

Skills & Employment Committee

21 October 2024

Title:	In-Year Performance Review: Skills Funded Provision 2023-24		
Report of:	Andrea Wood, Assistant Director, Employment and Skills		
Lead Member:	Cllr Lucy Nethsingha, Lead Member: Skills		
Public Report:	Yes, but with exempt appendix NB. Appendix 1 is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed. This is because data has yet to be formally verified by the Education & Skills Funding Agency.		
Key Decision:	No		
Voting Arrangements:	No vote required		

Recommendations:

A For Members to note and comment on the update provided within this report

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

- ✓ Achieving ambitious skills and employment opportunities
- ✓ Achieving good growth
 - Increased connectivity
- ✓ Enabling resilient communities
- ✓ Achieving best value and high performance

The Combined Authority's devolution agreement and commissioning of skills programmes contribute to the above strategic objectives, aligned to the pillars within the Employment and Skills Strategy (2022):

- **Pre-work learning and formal education**: improving learning and experiences of work, including quality careers information, advice, and guidance, during formal education; providing a strong foundation for labour market entry and future working lives.
- **Employer access to talent:** developing priority skills that support sustainable growth, improving employers' engagement with education and improving job quality.
- **Life-wide and lifelong learning:** improving access to life-wide careers guidance and a rich learning and skills offer to upskill and reskill residents through their life-course.
- **Support into and between work:** Supporting unemployed residents to transition into training and then employment and support to disadvantaged groups to access the labour market.

1. Purpose

- 1.1 This report supports the Committee in their oversight of the Combined Authority's funding and delivery of Skills programmes. It is part of an on-going reporting cycle via the Skills and Employment Committee in furtherance of our Single Assurance Framework (SAF).
- 1.2 This report also allows the Combined Authority to demonstrate accountability and transparency to residents and stakeholders.

2. Mid-Year Performance report 2024

2.1 **INTRODUCTION**:

This paper is a mid-year performance review for 2024 that captures outputs between September 2023 and June 2024.

We are observing some positive trends within our region relating to skills programmes. Year-on-year we are seeing an increase in learner numbers, increased variety in the offer of Skills Bootcamps and the performance of our Careers Hub continues to rise. We are also seeing an increase in the number of learners undertaking provision at level 2 or above, supporting the regional need to offer higher skilled jobs.

2.2 ADULT EDUCATION BUDGET (AEB):

Background: Under the CPCA's Devolution Agreement of 2017, the Adult Education Budget (AEB) was fully devolved to the Combined Authority. This translates into a c£12m annual budget which now reaches approx. 10,000 learners per year. AEB funds qualifications for up-skilling and re-skilling residents, supporting them into, and between work. It also promotes lifelong learning opportunities which help eligible learners engage in learning, build confidence, and enhance wellbeing. In addition, devolution affords the Combined Authority additional flexibility to offer region-specific learning – e.g. full funding for everyone for the first Level 2 and 3 qualifications, full funding for English for Speakers of Other Languages (ESOL).

Progress: (August 23 - June 24) Learner numbers are now continuing to build; we have surpassed the 10,000-learner milestone for the academic year 2023/24, continuing the trend for a year-on-year increase in resident participation. Spending to date during the 2023/24 academic year has also increased, reaching £8.9m so far compared to £8.5m for the entirety of 2022/23.

Encouragingly for 2023/24, the majority of learner enrolments have been at Level 2 (37.2%) which is supporting a higher skilled population, the need for lower-level qualifications is also being met by the funding with 31.1% accessing Entry Level qualifications and 24.9% undertaking provision at Level 1.

There has been an increased focus on closer working with DWP and the Job Centers, specifically the Sector-Based Work Academy Programme to assist with progressing CPCA residents into work. There has also been a revised approach to working more closely with wider stakeholders such as Economic Development Officers and Housing Associations via our skills Provider Forums. These relationships are intended to increase provision by raising awareness of the value, benefits and opportunities.

Increased local flexibility has also allowed us to provide greater support to learners from less advantaged backgrounds. Comparing the 2023/24 R10 to the 2022/23 R10 period, the number of ESOL Adult Skills enrolments has risen by 15% (+549), while the number of ESOL Community Learning enrolments has increased by 75% (+475). These increases in ESOL participation across both Adult Skills and Community Learning have been largely driven by refugee resettlement programmes, such as Homes for Ukraine.

Looking ahead:

Adult Education Budget (AEB) is now known as the Adult Skills Fund (ASF). Community Learning is now known as Tailored Learning. Both changes have been made by the Department for Education.

Future Commissioning:

All current contracts with learning providers will end on 31 July 2025. Work is now underway to successfully plan for the commission of the adult skills fund, including Tailored Learning from 1 August 2025 to 31July 2028. Further information on this will be shared with the Committee in October.

Wider Outcomes Framework

Throughout 2024-24 the CPCA will introduce a Wider Outcomes Framework across all Community/Tailored Learning activity. This will enable the authority, providers and learners to better evaluate the broader impact of learning on health and wellbeing, employment and community.

For CPCA, the Framework will:

- strengthen understanding across the combined authority of the ways in which the devolved ASF supports delivery of its wider strategic priorities.
- contribute to the development of a robust evidence base to inform and underpin future commissioning decisions.
- help to show the value of place-based approaches to the funding and planning of adult education and skills.
- enable performance to be benchmarked against national data and potentially against that of other MCAs.

For education and training providers, the Framework sets out what outcomes data needs to be collected and reported to CPCA, and when and how that is to be done. The evidence collected can also feed into and enhance providers' existing planning and quality improvement processes.

For learners the Framework encompasses a range of data collection methods that will support them to recognize and articulate how learning has helped them in different aspects of their lives.

Continuous Improvement of Adult Skills

A holistic assessment of commissioning and performance management of the adult skills fund and a quality improvement plan are needed. The Assistant Director for Skills and Employment will lead this work to ensure the CPCA achieves its objectives for Skills and Employment and can clearly evaluate the impact of the provision delivered across our region.

2.3 FREE COURSES FOR JOBS (FCFJ): (August 23- June 24)

Background: 'Free Courses for Jobs' are Level 3 courses that were introduced by the government in 2020 to help adults aged 24+ who had not previously achieved a Level 3 qualification. Courses are free for unemployed residents and those in-work who earn less than £22,500 in 2023/24 academic year.

The CPCA had an allocation of £869,050 for the 2023/24 academic year, and this is commissioned through the same processes as AEB provision. The funding and reporting methodology are the same as AEB.

Progress:

Free Courses for Jobs (FCFJ) has not performed as well as profiled. There has been a 12% decrease in enrolments onto FCFJ in 2023/24, reducing from 545 in 2022/23 to 482 in 23/24. Based on our estimates (pending final claims), we will not spend the full funding allocation of £869,050 by the end of the academic year (31.7.24). Over the past three years, learning organisations have expanded their capacity to develop the Level 3 offer, but the scalability has been slow, and won't be realised before the end of the academic year. The top five sector subject areas are Health, Public Services and Care, Construction and the Built Environment, Business Administration and Law, Engineering and Manufacturing Technologies, and Information and Communication Technology.

Challenges and looking ahead: One of the Independent Training Providers delivering Free Courses for Jobs (FCFJ) has exited the market, with their performance absorbed by other providers. A key challenge highlighted previously by providers was the low wage threshold of £22,500. This threshold has been raised to £30,491 for the 2024/25 academic year, which is expected to lead to an increase in enrolments for Free Courses for Jobs. Learners who meet the CPCA residency eligibility criteria, aged 19 and over, and earn below the new threshold or are unemployed can receive full funding.

2.4 **MULTIPLY (Aug 23 – June 24)**

Background: Multiply is a three-year programme which started in March 2022; it was one of the first priorities of the UK Shared Prosperity Fund. Designed to improve adult numeracy skills, each Local Authority area and all Mayoral Combined Authorities were given a three-year funding allocation – for CPCA this was c£4m over the period of the programme.

Progress: For Year 2 of the Multiply programme (April 2023 - March 2024) participation of learners in substantive learning was 151% of the target, with providers reporting 2,690 learners taking part.

The most popular interventions and those with most learners were aimed at improving number confidence (671 learners), progressing people towards completing Functional Skills qualifications (476) and supporting employees with specific skills required for their workplaces (410).

Providers reported 1,697 residents engaged with Multiply through outreach work such as Open Days, tasters, roadshows, the Multiply Bus, an innovative 'escape rooms' initiative and other activity delivered by learning organisations. We also continued to contract with National Numeracy UK who engaged learners online through their National Numeracy Challenge and trained 33 Numeracy Champions – individuals who promote, support and encourage schemes, tutors and participants themselves.

Challenges: External audits and quality assurance were conducted on 4 providers in Year 2 and this has highlighted areas of non-compliance with the Multiply funding rules. Issues identified have included incorrect checks being undertaken for learner eligibility at enrolment, meaning there is a risk that that could result in an overclaim of funding. CPCA is in the process of introducing more robust quality assurance measures to make sure this does not happen again.

Looking ahead: We are now well into the final year of Multiply which will end in March 2025. The DfE envisages a legacy for Multiply and all providers are encouraged to contribute to consultations as to what this may look like in practice. An example of this is one Independent Training Provider has already adopted some of the Multiply teachings and resources within their Employability provision to help individuals with work-based numeracy skills and confidence

2.5 **SKILLS BOOT CAMPS**

Background: Skills Bootcamps are flexible training courses for adults aged 19+, lasting up to 16 weeks. They are part of the government's commitment for individuals to be able to access lifelong learning. The courses are free for learners who are self-employed, unemployed, or looking for a career change. For those in work, employers can access up to 90% of the cost of Skills Bootcamps to upskill their staff.

CPCA Funding (Received / Bid)

2021/22 (Wave 2) = £1.8m

2022/23 (Wave 3) = Original grant value £4.9m, reduced to £2.1m (see below)

2023/24 (Wave 4) = £2.8m

2024/25 (Wave 5) = £2.9m

2025/26 (Wave 6) = £ 3.1m, pending approval of bid.

Progress:

2021-22: The Combined Authority worked with three Training Providers to deliver Skills Bootcamps at Level 3 or equivalent (i.e. A Level standard) in Digital sector provision, one of CPCA's priority sectors. Provision was delivered across the East of England.

2022-23: Unlike in the previous year, delivery was focused solely on the CPCA area and, working with 11 training providers, delivered learning across a broader range of learning Levels and sectors (Level 2 GCSE equivalent, up to Level 5 Foundation Degree equivalent). CPCA's original grant funding of £4.9m from DfE was reduced to £2.1m due to difficulties attracting bids from Training Providers (see Challenges below).

2023-24: The Combined Authority secured £2.8m in grant funding and has further increased the range of provision to include courses such as Level 3 and Level 5 Leadership and Management, Level 3 Care, and Level 2 Insulation Installation. This is an ongoing project until January 2025 as DFE extended the funding rules to give providers longer to deliver training and this therefore extended the outcome claims period.

2024-25: £2.8m was secured for the 2024-25 FY to support 845 learners, across provision including: Project Management, Introduction to Engineering and Leadership and Management.

2025-26: A bid is currently being developed to secure a further £3.1m to support 950 learners during the 25/26 FY. Commissioning will commence in early 2025 and will allow for a continuation of current provision with the intended further expansion into Engineering and Care sectors.

Challenges: Skills Bootcamps were introduced during a global pandemic and is a different approach to the funding of adult skills, which requires time for the market to adapt, build pipelines and engage both learners, businesses and wider stakeholders to allow the offer to become business as usual. There are also structural challenges; Training Providers can bid directly to the DfE for a national contract, and they can also bid directly to any MCAs, LEPs, and Local Authorities. Annual funding, and the wider governance and contracting associated with year-on-year settlements reduce efficiencies and make it challenging to attract Providers who may not have existing capacity or resource in place to develop and deliver this provision.

As a result, the CPCA has experienced some difficulties in attracting Providers, which was reflected nationally and reduced the funding allocation in 2022-23 from £4.9m to £2.9m. There is an ambition to grow this allocation and through good levels of performance and enhancements on year-on-year funding, we hope to build a pipeline aligned to our labour market to enable greater funding to the region. The Department for Education are content with our performance and have used examples of our innovative delivery as a showcase for best practice. This showcase has included an example of a partnership between ARU-P and Anglian Water which saw 18 people enter the programme to upskill in Project Management, delivered by ARU-P. Historically, there has been little involvement with Universities delivering Bootcamps and this has garnered interest by colleagues at DfE. Following a 12 week course, all 18 individuals were retained by Anglian Water and employed to work within Anglian Water's @one Alliance partnership.

Looking ahead: The Combined Authority has submitted a proposal to the Department for Education for funding of £3.1m for the 2025/26 FY. We believe this takes realistic account of the capacity challenges set out above. We expect an update on the proposal's outcome after the autumn financial statement.

2.6 CAREERS HUB

Background: The Combined Authority have had a contract with the Careers and Enterprise Company since 2018 to deliver a service across the region that drives Careers Education across the region. The Careers Hub works with employers, mainstream schools, SEND, Further Education and Alternate Provision to support greater collaboration to improve careers programmes and drive progress against the Gatsby Benchmarks. The Careers Hub works at an institution level and currently support all 76 eligible institutions made up of mainstream schools, SEND, Further Education and Alternate Provision.

This is achieved by enabling schools and colleges and their Careers' Leaders to access training and support, share best practice, access local labour market insights with direct support of an Enterprise Coordinator who is employed by the Careers Hub. Each educational institute is matched with a business volunteer and is given access to a wider employer network to ensure the voice of business is at the forefront of their Careers programmes.

In January 2024, the Careers Hub team transferred into the CPCA, coming under direct CPCA leadership as the Growth Works service came to an end.

Progress: To July 2024

Whilst the full year's data is not yet complete, early indications are that the Careers Hub is on target to meet all contractual KPI's. Wider work that has been carried out by the Careers Hub includes, but is not limited to:

Update of teaching resources, including a Labour Market information slide deck which is issued to all Careers Leaders as a teaching resource, which focuses on key priority sectors in the region. Cornerstone Employers are representative of our sectors featured within the deck, highlighting their outreach programmes, pathways into the sector, information relating to salary and growth potential. Creation of Green Skills resources for curriculum teachers to increase students' knowledge and understanding of the skills needed for the Green Economy. This also includes information on the direct and indirect green jobs in the region, employers that are driving the green economy and how specific curriculum areas will support the development of skills employers are seeking.

Teacher Encounters were hosted at Bowmar and Kirkland where teachers gained insight into the construction sector. This was a half day event hosted onsite and supported teachers in increasing their understanding of the occupations and roles offered by the sector, the technical and academic pathways available to support those wishing to access the sector and progression opportunities on offer. Teachers also had the chance to meet those working in multiple roles and resources were issued to support the contextualising of the sector back in the classroom.

A video was created to support young people with special educational needs in understanding the potential work opportunities available to them in the NHS, an agricultural company and hospitality. The videos aimed to inspire and support those young people looking to transitioning for school. The video also promoted the benefits of diverse recruitment to wider employers in the area.

Careers Conference hosted at ARU-P which saw over 100 employers, educators an wider stakeholders come together to hear from inspiring speakers, attend informative workshops and network to inform and improve their Careers programmes.

Completion of the "Start Small Dream Big Primary Programme" which offered 65 primary schools in the region the opportunity to undertake 30 hours of Careers Related CPD, which was then embedded into their Careers Programmes at school which were designed to inspire and tackle bias during children's formative years. The programme also saw each school access support in arranging employer-led activities for the benefit of their pupils. The Community of Practice will continue allowing teachers the opportunity to network and collaborate on a termly basis.

Challenges: Capacity issues within schools continue to be the biggest challenge. Careers Leaders are time poor and seldom a dedicated resource (some spending only one hour a week on this activity). As a result, it had not been easy to engage Careers Leaders in Hub events such as Teacher Encounters and wider CPD events. There have also been many new Careers Leaders appointed over the last year, who require time to become experienced and confident within the role.

Looking ahead: The Careers Hub will continue to build upon the success of the 23/24 academic year, via focused activity on supporting schools to progress in line with the Gatsby Benchmarks. Activity within the Careers Hub will be based on the following 5 priorities:

- Improve careers provision in schools and colleges against the Gatsby Benchmarks.
- Provide more high-quality experiences with employers for students and teachers.
- Amplify apprenticeships, technical and vocational routes.
- Target interventions for economically disadvantaged young people
- Connect careers provision in schools and colleges to the needs of local economies.

Contractual KPI's will be increased over 2024/25, and the Careers and Enterprise Company have introduced the Careers Impact System, a system designed to drive quality and move organisations with 7+ Gatsby Benchmarks beyond Gatsby, using Careers to drive quality and wider school improvements.

2.7 | EUROPEAN SOCIAL FUND: STAR HUB PROJECT (Growthworks with Skills - GWwS)

Background: Launched in 2021, GWwS is delivered as part of CPCA's wider Business Growth Service with the ambition of connecting small and medium enterprise businesses (SMEs) with local skills provision. The service had 4 Leading Indicators against which performance is monitored; two of which are contractual in relation to our ESF funded status, they focus on SME engagement and participation. More widely, the service is also measured against two other generalised skills indicators; to influence and instigate the creation of apprenticeships, and 'in-work' skills development opportunities. There is no restriction to size or sector of business in respect of these two wider outputs.

		ESF Contractual (Min 85% Achievement required)		CPCA Set KPIs	
		SMEs Engaged in Skills Needs Analysis	SMEs Instigating Skills Action Plans	Apprenticeship Opportunities Created (All businesses)	Learning Outcomes (All businesses)
Overall Performance to end of project Dec 31st 23	Overall Target	276	207	1,400	1,705
	Actual Achievement	268 (97%)	196 (95%)	804 (57%)	1777 (104%)

The service also created 78 additional job/employment outcomes which are not captured within either KPI set.

The service actively supported more than 400 employers across the combined authority, of all sizes and sectors, the majority of which were small or medium sized businesses

Launching this service during Covid and the immediate aftermath of the pandemic was challenging given that participation in education and skills was very significantly reduced across the UK, as was the number of apprentices being hired which significantly impacted achievement in increasing the number of newly created apprenticeships.

2.8 **APPRENTICESHIPS**:

Apprenticeships are a core part of the government's skills agenda and integral to growing the economy, creating better paid jobs and opportunity right across the country.

Following the Apprenticeship reforms and the expansion of Apprenticeship Standards, 70% of occupations can now be entered via an apprenticeship, and an Apprenticeship pathway is becoming the choice for many people.

Whilst the Combined Authority does not have responsibility for the funding and delivery of Apprenticeships, we monitor performance closely and seek ways to collaborate with partners and employers to encourage supply and demand across the region.

We are observing Apprenticeship starts at a slower rate than pre-pandemic with a decrease in starts observed between the first two quarters of 2023/24 compared with 2022/23. Up to and including Q2 of the 2023/24 academic year there have been 2,964 apprenticeship starts across the Cambridgeshire and Peterborough area which represents -8% drop in starts compared to the same period in 2022/23.

This is against a national back drop of starts decreasing by -4% when comparing up to and including Q2 of 2023/24 to the same period in 2022/23. Looking forwards, we are awaiting further information from the new government about their plans for the skills levy to allow us to consider how this may impact Apprenticeship delivery going forwards.

2.9 UK SHARED PROSPERITY FUND (UKSPF) PEOPLE AND SKILLS PROJECTS

Background: The CPCA is leading on the delivery of 3 region-wide strategic skills projects funded under UKSPF (All age careers Service, Internships, Holistic Skills Brokerage service inc. Region of Learning) as outlined in the region's UKSPF investment Plan.

Collectively, the projects are delivered under the 'Growthworks with Skills' brand and have been developed to ensure the continuity of a region wide 'one stop shop' for businesses and residents looking to upskill, reskill, or gain experience. Projects contribute towards the Combined Authorities strategic ambitions by Increasing connection and cohesion between skills provision and the business community to grow the locally skilled workforce and achieve 'good growth'.

Current activities, as funded by the UK Shared Prosperity Fund (UKSPF) provide the successor to the ESF funded service the funding for which ended on the 31st of December 2023.

Growing the locally skilled workforce:

- Deliver Apprentice growth through increasing support for employers to navigate the system, Enabling SMEs to access greater financial support by developing levy transfer partnerships with businesses such as BBC, John Lewis and COOP.
- Drive job creation and broadening participation in the labour market through funded Internships (50% match funding salary costs)
- Provide 1-2-1 support to help business to identify recruitment and skills development needs and solutions, 'brokering' local support and provision to increase participation and drive the growth of a local, skilled workforce.

Increasing resident access to skills and employment support:

Increasing access to employability support, basic skills and informal learning, building pathways to careers with wider access for those furthest from the labour market by;

- Increasing the availability of high-quality employability support
- Expanding digital badging support offer
- Developing resident information platform to include free to use tools

Progress:

Q1 2024 focus on system and service design, which incorporated the housing of the existing brokerage service, and expanding its approach to incorporate the value-added services that UKSPF will fund such as the addition of the areas all age careers service and funded Internships offer.

Completing the TUPE process for those former staff members employed within the former ESF funded service where roles were successfully matched, alongside recruiting for unfilled roles within a tight labour market was a significant challenge and impacted further on the mobilization challenges outlined later in the update.

As part of the review and overhaul of the service model, significant resource was put into co-designing new service elements whilst robustly refining the existing, with businesses heavily consulted in the development of service offerings and supporting a pilot role out at the beginning of the 2nd Quarter.

The service 'launched' its revised service offer to the business community in partnership with the CPCA GrowthHub and the Cambridgeshire Chamber, as the lead sponsor of the annual B2B expos, the first of which was held in Peterborough in June (approx. 250 delegates)

The service moved towards a BAU offering in Q2, working with a variety of external stakeholders to drive service engagement and profile.

Significant investments have been made in overhauling and updating the services online tools resources and presence, resulting in more targeted information and free to use diagnostic tools being made available to support service users.

Launch of the service toolkit, designed as a practical resource for internal and external professional partners working in an economic development or employability setting.

CPCA managed programme provision has a relationship with Cambs City led Region of Learning project, to drive wider engagement into alternative skills development and informal learning, The service is taking a lead by example approach and has launched its own set of badges to support residents to demonstrate readiness and as well as new skills acquired by residents participating in Internships.

Challenges:

High volume contractual targets combined with the short-term funding assurance of UKSPF has created a challenging environment to establish the service within, requiring the team to mobilise and deliver interventions at pace, has been further exasperated by unexpected delays in recruitment and on-boarding of the delivery team.

Looking ahead:

Q3 launch of all age careers service employability offer, delivered via an external provider (target to engage 300 economically inactive residents into goal and action setting, with a minimum of 25% progression into full time employment)

Development of placed based careers events and activities in partnership with businesses engaged with the service

Ramped up marketing and campaigning activities, built around key messages and events such as B2B North in November

With current UKSPF funding commitments ending in March 2025 and without a clear successor in terms of external funding, A plan has been developed to safeguard the service through funds already ringfenced in the MTFP.

3. Appendices

3.1 Exempt Appendix A: Project Performance Data

4. Implications

Financial Implications

- 4.1 There are no direct implications of this report.
- In the case of under delivery of learner target numbers there is a risk of funding being lost either by claw-back (where it has been received in advance) or not reaching the required spend to draw it down within the funding period.

While this is a direct risk for time-limited funding such as the FCFJ and Bootcamps, the AEB is devolved to the Combined Authority area and subject to more holistic monitoring by DfE so direct clawback is not a risk.

Legal Implications

4.3 The recommendations and activities outlined in this paper are to discharge the Combined Authorities' statutory duties under the Apprenticeships, Skills, Children and Learning Act 2009. Under the devolution agreement of 2016, specified adult education functions from the Secretary of State were transferred to the Combined Authority.

Public Health Implications

4.4 The acquisition of skills improves job outcomes, economic prosperity, health and wellbeing of participants.

Environmental & Climate Change Implications

4.5 No implications.

Other Significant Implications		
4.6	No other significant implications.	
Background Papers		
4.7	Document.ashx (cmis.uk.com)	