

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 4 October 2018
<b>Subject:</b>	Information, Advice and Guidance Service for Not in Education, Employment or Training (NEET) Young People		
<b>Report of:</b>	Head of Commissioning Support and Business Intelligence	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Regeneration and Skills		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	<b>Yes</b>
<b>Exempt / Confidential Report:</b>	No		

### Summary:

This report seeks authorisation to procure a new Information, Advice and Guidance (IAG) service for a period of up to four years to deliver the Council's statutory duties in relation to NEET young people, with an additional range of preventative actions for those at risk of becoming NEET.

### Recommendation(s):

That Cabinet:

1) Authorises a procurement exercise, subject to a satisfactory and compliant tender process, to vary an earlier decision to enter into a contract for two years and to enter a longer contract of up to four years' duration from April 2019,

(2) Delegates authority to the Cabinet Member for Regeneration and Skills, in conjunction with the Head of Corporate Resources and the Head of Commissioning Support and Business Intelligence to finalise the structure of the contract to be procured before publication on the Chest and to award the Contract following completion of a satisfactory and compliant tender process.

### Reasons for the Recommendation(s):

The Council made an application to the Government's Life Chances Fund earlier this year which has unfortunately not been supported. The intention had been to incorporate top-up funding from this source together with other funding from social investors to create a new IAG service offer with a Social Impact Bond at its core. The decision on Life Chances Fund was taken at HM Govt. Cabinet level via DCMS and was made public in September 2018. Advice has been sought from social investment specialists and this

has indicated that a longer contract duration, given the absence of Life Chances Fund finance, would make Sefton's scheme more viable for other social investors.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

1. Procure a contract until March 2020 in line with the decision taken by Cabinet in November 2017

There has been significant delay in the time taken to assess the Life Chances Fund which has impacted upon the Cabinet's previous decision, reducing the amount of time available for the introduction of a new service. Advice has indicated that, in the absence of government funding through Life Chances Fund, a longer contract period would increase the commercial attractiveness of our procurement opportunity and provide greater scope for suppliers to deliver innovative approaches.

2. Procure a jointly commissioned service alongside the LCR Local Authority partners.

This option has been considered as at least four of the Merseyside LAs have been working together on IAG commissioning for some years and their approach has led to changes in the pattern of service delivery across the sub-region. In particular, NEET data tracking/reporting and engagement /support activities have been undertaken elsewhere by in- house LA staff while careers guidance has been sourced externally. In Sefton, however we have not operated these services in-house. This option has been rejected as it would require a TUPE transfer of staff from the existing supplier into the Council, which is not deemed appropriate from a financial perspective.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

This contract will be procured within the current budget provision of £0.743m per year with the proviso that annual budget planning will reflect available resources beyond the scope of the Council's current mid-term financial plan.

**(B) Capital Costs**

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>
<b>Legal Implications:</b>

As determined by the Council's Contract Procedure Rules, the contract will need to be sealed as its total value will be in excess of £100,000, It will be a requirement to follow the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

**Equality Implications:**

There are no equality implications

**Contribution to the Council's Core Purpose:**

Protect the most vulnerable:

The focus of this procured activity will be to ensure that young people facing significant challenges in their lives will be well supported, enabling them to access impartial and high-quality advice about developing their plans to progress in learning and employment, thereby improving their future prosperity.

Facilitate confident and resilient communities:

IAG for NEET young people is a key element in developing their personal resilience and their capacity to deal positively with challenges in their lives that may influence their choice of career and their aspirations. The focus on NEET young people and their re-engagement in meaningful learning contributes significantly to their individual skillsets but also impacts upon their parents, families and communities.

Commission, broker and provide core services:

There are statutory elements of this procurement that the Council needs to secure, including (but not limited to) the destination tracking and reporting of young people aged 16 and 17 years old.

Place – leadership and influencer:

The re-engagement of young people who are NEET has a key role to play in placemaking within neighbourhoods where anti-social, disruptive or criminal behaviour is associated with high rates of youth disengagement.

Drivers of change and reform:

This service seeks to incorporate innovation in both service delivery, the methods of contract management and through introduction of outcomes based contracting. We will be in a position to share the practice arising from this approach with our neighbouring Local Authorities across the city region to help improve services for NEET young people.

Facilitate sustainable economic prosperity:

High quality careers guidance for young people assists them to make choices at pivotal stages in their lives. Positive engagement with employers and training providers to advocate for the needs of young people with complex issues is central to ensuring that young people in Sefton can achieve their career aspirations and lead independent, prosperous lives.

Greater income for social investment:

This proposal will seek to incorporate social investment as part of the procurement exercise to deliver additional investment from other sources to augment the level of impact for young people from the Council's own spending.

Travel planning for young people is a key part of the decision-making process for them to make their choices regarding learning and employment options and this activity will be included within the procured service

## **What consultations have taken place on the proposals and when?**

### **(A) Internal Consultations**

The Head of Corporate Resources (FD 5307/18) and Head of Regulation and Compliance (LD.4532/18) have been consulted and any comments have been incorporated into the report.

### **(B) External Consultations**

#### **Implementation Date for the Decision**

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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<b>Contact Officer:</b>	Claire Maguire, Ian Weller
Telephone Number:	Tel: 0151 934 2684,
Email Address:	claire.maguire@sefton.gov.uk, ian.weller@sefton.gov.uk

#### **Appendices:**

#### **Background Papers:**

**None**

#### **1. Introduction/Background**

- 1.1 The Council has been pursuing its development of the new IAG service with an intention to achieve a step-change in value and impact in the advisory and engagement services through the Council's direct investment in the future of our young people.
- 1.2 In November 2017 Cabinet approved the procurement of a IAG services with a contract period of 2 years from 1st September 2018 to 31st March 2020, with an option to extend annually for a further two years based on successful performance. Cabinet also agreed that the specification would include an invitation for providers to source suitable partners and investors willing to work

with Sefton Council to maximise the social impact of this activity through additional social investment.

- 1.3 The Council subsequently developed a bid to the Government's Life Chances Fund ( LCF) to secure additional "top-up" funding for a new service. In order to ensure the procurement exercise had sufficient clarity to secure an appropriate supplier, the procurement exercise was delayed until after the outcome of the Life Chances Fund was known. In the meantime, the existing contract with the supplier was extended to enable continuity of service for young people. This extension was undertaken within the legal parameters of the original contract.
- 1.4 As part of the LCF application process, funding was provided to the Council to commission a feasibility study, which was produced by a specialist agency called Numbers4Good, in order to explore the possibility of introducing social investment into the budget for IAG. The feasibility study was produced and accepted in early April 2018, with input from relevant cabinet members. Amongst other things, the feasibility study identified that a longer contract period would increase the commercial and investment attractiveness of this procurement opportunity, hence the current request to vary Cabinet's earlier decision and allow for a longer contract period of up to 4 years.
- 1.5 Following from the recommendations of the feasibility report, the Council applied for top-up funding to the Government's Life Chances Fund, administered through the Big Lottery. Unfortunately, this application has now not been supported and the outcome of the decision was significantly delayed by government as applicants had been informed the decision would be made public in mid-summer 2018 .
- 1.6 There is a need to re-evaluate the way forward at pace and in a way that delivers our aspirations, whilst also securing a reliable service for young people by April 2019.
- 1.7 At this stage, it is likely that a combined approach will provide the most effective solution. This needs further development but will likely incorporate elements of Fee for Service contracting to deliver our statutory duty for NEET and vulnerable young people aged 16 and 17 years (and up to aged 25 for SEND) with an Outcomes based model which can deliver preventative work with younger people who are at risk of becoming NEET.
- 1.8 It is still proposed to procure the contract via The Chest portal, using an EU compliant process in accordance with the Council's Contract Procedure Rules. The basis of evaluation will utilise the principles of MEAT (i.e. Most Economically Advantageous Tender) taking into consideration a balance between Quality and Cost. The procurement approach will include options for termination or re-negotiation at the end of each year depending upon available resources, the achievement of contracted outcomes or mitigation of any under-performance of the appointed contractor.