

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting1st February 2007

1. Title of Item/Report

Disaggregation of Connexions

2. Record of the Decision

Cabinet was reminded that on 3rd November 2005 it had approved the recommendation of the Connexions Tees Valley Board to work towards the disaggregation of the Tees Valley Connexions Company to the five LAs by 31 March 2007, and authorised the Director of Children, Education and Social Care, in consultation with the Lead Cabinet Member, to work with the Tees Valley Local Authorities (LAs) to effect this.

Cabinet was provided with details of the extensive arrangements that had been put in place to ensure the disaggregation across the Tees Valley would take place on 31st March and the Connexions-branded information, advice, and guidance service would begin operating on 1st April 2007. Every effort had been made to ensure that the disaggregation was achieved with consensus on key issues. Arrangements included ;-

Establishment of a Planning Group (PLaG) and .
-Establishment of Operational Groups including Legal, Finance and Personnel

In order for the disaggregation to take place the Connexions Board needed to agree a winding-up resolution which had been prepared by the Company's legal advisors, Dickinson Dees, and consulted on with the Legal Operational Group. In addition the Cabinet of each LA would need to approve recommendations on disaggregation, transfer of part of the service, and delegation of authority to complete the arrangements..

Cabinet was informed of a number of issues relating to the disaggregation viz:-

Financial

The Government Office for the North East (GONE) had notified the authority of its revenue allocation (£1.9m) for 2007/08 which was a slightly reduced share of a standstill budget for the Tees Valley. In addition a further £170k was being made available through the Local Area Agreement to continue the work of staff who have TUPE-transferred to Stockton and who were engaged in the Positive Activities for Young People programme. This would enable the Authority to refine and publish its structure for delivering its integrated youth support structure.

Following extensive negotiation GONE had announced a level of financial support for disaggregation through its Transition Support Fund (TSF) (£2.3m across the Tees Valley) which had allayed anxieties over authorities needing to cover a significant deficit on disaggregation.

The Connexions Company had reserves of in the order of £1.2m which could be used to offset the pension fund deficit.

The TSF would fund the setting up costs in Stockton of a Tees Valley-wide Management Information Unit to service the data and information needs of all five authorities. It had emerged that this Tees Valley-wide provision was a DfES requirement. The service would be provided under a Service Level Agreement, the terms and costs of which had been agreed between the local authorities.

Legal

The Legal Operational Group had been an important source of advice to the Planning Group, and the Finance and Personnel groups in their work with Connexions, whose Board had its own independent legal advice.

The legal arrangements for transferring part of the Connexions business to the 5 LAs (including employees, assets and any liabilities, contracts etc) would be completed by executing a Transfer Agreement, a draft of which had been agreed by the Legal Officers of the 5 local authorities, PLaG, Connexion's Legal Advisors and Chief Executive (a copy of the draft could be accessed through the office of the Director of Law and Democracy)

The Transfer Agreement contained mutual indemnities whereby:-
Connexions would indemnify the LAs for any liability incurred by them in respect of any acts or failure to act pre transfer up to the available assets.
The LAs would indemnify Connexions for any liability incurred by them due to the LAs

3. Reasons for the Decision

The Connexions Tees Valley Company was established in September 2002. It is a company limited by guarantee and is wholly owned by the five Tees Valley Local Authorities. In order for it to disaggregate on 31st March 2007 the Cabinet of each of the five Tees Valley local authorities must approve the disaggregation arrangements.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

Not applicable

7. Date and Time by which Call In must be executed

Midnight Friday 9th February 2007

Proper Officer
23 February 2007