

DECISION REPORT TO CABINET MEMBER

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

To: Beverley Fordham, Member for Education and Skills

Subject: Closure of current KCC CLS Apprenticeship Programme

Decision no: 25/0005

Key Decision: It affects more than 2 Electoral Divisions

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: Cabinet Member Decision

Electoral Division: All

Is the decision eligible for call-in? Yes

Summary

This report outlines the proposal for the future of the apprenticeship function of Community, Learning and Skills given the continual financial losses being incurred. Also requested are the delegated authority to close the programme and seek alternative provision to ensure continuity for the learners currently engaged in their apprentices. Historical background explaining how this situation has culminated together with alternative options explored are included.

Recommendation(s):

That the Cabinet Member for Education and Skills consider the following proposal:

- (a) Approve the closure of the KCC Community Learning and Skills (CLS) Apprenticeship Programme.
 - (b) Delegate authority to the Director of Education and SEN to finalise and implement the staffing and service delivery model required to support the closure of the KCC Community Learning and Skills (CLS) Apprenticeship Programme and ensure continuity of support for apprentices during the transition.
 - (c) Delegate authority to the Director of Education and SEN to take other necessary actions, including but not limited to finalising, entering into, concluding or managing any relevant contracts or other legal agreements, as required to implement this decision.
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1. Introduction

- 1.1 The KCC Community Learning and Skills (CLS) Kent Training and Apprenticeships (KT&A) Apprenticeship provision works as a training provider with employers and apprentices to support completion of their apprenticeship. The Apprenticeship provision is funded separately to the Adult Skills Fund, through a mix of Levy funds held by the government and employer support, depending on the size of the business and the age of the apprentice
- 1.2 Whilst the quality of the provision is now graded good by Ofsted and it is achieving required standards in all areas on the DfE benchmarking portal, the service continues to deliver at a financial loss. As of 28th August 2025, there are only 36 apprentices on programme, 18 of whom are due to complete by the end of the calendar year, and it is expected to deliver at a direct loss of £90k during this financial year.
- 1.3 The proposed decision is to close the current provision and endeavour to relocate apprentices to other providers.
- 1.4 This proposal will not impact the KCC Levy or KCC's ability to use its Levy to support the completion of apprenticeships with other training providers. This will also not impact the 16-19 Study Programme provision.

2. Background

- 2.1 KCC's Community Learning and Skills (CLS) service has undergone significant changes following reforms to the Adult Skills Fund (ASF) by the Department for Education (DfE), effective from 1 August 2024, with further funding reductions of £521k confirmed from 1 August 2025. These changes prompted a strategic review of CLS services to ensure continued delivery of core skills to Kent residents within the revised funding framework, while maintaining financial viability.
- 2.2 As part of this response, a key decision (24/00046) was taken by the Cabinet Member for Education and Skills in July 2024. That decision approved changes to the CLS delivery model to align with the new Education and Skills Funding Agency (ESFA) contract arrangements. It focused specifically on services funded through the Adult Skills Fund and did not include the apprenticeship programme, which is funded separately.
- 2.3 The current proposal to close the CLS Apprenticeship Programme has been brought forward in light of ongoing financial losses and the increasing pressure that this non-statutory provision places on the wider CLS budget. The apprenticeship programme has not demonstrated financial viability and is now

being considered for closure to protect the sustainability of other essential CLS services.

- 2.4 The KCC CLS, Kent Training and Apprenticeships (KT&A), Apprenticeship Team has been acting as a training provider for over 30 years, supporting employers and their apprentices to achieve their apprenticeship. However, the service has not demonstrated financial viability in recent years with direct costs outweighing income.
- 2.5 The volume of frameworks and standards offered has significantly reduced over this period from offering over 30 programmes to the current offer of 6 apprenticeship standards in Business Administrator, Customer Service, Teaching Assistant and Early years.
- 2.6 A restructure of CLS Apprenticeships was undertaken in 2021, following December 2019 Ofsted inspection grading CLS apprenticeship provision as 'requires improvement'. The provision was also not meeting required minimum standards for success rates.
- 2.7 Following this Ofsted grading, an independent consultant provided detail on the areas that required improvement, however, due to the Covid pandemic the implementation of formal changes was delayed.
- 2.8 The consultation for restructure was entered into during August 2021 and had two key focuses; improve the quality of the apprentice's journey to ensure a timely achievement and reduce the number of programmes offered allowing focus and manageable caseloads.
- 2.9 To facilitate these changes, an apprentice recruitment freeze was implemented. Although this quality improvement focus has been successful with achievement rates and timely achievements significantly improved, recruitment of the volumes of apprentices required to maintain financially viable was impacted.
- 2.10 Further financial losses were reported in subsequent financial years triggering the decision to enter into a further consultation in September 2023.
- 2.11 This consultation had two key aims: to ensure the viability of the team including all staff associated costs and to bring the management of the sales team to within the Apprenticeship team management. The implementation of the new structure was intended to move the delivery of the programme to a position of small surplus from 2024/25 however, unforeseen workforce capacity constraints within the small in-house KCC CLS team have significantly impacted delivery.
- 2.12 As a result, deficits of £118k and £103k were reported for the 2023/24 and 2024/25 financial years respectively. This trend is projected to continue in 2025/26 with losses of £89k forecast, raising concerns about the ongoing viability of the apprenticeship provision.
- 2.13 These deficits formed part of the CLS overspend in both 2023-24 and 2024-25 which has been funded from the Council's General Fund. The Council budgets to not subsidise the CLS service, expecting the service to be fully funded through the use of Government Grants or fees from courses.

2.14 In the current market, with the ongoing delays in roll-out of the Government funding changes across the apprenticeship provision and the savings being expected to be made across CLS to ensure this is not an ongoing cost to the Council's General Fund; it is no longer a workable option to continue to carry the financial burden of the KCC CLS apprenticeship scheme.

2.15 There are currently 36 active apprentices on programme, of which 4 are in their Apprenticeship Assessment and a further 20 are within their last 6 months of their apprenticeships.

Apprentices at 28 August 2025

Standard	Level	Total Number of Apprentices	Number due to enter assessment by 31/12/25	Number due to enter assessment after 1/1/26
Business Administrator	3	13	7	6
Customer Service Practitioner	2	10	7	3
Teaching Assistant	3	3	2	1
Early Years Practitioner	2	4	2	2
Early Years Educator	3	6	2	4
	TOTAL	36	20	16

3.18 Roles impacted within the apprenticeship team:

Roles		FTE Total
CEM Apprenticeships	KSJ	1FTE
AEM Employer Focused and Apprenticeships Ofsted Contact	KSG	1FTE
Tutors – Business Skills	KSF	2.2FTE
Tutors – Early Years & Schools	KSF	2.0FTE
Tutor – Wider Curriculum Resources	KSF	0.6FTE
Employer Adviser	KSE	1FTE
Total		7.8FTE

3 Options considered and dismissed, and associated risk

Option 2 – Scale down delivery team to current level of apprentices and regrow over time:

Reduce staff numbers through the diminution process to enable us to have sufficient staff to cover the current number of learners only and investigate the regrowth of the

provision in due course, reviewing the potential for future hiring using permanent relief contracts to create flexibility in staffing. This would enable us to retain a progression pathway for Supported Interns within the apprenticeships that we offer. There would be a real challenge if any staff were absent or left as there would be no capacity to pick up their work. With the number of apprentices on programme continuing to reduce and two apprenticeship restructures having already been undertaken to shape Apprenticeships effectively without bringing about the required outcome, the risks associated with a further restructure required were considered too great.

Option 3 - Do nothing:

CLS Apprenticeships continue to deliver the apprenticeship programmes, whilst exploring opportunities to deliver other apprenticeship standards and Work Based Training programmes or associated employer focussed delivery with ASF Core and Tailored learning funding. This would not be viable as it would require financial support from other streams of income for CLS/KCC. A decision to reduce focus on other CLS ASF delivery has already been approved and is presently being consulted on.

4 Financial Implications

4.1 The Apprenticeship programme is funded by a contract from the DfE on an earnings per learner basis. KCC CLS is expected to deliver within the funding provided by central government contracts and fees, aiming for at least breaking even, and not being subsidised by the Council's General Fund.

4.2 Due to recent changes to the contract rules and reductions in the contract value, the service has had to review all its services to ensure future financial sustainability within the confines of the central government funding conditions.

4.3 Attempts to ensure the apprenticeship programme can be delivered within the grant funding available (in 2024-25 this totalled £157k) has not been possible, and a shortfall is expected to continue in future years.

4.4 In the past, KCC CLS had subsidised the ongoing running of this apprenticeship service from the fees that the service has been able to charge but due to wider changes in adults skills funding this is no longer possible and so it has now become a pressure on the Council's General Fund.

4.5 During the 24/25 academic year, CLS has drawn funding of £157k for apprenticeship delivery. The direct costs of delivery are detailed below:

Cost heading	25/26 Budget £
Tutor/Assessors/IQA	172,020
Area Education manager	4,271
Employer advisor	39,515

Exams	26,000
Non-pay	5,000
TOTAL direct costs	£246,806

- 4.6 Whilst a decision to cease delivering the apprenticeship programme would reduce direct costs by £247k, the loss of the income earned from the programme of £157k creates a net avoided cost or saving of £90k.
- 4.7 Additionally, it is anticipated that this would also contribute towards releasing capacity and improve efficiency of teams that work across the whole service.
- 4.8 These savings are likely to be staged whilst alternative solutions are found for on-programme learners as staff will need to be retained to teach and support learners whilst the programme is wound down.
- 4.9 There will be one off cost-of-change expenditure in relation to redundancy payments and premature retirement charges which are payable directly by KCC CLS. These are estimated to be approximately £78k redundancy and £59k premature retirement. These costs effectively remove the savings made in year one but enable the savings in future years.

5 Legal implications

- 5.1 There is no statutory obligation for the council to deliver an Apprenticeship scheme and it is therefore deemed to be a discretionary service. The Council's statutory obligation is to ensure compliance with the duty provided by s. 149 of the Equality Act 2010. This obligation is an "have regard to" duty for what is a public function. So, the Council must consider, identifying protected characteristics, assess any disproportionate impact on individuals or groups with protected characteristics, demonstrate due regard, provide justification and consider any reasonable adjustments.

6 Equalities implications

6.1 The EqIA conducted by CLS, has identified that the closure of the apprenticeship programme will have a number of impacts on those with protected characteristics. These have been identified as:

- Change to provider offering the apprenticeship. Mitigation would be to outrun apprenticeship if a suitable alternative couldn't be identified.
- Fewer opportunities to undertake apprenticeships. Mitigation would be provided by signposting to alternative learning providers (e.g. colleges / independent training providers) and the promotion of other learning opportunities such as Foundation Apprenticeships for those aged 16-19, Bootcamps, Advanced Learner Loans and Work-based Learning to those aged 19+
- With 91% of CLS's apprentices being aged 23 years or younger at the start of their programme, younger people will be more affected by the changes

proposed. There should, however, be other opportunities available through other providers in the County.

- On average 24% of our apprentices are male, therefore those identifying as female would be greater impacted by the changes suggested. There should, however, be opportunities available through other providers across the County.

6.2 The positive impacts of the closure include:

- Reduce the financial reliance on other funding streams to fund gaps in income and therefore reduce potential Adult Skills Fund funding rules breach.
- Less competition amongst Kent training providers supporting better joined-up working.

7 Data Protection Implications

- 7.1 There are no data protection implications arising directly from the decision requested within this paper. However, in the event that apprentices transfer to an alternative training provider, data sharing agreements will be instigated to ensure that learner data is protected.

8 Other corporate implications

- 8.1 Virtual Schools Kent - Kent Training and Apprenticeships offer apprenticeships to a small number of care leavers. The first of these learners has recently completed achieving distinctions across all assessments. Other appropriate apprenticeship provision will have to be found to support care leavers in future.

9 Governance

- 9.1 Delegate authority to the Director of Education and SEN to finalise and implement the staffing and service delivery model required to support the closure of the KCC Community Learning and Skills (CLS) Apprenticeship Programme and ensure continuity of support for apprentices during the transition.
- 9.2 Delegate authority to the Director of Education and SEN to take other necessary actions, including but not limited to finalising, entering into, concluding or managing any relevant contracts or other legal agreements, as required to implement this decision.

10 Conclusions

The proposed decision is to close the current KCC CLS Apprenticeship Provision. This recommendation is based on sustained financial losses, which KCC CLS is no longer able to absorb. Continuing the delivery of the apprenticeship programme is not financially viable and closure is therefore the necessary course of action to ensure responsible financial management.

Recommendation(s):

That the Cabinet Member consider the following proposal:

- (a) Approve the closure of the KCC Community Learning and Skills (CLS) Apprenticeship Programme.
 - (b) Delegate authority to the Director of Education and SEN to finalise and implement the staffing and service delivery model required to support the closure of the KCC Community Learning and Skills (CLS) Apprenticeship Programme and ensure continuity of support for apprentices during the transition.
 - (c) Delegate authority to the Director of Education and SEN to take other necessary actions, including but not limited to finalising, entering into, concluding or managing any relevant contracts or other legal agreements, as required to implement this decision.
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10. Background Documents

DfE Funding Rules 2025/26. *Please note these are the 25/26 rules but have the wrong title on DfE website:* [Apprenticeship funding rules 2023 to 2024](#)

11. Appendices

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12. Contact details

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