

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Beverley Fordham, Cabinet Member for Education and Skills

DECISION NUMBER:

25/00056

For publication

Key decision: Yes

Subject Matter / Title of Decision

Closure of current KCC CLS Apprenticeship Programme

Decision:

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

- (a) Approve the closure of the 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.

Reason(s) for decision:

Community, Learning & Skills (CLS) has seen significant funding changes to the Adults Skills Fund (ASF) by the Department for Education (DfE) from 1st August 2024, followed by confirmation of funding cuts of £521k from 1st August 2025. These changes have required CLS to undertake significant review of its services so as to ensure it continues to deliver vital core skills to the residents of Kent within the new terms of its funding contract with the DfE and at the same time to remain financially viable. The apprenticeship programme was not part of this initial review as it had focussed on changes to meet the new 'Adult Skills Fund' requirements. However, following the more recent funding cuts as above, the programme has now been reviewed.

KCC CLS Apprenticeship programme has been subject to two separate restructures over the last 5 years, the first following an Ofsted 'Requires Improvement' grade in 2019, with a second trying to move the apprenticeship provision to a financially viable position by restructuring the staff and reducing the offer. Whilst the quality of the provision is now graded good by Ofsted and is achieving required standards in all areas on the DfE benchmarking portal, the service continues to deliver at a financial loss. At present there are 36 apprentices on the programme, and it is expected to deliver at a loss of £89k during this financial year.

Whilst this area was not previously prioritised as an area of further change, current financial pressures require revised consideration of how best to allocate limited resources. Continuing this service without an ongoing commitment by the Council to subsidise this non-statutory service is not sustainable without it potentially impacting on other essential areas/ services within CLS.

Opportunities to move existing apprentices to complete their apprenticeships with other local providers is in the process of being explored. CLS has seen a growth in external training providers to meet demand. Initial conversations with other Medway Authority and the 3 Kent FE colleges have been undertaken and Kent Association of Training Organisations has also been approached to identify suitable Independent Training Providers. If suitable alternative provision cannot be found individual apprentices will be outrun through CLS.

The proposed decision is to close the current provision and endeavour to relocate apprentices to other providers.

This 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 16-18 Kent Training and Apprenticeships Study Programme provision.

Background

A restructure of CLS Apprenticeships was undertaken in 2021, following 2019 Ofsted inspection grading CLS apprenticeship provision as 'requires improvement'. The provision was also not meeting required minimum standards for success rates.

During this restructure, a number of Apprenticeship Standards were removed from the offer with the main areas retained being Early Years, Teaching Assistant, Customer Services and Business Administration. All of these are also offered by other quality providers across Kent.

The implementation of the new structure was intended to move the delivery of the programme to a position of small surplus in years 2024-2025 and onwards, however due to multiple factors, delivery volumes have been significantly impacted. As a result, a deficit of £103,446 was recorded in 2024/25, with a projected shortfall continuing in 2025/26, raising concerns about the ongoing viability of the apprenticeship provision. These deficits formed part of the CLS overspend in 2024-25 and have been funded from the Council's General Fund. The Council has previously not subsidised the CLS service, expecting the service to be fully funded through the use of Government Grants or fees from courses.

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.

Over the last 12 months, recruitment of new apprentices has been too slow, showing a continued downward trend in numbers on programme, a total of 26 against a target of 48. Additionally, funding from the DfE for apprenticeships has not kept pace with rises in costs. The total number of KCC staff directly involved in the apprenticeship programme is 7.80 FTE. Increases to the funding of apprenticeship standards are expected with the first £2,000 per learner increase being seen for the Teaching Assistant and Early Years Educator Standards, but the awaited uplift for Business Administrator and Customer Service Practitioner are long overdue. The Customer Service Practitioner attracts funding of £3,500 per learner, and it has been static since 2017. With the increase in staffing costs since its inception, this barely breaks even to allow for the level of support required for this vital stepping stone apprenticeship into customer-based organisations. The long-awaited Level 2 Assistant Administration has also been delayed further due to the changes implemented in this year's funding rules and is now anticipated to commence in the Autumn of 2025.

The proposed decision is to close the current CLS Apprenticeship Provision due to sustained financial losses. CLS is unable to continue to cover the losses due to changes to the Adult Skills Fund and cuts to their available funding.

How the proposed decision supports Framing Kent's Future

The changes will support KCC's ambitions by:

- Ensuring that CLS funding is utilised to support key priorities including Study Programmes for young people who are not in education, employment or training (NEET) including those with Education, Health and Care plans (EHCPs) and Family Learning.
- Ensuring that current apprentices are either supported by CLS until their achievement or by transferring them to other training providers for future support.

How the proposed decision supports Securing Kent's Future

Implementing the proposals will contribute towards Objective 3 of Securing Kent's Future:

Implementing the proposals will contribute towards Objective 3 of Securing Kent's Future:

- The closure of the apprenticeship provision of KCC CLS service, will aim to support the service to return to a self-funded model of delivery within 2 years and achieve financial sustainability in the longer term (recognising there will be a short-term pressure whilst this transformation takes place).

Financial Implications

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. 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. 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.

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. 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

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 saving of £90k. Additionally, it is anticipated that this would also contribute towards releasing capacity and improve efficiency of teams that work across the whole service. 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.

The proposal is intended to avoid an ongoing requirement of funding from the Council's General Fund to subsidise the programme. 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.

Legal Implication

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.

Equalities Implications

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.

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.

DPIA

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.

Cabinet Committee recommendations and other consultation:

Any alternatives considered:

Option 2 – Scale down delivery 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. With the number of apprentices on programme continuing to reduce and two apprenticeship restructures having already been undertaken, the risks of further future reductions being 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 to be consulted on from early September.

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