

**Report To:** Greater Cambridge City Deal Joint Assembly

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## Greater Cambridge City Deal Skills proposals

### Purpose

- 1 To outline for the Assembly potential means by which the skills element of the City Deal can be achieved and to seek views on whether this or another mechanism is the appropriate way forward. This will contribute towards the City Deal objective of creating an additional 420 apprenticeships over five years and increasing the skill levels of the local workforce.

### Recommendations

- 2 It is recommended that the Assembly:
  - a) Notes the potential to introduce the Skills Service model;
  - b) Identifies any alternative models to achieve the skills commitments in the City Deal; and
  - c) Recommends a course of action on skills to the Executive Board.

### Reasons for Recommendations

- 3 The City Deal commits the partners to creating 420 additional apprenticeships over five years and increasing skill levels in the area. A mechanism is needed to achieve this and this paper suggests a means by which this can be achieved, and invites the Assembly to consider whether this is the best approach or there are other means by which this can be achieved.

### Current skills system

- 4 The current skills provision operates on what could be termed a devolved model with no single body having overall control over what courses are provided in an area and how this relates to the needs of the local economy.
- 5 The current flow through the skills system is shown diagrammatically in figure 1. The top level of this process is the overall Skills Strategy that is produced by BIS. This guides on a national/regional level the framework to which the skills providers work and will be funded.
- 6 At a local level, the Greater Cambridge Greater Peterborough Local Enterprise Partnership has a strategy for skills and Cambridgeshire has a skills strategy that sits

under that. The Cambridgeshire strategy has been developed by the Learning and Skills Board that has reps from the six district and County Councils as well as the Skills Funding Agency (SFA), business (Chambers of Commerce) and the training providers. Although this is a forum for businesses and training providers to share ideas and expectations, this is not in a structured way. Further, business engagement at present is limited and does not cover all sectors.

- 7 In terms of funding, this is provided by BIS via SFA to training providers against their funding criteria, with which our strategy is consistent. This funding goes to Further Education Colleges such as CRC, and Private Training providers and a limited amount to the County Council to provide direct training.
- 8 In terms of the courses actually provided, the individual providers have the final say as the model we operate under is market driven. However, they are individual businesses and so need to respond to demand coming from the learners, which doesn't always match with the requirements of business. This is largely because the learners are not aware of or sufficiently interested in, the opportunities that are available in the area.
- 9 In simple terms then, learners choices are not sufficiently well informed. The funding then follows these choices but the resultant skills delivered are not necessarily ones that local employers need. Consequently, learners and employers risk not reaching their full potential. It is this potential disconnect between the aspirations of learners and employer needs that causes problems in the current system. There are a range of measures in place to try and address these issues, particularly through the Learning and Skills Board as shown in figure 1, but without better information flow and intelligence, these have limited success.

#### **Who does what in our area**

- 10 There is already a significant amount of skills activity across our area and this can broadly be divided into training and processes. That said, the landscape is a complicated one given the current devolved model of skills provision.

#### ***Training***

- 11 The County Council through the Adult Learning and Skills Service, receives grant from the SFA as part of the process in figure 1 and provides a universal range of services including community learning, apprenticeships, basic skills, employability courses and digital inclusion courses. These are delivered through local partnership groups and are targeted generally at those who are furthest away from learning and work. As such, whilst a vital part of the overall skills picture, it is not really an element of the City Deal proposal.
- 12 There is also a general offer of training across Cambridgeshire from the FE and private training providers. This, as noted above, aims to meet market demand and offers for example, apprenticeships, other vocational qualifications, employability and key skills. This makes up the bulk of skills activity in the area and is the key focus of the City Deal proposal.
- 13 Some of our major employers such as Marshall, identify their training needs themselves, largely provide for themselves and where necessary contract directly with training providers. This is the exception, however, and this is not generally available to SMEs.

#### ***Processes***

- 14 The National Careers Service is a universal offer to learners and is provided under contract by the County Council. The LEP provides a Skills Service in the northern part of their geography which for Cambridgeshire, covers just Fenland. This is funded through ESIF and:
- Works with schools and learners to make them aware of opportunities in the area;
  - Works with training providers to influence the courses they provide;
  - Works with businesses on their training plans;
  - Develops apprenticeship events and marketing;
  - Manages the overall skills service programme
- 15 In the Cambridge area, the Cambridge Area Partnership (CAP) provides a reduced version of the LEP Skills Service to local schools and learners. This is funded by the CAP member schools. This funding was due to finish at the end of 2014, but has been extended for one further year. CAP has stated that they can't fund the programme beyond that point.
- 16 Huntingdonshire has a "skills hub" as their current model, to link employers, training providers, schools and Department for Work and Pensions. This is delivered with the LEP but in the long term, it is anticipated that this may morph into the Skills Service as offered in Fenland. This is funded by Hunts District Council with some input from the LEP.

### **The City Deal proposal**

- 17 Through the negotiations on the City Deal, the skills element was agreed with BIS and this includes a 'Skills Service' model to bridge this gap between employer needs and aspirations of learners. As part of the City Deal, the partners have also agreed a further 420 apprenticeships in the first five years of the Deal.
- 18 This could be delivered by, for example, mirroring what is currently being delivered by the LEP through their Skills Service model. This would involve the formation of a team of people who would:
- Visit schools and colleges and work with their internal careers services and youngsters to explain what opportunities there are in the area in terms of training and jobs, thus seeking to influence the choices that those youngsters make;
  - Work with businesses to understand their needs now and emerging and relay this back to the youngsters and the training providers;
  - Connect with the training providers to assist them in developing and providing appropriate courses to meet the needs of local businesses;
  - Undertake research into current and future needs;
  - Market the opportunities available in terms of apprenticeships.
- 19 The Skills Service model is the standard means across the country of achieving the linkage between businesses, learners and training providers and there are many examples of how this achieves results. These are not instant, however, as the focus is on changing perceptions and when fully operational this activity will start with year 9 students as they are making GCSE choices.
- 20 The full service was costed in the Deal Document at around £250k per year. This would cover mainly staff costs for research, engagement with business and providers and a work directly with schools and learners.
- 21 As there is some cross over between this work and activity already in the County Council Adult Learning and Skills service, the County Council can offer staff time

equivalent to around £50k per year. As this service would be joined with that already provided by the LEP, it has agreed that a range of the resources, particularly around research can be shared and the current estimate is that this will reduce the cost by a further £25k per year. The LEP Board also decided on 27<sup>th</sup> January to provide funding of £50k for skills delivery in the Greater Cambridge area. This means that the net cost of this model would be no more than £125k per year.

- 22 The Assembly, with its business and academic expertise is asked to consider whether this is an appropriate means of achieving the skills objectives in the City Deal or indeed whether there are other ways of delivering this. It is suggested therefore, that the Assembly consider this proposal and other potential means of delivering the improved skills needed in the area to develop a recommendation for the Executive Board.

### **Implications**

- 23 In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

#### ***Financial***

The Skills element of the City Deal will require an investment, if using the skills service mode, of up to £125k per year. However, the implications of not delivering improved skills are significant for the area.

#### ***Staffing***

Depending on the model chosen, some additional staffing may be required.

#### ***Risk Management***

The main risk is on not delivering the skills element of the City Deal. We have committed to government to deliver some form of skills service and it is important that we have addressed that part of the deal.

#### ***Equality and Diversity***

Increased skills will allow a larger part of our communities to access work and benefit from the growth of the local area.

### **Background papers**

No background papers were relied upon in the writing of this report.

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