

## PLYMOUTH CITY COUNCIL

<b>Subject:</b>	Transition Support for Young People into Education, Employment and Training
<b>Committee:</b>	Cabinet
<b>Date:</b>	11 November 2014
<b>Cabinet Member:</b>	Councillor McDonald
<b>CMT Member:</b>	Carole Burgoyne (Strategic Director for People)
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<b>Ref:</b>	Transition Support for Young People Business Case
<b>Key Decision:</b>	Yes
<b>Part:</b>	1

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### **Purpose of the report:**

The purpose of this report is to set out the business case to tender the contract for support to vulnerable groups to transition successfully to post 16 Education in order to fulfil the Local Authorities Statutory Duty to:

- track and identify those 16 – 18 years olds at risk of not engaging in education, employment (NEET) or training, and ensure the whereabouts of these young people is known;
- ensure robust education plans are in place for those who need additional support in their post 16 placement because of a Special Educational Need or Learning Disability;
- ensure that transition support is available for vulnerable cohorts of young people who are at risk of or have become NEET, including teenage parents, young carers, homeless young people.

Most young people already continue in education or training after they finish year 11, because it provides them with the best opportunity to obtain the skills and qualifications that employers and universities look for. However, the small group of young people not participating includes some of the most vulnerable. We want to give all young people the opportunity to develop the skills they need for adult life and to achieve their full potential.

The arrangements for commissioning Careers Information Advice and Guidance along with transition support for vulnerable young people moving from full time education to further education, employment or training transferred to Local Authorities in April 2008.

The Peninsula Local Authorities of Cornwall, Devon, Plymouth and Torbay developed a partnership through which the commissioning could occur and formed a Local Authority Controlled Company, Careers South West, who have delivered this service since April 2008.

A number of significant changes have taken place over the past 6 years that have reduced the role of the Local Authority in respect to the delegated requirements of this contract.

- The transfer of statutory duties for careers information advice and guidance to education providers with the local authority retaining the duty to provide information and advice for vulnerable groups.
- The Department of Education (DfE) extended the duty for young people to remain in mandatory education or training from 16 to 18, – with a duty on education providers, including pupil referral units, to exercise their functions so as to promote good attendance to enable young people to meet their duty to participate.

Alongside this, the Children and Young People’s Act 2014 brought into effect new legislation that governs changes to the support offered to children with a Special Educational Need or Disability (SEND), ensuring they all has an Early Help SEND plan or Education, Health and Care plan.

The support offered through this contract therefore needs reshaping in light of these changes to ensure a clear focus on delivering the SEND requirements and supporting the engagement of vulnerable young people in a post 16 placement, in the context of the wider support offer available to them.

Careers South West remain a Local Authority Controlled company, however changes to the role of the Board have reduced the control of the Local Authorities, giving more emphasis to ensure that the company remains competitive within the market place.

Due to this and the other business secured by the provider, the contract with the company has ceased to be exempt from procurement processes under “Teckal exemption rules” which exempts companies that perform as if they are a department of the Local Authority. As this exemption no longer applies, EU procurement legislation and Plymouth City Council’s constitution require that the contract must be taken through a competitive procurement process.

The current contract will cease on the 31<sup>st</sup> March 2015 and it is proposed that Plymouth lead the tender exercise and continue to be the contract holder on behalf of, and in partnership with the other Peninsula Authorities due to the following :

- this is the most economically advantageous way to commission the service as economies of scale are achieved through working with neighbouring local authorities;
- the young people may live in one local authority area and go to college, training or work in another and by working in partnership with one contract the service is seamless and support can be delivered as required.

A separate private briefing paper is also submitted on this business case which contains commercially confidential information.

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## **Corporate Plan 2013-2017**

### **Pioneering Plymouth:**

The redesign and delivery of the service will be accountable, flexible and efficient in spite of reducing resources. The competitive tendering of the service will support innovation as it will open up the opportunity for new organisations to bid for the service contract and so it will deliver value for money.

### **Growing Plymouth:**

The service will contribute towards the development of employment skills reducing the number of young people from vulnerable groups aged 16 -17 becoming NEET. The service will work in close alignment with the Plymouth City Deal project which is working towards reducing the NEET figure for Plymouth 18-24.

### **Caring Plymouth:**

The transition support service provides support at a critical time in the lives of young people who are likely to achieve poor life outcomes due to their vulnerabilities. The support enables young people to successfully transfer on to education, employment or training and so avoid becoming NEET.

### **Confident Plymouth:**

The service supports young people to make the transition into adulthood and enables them to become confident, active citizens who participate in education, employment or training that will enable them to aspire to achieve their full potential and make sound choices about their future.

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## **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

### **Finances**

In response to the changes to statutory duty, the peninsula contract has been reduced over the last six years from around £11m a year to its current value of just over £5m to continue to perform reduced functions. The current Plymouth contribution is £890,000.

It is anticipated that by going to the market for the delivery of the service it will be possible to develop new and innovative ways of delivering the service, through which there may be opportunities for further savings to be made through the competitive tender process.

Cabinet Paper Part 2 outlines the value of the future contribution to this contract from Plymouth.

### **Human Resources**

It is likely that TUPE will apply to all staff who are currently employed to deliver this service. Should the current provider not be awarded the new contract this is likely to be a significant factor in the transfer of the service to the new provider.

### **Pensions**

As a Peninsula Local Authority Controlled Company, staff employed by the incumbent provider currently have access to the Cornwall Local Government Pension Scheme.

In the establishment of the Local Authority Controlled Company, the Local Authorities undertook to guarantee Pension Liability. Should the current provider of the service not be awarded the new contract the new provider will need to become an admitted body to the scheme or offer an alternative equivalent. This would allow existing deficits to be assigned for these staff without an immediate call on either revenue budgets or reserves. The future liabilities for these staff would be aggregated with existing liabilities and would be subsumed into future triennial valuations.

Cabinet Paper Part 2 outlines further implications for the Local Authority Controlled Company.

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## **Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

### **Plymouth's Early Intervention and Prevention Strategy 2012-2015**

This service will have a direct contribution to make to the early intervention strategy for the city. Supporting young people across the difficult transition period from full time education on to education, employment or training is an essential early intervention tool.

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### **Equality and Diversity**

The duty placed upon the council under Section 149 Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination, to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

The service will provide support for the most vulnerable groups of young people in Plymouth. It is focused on providing support for young people who have clearly identified needs that would without this support make them vulnerable to poor life outcomes as the transition support is provided at a critical time in their lives.

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### **Recommendations and Reasons for recommended action:**

It is recommended that the contract for "Transition Support for Young People into Education, Employment and Training" is taken to the market as a Peninsula tender on behalf of Plymouth City, Cornwall, Devon County and Torbay Councils (as set out in option 1) and with Plymouth as the lead authority, in an open or restricted competitive tender, dependent on response to the soft market test.

It is recommended that the decision to award the contract for three years with the option to extend for a further two years following the competitive tender, is delegated to the Cabinet Member for Children, Young People and Public Health.

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### **Alternative options considered and rejected:**

The other two options detailed in the business case have been rejected due to:

- EU procurement legislation requirements and Council Contract Standing Orders requiring the contract to be competitively tendered;
- The risks of splitting the Plymouth element of the contract from the other Peninsula Local Authorities.

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### **Published work / information:**

[DfE \(2014\) Participation of young people in education, employment or training](#)  
[Statutory guidance for local authorities](#)

**Sign off:**

Fin: FEC1415 002	Leg ALT/ 21466	Mon Off	DVS/ 21490	HR	Assets		IT	Strat Proc MC/SPU/377 /CP/1014
Originating SMT Member Judith Harwood								
Has the Cabinet Member(s) agreed the contents of the report? Yes								

# **Business Case Transition Support for Young people into Education, Employment and Training**

## **I. BACKGROUND**

The arrangements for commissioning Careers Information Advice and Guidance along with transition support for vulnerable young people moving from full time education to further education, employment or training transferred to Local Authorities in April 2008.

The Peninsula Local Authorities of Cornwall, Devon, Plymouth and Torbay developed a partnership through which the commissioning could occur and formed a Local Authority Controlled Company, Careers South West, who have delivered this service since April 2008.

A number of significant changes have taken place over the past 6 years since this time. These changes include:

- the transfer of statutory duties for careers information and advice to education providers with the local authority retaining the duty to provide careers information and advice for vulnerable groups;
- the DFE extended the duty for young people to stay in mandatory education or training from 16 to 18, – with a duty on education providers, including pupil referral units, to exercise their functions so as to promote good attendance to enable young people to meet their duty to participate.

## **2. NATIONAL AND LOCAL CONTEXT**

The Children and Young People's Act 2014 brought into effect new legislation that governs changes to the support offered to children with a Special Educational Need or Disability. It replaces the current process for establishing a Statement for Special Educational Needs with an Education, Health and Care Assessment and Plan. In addition funding for school places has also undergone a radical change introducing banding arrangements for schools for pupils with additional needs.

The transition assessment process has therefore changed and all young people leaving school with an Education, Health and Care plan will now have a review of their plan at this key milestone led by an assessment co-ordinator who will advise on the options available for the young person in Post 16 education. This replaces the Learning Disability Assessment or 139a which was previously implemented at this point.

An Early SEND support plan for those who were previously School Action or School Action + will now be implemented and will draw down additional funding for FE college placements in the same way that the Education Health and Care plans can draw down additional funding.

The 2014 statutory guidance for Local Authorities of the "Participation of young people in education, employment or training" outlines the key role that Local Authorities need to continue to play in supporting children and young people remaining in education and training until at least their 18th birthday.

A significant proportion of this duty is to work with education providers to ensure sufficient post 16 placements and to promote the effective participation in education and training of 16 and 17 year olds in their area, through:

- ensuring a focus on participation is embedded and communicated throughout the authority's services for children and young people;
- ensuring the services for young people in the local area come together to meet the needs of young people – including funding for education and training places and re-engagement provision;
- agreeing ways of working with other partners such as Local Enterprise Partnerships (LEPs), Jobcentre Plus, employers, voluntary and community sector organisations, health services, police, and probation services; and
- working with neighbouring authorities, especially where young people routinely travel out of the area to access education and training, for work or other services”.

The Local Authority also retains a duty:

- to track and identify those 16 – 18 years olds at risk of not engaging in education, employment (EET) or training, and ensure the whereabouts of these young people is known and they are referred for support;
- to ensure robust transition plans are in place for those with special educational needs or disabilities. All young people leaving school with an Education, Health and Care need to undergo a robust assessment and planning process that advises on the options available for the young person in Post 16 education and identifies additional support;
- to ensure the transition support is available for vulnerable cohorts of young people who are at risk of or have become NEET, including teenage parents, young carers and homeless young people.

The full guidance can be found on:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/349300/Participation\\_of\\_Young\\_People\\_Statutory\\_Guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/349300/Participation_of_Young_People_Statutory_Guidance.pdf)

### **3. CURRENT SERVICE PROVISION**

Whilst Careers SW has remained a Local Authority Controlled company, changes to the role of Board have reduced the operational control of the Local Authorities, giving more emphasis to ensure that the company remains competitive within the market place.

Due to this and the other business secured by the provider, the contract with the company has ceased to be exempt from procurement processes under “Teckal exemption rules” which exempts companies that perform as if they are a department of the Local Authority. As this exemption no longer applies, EU procurement legislation and Plymouth City Council’s constitution require that the contract must be taken through a competitive procurement process.

In line with the statutory duties, the current contract with Careers West has 3 key functions.

### **3.1 Transition Support for Young People with Learning Difficulty and/or Disability Learning Disability, including:**

- transition assessments for young people with a learning difficulty and/or disability (139a Assessments) as defined by the local authority as a statutory requirement surrounding their successful transition to post 16 education and training opportunities, enabling the local authority to fulfil its responsibilities to these young people;
- on-going transition support to young persons between the ages of 16 to 25 attending an independent provider or in receipt of high needs block funding.

### **3.2 Client Tracking and Monitoring**

This section of the contract deals with the tracking system that is operated by Careers SW which identifies the onward destinations of the whole cohort of young people in Year 11 and beyond to fulfil the statutory duty held by the Local Authority for participation in employment, education and training.

This function within the contract takes management information from the CCIS system and makes the first contact with each young person identified as “NEET” or “Not known” to establish whether they are in fact in employment, education or training and if not to offer advice and support to re-engage them in education, employment or training.

### **3.3 Transition Support for Vulnerable Young People**

The service will work with the local authority to target cohorts of young people vulnerable to NEET, and undertaking Common Assessment Framework (CAF) assessments and acting as a Lead Professional providing intensive support for young people becoming NEET.

## **4. OVERVIEW OF NEED AND PERFORMANCE**

There are three distinct functions to the current service.

### **4.1 Education, Health and Care Plans** (formerly Learning Difficulty Assessments conducted under section 139A of the Learning and Skills Act 2000).

The 139a Learning Disability assessment process changed on the 1<sup>st</sup> September. All young people leaving school with an Education, Health and Care plan will have a review of their plan at this key milestone led by an assessment co-ordinator who will advise on the options available for the young person in Post 16 education. The current level of service is between 150 – 170 139a Learning Disability Assessments per year, however, it is likely that this number will reduce as RPA continues to rise to 18 in September 2015 and also due to the increased numbers of young people remaining in schools without the need to transition at this age.

The new role identified to deliver this is an assessment co-ordinator role working with the young person and their family across the difficult transition period from school to college, employment or training. This will be a key working role and will deliver support as required for the young people who are in identified vulnerable groups and where Plymouth City Council have a statutory duty to provide information, advice, guidance and support to make the successful transition to their onward destination.



## 4.2 Client Tracking and Monitoring

The company has consistently maintained a very high level of data that has supported the peninsula local authorities to deliver their statutory duties with regard to knowing the onward destinations of young people as they leave school post 16. National benchmarking demonstrates that the rate of “not knowns” is very low and our understanding of the destinations of the majority of young people leaving school is comprehensive.

The Client Caseload Information System (CCIS), a data management system that has been developed in partnership between the Peninsula authorities and is currently held by Careers South West. It is already one of the most successful in the country providing high quality data on the destinations of young people leaving school and monitoring their progress through Further Education, Sixth Form or training. This is achieved through good information sharing protocols with the education providers. It has already been agreed that this ICT system and ICT support will be removed from the support contract and will be delivered separately from the transition support service in order to maintain links with education providers quality and control of this vital function.

However, there is an additional aspect to tracking that includes the first contact and engagement of the young people who are “not known” as this will remain one of the functions within this contract. When the onward destination of a young person at the transition point of the end of year 11 is reported as “not known”, or any time after that until they reach the age of 18 or 25 if the young person is disabled, there is a need to pick up the data and make contact and follow up the contact with support for the young person to re-engage in education, employment or training.

## 4.3 Vulnerable Young People

As reported in the management data in June 2014 the number of NEET, Not Known and fulfilling the criteria of participating in education and training were as follows. The remainder were engaged in employment or activity that did not meet the full criteria of the raising the participation requirements.

<b>Plymouth</b>	<b>NEET</b>	<b>Not Known</b>	<b>Participating (RPA)</b>
<b>Total Yrs 12-14</b>			
%	7.4%	1.4%	84.4%
Number	634	122	7337
<b>Year 12</b>			
%	3.5%	0.3%	95.1%
Number	103	9	2781
<b>Year 13</b>			
%	7.4%	1.5%	86.5%
Number	212	44	2508
<b>Year 14</b>			
%	11.4%	2.4%	71.2%
Number	319	69	2048

There are a number of vulnerable groups identified that require support across the transition from full time education to Post 16+ education, employment or training who able to access other targeted services for support to engage in employment, education or training.

Research done in 2010/11 in preparation for the implementation of the “raising the participation age” identified that the majority of vulnerable young people becoming NEET in the city were attending the Alternative Complementary Education (ACE) service and the special schools (Mount Tamar and Brook Green) focussed on behaviour problems. At this time these establishments do not offer post 16 placements so extra support is required to enable a smooth transition.

Of the numbers of NEET in the above table 178 young people were aged 16 or 17 and the remaining numbers are over the age of 18 and therefore eligible for a range of support offers from Job Centre Plus, worklessness programmes, and developments under City Deal to tackle 18-25 year old unemployment.

Around 100 young people become NEET in the first year of expected move to their new post 16 provision. Some of these are supported by the wider services, such as:

- looked after children – have support to make their transition delivered through the Virtual School team;
- young people either in or at risk of joining the Criminal Justice System – are supported by a team in the Youth Offending Team ( YOT) with specialist careers input from this contract;
- young people on School Action or School Action+ (Being replaced with Early SEND support plan) or who have an Education, Health and Care plan– currently have support from this service as detailed above;
- the family support work delivering the Troubled Families Agenda;
- health visiting and Children Centre offer for teenage parents.

In recognition of the wide range of vulnerabilities the focus of the contract has in recent years been to offer an holistic offer of intensive support for NEET young people. This has had some success in moving the contract forward to a more focussed way of working with young people.

However, the workforce has remained unable to shift their role to this wider support role, continuing to focus on education, employment and training. In the context of a wider workforce offering a range of support, as above, more success could be gained in keeping this service focussed in their specialism.

## **5. KEY CONSIDERATIONS FOR FUTURE COMMISSIONING**

- The service needs to undertake the new role working with young people on EHC plans and their family across the difficult transition period from school to college, employment or training.
- There is a need to continue to commission the tracking functions of gathering information to ensure young people remain in their post 16 provision.
- There is an opportunity to more clearly refine the work with vulnerable families to ensure that options are made available to young people that will support their aspirations for the future as well as meet their immediate needs for education, employment and training. This includes:
  - a focus on the 15-17 age group;
  - the service targeted to those vulnerable to NEET in ACE and Special Schools with targeted Careers IAG;
  - follow up to the tracking role, working to re-engage those becoming NEET in the first year of transition to post 16 education into the wider network of support available;

- narrowing the role from generic intensive support for those NEET, to make best use of their speciality of Careers IAG working closely with the wider workforce for vulnerable young people.

## **6. RECOMMENDATIONS**

### **6.1 Option 1: Undertake a Peninsula Tender for a Contract for Transition Support**

#### **Benefits**

This is in line with the other Peninsula Authorities with the benefits to:

- gain the most economically advantageous way to commission the service as economies of scale are achieved through working with neighbouring local authorities;
- ensure the young people may live in one Local Authority area and go to college, training or work in another and by working in partnership with one contract the service is seamless and support can be delivered as required.
- It is anticipated that there may be opportunities for further savings to be made through the competitive tender process. These cannot be quantified at present as the market has not been tested due to the service being delivered for six years by one company through a Teckal exemption.
- It is anticipated that by going to the market for the delivery of the service it will be possible to develop new and innovative ways of delivering the service following the competitive tender process. Commissioners will be able to monitor and review the service and work with the provider to establish new ways of working and innovative practice in the delivery of the service.
- Tendering the service will be following the EU procurement legislation and prevent a risk of challenge from the market

#### **Risks**

- Should the current provider of the service not be awarded the new contract careful consideration to the pension liability for the Local Authority Controlled Company.
- The Company Board have been informed by Commissioners of the proposal to tender and the assumptions and in respect to Pensions will be tested with the Cornwall actuary in preparation for the Invitation to Tender process.

### **6.2 Option 2: Reshape current contract with Careers South West for the delivery**

#### **Benefits**

Pension liability arrangements are already in place with the Local Authority.

#### **Risks**

- EU procurement legislation and Plymouth City Councils Contract Standing Orders apply to this service and we are required to competitively tender the service at this time in order to be compliant with Contract standing orders and EU legislation.
- If the service is not tendered then there is a significant risk of challenge from the market

- As the rest of the Peninsula local authorities will be tendering the service at this time the option to do nothing would separate the Plymouth element of the contract from the other Peninsula Local Authorities, losing efficiency and other benefits gained from the Peninsula arrangements.

### **6.3 Option 3: Do Nothing**

#### **Benefits**

- Pension liability arrangements are already in place with the Local Authority.

#### **Risks**

- Savings are not realised and the NEET support is not re-focussed.
- EU procurement legislation and Plymouth City Councils Contract Standing Orders apply to this service and we are required to competitively tender the service at this time in order to be compliant with Contract standing orders and EU legislation.
- If the service is not tendered then there is a significant risk of challenge from the market.
- As the rest of the Peninsula local authorities will be tendering the service at this time the option to do nothing would separate the Plymouth element of the contract from the other Peninsula Local Authorities, losing efficiency and other benefits gained from the Peninsula arrangements.

## **7. IMPLEMENTATION**

### **7.1 Market Development**

In order to ensure that all potential providers are enabled to tender, recent procurement training has been delivered.

Following other procurement processes that have tested the market it is anticipated that there are a small numbers of providers in this market. A soft market test is due imminently prior to in order to determine the likely number of providers who submit bids in the tender. It is recommended that the tender process undertaken will match the results of this:

- If there are only 3-4 expressions of interest the intention is to use an Open Tender process is recommended;
- If there are a higher number of expressions of interest a Restricted Tender process will be implemented.

### **7.2 Tender Evaluation**

In order to ensure services meet the requirements of the service specification the following criteria will be used to evaluate the tenders:

- Quality of service provision, will be 70% of the total marks, broken down to evidence good partnership working, young person centred services, including service user involvement, effective engagement of vulnerable young people, quality assurance and safeguarding.

- Price of service, including a breakdown of activity targeted to key performance indicators will be 30% of the total marks.

### 7.3 Quality assurance and performance management

The service will be monitored through a monitoring framework that has been developed over a number of years across the Peninsula Authorities. The framework supports local monitoring on a regular basis with Peninsula Wide monitoring at 6 month intervals.

### 7.4 TUPE

It is expected that TUPE will apply to all staff affected by this process. Therefore families will experience continuity of service delivery from staff with whom they have built close relationships.

### 7.5 Timeline

The timeline includes sufficient time for due consultation with staff, should this be required, prior to the contract start date.

<b>Activity</b>	<b>Date</b>
Cabinet	November 2014
Contracts advertised - pre-qualification (PQQ) stage	November 2014
Deadline for PQQ	December 2014
Dispatch of Invitation to Tender (ITT) to successful applicants	January 2015
Deadline for ITT	Feb 2015
Portfolio Holder Agreement to Award	March 2015
Notification of Award to Providers	March 2015
Service commencement	July 2015

## 8. FINANCES

Please see attached Cabinet paper part 2.

## 9. RISKS

Please see Cabinet paper part 2.