

From: Sarah Hammond, Corporate Director of Children, Young People and Education

To: Rory Love, Cabinet Member for Education and Skills

Subject: 24/00085 KCC CLS Sub-contracting Education and Skills Funding Agency provision

Key decision: Affects more than two Electoral Divisions

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: N/A

Electoral Division: All

Summary: The decision is required to support a broad delivery of education for adults to meet needs, gaps in provision and new funding priorities.

Recommendation(s):

The Cabinet Member for Education and Skills agree the following proposals, to:

(a) Approve the sub-contracting of provision for vocational and specialist provision for adults.

(b) DELEGATE authority to the Corporate Director for Children, Young People and Education, to take relevant actions, including but not limited to entering into relevant contracts or other legal agreements as required, including Service Level agreements (SLAs), to implement this decision.

1. Introduction

1.1 Community Learning and Skills is KCC's internally commissioned department to deliver Education and Training to adults and young people over 16. KCC CLS is responsible for delivering the Education & Skills Funding Agency (ESFA) Adult Skills Fund (ASF), Greater London Authority (GLA) budget, which support the goals and objectives of Framing Kent's Future.

1.2 As outlined in the CLS annual Accountability Statement 2024/25, which was approved through KCC governance, CLS provide and secure learning opportunities for Kent's residents which:

- engage and build confidence, preparing them for further learning and employment,
- improve essential skills in areas such English, ESOL, maths, digital skills,
- equip parents/carers to support children's learning,

- improve health and wellbeing to develop strong, integrated communities.

2. Key Considerations

- 2.1 ESFA Funding rules for Adult Education have changed and have redefined 'partners' as sub-contractors. This alteration requires a decision to sub-contract to both maintain and potentially realise business opportunities for growth against the delivery of previous specialist provision, specifically British Sign Language courses.
- 2.2 Under current arrangements, partners would provide courses as part of the existing arrangements in place with CLS. The sub-contracting model proposed in this decision means that relevant providers will now be sub-contracted to deliver the same services on a different contractual basis as a result of changes required by the Government.
- 2.3 The decision will support delivery of vocational courses, through specialist providers and subject matter experts, across Kent, including in areas such as construction, manufacturing, engineering, health and social care.
- 2.4 CLS and KCC were unsuccessful in this financial year's funding bid for Skills Bootcamps, so sub-contracting will ensure that Kent residents can continue to develop the skills and attributes to equip them for work or further education prior to next year's allocation.

3. Background

Adults

- 3.1 The focus of adult skills funding is now on progression towards, into, and within work, which also helps to meet the needs identified in the Local Skills Improvement Plan (LSIP).
- 3.2 The Department for Education (DfE) have identified new learning 'aims' for grant funded courses, including a large range of vocational courses which CLS do not have the internal organisational capacity or capability to deliver. These include some of the key LSIP focuses of construction, manufacturing and engineering. See Appendix C for list of vocational and specialist learning aims, including those with an employer focus.
- 3.3 The recent Kent and Medway LSIP progress report (Appendix A), shows progress against the targets. Independent providers in key sectors are integral to the successful delivery and CLS are seeking to utilise their knowledge and skills via sub-contracts.
- 3.4 New qualifications, in specialist subjects such as British Sign Language (BSL) are being introduced.

4. How proposed decision supports Framing Kent's Future and Securing Kent's Future

4.1 Implementing the subcontracting proposals for specialist provision for both adults and young people will contribute towards the following priorities:

4.2 Framing Kent's Future: LEVELLING UP KENT:

- To support the Kent economy to be resilient and successfully adapt to the challenges and opportunities it faces over the coming years.
- To work with partners to develop a skills system for Kent that delivers skills that are resilient to changing workforce needs and opportunities and supports people to higher level skills.

Including supporting the identified actions of:

- Develop the highly successful Employment Task Force, so that it has the capacity to identify and tackle barriers to high-quality employment across the county and convene action between partners that will drive economic growth.
- Respond to and build on the Local Skills Improvement Plan
- Regularly commission the Workforce Skills Evidence Base to provide information about the Kent economy, businesses and skills requirements and inform the Action Plan that will coordinate interventions to improve skills levels and seize opportunities for new jobs and skills.
- Maximise the use of national skills funding, including the apprenticeship levy and the lifelong learning entitlement to create real opportunities for people to access training opportunities throughout their lives that lead to employment in vocational and technical fields.
- Working with the skills sector, building on recent models of collaboration, to develop the post-16 education system to better meet the needs of young people as well as the local and wider economy.

4.3 Sub-contracting elements which CLS do not have the expertise or capability to deliver, will align with our Best Value duty, as outlined in Part 1 of the Local Government Act 1999, where Councils should "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to the combination of economy, efficiency and effectiveness". Any new sub-contracts commissioned will be assessed in line with Best Value Duty.

4.4 Sub-contracting will also support Securing Kent's Future, Objective 2 by supporting CYPE placement strategies and preparing young people for adulthood / transition with an outcome of greater independence in life.

5. Options considered and dismissed, and associated risk

5.1 **No nothing – considered and discounted.** CLS do not have suitably qualified staff in post and the subject matter knowledge to be able to deliver such a robust curriculum in such a wide range of vocational provision within the short term. Where CLS already have staff in post, the curriculum is

already being offered; for example teaching and learning, using languages for work; digital skills.

- 5.2 **Offer all provision in-house** – considered and discounted. To recruit suitably qualified staff and develop a robust curriculum within the short timescale available for the 24/25 academic year, while undertaking a service redesign, isn't practicable. CLS work with the other Further Education providers across the county and feedback from colleges is highlighting that they are experiencing difficulty in recruiting tutors for vocational skills such as construction. Additionally, CLS do not have suitable facilities available for all provision types and significant investment would be required to provide them.

6 Financial Implications

- 6.1 CLS is funded via a range of annually awarded Education & Skills Funding Agency (ESFA) contracts plus fee income when adults enrol on certain courses.
- 6.2 The funding agreements with ESFA allows CLS retain up to a maximum of 20% of the sub-contracted delivery amount as a management fee to support the procurement, selection, audit, and management of the sub-contractors ensuring that they adhere to contractual obligations and expected quality measures. We have reviewed our requirements and believe that retention of 15% would be appropriate.
- 6.3 The wider planned restructure of CLS delivery will ensure CLS is fully funded from both grants and fee income when completed (including any sub-contracted element) and there will be no expectation of contribution from the general fund.

Sub-contracting relates to the following CLS funding streams:

- 6.4 Adults: CLS receives a Tailored learning contract of £6,705,376 (24/25 allocation) as part of the funding line Adult Skills Fund which totals £8,791,434. There is no limited to amount LA may provide through subcontracting however, the ESFA have expressed a wish to see a reduction in subcontracted delivery in the sector. In the event of exceeding £100,000 of subcontracted delivery, the sub-contracting standard must be adhered to which is an additional level of rigour which includes an external audit to be undertaken at cost to CLS. The Adult Skills fund projected sub-contracting amount is expected to be £600,000 of which CLS will retain £90k to oversee service delivery.

7. Legal implications

- 7.1 Adult Learning: Sub-contracting adult provision - 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”).

8. Equalities implications

- 8.1 An EqIA has been undertaken and is currently under review. The EqIA has not identified any negative impacts, as the proposal would offer new opportunities to protected groups.

9. Data Protection Implications

- 9.1 All subcontractors will be expected to sign up to the Kent and Medway Information Sharing Agreement as part of the contract.
- 9.2 Secure methods of returning learner data will be agreed.

10. Other corporate implications

- 10.1 The decision will have implications for other departments within the Council.
- 10.2 Commissioning and Procurement – support throughout the tendering and procurement process
- 10.3 Growth, Environment and Transport – CLS anticipates working more closely with their work on Growth and Communities.

11. Governance

- 11.1 A key decision is required to enable the sub-contracting of specialist and vocational provision. Authority will be delegated to the Director for Education and SEN to implement and adjust processes as necessary, in consultation with the Cabinet Member for Education and Skills. Ongoing scrutiny will be provided by CLS Client Group.

12. Conclusions

- 12.1 The proposed decision will provide the best, and most secure, learning outcomes for adult learners in Kent who are stepping into education to improve their employability skills or who are wishing to progress into further education or who require specialist provision.
- 12.2 The proposed decision will support progress against the Kent and Medway LSIP plan.

13. Recommendation(s):

The Cabinet Member for Education and Skills agree the following proposals, to:

(a) Approve the sub-contracting of provision for vocational and specialist provision for adults.

(b) DELEGATE authority to the Corporate Director for Children, Young People and Education, to take relevant actions, including but not limited to entering into relevant contracts or other legal agreements as required, including Service Level agreements (SLAs), to implement this decision.

14 Background Documents

- [Kent and Medway LSIP report](#)
- ***Vocational and Specialist Learning Aims, 2024-25***

15 Appendices

Appendix 1: Kent and Medway LSIP Progress Report 2024

Appendix 2: Vocational and Specialist Learning Aims, 2024-25

Appendix 3: Equalities Impact Assessment

16 Contact details

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