EXECUTIVE SUMMARY

This report provides information on the arrangements for the future commissioning of Connexions Services.

Cabinet are recommended that:

i. The existing contract with Greater Merseyside Connexions Partnership is amended to cover the period to 30th September 2009, pending the completion of procurement processes;

ii. The new contract for ‘connexions services’ should cover the period 30th September 2009 to 31st March 2012 with an option of an extension to the contract for a further period of up to 3 years, but for the contract to accommodate an appropriate break clause in the event of poor performance or reduced financial capacity to commission the service to the level previously agreed;

iii. Halton Borough Council is the lead Authority for procurement of the new arrangements on behalf of the 6 participating Merseyside Local Authorities; and

iv. Halton Borough Council becomes the contract holding Authority on behalf of the 6 participating Merseyside Local Authorities from the City Region for the new contract when awarded with the appropriate cross Authority commitments.

v. Wirral Council should enter into an agreement with Greater Merseyside Connexions Partnership Limited to extend the current contract to 30 September 2009 provided the other five Merseyside Local Authorities agree to the extension and to pay their previously agreed proportion of the payments due to the company under the extended contract.

1. **Background**

1.1 **Youth Matters**

“Youth Matters” required that by April 2008, responsibility for Commissioning Information, Advice and Guidance (IAG) and the funding that goes with it to be devolved to Local Authorities working through children’s trusts, schools and colleges. Local Authorities are expected to lead a genuinely collaborative approach and develop new arrangements for delivering IAG that clearly meet the needs of Young People in the area. These arrangements will be planned and implemented in a way that not only supports the delivery of the 14 - 19 learning entitlement but are integrated into a wider set of youth support services for teenagers and their parents.

1.2 Local Authorities are responsible and accountable for youth policy in their area and are taking responsibility for integrated planning and commissioning of the full range of
services for teenagers from universal activities through to more specialist and targeted support.

This will enable, over time, universal and targeted services to work closely together to provide integrated support for Young People and to improve outcomes for them.

1.3 The Connexions Service operates a universal and targeted service for all young people in Wirral aged 13-19 (up to 25 for particular groups of vulnerable young people). Personal Advisers (PA s) are attached to all schools, colleges and training providers delivering high quality Information, advice and guidance on a full range of issues such as careers, further education, training, relationships, physical/sexual health, housing, substance misuse; and placing into employment, education and training.

1.4 More recently the publication of PSA Delivery Agreements and in particular PSA 14 focuses upon the objective to ‘increase the number of children and young people on the path to success’ and has at it’s heart the drivers to secure ‘increased participation and resilience’ by young people measured by their engagement in education, employment and training (EET) and more participation in positive activities. Additionally, it seeks to ‘tackle negative outcomes’ as measured by indicators of substance misuse, reduction in the under 18 conception rate, and the reduction in the number of first-time entrants to the criminal Justice System aged 10 - 17.

Connexions Services

1.5 On 25th March 2008 the Secretary of State for Children, Schools and Families wrote to Local Authorities notifying them of interim arrangements for the delivery of ‘connexions services’ and assessments for young people with learning difficulties from 1st April 2008. The Education and Skills Bill, currently before Parliament, proposes that legal responsibilities be brought into line by effecting the transfer to Local Authorities of the statutory responsibility of ‘connexions services’. Specifically these include:

i. The provision of ‘connexions services’ under Section 114 of the Learning and Skills Act;

ii. The conducting of assessments relating to learning difficulties under Section 140 of the Act; and

iii. The provision of careers services under Sections 8 and 9 of the Employment and Training Act 1973.

1.6 This came from the last Cabinet report. In preparing for implementation of these arrangements the Cabinet agreed the following in November 2007:

a) Greater Merseyside Connexions Partnership should have the status of “preferred provider”, subject to the agreement of the council following detailed negotiations

b) The cost of the contract be limited to a sum no greater than the level of the grant provided for the purpose by HMG, within the Area Based Grant;

c) Negotiations should ensure that Wirral’s contributions to Greater Merseyside central costs is minimised and seek to maximise the resource spent in Wirral;
d) A contract should be negotiated for the period 2008 to 2011, with provision for the detailed arrangements to be varied annually as the service develops;

e) The arrangements should seek the benefits of integrated working across the Wirral Children and Young People’s Partnership

f) Should it not be possible to complete the full process of commissioning by 31st March, 2008, the Director of Children’s Services, in consultation with the Director of Finance and the Acting Monitoring Officer and Proper Officer, be authorised to enter into a transitional arrangement with Greater Merseyside Connexions Partnership to ensure a continuity of service to young people;

g) The Council agrees to provide a financial guarantee for Wirral's share of the Greater Merseyside Connexions potential unfunded pension liabilities; and

h) Members request that Wirral's MPs provide further assistance regarding amendment to the funding formula.

1.7 Progress towards these arrangements has been overseen by a Transition Steering Group which comprises:

Chief Executives – Halton, Liverpool, St Helens
Directors of Children’s Services – Knowsley, Sefton, Wirral
Chair – Chief Executive of Halton Borough Council

The work of the Transition Group receives the support of the Liverpool City Leaders Group.

1.8 In 2008 legal advice received by the participating Local Authorities indicated that the commissioning of Greater Merseyside Connexions Partnership could only occur for 2008 / 2009 and that EU procurement regulations would need to be followed from 2009 onwards. As a consequence work has been underway to secure the commissioning of ‘connexions services’ from 2009 - 2011.

1.9 To assist in this work support has been secured from the Merseyside Improvement Partnership (MEIP) which is funding consultants to advise on the details of the specification and procurement process. That work is nearing completion and the next stage will lead into procurement through a process of open competitive dialogue. Additional resources are being sought from the Merseyside Efficiency and Improvement Partnership to fund the project management costs associated with this work.

Contractual Arrangements

1.10 For the period 1st April 2008 until 31st March 2009 arrangements have been in place for Wirral Metropolitan Borough Council to be the contract holding Authority (on behalf of the 6 Merseyside Local Authorities) with Greater Merseyside Connexions Partnership Ltd.

1.11 From the period of the new contract it is proposed that Halton Borough Council becomes the contract holding Authority on behalf of the 6 Merseyside Local Authorities. Contracts will be held with the respective 5 Local Authorities to ensure prompt payment on a monthly basis to Halton BC for their share of the contractual commitments with the provider of ‘connexions services’. A model for this arrangement is already in place with Wirral MBC.
1.12 The current contract is worth approximately £17.5m, and is funded from the LAA 'single pot', allocations of which have been confirmed until 30\textsuperscript{th} March 2011.

1.13 Consideration has been given to the length of any new proposed contract and whether it should be limited by the period of the current funding round. It is proposed, that due to the scale of the contract, and the extensive preparations undertaken across the 6 Local Authorities that letting the new contract for the remaining period of ABG would represent poor value for money. It is therefore proposed that the new contract to be let should run for the period from 30\textsuperscript{th} September 2009 until 31\textsuperscript{st} March 2012 with a further proposed option of extension for up to 3 years. Contractually, an appropriate break clause would be included in the contract enabling it to be reduced or ceased subject to appropriate consideration of factors relating to performance or financial sustainability.

2. Financial Implications

2.1 Since the 1\textsuperscript{st} April 2008 funding for 'connexions services' has been directed to Local Authorities through the LAA 'single pot'. Agreement had previously been secured to passport the indicative allocation to enable the commissioning of 'connexions services' collaboratively with the 6 Merseyside Authorities. It was anticipated that the commissioning arrangements would be for 3 years from 1\textsuperscript{st} April 2008 to 31\textsuperscript{st} March 2011. More recent legal advice has confirmed that the current arrangement for commissioning Greater Merseyside Connexions Partnership could only be secured for 1 year, and that EU Procurement Regulations would need to be followed thereafter.

2.2 Funding would be committed for a period beyond the existing funding period covering the period up to 31\textsuperscript{st} March 2011. Notwithstanding this Local Authorities will continue to have statutory duties for the delivery of 'connexions services'.

3. Staffing Implications

3.1 If Greater Merseyside Connexions Partnership Limited are unsuccessful in winning the contract, most of their employees should transfer under TUPE to the successful tenderer.

4. Equal Opportunities Implications

4.1 The success of the Connexions Service is crucial to the delivery of the Every Child Matters Outcomes. One of the key Connexions outcomes is to reduce the number of 16 - 18 year olds in Wirral who are not in employment, education or training. This target is currently within the suite of LAA targets and has recently been announced as part of PSA Delivery Agreement 14 – 19 - to increase the number of children and young people on the pathway to success.

5. Community Safety Implications

5.1 High quality information, advice and guidance will inform young people on the benefits and options in achieving economic well being.

6. Local Agenda 21 Implications

6.1 These proposals encourage the positive engagement of young people.
7. **Planning Implications**

7.1 There are none arising directly out of this report.

8. **Anti-poverty Implications**

8.1 None directly apply to this report.

9. **Social Inclusion Implications**

9.1 Connexions Service seeks to address social exclusion and promote inclusion.

10. **Local Member Support Implications**

10.1 Young people who use Connexions Services reside in all parts of the Borough.

11. **Background Papers**

   - Education and Inspections Act 2006
   - Youth Matters
   - Aiming High for Young People: A Ten Year Strategy for Positive Activities (DCSF – 2007)
   - Education and Skills Bill

**RECOMMENDATIONS**

That

(1) the existing contract with Greater Merseyside Connexions Partnership be amended to cover the period to 30\textsuperscript{th} September 2009, pending the completion of procurement processes;

(2) the new contract for ‘connexions services’ cover the period 30\textsuperscript{th} September 2009 to 31\textsuperscript{st} March 2012 with an option of an extension to the contract for a further period of up to 3 years, but for the contract to accommodate an appropriate break clause in the event of poor performance or reduced financial capacity to commission the service to the level previously agreed;

(3) Halton Borough Council be the lead Authority for procurement of the new arrangements on behalf of the 6 participating Merseyside Local Authorities;

(4) Halton Borough Council becomes the contract holding Authority on behalf of the 6 participating Merseyside Local Authorities from the City Region for the new contract when awarded with the appropriate cross Authority commitments; and

(5) Wirral Council enter into an agreement with Greater Merseyside Connexions Partnership Limited to extend the current contract to 30 September 2009 provided the other five Merseyside Local Authorities agree to the extension and to pay their previously agreed proportion of the payments due to the company under the extended contract.

Howard Cooper
Director of Children’s Services