

## APPENDIX A

### Commercial Principles

- The overall strategic management and control of the School Support Services will remain with the Council;
- The amended contract will come to an end in January 2017;
- Existing schools Support Services staff within the in-scope services will be retained on their current LCC terms and conditions. The proposals do not involve/require any LCC staff to be TUPE transferred to CfBT;
- Existing arrangements for payments to CfBT will be made consistent across all in-scope services through adopting a single Management Fee approach on staff costs across all in-scope services – the net position of current scale of payments will be maintained;
- CfBT will be contractually obliged to deliver a 5% year on year efficiency saving on staffing budgets only. This will be delivered through vacancy management of staff turnover. Any vacancies arising may be filled via CfBT employments with CfBT agreement. The annual staff turnover rate in Children's Services is of the order of 10%. CS DMT will determine which/if any vacancies will be filled;
- First year efficiency savings will include the cost of the Management Fee;
- CfBT will be given day-to-day management control over the in-scope staff and this will include the re-organisation of teams/service areas to ensure that the service provides maximum value for money and performance for LCC, as well as ensuring that CfBT have sufficient flexibility to deliver their obligations under the agreement. Any changes to staff terms and conditions will be subject to LCC approval and policies;
- There will be discussions with LCC staff that will be able to be deployed on "out-of-county" work (which includes academies and other authorities etc which will be subject to staff agreement and consultation. Any Out of County work will be tendered for and delivered under the CfBT brand;
- CfBT will be the legal provider of the "out of county" work and will contract with academies and other authorities and as such will be required to reimburse to LCC the cost of LCC staff deployed on "out of county" work (state aid position to be protected);
- Where CfBT make a profit from the deployment, sale or placement of LCC staff then LCC will benefit from a profit share on that profit. This will be administered through a formal Payment Mechanism that will form part of the amended contract, and will require CfBT to adopt an open book accountancy approach;

- It is proposed that CfBT will continue to be provided with back office services for Property, HR, Finance and ICT through the Mouchel Contract (as they are currently entitled to expect under the SIS contract), this will be extended to the in-scope services;
- It is proposed to adopt the existing SIS governance arrangements, whereby the CfBT Director holds an Assistant Director post on the CS DMT, with the responsibility for the operational delivery of all school improvement and schools support services/functions; The Project Team recommends moving the contract management function from Resources into Children's Services, and strengthening its resources, to ensure that close control, monitoring and contract administration takes place. This will ensure greater clarity/transparency of performance and variation under the new agreement and will provide invaluable information and expertise to inform decisions on reprocurement;
- To ensure that CfBT are delivering services in accordance with LCC strategy an Annual Service Plan (Schools Improvement and Support Services Plan) will be developed by CfBT and agreed with the Director of CS/CS DMT, prior to being approved and adopted by the Partnership Board. The Partnership Board and its membership will be refreshed. The annual plan will be used as a means of controlling strategic direction and monitoring CfBT performance, and will include new outcome and key performance measures and targets;
- The contract will be reviewed to ensure that robust arrangements are in place to ensure that any conflicts of interest arising out of the fact that CfBT are both an education provider and a provider of school improvement and support services on behalf of the Council are managed appropriately.