

## **Development of Traded Services**

### **Introduction**

1. At its meeting held on 13 July 2010 the School Funding Working Group considered the implications of the establishment of more academies and changes in Government funding upon the support services provided by the local authority. It was agreed that officers develop options for offering services on a chargeable basis to schools and academies and that a questionnaire survey be commissioned to seek information on services which schools might purchase if they were offered on a chargeable basis.
2. This proposal has been explored with the council's Research Manager and an alternative approach is recommended.

### **Gathering Reliable Business Information**

3. Information to be applied to inform the design of a structure and the engagement of capacity to be sold needs to be robust and reliable if it is to contribute to successful business planning.
4. Questionnaires are useful for gathering data for a 'spot-check' type of approach. Responses are usually quick and relate to current understanding and emotion. They are used by companies to consult customers over questions of detail and to reinforce allegiance to a product but are not well suited to the consideration of complex decisions or developing knowledge of how sophisticated customers will behave in a new situation.
5. To acquire more reliable information, research methods need to engage with customers to be able to gather information in depth and to assist them in their understanding of the context in which their decisions will be made.
6. It is rather too early to seek business information from schools overall as their levels of perception of a future context will vary greatly. The information obtained is unlikely to be reliable enough to support business planning. Information in depth from schools when they have a good understanding of the context in which they would be operating. At present neither schools nor the LA know the funding available, their statutory requirements, competing priorities or the prices and products to be offered, all of which will influence their decisions as customers.

### **Proposal**

7. It is proposed that the research take a more sophisticated approach which will take longer but yield more reliable information.
8. October/November 2010 - Groups of headteachers will be invited to attend facilitated meetings to consider the implications of academy status, increased delegation and reductions and transfer of funding. As well as seeking their views on what services would be required, the facilitators will seek to tease out the spirit and get a feel for the way their ambitions are going. We might choose to focus upon secondary schools only in the first instance.
9. November/December 2010 - Managers of services will develop products, packages and prices of services to be offered to schools taking account of the views of schools.
10. January 2011 – Second series of meetings for groups of headteachers to consider the services proposed to be offered.

11. February 2011 – Service managers to revise products. Packages, prices and their business plan in light of views from schools.
12. March 2011 – Schools could be invited to purchase some services as part of “The right choice for my school...” framework

### **Timescales for Delegation of Funding**

13. Academies will receive funding for local authority support services directly in the Local Authority Central Spend Equivalent Grant (LACSEG) paid to each academy via the Young Persons Learning Agency (YPLA). Services provided to academies will therefore be offered on a chargeable basis from April 2011 except for those services which the LA has retained statutory responsibility and funding for.
14. The work described in paragraphs 7 to 12 above will inform proposals for further delegation of funding to maintained schools. Methodologies for the delegation of budgets will not be finalised by April 2011 and therefore this will need to be developed further during 2011/12 for full delegation where appropriate in 2012/13.

### **Recommendations from the Funding Group**

15. The Funding Group wholly supported the above proposals and recommended that the discussions with headteachers be facilitated within scheduled meetings of PHF (18 November) and WASSH (14 October or 9 December) if at all possible.
16. The Chair of PHF invited the Head of Business and Commercial Services to attend the next meeting of PHF Executive (30 September 2010) to brief colleagues on the proposal.
17. That an opportunity to seek Governors’ views on any proposals which are developed from the meetings be offered in the new year.

### **Conclusion**

18. The Head of Business and Commercial Services to liaise with the Research Manager to develop an appropriate approach to incorporate perceptions of a wide range of council services for exploration with headteachers.

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### **Background papers**

None

### **Appendices**

None