

PRIVATE & CONFIDENTIAL

AGMA EXECUTIVE COMMITTEE

28 MAY 2004

GREATER MANCHESTER CONNEXIONS VAT – GOVERNANCE

1. BACKGROUND

Three issues face the delivery of the Service:-

- a) The imposition of VAT on the service following the withdrawal of the contingency support fund by the DfES;
- b) Governance difficulties experienced by a range of stakeholders; and
- c) The challenge of the Children's Bill.

2. PROGRESS

After some initial difficulty, there now appears to be widespread support for a phased resolution as is detailed below:-

2.1 PHASE I

Bury would become the accountable body for GM Connexions with effect from 1st July (?) 2004, undertaking the financial and probity responsibility. This will have the effect of releasing £200,000 extra per month back into front end delivery. Subject to further advice, this appears to be supported by the Supporting Children and Young People Group at DfES; GONW as contract holder, the GM Connexions Board, Local Partnership Chairs and the Providing Organisations. Details await to be settled, but may involve for-profit providers not being represented on the Board.

2.2 PHASE II

To be agreed by September 2004 for implementation in April 2005, AGMA's negotiating position is suggested below and views are requested:-

- a) Bury MBC becomes "Lead" as well as "Accountable Body". This would involve subsuming the GM Connexions Company;
- b) An agreed set of functions to be agreed revolving around performance management; probity and profession support, for a sub contract delivery mechanism. This would be minimal; and

- c) A new Board to be established, on the basis of the old as follows:-
- Secondary schools
 - Association of Colleges
 - GM-LSC
 - YOT
 - GM Probation
 - Youth Service
 - Strategic Health Authority and PCTs
 - GM Police
 - Job Centre Plus
 - Employers (possibly through Education-Business Partnerships)
 - Training Organisations
 - Voluntary and faith sectors
 - Any other organisations that are stakeholders in, or contributing to, the Connexions

Plus 3? AGMA representatives. Appropriate mechanisms agreed to consult with and receive views from Providers; and

- d) For grant to be distributed to the ten Boroughs, who would hold contracts with the Provider of their choice, subject to SCYPG requirements. Advice and guidance available from GM Connexions.

2.3 PHASE III

Working towards Children's Trusts. By 2007 grant will hopefully be provided directly to the Trust. Subject to the shape of the Act, a GM body could be maintained which is either:-

- a) A regulatory/advisory body to oversee delivery for 13-19 age group on behalf of SCYPG; or
- b) An advisory body 'owned' by AGMA on a joint agency basis to provide an economy of scale strategic aspect for the service, with potentially little need for Accountable Body status for Bury MBC.

There would appear to be some consensus for this approach, and for SCYPG to be convinced a unanimous agreement would be required from all concerned.

3. Mechanisms have been established to receive the views of both the main providers and for lead staff in each local authority.

MARK SANDERS AND ANDREW KILBURN

MS/JH/20 May 2004

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