



CABINET

5TH NOVEMBER

**ESTABLISHING THE CONNEXIONS SERVICE FOR LEICESTER AND
LEICESTERSHIRE**

REPORT OF THE DIRECTOR OF EDUCATION

1. PURPOSE OF THE REPORT

- 1.1. This report provides a brief summary of the progress made to establish a partnership to deliver the Connexions service for young people aged 13-19 in Leicester and Leicestershire. The report also sets out the steps that need to be taken to establish the new legal entity and the role of Leicester City Council's Chief Executive.

2. SUMMARY

- 2.1. Connexions, the new support service for 13-19 year olds is being established in Leicester and Leicestershire. A new legal entity needs to be established by the principal partners to oversee the delivery of the service.
- 2.2. The two local authorities, Leicestershire Careers and Guidance Services (LCAGS) and the Leicestershire Council for Voluntary Youth Services have worked together on proposals for the establishment of a new company "Newco" that will be responsible for delivering the Connexions service. The relevant services currently provided by LCAGS and the associated assets will be transferred to Newco. The Government Office (GOEM) have indicated their support for these proposals and have requested a business plan be prepared for an indicative start for the new service in September 2002.
- 2.3. The first stages in the establishment of the new company is the appointment of an independent Chair and Chief Executive. The Chair will need to be appointed using the Nolan principles whilst the Chief Executive should be appointed through an open competition. The Chief Executives of the two local authorities have been involved in

discussions so far to ensure the interests of two of the principal partners in the new organisation are represented. An opportunity now arises, as the new company is being established, for elected members to advise on whether to confirm the role of the Chief Executive to represent the city council's interests or to review the position regarding representation and involvement.

3. RECOMMENDATIONS

The Cabinet is recommended to:

- a) Note the arrangements proposed for the establishment of the new legal entity for the Connexions service in Leicester and Leicestershire.
- b) Support the involvement of the Chief Executive in the appointment of the independent Chair of the partnership and the Chief Executive of the proposed new company or to review the position and propose alternative city council representation.
- c) Request further reports on the establishment of the Connexions service and its implications for relevant services of the council.

4. FINANCIAL AND LEGAL IMPLICATIONS

- 4.1. There are no financial implications arising from this report.
- 4.2. The Local Government and Housing Act 1989 has to be taken into account in the establishment of Newco.

5. REPORT AUTHOR/OFFICER TO CONTACT

John Crookes, Assistant Director, Lifelong Learning and Community Development 2527703



CABINET

5TH NOVEMBER

**ESTABLISHING THE CONNEXIONS SERVICE IN LEICESTER AND
LEICESTERSHIRE**

Report of the Director of Education

SUPPORTING INFORMATION

1. REPORT

- 1.1. Connexions is a new support service for 13-19 year old young people. It aims to bring together and co-ordinate a range of services currently available to young people from a range of agencies. The service is intended to “give young people the best start in life”. Every young person, who wants one, is entitled to a Personal Adviser who will provide access to a range of information, advice and guidance and services to support them in their transition to adulthood. The Connexions service will be based on the LSC areas so involves Leicester in a service that covers the city and the county. A partnership has to be established to deliver the Connexions service involving the local authorities, health, probation, police and voluntary sector. The partnership has to establish a separate legal entity to contract with the Connexions Service National Unit (CSNU) to deliver the service. The principal resources available to establish the Connexions service come from the careers service. In Leicester careers advice and guidance is provided by Leicestershire Careers and Guidance Services(LCAGS), a company limited by guarantee whose board includes representatives from both local authorities.
- 1.2. The early guidance from CSNU clearly identified a role for local authority Chief Executives in establishing both the partnership and the local management arrangements. The Chief Executives of the two local authorities working within this guidance, along with the Careers Company and the Leicestershire Council for Voluntary Youth Services (LCVYS), have been steering the development phase for Connexions for the last 18 months. The regional government office, GOEM, has made development phase funding available for the past year in order to support actions and work to introduce the new support service. GOEM

have monitored the pace of development in all Connexions areas in the East Midlands and recently have been assessing the readiness to start of each partnership. Lincolnshire and Rutland have already started their Connexions service through successfully bidding for pilot funding from April 2001. At a progress checking meeting in July GOEM were quite clear that agreement on the establishment of an appropriate legal entity in Leicester and Leicestershire was the single most important action that needed to be undertaken to move the development phase on.

- 1.3. Over the summer there were a series of meetings between senior staff of the two LEAs, the Chairs of the Careers Company and the CVYS to agree the basis for the legal entity for the new Connexions service. Two options were initially explored – transmutation of the existing careers company, or the creation of a new company that would secure services through sub-contracting with providers. Neither of these two options was judged to be satisfactory to all the partners. A third option was developed on which the principal partners were agreed. This option involves the creation of a new company (provisionally called Newco) that would deliver the Connexions service locally. The careers company would “gift” the careers services covered by the Connexions service to Newco along with the necessary assets. The new company would have a new board, an independent Chair, a chief executive and the staff necessary to provide important elements of the new service. The proposal to establish a new company was put to GOEM in September and on this basis Leicester and Leicestershire have been requested to put forward a business plan which brings the Connexions service into life from September 2002.
- 1.4. Since then the principal partners have had a series of meetings to establish a basis for moving forward to establish the new company. A memorandum of agreement has been drafted for the principal partners which sets out the basis for Newco to be established and operated. The first critical steps in establishing the new service are the appointments of an independent Chair, a shadow board and a chief executive. The Chair must be appointed using Nolan principles and the Chief Executive through open competition.
- 1.5. Leicester City’s Chief Executive and Director of Education have both been closely involved in the development of the agreement to establish Newco. It is now important that the recruitment processes for Chair and Chief Executive are completed as swiftly as possible and that Leicester’s interests are represented appropriately. The Council’s Chief Executive has up to this point engaged in the discussions and negotiations with the principal partners. There is an opportunity now, as the new company is about to be established and key appointments made, for members to advise on whether to confirm the role of the Chief Executive or to review the position.
- 1.6. Further work is required on the precise composition of the Newco board. There is also much work to be done to appoint and train

personal advisers and to establish the local management committees for each local authority. A further report can be presented to Cabinet setting out options for the council along with proposals for local management committees that will oversee the service delivery in the city.

2. CONSULTATION

2.1. Legal services have been fully consulted on the establishment of Newco and the draft memorandum of agreement between the principal partners.

3. FINANCIAL LEGAL AND OTHER IMPLICATIONS

a) Financial Implications

3.1. There are no financial implications arising from this report.

b) Legal Implications

3.2. Part V of the Local Government and Housing Act 1989 gives certain rules to companies limited by guarantee and whether they are either controlled by a local authority or subject to local authority influence. Provision needs to be made in the articles of Newco to ensure that the tests for regulation are not met.

c) Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References within this report
School Improvement	No	
Equal Opportunities	Yes	1.4
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	

4. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

None

C:\DATA\WORD\Work\YCS\conncxo.doc