

Procurement of Cambridgeshire & Peterborough Combined Authority's Devolved Adult Education Budget

Estimated total value: £3.5m to £4m per annum (based on/ subject to confirmation of Cambridgeshire & Peterborough Combined Authority's annual Adult Education Budget allocation). Duration: One-year contract with the opportunity to extend on an annual basis (for a maximum of three years).

Cambridgeshire & Peterborough Combined Authority is committed to ensuring fairness, openness and transparency; and to following EU procurement regulations. The Early Engagement Notice (EEN) is issued solely for the purpose of conducting pre-procurement market testing. Interested parties will not be prejudiced or advantaged by any response, or lack of response, to the EEN. A response to the EEN does not guarantee any invitation to participate in any future procurement.

This EEN does not constitute a call for competition to procure any services, supplies or works for the Cambridgeshire & Peterborough Combined Authority. Cambridgeshire & Peterborough Combined Authority is not liable for any costs, fees or expenses incurred by any party replying to the EEN. Cambridgeshire & Peterborough Combined Authority reserves the right to change its approach (and timeline) for procurement as appropriate.

CONTENTS

1 Purpose

The purpose of this Early Engagement Notice is to conduct initial pre-procurement market testing in relation to procurement of provision funded by the devolved Adult Education Budget in the 2019/20 academic year.

It is testing principles and seeking provider input ahead of a formal market engagement event. It forms part of a wider stakeholder engagement; including a consultation process with members of the Cambridgeshire & Peterborough Combined Authority Provider Forum.

Details on how stakeholders may respond are set out at the end of this document and more details can be found on our [AEB webpage](#).

The key milestones for procurement will be:

- 17 October 2018: Market Engagement Workshop
- 30 October 2018: Develop specification and related documentation
- 9 November 2018: Issue Self-Assessment Questionnaire (SAQ)
- 30 April 2019: Confirmation of contract awards

2 Background

The Adult Education Budget is a key element of Cambridgeshire & Peterborough Combined Authority's Devolution Deal. Cambridgeshire & Peterborough Combined Authority will have the resources, powers and full accountability for the delivery of adult education to their residents from 1 August 2019.

This funding is for those aged over 19 years. It is intended to support adults to engage in qualifications and the skills development needed to secure a job, an apprenticeship or further learning. It can also support tailored programmes of learning to help those furthest from learning or the workplace.

The Adult Education Budget includes all post age 19 participation and support funding. It does not include European Skills Funding (ESF), Advanced Learner Loans or Apprenticeships or Traineeships for 19 to 23-year olds.

The Education & Skills Funding Agency (ESFA) has reminded providers that all Adult Education Budget providers' funding will be affected by devolution, even those in non-devolved areas. Mayoral Combined Authorities (MCAs) and Greater London Authority (GLA) will be responsible for funding their residents and ESFA will be responsible for funding residents of non-devolved areas. In future, depending on providers' geographic delivery footprint and MCAs' commissioning decisions, providers may have a single funding relationship with a commissioning authority or multiple funding relationships covering one or more MCAs/GLA and ESFA. It is therefore important that providers understand how much of their delivery (direct and sub-contracted) is to residents of devolved areas.

Cambridgeshire & Peterborough Combined Authority's overall commissioning approach will involve a combination of plan-led grant funding and procured provision. This notice is concerned solely with procured activity. Details of Cambridgeshire & Peterborough Combined Authority's approach to grant funding will be issued separately in due course.

3. The Cambridgeshire and Peterborough Skills Ambition

Our vision is to improve and grow our local skills' base to support our already successful, globally competitive economy. We intend to deliver high-skilled and better paid jobs through increasing productivity; and growing strong and sustainable communities. We will work with employers to develop the skills needed for the next generation of businesses.

In July 2018, the Cambridgeshire & Peterborough Combined Authority Board agreed the Adult Education Budget Skills Plan; this will form a chapter in the Cambridgeshire and Peterborough Skills Strategy, which will be published in November 2018, and will identify key priorities for focus and delivery. The Adult Education Budget Skills Plan, and the Cambridgeshire & Peterborough Combined Authority Skills Strategy will form part of the invitation to tender pack when published.

We will continue to support statutory entitlement and ensure that young people (aged 19-23) and adults have real choice; and that skills are seen as the driver to reduce poverty and promote social inclusion. We will encourage the development of integrated career pathways to actively support the retention of talent within the Cambridgeshire & Peterborough Combined Authority area.

We intend to create a strong and responsive provider base to build additional capacity in the following key sectors: Advanced Manufacturing; Engineering; Logistics; Information and Communication Technology; Food Manufacturing; Financial Services; Education and Teaching; and STEM including Life Sciences.

As well as the specific need for skills development to support the key sectors, we need to drive up skill levels in Maths, English and digital; ensuring more of our residents have achieved a full level 2 qualification; and address the cross-sector deficits in employability, leadership and management skills.

4. Procurement Approach

This procured provision will form a crucial part of Cambridgeshire & Peterborough Combined Authority's approach to delivering our strategic objectives. The procurement process will:

- Allow providers to come forward with flexible and innovate approaches which will maximise the opportunities presented by the devolution of the Adult Education Budget, including the scope to embed adult skills in the wider skills ambitions, employment, health and social mobility infrastructure.
- Not enable providers to match fund with ESF.
- Allow Cambridgeshire & Peterborough Combined Authority to undertake comprehensive due diligence; providing the best possible value for money outcome from the procurement activity.
- Ensure that Cambridgeshire & Peterborough Combined Authority residents have access to high quality, specialist providers who are focussed on enabling them to achieve the skills they need to enter and progress in good quality employment.
- Allow Cambridgeshire & Peterborough Combined Authority to develop and maintain a smaller, more competitive skills market place.

5. Value and duration

Based on Cambridgeshire & Peterborough Combined Authority's indicative allocation of Adult Education Budget, the value of procured activity for the academic year 2019/20, will be an estimated £3.5m to £4m. The final value will be confirmed in early 2019 following the Department for Education's confirmation of Cambridgeshire & Peterborough Combined Authority's Adult Education Budget allocation.

Cambridgeshire & Peterborough Combined Authority are keen to develop effective, high trust relationships with providers, delivering positive long-term impact for residents. This will enable providers to plan and build capacity with greater surety. We expect providers to develop a place-based curriculum offer and wrap-around support with a clear focus on resident progression.

With this in mind, Cambridgeshire & Peterborough Combined Authority's intention is that contracts awarded from this procurement will initially start on 1 August 2019 with an option to extend for a further two years (1+1+1). Cambridgeshire & Peterborough Combined Authority reserves the right to extend contracts for a second and third period of up to 12 months subject to funding availability, the provider's delivery and performance against the contract and skills policy (including any changes to the overall Cambridgeshire & Peterborough Combined Authority's Adult Education Budget arising from the Spending Review or adjustments to the way in which Cambridgeshire & Peterborough Combined Authority's allocation is calculated by central government).

6. Guiding Principles

The following principles for managing the devolved Adult Education Budget have emerged from consultations with stakeholders to date:

- Adult Education Budget investment should be aligned with Cambridgeshire & Peterborough Combined Authority's key priorities, as set out in the Skills Strategy and the Adult Education Budget Skills Plan.
- Investment should support and promote all high-quality provision and will guard against disadvantaging providers of different sizes/types.
- The Adult Education Budget is a long-term journey of change to ensure positive outcomes and impact for the residents of Cambridgeshire & Peterborough.
- Cambridgeshire & Peterborough Combined Authority's Adult Education Budget investment must be considered in the broader skills landscape of Apprenticeships, Advanced Learner Loans, Student Loans and higher education (HE) activity, none of which are devolved to Cambridgeshire & Peterborough Combined Authority but all of which are inextricably linked in terms of resident progression within the post-16 skills and employment system.
- The relationship between Cambridgeshire & Peterborough Combined Authority and skills providers of all kinds should be primarily strategic rather than transactional, with a strong focus on proactive performance management.
- The Cambridgeshire & Peterborough Combined Authority will be mindful of the stability and capacity of the skills delivery infrastructure for residents, as well as Cambridgeshire & Peterborough Combined Authority's own capacity to manage, monitor and assure activity on this scale.
- Providers of all kinds should strive to deliver high quality skills training provision to residents.

7. Funding Rules, rates and eligibility

Over time, Cambridgeshire & Peterborough Combined Authority will make full use of the freedoms and flexibilities afforded by devolved funding policy. However, this is a long-term vision which cannot be delivered overnight and should not be embarked upon without first building a proper evidence base.

While building that evidence, and to maintain stability in the system, Cambridgeshire & Peterborough Combined Authority are proposing, for this procurement round, to

align (where appropriate) with the current funding eligibilities, rates and entitlements in line with national policy.

However, Cambridgeshire & Peterborough Combined Authority are considering whether any of the current entitlements around co-funded provision should be changed to fully funded provision. Linked to this, Cambridgeshire & Peterborough Combined Authority will review any further policy changes introduced by government and consider whether to implement and/or adapt them for the Cambridgeshire and Peterborough residents.

In addition, Cambridgeshire & Peterborough Combined Authority are considering how funding models which incorporate outcome payments can be used to drive better impact for residents based on progress from the starting point of their individual journey. Cambridgeshire & Peterborough Combined Authority are also considering pilot activity around funding additional elements of provision where they are linked to job outcomes.

8. Impact of Adult Education Budget Investment

Cambridgeshire & Peterborough Combined Authority research has highlighted that most residents undertake more than one learning aim as part of a package of provision and one of the most urgent requirements in the first phase of devolution is to begin a shift to focus on how those incidents of learning and skills development helps the individual to progress towards / within the labour market.

Devolution of the Adult Education Budget provides the opportunity to sharpen the focus on the impact and outcomes secured by this funding, rather than simply measuring the outputs in terms of learning aims and qualifications delivered. Cambridgeshire & Peterborough Combined Authority are proposing that this principle will underpin its approach to commissioning. Cambridgeshire & Peterborough Combined Authority also want to understand the impact any changes it makes would have on payment models and provider cash flows.

In line with relevant data protection legislation, all procured contracts will require providers to work with Cambridgeshire & Peterborough Combined Authority to ensure that the necessary data is provided on a lawful basis. This will enable Cambridgeshire & Peterborough Combined Authority to manage and assure payments, demonstrate the impact the provision is having on Cambridgeshire & Peterborough Combined Authority and support any research or evaluation.

9. Funding Priorities

The primary funding priorities will aim to be simple; it will be expected to drive behaviour and will enhance the prospect of employer and learner involvement. The intention is to ensure there is the most appropriate mix of community learning with activity that has a direct link with meeting the skills needs of local residents and employers.

10. Soft Market Testing

THIS IS NOT A CALL FOR COMPETITION

Cambridgeshire & Peterborough Combined Authority would like to explore current and emerging good practice in local Adult Education Budget delivery to enable continuous improvement.

The purpose of this exercise and subsequent event is to research the market in order to help draft a devolved Adult Education Budget specification for Cambridgeshire & Peterborough Combined Authority residents.

This includes potential new delivery models that maximise value for money. We will be holding a formal Market Engagement Workshop on the 17 October 2018 where providers will have the opportunity to provide feedback and learning into the process, whilst also understanding the intentions of Cambridgeshire & Peterborough Combined Authority in its approach to procuring Adult Education Budget provision and the opportunities devolution brings to this. Places are restricted to two per organisation. You can register for the workshop via [EventBrite](#)

Date: 17 October 2018
Time: 9.00am to 12.30pm
Location: Over Community and Conference Centre, Over,
 Cambridgeshire, CB24 5NW

11. Expression of Interest Process

Step 1 – Interested potential providers are requested to complete the following documents:

- a) General Information
- b) Undertaking by Potential Providers; and
- c) Request for Information

and return the completed document to AEBDevolution@cambridgeshirepeterborough-ca.gov.uk by **Monday 15 October 2018**. Alternatively, you can complete the below via an online survey: [Part 1](#) and [Part 2](#)

a) General Information

Full name of your organisation:	
Contact Details - Name:	
Job Title:	

Address:	
Telephone no:	
Email Address:	

	Current legal status of the Potential Provider e.g. Sole Trader, Registered Charity, Public Limited Company, Private Limited Company, Other (please state)/ Company Registration Number/ Primary Activity of Company

b) Undertaking by the Potential Providers

I/We certify that the information supplied is accurate to the best of my/our knowledge and I/we accept the conditions and undertakings requested in this document.

Name*	
Signed	Duly authorised on behalf of the Potential provider (Electronic signature required here)
Position	
Date	

c) Request for Information

Please complete the following questionnaire fully, highlighting any information that you consider to be commercially sensitive*.

	Question	YES	NO	Not applicable
1	a. Does your organisation currently have an ESFA AEB allocation?			
	b. Are you currently an AEB sub contractor?			
	c. Do you have a delivery base within the Cambridgeshire and Peterborough (CP) area and deliver to CP residents?			
	d. If yes to c. above please indicate your estimated value of delivery to CP residents.	£		

	<p>e. If yes to c. above please provide a short description of the nature and scale (number of residents) of provision you currently deliver in CP, including, geographical spread, sector focus, cohort focus.</p>	
	<p>f. If you currently do not have a base in the CP area but do deliver to CP residents, please provide your delivery location and the number of CP residents you support per funding year</p>	

2

The Cambridgeshire & Peterborough Combined Authority is considering setting minimum contract values,

What would your minimum contract value be to make delivery to CP residents viable and why?

Response

3

We also want to understand whether there would be value in funding *additional* elements of provision such as sustainable job outcomes or further progression into learning

We are seeking views on these or any other innovative elements which might usefully form part of a holistic approach to enable residents with additional barriers to progress towards or into employment

a. Are there payment on outcome approaches that you think could be developed?

b. What other flexibilities or changes to the current nationally funded AEB provision would providers most welcome and why?

Response

4

What do you believe to be the optimum length of an AEB contract and why?

Response

5

Learner Support for AEB currently funds i) hardship funding; ii) 20+ childcare funding and iii) residential access funding – to support learners where they need to live away from home.

What other elements of support could the Learner Support fund usefully be used for? What else should be eligible that isn't already and why i.e. a clear rationale for why any other learner support funding should be made available?

Response

6

Legal learner entitlements for English and maths, up to and including level 2, first full qualification at level 2 for individuals aged 19 to 23 and first full qualification at level 3 for individuals aged 19 to 23 will remain fully funded post devolution of the AEB.

Cambridgeshire & Peterborough Combined Authority wants to understand what other types of provision should be fully funded and why i.e. a clear rationale for why any other learners or qualifications should be fully funded?

Response

7

Cambridgeshire & Peterborough Combined Authority aims to put in place management systems and processes to allow sub-contracting that expands the curriculum for CP residents, whilst ensuring value for money for the public purse from management fees.

- a. In percentage terms, what would you consider as a reasonable cost for a management fee that ensures value for money for the public purse?
- b. How could consortium arrangements be incorporated as part of commissioning plans that could add value whilst providing value for money for the public purse?

Response

8

Performance Management Cycle:

- a. How might the timeline and scope of reporting projected performance/delivery be improved for Cambridgeshire & Peterborough Combined Authority, allowing timelier reviews of underspend and development of evidenced applications for growth?
- b. Should grant funded providers be subject to the same in year assessments of delivery for growth and reconciliation as private training providers and why?

Response

9

Cambridgeshire & Peterborough Combined Authority are mindful that digital entitlement will be introduced post AEB devolution. We are seeking views on how implementing digital pilots for digital skills and accessibility of skills through digital mediums may impact on design and delivery of learning, and what advantages this could bring.

Response

END OF DOCUMENT

Thank you for your contribution and time. Please return the completed document to AEBDevolution@cambridgeshirepeterborough-ca.gov.uk by **15 October 2018.**