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

To: Rory Love, Cabinet Member for Education and Skills

Subject: KCC CLS Sub-contracting Education and Skills Funding Agency provision for Adult Education

Decision no: 25/00020

Key Decision :

- *Savings or expenditure of more than £1m*
- *Affects two or more Electoral Divisions*

Classification: *Unrestricted*

Past Pathway of report: Children's, Young People and Education Cabinet Committee
27 February 2025

Future Pathway of report: Cabinet Member Decision

Electoral Division: All divisions and Members

<https://democracy.kent.gov.uk/mgMemberIndex.aspx?bcr=1>)

Is the decision eligible for call-in? Yes

Summary: This report provides the background and proposal for the sub-contracting of Adults Education to meet needs, gaps in provision and new funding priorities.

Recommendation(s): As Cabinet Member for Education and Skills I agree to:

1. To CONFIRM approval of the sub-contracting of specialist provision for adults as set out in Decision - 24/00085
 2. To CONFIRM delegated authority to the Corporate Director of Children's, Young People and Education, in consultation with the Cabinet Member for Education and Skills, to take the relevant actions as necessary to implement the decision, including future review of performance and Best Value alignment as set out in Decision - 24/00085
 3. To APPROVE the commissioning approach to procure a two year contract with an option to extend for 12 months.
 4. To DELEGATE authority to the Corporate Director of Director of Children, Young People and Education, in consultation with the Cabinet Member for Education and Skills, to exercise relevant contract extensions and enter into relevant contracts or legal agreements; and
 5. To DELEGATE authority to the Corporate Director of Children, Young People and Education, to take other relevant actions, including but not limited to, finalising the terms of, and entering into required contracts or other legal agreements, as required to implement the decision.
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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.
- 1.3 The previous report that relates to this decision omitted the following information
 - Contract Length – Two years with the ability to extend by up to 12 months
 - Investigation into an additional 'Lot' to any future procurement to cover provision for 16-19 year olds (up to 25 with an EHCP)
 - Delegate authority to the Corporate Director of Director of Children, Young People and Education to exercise relevant contract extensions and enter into relevant contracts or legal agreements
 - Delegate authority to the Corporate Director of Children, Young People and Education, to take other relevant actions, including but not limited to, finalising the terms of, and entering into required contracts or other legal agreements, as required to implement the decision

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

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.

3.3 The recent Kent and Medway LSIP progress report (Appendix 1), 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 **Do 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.
- 6.4 Sub-contracting relates to the following CLS funding streams:
- 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

- o exceeding
- o £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
- o £90k to oversee service delivery.

7. Commissioning intensions

- 7.1 The proposal is to commission a two year contract with an option to extend for 12 months.(September 2025 to August 2027 with an option to extend to August 2028)
- 7.2 Future considerations which align to the sub-contracting of provision for Adults -The investigation into adding a second 'Lot' of sub-contracting of provision for the delivery of the 16 to 19 year olds Study Programme for Community Learning and Skills, and Post 16 provision for those aged 19 to 24 with an Education, Health and Care Plan through an evidence based commissioning programme will be undertaken to ensure alignment of delivery with the sub-contracting of provision for Adults. The sub-contracting of provision for the delivery of the 16 to 19 year olds Study Programme for Community Learning and Skills, and Post 16 provision for those aged 19 to 24 with an Education, Health and Care Plan will be subject to separate decision making.

8. Legal implications

- 8.1 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").
- 8.2 This will be tendered and procured under the Public Contracts regulations 2015. The New procurement act 2025 does not go live until 24 February 2025 and we are permitted to procure this under the existing PCR 2015 regime.

9. Equalities implications

- 9.1 An EqIA has been undertaken and will be kept under. The EqIA has not identified any negative impacts, as the proposal would offer new opportunities to protected groups.

10. Data Protection Implications

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

11. Other corporate implications

- 11.1 Commissioning and Procurement – support throughout the tendering and procurement process

11.2 Growth, Environment and Transport – CLS anticipates working more closely with their work on Growth and Communities.

12. Governance

12.1 A further key decision is required to rectify omissions etc. delegated authority will be given to the Corporate Director for x to exercise relevant contract extensions and enter into relevant contracts or legal agreements as required to implement the decision. agreements.

13. Conclusions

13.1 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.

13.2 The proposed decision will support progress against the Kent and Medway LSIP plan.

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14. Appendices

Appendix 1: Kent and Medway LSIP Progress Report 2024 Vocational and Specialist

15. Contact details

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