



Skills & Employment Committee

20 January 2025

Title:	Adult Skills Commissioning Strategy
Lead Member:	Cllr Lucy Nethsingha
Public Report:	Yes
Key Decision:	Yes
Voting Arrangements:	A simple majority of voting members

Recommendations:

	The Committee is asked to recommend to the Combined Authority Board:
A	Approval of the proposed Adult Skills Commissioning Strategy 2025-2028
B	Approval of implementing three-year plan-led grant funding agreements for FE Colleges and Local Authorities and the WEA subject to DfE funding for the period 2025 – 2028.
C	Approval of the procurement of Independent Training Providers (ITPs) under contracts for services, subject to DfE funding.
D	Approval for contracts for services to be issued over 3 years (2025 – 2028) to bring them in line with grant funding agreements and support sustainability and capacity building within the sector.
E	Delegation to the Assistant Director for Skills & Employment, in consultation with the Chief Finance Officer and Monitoring Officer, to enter into multi-year grant funding agreements and contracts for services for the Adult Skills Fund and Free Courses for Jobs Fund on behalf of the Combined Authority.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):	
x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
x	Enabling resilient communities
x	Achieving best value and high performance

1. Purpose

1.1	To seek approval for the proposed Adult Skills Commissioning Strategy 2025-2028 and to undertake an open and competitive tendering process to procure Independent Training Providers (ITPs) for delivery of training courses funded by the Adult Skills Fund and Free Courses for Jobs Fund. Initial funding of £1.1m ASF and £237k has been identified for 2025-26 and each subsequent academic year until 2028. This funding is subject to DfE funding being awarded to the Combined Authority and is subject to change following final reconciliation processes.
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1.2	To seek approval to implement a three-year, plan-led funding process for grant-funded providers.
1.3	To seek approval to implement a three-year contract for services for procured provision with ITPs.
1.4	To obtain the necessary delegations to the Assistant Director for Skills and Employment to enter into grant funding agreements and contracts for services for a three-year period from 1 August 2025 to 31 July 2028.

2. Proposal

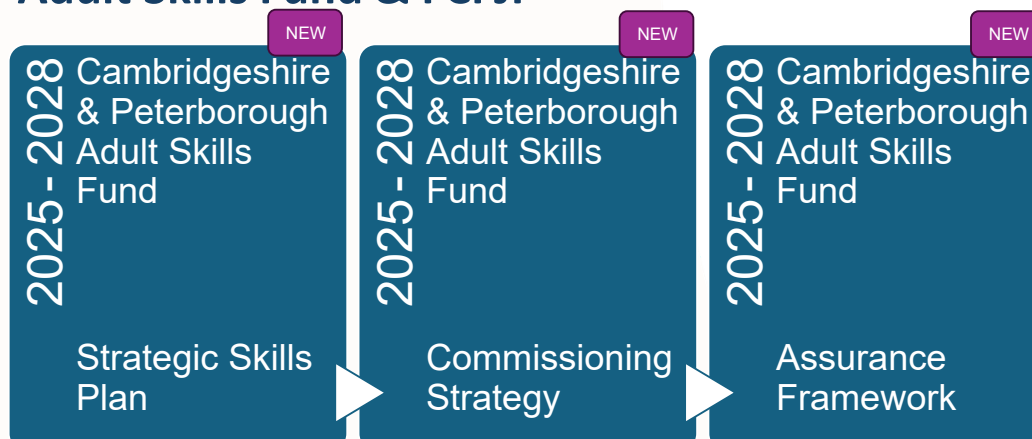
2.1	For the Combined Authority to implement the proposed Adult Skills Commissioning Strategy 2025-2028 by March 2025 so that it is fully operational for the academic year 2025-26 and beyond.
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3. Background

3.1	Under orders from the Local Democracy, Economic Development and Construction Act 2009, adult education functions from the Apprenticeships, Skills, Children and Learning Act 2009 were transferred from the Secretary of State for Education to Cambridgeshire and Peterborough Combined Authority from August 2019. A recurrent ring-fenced budget of approximately £12m per academic year has been transferred to the Combined Authority to discharge the transferred duties.
3.2	The Combined Authority has adopted a dual approach for commissioning the devolved AEB to date; this involves a combination of grant funding agreements for Colleges and Local Authorities and procured contracts for services for private and third-sector training providers. The intention is to retain this dual approach. The current <i>AEB Commissioning Strategy 2020-2025 V2</i> is published on the Combined Authority website and is now outdated. While some changes have been made to the strategy since its original publication, annual commissioning arrangements have been agreed via the Skills and Employment Committee.
3.3	The new Adult Skills Commissioning Strategy 2025-28 is proposed to replace the <i>AEB Commissioning Strategy 2020-25</i> . The revised strategy (Appendix A) sets out a clear and consistent approach to commissioning for Adult Skills, which will be reviewed annually and published on the Combined Authority website. It sets out how the Combined Authority will commission the delivery of skills provision funded through the Adult Skills Fund (ASF) and Free Courses for Jobs Fund (FCFJF), which the Combined Authority expects to be consolidated with ASF from 2026. The Combined Authority continues to receive an annual funding allocation in the region of £12m.

The Commissioning Strategy 2025-28 will be part of a suite of three new key documents:

Cambridgeshire & Peterborough Adult Skills Fund & FCFJF



The proposed **Strategic Skills Plan** will be a new document that includes the following and will be aligned to national policy linked to Post 16 and adult education, as well as the Local Growth Plan, the Get Britain Working Plan, and the Local Health, Work, and Skills Plan.

- C&P Context
- Our vision for C&P
- Economic & Social Challenges
- Adult Skills in C&P
- Strategic Priorities
- Strategic Approach
- Our Approach to Devolution
- Collaboration and Stakeholder Engagement

The Devolution White Paper clarifies the future of Local Skills Improvement Plans. Moving forward, the Combined Authority will commission/co-produce the LSIP with the Employer Representative Body (ERB)—Cambridgeshire Chambers of Commerce. The LSIP will focus on post-16 Technical Education at L3+. The LSIP will be a standalone piece of work, but the analysis outcomes and the identified priorities will be transposed into the Strategic Skills Plan. The intention is to publish version one as soon as possible once it has been seen and approved by the Skills Committee.

The proposed **Assurance Framework** will capture how the Combined Authority will manage performance and quality assurance across the grant awards and contracts for services. It will include details such as:

- Supporting accountability, transparency and value for money
- Performance management
- Governance & Decision Making
- Financial Assurance & Auditing
- Data Management
- Strategic Intent and policies for adult skills
- Funding rules and regulations
- Learner eligibility and entitlement
- Funding rates & formulas

The intention is to publish version one before the end of March 25. This document is not expected to come to the Committee because it is an operational document.

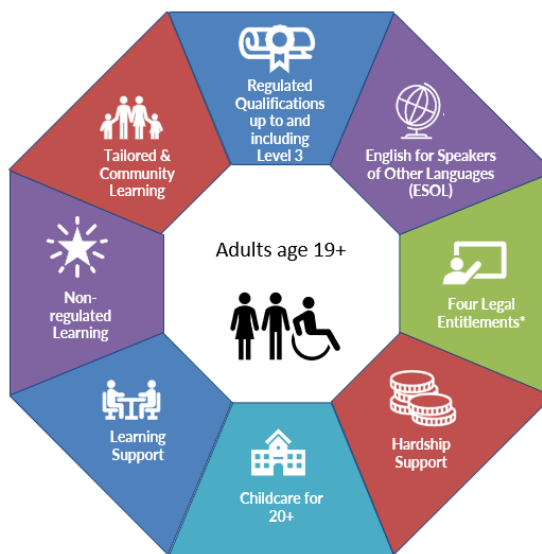
3.4

Adult Skills Fund and Free Courses for Jobs Fund Purpose

The ASF aims to support adult learners (aged 19+) in gaining skills that will lead them to meaningful, sustained, and relevant employment or enable them to progress to further learning that will deliver that outcome. The Funding Rules and Regulations document, published annually for each corresponding academic year, outlines what and who the CPCA funds through the ASF and FCFJF.

ASF will fund accredited and non-accredited provision at Level 3 and below. This includes GCSEs, awards, certificates and diplomas in vocational and technical subjects, and skills for life qualifications in Mathematics, English and Digital. Within the ASF, further learning provision supports wider outcomes, such as improving health and well-being, equipping parents/carers to help their child's learning, and developing stronger communities (Tailored Learning/Community Learning/Non-Regulated Learning). There is flexibility within the funding to enable providers to use it for learning support, childcare costs for learners aged 20+ and hardship payments.

Infographic demonstrating the breadth of what ASF can be used for:



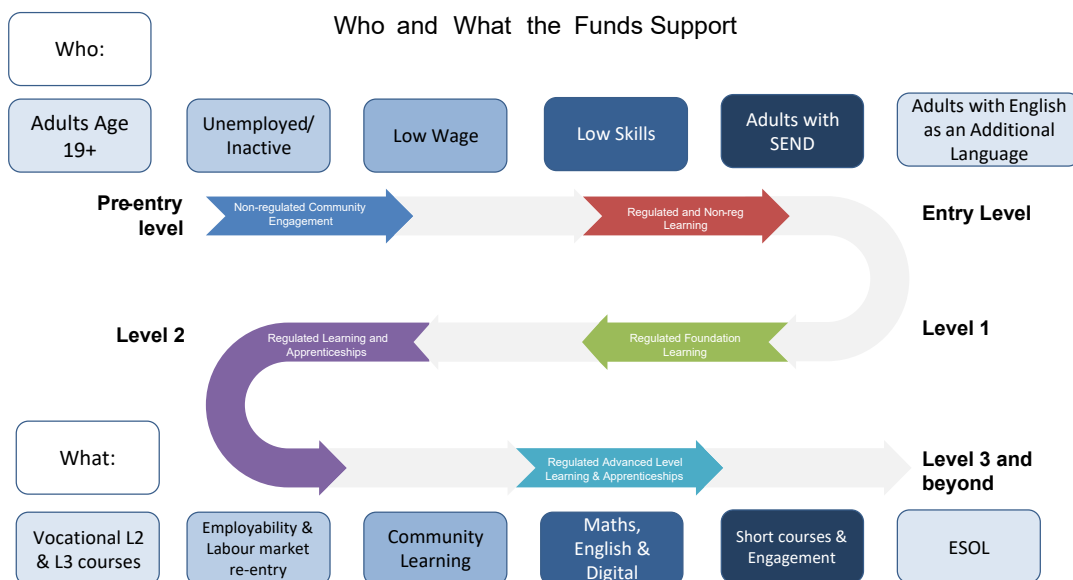
*Legal entitlements in English & Maths, Digital Skills, first full L2 and first full L3

The Free Courses for Jobs Fund is a targeted Level 3 offer to support adults who meet the definition of being below the earnings threshold. The offer includes Level 3 qualifications that will support the development of new skills for adult learners and improve the prospects of eligible adults in the labour market. Eligible adults can now access fully funded level 3 provision from the list of level 3 FCFJF qualifications available via the DfE list of qualifications approved for funding.

Infographic – Adult Skills Fund and Free Courses for Jobs – Who and what the funds support:

Adult Skills Fund & FCFJ Fund

Who and What the Funds Support



3.5

As set out in the revised Commissioning Strategy 2025-26, the strategic use of the devolved ASF and FCFJF will focus on the continued development of a lifelong learning culture, where personal and professional development delivers outcomes for our people, economy, and communities. Funding will be aligned with priority residents and growth sectors (as outlined in the Strategic Skills Plan and Local Skills Improvement Plan) so that everyone can realise their potential, benefit from and contribute to economic and social prosperity and be an active citizen in their local community.

The direct, indirect and wider outcomes that are expected through this approach are:

	<ul style="list-style-type: none"> a) Reduction in skills shortages, gaps and hard-to-fill vacancies. b) An increase in adult learners starting and completing a L3 qualification. c) Strong outputs against the Wider Outcomes Framework for non-accredited learning in areas such as ‘an improvement to mental health or levels of confidence’. d) Improved Adult Learning participation rates in cold spots. e) Reduction in economic inactivity rates (19+). f) Reduction in the number of 18-21yr olds who are Not in Education, Employment or Training (NEET) Particularly in Peterborough and Fenland. g) Maintenance of high employment rates.
3.6	<p>Since the CA Board approved the transitional arrangements for commissioning, following Committee recommendation, work has been undertaken to establish a Dynamic Purchasing System (DPS) that will allow the Combined Authority to assess the market for Independent Training Providers and procure contracts for services. The DPS has been operational since November 2024. Following significant and successful market engagement, a broad range of Training providers have registered, and the Authority is now in a strong position to proceed with the procurement.</p>
3.7	<p>Commissioning Themes</p> <p>Grant-funded providers will be expected to plan and deliver provisions aligned with the Adult Skills/FCFJ funding rules and regulations, the strategic skills plan, and the Local Skills Improvement Plan. They will also be expected to meet the Assurance Framework requirements and demonstrate how they are responding to local skills needs through their annual accountability statement.</p> <p>Grant-funded provision for ASF accounts for 90% of the available funding and 75% of FCFJF. The remaining funding will be commissioned through a procurement exercise.</p> <p>Specification for Adult Skills Procurement:</p> <p>A specification for procurement has been prepared and will seek to procure services within the following four priority lots:</p> <ol style="list-style-type: none"> 1. Youth Offer (19-24yr olds) 2. Skills for Employment (24+) 3. Skills for Growth (Employed Adults aged 19+) 4. Free Courses for Jobs (L3) 19-23yr olds and 24+ <p>The allocation of funding will be based on its availability, including any changes from Treasury Spending Reviews or adjustments to how devolved funding is calculated by the central Government. Current projections indicate a total allocation of £1.1m split across lots 1 to 3 and £237k for lot 4.</p>
3.8	<p>The Combined Authority aims to release the specification (invitation to tender) early to mid-February 2025. Contracts for services should be in place by April 25, which will give providers a good lead-in time to prepare for delivery from 1 August 2025.</p>
3.9	<p>Work is also underway to prepare the plan-led Grant Funding Agreements for the next three years. The Combined Authority continues to work with FE Colleges, Local Authorities, and the WEA to award grants and aims to have signed agreements in place before the end of April 2025.</p>
3.10	<p>The Combined Authority will follow the commissioning cycle set out in the Commissioning Strategy. This allows for consistent monitoring and evaluation of performance. When underperformance occurs, the Dynamic Purchasing System now enables the Combined Authority to be more agile and to go to the market in a timely manner to secure services that will maximise the funding and secure the expected outcomes.</p>
3.11	<p>The Combined Authority expects the adult skills funding landscape to change during the three-year contract period. This may include additional funding. Should this be the case, the Combined Authority will use the Commissioning Strategy to manage additional funding.</p>

3.12	The Combined Authority will continue to retain a management fee of 4.94% from the Adult Skills Fund and 1% from Free Courses for Jobs per annum. This is the same volume of funding that has been retained in 2024/25. The management fee covers pay and non-pay costs for managing the entire ASF and FCFJF, including direct liaison with the Department for Education, data processing and management, and accountability for setting the strategic direction and achieving the proposed outcomes across Cambridgeshire and Peterborough. These management fees are commensurate with the sector and other combined authority approaches to management fees.
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4. Appendices

4.1	Appendix A – Draft Adult Skills Commissioning Strategy
4.2	Appendix B – An introduction to learning levels and their equivalent value

5. Implications

Financial Implications

5.1	There are no significant financial implications to the Combined Authority's budget as the adult skills funding and FCFJF is already ring-fenced. The Combined Authority expects to continue receiving its Section 21 funding letter from the DfE in January/February 2025. There is no expectation for the funding value to be different to previous years.
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Legal Implications

5.2	Future commissioning/tendering processes will comply with the Combined Authority Standing Orders and Public Contract Regulations Act 2015. Commissioning arrangements are congruent with the Combined Authority's Devolution Agreement and Memorandum of Understanding with the DfE.
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Public Health Implications

5.3	No public health implications
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Environmental & Climate Change Implications

5.4	No environmental or climate change implications
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Other Significant Implications

5.5	No other implications
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Background Papers and Publicly available web links

5.6	AEB-Commissioning-Strategy-2020-25-v2 (cambridgeshirepeterborough-ca.gov.uk) AEB devolution: 2022 to 2023 - GOV.UK (www.gov.uk) Devolution: memorandum of understanding and supplementary agreement - GOV.UK (www.gov.uk)
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