



Skills & Employment Committee

20 January 2025

Title:	Further Education Cold Spots
Report of:	Andrea Wood, Assistant Director, Skills & Employment
Lead Member:	Cllr Lucy Nethsingha, Lead Member – Skills
Public Report:	Yes
Key Decision:	Yes:
Voting Arrangements:	A simple majority of Members present and voting

Recommendations:

A	The Skills and Employment Committee are asked to note the progress made towards the establishment of a Skills Capital Grant Funding opportunity to resolve the FE Cold Spots identified by the Combined Authority.
B	The Skills Committee is invited to recommend to the Combined Authority Board: The approval of the proposed Grant Funding approach to spend the £4.5m Capital Investment.
C	The Skills Committee is invited to recommend to the Combined Authority Board: Delegation to the Assistant Director of Skills and Employment, in consultation with the Chief Finance Officer and Monitoring Officer, to enter into grant funding agreements with selected providers on behalf of the Combined Authority.

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

1. Purpose

1.1	To note the progress made towards the establishment of a Skills Capital Grant Funding opportunity to resolve the FE Cold Spots identified by the Combined Authority.
1.2	To discuss and accept the recommendations set out in this paper.

2. Proposal

2.1	<p>Following Board approval in September 2024, the Combined Authority has proceeded to establish a mechanism for skills providers to respond to the identified priorities for FE Cold Spots, as determined through the work of the FE Cold Spots feasibility study, conducted in partnership with Grant Thornton.</p> <p>The secured funding of £4.5m capital investment will be allocated through an open application exercise that will seek to secure providers with the capability and capacity to deliver skills capital projects through grant funding. This will focus on creating more accessible opportunities to learning for young people and adults particularly in East Cambridgeshire and St Neots. An early expression of interest (EOI) phase has returned a set of extremely strong proposals in excess of £11m. This phase has confirmed how the sector has the capacity to meet the cold spots specifically in St Neots and East Cambridgeshire resulting in the full £4.5m to be spent on these two areas.</p> <p>The Combined Authority plans to launch a full application exercise within the second to third week of January 2025. The application window will be open for 5 weeks. A thorough due diligence and application evaluation process will follow with successful applicants awarded their grants in March 2025. Funding is expected to be spent within 12 months with outcomes reported for 3 years following the investment.</p>
2.2	<p>It is proposed that the Assistant Director for Skills and Employment should be awarded the appropriate delegations, in consultation with the Chief Finance Officer and Monitoring Officer, to enter into grant funding agreements with selected providers on behalf of the Combined Authority.</p> <p>The Assistant Director will also be responsible for the monitoring and evaluation of the return on investment and will report this to the Skills and Employment Committee at frequent intervals.</p>

3. Background

3.1	<p>Cambridgeshire County Council published its Post 16 Sufficiency analysis in 2019 as part of their statutory duties, to secure sufficient suitable education and training provision for all young people in the area aged 16-19 or aged 19 to 25 and for whom an Education, Health, and Care (EHC) plan is maintained. Ely and Soham were identified as areas where additional post-16 places are required-</p> <p>In addition:</p> <p>The Combined Authority undertook an analysis of cold spots in relation to adult education when taking control of the budget following devolution. Two potential infrastructure projects in St Neots and East Cambridgeshire were highlighted within the Employment and Skills Strategy, as possible ways to address this deficit. This analysis was shared with Skills Committee at the January 2022 meeting.</p> <p>Huntingdonshire District Council identified the economic benefits for St Neots town centre that a new FE Campus could provide to service demographic growth in the town, with c.5000 new homes at major housing developments at Wintringham and Love's Farm. In addition, as an anchor institution in the regeneration of the town centre to improve street-scene, footfall and be a catalyst for further investment.</p>
3.2	<p>In March 2022, the Combined Authority Board approved an allocation from Gainshare funding for Further Education Cold Spots in the Medium-Term Financial Plan. These allocations are subject to Board approval. Initial funding of £4.8m to pump-prime these projects was secured from the Combined Authority Board in March of 2022. Approval to create a new budget-line in the MTFP and commission consultancy support was agreed at the September 2022 Skills Committee and Board.</p> <p>Approval to allocate £225,000 of revenue funding for Stage One of the project was secured in September 2022 and a funding line was created in the MTFP. The balance of the funding is capital over the subsequent years. Due to slippage in the timelines, carry forward of the funding was requested and approved into the 2023/24 and 2024/25 financial years.</p>

3.3	As reported at the September 2022 Skills Committee meeting, officers met with constituent councils and wider partners to acclimatise the concept. While there was broad consensus among local authority partners for the need for the two projects, FE partners were keen to establish further evidence of feasibility – in particular, viable student numbers, accessible locations with good public transport and evidence of employer demand.
3.4	In December 2023, consultants Grant Thornton were chosen (via a competitive procurement exercise) to undertake an independent (Phase One) Feasibility Study to determine the need for new FE provision in East Cambridgeshire and St Neots. Their report assesses the requirement for additional FE provision and sets out options for consideration.
3.5	In July 2024, the Committee received the findings of the feasibility study. The original intent of the feasibility study was to consider the viability of creating a new flagship FE building that can offer multiple subjects at a range of different skill levels in both St Neots and East Cambridgeshire. The outcome of the feasibility study concluded the need for this option was weak with expected learner numbers in both St Neots and East Cambridgeshire unlikely to justify the financial viability of a significant new build (at least in the near term). While a significant increase in participation rates could make a more specialised new building viable, achieving this would take time.
3.6	In September 2024, following CA Board approval, CA Officers worked 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. This has become the Skills Capital Grant Funding opportunity set out in the proposal.
3.7	On 3 December 2024, the Combined Authority held an early market engagement with providers which showcased the intention for the launch of a Skills Capital Grant Funding opportunity to address the FE Cold Spots identified. Published slides can be accessed in Appendix A. Over 22 people from 18 different providers attended this engagement event.
3.8	On 6 January 2025 a panel of Officers from the Combined Authority, Huntingdonshire DC and East Cambridgeshire Council joined by Cllr Sam Wakeford and Cllr Lucy Nethsingha met. The panel reviewed the 15 expressions of interest that had been received to date and concluded that 12 met the core principles of addressing the FE Cold Spots for St Neots and East Cambridgeshire. Due to the high volume of expressions of interest for projects that would specifically cover the two priority areas, it was decided that future full applications should only focus on St Neots and East Cambs. Had there been a lack of capacity to utilise the funding across these two areas, applications that covered broader areas of the region would have been considered.
3.9	The next steps are to launch a full application process during the second/third week of January 2025 where successful expressions of interest will be invited to submit their full applications. The application window will remain open for 5 weeks. A thorough due diligence and evaluation process will follow.
3.10	Following approval for the Assistant Director for Skills to have delegations to enter into grant funding agreements to the funding value of £4.5m, successful applicants will receive their grant-funding agreements in March/April 25.

4. Appendices

4.1	Appendix A. Early Market Engagement Slides
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5. Implications

Financial Implications

5.1	A budget of £4.8m was allocated, subject to approval, from Gainshare funding for the delivery of the FE Cold Spots programme. A small element of the revenue budget has been spent delivering the feasibility report from Grant Thornton leaving the balance of funding set out below.
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As projects are assessed through the Investment and Implementation Plan, they will then follow the approval route set out in the Single Assurance Framework – as projects are approved, the FE Cold Spots budget profile will be amended to reflect project spend forecasts.

	2024-25	2025-26	TOTALS
FE Cold spots – Capital	£2,400,000	£2,175,000	£4,575,000
FE Cold spots - Revenue	£207,000		£ 207,000
			£4,783,000

Legal Implications

5.2 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.

5.3 The FE Cold spots programme supports our constituent member council, Cambridgeshire County Council in their statutory duties under the Education Act 1996, to secure suitable and sufficient places in post-16 education and training in the area.

Public Health Implications

5.4 The report recommendations have positive implications for public health in the longer-term. Participation in post-16 and adult learning improve the health and wellbeing of participants and wider society. In addition, post-16 funding provides training and qualifications for professionals working in the health care sector as well as short courses for adults on managing physical, mental health and wellbeing.

Environmental & Climate Change Implications

5.5 The report recommendations have positive implications for the environment in the longer-term. If approved and constructed the two new FE campuses will be net-zero and provide positive environmental benefits and promote active travel. Skills training for green jobs and retrofit trades will be provided. environmental or climate change implications

Other Significant Implications

5.6 The recommendations in this report have due regard to the Combined Authority's Equalities duties under the Equality Act 2010 in implementing funding policies and projects which seek to widen participation and make learning opportunities more accessible for all citizens including all protected characteristics.

Background Papers

5.7 [FE Cold Spots Project Initiation Document \(PID\) 4 July 2022](#)

5.8 [FE Cold spots Analysis - Skills Committee January 2022](#)

5.9 [CA Board - March 2022 Gainshare Funding for FE Cold Spots \(App 7 - Summary of Shortlisted Projects\)](#)

5.10 [Addressing FE Cold-Spots Skills Committee Report – September 2022](#)