



CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY

Cambridgeshire and Peterborough Combined Authority

Adult Education Budget 2019-22 Commissioning Strategy

Cambridgeshire and Peterborough Combined Authority

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1. Introduction

- 1.1 There is an inquisitive interest to improve the skills for adults as they continue throughout life as individuals, members of a community and within their employment career. The areas for improvement have been universally accepted such as skills gaps, especially the softer skills such as communicating with colleagues and customers, how to manage working in a team and prioritising tasks.
- 1.2 Economic growth prospects are unclear. There are challenges to charting the employment landscape in modern economies: creating and reinvigorating a different education and training pathway and how to best develop a culture of lifelong learning. We have to find ways of facilitating and adapting to a skills environment in which employment needs are rapidly changing as new technologies enter at an ever-growing pace.
- 1.3 To meet these challenges purposeful relationships and partnerships between education, local communities, individuals and employers are key. The task is to create an environment whereby individuals, education and training establishments and employers are empowered to create economic value added and sustainable employment that benefits the local economy and is supported by an inclusive, dynamic skills offer.
- 1.4 Economic development and technology changes make improving our adult skills vitally important. Future generations are set to face significant challenges as they navigate increasingly complicated labour markets influenced by demographic pressures on the nation's productivity as the older non-working population grows and as the uncertainties of EU membership unravels.
- 1.5 This commissioning strategy for the adult education budget seeks to be a vital component in alleviating and overcoming the specific challenges to Cambridgeshire and Peterborough and at the same time understand and work within the national context.
- 1.6 It will focus on the key competencies such as literacy and numeracy, digital capabilities and employment skills and seek to show an education pathway throughout adulthood that will improve the agility and flexibility of the local labour force.
- 1.7 The commissioning strategy sets out an active approach to equipping Cambridgeshire and Peterborough for globalisation by making sure we have the foundation skills that underwrite the services and industries of our future. The strategy seeks to build new bridges between the workplace and progression through learning and engaging employers to a much greater extent in communicating the skills existing and potential employers need for the world of work. An outstanding education and training market reflects the skills needs of employers, communities and the expectations of learners and the workforce and sets in place clearer benchmarks of high quality for education and training.

- 1.8 Improving the workforce development and the skills of adults entering and already within the local workforce is crucial to achieving the economic development of Cambridgeshire and Peterborough. There has to be a locally responsive adult education budget that reacts to the needs of local communities, employers and learners so that skills can be a driver for economic growth. The strategy has to articulate the environment it would like to create to support key skills and the principles which underpin it.

2. National Skills Context

- 2.1 As the economy changes and progresses towards 2030, the more able who can develop their skills and adjust their career path to take advantage of the high skilled jobs which will be created will benefit and those who cannot will become trapped in insecure, low level, low paid non-routine jobs. As the demand for jobs needing academic knowledge and information processing skills increases, adults need to spend longer in formal education be that part time or full time. There has to be a balance between equipping adults with a general education to prepare for further study and providing more employment specific skills.
- 2.2 The post 16 skills plan is a genuine opportunity to improve a complex vocational educational system. The grouping of college-based programmes and apprenticeships into one of 15 routes makes career education easier.
- 2.3 The importance of soft skills is being increasingly recognised internationally such as finding people who can manage time and prioritise tasks, possess customer handling skills and are a good team worker. It is about how we promote skills that matter for the economic prosperity and social cohesion of Cambridgeshire and Peterborough; how we ensure all adults are empowered to equip themselves for future jobs; how we raise the recognition amongst employers of the value of investing in the workforce skills and how we improve the quality and business relevance of all educational and training establishments.
- 2.4 Digitalisation and automation are changing the number and types of jobs available and the skills required to carry out existing jobs effectively. Addressing the needs of the existing workforce is a priority.
- 2.5 Career paths today are more dynamic than in the past; spanning multiple roles in multiple fields. For some this is life enriching but for others it can be daunting. There are clear links to lifelong learning, national prosperity, reduced inequality, improvements in emotional wellbeing and social cohesion. The role of the adult education budget is to assist in inspiring adults to aspire and reach their maximum potential as a resident and a learner.

3. Local Background

3.1 Priorities for Action

3.1.1 There are various recommendations that should shape the design of an adult education budget commissioning strategy from a CPCA perspective;

- a. A strategic skills management and governance – high level leadership that has an even balance and mix of employers and education and training establishments (AEB Programme Board).
- b. Monitor and evaluate performance.
- c. Outcomes – the new strategy has the ambition to achieve positive adult education outcomes and make a difference to the lives of adult learners in Cambridgeshire & Peterborough.
- d. Further and faster devolution – there should be an equal and consistent spread of adult education progression across the whole of Cambridgeshire & Peterborough rather than in specific pockets.
- e. Universal basic infrastructure – to be served by a high-quality adult education infrastructure.
- f. Diffusion of innovation – world class innovations in adult education should diffuse across the combined authority area. There should be a link in basic and applied research in adult education with a world-renowned research and evidence based adult education development across Cambridgeshire and Peterborough.
- g. Support a partnership, collaborative approach to adult education development that will stimulate and create demand by ensuring;
 - Employers and individuals value adult education and the benefits it brings through skills and qualification advancement.
 - An increase in the desire for adult skills and qualification progression.
 - The benefits of workforce development are well understood.
 - A strong systematic community, education provider and employer voice through listening and making changes accordingly.
 - Agility: responding to and identifying demand changes.

3.2 CPCA Commissioning Competencies for the adult education budget

3.2.1 To lead, manage and administer the devolved adult education budget for the Cambridgeshire & Peterborough area from 1 August 2019, the combined authority will fulfil various competencies and;

- a. Be recognised as the local leader.
- b. Work collaboratively with partners to commission services that optimise education and skills gains.
- c. Proactively seek and build continuous and meaningful engagement with the local community, employers and learners.
- d. Lead continuous and meaningful engagement with Provider and stakeholder local senior leadership teams to inform strategy and drive quality.
- e. Manage knowledge and undertake robust and regular needs assessments that establish a full understanding of current and future local skills needs

- and requirements.
- f. Effectively stimulate the market to meet demand and secure required skills outcomes.
- g. Promote and specify continuous improvements in quality and outcomes through provider innovation.
- h. Secure procurement skills that ensure robust and viable contracts.
- i. Effectively manage systems and work in partnership with providers to ensure contract compliance and continuous improvements in quality and outcomes.

3.2.2 This commissioning strategy is written with the specific intention of enabling the adult education budget to procure low level skills provision. CPCA will improve upon the national skills system to create a skills economy that is sustainable, responsive, efficient and effective.

3.3 Overview of Commissioning, Performance Management and Review for CPCA



4. Purpose and Principles

4.1 The purpose of the commissioning strategy is to set out Cambridgeshire & Peterborough Combined Authority's priorities for allocating and funding the devolved Adult Education Budget (AEB) which will have a vital role in Cambridgeshire and Peterborough's growth and reform agenda. The AEB will be linking with other activity aimed at supporting our residents to progress in learning and to move towards or into productive and sustained employment. Our commissioning approach will involve a combination of plan-led grant funding and procured provision.

4.2 The principal purpose of the AEB is to engage adults and provide them with the skills needed for entering and sustaining work, an apprenticeship or traineeship,

or other further learning. In Cambridgeshire and Peterborough, this means high quality provision which leads to demonstrable improvements in opportunities, positive outcomes for individuals and clear progression pathways for our residents, with a clear line of sight into the local labour market and future economic development opportunities. It should focus on ensuring adults have basic and core skills, including delivering the expanding range of entitlements which, notwithstanding the devolved nature of this budget, will continue to apply within Cambridgeshire and Peterborough.

5. Key Principles

- 5.1 The CPCA strategic ambitions from the CPIER and the skills strategy have given rise to clear adult education budget principles for managing the devolved AEB, for both procured and grant funded provision;
- a. Create an adult education budget skills system where employers and learners are joint stakeholders.
 - b. A mutually beneficial system that improves social and economic development.
 - c. Create a culture for individual and collective responsibility to deliver better outcomes.
 - d. Learners are at the heart of the AEB skills system.
 - e. The focus is on achieving positive outcomes and a positive impact for residents supported by robust initial assessment, individual learning plans and careers advice and guidance to aid progression within learning and into work.
 - f. The AEB devolution is a long term journey of transformation towards making commissioning decisions on a learner centred and forward looking strategic priority basis rather than on a historic transactional basis in the delivery of learning aims.
 - g. Secure value for money (effectiveness, efficiency, economy and equity) for the public purse, best possible outcomes for learners and optimum social value through working with high quality providers.
 - h. The relationship between the CPCA and FE Colleges, local authorities and providers of all kinds should be strategic rather than transactional with long term collaborative vision resulting in localised, flexible provision that responds to the needs of our residents and area. It will require a proactive performance management that includes monitoring and evaluation and a strong contract management function to understand the impact and outcomes from the funding.
- 5.2 CPCA will ensure the AEB market is open to high quality providers of all kinds who want to build a strong place, focused relationships with the CPCA and with local businesses and residents in order to provide the best value for money through alignment with the wider skills and employment system.

6. Adult Education Budget

6.1 AEB Context

6.1.1 Devolution of the Adult Education Budget to the CPCA was agreed in the Devolution Agreement of November 2015. Local devolution will put the Combined Authority in control of AEB funding delivery from the 2019/20 academic year. It will enable a closer link between employers, local communities and the education and training curriculum offer.

6.1.2 The primary purpose is to engage adults and provide them with the skills and learning needed for work or further learning. In addition, it will improve employability skills including communication, self-confidence and attitude to work and enable people to contribute to the social wellbeing of their community. It will enable more specific programmes of learning to help those furthest away from the market place of work and learning.

6.1.3 Providers of adult education currently deliver a range of important learning in our community, including: literacy, numeracy, English Language, skills for employment, family literacy, and learning. Most is through colleges, local authorities and independent training providers and much of it has been successful in transforming lives for learners with people acquiring knowledge and skills that has helped them to secure employment and progress into work and to further learning.

6.1.4 The CPCA has an opportunity to work with providers, learners and employers in simplifying the system, and to demonstrate the advantages of a devolved skills administration and delivery.

6.1.5 The AEB programme will:

- meet the Cambridgeshire and Peterborough priorities as listed in the skills strategy.
- meet national entitlements and identified local priorities.
- ensure responsiveness to learner need.
- ensure responsiveness to employer need.
- ensure progression.
- align with other local services.

6.1.6 The Adult Education Budget priorities will:

- target sustainable employment.
- target low-skilled and low-paid adult residents in the workforce.
- secure skills at level 2 and above.
- increase digital provision.
- increase flexible delivery of learning that supports adults in work to upskill.
- target people in priority communities – Peterborough and Fenland
- improve progression between levels particularly from level 1 to level 2 and from level 2 to level 3.

- 6.1.7 The devolution of AEB offers an historic opportunity to simplify the system and make it easier to navigate for learners and employers. It also provides a means to strengthen the local provider base by developing longer-term and deeper relationships with fewer providers.
- 6.1.8 With these priorities, devolution of the AEB is the beginning of a journey towards creating a local skills strategy to support Cambridgeshire & Peterborough overarching ambitions for its residents and the emerging local industrial strategy. CPCA are determined to ensure it delivers on its crucial role in securing skills that employers require and delivering better outcomes for residents, aligning the devolved AEB with other reform initiatives.
- 6.1.9 To increase productivity and promote an inclusive and evenly distributed growth in Cambridgeshire & Peterborough we must have a flexible and responsive skills and employment system which puts the needs of learners and employers at the centre of what we do and have a strong focus on a sense of place for Cambridgeshire and Peterborough.
- 6.1.10 In support of these ambitions, devolution of the AEB formed a landmark agreement within Cambridgeshire and Peterborough's ground-breaking devolution deal. CPCA will assume responsibility for ensuring high quality adult education is available from 1 August 2019 for the 2019-2020 academic year and beyond.
- 6.1.11 The ESFA has confirmed to providers that all current AEB providers funding will be affected as a result of funding changes which includes devolution, even those in non-devolved areas. MCAs and GLAs will be responsible for funding their residents; ESFA, through a national system will be responsible for funding residents of non-devolved areas. In the future providers may have a single funding relationship with one commissioning body or multiple funding relationships covering one or more MCAs/GLA and the ESFA.
- 6.1.12 Providers will need to understand how much of their delivery is to residents of devolved and non-devolved areas.

6.2 AEB Background

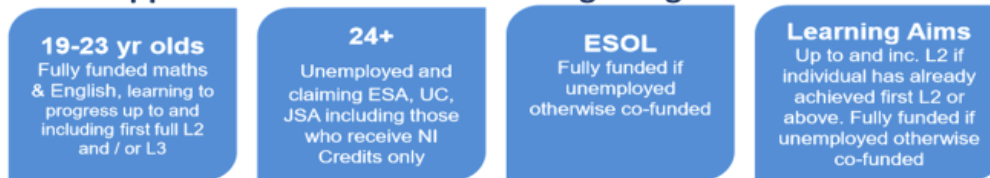
- 6.2.1 The AEB is a single funding stream replacing what had previously been three separate budget lines: The Adult Skills Budget (namely skills provision for adults aged 19 years and above), Community Learning and Discretionary Learner Support. It encompasses a range of statutory entitlements for learners, including the right to fully funded provision for basic English and maths qualifications and depending on the resident's age and employment status, an entitlement to a first full level 2 and first full level 3 qualification.

What does the AEB currently fund?

AEB supports a set of four statutory legal entitlements:



AEB supports learners in the following categories:



Devolved AEB will not support:

- Apprenticeships / 19-23 Traineeships and related provision.
- Adult offender learning and related provision.
- 16-18 provision.

6.2.2 It is part of a wider education and skills landscape most of which is not devolved but will be retained by central government and its agencies, including apprenticeships and traineeships for learners of all ages, 16-18 activity, technical and higher education, offender learning and student loans.

6.2.3 We must respond to sudden changes in the employment and business landscape and for priority cohorts of residents who might need additional support to access the opportunities that are available who are disadvantaged in some way or who disproportionately face barriers in learning and employment including:

- Learners with special educational needs and/or disabilities
- Homeless people
- Ex-offenders
- Looked after or previously looked after children
- NEET and hidden NEET young people
- Learners with a BAME background
- Residents aged over 50

6.2.4 The devolved AEB will be part of a transformational education, skills, employment and health system that delivers an incremental improvement in the basic and general skills needed for life and work particularly for English, maths and digital skills. In addition, the local skills system will deliver the higher level and technical skills needed to drive productivity in the CPCA sectors and in particular the priority sectors set out in the CPIER and the skill strategy. The AEB will be a key strand of activity supporting the progression within the broader delivery of CPCA skills and employment system linking other provision including technical education and apprenticeships.

6.2.5 To achieve this, CPCA places great importance on the quality of the initial assessment of learner needs and goals and robust individual learning plans.

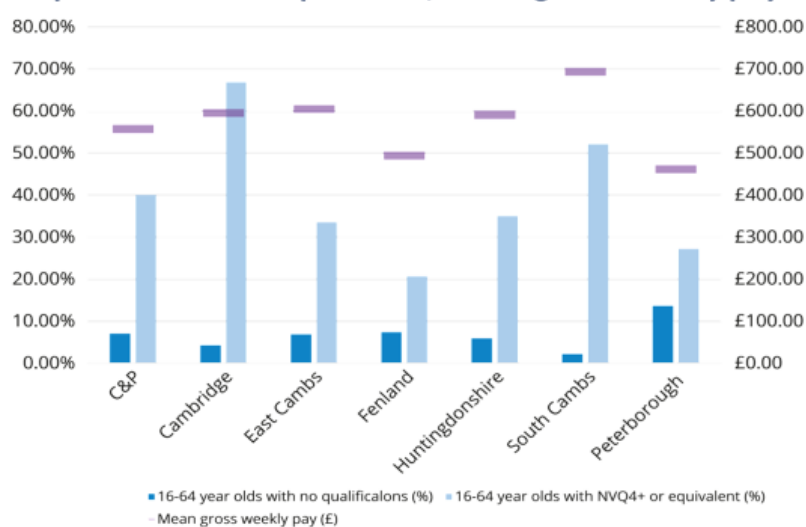
Initial assessments will enable progression pathways to be developed and we would expect providers to provide independent and impartial information advice and guidance to AEB funded learners to support their progression.

6.3 Challenges

6.3.1 The scale of the challenges and demands on the AEB in Cambridgeshire and Peterborough are significant. The policy for adult education entitles learners to access a full level 2, 7% of CPCA residents aged 19-64 have no qualifications (compared to a national average of 7.6%) and a further 12% are qualified to a level 1.

6.3.2 There are large variations in the qualifications profile between Peterborough, Fenland and the rest of Cambridgeshire. In Fenland 27% of the residents have a level 4 and above and in Cambridge 67% have a level 4 and above which equates to 1 in 4 in Fenland and 2 out of 3 in Cambridge.

Proportions of individuals aged 16-64 with no qualification and NVQ 4+ qualification of equivalent; mean gross weekly pay



Source: Annual Population Survey; ONS Jan-Dec 2016, Annual Survey of Hours and Earnings (ASHE) ONS 2016

6.3.4 The demand for skills provision outstrips the resources available. We will take the opportunity presented by devolution to enhance the focus on place, on the impact and outcomes for learners and employers and on making certain that provision aligns as closely as possible with the skills needs of CPCA employers and the priority sectors.

6.3.5 The AEB and the skills provision that it purchases warrants a strong strategic focus from commissioners and providers, recognising the important proactive role that can be played by training providers of all types; not just as receivers of funding but as vital strategic planning and delivery partners at the centre of the communities and economies they serve. We are seeking to build stronger links between AEB provision and the local economy, assisting local residents to enter and progress within learning that is relevant to jobs in the local labour market.

6.4 Nature and Pace of Change

- 6.4.1 AEB devolution will involve working with providers to focus on individual learners, progression and positive outcomes. Initially changes will focus on improving the intelligence that is available about progression and outcomes. A better balance is required between the volume of qualifications being delivered and evaluating the qualitative impact that AEB learning has for individuals and for the local economy.
- 6.4.2 Without robust and reliable information about 2018/19, it would not be prudent in the first year of operation to make significant changes to funding policies and models in 2019/20. However, we will not be viewing previous years as a year zero but will be expecting a smooth transition from a transactional relationship to more transformational agenda that through incremental changes better meets our priorities.
- 6.4.3 We are considering the vital role of local freedoms and flexibility in making an offer available to respond to local employer, learner and community skills needs. It will support adults at lower skills levels who want to re-engage with learning and their local labour market but for whom qualifications are not the key goal. Under devolution and through this procurement round, CP is seeking to extend the freedom and flexibility approach by enabling providers to outline the packages of support that the learner requires to support progression.
- 6.4.4 The principle changes planned for 2019/20 will be around working closely with providers, whether funded through a grant agreement or contract for services, to develop improved analysis of learner journeys and destinations with a focus on positive outcomes for individuals and tracking learner progression rather than simply measuring delivery and achievement of learning aims without understanding whether those achievements improve an individual's employability and quality of life.
- 6.4.5 The most recent data shows a provider base in 2016/17 that delivered to 176 ESFA funded providers spread across England. Maintaining such a large and wide-reaching provider base is neither strategically necessary nor practically desirable. It is proposed that a dual approach will be taken to commissioning in the first 3 years, building on the principle that AEB is for the long term and will be part of a skills system that supports the local industrial strategy, there will be a combination of a grant funding agreements and procured contracts for services.
- 6.4.6 In more detail, of the 176 providers the top ten funders make up 84% of the total AEB 2016/17 funding; 107 providers have 10 or less learners resident in Cambridgeshire and Peterborough and 158 providers are out of the CPCA area by more than 10 miles and 38 providers were delivering to only 1 resident learner.

6.4.7 The key considerations for each approach as recommended to the Combined Authority are;

- a. CPCA establishes grant funding arrangements with funding education colleges based in the CPCA area or with substantial delivery sites and with a main office within a 10 miles radius which currently deliver AEB funded provision.
- b. They are part of the CP state-maintained system of public education and its associated asset base and infrastructure which is funded wholly or mainly from the public purse and which has CP residents and place as the primary focus of their activity.
- c. These providers cannot choose not to engage with policy changes nor can they shift their core business focus or suddenly cease operating; the FE regulatory framework and FE insolvency regime recognise the particular position of colleges and provide additional protection for learners which does not apply to learners in other education institutions.
- d. The memorandum of understanding between DfE and CPCA will explicitly require CPCA to minimise the risk of insolvency of any further education institution in the combined authority area.
- e. They will be subject to different and stronger strategic priority arrangements than are currently set out by the EFSA.

6.4.8 Other providers that intend to deliver CPCA funded provision to Cambridgeshire and Peterborough residents in 2019/20 and beyond will be required to tender for a contract for services. We do not wish in any way to limit learner choice or exclude valuable specialist provision and niche provision from the market. On the other hand, we cannot work with all of the current provider base in its entirety. The procurement process will encompass the existing procured provider base and it will encompass providers who are new to the market place such as;

- Independent training providers and the voluntary and community sector organisations
 - They currently operate under contracts for services with the EFSA to which public contracts regulations 2015 (light touch regime).
 - These providers are subject to Ofsted inspections and some operate on a not for profit regime and generally have different commercial status and more autonomy over policy priorities and business focus than colleges and local authorities.
 - Different regulatory arrangements apply, so that non FE institutions are outside the FE Commissioner's jurisdiction and the new FE insolvency regime.
- FE establishments whose main base of operation is outside of Cambridgeshire and Peterborough. More than 135 providers based outside of Cambridgeshire and Peterborough currently receive grant funding from the EFSA to deliver AEB provision to Cambridgeshire and Peterborough residents but this is not their core activity or business.
 - The procurement process will allow CP to focus the funding currently spread through a vast array of providers across the country as well as maximising the impact for learners by reducing management fees and

unnecessary subcontracting.

- This is not an indication that only Cambridgeshire and Peterborough based providers can apply but rather an opportunity to ensure the procurement establishes a more concentrated provider base which regardless of location is focused on high quality value for money delivery within Cambridgeshire and Peterborough. We want to encourage new market entrants.

6.5 Value and Duration

- 6.5.1 Based on the CPCA indicative allocation of AEB, the value of the procured element of activity for 2019/20 academic year from 1 August 2019 will be an estimated £2.5m. This will be dependent on confirmation from the DfE on the final CPCA AEB allocation which is expected in early 2019. Learner volumes fluctuate from year to year and many AEB participating learners undertake more than one learner aim which can mean that the cost per learner may vary depending on need. We do not therefore intend to specify a fixed volume of learner participation but based on recent years and taking into account value for money and quality considerations we would expect the procured provision to support 5,000 residents.
- 6.5.2 We are determined to develop effective high trust relationships with providers and partnerships or consortia delivering positive long-term impact for local residents. Providers will have a place-based curriculum offer and wrap around support with a clear focus on learner progression to further learning or employment.
- 6.5.3 Our intention is that contracts awarded from this procurement process will last for one year and thereafter we reserve the right to extend contracts on an annual basis up to and including 2021/22 which is a maximum period of three years (or one year plus one year plus one year). Any contract extensions will be subject to funding availability, the provider's delivery and performance against contract and skills policy. This should enable providers to plan and build capacity with a level of surety.

6.6 Funding Rules, Rates and Eligibility

- 6.6.1 The AEB allocation from the DfE to the CPCA will be calculated on the basis of residency within the CPCA area. From 2019/20, CPCA's devolved funding can only be used to support CPCA residents. If providers enrol CPCA resident learners without first ensuring appropriate funding arrangements are in place, CPCA cannot guarantee that funding will be made available.
- 6.6.2 CPCA will make use of the freedoms and flexibilities afforded by devolution in relation to its funding rules, rates and eligibility criteria. In the first year, however, the focus will be on working with providers to build robust evidence which will underpin any future changes.
- 6.6.3 In this procurement round we are proposing to align with the current funding arrangements and in line with national funding policies. The statutory

entitlements will also align with national funding arrangements and requirements.

- 6.6.4 We will work with providers who have a strong performance focus on the outcomes we are seeking. We want to develop and test changes to elements of the policy entitlements e.g. fully fund some provision or increase the rates for particular priority sectors or geographical areas through a joint and agreed approach.

6.7 Sub-contracting

- 6.7.1 Many providers tender on a sole basis but based on our analysis of 2016/17 40% of learners access provision from a sub-contractor of a main provider. As such we expect that collaborative partnerships and consortia of providers and sub-contracting arrangements will be a feature of the CPCA AEB landscape.

- 6.7.2 This will be an important market entry opportunity for small specialist providers (including the voluntary and community sectors) and will assist in reducing the current provider base from 176 to a manageable and proportionate level while ensuring an appropriate range and choice of provision is available for all residents and learners.

- 6.7.3 Sub-contracting arrangements and the associated fees are a contentious area of discussion. Providers and colleges may work with supply chains of their choosing and good subcontracting can add real value for learners, providing an opportunity for niche providers to for example work priority cohorts in isolated geographical areas in a flexible way. On the other hand, excessive subcontracting can lead to funding diverting from the front line to pay management fees.

- 6.7.4 In the AEB pre-information notice sent out prior to the AEB soft market testing event in October 2018, the questionnaire beforehand and subsequent feedback suggested that the vast majority of providers accepted a management fee limit of 20% for any sub-contracting and we wish to enact this as official local policy. We will consider an increased limit for sub-contracting but only under exceptional circumstances for the future following a detailed discussion with the provider.

- 6.7.5 Also, sub-contracting towards the end of the funding year was often used by some providers in the past as a means of avoiding returning unspent AEB money and can result in significant volumes of poor quality sub-contracting. For this reason, we will put a 20% contract value limit on sub-contracting and anything above this value will require CPCA approval.

6.8 Process - Provision and Contracting

- 6.8.1 The primary purpose of the AEB is to engage adults and provide the skills and learning needed to equip adults for work, education and/or training. The AEB, to realise its full impact, will secure provision which supports access to the local labour market and future economic development. It will focus on ensuring

adults have the basic and core skills they need for work, including delivering the expanding range of statutory and policy entitlements which will continue to be applied in Cambridgeshire and Peterborough.

- 6.8.2 CPCA will use the key factors within the ESFA's funding rules such as the annual funding cap which applies to each learner across the year. We want to fund broader more innovative types of learning which may mean in the future that funding per learner may vary but we want to base it on clear evidence and professional research.
- 6.8.3 Local freedoms and flexibilities are central to making a broad and relevant offer available to respond to the skills needs of local employers, learners and communities. Under devolution, Cambridgeshire and Peterborough will extend the freedoms and flexibilities approach by enabling providers to outline packages of support that the learner requires to support their progression.
- 6.8.4 Procured activity will be split into three lots. Our intention is to have a comprehensive, adult skills offer accessible to residents across Cambridgeshire and Peterborough. It will make the most of the flexibilities offered by devolution to focus on particular local priorities such as certain cohorts or geographical areas that need more intensive support and provide an opportunity to pilot new delivery models and approaches.
- 6.8.6 Capacity and capability considerations will apply to the totality of bids which might be submitted both as a lead provider and as part of any partnership or supply chain or sub-contracting arrangements that bidders might be part of.
- 6.8.9 CPCA will ensure that coverage across all of the CPCA (in terms of geography, sectors and the balance and mix of provision) is appropriate and will take coverage or accessibility of provision into account when evaluating tenders.
- 6.8.10 These contracts will deliver provision that responds to individuals as set out above. We will encompass all eligible provision delivered as part of the statutory and policy entitlements as well as regulated and non regulated learning.
- 6.8.12 Feedback from the soft market testing event in October 2018 reiterated the importance of ensuring that AEB caters for learners who are furthest from the delivery for learning and who need bespoke additional person-centred learning support.
- 6.8.13 It is for organisations or partnerships or consortia who are interested in bidding for services that provide targeted, specialist interventions for specific groups of learners from Peterborough and the Fens.
- 6.8.14 CPCA are determined to entice providers who deliver targeted, intensive and innovative provision to specific cohorts in Peterborough and Fenland and can deliver flexible provision or delivery models, either by bidding alone or in collaboration with other organisations.

6.9 Outcome Commissioning

6.9.1 To meet and influence a more transformational strategic priority dialogue between the CPCA and providers and in dialogue with the adult education sector we are proposing an incremental shift to payments by results. The results will be more outcome driven rather than output driven (such as participation or spend) and the outcomes will match the priorities set out in the priorities for action section and include

- Sustainable employment following learning
- Targeting low-skilled and low-paid adult residents in the workforce
- Securing skills at level 3 and above
- Increasing digital provision
- Improving progression between levels particularly from level 1 to level 2 and level 2 to level 3

6.9.2 The intention is to have a contract with no payments by results in the first year, then to have it as 10% of the contract in year 2 and as 20% of the contract in year 3.