

	Cabinet 15 October 2018
	Report from the Strategic Director of Children and Young People
Approval to Tender for a Targeted Service to Promote Education, Employment and Training for Young People (Connexions)	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One: <ul style="list-style-type: none"> Equality Impact Analysis
Background Papers:	
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1.0 Purpose of the Report

- 1.1 This report concerns the provision of targeted services that promote education, employment and training for young people at risk of becoming NEET (Not in Education, Employment or Training). It requests Cabinet approval to invite tenders in respect of these services as required by Contract Standing Orders 88 and 89, and seeks delegated authority to award the contract.

2.0 Recommendations

That Cabinet:

- 2.1 Approve the Invitation to Tender process for a Targeted Service to Promote Education, Employment and Training for Young People on the basis of the pre-tender considerations, set out in paragraph 5.4 of the report.

- 2.2 Approve officers evaluating the tenders referred to in 2.1 above on the basis of the evaluation criteria set out in section (vi) of the table in paragraph 5.4 of the report.
- 2.3 Delegate authority to the Strategic Director of Children and Young People, in consultation with the Lead Member for Children's Safeguarding, Early Help and Social Care, to award a contract for a Targeted Service to Promote Education, Employment and Training for Young People for the reason detailed in paragraph 5.3 for a term of 3 years, with the option to extend by 2 years.
- 2.4 Note the delivery arrangements for the Targeted Service to Promote Education, Employment and Training for Young People as set out in Section 4 and the estimated budget as set out in section 5.0 of this report.

3.0 Detail

- 3.1 The Education and Skills Act 2008 places a duty on Local Authorities to secure sufficient suitable education and training provision for young people aged 16 to 19 years old and for those aged up to 25 years old with an Education, Health and Care Plan. Under the Education Act 2011 the Local Authority retains a duty to encourage, enable or assist young people's participation in education or training and is required to assist the most vulnerable young people and those at risk of disengaging with education or work. Local Authorities are also required to lead the September Guarantee process, through which young people are guaranteed a place in education, employment and training after school years 11 or 12.
- 3.2 The Local Authority also has a duty to track all young people's participation, and regularly report on current activity, to identify young people who are not participating in education, employment or training. This information is recorded in the Client Caseload Information System (CCIS). Brent Council currently contracts with Ealing Council who manage access to the CCIS on behalf of 7 West London Boroughs.
- 3.3 The Education Act 2011 places a duty on schools to provide access to independent careers guidance for their students in years 9-11. From September 2013 this requirement was extended to encompass students in year 8 and to young people in sixth form provision to ensure that all young people are supported to make successful transitions. Some schools meet this responsibility through an in-house careers service and others commission an external provider.
- 3.4 Brent's NEET performance measures are good with 1.6% of 16-17 year old young people NEET (average from December 2017 to February 2018), compared to 2.7% nationally and 1.8% in London. However, there remains a challenge in reaching some of the most vulnerable groups. Of the 335 young people who were NEET in December 2017, 201 young people were known to statutory services, including the Youth Offending Service and the Inclusion Service. Around a third of NEET young people had Special Educational Needs and Disabilities (SEND).
- 3.5 To deliver the Local Authority's statutory responsibilities, as set out in paragraphs 3.1 and 3.2, to help prevent young people from becoming NEET and to track participation, services are currently commissioned externally. They

are delivered through a range of contracting arrangements with Prospects Limited that support young people aged 13-19 (and up to 25 for those with SEND) to make informed choices to enter and remain in learning, training and employment and make effective transitions to adult and working life:

- a) A contract awarded in April 2014 for a period of 3 years and then extended for a further 2 years to March 2019, delivers NEET identification, reduction and prevention activity. This includes Careers Information Advice and Guidance (IAG) targeted at 16-19 year olds and young people up to 25 for those with SEND, who are NEET or at risk of becoming NEET, from a number of access points in the Borough. Under this contract Prospects tracks and records all young people's participation on CCIS, identifying those who are at risk of not participating post 16 and ensuring the Local Authority meets its September Guarantee duty.
- b) Through two small annual contracts, Prospects delivers IAG to young people who are new to the Borough and attending a specialist English Language Provision (at Claremont High School or Queens Park Community School) and young people attending out-of-borough Alternative Provision settings, who have been excluded from mainstream school and are vulnerable to becoming NEET.
- c) Prospects deliver a number of targeted projects each year to support young people with additional needs to help them develop their social, emotional, and personal skills and ensure a smooth transition into employment, education and training. In 2017/2018 the following projects were delivered:
 - a project to help young people with SEND transition to post 16 education and opportunities ('Branching Out')
 - a project aimed at helping Looked after Children cope with change by developing resilience and prepare for work
 - specific work with UASC to move them from NEET to EET
 - a project targeted at young people at risk of exclusion as part of early intervention and
 - apprenticeship events for young people in the NEET cohort.

3.6 In addition, an in-house team of 6 personal advisers (including 4 permanent staff), based within specialist services such as Youth Offending and Brent River College Pupil Referral Unit, focus on complex targeted case work supporting young people who present with multiple barriers to progression into Employment, Education or Training.

4.0 Targeted Service Model to promote Education, Employment and Training for Young People.

4.1 The new commissioned service will bring together into one contract the services outlined in paragraph 3.5 and 3.6 above as a Targeted Service to Promote Education, Employment and Training for Young People. The service will be structured to further reduce the number of young people in Brent who are NEET, with a focus on the most vulnerable groups.

4.2 While the service will be accessible to all young people, it will focus on early identification of young people at risk of becoming NEET and ensuring

vulnerable groups have targeted support, including those with SEND, Looked After Children and Care Leavers, young people risk of exclusion or excluded, young people known to the Youth Offending Service, young carers, young parents and young people with mental health needs/substance misuse. This support will improve access to education, training and employment and will achieve successful transition into adulthood and independence.

4.3 A revised specification for the contract as currently proposed has been informed by engagement with young people and will include the following elements and expectations:

- Information Advice and Guidance (IAG) covering a range of support that will equip young people to manage their personal and career development and to confront barriers to learning and the labour market.
- Active tracking, matching and support for young people into education, employment and training using CCIS.
- Work with identified vulnerable groups to support transition into post-16 education and training, including IAG, coaching and mentoring and innovative activities
- Work to re-engage 16-18 NEET young people in positive destinations, including creative initiatives and activities that enhance their employment prospects.
- Delivery across a number of access points in areas of the Borough that present with the greatest need of additional support, early intervention and outreach work.
- Work with local employers to increase relevant employment opportunities that will be sustainable for NEET young people, including apprenticeships and other jobs with accredited training and opportunities for work experience.
- Targeted support for vulnerable groups and young people with additional needs, in order to develop their social, emotional and personal skills to support them into employment, education and training, identifying where support from specialist services is required. Programmes will focus on resilience building and skills development enabling young people to be better prepared for education, employment or training.

4.4 The provider will be expected to work in partnership with the Council's statutory services, including the Virtual School, as part of a co-ordinated approach to NEET reduction in the Borough and to reduce inefficiencies of NEET work across agencies.

4.5 The contract approach expects bidders to demonstrate how they could bring in additional funds to further improve the offer. The advantage of the proposed approach is that third parties will be better able to attract or identify relevant additional revenue streams not open to the Council, including National Lottery and other grants. Bidders will therefore be expected to detail how they will generate additional revenue and business sponsorship.

4.6 The expected outcomes of the new service for the contract as proposed will be to achieve:

- a sustained increase in the proportion of vulnerable young people (SEND, or LAC and Care Leavers, young carers, young parents and

young people with mental health needs/ substance misuse) who participate in education or training beyond the end of Year 11.

- a parallel reduction in the number and proportion of young people who are NEET, or who become NEET if they leave provision early.
- a contribution to a reduction in the number of first time entrants to the Youth Justice System, aged 10-17 years old and the number of young people becoming gang affected.
- a reduction in school exclusions, especially for vulnerable groups such as Looked After Children and those with SEND.

4.7 Resources will be retained within the Council to manage the contract and monitor performance.

5.0 Proposed tender arrangements.

5.1 The proposed tender procedure would be an Open procedure. In line with good practice and legal requirements to involve young people in service design, the service specifications for the contract as proposed have been developed in consultation with young people. Oversight of the contract will be managed from within the Council.

5.2 Confirmation will be sought to secure pension provision for staff who may be transferred from the Council to a new provider. The proposal would be to offer contractors a pensions risk sharing agreement on the Council's standard terms, to make the procurement more attractive and to attract more competitive bids.

5.3 Delegated authority to award the contract is being sought for the Strategic Director of Children and Young People, in consultation with the Lead Member for Children's Safeguarding, Early Help and Social Care. This is to allow a longer contract mobilisation period before the contract begins on 1 April 2019. Please refer to the procurement timetable below.

5.4 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations, including the proposed summary timelines for the tendering process, are set out below for the approval of the Cabinet.

Ref.	Requirement	Response
(i)	The nature of the service.	Targeted Service to Promote Education, Employment and Training for Young People.
(ii)	The estimated value.	Total annual estimated value is £3.5m over five (5) years (subject to possible reduction in accordance with paragraph 6.2). The contract would be for an initial term of three years with the option to extend by two years.
(iii)	The contract term.	Three (3) years with an option to extend for up to a maximum of two (2) years.
(iv)	The tender procedure to be adopted.	Open procedure

Ref.	Requirement	Response		
v)	The procurement timetable.	The Procurement route to be followed will be an Open procedure and will require an OJEU publication in line with the Public Contract Regulations 2015.		
		Stage	From	To
		Adverts placed including issue of OJEU notice on London Tenders Portal	26/10/2018	26/11/2018
		Tender deadline	26/11/2018	26/11/2018
		Tender Evaluation	27/11/2018	06/12/2018
		Tender Moderation	07/12/2018	10/12/2018
		Award Report circulated	19/12/2018	28/12/2018
		Children and Young People Department Management team sign off	07/01/2019	07/01/2019
		Strategic Director of Children and Young People sign off	08/01/2019	09/01/2019
		Notification to bidders of intention to award contracts	11/01/2019	11/01/2019
		Standstill Period	10/01/2019	20/01/2019
		Award of Contracts	21/01/2019	22/01/2019
		Begin TUPE Consultation	23/01/2019	23/01/2019
Contract Mobilisation Meeting with Contractor	23/01/2019	23/01/2019		

Ref.	Requirement	Response		
		Service start date	01/04/2019	01/04/2019
(vi)	The evaluation criteria and process.	<ol style="list-style-type: none"> 1. Organisations will be required to complete a selection questionnaire which officers will review to ensure organisations meet the Council's financial standing requirements, technical capacity and technical expertise. 2. At tender evaluation stage a panel of evaluators will score the tenders to identify the Most Economically Advantageous Tender (MEAT) based on 40% Quality, 60% Price. The panel will evaluate the tenders against the following quality criteria: <ul style="list-style-type: none"> • Approach to the delivery of services • Approach to contract mobilisation • Approach to lever in additional funds to help reduce the Council's contribution. 3. The highest ranked tenderer will be recommend award of contract. 		
(vii)	Any business risks associated with entering the contract.	<p><u>Contract duration</u> The Council will be committing to an initial three (3) year contract. This may disadvantage the Council as follows:</p> <ul style="list-style-type: none"> • The awarded provider(s) performance may not meet expectation and the Council will be in contract for the three (3) year duration. • The Council requirement may change. • The provider(s) may become complacent. <p>This risk may be mitigated by having a robust contract management procedure in place.</p> <p><u>Set budget</u></p> <p>The Council will be setting a maximum budget for this procurement. This may disadvantage the Council as follows:</p> <ul style="list-style-type: none"> • The stagnation of price competition between providers. <p>A budget has been set, as the risk of receiving higher bids is seen as a greater risk.</p>		
(viii)	The Council's Best Value duties.	The contract approach and funding range seeks to encourage bidders to demonstrate how they could lever in additional funds to offset the Council's contribution.		
(ix)	Consideration of	See section 12.		

Ref.	Requirement	Response
	Public Services (Social Value) Act 2012	Due to the nature of the service Social Value will inevitably be covered by tenderers within their quality response. To prevent the double scoring of Social Value, 10% of the overall marks will not be awarded for social value benefits.
(x)	Any staffing implications, including TUPE and pensions.	See Sections 11. TUPE is expected to be applicable as below based on the contract as currently proposed: Prospects (predicted 9 staff in total) and the In-House Connexion team (4 permanent staff in total)
(xi)	The relevant financial, legal and other considerations.	The following representatives have been identified to form part of the project team; CYP Finance Representative - Legal resource representative - HR Representative See sections 6 to 11 below.

Cabinet is asked to approve these proposals as set out in the recommendations above and in accordance with Standing Order 89.

6.0 Financial Implications

- 6.1 The current funding for the existing Connexions contract and service, and the additional IAG contracts, is primarily from the general fund.
- 6.2 The procurement exercise is designed to achieve at least 10% savings on the current budget and accommodate the projected demand for services in the medium term. The Council is currently considering future budget allocations and it is possible that the budget for this service could be reduced further. Bidders would be informed if this occurs at the earliest opportunity and of the anticipated impact on the procurement process.
- 6.3 Entering into a long term agreement will commit the budget for 3 years from April 2019, subject to any break clauses or notice periods agreed in the contract.

7.0 Legal Implications

- 7.1 The statutory basis for the provision of services falling within the contract for a Targeted Service to promote Education, Employment and Training for Young People is set out in the body of the report at Section 3.
- 7.2 The procurement of the contract for a Targeted Service to promote Education, Employment and Training for Young People is governed by the Public Contracts Regulations 2015 (the EU Regulations) given that its estimated value is in excess of the relevant threshold under the EU Regulations. The services to be delivered under the contract are classified as Schedule 3 services under

the EU Regulations and as such are not subject to the full application of the EU Regulations. The proposed tender approach as set out at paragraph 5.1 is permitted.

- 7.3 The value of the Targeted Services contract is such that it is currently classified as a High Value Contract under the Council's Contract Standing Orders and Financial Regulations. For High Value Contracts, the Cabinet must approve the pre-tender considerations set out above (Standing Order 89) and the inviting of tenders (Standing Order 88).
- 7.4 As this is classed as a High Value Contract, Cabinet approval is required for award of the Contract. As detailed in Recommendation 2.3, officers are however seeking delegated authority for the Strategic Director of Children and Young People in consultation with the Lead Member, Children's Safeguarding, Early Help and Social Care to award the contract.
- 7.5 As this procurement is not subject to the full application of the EU Regulations, the Council is not strictly required to observe the requirements of the mandatory minimum 10 calendar days standstill period before the contract can be awarded. However, given the value of the contract, this is nevertheless recommended in order to avoid the risks of a procurement challenge. The requirements include notifying all tenderers in writing of the Council's decision to award, and providing additional debrief information to unsuccessful tenderers on receipt of a written request. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.
- 7.6 The proposed contract will involve the transfer of 4 council staff to an external provider pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Further information concerning this is included in Section 10. When staff TUPE from the local authority, the Council is required to ensure that transferring staff are provided with rights to acquire pension benefits that are the same as, broadly comparable to, or better than those that they had before the transfer. This generally is done by contractors entering into an admission agreement with the Council allowing former local government employed staff to continue to access the Local Government Pension Scheme. It is proposed that in addition to offering contractors admission to the Local Government Pension Scheme, contractors will be offered a risk share agreement on the Council's standard basis.
- 7.7 As indicated at paragraph 6.2, the Council is currently considering future budget allocations and it is possible that the budget for this service could be reduced further. Should any budget be reduced following commencement of the procurement of the contract and such reduction is considered material, this would require a reassessment of the procurement and a requirement to reprocure a contract with a reduced budget. Depending on if and when this occurred, issues may be encountered with award and mobilisation of the contract prior to the expiry of the existing contract.

8.0 Equality Implications

- 8.1 Under Section 149 of the Equality Act 2010, the Council has a duty when exercising its public functions to have 'due regard' to the need to eliminate discrimination harassment and victimisation and other conduct prohibited under the Act; advance equality of opportunity, and foster good relations between those who share a "protected characteristic" and those who do not. This duty is known as the public sector equality duty (PSED). The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. All providers that are commissioned to deliver public services on behalf of or in partnership with Brent Council are required to comply with the PSED and the Council's Equality and Diversity policies.
- 8.2 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 8.3 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 8.4 The Targeted Service to Promote Education, Employment and Training for Young People fulfils statutory duties under the Education and Skills Act 2008, that requires Local Authorities to support all young people into education, employment or training, securing sufficient suitable education and training provision for all young people aged 16 to 18 years old or under 25 years old if they have an EHCP. It is designed to reach out to all young people at risk of becoming NEET or those who are already in the NEET cohort. Advisors can be deployed to any setting as considered appropriate including Schools/Alternative Provision or PRU, as part of an early identification and prevention strategy aimed at reaching the most vulnerable young people. An Equality Impact Assessment (EIA) was carried out by the service for the contract as currently proposed. No adverse impacts were identified for any groups on the basis of protected characteristics (Appendix 1). If the budget for this proposal is reduced further, a new EIA will be carried out and the impact on any procurement will be considered by the Strategic Director Children and Young People.

9.0 Consultation with Ward Members and Stakeholders

- 9.1 Over the past year, young people, service users and other stakeholders, as well as Council staff who work with young people, have been consulted on potential changes to the Council's Connexions and Youth Services. This includes: Brent Youth Parliament, Care in Action and Care Leavers in Action; and focus groups with the Somali Youth group, young people in Harlesden and young people using the Roundwood Youth Service. Young people have also been consulted as part of the Council's Outcome Based Reviews related to Gangs and Young People on the Edge of Care.

- 9.2 During the consultation sessions, young people informed the Local Authority of the kind of support that they would like to help young people to be EET. This included face to face advice and guidance, life skills programmes, including training on financial awareness and how to manage budgets, careers coaching and mentoring, support with looking for part-time jobs and training on employability skills. In addition, the Prospects Young People Forum provided feedback on the need for online resources, potentially through an App, and suggested the kind of information that could be included: confidence building, coping with stress and being let down, teen parent tips, the benefits of going to university and apprenticeships, the skills employers are looking for and revision tips.
- 9.3 The specification for the new Targeted Service to Promote Education, Employment and Training for Young People has been informed by these views.
- 9.4 As this service affects all wards, there has not been separate consultation with ward members.

10.0 Human Resources/Property Implications

- 10.1 As TUPE will apply in relation to the 4.0 FTE in-house Connexions Personal Advisors on the basis of the proposed contract, it is advisable for employee relations to inform recognised unions well in advance of any transfer. Consideration will also need to be given to the employment arrangements for up to 9 FTE staff employed with Prospects, dependent upon the outcome of the tender process. TUPE does not set out a minimum prescribed time limit, but rather requires that this occurs "in good time" (Article 7) before the transfer date, to facilitate meaningful consultation over any proposed measures that will apply to transferring employees. Another issue that will need to be carefully considered if Council employees are transferring to private or voluntary sector organisations is that of pension protection. The Council is obliged, under Best Value Authorities Staff Transfers (Pension) Direction 2007 to ensure that the new employer continues to provide transferring employees with access to LGPS or a "broadly comparable pension".

The current provider delivers some services from the Roundwood Youth Centre and leases office space from that site. Should there be any changes to the overall use of the Roundwood site, the implications for service delivery within this contract will be discussed in advance with the provider.

11.0 Public Services (Social Value) Act 2012

- 11.1 The Council is under a duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.
- 11.2 The contract will secure benefits in terms of economic, social aspects for Brent young people who are NEET. The new service will focus on vulnerable young

people who are at risk of poor outcomes such as unemployment, poor physical and mental health, homelessness and criminal behaviours that impact their adult lives.

Report sign off:

GAIL TOLLEY

Strategic Director of Children and Young People