City of London Corporation Committee Report

Committee(s): Corporate Services Committee	**Dated:** **9th September 2026**
Subject: Early Careers Talent Pipeline	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes**	Providing excellent service
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
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Summary

This paper seeks Corporate Services Committee endorsement of the proposed future delivery model for the City Corporation's Impact Leadership Graduate Programme and apprenticeship provision. Both programmes remain important routes for strengthening workforce resilience, succession planning, social mobility and future skills. However, rising employment costs, central budget pressures and changes to national apprenticeship funding mean that decisions are required on future scale, funding and prioritisation. These are not recommendations which we have easily reached but are critical considering current financial pressures.

The graduate and apprenticeship programmes are key components of the Corporation's talent pipeline, supporting leadership capability, service resilience, succession planning and social mobility.

The Impact Leadership Graduate Programme has performed strongly since its 2024 relaunch, with departmental demand exceeding available placements by around 40%. Current 2026/27 funding can support five graduates within the existing central budget, rather than the previously approved annual intake of nine. The approach is therefore to reduce the 2026/27 intake to five, while reviewing whether departmental contributions can support a return to an intake of nine from 2027/28.

Apprenticeship provision also needs to be refocused. The current contingency fund can no longer sustain up to 100 centrally funded entry-level apprenticeships because of London Living Wage pressures. A more sustainable model would reduce centrally funded apprenticeships to around 65 by the end of 2026 and then to around 55 by the end of 2027. Departments would also be encouraged to use suitable vacant Grade A, B, C and D roles in hard-to-fill areas as locally funded apprenticeship opportunities, helping to maintain entry-level pathways while reducing reliance on central funding.

The apprenticeship levy position has also changed significantly. The withdrawal of key national standards is expected to create a projected annual levy underspend of £919,539. Future provision should therefore prioritise remaining levy-compliant standards, including AI and technical routes, alongside departmental engagement to identify progression pathways and maximise levy value. Committee endorsement is requested to enable People and HR to move to a more sustainable delivery model, confirm departmental contributions and prioritise remaining levy-compliant apprenticeship provision.

Recommendation(s)

Corporate Services Committee is asked to endorse a more sustainable future delivery model for the graduate and apprenticeship programmes and note the associated financial, workforce and delivery implications.

Committee is asked to endorse the following approach:

- **Centrally funded apprenticeships:** reduce provision from up to 100 centrally funded apprenticeships to approximately 65 by the end of 2026, with a further reduction to approximately 55 by the end of 2027, in line with the current budget position.
- **Impact:** This approach would bring centrally funded apprenticeship provision within available resources but would reduce the number of centrally supported entry-level opportunities available across the organisation. It may also have implications for Adult Skills (ASES) in DCCS as a training provider, as the Corporation would be commissioning fewer centrally funded apprenticeships. However, the overall impact will need to be considered in the context of the current delivery model, as some of the existing 100 apprenticeships are already subcontracted to other providers.
- **Locally funded apprenticeship roles:** encourage departments to use appropriate vacant Grade A, B, C and D posts in hard-to-fill or priority service

areas as apprenticeship opportunities, subject to workforce planning, affordability and departmental approval.
Impact: this would strengthen talent pipelines in priority areas, maintain a visible route into the organisation for young people and help offset the reduction in centrally funded apprenticeship places. It would, however, require departmental funding, manager commitment and active workforce planning to identify suitable roles. Consideration will also need to be given to the off-the-job learning requirement built into apprenticeships. (6 hours off the Job learning per week is required for all apprentices to do their course work & projects etc)

- Maximising use of remaining levy-compliant standards, including AI and technical apprenticeship provision where it aligns to organisational skills needs.

Information for the committee to note

- **Graduate intake for 2026/27:** The annual intake will reduce to five graduates within the existing central budget, while reviewing whether departmental contributions can support a return to an intake of nine from 2027/28.
Impact: temporarily reducing the intake to five remains affordable within the current budget but will reduce placement capacity and weaken the Corporation's ability to build future leadership capability. Securing departmental contributions from 2027/28 would enable a return to nine graduates, preserving leadership pipeline capacity, supporting succession planning and responding to strong departmental demand.

Main Report

Background

1. Apprenticeships have expanded significantly since 2017 and are now an established route for developing organisational capability, supporting career progression and addressing workforce skills gaps. Centrally funded apprenticeship roles are currently supported through a £2.5m contingency fund. However, increases in the London Living Wage and associated employment costs mean that this fund can no longer sustain the level of provision originally agreed when the programme was established.

2. There are currently approximately 343 employees undertaking apprenticeship programmes. This includes 87 new entrants whose salaries are centrally funded through the contingency fund, and 256 existing employees undertaking levy-funded accredited qualifications. While the apprenticeship levy continues to support eligible accredited qualifications, recent national policy changes have resulted in the withdrawal of several qualifications from apprenticeship standards. This has narrowed the range of levy-funded provision available and made full utilisation of the levy increasingly challenging.

3. The Impact Leadership Graduate Programme was reintroduced in 2024 and provides two-year fixed-term learning contracts, rotational placements and a

Level 7 Leadership and Management qualification. The Corporation currently employs 14 graduates across two cohorts. Funding was approved for nine graduate posts per year, but revised salary and on-cost assumptions mean only five can be recruited in 2026/27 within the current budget.

Current Position

4. The apprenticeship digital levy fund for 2026 stands at £1,522,255. The withdrawal of key standards, including leadership and management provision, is projected to result in an annual underspend of approximately £919,539. This reduces the Corporation's ability to use levy funding for higher-value workforce development and requires a sharper focus on remaining standards, including AI and technical provision.
5. The financial position therefore has distinct elements, the £2.5m contingency fund can no longer sustain up to 100 centrally funded apprenticeships; and the withdrawal of national apprenticeship standards creates a projected annual levy underspend of £919,539. Please note the digital levy fund cannot be spent on salaries, only on authorised apprenticeship training
6. The table below summarises recent use of now-withdrawn leadership and management apprenticeship standards.

Use of withdrawn leadership and management apprenticeship standards: last 12 months

Apprenticeship	**Level**	**Annual Spend**	**Employees**
Senior Leader	Level 7	£404,486	85
Improvement Leader	Level 6	£54,000	25
Management, HR, Coaching	Level 5	£98,068	45
Team Leader	Level 3	£40,798	19
Total		**£597,352**	**174**
Total Levy Spend	**£1.3m**		

Options

Risks and Implications

- **Reduced leadership pipeline:** reducing the graduate intake to five may weaken future leadership capability and succession planning. This will be mitigated by reviewing departmental contributions to support a return to nine graduates from 2027/28.

- **Unmet manager demand:** reduced placement capacity may affect departmental confidence and engagement. This will be mitigated through early engagement with departments to confirm demand, funding contributions and workforce planning priorities.
- **Skills gaps:** the loss of key apprenticeship standards may constrain workforce capability, progression and innovation. This will be mitigated by prioritising remaining levy-compliant standards, including AI, technical and other provision aligned to organisational skills needs.
- **Financial inefficiency:** unused levy funds expire and return to HMRC, representing lost workforce development value. This will be mitigated by actively redirecting levy use towards available standards that support current and future capability needs.
- **Equality, diversity and inclusion:** reduced graduate and apprenticeship intake may limit entry and progression routes for underrepresented groups and weaken social mobility impact. This will be mitigated through active monitoring, targeted workforce planning, completion of an EQIA and the development of locally funded apprenticeship opportunities in suitable vacant roles.

Options Analysis

7. The options below align with the recommendations set out in section 3 and distinguish between action recommended now, future consideration and activity not recommended at this stage. The preferred overall approach is to protect the Corporation's strategic talent pipeline where affordable, while refocusing delivery around workforce planning priorities, departmental contribution and remaining levy-compliant apprenticeship provision.

Apprenticeship Programme Options

Option 1 recommended: reduce centrally funded apprenticeships from up to 100 to around 65 by the end of 2026, with a further reduction to around 55 by the end of 2027, in line with the current budget position. This would bring centrally funded provision within available resources, while reducing the number of centrally supported entry-level opportunities.

Option 2 recommended: encourage departments to use appropriate vacant Grade A, B, C and D posts in hard-to-fill or priority service areas as locally funded apprenticeship opportunities, subject to workforce planning, affordability and departmental approval. This would help offset the reduction in centrally funded apprenticeship places, maintain a visible entry route for young people, support social mobility and strengthen talent pipelines in priority areas.

Option 3 recommended: focus remaining levy activity on available standards, including AI and technical provision where these align with organisational skills needs.

This would maximise the value of remaining levy funding and support future-facing capability where suitable standards are available.

Option 4 not recommended at this stage: explore levy transfer to external organisations only if internal utilisation cannot be achieved and internal workforce development opportunities have been exhausted. This option should remain a secondary consideration, as the immediate priority is to maximise benefit for the Corporation's own workforce and service priorities.

Corporate and Strategic Implications

8. Strategic – The proposals support excellent services by strengthening workforce resilience, internal talent pipelines, succession planning and future skills.

9. Financial implications – The report identifies pressure on the graduate budget and a projected £919,539 apprenticeship levy underspend. Maintaining programme scale may require departmental contributions or budget reprioritisation.

10. Resource implications – Delivery will require continued People and HR coordination and active departmental support to host graduates, identify suitable apprenticeship roles and contribute to workforce planning.

Legal implications

None arising from the report.

Risk implications

11. The main risks are reduced leadership pipeline capacity, weaker succession planning, under-utilisation of levy funding and reduced ability to address skills gaps. These can be mitigated through targeted prioritisation, departmental engagement, clear workforce planning decisions and active monitoring of equality and social mobility impacts. There is also a reputational risk if reductions in early-entry opportunities are not clearly communicated as part of a more sustainable and targeted delivery model.

Equalities implications

12. Graduate and apprenticeship routes play an important role in supporting access to employment, career progression and social mobility. Any reduction in programme scale should therefore be actively monitored to assess potential equality impacts, particularly in relation to entry-level opportunities and progression pathways for underrepresented groups. Reductions in provision may also have implications for the Corporation's future performance in the Social Mobility Index and should be considered as part of ongoing workforce and equality monitoring.

Climate implications - There are no specific climate implications arising from this report.
Security implications – There are no direct security implications.

Conclusion

13. The graduate and apprenticeship programmes remain strategically important to attracting, developing and retaining talent across the Corporation. The aligned recommendations and options provide a sustainable way forward by reducing the graduate intake to five for 2026/27 within the existing central budget, while reviewing whether departmental contributions can support a return to an intake of nine from 2027/28. The approach also brings centrally funded apprenticeship provision within available resources by reducing places to around 65 by the end of 2026 and around 55 by the end of 2027, while encouraging departments to create locally funded apprenticeship opportunities in suitable vacant roles. This will help mitigate the impact of reduced central funding, preserve visible entry routes for young people and strengthen talent pipelines in priority or hard-to-fill areas. Alongside this, focusing remaining levy activity on available AI, technical and other levy-compliant standards will maximise public value from the levy and support future-facing workforce capability. Subject to Committee endorsement, People and HR will work with departments to confirm graduate placement demand, review funding contributions, identify suitable apprenticeship roles and monitor the financial, workforce and equality impacts of the proposed delivery model.

Appendices

Appendix 1: Graduate cost forecast

The table below summarises the forecast cost position for the current and proposed graduate cohorts to September 2028.

	FY 26/27	FY 27/28	FY 28/29
Cohort 1 ends September 2026	£106,311.50		
Cohort 2: 29 October 2025 to 29 September 2027	£462,672.00	£462,672	
Cohort 3: Sept 27 - Sept 29 anticipated costs for a cohort of five graduates		£285,687.00	£308,448.00
Total	£568,983.00	£748,359.00	£308,448.00

*FY 2028/29 does not include any graduates recruited in 2029.

Appendix 2: Scheduled withdrawal of key apprenticeship standards

14. In 2025, the Government confirmed the withdrawal of eight Level 7-degree apprenticeships for employees aged over 21, materially narrowing the range of levy-funded development available to the Corporation. Over the last three years, 85 employees have completed Level 7 apprenticeships, representing a total investment of £866,588 and demonstrating the importance of these programmes in building leadership and professional capability. In April 2026, funding was withdrawn for a further 16 apprenticeship standards, predominantly in leadership and management, creating an anticipated underspend of £919,539. While the policy intent is to redirect funding towards younger learners, foundation apprenticeships and shorter skills-based provision, the detail and practical value of these replacement programmes remain uncertain. This creates a significant challenge for organisational workforce planning and limits access to established, high-value development routes that have supported capability building across the Corporation.

Appendix 3: Removal of 22 apprenticeship standards

15. The Corporation contributes 0.5% of its monthly pay bill to the apprenticeship levy, equating to £1,199,001 in 2025–26. The levy account currently holds £1,522,255, with a further £120,752 added each month. As levy funds expire after twelve months if not used, the withdrawal of 22 key apprenticeship standards presents a direct risk to levy utilisation and value for money. The reduction in suitable programmes significantly constrains the Corporation's ability to use its levy strategically to support workforce development, succession planning and internal progression. From August 2026, replacement provision is expected to focus primarily on lower-level apprenticeships and shorter, lower-value courses. While these may provide some targeted benefit, they are unlikely to offer the same breadth, depth or strategic return as the withdrawn standards, particularly in relation to leadership capability and specialist professional development.

Appendix 4: Future AI and technical standards

16. The emerging suite of AI-related apprenticeships and short-course units presents a timely opportunity for the Corporation to strengthen capability in a rapidly evolving area of strategic importance. Provision such as the Artificial Intelligence and Automation Practitioner (Level 4) and AI Leadership units (Level 5) offers practical routes to build confidence, technical understanding and leadership readiness in relation to digital transformation. Active promotion of these programmes would support employees to develop relevant future-

facing skills while enabling the Corporation to respond more effectively to changing service demands, innovation priorities and workforce expectations. Investing in these standards will help position the organisation to harness new technologies with greater confidence, strengthen resilience, and support the development of a modern, adaptable workforce.

Background Papers
None

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