

From: Roger Gough, Cabinet Member, Children, Young People and Education

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To: Children's, Young People and Education Cabinet Committee – 18 January 2018

Subject: The Education People – Implementation Update

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: **All Divisions**

Summary:

This report provides Members of the CYPE Cabinet Committee with an update on progress towards setting up a new Local Authority Trading Company (LATCo) for education services, The Education People.

Recommendation(s):

CYPE Cabinet Committee is asked to note the progress outlined in this report.

1. Introduction

- 1.1 This report provides Members of the CYPE Cabinet Committee with an update on the implementation of the proposals for a new Local Authority Trading Company (LATCo) for education services, The Education People.
- 1.2 Overall, good progress continues to be made in working towards establishing and launching The Education People in April 2018, with a number of key implementation workstreams and activities progressed.
- 1.3 This update follows on from the previous report provided to CYPE Cabinet Committee on 22 November 2017.

2. Background

- 2.1 The previous update to CYPE Cabinet Committee highlighted the work undertaken to establish the governance arrangements for the new company, with the determination of its legal entity as a LATCO limited by guarantee, which continues KCC's commitment to the community and public interest.

- 2.2 It was also outlined that a recruitment process was being progressed for the selection of the company's non-executive directors (NEDs), including those representing our school and Early Years stakeholders.
- 2.3 The previous update also highlighted that our legal advisers were working on refining the schedules and the core content which will make up the contract between KCC and The Education People. It was outlined that a draft Commissioning Plan was also being developed whilst the client side and the company's interim executive management team refine the service specifications and related KPIs.
- 2.4 In addition, it was mentioned that the new company's corporate requirements and its dependencies on KCC, including around data and systems, licensing and lease arrangements, were being identified and collated.
- 2.5 The last report also highlighted that The Education People had formally resolved to become a resolution body to provide the LGPS, whilst the new pension scheme and the terms and conditions for new staff joining the company continued to be developed by the interim executive management team.
- 2.6 Finally, the last report confirmed that the new company name and logo had been selected, with The Education People brand revealed to stakeholders at the EduKent Expo on 8 November 2017.

3. Establishing the company board

- 3.1 Steps have been taken towards establishing the wider company board, to oversee the company's progress and growth, by the end of January 2018.
- 3.2 Patrick Leeson has been appointed as the Chair of the company board, effective as of 1 January 2018, providing continuity and strong strategic leadership for the services transferring into the The Education People. It is also being explored how the company can continue to benefit from the invaluable expertise of Tim Byles, who has provided excellent support as interim chair.
- 3.3 In terms of the non-executive directors, one of the KCC NEDs has been appointed with a second representative expected to be confirmed shortly. All four of the NEDs representing our school and Early Years stakeholders have been chosen alongside the selection of one independent NED. The individuals cannot yet be confirmed publicly but will be announced once the appropriate paperwork is in place.
- 3.4 A new role of Deputy Chair will also be introduced and will be appointed to in the near future. This will be the first time that a KCC company has introduced such a role and the primary responsibility will be to bring in strong commercial expertise of a complex and diverse business to the benefit of the board. This role will also act as the second independent NED.
- 3.5 An induction day for the Company Board, including the NEDs has been scheduled for 16 January 2018.

4. Finalising the contractual and commissioning arrangements

- 4.1 Our legal advisers have now refined and re-issued the schedules which will make up the contract between KCC and the company and these, with the core contract, will be reviewed once more by the client side and the executive management team throughout the coming month and early February 2018. There will also be representation at these meetings from the Office of the General Counsel and colleagues from Strategic Commissioning.
- 4.2 The service specifications and key performance indicators (KPIs) continue to be refined by the client side and the executive management team, in partnership with the in-scope services, and there are sessions scheduled in January and early February 2018 to finalise these. Following on from this, the draft Commissioning Plan will be updated and presented back to the Strategic Commissioning Board (SCB) at the end of the month.
- 4.3 Alongside the above, a mapping exercise is being undertaken to identify the existing budget arrangements for the in-scope services. This is required in order to set up the commissioning budget for the new company and to subsequently inform the pricing schedule to be agreed between with the company.
- 4.4 As defined in the contract, the executive team has been working on developing a business plan for The Education People which will be approved by the Company and Shareholder board.

5. Recruitment of the permanent company executive team

- 5.1 The second round of recruitment for a new permanent Chief Executive and Finance Director has commenced. The expectation is that appointments will be made to these positions in the early part of 2018 with successful candidates taking up their role shortly after the company is launched.
- 5.2 Graham Willett will be continuing in the interim Chief Executive role until the end of May 2018 to ensure that we have the continuity that will be required in the coming months. He will continue to be supported by Richard Hallett, the Director of Organisation and Business Development for the new company.

6. Exploring network separation options

- 6.1 Following KCC Cabinet approval of the Full Business Case in March 2017, it was announced as a corporate requirement that all of KCC's LATCOs would need to be separated from the KCC network. Subsequently, the Business Services Centre (BSC) was commissioned to develop the options for pursuing such segregation to separate The Education People from the KCC network.
- 6.2 The BSC have proposed a fully managed solution which will see The Education People separate from the KCC network but allow for a duplication of what the services in scope to transfer currently use today. The detail of this solution, including full costings and the proposed timescales for implementation, is currently being developed by a BSC project team and is expected to be

presented for review by the end of January 2018. The solution will need to be fully aligned with KCC's ICT Strategy, user and business requirements.

- 6.3 Ahead of launch, it is likely that the BSC will ensure that there is a new 'look and feel' for the company, with new e-mail addresses, telephone numbers and an internal organisational site created for The Education People. The solution for network separation will be implemented in a phased approach after launch.

7. Building the company website

- 7.1 A review has been carried out of the existing websites of the services transferring into the company. Following this, a proposal was developed for the creation of a new company website, which will integrate elements of those existing websites into an attractive and user-friendly website through which the new company's customers and stakeholders will be able to access the information, support and services they require with ease. The website will replace the existing EduKent website.

- 7.2 Tender documentation was prepared and issued in September and the initial levels of interest from potential applicants surpassed the expressions of interest received by KCC for similar tenders in the past. Subsequently, applicants were shortlisted in mid-October with detailed tender applications provided by those companies in early November ahead of final selection in mid-December.

- 7.3 After careful consideration, The Education Company were chosen to be our web developer to create The Education People website. The web build is already underway with the website expected to go live alongside the company being launched in April 2018.

8. Engaging with staff

- 8.1 Staff continue to receive regular updates on progress as we move through implementation, with the interim Chief Executive for the company issuing regular fortnightly communications to staff via Yammer. Engagement events have also been scheduled for 26 January 2018 and 1 February 2018 with an open invite to all staff transferring into the company.

- 8.2 On the client side, an engagement event was held on 6 December 2017 for the CYPE staff remaining within KCC. It is anticipated that the next event will be scheduled to take place towards the end of January or in early February 2018. In February 2018, there will also be commercial awareness training delivered to the CYPE staff remaining within KCC.

- 8.3 It is also expected that the TUPE consultation will commence from the end of January 2018, with the consultation running for a period of four weeks. This is in line with the duration of the TUPE consultations held GEN2 and Invicta Law. A consultation pack has been prepared by the interim executive management team, with HR colleagues, and FAQs are available on Knet and Yammer.

9. Conclusions

9.1 Good progress continues to be made in setting up the new company, which is on track to go live and to commence trading, as agreed, in April 2018.

Recommendation(s):

CYPE Cabinet Committee is asked to note the progress outlined in this report.

10. Background Documents

None

11. Contact details

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