

**Title of meeting:** Schools Forum

**Date of meeting:** 23 October 2013

**Subject:** Traded Services

**Report from:** Di Mitchell, Head of Education and Strategic Commissioning

**Report by:** Mike Stoneman, Strategic Commissioning Manager

**Wards affected:** All Wards

**Key decision:** No

**Full Council decision:** No

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## **1. Purpose of report**

1.1 The purpose of the report is to provide:

- an update on the Council's traded services offer to schools and academies and the planned offer for 2014 onwards; and
- a summary of the key issues that emerged from the consultation held with Head teachers in May 2013.

## **2. Recommendations**

2.1 It is recommended that Schools Forum note the report.

## **3. Background**

### **Current offer and take up**

3.1 The Council has a long history of providing a range of traded services to schools usually under a Service Level Agreement(SLA). The income generated from these services is substantial and in 2011/12 and 2012/13 equated to £5,213,286 and £5,333,967 (includes the school meals catering SLA) For 2013/14 there are 29 Service Level Agreements in place across the Council. The level of take up has been good with all schools and academies in the City signed up to a range of services.

3.2 For 2013/14 the Council has developed separate Service Level Agreements for Academies with separate terms and conditions (referred to as Traded Services Specifications). This is due to the fact that Academies are independent charitable companies and therefore require different and more robust legal agreements.

## **National context**

- 3.3 National policy relating to education and the role of local authorities is rapidly changing. The Academies Act (July 2010) and the Education Act (November 2011) describe this change. In addition the Government's aim is that within the lifetime of the current Parliament every school will become an Academy. As a main provider of universal services, schools are responsible for their own continuous improvement and have increasing autonomy and control of budgets, resources and partnership arrangements. Schools will commission their own services and there is a national policy expectation that schools will be able to exercise choice from a wide range of providers.
- 3.4 The Local Authority role is moving rapidly from a position of 'service provider' to one that focuses on strategy, quality assurance and commissioning. The Local Authority retains a clear strategic role as champion of parents and children and for ensuring continuous improvement in outcomes for all particularly those who are most vulnerable. In discharging this duty the Local Authority is responsible for ensuring that there are sufficient school places, for ensuring fair access to school for every child, standing up for the interests of parents and children, supporting vulnerable children including those with special educational needs (SEN). Children in care and those outside mainstream provision are also retained. In addition the Local Authority will be responsible for commissioning support for schools falling below the new 'floor standards' enabling them to improve quickly or convert to academy status with a strong sponsor. The Local Authority will also retain the power to withdraw the delegated budget from a maintained school in certain specified circumstances.
- 3.5 A national funding formula is being proposed which would remove decision making from Local Authorities about the distribution of the Direct School Grant (DSG) to individual schools. The new revenue funding formula arrangements require as many services and as much funding as possible to be delegated so that school leaders have greater choice over how to spend their budgets. This provides both challenge and opportunity for the Council, particularly with respect to traded services.

## **4. Scope and purpose of the review of the traded services offer**

- 4.1 Portsmouth City Council is currently reviewing its traded services offer to schools with the ambition of developing a more comprehensive, competitive and high quality traded services offer from September 2014 for both schools and academies. The ambition is to:
- Publish a single prospectus of services for both schools and academies (available on-line and in hard copy) – ensuring easy access for users, clarity of offer, a consistent approach / format;
  - Provide schools with a central contact / unit for all traded services, providing a one stop shop for all schools related traded activity; and

- Bring together all the Continuing Professional Development (CPD) services, supported by a centralised brochure and administrative system.
- 4.2 The Council has commissioned Richard Swan (formerly of South Gloucestershire Council) to assist in the review and development of the offer for 2014 onwards. Richard was responsible for setting up a successful traded services unit for schools in South Gloucestershire.
- 4.3 A Traded Services Managers Forum has been established supported by a Task and Finish Group which is overseeing the work of the review and development of the offer for 2014.
- 4.4 A Traded Services Manager has recently been appointed. Steve McIntyre took up the post on 7<sup>th</sup> October 2013 and is responsible for the management, co-ordination, quality assurance and development of the Council's traded services offer to schools and academies.
- 4.5 A timeline for the work that needs to be undertaken between now and September 2014 is set out in section 6.1.

## 5. Consultation with Schools and Academies

- 5.1 As part of the review of the Council's traded services to schools and academies, consultation was held with Head teachers between 17<sup>th</sup> and 22<sup>nd</sup> May 2013. Individual meetings were held with secondary school heads/bursars (all secondary schools covered), cluster meetings were held with primary school heads/finance managers (approximately 50% of primary schools attended) A meeting of special school heads was also held.
- 5.2 The key issues / considerations that resulted from the consultation are set out below:
- It is clear that many schools have chosen Council services in the past because they have not been aware of what is available elsewhere. Knowledge is increasing and is being passed from school to school. Some schools have taken up one year SLAs this year in order to gauge quality of provision and value for money before deciding whether to stay with the LA in future years. **It is vital that services perform well and make a good impression over the next six months.**
  - Whilst appreciating that Council services are subject to cuts and that staff are being stretched, achieving quality of service and value for money are central to a schools' procurement process. **Schools have a wide choice will no longer be coming to the LA for services as a default option.**
  - Schools are looking for the following 3 main elements in procuring a service
    - **Excellent customer service**
    - **High quality support**

- **Good value for money**
- It is clear that some schools are moving away from Council services as they become an academy and use some of their sponsor's services. However there are still some Council services they wish to purchase. **The Council needs to embrace all schools in the marketing irrespective of how little they purchase at the moment.**
- Some schools are worried that the Council services will not survive very long as more schools become academies and that they should start looking elsewhere for support now. **The Council needs to do all it can to reassure schools that PCC traded services are here for the long term.** The new brochure and appointment of a Traded Services Manager have already helped to reassure schools.
- It is clear that **bursars** are having a greater influence in purchasing decisions, including primary schools. Many attended the discussions with head teachers.
- The majority of schools and academies expressed a **preference for traded services to operate on an academic year** basis rather than the current arrangement which is based on a financial year (refer to section 7).
- The differences between good and poorly rated Council services was often due to
  - Poor customer service
  - A lack of flexibility in meeting the needs of the school (rather than the needs of the Council) in the implementation of the support programme
  - Schools not being recognized as customers and being told what to do
  - A lack of high challenge and expectation coupled with high levels of support
  - Services being reactive instead of proactive
- There is a need for Council services to **benchmark** themselves against the competition so they know what schools are being offered.
- There is a need for the Council to **think outside the box** in providing services. To look at new partnerships with other larger providers, schools, academy chains etc.
- All services should revolve around **School Improvement**. How can each service contribute to the raising of standards within the City? How are these services joined up in their approach?
- There needs to be a mechanism that **tracks the support** that is given to each school. This then needs to be communicated to the school,

especially governors, so they can see what they got for their money. Services who deliver in-school services need to contact schools to arrange dates for the support that has been purchased.

- A **systematic, centralized programme needs to be established to obtain feedback from all schools** about services being offered. Schools should not be bombarded with questionnaires from individual services.
- Each service needs to establish how it holds its **staff accountable for delivering high quality services in school**. Systems need to be established for identifying the effectiveness of the support given to schools by individual staff, especially in school improvement related areas.
- A rigorous **performance management system** needs to be established in all services to ensure that high quality support is delivered by all members of the team.

## 6. Timeline

6.1 A summary of the timeline is set out below:

<b>Actions</b>	<b>Date</b>
<b>2013/14 offer</b>	
Distribution of Service Level Agreements (SLAs) for 2013/14 and Traded Services Specifications (TSS) for Academies	February 2013
Response back from schools	15 <sup>th</sup> March 2013
Service commences	1 <sup>st</sup> April 2013
<b>2014 + offer</b>	
Consultation with schools for 2014 offer	May 2013
Feedback to PCC services - to inform development of specification of services for 2014 offer	June 2013
Final deadline for brochure text and prices to be submitted by PCC managers	1 <sup>st</sup> Nov 2013
2014 brochures to be dispatched to schools	Early March 2014
Marketing of 2014-2016 Traded Services offer to schools and academies - to include 'meet the managers' session for heads / bursars to discuss brochure entries	March - April 2014
Final deadline for schools / academies to return their order forms for SLAs / TSSs they wish to purchase from September 2014	19 May 2014
New services commence	1 <sup>st</sup> Sept 2014

## **7. Extension of existing Service Level Agreements**

- 7.1 The majority of the existing Service Level Agreements (SLAs) are for one year only and will end on 31<sup>st</sup> March 2014. In light of the consultation that was held with schools and academies in May 2013 which supported the move to operate traded services on an academic year basis rather than the current arrangement of a financial year, the Council will be extending the existing one year SLAs for a further five months until 31<sup>st</sup> August 2014.
- 7.2 Schools and Academies have been asked to confirm by 24 October 2013 if they are in agreement with this extension or if they wish to change / cancel them. The additional five months of charges will be taken out of next years' budget 2014/15 via a journal transfer for LA maintained school. Academies will have the choice to pay by instalments via direct debit or a single payment.
- 7.3 The Council's future traded services offer will be based on a two year offer from 1<sup>st</sup> September 2014 to 31<sup>st</sup> August 2016, but with the option for schools and academies to end an agreement by giving at least six months' notice.

## **8. Equality Impact Assessment**

- 8.1 This report does not require an Equality Impact Assessment as the proposal does not have any impact upon a particular equalities group.

## **9. Head of Legal Services' comments**

- 9.1 There are no legal implications arising directly from the recommendation in this report.
- 9.2 However, it is noted that although Academies are independent bodies, the Council has the power to provide goods and services to Academies under Section 1 of the Local Authorities (Goods and Services) Act 1970 and Section 2 (2A) of the Academies Act 2010.

## **10. Head of Finance's comments**

- 10.1 As noted within the report, the level of income that the Council receives from schools and academies in respect of the range of traded services is substantial. The eventual provision of services will be dependent upon the take up of services by schools and academies, as this will determine the funding available to support their continued delivery.

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Signed by:

**Appendices:**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by: