# Agenda Item

**Executive** on 25 January 2005

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<th>To consider a revised consortium arrangement for the provision of the Connexions Service in North London</th>
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## Purpose

To appraise the Executive of the financial situation regarding the operation of Connexions North London Service. To seek the Executive's approval to enter into a consortium agreement with the other Connexions North London partner bodies. To facilitate a more efficient contractual arrangement and use of resources in the running of the Connexions Service in North London.

## Recommendations

1. That London Borough of Haringey enters into an agreement setting up the Connexions North London Consortium (including entering into any incidental funding arrangement to facilitate collaboration of interested bodies in the running of the Connexions Service in North London and to effect consequential cost savings.

2. That London Borough of Haringey becomes the contracting body for Connexions North London Service subject to agreement with the other London Boroughs in respect of risk sharing.

## Report authorised by:

Sharon Shoesmith, Director of Education

## Contact officer:

Rob Graham Deputy Director, Resources and Community Services, Education Services

Telephone: 020 8489 3637 or 020 8489 3208
3. Executive summary

3.1 Connexions North London Partnerships Limited ("CxNL co.") is an independent company limited by guarantee, offering information, advice, guidance and support for 13 to 19 year olds across four local authorities; Barnet, Waltham Forest, Enfield and Haringey.

3.2 Until April of this year, CxNL co. were exempt from VAT charges. It is now eligible for VAT, amounting to £1,200,000 per year. This charge will result in a significant reduction in services for young people.

3.3 If a local authority acts as the contracting body for Connexions North London, it will provide a more efficient contracting arrangement and therefore provide a more effective use of the resources available to North London Connexions. The local authority will be able to reclaim the VAT charge levied on contract payments to agencies such as “Prospect Careers” and “Futures Career Management Limited”, to deliver the Connexions service within North London.

3.4 The proposed model has been undertaken in other Connexions Partnerships in England and is approved of by the Department for Education and Skills. The model has also been discussed and approved by Haringey’s local VAT office representative.


The following background papers were used in the preparation of this report:
The annual report for CxNL co.
Connexions North London Consortium Agreement (included as an appendix 1).
Resourcing Excellent Youth Services DfES 2002

For access to the background papers or any further information please contact
Rob Graham on 020-8489 3637

5. Report

5.1 CxNL co. provides information, advice, guidance and support to young people aged 13 to 19 years. It operates as an independent company limited by guarantee offering services across; Barnet, Waltham Forest, Enfield and Haringey.

5.2 The organisation shares many objectives with Haringey Council in terms of young people. Its major aim however is to unite organisations and services working with young people to reduce the number of young people not entering employment, training or education post 16, (the NEET Category).

5.3 In Haringey these services include the universal provision of information, advice, guidance and support to all 13 to 19 year olds in Haringey. Much of the service is specifically targeted towards the more vulnerable groups of young people. This involves Connexions Personal Advisers working directly with the Youth Offending Service, Teenage Pregnancy groups, schools and youth centres. The work also supports a large summer activity programme and also works with CoNEL and our detached youth work team. The work of Connexions staff directly impacts on the numbers of young people falling into the NEET category. The service has undergone several OfSTED inspections and is deemed to be making good progress from a previous unsatisfactory designation.

5.4 This work is of crucial importance in that it addresses several key priorities for the borough.
and serves to enable local authority agencies to meet their published targets regarding educational attainment, regeneration and the reduction of crime and the fear of crime.

5.5 The Connexions partnership is poised to launch a major programme within every Haringey Secondary School, which will target those young people most at risk of school exclusion and criminal activity.

5.6 With the changes in the status of the organisation regarding VAT exemption introduced earlier this year, this programme may not come to fruition. CxNL co. will be required to cut existing services and halt any investment in new developments. This will greatly curtail the redevelopment of the authority’s Youth Service, which has become a very active partner within the Connexions Partnership.

5.7 The CxNL co. board has examined how they currently contract with external agencies to provide services to young people. The proposed model, where Haringey Local Authority acts as the contracting body provides many benefits which improve the efficiency of the service and utilises the allocated resources to the full potential. The local authority would also be able to recoup the VAT charge through such a restructuring of the governance of the Connexions service. Subsequently, any predicted reduction in services could be halted.

5.8 The proposed model already operates in other Connexions’ partnerships. West Sussex County currently acts as contracting body for their own local Connexions Partnership, operating across several authorities. This paper suggests that the Connexions service in North London be restructured following a similar model, with Haringey Council as the contracting partner. This model has been discussed at length with the DfES, Haringey’s local VAT office, Government Office for London and at the CxNL co. Board, and all are keen to proceed.

5.9 The proposed partnership model will set up a “Consortium Board” and the partnership agreement for the board, is included as appendix 2. Haringey Council will be represented on the Consortium Board through the Director and Deputy Directors of Education Services.

5.10 Haringey Council will act as the contracting body for the Connexions Service and will place contracts for delivering or supporting the Service with the benefit of CxNL co.’s advice. The Consortium Members will recommend the allocation of funds to Haringey Council in the form of a grant on behalf of the Connexions Service. Haringey Council will place contracts with delivery organisations after considering recommendations by the Consortium, provided the Council accepts the recommendation. Haringey Council will then receive the invoices for the contracted services and will make payments from the money allocated to them by the Consortium. Haringey Council will have the legal responsibility for the performance and completion of the contracts but CxNL co. will monitor the performance of the contracts. This will be regulated via policies and procedures agreed from time to time between the CxNL co.’s Chief Executive and appropriate officers of Haringey Council.

5.11 It is not anticipated that the Council’s legal responsibility for contract performance will pose any significant risk to the Council. CxNL co.’s day-to-day role of managing and monitoring contract performance should minimise risk of performance issues arising at all. Further, they have given assurances that their proactive dispute resolution approach and the fact that to date legal action has not been required to ensure effective performance of existing contracts, this indicates an insignificant level of risk of any future legal action being necessary.

5.12 Under the framework of the consortium agreement, Haringey Council will be requested to take on novation (transfer) from Connexions NL co. two major contracts. These are currently awarded to Prospects Services Limited and Futures Career Management Limited. These are long standing contracts for work already undertaken by these companies in Haringey, Barnet, Waltham Forest and Enfield. The work undertaken provides information, advice, guidance and
support for young people aged 13 to 19 and up to 21 for young people with special needs. The annual value of these contracts is £4,200,000 for Prospects Services Limited and £1,255,000 for Futures Career Management Limited. These contracts would only be varied with the guidance of the Connexions North London Consortium Board on which Haringey is an active member.

5.13 Funding to maintain any contracts let by Haringey Council for the Connexions service, including the two contracts proposed to be novated, would be transferred from CxNL co. to Haringey. This would be a cost neutral arrangement for the Council, as any administrative charge for handling the contracts will be covered through grants from CxNL co. The operational model is included as appendix 2. A funding agreement is currently being finalised which will give greater formality to these arrangements for the transfer of the relevant share of grant funding from CxNL co. to Haringey Council. Approval of this agreement will be sought once it has been settled.

5.14 At this stage, the recommendation to the Executive is only for approval for Haringey to enter into the consortium agreement and accept the contracting role it provides for. Consideration of the novation request will be referred for Procurement Committee approval shortly after. Based on the assurances of the CxNL co., on whose board Haringey is represented, it is not anticipated that novation of these contracts would pose any significant risk to Haringey. However, detailed consideration of the novation and any associated risks, will be given by Haringey staff at Committee stage.

5.15 This solution will prevent the reduction of Connexions Services across all four boroughs. This is important in Haringey’s case, as a number of future initiatives within Haringey’s Youth Service are dependent on the partnership with Connexions.

6. Equalities Implications

Connexions work directly targets young people likely to leave education and not enter employment or further training. The majority of young people currently falling into this bracket are within our Black and Minority Ethnic communities. The work of Connexions serves to challenge this trend, and introduce more of these young people back into the world of work and education.

7. Financial Implications

By adopting this model Haringey will maintain and increase the levels of Connexions provision within the borough. If the partnership do not adopt this proposed model, and continue with the existing governance arrangements, Connexions North London service will lose £1,200,000 on VAT charges. This would require the cessation of a large number of activities and the potential redundancy of a number of staff teams.

8. Comments of the Director of Finance

8.1 In order to minimise the risk to the Council, the explicit approval from Customs and Excise (C&E) to this delivery model is required before we can proceed. This was received in a letter from the local VAT office dated 14th October 2004 and based on option 5 of the DfES / C&E joint guidance. West Sussex County Council has a similar partnership in place also based on option 5 this operation has been proceeding satisfactorily.

8.2 As contracting body the Council will be exposed to risks such as contract disputes and breaches and in respect of reimbursement of funding for services provided. The proposed management arrangements will minimise those risks, but it is recommended that before this consortium arrangement is finalised the agreement to sharing the risks is sought with other London Boroughs.
8.3 The management and monitoring procedures should be effective enough to avoid interest charges and not adversely affect payment performance. Close control on the Council’s side within the Education department will need to be exercised to ensure the expenditure does not exceed approved grant levels and that the delivery of the objectives (of the grant funding) is monitored carefully and achieved. Further clarification is required on the funding arrangements with respect to administration of grant claims, but it is expected that CxNL co. will continue to do this, but with a check by the Council at final claim stage.

8.4 As an associated company this would need to be included in the annual Statement of Accounts in future years. There is a minimal impact on the VAT partial exemption calculation. It remains at around 3.7% against the 5% maximum limit.

9. **Comments of Head of Legal Services**

The Head of Legal Services notes the contents and recommendations of this report. Committee approval should be obtained to the novation of the two contracts mentioned in paragraph 2 of the report. The Head of Legal Services will also need to be consulted on these contracts and other contracts and projects /initiatives set out in the report.

10 **Comments of Head of Procurement**

10.1 Given the approval from Finance and Legal that the arrangement for VAT avoidance is acceptable, the Head of Procurement is content with the proposed novation of the contracts between Prospects Services Limited, and Careers Management Futures Limited and the London Borough of Haringey; and that the London Borough of Haringey act as contracting body, is in the best interest of the Council.

10.2 Discussions with the Department for Education and Skills and the Royal Borough of Kensington and Chelsea have confirmed that this type of arrangement is general practice. Education services have confirmed that there is adequate provision made in the NL Connexions budget to accommodate the VAT due for the period from April 2004 until such a point when LBH becomes contracting body.

10.3 The Head of Procurement is content to novate the existing longstanding contracts with Prospects Services Limited and Careers Management Futures Limited given the intent in the near future (within 18 months) to re-let the contracts on a competitive basis.

10.4 The Head of Procurement is also reassured that this arrangement remains cost neutral to the Council, and that any extra cost incurred by LBH acting as contracting body will be met by the Consortium.

10.5 The Head of Procurement is therefore happy to recommend that the arrangements outlined above proceed.
Appendix 1

THIS AGREEMENT is made the [ ] day of [ ] two thousand and Five
BETWEEN:

the parties whose names and addresses are set out in the first column of Schedule 1.

IT IS HEREBY AGREED as follows:

1. Recitals

1.1 The parties to this Agreement ("the Consortium Members") have joined together to form a consortium called "Connexions North London" for the purposes set out in this Agreement.

1.2 Connexions North London Partnership Limited on behalf of Connexions North London, on the basis set out in this Agreement, has been designated as an accountable body for the purposes of receiving grant support from the Supporting Children and Young People Group ("SCYPG") and to manage Connexions Services in North London.

1.3 Connexions North London has applied to the Secretary of State for Education and Skills SCYPG approved grant support for the expenditure of Connexions North London under the Connexions Service grant made available by the Department for Education and Employment ("DfES") pursuant to the Learning and Skills Act 2000 and the Employment and Training Act 1973 (as substituted by the Trade Union Reform and Employment Rights Act 1993) and they have received an offer of a grant for the Connexions Service ("the Grant").

1.4 It is a condition of the offer of the Grant that a suitable legal structure is adopted for the application of the Grant and other funds allocated to Connexions North London and to govern the relationship, roles and constitution of and the conditions attaching to the Consortium and its Members. This Agreement is intended to set out the legal structure of Connexions North London and has been approved in principle by the SCYPG.

1.5 The Consortium Members propose to develop Connexions North London in accordance with the principles set out in the business plan attached as Schedule 2 ("the Business Plan") for the benefit of all 13 to 19 year olds and those with disabilities up to the age of 25 years in North London.

1.6 The Consortium Members have agreed to establish a professional collaboration with each other in relation to education, training, careers advice, personal development and other issues targeted by the Service such as drug abuse, sexual health and homelessness. The Consortium Members have agreed the principles and terms for collaboration and joint working upon the Connexions Service which are set out in this Agreement.

2. Interpretation

2.1 In this Agreement unless the context otherwise requires the following expressions shall have the following meanings:

"Best Value" has the meaning set out in section 3 of the Local Government Act 1999.
“Business Plan” means the business plan set out in Schedule 2.

“the Commencement Date” means the 1st day of [month] 2004.

“Connexions North London” means the Connexions North London Consortium intended to be established and operating as detailed in this Agreement.

“Connexions North London Partnership Ltd (CxNL)” is the not-for-profit Accountable Body whose role and function is described in this Consortium Agreement.

“Connexions Services” means support services for young people in pursuance of the initiative developed by the Government of the United Kingdom under the title “Connexions.”

“the Consortium” means and shall be treated as a reference to the Consortium Members acting together within the terms of and for the purposes of this Agreement.

“the Consortium Members” means the parties to this Agreement together with any additional member or members who may be admitted to the Consortium from time to time and the expression “Consortium Member” shall be construed accordingly.

“the Consortium Board” means the group of representatives of the Consortium Members.

“DfES” means whichever shall be applicable of the Department for Education and Skills and/or the Secretary of State for Education and Skills.

“the Chief Executive” means Chief Executive of Connexions North London Partnership Limited.

“the Financial Memorandum” means the agreement to be entered into between Connexions North London Partnership Limited and the SCYPG in the terms attached to Schedule 3.

“Funding” means monies received in respect of Connexions North London either by way of Grant or from any other source including (without limitation) contributions at local level, EU funding and the proceeds of commercial ventures carried out on behalf of Connexions North London.

“the Grant” means the SCYPG approved grant support for the expenditure of Connexions North London under the Connexions Service.

“Independent Chair” means the independent chair of the Consortium selected in accordance with SCYPG requirements and guidance.

“LBH” means the London Borough of Haringey.

“Local Connexions Partnership” or “LCP” means each of the Local Connexions Partnership groups which succeed the Local Management Committees established from time to time in and representing each of the
areas of the London Boroughs of Barnet, Enfield, Haringey and Waltham Forest.

“SCYPG” means the Supporting Children and Young People Group.

"Secretary" means the Secretary of Connexions North London Partnership Limited.

“the Service” means the group of services managed or delivered by or on behalf of Connexions North London within North London for the purposes referred to in this Agreement and the Business Plan.

"North London" means the combined administrative areas of the London Boroughs of Barnet, Enfield, Haringey and Waltham Forest. Those who may receive a service may include persons who reside outside North London but receive education or work in North London.

2.2 Reference to any statute or statutory provision includes a reference to that statute or statutory provision as from time to time amended, extended or reenacted

2.3 Words importing the singular include the plural, words importing any gender include every gender, and words importing persons include bodies corporate and unincorporated; and (in each case) vice versa

2.4 The clause and paragraph headings and titles appearing in this Agreement are for reference only and shall not affect its construction or interpretation

3. Purpose of the Consortium

3.1 The Consortium exists to promote and support a new way of working that puts improved outcomes for young people at the heart of integrated universal, targeted and specialist service delivery at every level across all partners within the emerging Children’s Trusts.

3.2 Connexions North London has been formed for the purposes set out in the Business Plan.

3.3 The Consortium Members agree that the functions of the consortium will be optimised if they:-

3.3.1 represent not-for-profit organisations;

3.3.2 follow the Business Plan; and,

3.3.3 aim towards efficient use of the funding, their respective resources and expertise.

3.4 Connexions North London Partnership Limited on behalf of Connexions North London shall be entitled to carry out such commercial and other activities as are approved by the Consortium.
4. **Establishment of the Consortium**

4.1 The Consortium Members declare that the Consortium, for the purposes of forming Connexions North London and receiving funding from the SCYPG and other sources, shall take the form of the mutual relationship and commitments between them created by this Agreement and the Consortium shall henceforth and from the commencement date be constituted accordingly. The Consortium shall conduct its affairs through a Board, Local Connexions Partnership groups and such working groups as it shall from time to time establish.

4.2 Nothing in this Agreement shall constitute or be deemed to constitute a legal partnership between the Consortium Members or any of them and so none of the Consortium Members shall have the authority or power (nor represent themselves as having such authority or power) to contract in the name of or to undertake any liability or obligations on behalf of or to pledge the credit of any other Consortium Member.

4.3 The Consortium shall have no legal existence apart from the Consortium Members and the commitments between them under this Agreement. The assets and funds will vest in the Connexions North London Partnership Limited and will be held for and on behalf of the Consortium Members.

5. **Consortium Board**

5.1 The role of each Consortium Member (including Connexions North London Partnership Limited and the London Borough of Haringey whose additional roles are set out in clause 6) in relation to the Consortium shall be as follows:

5.1.1 to appoint to the Consortium Board as its representative a person who holds a senior post within the relevant Consortium Member’s organisation or a person who shall be suitably skilled and experienced to act as a member of an advisory Board for the Service;

5.1.2 to keep the Consortium regularly advised of relevant activities;

5.1.3 to provide any requisite guidance or assistance to the other Members;

5.1.4 to ensure that the Service is governed on the basis of openness, integrity and trust between Consortium Members and that the interests of the North London community shall be placed above sectional interests; and,

5.1.5 to support and act as a Consortium Member in accordance with this Agreement.

5.2 The first members of the Consortium are those named in Schedule 1.

5.3 The Consortium Board shall be an advisory body concerned with determining the strategic direction of the Connexions Service in North London and Connexions North London Partnership Limited in accordance with the Business Plan.
5.4 No person other than the Consortium Member’s representative shall be entitled to attend a Board meeting on behalf of that Consortium Member.

5.5 The Consortium Board shall not be a committee or joint board of any one or more of the Consortium Members and shall have no separate or legal existence apart from the Consortium Members. Accordingly, the Consortium shall have no authority or power as an independent or separate body as such. The Consortium Board shall operate as a forum in which the representatives of the Consortium Members shall meet and in which each representative shall have power or delegated authority to make representations in relation to the Service and to express the wishes of the Consortium Member which s/he represents in relation to a decision or a course of action (in relation to the Service and within the role or responsibilities of the Consortium) under consideration by the Consortium. The Consortium Members each represent to each other that they have the legal power to appoint such representatives.

5.6 The Chairman of the Consortium shall be the Independent Chairman who shall be selected in accordance with the terms which Her Majesty’s Government may set for all Connexions partnerships from time to time.

5.7 All strategic recommendations made by the Consortium in accordance with this Agreement shall be taken into account by all the Consortium Members in discharging their functions relating to the Connexions Services.

5.8 The Consortium Board shall represent Connexions North London (but not so as to create legal rights, obligations or liabilities) to parties who are not Consortium Members to such extent and in such terms and manner as the Consortium Members shall unanimously agree in the Consortium.

5.9 The Consortium Members agree that they will act in good faith and with goodwill and use all reasonable endeavours to procure that the Consortium shall:-

5.9.1 act by consensus;

5.9.2 have regard to the terms of the Business Plan; and,

5.9.3 wherever possible seek unanimous agreements and reach decisions in a timely manner and in the overall interests of Connexions North London. Any opposing views will be carefully considered but in those cases where unanimous decision cannot be made, the decision will be made through simple majority voting with the Independent Chair having the casting vote.

5.10 The roles and responsibilities of the Consortium Board shall be to consider and advise on the following aspects of the Connexions Service:-

5.10.1 its direction (in the sense of strategic direction but not day to day management) in meeting young people’s needs more effectively and ensuring that gaps in service provision are bridged;

5.10.2 monitoring progress;

5.10.3 promoting pooled budgets and joint use of resources for greater effect in service provision;
5.10.4 the monitoring and seeking of additional sources of funding for the
continued development of Connexions North London;

5.10.5 the oversight and approval of the preparation and implementation of the
business plan for Connexions North London; and,

5.10.6 the review and development of any other activities deemed appropriate
by the Consortium.

6 Roles of Connexions North London Partnership Limited and the London
Borough of Haringey

6.1 The role of Connexions North London Partnership Limited in relation to the
Consortium shall be to provide any requisite guidance or assistance to the
Consortium from time to time which it may be impractical for the Consortium
Members as a whole to provide.

6.2 Connexions North London Partnership Limited shall act in the best interests of
the Consortium in any discussions or negotiations or other appropriate
transactions with providers of services, contractors and potential suppliers to the
Consortium and the Consortium Members.

6.3 Connexions North London Partnership Limited shall receive, hold and control in
accordance with the condition of grant attached thereto and the terms of this
Agreement funding for the purposes of the Service, and shall apply all funding in
accordance with the proper guidance and recommendations of the Consortium.

6.4 Connexions North London Partnership Limited shall act in the best interests of
the Consortium in any financial discussions or negotiations or other
appropriate transactions with DfES or the SCYPG in relation to the
Consortium and the Consortium Members.

6.5 All contracts, sub-contracts and other dealings with either third parties or with
individual Consortium Members (based on their particular areas of expertise)
shall be at arm’s length, and Best Value principles shall apply.

6.6 Connexions North London Partnership Limited shall use all due care and
diligence in the exercise of the functions conferred upon it by this Agreement
and shall not be liable to any other Consortium Member in respect of any action
approved by that member whether individually or as a member of the
Consortium.

6.7 If any goods are purchased from or any services are provided by Connexions
North London Partnership Limited such transactions will be conducted in a
transparent manner. In particular, without prejudice to the generality of the
foregoing, the prices charged by the Connexions North London Partnership
Limited to Connexions North London shall be no greater than prices charged to
other users of similar services within the Connexions North London Partnership.

6.8 Any assets which are acquired by Connexions North London and are vested in
Connexions North London Partnership Limited shall be held by Connexions
North London Partnership Limited exclusively for the purposes of Connexions
North London and shall not be used by Connexions North London Partnership
Limited for any other purpose. The proceeds of sale of any such assets shall be added to the Funding.

6.9 Connexions North London Partnership Limited will manage and monitor delivery of the service for the Consortium, and will account to the Consortium by providing the Consortium with such reports on the Service and the Funding as may be required.

6.10 Connexions North London Partnership Limited will manage and monitor contracts on behalf of the London Borough of Haringey and will provide such information and records to the London Borough of Haringey as the latter may require.

6.11 The London Borough of Haringey will act as the contracting body for the Connexions Service and will place contracts for delivering or supporting the service. The Consortium Members will recommend the allocation of funds to the London Borough of Haringey (LBH) in the form of a grant on behalf of the Connexions Service. LBH will place contracts with delivery organisations recommended by Connexions North London Partnership Limited provided that LBH accepts the recommendation. LBH will receive the invoices for the contracted services and will make payments from the money allocated to them. Connexions North London Partnership Limited will monitor the performance of the contracts but LBH will have the legal responsibility for the performance and completion of the contracts. This will be regulated via policies and procedures agreed from time to time between the CxNL Chief Executive and appropriate officers of LBH.

Funding

7.1 The Funding shall be held by the Connexions North London Partnership Limited as the accountable body and applied by the Connexions North London Partnership Limited in accordance with clause 6.3 of this Agreement for the purposes of Connexions North London.

7.2 The Grant shall be applied by the Consortium in accordance with the Business Plan and the Financial Memorandum.

7.3 The Grant shall only be applied to expenditure authorised by the terms of the Grant.

7.4 Connexions North London Partnership Limited (save where the withdrawal is by Connexions North London Partnership Limited, in which case, the other members of the Consortium shall settle arrangements) shall arrange for such transfer of funds as may be required to maintain the continuity of the Service to any organisation or body which is to take over the functions of the withdrawing Consortium Member related to the Service. Connexions North London Partnership Limited shall also make any necessary adjustments to any contract or funding agreement with the withdrawing Consortium Member subject to any approval from the DfES. None of the arrangements made shall, in any case, cause any financial loss to services, to any other Consortium Member or prevent Connexions North London Partnership Limited meeting the conditions of the Grant.
8 **Consortium Board Procedures**

8.1 The Consortium Board shall meet on reasonable notice and not less than quarterly.

8.2 In order to be quorate, not less than 5 members of the Consortium Board must attend each meeting. Except in extraordinary circumstances, no meeting shall be convened without the presence of the Independent Chair.

8.3 Each meeting shall be minuted by the CxNL Secretary and the completed and circulated minutes shall be approved at the next meeting.

8.4 Each member of the Consortium Board shall have one vote and may vote on any recommendations. Recommendations discussed at meetings of the Consortium Board shall be passed by a majority of votes, with the Independent Chair having the casting vote.

8.5 The following recommendations shall require the consent of not less than three quarters of the Consortium:

8.5.1 a recommendation which is inconsistent with the Business Plan.

8.5.2 a recommendation to change the Consortium Agreement; and,

8.5.3 a recommendation to dissolve the Consortium.

8.6 Notwithstanding any declaration of interests, a Consortium Member shall not vote in respect of any contract or arrangement in which s/he is personally financially interested or any related matter arising.

8.7 Consortium Members shall be entitled to receive copies of papers presented to and minutes of Consortium meetings designated by the Consortium as confidential but only on the basis that such information shall be kept strictly confidential.

8.8 The Consortium may delegate any of its powers to the Chief Executive of the Consortium. In exercising any delegated powers, the Chief Executive must conform to any regulations made under Clause 8.9.

8.9 The Consortium Members may establish rules for any purposes required from time to time for the effective operation of the Consortium.

9 **Consortium Members**

9.1 The minimum number of Consortium Members shall be 12 with a maximum number of 24 and the Consortium Board shall comprise:

9.1.1 The Independent Chair;

9.1.2 Four local authority representatives, one from each of the following London Boroughs: Barnet, Enfield, Haringey and Waltham Forest.

9.1.3 A minimum of two and a maximum of four community representatives;

9.1.4 The chair of each of the Local Connexions Partnerships;
9.1.5 A maximum of eight co-opted Directors;
9.1.6 Two representatives from the Young People’s Partnership Board; and,
9.1.7 The Chief Executive.

9.2 If all the members of the Consortium shall agree, additional members may be admitted to the Consortium provided that any prospective additional member shall not become a Consortium Member unless they:

9.2.1 confirm that they represent not-for-profit interests;
9.2.2 complete a membership application form as set out in Schedule 4; and,
9.2.3 appoint a named representative to serve on the Consortium Board.

9.3 A Consortium Member may remove any person acting as its representative on the Consortium Board and appoint another person in his or her place. The relevant Consortium Member shall give at least 14 days notice in writing of such removal and appointment to the Consortium.

9.4 If more than half of the other Consortium Members object to an appointment as described then the relevant Consortium Member shall be obliged to appoint a replacement Consortium representative.

9.5 If it shall reasonably appear to the Consortium that such Consortium Member no longer has the necessary legal or political authority or support or ability to participate in the Service then, within 21 days of receiving written notice from the Independent Chairman requesting its resignation, that Consortium Member shall be deemed to have resigned from the Consortium and this shall take effect as a release and discharge of such Consortium Member from this Agreement.

9.6 Any Consortium Member may give notice to the Consortium of its decision to withdraw from the Consortium and its obligations under the Consortium Agreement. Unless the Consortium agrees otherwise such notice shall be not less than 6 months.

9.7 In the event of the resignation or deemed resignation of any Consortium Member, this Agreement shall continue to take effect and shall remain in force and be binding upon all other Consortium Members and it is hereby agreed that the Consortium shall continue to operate in accordance with the provisions of this Agreement.

10 Indemnity

10.1 Every Consortium Member will be indemnified out of the assets held on behalf of the Consortium against any liability incurred by him in defending any proceedings, whether civil or criminal, alleging liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Consortium, and in which judgement is given in his favour, or in which he is acquitted, or in connection with any application in which relief is granted to him by the Court.

10.2 Connexions North London Partnership Limited on behalf of the Consortium may purchase and maintain for any Consortium Member insurance cover against any
liability which may attach to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which he or she may be guilty in relation to the Consortium and against all costs, charges, losses, expenses and liabilities incurred by him and for which he is entitled to be indemnified by the Consortium.

11 Duration and Termination

11.1 This Agreement shall come into effect on the Commencement Date.

11.2 This Agreement shall terminate on the expiry of the last year for which there shall be Funding for the Service.

12 Provision on Termination

Upon termination of this Agreement for any reason whatsoever the following shall apply:

12.1 Unless agreed to the contrary by the Consortium Members, the assets and unexpended Funding (if any) shall continue to be vested in the Connexions North London Partnership Limited.

12.2 Any termination costs directly incurred via the Funding shall be met by the Funding.

13 General

13.1 Except insofar as the Consortium Members are expressly or by necessary implication constrained by the provisions of this Agreement, nothing herein contained or implied shall prejudice or affect the Consortium Members’ rights and powers, duties and obligations in the exercise of their functions as public bodies and/or in any other capacity and all rights, powers, discretions, duties and obligations of the Consortium Members under all public and private statutes bylaws orders and regulations and statutory regulations and statutory instruments may at all times be fully and effectually exercised as if the Consortium Members were not parties to this Agreement and as if this Agreement had not been made.

13.2 The Consortium Members shall not represent themselves as being any other Consortium Member nor an agent, partner or employee of any other Consortium Member and shall not hold themselves out as such nor as having any power or authority to incur any obligation of any nature express or implied on behalf of any other Consortium Member and nothing in this Agreement shall operate so as to constitute any one Consortium Member an agent, partner or employee of any other.

13.3 This Agreement is personal to the Consortium Members and no Consortium Member shall assign to transfer or purport to assign or transfer to any other person any of its rights or sub-contract any of its obligations under this Agreement but may be represented by a third party where the relevant function of the Member is provided externally.

13.4 Any notice required or permitted to be given by a Consortium Member to the other Consortium Members under this Agreement shall be in writing.
14 Disputes

14.1 The Consortium Members shall use their best endeavours to resolve by agreement any disputes arising between them, including any dispute arising out of this Consortium Agreement.

14.2 If the Consortium Members are unable to resolve the dispute in accordance with clause 14.1, they will attempt to settle it by mediation in accordance with the Centre for Effective Resolution (‘CEDR’) Model Mediation Procedure (‘the Model Procedure’) and the following provisions of this sub-clause:

14.3 Any Consortium Member shall give a notice (‘the ADR Notice’) to any other requesting a mediation in accordance with this sub-clause and a copy of the ADR Notice shall be sent to CEDR Solve requesting a mediation in accordance with this sub-clause and a copy of the ADR Notice shall be sent to CEDR Solve.

14.4 The Model Procedure shall be amended to take account of any relevant provisions in this Consortium Agreement or any other additional agreement which the Consortium Members may enter into in relation to the conduct of the mediation.

14.5 The mediation shall start not later than 28 days after the date of the ADR Notice.

14.6 The Consortium Members agree to co-operate fully with any mediator appointed and that the costs of the mediation shall be paid out of the grant paid to LBH unless a different agreement as to costs is reached as part of a settlement arrived at as a result of the mediation.

This document is signed as authorised by each Consortium Member in accordance with their respective constitutions and delivered on the date stated at the beginning of this Agreement.
## SCHEDULE 1

### North London Connexions Consortium Membership

<table>
<thead>
<tr>
<th>Name of Consortium Organisation</th>
<th>Post in Consortium Organisation</th>
<th>Consortium representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. N/A</td>
<td>Independent Chair</td>
<td>David Plank</td>
</tr>
<tr>
<td>2. Young People’s Partnership Board</td>
<td>Director</td>
<td>Zofi McKenzie</td>
</tr>
<tr>
<td>3. Young People’s Partnership Board</td>
<td>Director</td>
<td>Ekow Oliver</td>
</tr>
<tr>
<td>4. North London Voluntary Sector Forum</td>
<td>Chair</td>
<td>Fred Ellis</td>
</tr>
<tr>
<td>5. London Borough of Barnet</td>
<td>Director of Education &amp; Children’s Services</td>
<td>Jill Stansfield</td>
</tr>
<tr>
<td>6. Barnet College</td>
<td>Asst. Principal Student &amp; Learning Services</td>
<td>Elaine Runswick</td>
</tr>
<tr>
<td>7. London Borough of Enfield</td>
<td>Director</td>
<td>Peter Lewis</td>
</tr>
<tr>
<td>8. London Borough of Enfield</td>
<td>Head of Youth Service</td>
<td>Avril Hunter</td>
</tr>
<tr>
<td>9. London Borough of Haringey</td>
<td>Director of Education</td>
<td>Sharon Shoesmith</td>
</tr>
<tr>
<td>10. London Borough of Haringey</td>
<td>Deputy Director Resources &amp; Communications</td>
<td>Rob Graham</td>
</tr>
<tr>
<td>11. London Borough of Waltham Forest</td>
<td>Executive Director Lifelong Learning Services</td>
<td>Chris Kiernan</td>
</tr>
<tr>
<td>12. Waltham Forest YMCA</td>
<td>Chief Executive</td>
<td>Clare Shinner</td>
</tr>
<tr>
<td>13. Data Connections Ltd</td>
<td>Director</td>
<td>Gary Walker</td>
</tr>
<tr>
<td>14. Barnet, Enfield &amp; Haringey Mental Health Trust</td>
<td>CAMHS Director</td>
<td>Jane Lithgow</td>
</tr>
<tr>
<td>15. The Ravenscroft School</td>
<td>Head Teacher</td>
<td>Mary Karaolis</td>
</tr>
<tr>
<td>16. Learning &amp; Skills Council London North</td>
<td>Executive Director</td>
<td>Phillipa Langton</td>
</tr>
<tr>
<td>17. Sir George Monoux Sixth Form College</td>
<td>Head</td>
<td>Richard Chambers</td>
</tr>
<tr>
<td>18. Metropolitan Police</td>
<td>Superintendent</td>
<td>Simon O’Brien</td>
</tr>
<tr>
<td>19. Connexions North London Partnership Limited</td>
<td>Chief Executive</td>
<td>Lenny Kinnear</td>
</tr>
</tbody>
</table>
SCHEDULE 2

The Business Plan


Copies available on request from:

Hilda Fahey
SCHEDULE 3

The Financial Memorandum

... The Financial Memorandum for Connexions North London as signed by Government Office and dated [date].

Copies available on request from:

Hilda Fahey
SCHEDULE 4

Connexions North London

Consortium Membership Form
Appendix 2

Connexions North London Consortium Agreement

Operational Arrangements

Summary

1. The proposed operational arrangements between Connexions North London Partnership Limited (CxNL) and the London Borough of Haringey (LBH) will be governed by a service level agreement.

2. Existing contracts with the two main service providers will be novated to LBH:
   i. Prospects Services Limited
   ii. Futures Career Management Limited

3. LBH will have formal responsibility for the contracts but CxNL will act as the managing agent and manage the contract on the Council’s behalf.

4. Invoices from the service providers will be addressed to LBH but will be passed in advance to CxNL to be checked and authorised. Once the verification process is completed they will be passed to LBH for payment.

5. The authorised invoices will be sent to LBH via a referencing number system. This will be used to provide an audit trail between CxNL and LBH.

6. LBH then pay the gross invoice including the VAT element.

7. At the same time CxNL will credit the Council’s bank account with the gross amount of the invoices. Hence LBH cash flow will be unaffected.

8. Note that since this is a Consortium arrangement NO invoicing occurs between the two parties. Only cash transfers occur.

9. When each quarterly VAT return is completed, the sum of VAT reclaimed by LBH relating to invoices passed across from CxNL will be deducted from the next monthly payment of authorised invoices.