

<b>REPORT TO:</b>	<b>CABINET 20 JANUARY 2020</b>
<b>SUBJECT:</b>	<b>Future delivery model for Council provided school support services</b>
<b>LEAD OFFICER:</b>	<b>Robert Henderson: Executive Director Children, Families &amp; Education</b> <b>Julie Ralphs: Head of Service Education Commissioning</b>
<b>CABINET MEMBER:</b>	<b>Councillor Alisa Flemming: Lead Member for Children, Families and Learning</b>
<b>WARDS:</b>	<b>All</b>
<p><b>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</b>  <a href="#">Corporate Plan for Croydon 2018-2022</a>  Corporate Plan 2018 - 2022</p> <p>This report aligns with the new operating model – ‘getting the basics right for residents’ and will contribute to the delivery of the following key priority / outcome: ‘Our children and young people thrive and reach their full potential:</p> <ul style="list-style-type: none"> <li>• Children and young people in Croydon are safe, healthy and happy, and aspire to be the best they can be</li> <li>• Every child and young person can access high quality education and youth facilities</li> </ul>	
<p><b>FINANCIAL IMPACT</b></p> <p>The current contract value cost is £952k with additional costs covered centrally, bringing the total budget available to £1,010k and is funded from the Council’s General Fund (£772k) and other government grants. It is expected that there would be no change to the contract or budget cost within the first 12 months.</p> <p>Additional costs from the in-sourcing have been identified including costs of project management, IT equipment, and legal fees and will not result in any extra burden to the Council’s general fund.</p> <p>There is potential for future savings via amalgamation of Octavo Partnership and Council systems and processes which will be implemented within 12 months of transfer.</p> <p>Limited growth opportunities have also been identified which will be investigated further following transfer.</p>	
<p><b>FORWARD PLAN KEY DECISION REFERENCE NO: FOR INFORMATION ONLY – NOT A KEY DECISION</b></p>	

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

## **1. RECOMMENDATIONS**

The Cabinet is recommended to

- 1.1 Note the contents of the report and the proposed approach. If the

## **2. EXECUTIVE SUMMARY**

- 2.1 This paper provides information, rationale and proposed model to Cabinet about the in-sourcing of services delivered by the Octavo Partnership back into the Local Authority.
- 2.2 The proposal to 'Make' contracted services was approved at the Council's Contracts & Commissioning Board (CCB) in April 2019.
- 2.3 A proposal was made to the Octavo Partnership's Board in summer 2019 by the Council to in-source all Octavo Partnership delivered services, both commissioned and commercial, with a proposed effective date of 1<sup>st</sup> April 2020. There is scope to extend the current contract to 31<sup>st</sup> March 2021 if additional time is required.
- 2.4 In October 2019, Octavo Partnership Members (Croydon Head Teachers Association, Octavo Staff and Croydon Council) voted unanimously in favour of accepting the proposal that Octavo Partnership Limited should cease to exist as a separate legal entity and that its staff and activities should move into Croydon Council.
- 2.5 Following CCB approval and Octavo Partnership Member Vote, the Executive Director for Children, Families and Education and Lead Cabinet Member for Children, Families and Learning made the delegated decision to insource all Octavo Partnership functions with a proposed date of the 1<sup>st</sup> April 2020.
- 2.6 Octavo Partnership functions and staff will be transferred to the Local Authority under TUPE arrangements. Initial external legal advice has been sought and ongoing advice will be provided on a range of matters including: TUPE, use of brand, transfer of sensitive information/GDPR implications, transfer of assets and liabilities, including pensions.
- 2.7 All Octavo Partnership services and staff will move to the Council.
- 2.8 It is the intention to retain Octavo brand, premises (Council owned) and SLA online/website to minimise impact on schools and continue on a 'business as usual' basis.
- 2.9 The Octavo Partnership will be dissolved, and any assets remaining after settlement of liabilities will be distributed as permitted by the Articles of Association and agreement of Octavo Partnership Members.

### **3. DETAIL**

#### **Company formation and governance**

- 3.1 Following Cabinet approval on 30 September 2013 and 30 June 2014, the Octavo Partnership was established as a mutual trading company in April 2015 in accordance with the Local Government Act 2003 and the Localism Act 2011 to provide a range of school support services to Croydon schools.
- 3.2 It was established within a context of government policy to establish mutual companies, national emphasis on schools to both help themselves and to help one another and schools having greater flexibility to directly purchase services they need, devolution of budgets to schools for this purpose and growth in academies. The intention of establishing Octavo Partnership was to have a greater emphasis on a partnership approach via a mutual offer and to provide a vehicle that was more agile and commercially focussed to meet these demands.
- 3.3 Octavo Partnership is a mutual company owned by Croydon Head Teacher Association (CHTA) (40%), Croydon Council (40%) and Octavo employees (20%). The Octavo Board consists of Directors drawn from these three partners (4:4:2 ratio) who are responsible for the oversight and strategy of the organisation. Significant decisions (including winding up of the business) are made by the Members – with each partner having one membership vote. The Council's Member is the Cabinet Member for Children, Families and Learning, with CHTA and staff members responsible for ascertaining how their Member vote will be determined.
- 3.4 The Council has an Octavo Steering Group, consisting of officers from Legal, HR, Education, Commissioning and Finance. The role of this group has evolved over time, firstly providing advice and support for the Octavo Partnership formation through to contract monitoring and more latterly conducting options appraisals and recommendations in regards to future commissioning intentions and delivery models. Moving forward, this Group will provide guidance and support in relation to the insourcing of Octavo Partnership staff and functions.
- 3.5 Plans are in train to develop and implement a local Education Partnership, with membership drawn from schools, colleges and other key stakeholders. The Partnership will lead on development of local education strategy with the intention that this will have a role in shaping delivery of Council services to schools in the future.

#### **Contract**

- 3.6 Since formation, the Council has commissioned Octavo Partnership to deliver educational psychology and school improvement services on its behalf. This includes delivery of some statutory services. The Contract Award was approved by Cabinet on 30 June 2014. The contract was for three years (1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2018) with the option of up to 3 x 1 year extensions taking it to a maximum expiry date of 31<sup>st</sup> March 2021. The first 2 on these one year extensions have been utilised with the current contract expiring on the 31<sup>st</sup> March 2020.

- 3.7 The value of the commissioned contract for the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 is £951,965. The total commissioned spend for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2020 (3 year contract plus 2 x 1 year extensions already implemented) is £5,039,031 against Cabinet approval for £5.5m for the life of the contract, including extensions.
- 3.8 External legal advice has confirmed that once all the contract extensions have been exhausted, the Council must 'buy' services by conducting a competitive process to procure these services in compliance with Public Procurement Regulations or 'make' the services by bringing them back in-house.
- 3.9 Delivery of the contract has been largely successful. The secondary/ post-16 element of school improvement commissioned services was in-sourced in April 2019 due to some delivery challenges, mainly related to recruitment and retention of suitable staff leading to inconsistent delivery.
- 3.10 At formation, the ambition of the Company was that it would be wholly viable without the LA contract by the end of the contract term. There was also an expectation that there would be a scaled reduction in the contract value over the contract term. This has not been achieved, partly due to the changing education landscape over the years since formation. Although the company is now trading in a surplus position, the loss of the Council contract will undermine its future financial viability.

### **Services sold to schools**

- 3.11 In addition to the commissioned contract, Octavo Partnership sells a range of services, predominantly to Croydon schools although some services are also delivered to neighbouring boroughs. These 'sold' services include: educational psychology, school improvement, school finance, HR services to schools, IT support, teacher recruitment and CPD.
- 3.12 Unviable services – including the Literacy Centre, Education Business Partnership and Education Welfare Service – have ceased trading.
- 3.13 Operational costs, including back office 'centralised' functions, have been rationalised to ensure economic viability. This rationalisation and cessation of uneconomic services led to a small trading surplus in 2018, after 3 years of trading deficit, and a projected trading surplus of c£308k in 2019. Octavo operates on a 1<sup>st</sup> January to 31<sup>st</sup> December financial year basis.
- 3.14 With the exception of education psychology, school improvement and governance, all other services are wholly reliant on sold services to cover all operating costs.
- 3.15 There is a trend of reducing company income year on year, meaning that the profits in 2018 and 2019 (forecast) have been achieved via company efficiencies/reduced costs rather than market growth.

- 3.16 Commercial sales of c£2.4m (2018) account for 65-70% of company turnover, with all schools in Croydon buying at least one service, usually educational psychology.
- 3.17 The original mutual proposal and viability was predicated on growing traded income by 2 - 5% per annum (from a pre-Octavo baseline of £3.7m achieved in 2013/14), through selling additional services to current customers in Croydon, as well as growing the out of borough customer base. This has not been achieved overall, although some areas have increased their traded income.
- 3.18 The Council also sells a range of services to schools, including: insurance and risk management, occupational health, Best Start early learning, legal services, teachers' pensions, post-16 prospectus and facilities management. The total amount of income achieved in 2018/19 was £953k.

### **Staffing**

- 3.19 Octavo Partnership currently (Nov-2019) has 44 members of substantive staff equating to 38 FTEs.

In addition there are 30 'casual' staff and associates who are utilised on an ad-hoc basis as governing body clerks, trainers and facilitators, school improvement and governance associates and finance service support at variable costs – hourly, sessional or daily rates apply. The employment rights of these staff will be ascertained as part of the in-sourcing project and appropriate action taken.

- 3.20 The proposal is to transfer all employees, who fall within the scope of the TUPE regulations, from Octavo Partnership to the Council effect from transfer date, which we anticipate will be 1st April 2020.
- 3.21 The Council will ensure transparency over plans for any subsequent structural reorganisation required for economic, technical or organisational (ETO) reasons, in accordance with the normal HR policies and procedures.

### **Next steps**

- 3.22 Appointment of project manager and support to develop and implement the project plan in conjunction with the Octavo Partnership's interim CEO and Board.
- 3.23 External legal advice has been commissioned in relation to transfer of company assets (including any funds held), use of the Octavo branding, transfer of management information and amendments to/ transfer of any contracts and licenses.
- 3.24 Once further HR and legal advice is obtained, commencement of the TUPE process, including relevant and meaningful consultation with staff and representatives.
- 3.25 Octavo Partnership Board to take necessary steps in relation to dissolution of the Company.

3.26 Working towards in-sourcing date of 1<sup>st</sup> April 2020, but with contingency to extend contract by up to 12 months (which will be the subject to the Contracts and Tender Regulations and requirements of public procurement) if required.

#### **4. CONSULTATION**

4.1 The main recipients of Octavo Partnership delivered services are local schools, who are represented on the Octavo Partnership Board. Other key stakeholders are Octavo Partnership staff and the Council, both of which are also represented on the Octavo Partnership Board.

4.2 Initial engagement with Octavo Partnership staff was conducted via their Octavo Partnership Board Membership, on which there are two staff directors. A meeting with all staff also took place on the 18<sup>th</sup> September 2019, at which the proposal was outlined and questions taken. This was followed up with team meetings, drop in sessions, 1-2-1 meetings and Frequently Asked Questions. This culminated in the staff vote conducted in October 2019 on whether to accept or decline the proposal. Staff voted overwhelmingly to accept the proposal to in-source services to the Council.

4.3 Engagement with Octavo Partnership's staff will continue throughout the period leading to the dissolution of the Company, and formal TUPE consultation with the affected employees is expected to start in the New Year, 2020. This is being led by the Octavo Partnership senior leadership team and Board, in collaboration with the relevant Council officers.

4.4 Engagement with Council colleagues was undertaken via the Octavo Steering Group. This involved options, risks and proposals being explored by colleagues across Legal, HR, Finance, Education, Commissioning and Procurement. These options and recommendations were also shared with the Lead and Deputy Lead Members.

4.5 The Council and Octavo Partnership Board have worked closely in development and agreement of the proposal to bring all services in house. The Octavo Partnership Board includes representation from Octavo Staff, Council staff and CHTA, who have consulted with their members on the proposal and subsequent Member vote. This includes consultation with the Council Member (Lead Cabinet member for Children, Families and Learning) prior to the Member vote.

4.6 The proposal to 'Make' services was approved at the Council's Contracts & Commissioning Board (CCB) in April 2019. Proposals have also been shared with Department Leadership Team (DLT) and Executive Leadership Team (ELT) in December 2019.

4.7 The Council and Octavo Partnership Board (representing schools, Council and staff) will continue to work closely to ensure the smooth transition of functions to the LA. This will ensure that relationships are maintained and new operational models are developed collegiately whilst addressing service-user needs.

4.8 Wider market consultation is not deemed necessary as the proposal is to return to a 'make' model with the TUPE of staff and retention of service delivery functions.

## 5 PRE-DECISION SCRUTINY

5.1 This paper has not gone to Pre-Decision Scrutiny as there is no key decision associated with this report – it is for Cabinet noting/information purposes only made at the request of the Lead Member for Children, Families and Learning.

5.2 A delegated decision was made by the Executive Director for Children, Families and Education and Lead Cabinet Member for Children, Families and Learning to insource Octavo Partnership services/functions. This was following approval by CCB in April 2019 to 'Make' commissioned education psychology and school improvement services, and the Octavo Partnership Membership voting unanimously in October 2019 to dissolve the company and transfer both commissioned and commercial services to the Council.

## 6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

6.1 The full financial implications will be considered and quantified during the project cycle and any subsequent structural reorganisation arising from ETO.

6.2 External Legal advice is being sought to confirm how any company assets, including cash, can be distributed upon the company's dissolution.

### Current income and expenditure

6.3 The Council currently commissions Octavo Partnership for the sum of £952k per annum. There is no anticipated increase/decrease in the Council budget as this provides mainly for statutory services which will revert to in-house delivery from the proposed date of 1<sup>st</sup> April 2020. LA budget and expenditure for 2019/20 as follows:

Description	Budget 2019/20	Forecast Expenditure 2019/20
General Fund	£771,834	
Dedicated Schools Grant (EYFS)	£33,085	
Pupil Premium Grant (CLA)	£29,900	
High Needs Fund (SEN)	£175,145	
Annual Contract Value		£951,961
Contingency & legal costs		£13,000
Commission KS3-KS5 school improvement support (in-sourced Apr-19)		£45,000
<b>Totals</b>	<b>£1,009,961</b>	<b>£1,009,961</b>

6.4 Octavo's forecast expenditure for the current financial year is just below £3m, meaning that sales income of c£2m is required to breakeven whilst maintaining the current level of delivery. A surplus of £260k (before tax) for the financial year to 31<sup>st</sup> December 2019 is forecast.

Staff related costs (direct and indirect) is the biggest outlay at approximately 90% of total expenditure. As the majority of other overheads will need to be retained (premises, website etc.) any savings to be achieved would need to be either by reduction in staff costs and/or growth in sales/increase in profit margin.

Forecast income and expenditure for the year 1<sup>st</sup> January 2019 to 31<sup>st</sup> December 2019:

<b>FORECAST (INCOME) &amp; EXPENDITURE FOR 1st JANUARY 2019 to 31st DECEMBER 2019</b>					
<b>TEAM</b>	<b>INCOME</b>	<b>STAFF COSTS</b>	<b>OTHER COSTS</b>	<b>OVERHEADS</b>	<b>(PROFIT)/LOSS</b>
CENTRAL SERVICES	(582)	235,588	201,451	(436,236)	<b>221</b>
GRANTS/ERASMUS	(242,380)	73,123	153,734	10,692	<b>(4,831)</b>
EDUCATIONAL PSYCHOLOGY	(1,212,055)	788,797	58,481	159,972	<b>(204,805)</b>
FINANCE	(60,003)	42,214	6,732	8,340	<b>(2,717)</b>
GOVERNANCE	(382,934)	287,226	11,990	58,992	<b>(24,726)</b>
HR	(309,501)	237,001	4,140	46,020	<b>(22,340)</b>
IMPROVEMENT & DEVELOPMENT	(664,227)	508,103	20,999	102,624	<b>(32,501)</b>
IT	(403,491)	258,093	79,506	49,596	<b>(16,296)</b>
<b>Sub-total</b>	<b>(3,275,173)</b>	<b>2,430,145</b>	<b>537,033</b>	<b>0</b>	<b>(307,995)</b>
<b>Cumulative loss brought forward from 2018</b>					<b>48,000</b>
<b>Forecast (Profit) 2019 before tax</b>					<b>(259,995)</b>

### Risks and potential costs

6.5 Potential costs related to in-sourcing could include: pension liabilities/other staff costs, infrastructure costs (e.g. IT equipment), legal fees and project management costs. These will be quantified as part of the project but are currently forecast as:

<b>Description</b>	<b>Estimated Value</b>	<b>Comments/Source of funding</b>
Project management Oct-19 to Apr-20 (£400 per day x 2 days per week)	£22,400	Absorbed within existing staff and budgets
Renewal of IT hardware & infrastructure costs	£50,000	Includes replacement of hardware with LBC issued (£32,000) plus allowance for networking and server costs. Costs to be covered from traded income.
Legal Costs	£12,500	Built into budget for contract 2019/2020
Staff liabilities, including pensions	TBC	To be confirmed as part of TUPE due diligence – Costs to be covered from traded income
Communications	£500	Built into budget for contract 2019/20
<b>TOTAL</b>	<b>£85,400</b>	<b>To be absorbed within current budgets and from traded income surplus funding</b>



6.6 As approximately 2/3<sup>rd</sup>s of costs are covered by income generated from sales and grants, any decrease in these will have an impact on affordability and ability to cover expenditure.

Since its establishment in 2015, Octavo Partnership’s income generated has reduced year on year. This has been for a variety of reasons including the growth in Multi Academy Trusts (who may provide directly or procure support services across their trust) and less funding generally available in the sector.

With the exception of educational psychology and school improvement (which will continue to be partly funded via LA funding as outlined in para 5.3), all other in-sourced services will be required to cover their costs in full via sales and/or grant income. This will be continually monitored and mitigating action taken as outlined in para 5.13

Forecast funding for the next 3 years assumes maintaining the current budget from General Fund and Government education grants. Opportunities for increasing traded income will be explored, as will potential to make savings via amalgamation of systems and processes. Commercial services which are not financial viable will cease.

Any trading surplus achieved will be utilised to address local Children and Education priorities.

### 3 year forecast - income and expenditure

Description	Baseline 2019/20 (Actual)	2020/21 (Forecast)	2021/22 (Forecast)	2022/23 (Forecast)
Staff costs (Octavo & LA)	£2,475,145	£2,524,648	£2,575,141	£2,626,644
Other Costs (IT, premises, legal, resources and contingency etc.)*	£550,055	£600,055	£505,950	£516,069
<b>Total Expenditure</b>	<b>£3,025,200</b>	<b>£3,124,703</b>	<b>£3,081,091</b>	<b>£3,142,713</b>
General Fund	(£772,000)	(£772,000)	(£772,000)	(£772,000)
Other Government Education Funding Grants	(£238,000)	(£238,000)	(£238,000)	(£238,000)
<b>Total funding received</b>	<b>(£1,010,000)</b>	<b>(£1,010,000)</b>	<b>(£1,010,000)</b>	<b>(£1,010,000)</b>
Income achieved from traded services (Forecast to breakeven)	(£2,323,173)	(£2,111,703)	(£2,071,091)	(£2,132,713)
<b>Net Difference</b>	<b>(£308,000)</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

\*2020/21 includes an additional allowance for set up costs, specifically for replacement IT hardware and infrastructure. 10% saving against 2021/22 ‘other costs to be achieved by process/system efficiencies.

2% annual inflation rise applied to staff and other costs.

### Options appraisal – future commissioning decision

6.7 The Council’s Steering Group undertook a full options appraisal in 2018/2019 in regards to future commissioning intentions. Various options (and hybrids of these options) were considered, with the following conclusions made:

**Option 1: Commission (buy) educational psychology and school improvement services from the market via a competitive procurement process.**

**Not recommended:** Could result in a disjointed offer to local schools and threat to local LA and schools partnership working arrangements. Would threaten viability of Octavo Partnership if they were not successful.

**Option 2: In-source commissioned services only (make).**

**Partially recommended:** This will enable the alignment of educational psychology and school improvement services within the LA with wider services delivered by the LA to schools and children. However, this would present challenges in regard to separation of commissioned and sold services if delivered across two organisations – Council and Octavo Partnership – resulting in disjointed and confusing service delivery to schools.

**Option 3: LA makes offer to Octavo Partnership Board to in-source all services, both commissioned and sold, resulting in dissolution of the Octavo Partnership company. This option is dependent on Octavo Partnership Members unanimously voting in favour of this proposal.**

**Recommended:** This option presents the opportunity to retain what works well at Octavo Partnership, improve alignment with council delivered services, minimise service delivery disruption to schools and children, and have a viable delivery model.

- 6.8 RP1 (Make or Buy) Report was presented to CCB in April 2019 recommending option 2 – ‘Make’ - above, as it is not within the Council’s gift to approve option 3. This was approved on the 11<sup>th</sup> April 2019.
- 6.9 Council officers met with the Octavo Partnership Board of Directors on the 18<sup>th</sup> July 2019. At this meeting, Council officers made the offer to in-source all Octavo services to the Council. The Octavo Board of Directors agreed in principle to the proposal subject to the final decision being subject to a member vote in autumn 2019.
- 6.10 The Council wrote to Octavo Partnership on the 9<sup>th</sup> September 2019 to give notice of our intention not to extend the contract beyond the existing term – 31<sup>st</sup> March 2020 - although there is scope to extend the contract for up to a further 12 months if additional time is required.
- 6.11 In October 2019, Octavo Partnership Members (Croydon Head Teachers Association, Octavo Partnership Staff and Croydon Council) voted unanimously in favour of accepting the Council’s offer to in-source all services. The impact of this is that Octavo Partnership Limited should cease to exist as a separate legal entity and that its staff and activities should move into Croydon Council under the Education Directorate, thereby providing the go ahead to proceed with **option 3.**

**Future savings/efficiencies**

- 6.12 Future efficiencies may be possible via streamlining and amalgamation of Council and Octavo Partnership processes and services to reduce duplication. These will be explored and implemented within 12 months of transfer, i.e. during the 2020/21 financial year.

- 6.13 Additionally, this proposal provides an opportunity to build on current predicted trading surplus (£308k before tax) by:
- maximising earnings potential from local schools and neighbouring boroughs;
  - sourcing other income streams to support local schools, e.g. grants;
  - retaining and building upon profitable services; and
  - cessation, either in full or part, of non-profitable services.
- 6.14 Approved by: Kate Bingham, Head of Finance (Children, Families and Education) on behalf of Lisa Taylor, Director (Finance, Investment and Risk and Section 151 Officer).

## **7. LEGAL CONSIDERATIONS**

- 7.1 The Director of Law and Governance comments that there are no direct legal implications arising from the recommendations in this report. The Department continues to seek external legal advice as detailed above.
- 7.2 Approved by Sean Murphy Director of Law and Governance & Deputy Monitoring Officer.

## **8. HUMAN RESOURCES IMPACT**

- 8.1 As stated above, this report makes recommendations involving service provision changes which is likely to invoke the effects of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

The Council has begun working, and engaging, with senior management within Octavo Partnership (such as their Acting CEO and HR lead) in preparation for managing the TUPE transfer process. This includes an assessment of the activities to determine who may be in or out of scope to transfer to the Council; and undertaking a due diligence process of HR data/information to inform any measures.

It is anticipated that formal TUPE consultation with the affected staff group(s) (within Octavo Partnership and the Council) will commence early in the New Year, 2020. The Council will work closely with Octavo Partnership to ensure that the appropriate TUPE protocols are applied (particularly the duty to consult with the recognised trade unions and staff) and will ensure that the appropriate HR policies and procedures are adhered to.

- 8.2 Approved by: Debbie Calliste, Head of HR for HWA on behalf of the Director of Human Resources

## **9. EQUALITIES IMPACT**

- 9.1 An EQIA has been completed and approved. Further consideration to equalities implications will be undertaken as part of the TUPE process.

9.2 Approved by: Yvonne Okiyo, Equalities Manager

## **10. ENVIRONMENTAL IMPACT**

10.1 No environmental sustainability impacts, positive or negative, identified in relation to this report

## **11. CRIME AND DISORDER REDUCTION IMPACT**

11.1 There are no reduction/prevention of crime and disorder implications identified in relation to this report.

## **12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

12.1 Information report only.

12.2 This report has been presented at the request of the Lead Cabinet Member for Children, Families and Learning. .

## **13. OPTIONS CONSIDERED AND REJECTED**

13.1 Please refer to para 6.7. Options appraisals were conducted and discussed with the Council's Octavo Steering Group, Lead Cabinet Member and presented to CCB for approval as part of the RP2 Report recommending to 'Make' Services which was approved in April 2019.

13.2 The ultimate decision regarding the proposed dissolution of the Octavo Partnership was voted upon by Octavo Partnership Members in accordance with its constitution, including the Lead Cabinet Member for Children, Families and Learning voting in her capacity as Council's Member of the Octavo Partnership.

## **14. DATA PROTECTION IMPLICATIONS**

14.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

**YES**

Personal information is held by Octavo Partnership, both on its own behalf (in relation to its sold services) and also in the conducting of its contractual requirements with the Council. A DPIA has been completed to ensure that personal data is collected, processed and stored in compliance with regulations.

It is anticipated that this proposal will reduce data protection implications, as a third party (Octavo Partnership) will no longer be required to process sensitive

information on behalf of the Council, thereby mitigating the risk of any breach. .

14.2 The Interim Director of Education comments that a DPIA has been completed, with relevant measures to be implemented to mitigate any risks of data breaches.

14.3 Approved by Shelley Davies, Interim Director of Education

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**CONTACT OFFICER:** Julie Ralphs Head of Education Commissioning

**APPENDICES:** Appendix 1 – Equalities Impact Assessment  
Appendix 2 – DPIA

**BACKGROUND PAPERS:** Options Appraisal  
RP1 Make or Buy report April 2019