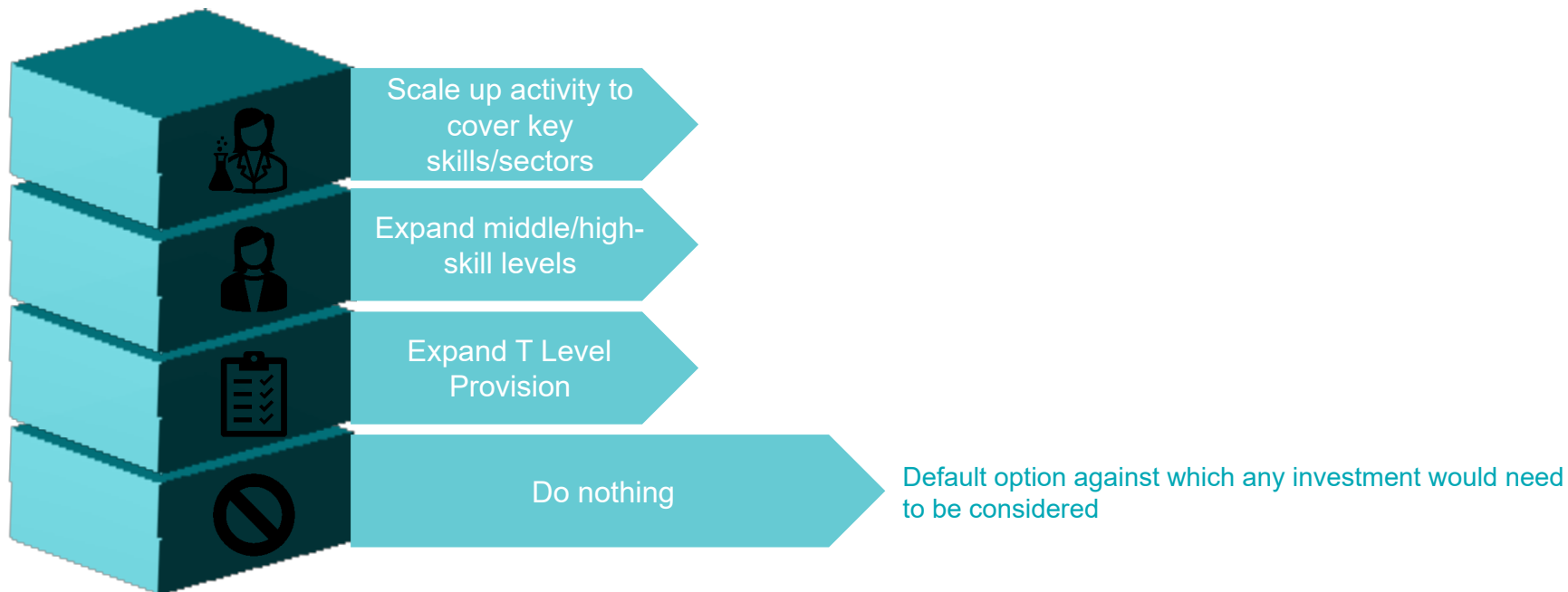
What needs to be done: Option 3



To respond to the evolving industrial base

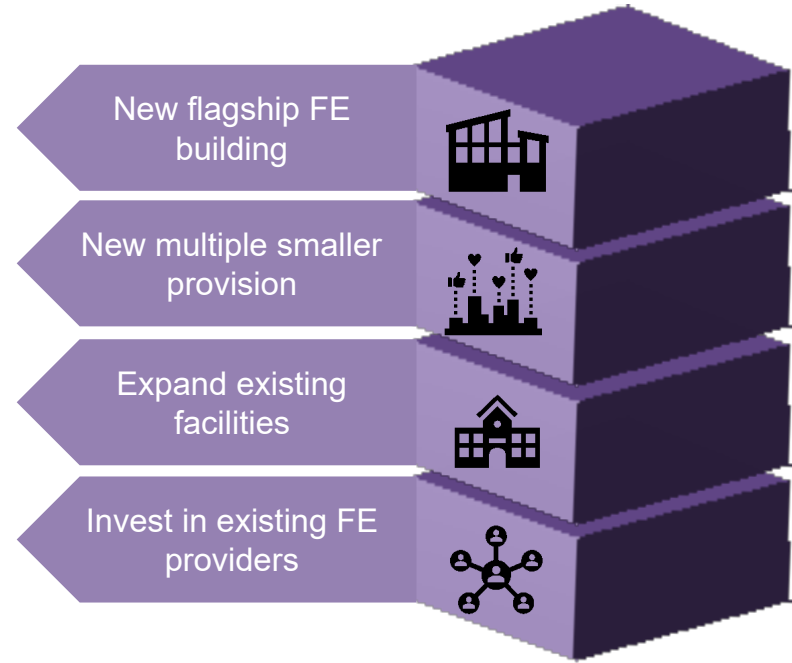
- St Neots & E.Cambs: moderate evidence of need, but potential issues of T-Level integration with wider education system

What needs to be done: Option 4



What are the options for how best to do it?

4 potential options

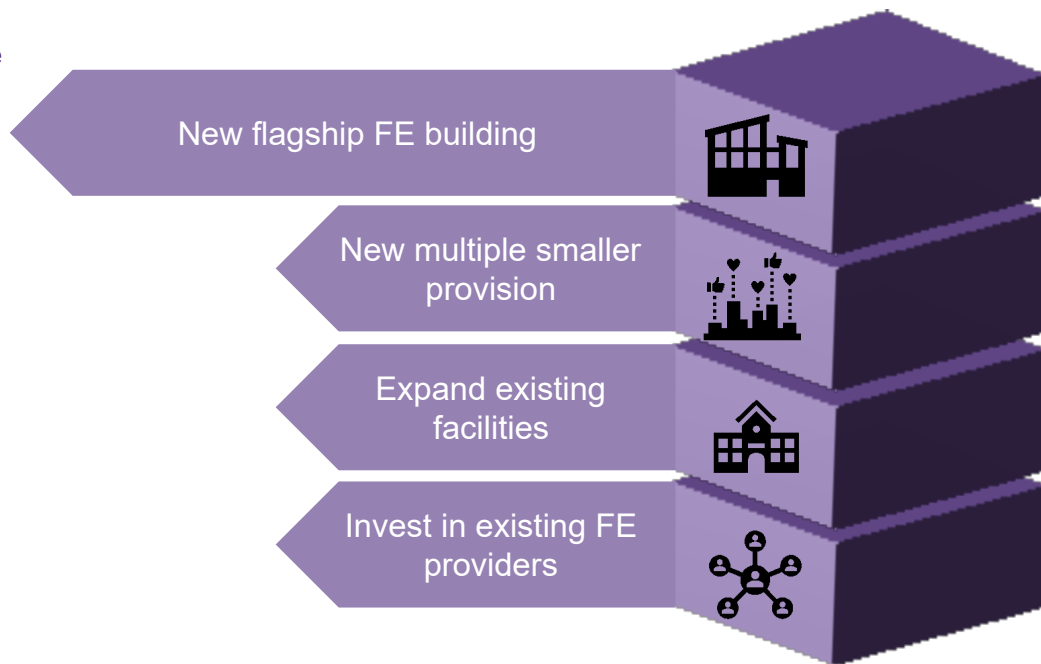


What are the options for how best to do it?

Option 1

Create a new flagship FE building that is capable of offering multiple subjects at a range of different skill levels

- St Neots & E.Cambs: expected learner numbers unlikely to justify the financial viability (at least in the near term)

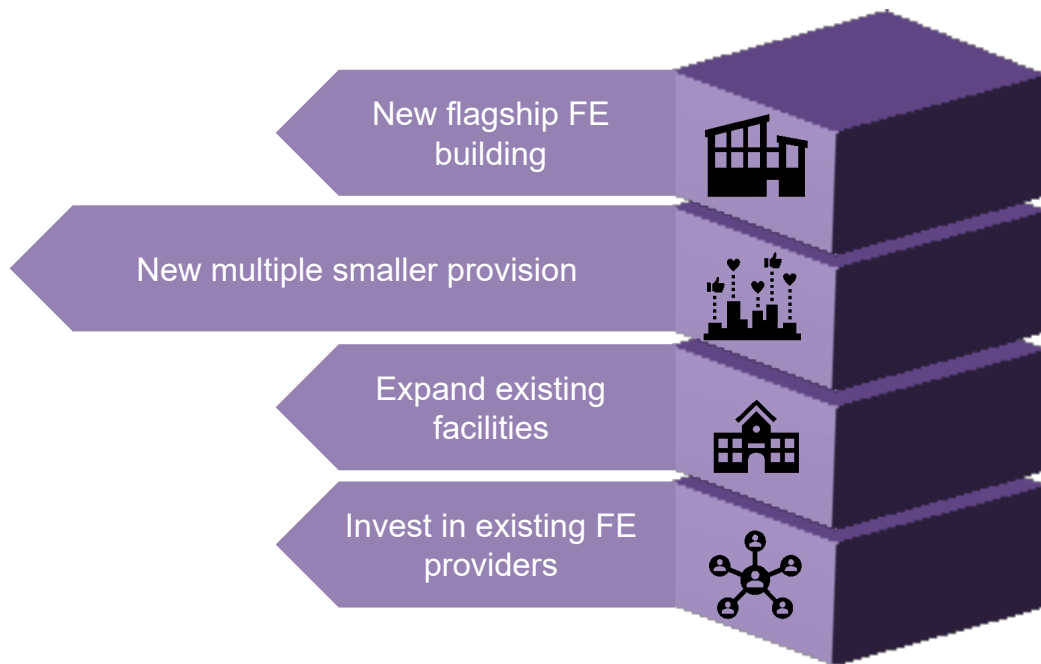


What are the options for how best to do it?

Option 2

Develop new multiple smaller provision that is focused on specific subject areas

- St Neots & E.Cambs: upper estimates of growth in learners numbers could make this viable, especially if sites are in close proximity and fixed costs can be shared across sites/providers

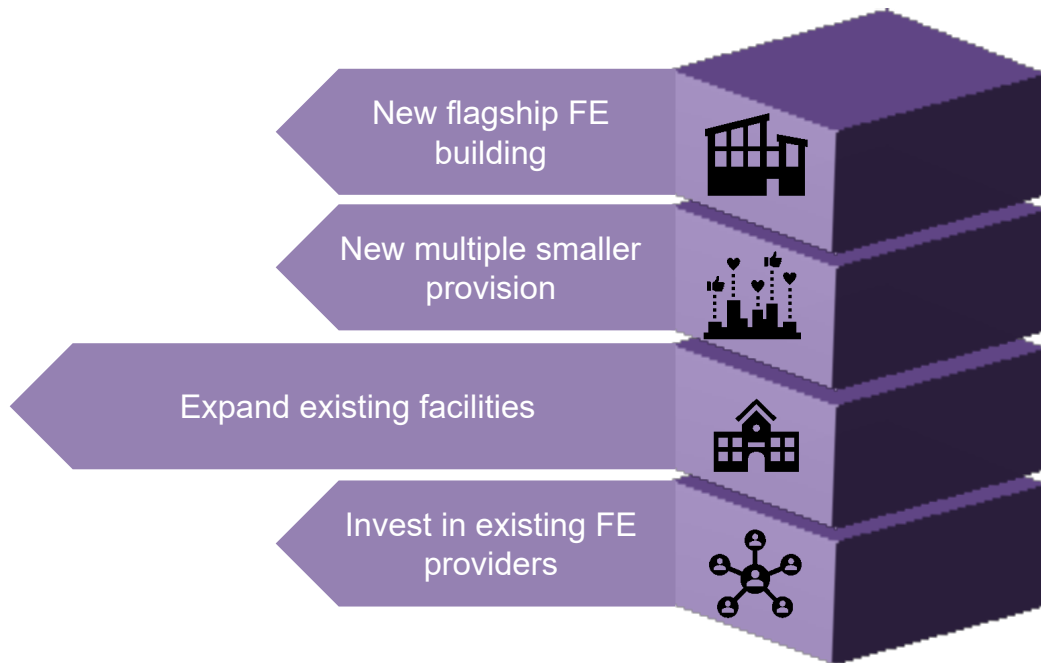


What are the options for how best to do it?

Option 3

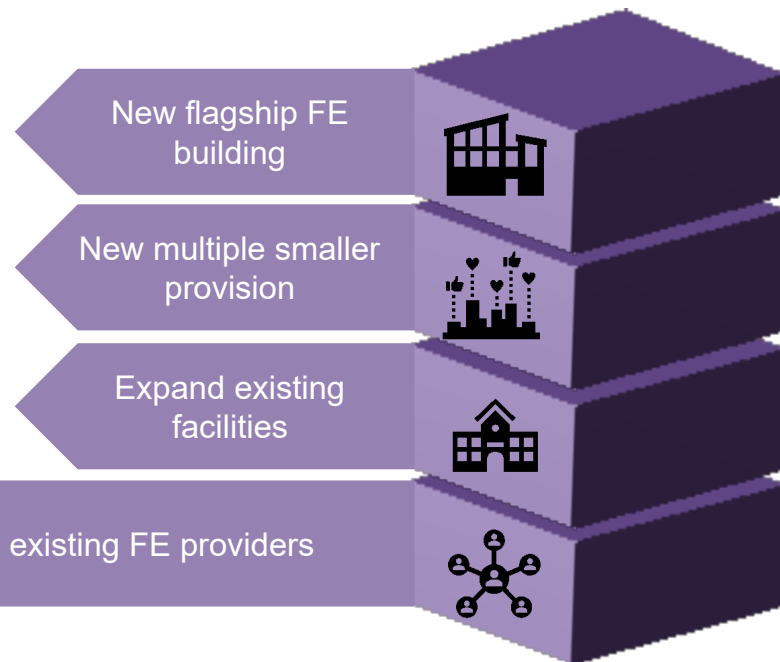
Expand existing facilities in St Neots and East Cambridgeshire to enable delivery

- St Neots & E.Cambs: this could deliver economies of scale and support viability



What are the options for how best to do it?

Option 4



Invest in existing FE providers around Cambridgeshire and Peterborough

- St Neots & E.Cambs: this could be a viable option but would not necessarily address the needs of residents in/around St Neots & E.Cambs – noting that investment in CRC's Huntingdon Campus could benefit St Neots.

Next steps

Recommendations

- To note Grant Thornton's independent Feasibility Report and accompanying papers, into FE Cold-Spots in East Cambridgeshire and St Neots
- Recommend that the Combined Authority Board accepts the proposal to create an Investment and Implementation Plan including a call for skills capital projects, with investment into skills capital in existing FE providers around Cambridgeshire and Peterborough funded from the remaining FE cold-spots budget
- Recommend that the Combined Authority delegate authority to the Assistant Director of Skills and Employment to develop the criteria within the proposed Investment and Implementation Plan.
- To note a progress report that will be brought to a future Skills Committee

To note: Grant Thornton have been commissioned to undertake phase 1 and phase 2 of this work and are poised to proceed with leading the investment and implementation plans within the next 3 months.



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