

REPORT TITLE	<i>Edsential update</i>
REPORT OF	<i>Managing Director, Edsential</i>

REPORT SUMMARY

Edsential successfully launched on 1st December 2015 and has been trading in line with business plan expectations to date. Approximately 1200 people transferred into Edsential from both Wirral and CWAC councils.

The company provides schools with the following services:

- Catering
- Cleaning consultancy
- Residential/outward bound
- Learning outside the classroom support
- Safeguarding
- Music
- Governing body training and clerking
- Curriculum support, NQT support and teacher CPD
- Data analysis and support

The agreed governance structure is in place (see body of report) and the company board has established a process for identifying a chair and new directors for recommendation to the shareholder board.

A launch event was held on February 4th that was attended by head teachers and governors from all schools to meet each service team and view the innovations we are introducing for 2016/17 academic year.

Edsential has already delivered significant improvements in its services, in particular catering. Here are some example testimonials from Wirral head teachers:

"The new school meals from Edsential are excellent and have truly supported us in revolutionising the dining experience for our children and staff." **Christchurch, Birkenhead**

"Edsential are providing a very healthy and nutritional service for our children. Using quality fresh ingredients, our dedicated Edsential catering staff produce meals of the highest quality both in taste, presentation and variety. Our catering staff are backed up by a dedicated support team at Edsential who have worked in partnership with our school to create a food service we are proud of. I have no hesitation in recommending Edsential." **St Joseph's, Upton**

The key challenges faced by Edsential in 2016/17 relate to:

- the financial environment schools are now operating in may reduce spending on our services
- increasing payroll, tax & pension costs for Edsential will put upward pressure on prices, this will affect demand for our services

The company management are focused on achieving the synergies and economies of scale identified in the business plan that will help mitigate the impact on financial performance.

RECOMMENDATION/S

That the report is noted.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

2.0 OTHER OPTIONS CONSIDERED

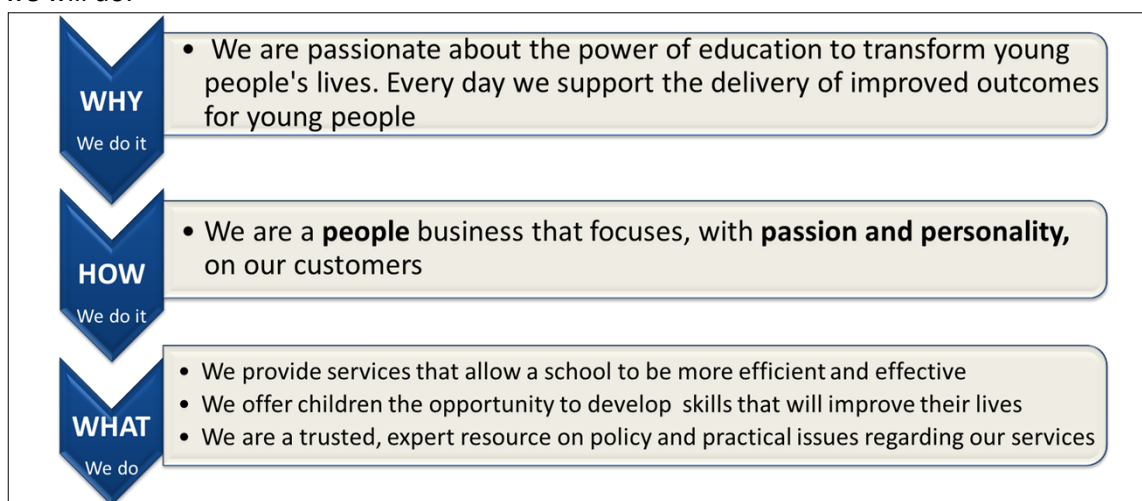
3.0 BACKGROUND INFORMATION

The Edsential Way

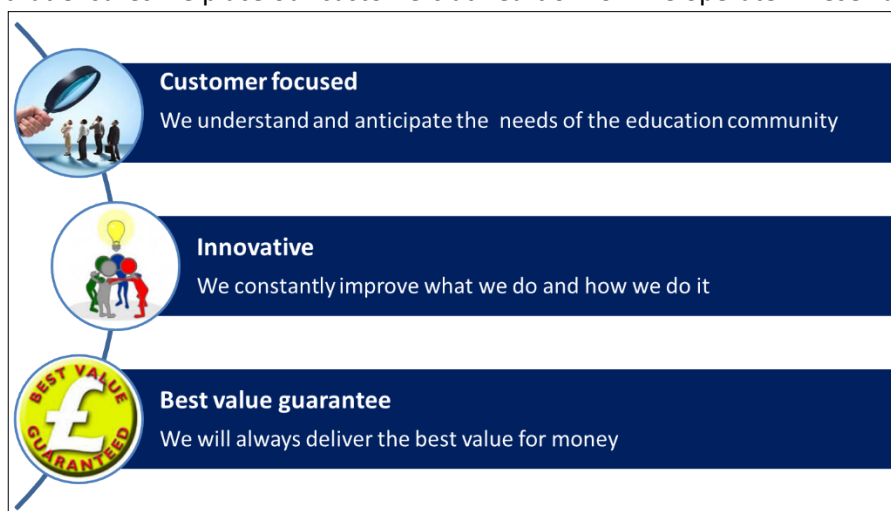
Edsential is a business on a mission, it is a mission that underpins everything we do and plan to do. We have been created for the purpose of directly and indirectly:

Improving outcomes for children and young people

To fulfil our mission we need to build a company culture that embeds it in our everyday decisions and activities. To achieve this we must clearly understand WHY we are doing this, HOW we will do it and WHAT we will do:



In order to ensure we stay relevant in the long term the company must also be founded with a set of values that ensures we place our customers at heart of how we operate. These values will be:



Governance structure

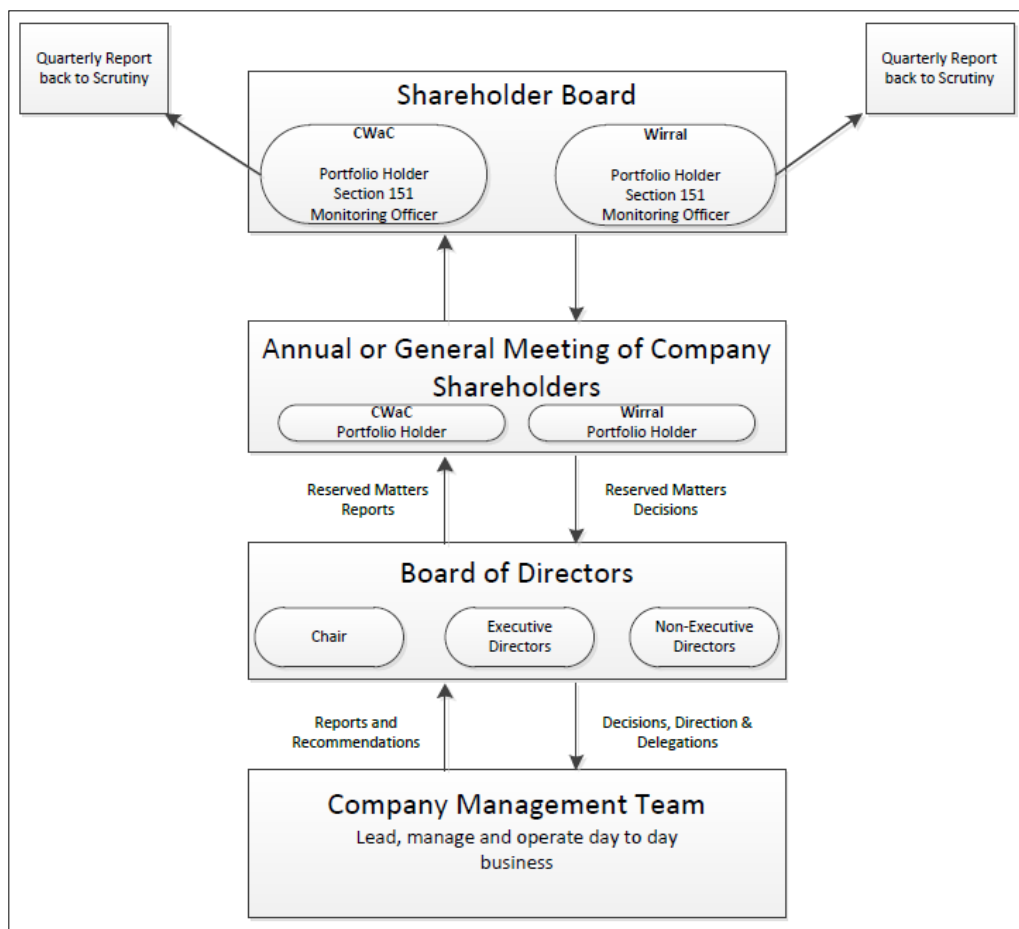
The company's governance structure

As joint owners of the Company, the Councils will exercise a level of control over the Company through a list of decisions that the board of directors must refer to the Councils as shareholders of the Company ("**Reserved Decisions**"). Reserved Decisions would only be passed if both Councils voted in favour. The Reserved Decisions will be listed in the shareholders' agreement entered into by the Councils and the Company.

Formal decisions on Reserved Decisions will be made at general meetings of the Company, attended by a representative of each shareholder Council, who is authorised to vote on behalf of the representative's appointing Council or via written resolution.

Both shareholder Councils must agree Reserved Decisions. If they are unable to do so, the deadlock provisions in the shareholder agreement will apply. It is in the interests of all parties that the Councils reach a consensus on Reserved Decisions and a shareholder board, comprising the authorised representatives and supported by officers and members will be established as a forum to discuss and agree Reserved Decisions.

The Councils will also protect their interests by keeping an oversight of the performance of the Company, receiving specified reports and monitoring information and considering the wider impact of decisions regarding the Company. The Reserved Decisions would be reviewed as the Company matures.



Company board of directors

The purpose of the board is to ensure the company's strategy and operational performance will deliver the mission for the long term.

The board must therefore:

- Provide skills and knowledge to complement and challenge the executive team
- Provide links to the current and future customer base
- Ensure the business is viable and sustainable

To achieve this purpose the board will be created as follows:

Role	Member
2 Shareholder Appointed Directors	Mark Parkinson – Head of Education David Armstrong – Assistant Chief Executive
3 Executive Directors	Ian McGrady – Managing Director, Edsential Strategic HR* Strategic Finance*
4 Non-Executive Directors	Governor (Chair) x3 School Heads

The key challenges faced by Edsential in 2016/17 relate to:

- the financial environment schools are now operating in
- increasing payroll, tax & pension costs for Edsential

4.0 FINANCIAL IMPLICATIONS

None, current expectations are in line with business plan

5.0 LEGAL IMPLICATIONS

N/A

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

In line with business plan

7.0 RELEVANT RISKS

In line with business plan

8.0 ENGAGEMENT/CONSULTATION

In line with business plan

9.0 EQUALITY IMPLICATIONS

(a) ~~Yes and impact review is attached – (insert appropriate hyperlink).~~

(b) ~~No because there is no relevance to equality.~~

(c) No because of another reason which is
Nothing has changed since original cabinet report

** Delete the two answers above which don't apply)*

REPORT AUTHOR: *Ian McGrady*
 Managing Director, Edsential

APPENDICES

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date