



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Cabinet

11 April 2011

**Arrangement For Extending The Services Contract With Leicester Shire Connexions
Service Limited**

Report of the Divisional Director (Access, Inclusion & Participation)

1. Purpose of Report

1. i) To advise Cabinet of the current position regarding Leicester Shire Connexions Service Limited ("Connexions").
- ii) To seek approval for the recommendations extending the services contract between Leicester City Council, Leicestershire County Council and Connexions for the provision of the Connexions Services (the "Services Contract") for 6 months from 1st April 2011 (with an option to extend further to 31 March 2012) and make consequential amendments to its Members' Agreement.

2. Recommendations

- 2.1 It is recommended that the Strategic Director, Children and Young People's Service in consultation with the Director, Legal Services is authorised:
 - (a) To agree and enter into a Deed of Variation to extend the term of the Services Contract for the period 1st April 2011 to 30th September 2011.
 - (b) To agree an option within the Deed of Variation to further extend the Services Contract for the period 1st October 2011 to 31st March 2012 and exercise that option where the Strategic Director, Children and Young People's Service, considers it appropriate.
 - (c) To agree as part of the Deed of Variation Business Plans to detail the extent of the Connexions Service under the Services Contract (as extended) and the Service Fee to be paid in consideration for its performance by the Council.

3.1 Summary

- 3.1 The three year Services Contract with Connexions is due to expire on 1st April 2011 and the proposed Deed of Variation will provide for extension by agreement of the parties.
- 3.2 It is anticipated that legislation will be passed this year, establishing all age careers services. In this event, Connexions would need to evolve in order to meet this

expectation and therefore another three year contract would not be deemed appropriate.

4. Report

- 4.1 The Coalition Government has stated its intention to introduce an all age Careers Service. Currently adult careers guidance is provided through Next Steps and locally delivery is on an East Midlands regional basis. The new all age service is intended to start in September 2011, with full implementation from April 2012. Councils will receive funding through the new Early Intervention Grant from April 2011 to support transitional arrangements to ensure that young people have access to impartial careers guidance in advance of the all-age careers service being fully operational. In the medium to longer term, as the Government maintains the commitment to raise the participation age to 18 by 2015, the grant will help local authorities to support vulnerable young people to engage in education and training, intervening early with those who are at risk of disengagement.
- 4.2 It is acknowledged that Government proposals will involve a change in the role of local authorities who are currently responsible for ensuring all young people receive careers guidance through the Connexions service. It is intended that the schools inspectorate will carry out a thematic review of careers education and guidance prior to the implementation of any new arrangements.
- 4.3 The government intends to revitalise the professional status of careers guidance, establishing a register of providers and kite mark quality assurance system, with progress overseen by the careers profession taskforce. It is anticipated that the role of schools will be central to working in partnership with providers to ensure access to independent careers advice for all school pupils. Local Authorities will maintain a responsibility for ensuring vulnerable young people participate in education, training and employment, and for maintaining accurate data on participation to ensure that support is appropriately targeted.
- 4.4 The Education Bill proposes a duty on schools to secure independent and comprehensive advice and guidance for pupils (and on LAs to provide in PRUs) and the duty on LAs to ensure both core and additional entitlements to diplomas is revised to only include core entitlements and no longer includes 14 – 19 diplomas at KS4. Schools will no longer have a duty to allow access to Connexions staff, whilst the local authority will retain a duty to make available services that they deem appropriate to young people, to encourage, enable or assist them to stay in education.
- 4.5 The present three year contract for Connexions Leicester Shire is due to expire on 31 March 2011. Given the proposed changes to both future funding and models of delivery, early consideration will need to be given in partnership with schools, to future commissioning arrangements beyond September 2011.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

- 5.1 The report reflects Government proposals for the future of careers services, which will clearly impact upon councils, schools and Connexions companies. This impact cannot be accurately quantified at this time, and should become clearer with details of the Government's plans. The Council's core budget in 2011/12 for planning purposes ahead of the future changes is £3.163m, therefore a contract for the first half of the year would be to the value of £1.582m. It should be noted that this is some 15% less

than the original 2010/11 funding, as approved in the 2011/12 budget set by Council. - Colin Sharpe, Head of Finance, Investing in Children, ext. 29 77502

- 5.2 The Connexions Service can be re-procured from Leicester Shire Connexions Service Limited without the need to go to the market because it is a *Teckal* company (effectively an internal department of both the City and County Councils). It is recommended that legal advice is sought during future consideration of the Connexions Service beyond September 2011. Advice on the broader aspects of the future of the Connexions Service was provided to officers in December 2010 for further consideration by the Leadership Team and Lead Member.

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	Yes	Access to Information, Advice & Guidance
Policy	Yes	Supports narrowing the gap
Sustainable and Environmental	No	
Crime and Disorder	Yes	Rehabilitation of young offenders
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	Yes	Supports LAC services
Health Inequalities Impact	Yes	Currently some targeted health services

Climate Change Implications

- 6.1 This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement
29-6770

7. Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1. Uncertainty regarding future funding arrangements leading to current provision being at risk beyond March 2011.	High	High	Dialogue with Connexions, schools and County Council in regard to future delivery models.
2. Core funding for IAG transfers to schools' budgets without additional funding for specialist support for targeted groups.	Medium	High	Discussion with both Connexions and County Council in relation to maintaining joint funded services for targeted groups from 2011/12.

3 Financial liabilities in relation to potential redundancy payments, together with projected pension fund short-fall within Connexions Service.	High	High	Detailed legal and financial advice being sought on behalf of both City and County Councils.
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8. Background Papers – Local Government Act 1972

Learning and Skills Act (2000)
Education and Skills Act (2008)
Employment and Training Act (1973)
Education Bill (2011)

9. Consultations

Chief Executive, Leicester Shire Connexions
Leicestershire County Council Children’s Leadership Team
Greg Surtees, Senior Solicitor, Legal Services

10. Report Author

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Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)