

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM July 3rd 2013

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

Wirral School Traded Services

1. EXECUTIVE SUMMARY

- 1.1. Wirral Council currently runs a range of traded services with its schools that generates around 8 million pounds of income. Whilst there are some consistencies of approach across the current traded services there are many variables within promotion, pricing, product, processes and costs together with opportunities for greater efficiencies.
- 1.2. Therefore this paper seeks to update Wirral Schools Forum on developments so far and seeks through a series of recommendations to move towards a more coherent and consistent LA traded services for schools under single governance arrangements made up of school and council representatives and single operational leads during 2013/14.
- 1.3. This unified approach would then allow for further business models and legal structures to be considered and consulted on, including arms-length organisations, with possible implementation in 2014/15.

2. BACKGROUND

- 2.1 Wirral Council currently runs a range of traded services with its schools that includes, Facilities Management; Financial Support; Grounds Maintenance; Human Resources; Information Technology Support; Schools Library Service; Metro Catering Service; Metro Caretaking & Cleaning Support Service; Payroll & Human Resources Administration Services; Risk Management & Insurance Services; and Wirral Community Patrol.
- 2.2 In addition to these services, Education Quality (EQ) is an umbrella framework for the school improvement traded services. EQ has been developed by Wirral's Children and Young People's Department in joint partnership with its schools over the last 3 years. 94% of its schools, including all academies, bought back into the service for Year 1 and a similar buyback has been achieved for 2012/13 and 2013/14. EQ is radically different and more comprehensive than anything Wirral, or indeed many of its local authority neighbours, have done as a traded service for its schools. The EQ Standard Package encompasses support for professionals and volunteers in schools through a range of services.
- 2.3 There was a clear steer by the Cabinet of the Council, reflecting a major consultation it had done with stakeholders during the summer and autumn of 2010 on budget reduction priority areas, to ensure that amongst other aims:
 - we should continue to provide support and sell services to schools cost effectively and efficiently in order to make best use of schools delegated budgets and reduce central expenditure.
- 2.4 Therefore within the framework of the Wirral Children and Young People's Plan 2013-16 and the priority of "*To ensure that there is appropriate support and challenge to educational settings.*", the Wirral Children's Trust resolved to:

- Review, redesign and market traded services for schools.
- Manage school traded services cost effectively and efficiently.

2.5 EQ is strategically governed by an EQ Management Board, made up of Headteachers, a governor and LA staff, and has discussed and agreed, amongst others, the following in the last twelve months:

- 2.5.1 The vision for EQ
- 2.5.2 The overall EQ budget including a summary annual budget statement shared with all EQ schools
- 2.5.3 The overall EQ offer including the pricing structure
- 2.5.4 Quality assurance programme
- 2.5.5 Complaints procedure
- 2.5.6 Common charging policy

2.6 The other traded services has a consultant group of Headteachers.

2.7 For the traded services (other than EQ), a three-year offer was put out to schools in 2011 bringing the traded services together under a common format and approach and agreement has been reached to extend this offer for one more year.

2.8 A joint meeting of the two Headteacher groups with responsibility for traded services took place in April. They discussed and agreed to a series of recommendations made that were similar to those agreed in principle in April by Wirral Council's Chief Executive Strategy Group (CESG).

2.9 The recommendations have also been taken to Secondary Headteachers, Primary Headteachers and Governors and the feedback has been very positive from schools on the proposed ways forward.

2.10 The first recommendation from the CESG/Headteacher reports stated that:

In principle to manage school traded services cost effectively and efficiently across the LA under the Assistant Chief Executive / Head of Universal & Council Infrastructure Services utilising existing council frameworks from 2013/14 and to include all current school traded services.

2.10.1 Therefore the main focus has been developing a business plan under the leadership of David Armstrong. This is now ready to go to the Headteacher Management Group for initial approval on July 1st 2013 and aspects of it have been shared with Council service managers.

2.10.2 The post of Senior Manager (School Traded Services) under David Armstrong has been agreed as part of the management restructure and that post is now taken up by Stuart Bellerby.

2.10.3 This does not necessarily mean that all school traded services would be directly line managed through the Assistant Chief Executive / Head of Universal & Council Infrastructure Services.

2.11 The second and third recommendations stated that:

The current traded service budgets and staffing are reviewed taking account of the income generated. All traded service budgets for 2013/14 are reviewed in agreement with Corporate Finance and the relevant Departmental leads. Appropriate service charges for the overheads of a coordinated traded service are developed.

2.11.1 A series of meetings with service managers is to be established to review the budgets relating to school traded services. The main purpose is to collate information pertaining to school traded services against school income and provide some support for additional income generation. We have an aggregated summary of income from schools relating to school traded services (See Appendix 1), but some services outside of CYPD have previously been reluctant to share their budget and spending plans.

2.11.2 Service charges have been suggested and are awaiting ratification from CESG.

2.12 The fourth recommendation stated that:

Any proposed or new traded services from Wirral Council are considered to come under the new traded services organisation and follow similar principles as the current traded services.

2.12.1 Five new services have taken this approach and these are:

- 2.12.1.1 Occupational Health for schools
- 2.12.1.2 Wirral Council's One to One Coaching Service
- 2.12.1.3 e-Learning Provision
- 2.12.1.4 Wirral Educational Psychology Service
- 2.12.1.5 Information Management Data Service

2.13 The fifth recommendation stated that:

The new traded services organisation considers new business opportunities and legal structures and reports back to a future meeting.

2.13.1 The considered view is that this recommendation cannot be acted on unless the other four recommendations are developed.

2.13.2 No decisions on this have been taken and suggestions for possible ways forward are:

- 2.13.2.1 Take no action and maintain the status quo
- 2.13.2.2 Manage school traded services cost effectively and efficiently across the LA under the Assistant Chief Executive / Head of Universal & Council Infrastructure Services utilising existing council frameworks
- 2.13.2.3 Withdraw from traded services activity and leave schools to manage their own processes
- 2.13.2.4 Operate traded services and/or school improvement through a jointly managed organisation working with other neighboring local authorities
- 2.13.2.5 Work in partnership with a private provider at LA or LTP level
- 2.13.2.6 Create an arms-length full cost recovery traded service

2.13.3 These are considered in more detail in the business plan shared with the Headteacher Management Group.

2.13.4 As noted in 2.10, 2.13.2.2 has already been agreed by the Headteacher Management Group and CESG.

3. RECOMMENDATIONS

3.1 That Wirral Schools Forum notes the report.

3.2 That Wirral Schools Forum endorses the recommendations agreed by the Headteacher Management Group and CESG.

Julia Hassall
Director of Children's Services

Appendix 1 – Wirral School Traded Services 2013/14 summary

	Wirral Community Patrol	IT	Software Support	Grounds Maintenance	Financial Support	Facilities Management	Cash to Bank	Library Service	Caretaking and Cleaning	EQ	Payroll	Catering	Risk/Ins	HR A & G	TOTAL
Total number	121	127	122	30	113	121	105	41	97	118	116	80	110	120	
Total buy back	94%	98%	95%	23%	88%	94%	81%	32%	75%	91%	90%	62%	85%	93%	71.8%
Total income	£386,205	£895,723	£345,593	£99,606	£360,034	£401,416	£77,819	£32,636	£66,972	£973,000	£622,526	£2,616,620	£737,682	£393,943	£8,009,775
Primary number	92	93	93	23	93	93	87	93	80	85	92	68	91	92	
Primary buy back	99%	100%	100%	25%	100%	100%	94%	100%	86%	91%	99%	73%	98%	99%	84.2%
Primary income	£280,382	£505,892	£212,985	£53,166	£302,804	£286,825	£64,415	£15,999	£55,341	£758,950	£381,047	£2,318,025	£543,928	£239,558	£6,019,318
Primary proportion of income	72.6%	56.5%	61.6%	53.4%	84.1%	71.5%	82.8%	49.0%	82.6%	78.0%	61.2%	88.6%	73.7%	60.8%	75.1%
Secondary number	16	18	16	3	5	16	9	21	4	21	12	0	6	13	
Secondary buy back	73%	82%	73%	14%	23%	73%	41%	95%	18%	95%	55%	0%	27%	59%	48.5%
Secondary income	£66,258	£263,312	£107,365	£33,653	£8,080	£77,289	£6,702	£16,386	£2,408	£130,650	£181,625	£0	£110,948	£111,945	£1,116,622
Secondary proportion of income	17.2%	29.4%	31.1%	33.8%	2.2%	19.3%	8.6%	50.2%	3.6%	13.4%	29.2%	0.0%	15.0%	28.4%	13.9%
Special number	13	13	13	4	13	12	9	14	13	12	12	13	13	13	
Special buy back	100%	100%	100%	31%	100%	92%	69%	108%	100%	92%	92%	100%	100%	100%	85.6%
Special income	£39,565	£113,334	£25,243	£12,787	£46,397	£37,302	£6,702	£251	£9,222	£83,400	£59,854	£298,595	£82,806	£41,467	£856,926
Special proportion of income	10.2%	12.7%	7.3%	12.8%	12.9%	9.3%	8.6%	0.8%	13.8%	8.6%	9.6%	11.4%	11.2%	10.5%	10.7%
Other number (CLCs)	0	3	0	0	2	0	0	3	0	0	0	0	0	3	
Other buy back	0%	100%	0%	0%	67%	0%	0%	100%	0%	0%	0%	0%	0%	100%	24.4%
Other income	£0	£13,185	£0	£0	£2,752	£0	£0	£0	£0	£0	£0	£0	£0	£973	£16,910
Other proportion of income	0.0%	1.5%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%