



CABINET – 13 JUNE 2017

**EXCEPTION TO THE CONTRACT PROCEDURE RULES FOR A
CONTRACT FOR THE PROVISION OF 16-19 CAREERS
INFORMATION ADVICE AND GUIDANCE WITH PROSPECTS –
URGENT ACTION BY THE CHIEF EXECUTIVE**

**REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY
SERVICES**

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of urgent action taken by the Chief Executive, following consultation with the Leader of the Council, to approve an exception to the County Council's Contract Procedure Rules to enable the award of a new short-term contract to Prospects for careers information, advice and guidance (IAG) services for 16 to 19 year olds.

Recommendation

2. It is recommended that the Cabinet notes the urgent action taken by the Chief Executive to approve an exception to the County Council's Contract Procedure rules to enable the Director of Children and Family Services to negotiate and award a new short-term contract to Prospects for the provision of careers information, advice and guidance (IAG) for 16 to 19 year olds from 1 October 2017 to 31 July 2018.

Reasons for Recommendation

3. The budget for IAG services will reduce from October 2017 and a new service specification needs to be developed for procurement in 2018. The award of a new short-term contract to Prospects (which has successfully delivered IAG services since October 2012) will allow time to do this. As the budget reduction will affect Prospects swift negotiations were necessary to enable a new short-term contract to be awarded in time.
4. The County Council's Contract Procedure Rules (Rule 6 (b) (ii)), in cases of urgency, provide that the Chief Executive, following consultation with the Leader or Deputy Leader, can direct that an exception be made subject to this being reported to the next meeting of the Cabinet. Urgent action was

therefore taken by the Chief Executive in March 2017 to enable the negotiations to take place.

Timetable for Decision (including Scrutiny)

5. The existing contract with Prospects expires on 30th September 2017. It is proposed that a new 10-month contract will be awarded from 1st October 2017. This will enable the Council to reconfigure its IAG service before beginning a full procurement exercise for the new service from Autumn 2017 with the new contract awarded from 1st August 2018.

Policy Framework and Previous Decisions

6. In April 2012 the Cabinet authorised the then Director of Children and Young People's Service to commence the procurement process for services previously delivered by Connexions and in September 2012 agreed provision of a new service with Prospects from October 2012 for a value of £2.1m per annum.
7. In September 2014 the Cabinet approved a new three-year contract with Prospects with a reduced value of £1.4m and removed the need for Prospects to provide Learning Disability Assessments.
8. The Department for Education (DfE) provided statutory guidance on the provision of Careers Guidance by local authorities in April 2012 which sets out the County Council's statutory duty to deliver IAG to 16 to 19 year olds. Schools have a statutory duty to deliver careers education to 14 to 16 year olds.
9. Changes to IAG services requirements have since taken place as a result of the Children and Families Act 2015 and the amended requirements to track NEET from the DfE (more detail is given in Part B of this report below).

Resource Implications

10. There are no resources implications arising from the recommendations in this report.
11. To contribute to the Children and Family Services Medium Term Financial Strategy (MTFS) savings requirements including the Early Help and Prevention Review savings, the annual budget for IAG will be decreased from £1.4m to £700,000 per annum from October 2017.
12. The cost of the service during the 10-month short-term contract will be £585,000.
13. The Director of Corporate Resources has been consulted in the preparation of this report.

Legal Implications

14. The proposed direct award of a 10-month contract to Prospects would be for a value which is below the relevant EU threshold of £589,148. There is no obligation to advertise contracts that are below the relevant EU threshold. However, there is a risk of challenge on the basis that the proposed short-term contract could be viewed as a modification of the current contract with Prospects rather than a new contract.
15. The Director of Law and Governance has been consulted in the preparation of this report.

Circulation under the Local Issues Alert Procedure

16. None.

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PART B

Background

17. There has been increased national importance placed on local authorities to meet the needs of vulnerable learners, requiring the Council to review and refocus its IAG service. Prospects is the current provider of IAG services and has successfully delivered this in Leicestershire since October 2012.
18. Since October 2012 Prospects has provided information, advice and career guidance to 16 to 19 year olds on behalf of Leicestershire County Council with a contractual remit to:
 - Keep the number of young people not in employment education or training (NEET) below 4%.
 - Maintain LeCap (Leicestershire Common Application Process) and the Prospectus. These provide the options of institutions to study at a given combination of subjects at Key Stage 5 within Leicestershire and Leicester.
 - Provide tracking data for all 16 to 19 year olds (3 years) to the Department for Education (DfE).
 - Meet the September guarantee (i.e. the guarantee that all young people in Leicestershire will have a suitable offer of education or training in a school, college or work-based training for the September after they complete their GCSE's).
 - Undertake appropriate Learning Difficulty Assessments for all post 16 learners with a statement of special educational needs (SEN).
19. The two-year contract awarded to Prospects from October 2012 was for £1.8m per annum with an annual £250,000 payment by results bonus if NEET was below 4%. The bonus was paid in full in 2013 and 2014.
20. At this time, Prospects employed 48 staff who worked in two offices situated in Hinckley and Loughborough and various community centres and outlets in Melton Mowbray, Coalville and Wigston.
21. In 2014 a new three-year contract was agreed with Prospects for a reduced value of £1.4m per annum of which £150,000 was subject to a payment by results in accordance with the NEET performance which again was paid in full each year.
22. The specification of the Prospects contract from October 2014 was taken from the DfE Guidance on Careers Guidance 2011 which states that local authorities have a duty to encourage enable or assist young people to participate in education or training. It includes:
 - Paying attention to young people who are not in any form of education, employment or training (NEET);

- Leading on the September guarantee process which ensures there is an offer for all Leicestershire 16 and 17 year olds in education and training by the end of September;
 - Collecting information to identify young people who are not participating or who are at risk of not doing so in the format specified in the Client Caseload Information System (CCIS) requirements for the DfE.
23. From October 2014 the number of staff employed by Prospects dropped to 32 and the outlets in Melton Mowbray, Coalville and Wigston were closed. The Hinckley and Loughborough offices remain.
24. Since October 2012 the participation of 16 -19 year olds in education and training has been high with County participation rates above the national and regional averages. Prospects has ensured that the NEET numbers of 16-19 year olds in Leicestershire are one of the lowest in the country and this has been consistently below the 4% target since October 2012.

Proposed Review of the IAG service

25. Following the implementation of the Children and Families Act 2015 Section 139A, learner difficulty assessments are no longer required and these will be replaced by an Education Health Care Plan. LeCap is also no longer required.
26. From September 2016, the DfE changed the requirement on local authorities to track young people from age 16-19 years old (three academic years) to 16-17 year olds (two academic years). The result is that the NEET figures for September have fallen significantly.
27. The increased national importance for local authorities to meet the needs of vulnerable learners means that the Council will need to give more focus to the NEET levels of care leavers, children in care, young offenders and learners with learning difficulties and/or disabilities within its future IAG service.
28. The next 10 months will enable the development of a new specification for the IAG service which responds to the above changes within a reduced budget and which will ensure that NEET levels continue remain low in Leicestershire.

Background Papers

Report to the Cabinet on 3 April 2012 – Future Development of Leicester Shire Connexions Companies

<http://politics.leics.gov.uk/documents/s69295/F%20-%20Future%20Developments%20of%20Leicester%20Shire%20Connexions%20Companies.pdf>

Report to the Cabinet on 14 September 2012 – Update on 16 – 19 Careers Information, Advice and Guidance/Connexions

<http://politics.leics.gov.uk/documents/s73247/H%20-%20Update%20on%2016-19%20Careers%20Information%20Advice%20Guidance%20Connexions.pdf>

Report to the Cabinet on 19 September 2014 – Provision of 16 – 19 Careers Information, Advice and Guidance with Prospects – Exception to Contract Procedure Rules

<http://politics.leics.gov.uk/documents/s95696/17%20provision%20careers%20advice%20exception%20to%20cpr.pdf>

Equality and Human Rights Implications

29. Long term NEET mainly comprise learners with learning difficulties and/or disabilities, young offenders, children in care and teenage parents. Any new arrangements will cater to their needs to ensure these vulnerable learners are prioritised.