



GREATER CAMBRIDGE  
GREATER PETERBOROUGH

ENTERPRISE PARTNERSHIP



UNIVERSITY OF  
CAMBRIDGE



**Report To:** Greater Cambridge City Deal Executive Board

27 March 2015

**Lead Officer:** Graham Hughes, Executive Director,  
Cambridgeshire County Council

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## Greater Cambridge City Deal Skills proposals

### Purpose

- 1 To outline for the Executive Board a proposal by which the skills element of the City Deal can be achieved. 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 Executive Board:
  - a) Approves the principle of the Skills Service model as the basis for the achievement of the City Deal objective on skills and requests a further report containing the detailed proposals for the Skills Service for submission to the June meetings of the Joint Assembly and Executive Board.
  - b) Establishes an informal group of Assembly members to meet and work with officers, key partners and stakeholders, that will feed into the report for submission to the June meetings of the Joint Assembly and the Executive Board.
  - c) Allocates net budgetary provision of £125,000 per annum for delivery of the Skills Service, subject to satisfactory agreement of the model at the June cycle of meetings of the Joint Assembly and 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 the process by which that proposal can be refined to a model for delivery.

## Background

- 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 the Department for Business, Innovation and Skills (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 (GCGPLEP) 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 representatives 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 the Cambridgeshire strategy is consistent. This funding goes to Further Education Colleges such as Cambridge Regional College (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 So in summary, 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.
- 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 Further Education 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 small and medium sized enterprises (SMEs) that make up the bulk of companies in the area.

## ***Processes***

- 14 The National Careers Service is a universal offer to learners and is provided under contract by the County Council. The GCGP LEP provides a Skills Service in the northern part of their geography which for Cambridgeshire, covers just Fenland. This:
  - 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 GCGPLEP 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 GCGPLEP but in the long term, it is anticipated that this may develop into the Skills Service as offered in Fenland. This is funded by Huntingdonshire District Council with some input from the GCGPLEP.

## **The City Deal Skills Service proposal**

- 17 Through the negotiations on the City Deal, the skills element was agreed with BIS and this includes a further 420 apprenticeships in the first five years of the Deal and a 'Skills Service' model to bridge this gap between employer needs and aspirations of learners.
- 18 The proposal is that this will mirror and be part of what is currently being delivered through the LEP with 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 providers have all bought in to the strategy and so have committed to a process that links what they provide more closely to what skills business wants.
- 20 As noted above, this process is already partially underway through the Cambridge Area Partnership (CAP), who through their one member of staff are providing support for schools and the links with employers and providers. This is a highly regarded service.
- 21 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.
- 22 The full service was costed in the Deal Document at around £250,000 per year. This would cover mainly staff costs for research, engagement with business and providers and a work directly with schools and learners.
- 23 As there is some cross over between this work and activity already in the Adult Learning and Skills service, as already highlighted, the County Council can offer staff time equivalent to around £50,000 per year. As this service could be joined with that already provided by the GCGPLEP, 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 £25,000 per year. The GCGPLEP has also offered to provide £50,000 funding per annum to support the service. This means that the net annual cost of the service would be around £125,000.
- 24 As there are already a number of players involved in this area of work, discussion with The City Deal Assembly has suggested that assuming the Executive Board agrees the principle of the Skills Service, a group of Assembly members with an interest or knowledge in skills meet with officers to develop the details of these proposals for consideration at the June cycle of meetings after which the service can be established.

## **Implications**

- 25 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 of up to £125k per year. However, the implications of not delivering improved skills are significant for the area.

### ***Staffing***

Additional staff will be required for the Skills Service but there will also be some joint use of existing resources to minimise this.

### ***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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