

**REPORT TITLE: Reduction of the contract value for Calderdale and Kirklees Careers (C+K) which is for the delivery of the LA’s statutory duties in relation to Careers Education, Information, Advice and Guidance (CEIAG) for financial year 2024/25 by £750k**

<b>Meeting:</b>	<b>Portfolio Holder Delegated Decision</b>
<b>Date:</b>	<b>10 May 2024</b>
<b>Cabinet Member (if applicable)</b>	<b>Cllr Viv Kendrick</b>
<b>Key Decision Eligible for Call In</b>	<b>Yes Yes</b>
<b>Purpose of Report – To approve the contract value reduction and to give authority for contracts to be signed and executed.</b>	
<p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• That approval is given for the contract value for the LA Statutory Duties in relation to Careers Education, Information, Advice and Guidance that is fulfilled by C+ K Careers to be reduced by £750k for the financial year 2024/25 onwards.</li> <li>• That Service Director for Learning and Early Support and Service Director Legal Governance and Commissioning are given delegated authority to liaise with C + K careers and sign contracts (respectively) on behalf of the Council reflecting this reduction.</li> </ul> <p><b>Reasons for Recommendations</b></p> <ul style="list-style-type: none"> <li>• The C + K Contract has been reviewed and carefully considered as part of the overall need to achieve a balanced budget from 2024/25 and it is proposed that the LA Statutory Duties that we contract C + K to as a specialist provider continues with a revised specification reflecting the reduction in LA funding available.</li> </ul> <p><b>Resource Implications:</b></p> <ul style="list-style-type: none"> <li>• In order to support for decision making, our commissioning team, legal services, finance and officers from Children’s Services have been undertaking work with C + K senior management to enable the preparatory work to take place should the decision be approved, in order to begin implementation.</li> </ul>	
<b>Date signed off by <u>Strategic Director</u> &amp; name</b>	<b>A Portfolio Delegated Decision is anticipated on or around 25<sup>th</sup> April 2024</b> Tom Brailsford – Director for Children’s Services 30/04/2024
<b>Is it also signed off by the Service Director for Finance?</b>	Isabel Brittain 18/04/2024

<b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b>	Julie Muscroft 30/04/2024
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**Electoral wards affected:** All

**Ward councillors consulted:** No specific consultation has been undertaken, however, the proposals formed part of the Budget Setting process which was approved by Cabinet in February and Full Council in March 2024.

**Public or private:** Public

**Has GDPR been considered?** Yes – no individuals are named or referred to as part of this report.

## 1. Executive Summary

- It is proposed to reduce the main C + K Careers contract which is for the delivery of the LA’s statutory duties in relation to Careers Education, Information, Advice and Guidance (CEIAG) for financial year 2024/25 by £750k.
- The Local Authority has duties to ‘reduce the proportion of young people who are not in education, employment and training (NEET) and have a critical role to play in supporting young people to access education and training. Therefore, tracking and understanding the characteristics and current activity of the young people in their area is crucial and is undertaken to a very high standard by C + K careers. This in turn enables the LA to work with providers to secure sufficient places and opportunities post 16.
- Work has been ongoing with C + K careers to design a different service delivery model and adjust the contract expectations accordingly for the LA (Local Authority) statutory duties from April 2024.
- As well as the main contract, Kirklees Council Children’s Services commissions C + K to deliver services for Youth Justice, Care Leavers, Children Looked After, and Adult Learning CEIAG, these commissions remain unaffected.
- This report is to formally request a delegated decision from the Portfolio Holder in conjunction with the Strategic Director for Children’s Services to implement the proposed reduction and enable the revised contracts to be executed.

## 2. Information required to take a decision

The Council highly values the work that C + K careers undertakes with children and young people, and recognises the importance of the specialist staff that the company employs. In dialogue with the C + K Chief Executive and senior team we are confident that whilst changes will need to take place to ways of working, the outcomes which relate to the commission will not see any marked worsening when it comes to tracking young people:

- Who are Not in Education, Employment or Training (NEET) or their activity is Not Known.
- Who do not have an offer of Post 16 learning.
- Who are participating in Post 16 activity.

Neither will those young people who find themselves NEET be without support and nor will there be a total loss of ability to track young people, minimise the number of Not Knowns and encourage NEET / Not Knowns to reengage in positive activity.

There will, however, be little or no capacity to undertake some of the preventative early support work lower down the age range, and there may be an impact whereby not all young people will be able to access a face to face service.

However, C + K will maintain all the statutory duties, the reporting and the rigorous tracking, oversight of all young people and contact with those who are NEET / Not Known.

During the course of next financial year Kirklees will continue to work with C + K to enable them to consider all future operating models, including how we can work together to reduce 'back office' non-staffing costs.

### **3. Implications for the Council**

#### **3.1 Council Plan**

Our Council Plan sets out that we want to enable young people to aspire and achieve, and that we will target resource to the most vulnerable. We are proud of the working relationship we hold with C + K careers, and the outcomes of the work they undertake for our statutory duties. Together we do have to undertake these with a reduced financial envelope, however, for those targeted services for Children Looked After, Care Leavers, those with Special Educational Needs and Disabilities and those in the Youth Justice System we have reconfirmed our investment, thereby providing services for those with the greatest vulnerabilities. The quality of the tracking means that we are able to work in partnership to continue to minimise the number of children NEET and Not Known.

#### **3.2 Financial Implications**

The financial reduction and redesign of the commission of the C+ K contract formed part of the budget proposals contained in the reports to Kirklees Council Cabinet on 13<sup>th</sup> February 2024 and Full Council on 6<sup>th</sup> March 2024. This decision is now required to ensure that Children's Services can implement the reduction and bring expenditure in line with agreed budget for the financial year 2024/25 onwards.

#### **3.3 Legal Implications**

C + K Careers is a Local Authority Trading Company, in the 'ownership' of Calderdale and Kirklees Council and the Council contracts with C+K using the Teckal exemption.

*'C+K has been providing high quality, careers information, advice and guidance services for young people and adults for over 25 years. Based in West Yorkshire, and employing over 120 staff, most of our services are delivered in Calderdale and Kirklees, although we work with organisations, schools and colleges across the UK.'*

*(C + K Website)*

Local Authority Trading Companies (LATCs) are bodies that are free to operate as commercial companies but remain wholly owned and controlled by the parent council(s). As trading bodies, LATCs are in a position to provide their services to a wider market than a council department. LATCs are contracted by the parent council (or councils) to provide services back to the council(s) via a service contract. The council may decide to apply the [Teckal](#) or in-house exemption which allows the authority to establish a LATC

without the requirement for a procurement exercise. It is based on case law but has recently been codified in the [Public Contracts Regulations 2015](#). In general, the terms of exemption require:

- the council to control the vehicle as if it were an internal department, with there being no direct private share or ownership participation in the company.
- more than 80% of the vehicle's activities to be with its 'parent' council.

([www.gov.uk](http://www.gov.uk))

C + K are a specialist organisation who have been undertaking work for Kirklees Council enabling consistently good quality outcomes. This being the case, and due to the Teckal exemption the LA wishes to continue to commission C + K careers.

#### 3.4 **Other (eg Risk, Integrated Impact Assessment or Human Resources)**

An integrated Impact Assessment has been prepared and published on the Council website. This will be revisited as the proposals are implemented to inform future planning of the commission with C + K careers.

We are aware that C + K have needed to review their staffing complement in line with their projected overall income and some staff reductions have been undertaken.

#### 4. **Consultation**

Cabinet have been briefed about the way forward and wish to see LA Officers work together with C + K in the longer term in exploring ways to sustain the expertise delivered by the company. This approach is how the LA fulfils its statutory duties.

#### 5. **Engagement**

Engagement has been undertaken with the Chief Executive Officer (CEO) of C + K Careers as well as colleagues in Calderdale Council.

The CEO has considered the immediate implications with the C + K Careers Board.

#### 6. **Next steps and timelines**

Should the recommendations be approved, officers would sign the contract with the reduced value on behalf of the Council as soon as practicable.

#### 7. **Contact officer**

Jo-Anne Sanders – Service Director for Learning and Early Support

#### 8. **Background Papers and History of Decisions**

N/A

#### 9. **Appendices**

N/A

#### 10. **Service Director responsible**

Jo-Anne Sanders – Service Director for Learning and Early Support