

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Rory Love, Cabinet Member for Education and Skills

DECISION NUMBER:

24/00046

For publication *[Do not include information which is exempt from publication under schedule 12a of the Local Government Act 1972]*

Key decision: YES

Key decision criteria. The decision will:

- a) result in savings or expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000); or
- b) be significant in terms of its effects on a significant proportion of the community living or working within two or more electoral divisions – which will include those decisions that involve:
 - the adoption or significant amendment of major strategies or frameworks;
 - significant service developments, significant service reductions, or significant changes in the way that services are delivered, whether County-wide or in a particular locality.

Subject Matter / Title of Decision

KCC CLS Adult Education Funding Reforms

Decision:

As Cabinet Member for Education and Skills, I agree to:

- (a) APPROVE the alteration to the CLS delivery model to align the council's approach to fit within the Education and Skills Funding Agency (ESFA) funding arrangements coming into force from August 2024.
- (b) DELEGATE authority to the Director of Education and SEN to design and implement the staffing and asset utilisation model to support the reforms imposed by the changes made to the ESFA funding contract.
- (c) DELEGATE authority to the Director of Education and SEN to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision.
- (d) DELEGATE authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to take other necessary actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision.

Reason(s) for decision:

From 1st August 2024, Adult Learning will be funded by the Education and Skills Funding Agency (ESFA) Adult Skills Fund (ASF) with significant alterations to how the funding should be used. There must be a greater emphasis on utilising the funding to support educational progression and equipping people with the skills to access and progress within employment,

KCC CLS is proposing to make changes to its delivery model to ensure it meets contractual obligations and gives even more focus to Local Skills Improvement Plan (LSIP) priorities around

skills gaps, and local needs. This will involve changes to both its staffing structure and locations of delivery. Prioritising CLS offer in line with the ESFA funding contracts relating to the reskilling and upskilling adults for work, and to move away from courses taken purely for leisure / pleasure purposes.

This is the current short term preferred option on the basis that without further exploration this option appears to hold fewer immediate financial risks to KCC and will also enable the current service to be refocussed to meet the new funding requirements. However, it remains desirable that further options for a blended delivery model involving other bodies such as FE colleges should be explored and developed.

How the proposed decision supports Framing Kent's Future

The decision will have positive impacts for most learners and will support the priorities in Framing Kent's Future, including:

- A greater focus on demographics within local communities to deliver improvements in adult educational attainment, skills and employment rates and economy.
- Continued support of those with disabilities and requiring additional learning support.
- The forging of a greater relationship and joint working with Public Health on activity to improve the health of the population.
- Supporting rural communities in their access to education.
- Providing opportunities for people to develop their confidence and ability to build a stronger community.
- The opportunity to review the CLS occupied estate and relocate to more carbon efficient premises.
- Offering more provision within local communities, thereby reducing carbon emissions and costs incurred through customer travel.
- Continuing to deliver the highly successful Family Learning and Response programmes which support many of the most vulnerable.
- An opportunity for local businesses, private tutors etc to increase their opportunities via the 'release' of more experienced learners from CLS courses.

How the proposed decision supports Securing Kent's Future

Implementing the proposals will contribute towards Objective 3 of securing Kent's future:

- The transformation of the service, in line with the requirements of the grant funding and in response to changes in Government priorities, will aim to return the service to a self-funded model of delivery within 3 years and achieve financial sustainability in the longer term (recognising there will be a short-term pressure whilst this transformation takes place). The proposed model of delivery was considered the most cost-effective option over the next 3 academic years.

Financial Implications

The proposal involves changing the delivery model to adhere to the changes in funding. A restructure and changes to locations of delivery would be required which would result in a financial pressure to the Council in the region of £0.6m - £0.9m in 2024-25 financial year whilst the service adjusts to the new delivery model, with the expectation this pressure would be reduced in 25-26, and the service returning to a self-funded model by 2026-27.

The Revenue Budget for 2024-25, agreed by the Council in February 2024, expected CLS to be fully funded from a combination of external grants and fee income with the delivery of a small surplus of - £0.1m to support wider indirect overheads. When assessing the different options for the future of CLS, due to the estimated impact of the government funding from August 2024, it is likely there will be a short-term financial pressure on this service during 2024-25, this will be reported in the financial monitoring report presented to Cabinet. CLS will look to implement mitigating actions where

possible, including continuing to run some fee income courses or let vacant spaces to private tutors, whilst transitioning to the new model of delivery that could offset some of this possible overspend in the short term.

Legal Implication

KCC does not deliver the CLS services pursuant to specific statutory powers or duties. KCC is required to deliver the CLS services in exchange for funding from the Education and Skills Funding Agency (“ESFA”). Under these proposals, ESFA funding for certain types of provision which amounts to the funding of 40% of KCC CLS learners is being withdrawn by the ESFA under those funding arrangements. Legal advice is being sought by the service throughout the project.

Equalities Implications

The EqIA conducted by CLS, has identified that the biggest, and most detrimental impacts to service users in the long term would have been from the two dismissed options of closing the service or doing nothing.

In the proposed decision, ‘Contract only’ option, the impacts on those with protected characteristics have been identified as:

- Potential reduction to the service offer, particularly for those learning for leisure or have completed the levels CLS offer in the subject area. Mitigation would be provided by signposting to alternative learning providers (e.g. colleges / independent businesses); the promotion of self-organised learning and exploring what CLS may be able to offer.
- Potential reduced access, particularly for those who may, because of their protected characteristic, (e.g. disability, age) have limited financial means. There is limited mitigation by access to funding via CLS tailored learning.
- Older people may be more greatly affected because of their proportional representation within CLS and because they most often use classes for leisure purposes. Mitigation would be provided by either the introduction of a Learner-funded offer and/or signposting to alternative learning providers and the promotion of self-organised learning.
- Those identifying as women may be more greatly impacted, due to the proportional representation of women attending classes (54% female, 46% male).

The positive impacts of the ‘contract only’ operational model include:

- Continuation of supported learning and independent living courses for learners with moderate learning difficulties, to support independent living skills e.g. cooking, gardening, travel, shopping, self-advocacy.
- Supporting people across all the protected characteristics by offering an improved programme to support mental health and wellbeing such as managing anxiety and stress, techniques for emotional issues, coping mechanisms for stress, CBT, assertiveness and confidence building, relaxation, and meditation.
- An inclusive vocational skills programme to enable individuals to explore prospective career avenues.
- Closer links with public health, charities, and support groups to identify and address needs.

DPIA

The DPIA screening showed a full DPIA was not required due to the lack of personal / sensitive information.

Cabinet Committee recommendations and other consultation:

The proposed decision was considered and endorsed by the Children’s, Young People and Education Cabinet Committee on the 9th July 2024.

Any alternatives considered:

- Contract plus Learner Funded Business Unit. The focus and investment required to set up a new, untested, discretionary business unit would detract from the focus required to meet the revised requirements of the ESFA contract putting compliance at risk. It would also be a significant financial risk not in line with Best Value considerations. Delivery of learner funded courses rely on volumes to be financially viable and thus more properties would need to be retained limiting the cost savings that CLS could make. Risking an entrepreneurial venture into an untested business model, such as the Learner Funded proposal, would be inappropriate at this time. Individuals unable to access funded courses within Community Learning and Skills will be signposted to alternative providers such as colleges, private tuition or independent businesses that offer similar services.
- Close CLS completely. The removal of CLS as a gateway and technical learning provider would be a negative impact for Kent's strategic plans in relation to skills and employment for Kent residents. KCC, as the contract holders with the ESFA would need to either return the contract to DfE/ESFA or commission/sub-contract the delivery to external providers. With sub-contracting, KCC would still, as the contract holder, retain the responsibility for quality, data, compliance, and lead on OFSTED inspections. Additionally, there would be an arising redundancy and early retirement cost, which could not be funded from the contract funding. The running costs of the buildings that CLS currently occupy and pay would also remain payable to the council until alternative uses could be found or the assets sold. The running costs of the buildings that CLS currently occupy and pay would also remain payable to the council until alternative uses could be found or the assets sold. It is not possible without further exploration and discussion with external partners to rule out this option at this stage and therefore further time over the coming year is required to develop proposals for consideration.
- Do nothing. Were CLS to continue planning and delivering the same programme as in the 23/24 academic year, a large number of courses would not be fundable under the tailored learning element of the ASF. At their current prices, the courses would not cover direct costs. With a large reduction in courses and learners submitted to the ESFA, a large reduction in the contract value would be likely. This makes this option financially unsustainable, cause, reputational damage and would most likely result in the closure of the service.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

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signed

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date