



**Executive**  
9th September 2008

**Report from the Director of Children and Families**

For Action

Wards Affected:  
ALL

**Authority to invite tenders for the provision of education, employment, training and careers Connexions services in Brent**

Forward Plan Ref: C&F08/09-009

**1.0 Summary**

1.1 This report requests approval to invite and evaluate tenders in respect of the contract for education, employment, training and careers Connexions services in Brent as required by Council Contract Standing Orders 88 and 89.

**2.0 Recommendations**

That the Executive:

- 2.1 approves the pre-tender considerations and the criteria to be used to evaluate tenders for the contract for education, employment, training and careers Connexions services in Brent (the "Contract") as set out in paragraph 3.20 of this report;
- 2.2 authorises officers to invite tenders for the Contract and evaluate them in accordance with the approved evaluation criteria referred to in paragraph 2.1 above;
- 2.3 authorises the Director of Children and Families to decide which parts (if any) of the service specified in the Council's current contract with Prospects Services Limited ("Prospects") are to be brought in-house rather than included in the new Contract to be tendered. This authorisation is subject to the Director of Children and Families bringing a further report to the Executive as required by the Constitution should the bringing of these services in-house be likely to result in more than 20 Prospects' employees TUPE transferring to the Council.

### 3.0 Detail

#### Background

- 3.1 From April 2008 all local authorities have taken on the responsibility to deliver services funded by the Connexions grant element within the Area Based Grant. Nationally, a variety of models has emerged with, in many cases, the sub-regional Connexions Partnership remaining as a body commissioned by the local authority to provide the full range of Connexions Services. In Brent, the Connexions Service is already well established within the local authority, having been in-house in Brent since October 2004. The service is located within the Achievement and Inclusion Division in the Children and Families Department, and as such is maintaining and developing strong links within the department and across the Council eg with colleagues in the Policy and Regeneration Unit with regard to taking forward the Not in Education, Employment or Training (“NEET”) Strategy.
- 3.2 From 1 August 2006, following a competitive tendering process, the contract for the provision of education, employment, training and careers Connexions services in Brent has been held by Prospects. The contract was originally to run for a period of 2 years until 31st July 2008. However, the contract has been extended under delegated powers for a further year until 31 July 2009 to allow for the development of a service specification which would fully reflect future needs in the light of Integrated Youth Support Services developments and also so that the service specification could be developed to take full account of the national Quality Standards for Young People’s Information, Advice and Guidance (“IAG”), which were launched on 31 October 2007. These IAG Standards were developed to set out the DCSF’s expectations of the IAG services that local authorities would commission and manage after they assumed responsibility for these services in April 2008, although in the case of Brent the local authority had already taken on this role from 2004 as stated in paragraph 3.1 above.
- 3.3 Use of the IAG Standards to underpin the future commissioning and contract management processes is intended to ensure that the IAG services commissioned:
- are developed collaboratively
  - are of good quality and meet young people’s needs
  - are impartial and independent of any interests other than those of young people
  - fulfil statutory and other requirements
  - promote equality, raise aspirations and challenge stereotypes,
  - contribute to the achievement of the five Every Child Matters outcomes and cross-cutting national and local targets
  - are responsive to changing circumstances
  - continue to provide effective support for young people’s personal and career development
  - complement the other support that young people receive to help them with their personal development
  - secure their participation in learning and facilitate their progression into, through and beyond the 14-19 phase and contribute fully to the implementation of the 14-19 reform programme.

- 3.4 Using the IAG Standards will also facilitate the collection of reliable data about young people's progress, the contribution of IAG services to the achievement of PSA targets, local strategic objectives and progression targets, the contribution of IAG services to the implementation of the 14-19 reform programme (through the 14-19 progress checks), the local labour market and gaps in local IAG provision and the local learning offer.
- 3.5 Services provided currently by Prospects represent a significant element of the Council's Connexions service delivery and include a wide range of services for 13-19 year olds (up to 25 for young people with learning difficulties and/or disabilities). The current annual contract value is approximately £1,516,260, representing a cost saving over the 2005-2006 contract price which had been approximately £1.65m.
- 3.6 Prospects employs approximately 32 full time equivalent ("FTE") Connexions Personal Advisers including those working in and with learning providers, including schools, colleges and work-based learning, Personal Advisers with specific responsibilities such as information and careers education and guidance and Personal Advisers (Employment and Training), in addition to Brent-based management and administrative staff.
- 3.7 As part of the existing contract, Prospects runs the Connexions centre in Willesden and provides services such as sourcing vacancies for young people, providing a job matching/brokerage function, and providing INSET and associated support to teachers.
- 3.8 The Education and Skills Bill, published by the Department for Children, Schools and Families on 29 November 2007 and currently at the Lords Committee stage, makes provision for the transfer to local education authorities of the support services carried out by the Connexions service which include:
- the delivery of information, advice, guidance (IAG) and support services focusing on education, employment, training and careers, that meet the statutory requirements for the delivery of careers services and support for young people with learning difficulties and disabilities (previously outlined in the Learning and Skills Act 2000 and the Employment and Training Act 1973).
  - a focus on reducing the number of 16-18 year olds Not in Education Employment or Training (NEET), which forms one of the 5 indicators within Public Services Agreement target 14, the number of young people on the path to success.
- 3.9 Brent is currently planning for the implementation of 14-19 diplomas from September 2009, leading to full implementation by 2013. The 14 -19 Education and Skills Gateway Guidance (DfES 2006) includes collaborative delivery of Information Advice and Guidance (IAG) as one of its key criteria. Connexions in Brent is working closely with the 14-19 Partnership to ensure all young people and parents/carers receive good IAG in relation to the Diplomas, supporting the development of effective and timely provision of impartial Information, Advice and Guidance on curriculum choices and

progression routes for young people of all backgrounds and abilities so that they can make informed decisions about their options.

Connexions is also contributing, with the Strategic Co-ordinator for 14-19 Education and Training, to the further development of careers education programmes.

- 3.10 Historically, Brent has operated an academic year-based cycle for education, employment, training and careers Connexions services to fit with the academic year timetable in schools and colleges. However, there are two main factors which would now support the contracting of these services on a financial year basis:

Many schools and colleges plan their Careers Education and Guidance activities during the summer term for the following academic year. Moving to an April start would better fit this planning cycle.

As the Connexions funding is now within the Area Based Grant there is a strong case for contracts to be let in line with the funding stream timetable, as the current arrangements can necessitate the virement of monies across financial years owing to contractual commitments.

- 3.11 In view of the contents of paragraph 3.10 there is an intention to move from an academic year based cycle to a financial year based cycle, with the contract period running from 1 August 2009 to 31 March 2010 in the first instance and thereafter moving to a 1 April to 31 March contract cycle. There will need to be clauses in the Contract with the successful tenderer that can be applied if Connexions funding changes significantly within the contract period.

- 3.12 Detailed work will be undertaken to develop the exact specification to be tendered. This will involve consideration of which parts (if any) of the service specified in the Council's current contract with Prospects may be brought in house. At this point in time it is envisaged that the specification will encompass the following broad areas:-

- (a) The provision of information, advice, guidance and support on education, employment, training and careers to:
- young people 13-19 in schools (including Pupil Referral Units, special schools and independent schools)
  - young people 14-19 in the College of North West London
  - young people (up to 25) in schools/colleges with special needs and learning difficulties and disabilities
  - young people not in education under the age of 16 and under 16 educated other than at school
  - young people aged 16-19 (up to 25 for young people with LDD) in vocational education or training outside of school/college
  - young people aged 16-19 not in education, employment or training
  - young people on the entry2employment programme
- (b) Support to parents/carers of the young people in the above categories
- (c) Leading on the delivery of Connexions roles and responsibilities in relation to the September Guarantee

- (d) The completion and reporting of client surveys including Activity Surveys
- (e) The provision of information for young people and their parents/carers
- (f) The provision of information and support to young people on benefits and regulations concerning work
- (g) Consultancy, advice and support to schools on careers education and guidance matters
- (h) Support to schools in resourcing comprehensive, up-to-date and accurate, up-to-date and objective information about personal and lifestyle issues, learning and career opportunities, progression routes & choices.
- (i) Services to opportunity providers including generating vacancies, vacancy handling, working with employers, labour market information and work experience support
- (j) The provision of at least one main Connexions centre in a major centre of population in Brent with the capability to deliver the above services

### **The Tendering Process**

3.13 The tendering process will broadly follow PRINCE2 project planning principles.

3.14 The development of the specification of services to be tendered will be supported by a consultation process which will involve young people, parents/carers, schools/colleges and other key local stakeholders.

The consultation with young people and parents/carers will include seeking feedback via an on-line questionnaire to be produced in collaboration with Brent Council's Consultation Unit. Members of the Brent Youth Parliament will also be involved and consulted on the shaping of the specification.

3.15 A project management group will be established for the procurement of this contract. Membership will include representatives from the Children and Families Department, Legal Services, Procurement and Finance. This group will carry out and support the tender process. It is intended to involve young people in the process, in line with Hear by Right indicator 3.5 'Children and young people are joint partners in decision making structures on issues affecting them.'

3.16 In line with the Council's Standing Orders, the new contract will be procured following the two-stage (restricted) tendering procedure.

3.17 Subject to all necessary approvals being obtained, and in line with the Council's Standing Orders, advertisements are to be placed in the national trade and general press by 5 December 2008 to seek initial expressions of interest. Those organisations that respond to the advert will be sent the Council's Pre-Qualification Questionnaire which will address both sector specific criteria, such as track record in delivering similar services and

generic/compliance criteria such as business probity, economic and financial standing and health and safety/child protection considerations

- 3.18 Those organisations which demonstrate in their pre-qualification questionnaire that they meet the Council's required standards in relation to business probity, economic and financial standing and technical capacity will be invited to tender for this contract. The tendering instructions will advise tenderers that their tenders will be evaluated in accordance with the evaluation criteria set out in paragraph 3.20 and shall state that the recommendation to award the contract will be made on the basis of the most economically advantageous offer to the Council.
- 3.19 Following the tender evaluation process, a tender evaluation report will be produced for review by the Children and Families Director, and on the basis of the tender evaluation process and Director review it is intended that a recommendation will be made to the Executive in May 2009 for the award of the contract for the period August 2009 to April 2011, with an option to extend up to a further two years.
- 3.20 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Executive.

Ref.	Requirement	Response	
(i)	The nature of the service	Information, advice, guidance and support in the areas of education, employment, training and careers for 13 – 19 year olds (13 – 25 for young people with special needs, learning difficulties and disabilities).	
(ii)	The estimated value	£5,573,333 (£1,013,333 for the period 1 August 2009 to 31 March 2010 and £1,520,000 for each subsequent financial year including extensions of up to 2 years).	
(iii)	The contract term	1 August 2009 to 31 March 2013 (the initial contract term from 1 August 2009 to 31 March 2011 with an option for the Council to extend by any number of periods up to an aggregate of 2 years)	
(iv)	The tender procedure to be adopted	The two-stage (restricted) procedure.	
(v)	The procurement timetable	Activity	Indicative Dates
		Advert placed in press and Pre Qualification Questionnaire ("PQQ") issued	5 December 2008
		PQQ/Expressions of interest returned	12 January 2009

Ref.	Requirement	Response	
		Shortlist drawn up in accordance with Council's approved criteria	19 January 2009
		Invite to Tender	26 January 2009
		Deadline for receipt of tender submissions	9 March 2009
		Panel evaluation and interviews / presentations	w/c16 March 2009
		Panel Decision	w/c 23 March 2009
		Report recommending contract award circulated internally for comment	April 2009
		Executive approval	May 2009
		Contract Start Date	1 August 2009
(vi)	The evaluation criteria and process	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines, namely by evaluation of the PQQ, thereby meeting the Council's financial standing requirements, technical capacity and technical expertise.</p> <p>The panel will evaluate the tenders to select the most economically advantageous tender against the following proposed evaluation criteria:</p> <ul style="list-style-type: none"> <li>a) Price/cost</li> <li>b) Proposed methods of service delivery including quality of service delivery and service management</li> <li>c) Track record in similar types of work and how it impacts on the Contract</li> <li>d) Approach to staff recruitment, induction, training, supervision and Equalities issues and how they impact on the Contract</li> <li>e) Understanding of child protection issues and how they impact on the Contract</li> <li>f) Business continuity arrangements</li> <li>g) Approach to compliance with Health and Safety regulations and how they impact on the</li> </ul>	

Ref.	Requirement	Response
		Contract
(vii)	Any business risks associated with entering the contract	Brent's Connexions funding allocation within the Area Based Grant is confirmed to March 2011. The allocation to deliver the service within Brent is confirmed only until March 2009. Therefore the conditions of contract will need to address this issue to ensure that the service can be varied in the event of a reduction in funding.  Financial Services and Legal Services have been consulted concerning this contract.
(viii)	The Council's Best Value duties	Undertaking the proposed competitive tendering process will assist the Council in achieving Best Value.
(ix)	Any staffing implications, including TUPE and pensions	See section 7.0 below.
(x)	The relevant financial, legal and other considerations	See sections 4.0, 5.0, 6.0 and 7.0 below.

#### **4.0 Financial Implications**

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500,000 or works contracts exceeding £1 million shall be referred to the Executive for approval to invite tenders.
- 4.2 The annual anticipated contract value for this services Contract will be approximately £1.52m per full contract year. Thus, the estimated contract value over the initial contract period will be £1,013,333 for the period 1 August 2009 to 31 March 2010 and £1,520,000 for the period 1 April 2010 to 31 March 2011, a total of approximately £2,530,000. The total value of the contract if extended by up to 2 years will be £5,573,333.
- 4.3 It is anticipated that the cost of this Contract will be funded from the Connexions funding the Council receives through the Area Based Grant. The level of this funding in 2008-2009 is £2,601,070. Owing to changes in the Connexions national funding formula from 2008, on current indications from DCSF it is expected that Connexions funding in 2009 - 2010 will reduce to £2,483,963 and will further reduce in 2010 – 2011 to £2,469,858.
- 4.4 Owing to the option to extend the contract for up to a further 2 years and therefore, beyond the time covered by the current indicative funding allocations, there will need to be clauses in the Contract with the successful tenderer that can be applied if Connexions funding changes significantly within or beyond the initial contract period.



## 5.0 Legal Implications

- 5.1 The Contract is a Part B services contract for the purposes of the Public Contracts Regulations 2006 (“EU Regulations”), and is thus only subject to partial application of the EU Regulations.
- 5.2 The Contract is a High Value contract for the purposes of Council Contract Standing Orders and, thus, Executive approval is required for the invitation to tender and evaluate tenders for the Contract.
- 5.3 Once the tendering process is undertaken, Officers will report back to the Executive in accordance with Contract Standing Orders explaining the process undertaken in tendering the Contract and recommending award.
- 5.4 The Transfer of Employment (Protection of Employment) Regulations 2006, (“TUPE”) operate so as to protect the continuity of service and the terms and conditions of employees where there is a “service provision change” as defined by TUPE i.e.
- (a) activities cease to be carried out by a contractor on a client’s behalf and are carried out instead by another contractor on the client’s behalf or by the client on its own behalf ; and
  - (b) immediately before the change in the person carrying out the activities there is an organised grouping of employees situated in Great Britain which has as its principal purpose the carrying out of the activities concerned on behalf of the client and where the employees are assigned to the organised grouping of employees.
- 5.5 TUPE will also operate to protect the continuity of service and the terms and conditions of employees where there is a transfer from one person to another of an economic entity which retains its identity and where the employees are assigned to the economic identity which has been transferred.
- 5.6 Subject to the right of the employee to object to transferring, in the case of a service provision change the employee’s contract of employment will transfer to the person who has taken over the carrying out of the activities while in the case of the transfer of an economic entity the employee’s contract of employment will transfer to the person to whom the economic entity was transferred.
- 5.7 A process of consultation and the communication of relevant information between the transferor and the transferee and the staff and their representatives is part of the transfer process that may have to take place.
- 5.8 In the present case, if the contract is awarded to a new contractor TUPE is likely to apply so as to transfer from the current to the new contractor those employees of the current contractor who spend all or most of their working time on the activities taken over by the new contractor. This is because the activities taken over by the new contractor are not likely to fundamentally change and given Prospects employ staff who spend all their working time carrying out activities under the current contract. If it is decided that certain of the functions carried out by the current contractor should be transferred back to the Council then TUPE is likely to operate so as to transfer from the current

contractor to the Council those employees of the current contractor who spend all or most of their working time on the functions transferred back to the Council. This would need to be taken into account should there be a decision made to retain certain functions within the Council and if so, which ones.

## **6.0 Diversity Implications**

- 6.1 The Brent Connexions service monitors usage of its services, and the progress and achievement that young people make, across a variety of parameters. Specific management information, and in some instances, service targets, exist by gender, ethnicity and disability. The tendering process will be used as an opportunity to review current performance on these indicators and provide levers through the service contract to strengthen performance where necessary.
- 6.2 The Brent Connexions service will work with the Brent Council Consultation Unit to ensure that the consultation process informing the development of the service specification takes full account of the diversity in the borough.
- 6.3 Equalities issues are a core requirement for this contract and will form part of the evaluation of the tendering organisations' technical capacity through the assessment of the PQQ.

## **7.0 Staffing/Accommodation Implications**

- 7.1 This service is currently provided by an external contractor (Prospects). It is expected that all or the overwhelming majority of staff currently employed by Prospects in the performance of this contract will not become Brent Council employees as the result of the award of the Contract to an external contractor following this procurement process and therefore most of the staffing issues inherent in this process will be in the domain and responsibility of Prospects or Prospects and a new contractor (depending on the outcome of the tendering process).
- 7.2 If during the development of the specification decisions are made to in-source into the Council some specialist service support functions currently carried out by a small number (almost certainly less than 5 Full Time Equivalent staff) of Prospects staff, then it is likely that TUPE would apply. The recommendations within this report request that the Executive authorise the Director of Children and Families to decide which parts (if any) of the service specified in the Council's current contract with Prospects are to be brought in-house rather than included in the new Contract to be tendered. This authorisation would be subject to the Director of Children and Families bringing a further report to the Executive, as required by the Council Standing Orders, should the bringing of these services in-house be likely to result in more than 20 Prospects' employees TUPE transferring to the Council.
- 7.3 Prospects currently hold a lease for the main Connexions centre in Willesden. Any new contractor will need to identify and operate a centre of similar functionality.

## **Background Papers**

Quality Standards for Young People's Information, Advice and Guidance (IAG), DCSF October 2007  
<http://www.everychildmatters.gov.uk/files/163AF9A2545A057763D1C8D7D6DA078C.pdf>

PSA Delivery Agreement 14: Increase the number of children and young people on the path to success October 2007  
[http://www.hm-treasury.gov.uk/media/1/1/pbr\\_csr07\\_psa14.pdf](http://www.hm-treasury.gov.uk/media/1/1/pbr_csr07_psa14.pdf)

September Guarantee - Guidance for local authorities and partners (including schools, colleges, training providers, Connexions providers, and the Learning and Skills Council) DCSF February 2008

## **Contact Officers**

Rik Boxer, Assistant Director, Achievement & Inclusion. Tel: 0208 937 3201  
email: rik.boxer@brent.gov.uk

Angela Chiswell, Head of Connexions & Out of School Learning. Tel: 0208 937 3667 Fax: 020 8937 3659  
email: angela.chiswell@brent.gov.uk

**Director of Children & Families**  
**John Christie**