

## **Wiltshire Council**

### **Children's Select Committee**

**10 March 2020**

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## **Final Report of the Traded Services for Schools and Outdoor Education Task Group – Traded Services**

### **Purpose of the report**

1. To present the findings and recommendations of the task group (TG) for endorsement by the committee and referral to the Cabinet Member for response.

### **Background**

2. At the 13 June 2017 meeting of the Children's Select Committee, Cllr Laura Mayes, (then) Cabinet Member for Children, Education and Skills asked if the Committee would consider looking into Traded Services for Schools.
3. Two Rapid Scrutiny exercises were undertaken on 13 September and 18 October 2017. The findings from these two meetings were respectively reported to the Overview and Scrutiny Management Select Committee on 26 September 2017 (access report [here](#)) and Children's Select Committee on 31 October 2017 ([link to report and minutes](#)).
4. The outcome of the rapid scrutiny exercises was the recommendation to establish a Traded Services for Schools TG, which would perform a separate piece of scrutiny on Outdoor Education. The TG started its work in February 2018.

### **Terms of reference**

5. The following terms of reference were approved by Children's Select Committee on 17 April 2018:
  - (1) To review the proposed developments for traded services to schools, considering the outcomes of the service review of traded services (commenced in October 2016), with a particular focus on the following areas:
    - a) The model for the centralised trading unit and the proposed traded services team structure and appointments to ensure sustainability and quality of service;
    - b) The cost of services that are currently provided against projected costs to ensure value for money;
    - c) The plans for marketing to ensure continuous take-up;
    - d) The current policy;
    - e) How traded services will be future-proofed.

(2) To review and comment on the Cabinet report regarding the proposals for the future of outdoor education in Wiltshire, with particular focus on the evidence-based analysis that led to the options presented within the report. Comments from the TG will be presented to Cabinet at the same meeting at which the report is considered (currently scheduled for 27 March 2018).

6. Subsequently the following additional term of reference was approved by Children's Services Committee on 4 September 2018:

(3) To review and comment on:

- a) the Council's advertising of the two outdoor education sites (Braeside and Oxenwood);
- b) the Council's consideration of expressions of interest, including evaluation criteria and weighting;
- c) the report to Cabinet presenting the findings on the expressions of interests (bids).

## Membership

7. The membership of the two Rapid Scrutiny exercises transferred to the TG, except for Cllr Anna Cuthbert who had to resign from the TG due to conflicting work commitments:
- Mr John Hawkins, Chairman of the TG
  - Cllr Trevor Carbin
  - Cllr Jon Hubbard
  - Cllr Tony Jackson

## Methodology

8. The TG held 14 meetings.
9. The TG's preliminary findings and recommendations were shared with the executive and officers of the council.

## Evidence Gathering

10. The TG considered the evidence and information provided for the two Rapid Scrutiny exercises, as well as the reports presenting the findings for the two meetings. The TG would also like to thank the following witnesses who contributed to these exercises:

Grant Davis	Strategic Financial Support Manager.
Michael Hudson	(formerly) Associate Director for Finance

11. The TG is grateful to the following witnesses who contributed to its work on Traded Services for Schools

Nick Cave	(formerly) Interim Traded Services Director
Cllr Jane Davies	Portfolio Holder for Education and SEND

Kevin Ford	Managing Director, Integra (trading arm of South Gloucestershire Council)
Terence Herbert	(formerly) Director for Children's Services
Cllr Simon Jacobs	Cabinet Member for Finance and Procurement
Cllr Laura Mayes	(formerly) Cabinet Member for Children, Education and Skills
Richard Morgan	People and Communities, Service Manager – Education & Business Support. Bath & North East Somerset Council
Sue Morgan	Schools Support Manager, Integra (trading arm of South Gloucestershire Council)
Paul Redford	Head of Traded Services, Education and Skills
Ruth Starr	Business Development Officer, Education and Skills
Tina Ward	Manager for Wiltshire Learning Resources, Education and Skills
Simon Watkins	School Improvement and Excellence Lead, School Effectiveness
Cllr Philip Whalley	(formerly) Portfolio Holder for Education and Skills
Cllr Philip Whitehead	(formerly) Cabinet Member for Finance, Procurement, Transformation and Operational Assets

12. The TG met on 22 February 2018 to review the proposed developments for Traded Services for Schools as designed following the service review.
13. The TG was informed that historically traded services for schools had been fragmented and spread across the council. There had now been a programme of work to bring all these different services and teams together with an overall commercial plan (each service would also have its own commercial plan – feeding into the overall commercial plan).
14. The TG was also informed of the implementation of Right Choice, an IT system delivering an accessible website and platform for customers, as well as reporting opportunities for the council (services purchased, etc., as well as whether information circulated had been accessed).
15. The TG would like to recognise, in particular, the dedication and commitment shown by Ruth Starr to the development of Right Choice. It was fully appreciated that she had been instrumental in its timely delivery.
16. Work was on-going in identifying true costs for services being traded and reviewing the services the council wished to provide (outside of statutory duties).
17. The TG met on 20 June 2018 to further understand the functionality of Right Choice, as well as the outcome of Phase 1 of the review of traded services and the subsequent project plan, commercial plan, marketing strategy, traded services policy. The TG also considered the size of the traded service for schools team at the time and its ability to deliver its project plan.

18. The next meeting of the TG focusing on traded services for schools was on 26 September 2018, where the TG received an update on the implementation and continuous development of Right Choice (training could now be booked).
19. At that meeting the TG was informed of proposals to amend the role of Commercial Manager, following three unsuccessful attempts to recruit to the post. It was planned for the “new” role to be offered internally as a secondment opportunity, reporting to the Director of Education and Skills.
20. The core team for traded services would include some “mixed-funded” post (funded by service area, funded by Children’s Services, some funded in part by multiple services):
  - a) the Commercial Manager, with responsibilities as commercial business coordinator, training coordinator and marketing and business account management [*which was now the role of Head of Traded Services, Education and Skills*];
  - b) account managers with responsibilities for multiple accounts [*which was subsequently not created as a specific role, the expectation was that each traded service would undertake that role and communicate with other traded services to meet client’s needs and wants*]; and
  - c) business development officer, who were responsible for engaging with customers, ensuring that the Right Choice website delivered an effective platform for all users and supporting the Head of Traded Services to deliver corporate priorities for income growth year on year.
21. The TG was concerned about the account managers’ ability to fully support customers if they were responsible for multiple accounts. Reassurance was offered that the CRM (Customer Relationship Management) system should facilitate part of the work to be undertaken by Accounts Manager to enable them to appropriately cover their workload [*as per 20b – there would not be account managers. The work of relationship management would be delivered by the Head of Traded Services and the Business Development Officers*].
22. At its meeting on 8 March 2019 the TG received update on the work undertaken on Right Choice, on a charging policy, and business case for traded services levy, as well as the work on developing a project plan, a marketing strategy and commercial plan.
23. Having been informed that there were many different approaches taken to traded services by local authorities, some only delivering statutory requirements, the TG agreed to engage with other local authorities to gather information on best practice as well as understanding the reasons for the particular traded services arrangements that authority had made. The TG agreed to approach other local authorities once it had received fuller financial information from the council.
24. At that meeting (8 March 2019) the TG was unable to effectively review the draft charging policy until it had received information on the council’s aims and objectives with regards to traded services and the true costs, including overheads, of each traded service.

25. The TG was also informed that a £150,000 budget had been allocated to support a traded services team, which would enable some focus on marketing, looking after customers and other initiatives to generate income.
26. The TG was pleased to note that efforts were being made to attract customers other than schools (such as early years settings and small to medium businesses).
27. At its 11 July 2019 meeting the TG focused on financial considerations and reviewed the 5-year business plan and traded account forecast that had been produced for the Learning Resources Hub, which was proposed as a template for other traded services to develop individual business plans over the next 5 years.
28. The business plans would be used as working documents to support traded services in developing their business; the business plans would reflect and typify the “culture move” for the council towards a “business / commercially minded” approach for traded services.
29. The TG questioned the length and detail of the business plan for the Learning Resources Hub and how achievable this would be for other traded services developing their business plans. It was explained that the business plan for the Learning Resources Hub had two purposes, including being presented to Cabinet to decide about investing in both the service and the building it was housed in. It was not expected for other business plans to be as detailed.
30. At its meeting on 11 November 2019, the TG received an overall update presentation on traded services with an emphasis on the council’s aims and objectives for traded services for schools:
  - a) To deliver high quality services, competitively priced, tailored and developed with the customers in mind;
  - b) The Council’s role is to ensure cost recovery for services is consistent with the level of individual and community benefit that the services provide, taking into consideration the customers’ expectations and annual funding budgets;
  - c) It is the responsibility of Heads of Service /Managers to ensure that their budgetary responsibilities are met and appropriate fees are charged in line with: market knowledge, competitor analysis, statutory principles; compliance with Council policies affecting the service and its delivery within Educational sites.
31. The TG was informed that it was accepted by the council that some areas of traded services for schools would remain subsidised, but that it was also expected that some areas would achieve a profit. The ambition was for traded service for schools overall to break even in future years.

32. The value of achieving “soft gains” was also recognised (i.e. providing support and services which helped schools avoid higher costs such as the costs that could be incurred should some statutory duties not be met).
33. The TG noted the progress on the implementation of the work programme, including the development of business plans.
34. The TG was informed that progress had not been as quick as hoped in responding to the recommendations made in the audit report by SWAP Internal Audit Services. SWAP had been informed and the TG was assured that the auditors had not raised excessive concern as the work was on-going.
35. The main remaining issue to address was the governance of traded services for school, once the TG had concluded its work.
36. The TG was also informed that currently financial reporting had to be done manually to reconcile information from both Right Choice and SAP (council accountancy system) to report on:
  - a) Overall traded services budget;
  - b) Income from schools and which services schools were buying;
  - c) Individual traded services’ incomes.
37. It was hoped the “automation” of compiling and comparing the financial information from the two systems could be a project undertaken as part of the digitalisation programme. This was supported by the TG to free up officers’ time and to ensure accuracy.
38. The TG recognised and appreciated the efforts made by officers to engage directly with schools, including roadshows and visits.

The TG questioned how the information gathered (such as services already purchased or not purchased, upcoming investments considered, etc.) was collected and shared.

The TG wanted to ensure that any and all officers, either within the team or involved with, Traded Services for Schools could access that information. That information could then be used to enhance customer service, for example by pre-empting needs and targeting advertising, contacting customers at the right time (i.e. when existing contracts are due for renewal), etc.
39. On 12 February 2020, the TG met with representatives from Integra, the trading arm of South Gloucestershire Council.
40. Integra had been established in 2011 as a single Traded Services team and delivered facilities management and specialist support solutions to schools, educational establishments and businesses. The TG explored how and why Integra was established and the services currently on offer.
41. This offered the TG reassurance that establishing an arm-length traded services team could be a successful model.

42. The Chairman of the task group was able to have a telephone conversation with the officer who had supported the Bath & North East Somerset Council's working group on traded services. The Chairman explored the decision-making process that had led the council to vastly reduce its provision of traded services for schools. The Chairman also explored schools' ability to meet their statutory duties when purchasing services from private sector providers.
43. Whilst this was a working model, this confirmed for the TG that the option chosen by Wiltshire Council offered more options to maintain some of the "soft gain" services (*paragraph 32 refers*).
44. Unfortunately, the TG could not get information from Herts for learning (Hertfordshire County Council) and Hampshire Services (Hampshire County Council) to better understand their traded services models.

## Conclusions

45. As its work progressed the TG agreed (*20 June 2018*) that developing a separate Traded Services Policy was no longer relevant - as long as robust commercial, marketing and project plans were developed.
46. The following recommendations were made by the TG during the course of its work and implemented by the Traded Services team (*Recommendation 1*):
  - a) The option for headteachers to allocate responsibility to a member of staff on Right Choice to be fed back to the user group.  
*A September to December 2019 survey created the opportunity for a significant amount of feedback to be shared and was used to shape the Traded Services Priorities for 2020;*
  - b) That firm, consistent and measured communications were established with the school community, presenting both the advantages of trading with the council as well as the risks to some of the less commercially viable services.  
*A programme of 'Show and Tell' Roadshows dedicated to supporting Schools on Right Choice was being delivered county-wide in addition to the 6-weekly Headteacher Breakfast Briefings with the Director of Education - intended to give schools a forum to ask questions and find solutions whilst being kept updated on developments;*
  - c) To reasonably invest in developing a marketing and promotion strategy.  
*A newly created Digital and Social Media Officer role, currently fulfilled with an experienced consultancy that has experience of the services within Wiltshire Council and brings the business-approach to selling services needed.*
  - d) To reasonably invest in appropriate technical support  
*Now provided by the two Business Development Officers to ensure customers are well-informed of all Traded Services available and how to access them;*
  - e) That business plans for traded services be shorter and less detailed than the one produced for the Learning Resources Hub, but should contain (at a minimum):
    - i. Ambitions and objectives;

- ii. Marketing and process in delivering these ambitions and objectives;
- iii. Financial – trading accounts (with a 5-year forecast).

47. The following were discussed and remained on-going work:
- a) The development of a more sophisticated pricing approach (including discounts / packages / bundles offers) (*Recommendation 2*);
  - b) To deliver the traded services project plan (*Recommendation 2*);
  - c) To develop the traded services' offer "beyond" schools and outside of the county (*Recommendation 2*);
  - d) To develop a process to record and share information from customers to enable pre-empting of needs and tailoring of approach (*Recommendation 2*);
  - e) To develop a Governance process for traded services for schools, including overview and scrutiny (*Recommendation 3*);
  - f) To implement the recommendations from the SWAP audit report (*Recommendation 3*);
  - g) To develop key performance indicators for traded services for schools (*Recommendation 3*);
  - h) To receive (and monitor) feedback from service users on Right Choice usability and the quality of the services themselves (*Recommendation 3*);
  - i) To develop business plans for all traded services for schools (*Recommendation 3*);
  - j) The automation of financial reporting (between SAP and Right Choice) (*Recommendation 2*) and developing a financial report as part of the governance arrangements (*Recommendation 3*);
48. The TG appreciated the complexity of setting up Traded Services for School and the importance of setting it up correctly to ensure income for the council. This would enable the council either to retain appreciated services which may not achieve a profit on their own or to offer discounts / packages / bundles to customers.
49. As Traded Services for Schools remained a "new service" at the time the TG concluded its work, an update to the Children's Select Committee on the development of some of the areas of work detailed above would be welcome (*Recommendation 4*).
50. The TG recognised that embedding Traded Services for Schools required a significant cultural change towards a commercial approach. This cultural change would likely remain a challenge for some time but could also present opportunities for service areas to make changes and improvements, for example opportunities for continuous professional development, revised team structure, etc. (*Recommendation 5*).
51. The Traded Services for Schools team gained expertise in supporting services to develop a commercial approach and the TG would recommend that this expertise is recognised and utilised (*Recommendation 6*).

52. Based on the information it received, the TG also identified that a higher degree of flexibility and creativity, including temporary appointments, may be required with regards to recruitment. This would ensure that traded services can be developed to meet a customer's demand or need quickly enough to remain competitive with (or ahead of) other providers. This reactivity would not always be possible within the existing recruitment processes for the council (*Recommendation 7*).
53. The TG also recognised the work undertaken to develop Right Choice and subsequent work to support customers in using the system. The TG would recommend that all councillors be made aware of both Right Choice and Traded Services for School, so that councillors can offer advice or signpost schools, and any other groups, in their area who could benefit from accessing services through Right Choice (*Recommendation 8*).

## **Proposal**

54. To thank the (former) Cabinet Member for Finance, Procurement, Transformation and Operational Assets for his engagement with the TG.
55. To note and endorse the recommendations made by the TG and already implemented (*paragraph 46*)
56. To endorse the report of the TG and refer it to the Cabinet Member for Children, Education and Skills for response at the Committee's next meeting.

## **Recommendations**

**The TG recommends that the Cabinet Member for Children, Education and Skills;**

- (1) Notes the recommendations made by the TG and already implemented (*paragraph 46*).**
- (2) Ensures that the Traded Services for School's team is resourced in such a way to enable it to:**
  - a. develop a more sophisticated pricing approach, including discounts / packages / bundles offers *to maximise customer retention*;**
  - b. deliver the traded services for schools' project plan *to ensure Traded Services for School can become commercially viable*;**
  - c. develop the traded services' offer "beyond" schools and outside of the county, including "back office support" for charities and community groups (such as building management, DBS checks, etc.), *to maximise potential customer base*;**
  - d. develop a process to record and share information from customers to enable pre-empting of needs and tailoring of approach *to enhance customers' experience (and satisfaction)*;**

- e. develop with the relevant service(s) the automation of financial reporting (between SAP and Right Choice) *to maximise accuracy and release officer's time.*
- (3) Considers the establishment of a project / governance board made up of relevant director(s), head(s) of service, executive member(s) and representative(s) from overview and scrutiny to support the development and embedding of Traded Services for Schools by providing encouragement and oversight, with an initial focus on the following areas:
- a. Implementation of the recommendations from the SWAP audit report *to ensure robustness of Traded Services for School;*
  - b. Development of key performance indicators for traded services for schools, including Right Choice (usability of the system and quality of the services themselves) *to enable monitoring of performance;*
  - c. Development of a business plan by each service area *to support the embedding of a commercial approach;*
  - d. Financial reporting *to enable monitoring of performance.*
- (4) Provide an update to the Children's Select Committee within a year on recommendations 3 and 4 as well as any other development for Traded Services for School.
- (5) Ensures the council takes available opportunities to work with service areas to help them develop in a way that enables them to deliver more efficiently as traded services (i.e. better meet customers' demand) as well as present opportunities for staff (i.e. continuous professional development, revised team structure, etc.) *to support commercialism opportunities.*
- (6) Ensures that Cabinet identifies a member to have responsibility for commercialism. This member should be made fully aware of the expertise developed by the Traded Services for School team and how this could be used by other service areas developing a commercialism approach.
- (7) Considers developing with Human Resources a recruitment process specific to Traded Services with Schools *to ensure that traded services for schools can be developed to flexibly meet customers' demand.*
- (8) Raises councillors' awareness of both Right Choice and Traded Services for Schools through communication *to enable councillors to advise or signpost schools and other groups.*

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Mr John Hawkins, Chairman of the Traded Services for Schools and Outdoor Education TG

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### **Appendices**

None

### **Background documents**

None