

**FUTURE MANAGEMENT OF THE NATIONAL CAREERS CONTRACT 2014-2017**

*To:* **Cabinet**

*Date:* **4<sup>th</sup> March 2014**

*From:* **Executive Director: Economy Transport and Environment**

*Electoral division(s):* **All**

*Forward Plan ref:* **2014/021**

*Key decision:* **Yes**

*Purpose:* **To update Cabinet on the Council's proposal to bid to run the National Careers Service and to propose a way forward, should the Council be offered the contract.**

*Recommendation:* **Cabinet is recommended to agree:**

- 1) To accept the National Careers Contract for the Eastern Region if offered**
- 2) To delegate the powers to negotiate the final terms of the contract to the Executive Director: Economy, Transport and Environment in consultation with the Cabinet Member for Education and Learning.**

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## **1. BACKGROUND**

- 1.1 Cambridgeshire County Council's Adult Careers Service (part of the Adult Learning and Skills Service) has successfully managed and delivered publically funded careers advice and guidance services to adults across Cambridgeshire and Peterborough for more than fifteen years. Under current arrangements, Cambridgeshire County Council has an annual sub-contract with Realise Futures Community Interest Company (CIC), the current National Careers Service Prime Contractor for the East of England, to deliver 10,000 careers advice sessions, which has a value of over £420K.
- 1.2 The Adult Learning and Skills team was offered the opportunity to bid for the Skills Funding Agency (SFA) contract to manage the whole of the National Careers Service (NCS) for the Central Eastern area (Cambridgeshire, Hertfordshire, Central Bedfordshire, Bedfordshire, Luton, Northamptonshire, Milton Keynes, Suffolk, Norfolk and Peterborough) as the contract is up for retender. The bid was supported by Cabinet on 17<sup>th</sup> December 2013. The contract is due to start in October 2014 with a potential annual value of up to £7m.
- 1.3 The timing of any contract offer and the date required for acceptance of the contract are not known at the time of writing, but are not expected to fit with the Cabinet timetable. This report therefore proposes that the decision to accept the contract, should it be offered, be delegated to the Executive Director: Economy, Transport and Environment in consultation with the Cabinet Member for Education and Learning and the Head of Adult Learning and Skills.

## **2. MAIN ISSUES**

- 2.1 The benefits of securing the full contract are that there is an opportunity for Cambridgeshire to have a strategic say in the delivery of a key public service and to directly shape the service, bringing benefits to Cambridgeshire residents and other services and organisations.
- 2.2 Holding the contract would also give us an opportunity to lever in additional funding through European Social Fund (ESF) and Local Economic Partnership (LEP) structural funds to support other key priorities including those of the LEP, and it may enable us to offer our services to business and other partners as a traded service and open up a possible income stream.
- 2.3 The contract payment mechanisms are such that there is no significant financial risk to the Council in accepting this contract. However the Council would suffer considerable reputational damage if the contract was not successfully delivered, although with the experience we have of delivering part of the contract, this is unlikely.
- 2.4 The delivery risks can be substantially mitigated by working with an experienced managing agent. If the full contract were accepted, we could then appoint Realise Futures, for example, as managing agent for the contract. The advantages of this approach are that Realise Futures, a former business unit within Suffolk County Council, has an extensive successful track record of delivering the National Careers Service. Realise Futures performance against targets puts it currently in the top three of the Skills Funding Agency rated providers for meeting delivery targets.

- 2.5 If we do not accept the contract then the Council may still be able to remain a sub-contractor with a contract similar in value to the one we currently hold, which amounts to approximately £450,000 per annum. This effectively would carry on the Council's current involvement and would be very low risk.
- 2.6 However a new prime contractor may opt, as other current prime contractors have done, to go down the direct delivery route. This would remove any influence that the Council has over service provision.

### **Evaluation**

- 2.7 It is considered that there are considerable benefits to the Council in pursuing this contract and that the risks can be effectively mitigated. If the County Council does not seek to play a part in this process, the service to our citizens could be diminished with consequent impacts on our core objectives of promoting independence and growth.

## **3. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING**

- 3.1 Developing the local economy for the benefit of all

The careers service enables individuals to have advice that enables them to receive training or move into employment so that they can successfully contribute to the local economy.

- 3.2 Helping people live healthy and independent lives

Good careers advice is holistic and helps an individual improve their chances of employment and this in many cases will enable them to gain independence.

- 3.3 Supporting and protecting vulnerable people

The contract that we are tendering for is designed to try to ensure that those who are vulnerable are able to take advantage of the service. Our concern would be if we did not secure the contract we may not be able to direct the service to those who we know to be vulnerable in our communities.

- 3.4 Ways of working

The Council is currently a sub-contractor for the NCS and the proposed way forward would involve becoming the prime contractor. Essentially this would leave us with the same areas of work but over a much larger patch.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource and Performance Implications**

There is a resource implication in taking on the contract which would require 1 FTE of staffing to manage the new sub-contracting arrangements with the managing agent. This cost would be recovered through the contract. If we were unsuccessful in securing a contract there would be implications for the existing team of NCS advisors and their manager. There would be an issue of

us being unable to guarantee the quality of the service if we did not secure the contract.

#### **4.2 Statutory, Risk and Legal Implications**

None

#### **4.3 Equality and Diversity Implications**

None

#### **4.4 Engagement and Consultation Implications**

None

#### **4.5 Public Health Implications**

Health and wellbeing of the most vulnerable of our citizens can be improved by this work, as careers advice can lead to improved job opportunities and independence.

<b>Source Documents</b>	<b>Location</b>
Report and Minutes of Cabinet 17 <sup>th</sup> December 2013	Room 114 Shire Hall Cambridge