



Cabinet Report

Report of: Executive Director, Children, Young People and Families (CYPF)

Report to: Cabinet

Date: 22nd July 2015

Subject: Creation of Schools' Company

Author of Report: Antony Hughes/Paul Makin

Key Decision: YES

Reason Key Decision: Expenditure/savings over £500,000

Affects 2 or more wards

Summary:

The City Wide Learning Body (CWLB) was created in 2011 as an unincorporated association comprising representatives of all the schools and academies in Sheffield. Its purpose was to provide strategic direction to the city's education system, to strengthen partnership working with schools and militate against the risks associated with the changing landscape of education that could lead to fragmentation and schools becoming isolated.

We are now seeking to build upon the initial success of the CWLB and formalise the partnership through the creation of a Schools Company that will be called Learn Sheffield.

The starting point for this work is a moral imperative that Sheffield's education system should advocate for all Sheffield children, and a core belief that we have the most impact when we act and bring together our combined resources as a city. The key focus of this work is to improve educational outcomes for the children and young people of the city.

With this in mind the CWLB, Elected Members and representatives of schools and governors within Sheffield have been exploring the option of co-creating a schools' company under the Education Act 2002. It has been agreed via this partnership working and consultation that the name of the proposed company would be Learn Sheffield.

Creation of the school's company would be achieved by continuing to develop and transform the City Wide Learning Body, currently an unincorporated partnership between Sheffield City Council and schools, into a formally incorporated organisation that can deliver services to schools as a separate legal entity.

The establishment of a schools' company would enable the Council to transfer some of the Council's school improvement services to the company and for the company to be able to provide services itself to schools. The company would be able to accept commissions from, and provide services to schools, who are either directly involved in the company as members or who wish to access the services which the company will provide.

It will allow the Council to commission services from the school-system including some of its statutory functions such as challenge, support, monitoring and intervention in schools.

The Company membership will include the Council and publically funded schools and colleges in Sheffield and will provide a vehicle that will enable the Council and the school system to co-ordinate and quality assure school improvement across the City.

Before the Council enters into any formal negotiations or agreements with the new company it needs to be formally incorporated as a separate legal entity with Directors appointed and an interim leadership team put in place.

This leadership team will then be able to work with the Council on behalf of the company and agree the terms of the proposed commission and the other necessary legal agreements that will be required in order to give effect to the commission.

Reasons for Recommendations:

This model is the preferred option as:

- It builds on the current partnership arrangements and creates a formal co-operative arrangement that delivers the Council's vision for all children and young people to experience great and inclusive schools
 - A school led school improvement system, shaped by the schools and the Council, is believed to be critical to ensure continuing and sustained improvement in the outcomes for Sheffield children. This approach responds to the growing local and national evidence that school led improvement can transform outcomes for children and young people
 - It strengthens partnership working; binding schools, academies, colleges and the Council together for the best interest of all children
 - It maximises the overall impact of improvement activity on standards and performance across the City
 - It strengthens the role of the Council in education and enables Elected Members to continue to fulfill their leadership role as advocates of **all** children and young people, including the most vulnerable
 - It provides a vehicle for the future growth and expansion of improvement services
 - It will enable the Council and stakeholders to develop an approach that delivers high quality, responsive services within the current budget pressures
 - It enables any surplus income generated by the company to be re-invested directly in services that benefit the children and young people of Sheffield
 - It enables the Council to delegate certain education functions to the company
 - It enables the Council and the other members of the company to commission services responsively and quickly.
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Recommendations:

The report recommends that Cabinet:

- Agrees that the creation of a Schools' Company, to be known as Learn Sheffield, is the preferred option for delivering improvements in standards and performance of schools in the City
- Approves the creation of a Schools Company in the form of a Company Limited by Guarantee
- Approves the Council becoming a Member of the company and providing a guarantee up to the limit of £25.00 in the event that the company is wound up and is unable to pay its debts
- Approves the disestablishment of the City Wide Learning Body given the creation of the Schools Company
- Delegates authority to the Executive Director CYPF to consent to the governing bodies of all maintained schools in Sheffield which have a delegated budget and which are not in the Ofsted "Special measures" Category to become members of the proposed new company
- Approves the Council acting as the "supervising authority" for the purposes of the Education Act 2002 and the School Company Regulations 2002 and delegates authority to the Executive Director CYPF and the Director of Finance to determine these arrangements
- Delegates authority to the Executive Director of CYPF in consultation with the Director of Legal and Governance to agree the Articles of Association of the proposed company
- Delegates authority to the Director of Legal and Governance to take all necessary legal steps to incorporate the company
- Delegates to the Executive Director of CYPF in consultation with the Director of Finance and the Director of Commercial Services the approval of the business case
- Delegates to the Executive Director of CYPF in consultation with the Lead Member for CYPF to agree a named person to be recommended to full Council to represent the Council Membership at general meetings of the company in accordance with the Constitution
- Delegates to the Executive Director of CYPF in consultation with the Lead Member to agree a named person as an interim non-executive director to the interim Board
- Delegates to Executive Director of CYPF in consultation with the Lead Member for CYPF the nomination of two persons as non-executive directors

to the Board of the Company upon the full Board being elected by the members

- Authorises the Executive Director of CYPF in consultation with the Director of Human Resources as necessary, to second the identified staff to the company subject to formal consultation and agreement and at the appropriate time, commence formal consultation with Trade Unions regarding the transfer of staff from the Council into the company
- Approves the procurement strategy of awarding a contract to the new company
- Approves the proposed contract value of £800,000 per year over three years
- Authorises the Executive Director CYPF in consultation with the Lead Member of CYPF, the Director of Finance, the Director of Commercial Services as appropriate to:
 - Enter into negotiations with the new company for the commission of the Advocacy and Challenge services from the Company by using elements of the CYPF education budget
 - Create a client function within the Council that will commission, support and monitor the performance of the Company
- Authorises the Executive Director of CYPF in consultation with the Director of Legal and Governance, to enter into the contract for the proposed services and any other necessary legal agreements that are required in order to give effect to the arrangements.

Background Papers: None

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Liz Gough
Legal Implications
YES Cleared by: Deborah Eaton
Equality of Opportunity Implications
YES Cleared by: Bashir Khan
Tackling Health Inequalities Implications
N/A
Human Rights Implications
N/A
Environmental and Sustainability implications
N/A
Economic Impact
N/A
Community Safety Implications
N/A
Human Resources Implications
YES Cleared by: Katherine Selman
Property Implications
N/A
Area(s) Affected
All Wards
Relevant Cabinet Portfolio Lead
Cllr Jackie Drayton
Relevant Scrutiny Committee
CYPF
Is the item a matter which is reserved for approval by the City Council?
NO
Press Release
YES

REPORT TO THE CABINET

CREATION OF A SCHOOLS COMPANY

1.0 SUMMARY

- 1.1 The City Wide Learning Body (CWLB) was created in 2011 as an unincorporated association comprising representatives of all of the schools and academies in Sheffield. Its purpose was to provide strategic direction to the city's education system, to strengthen partnership working with schools and militate against the risks associated with the changing landscape of education that could lead to fragmentation and schools becoming isolated.

The starting point for this work is a moral imperative that Sheffield's education system should advocate for all Sheffield children, and a core belief that we have the most impact when we act together, and bring together our combined resources as a city. The key focus of this work is to improve educational outcomes for the children and young people of the city.

It underpins the aspiration to develop a school led system of continuous improvement in the City and reflects DfE policy to "*make sure schools are in control of their own improvement and make it easier for them to learn from one another*" (Importance of Teaching: Schools White Paper 2010).

- 1.2 The CWLB has focused on ensuring that the needs of vulnerable learners are met. It has also had success in raising performance against floor targets. There remains a significant school improvement challenge in the City and there is evidence to demonstrate that this can be tackled effectively through a school-led collaborative approach.
- 1.3 The CWLB also set out to militate against the risks associated with the changing landscape of education which could lead to a fragmented and disparate model with some schools becoming isolated and vulnerable. The CWLB has helped the Local Authority strengthen its role as advocate for all children and young people in the City by developing joint strategies in partnership with the school sector.
- 1.4 We are now seeking to formalise and build upon the initial success of CWLB through the incorporation of a Schools Company as a Company Limited by Guarantee. The Company will be the vehicle to lead on and co-ordinate school improvement.
- 1.5 The Council will be able to commission monitoring, challenge, intervention and school improvement support. This will drive improvement and attainment across the school system. The company will also build the infrastructure that could mean other services to schools joining the Company in the future.

In particular there has been strong interest during the consultation about the extent to which the Company will reflect the city's priorities around early years education. There is also an ongoing discussion with school partners about how the company will support the council's corporate function and priority around raising the achievement of children who are looked after.

- 1.6 As the Company would be commissioned by the Council to deliver school improvement activities on its behalf this will necessitate the transfer of the Challenge and Advocacy functions into the Company. There is currently a small number of staff in this service. The contract with the Company would include delivering on corporate priorities relating to education including all schools becoming great schools.
- 1.7 The proposal will ensure that the Local Authority consolidates and retains its position of leadership and influence across the whole system of education.
- 1.8 Before the Council enters into any formal negotiations or agreements with the new company it needs to be formally incorporated as a separate legal entity with Directors appointed and an interim leadership team put in place. This leadership team will then be able to work with the Council on behalf of the company and agree the terms of the proposed commission and the other necessary legal agreements that will be required in order to give effect to the commission. The creation of the Company means that the City Wide Learning Body will also need to be formally disestablished.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The proposal represents a commitment that is shared by all of the educational community in Sheffield that this formal partnership in the form of a school company is the means to promote the achievement of children and young people at each key stage.
- 2.2 The proposal also supports the commitment in the corporate plan for 'all schools becoming great schools' and more young people being engaged in education, employment and training. It has strong links with a number of corporate priorities around: thriving neighbourhoods and communities; tackling inequalities and strong economy.

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The Schools Company brings together school leaders, financial resources and expertise focused on school improvement into a formal collaborative structure that will deliver the following outcomes:
 - An increase in the number of good and outstanding schools in the City
 - An improvement in attainment and outcomes for children and

young people, including those most vulnerable to low attainment currently (children who are looked after, those on FSM, newly arrived children, and children with SEN)

- A reduction in the numbers of schools performing below floor targets
- Increased attendance levels
- Reduction in number of exclusions.

3.2 The proposed commissioning arrangements and the stronger corporate governance required by the new legal form will ensure that robust co-ordination and control will be exercised by the Company. These mechanisms will ensure plans are put in place and delivered in line with expectations around school performance.

3.3 The proposed model of delivery through the establishment of a school's company jointly owned by Sheffield schools, academies, colleges and Sheffield City Council allows for the support of Sheffield's Corporate plan. The proposed interim leadership of the company will support this in the first instance by its delivery of a school-led School Improvement Package and commitment to delivering statutory National and Sheffield-specific key performance indicators. These will provide local knowledge in a local context to schools to support and highlight areas to increase educational attainment.

4.0 CREATION OF SCHOOLS' COMPANY

4.1 The CWLB was set up as a "partnership" arrangement between schools and the Council in 2011. The Body was created to underpin a school led system of improvement in the City.

4.2 Its formation reflects DfE policy to "make sure schools are in control of their own improvement and make it easier for them to learn from one another" (Importance of Teaching: Schools White Paper 2010). The impact of a school led model of improvement has a strong evidence base.

4.3 The CWLB has provided a framework for all Sheffield schools and the Council to share a City wide improvement vision. This has brought the whole system together to work for the benefit of all Children and Young People. It has also reduced the risk of differing priorities or competing interests impacting negatively on the outcomes. Locality plans have been produced and is further evidence of resources aligning behind priorities.

4.4 The CWLB has had some success in its current form, for example the number of schools below the government's floor standards has fallen by more than 50% in the last five years (despite the fact that these floor standards have risen dramatically).

- 4.5 There is however a significant school improvement challenge in the City, for example:
- Sheffield is below national average attainment levels in reading at Foundation Stage, Key Stage 1 and Key Stage 2 (2014 attainment data)
 - It is below average progress levels in reading between Key Stage 1 and Key Stage 2 (2014 attainment data)
 - 76.8% schools are judged to be good or outstanding whereas the National figure is 82% (April '15).
- 4.6 Similarly, Sheffield's schools are not improving some outcomes as rapidly as other local authorities. There are also challenges with the attainment of specific groups and some issues that impede school improvement. Notably:
- Attainment gaps are not closing fast enough for some vulnerable groups, especially children who are looked after, Free School Meals, Pupil Premium and English as an Additional Language pupils
 - The attainment of free school meals pupils in Sheffield is within the lowest 25% of all local authorities for a number of key indicators in 2013
 - Attendance remains below the national average
 - Persistent absence in Primary is too high
 - Exclusion rates are above the national average
- 4.7 There is universal acknowledgement that there is a need to significantly improve educational outcomes and narrow the gap with national performance. CWLB provided a framework that can be further developed and the formal arrangements embodied within the school company can potentially make a greater impact on children's outcomes.
- 4.8 The CWLB is currently constituted as an unincorporated association. This model has a number of risks associated with the unlimited liability of members. This model does not currently provide an incentive for the on-going expansion and development of services to schools. Further, as it does not have a separate legal entity from its membership it cannot itself enter into contracts or employ staff.
- 4.9 In order to address the school improvement challenge, the school sector has expressed the desire to formalise the CWLB arrangements through

the creation of a Schools' Company. This work has been taken forward by a Project team consisting of Council officers under the leadership of the Children's Commissioner and Director of Inclusion and Learning.

A cross sector group comprising representatives of Primary, Secondary and Special school headteachers, governors, Sheffield College representatives and Council officers has led this work. A series of working groups have focused on detailed elements of the work. Primary, Special and Secondary headteachers have discussed the proposals in a variety of forums and seven locality Governor Briefings have been held across the city.

The feedback from all sectors has been supportive of the proposal to develop a schools' company with a commitment to work in partnership to develop an offer to schools that meets the needs of children and young people. The chairs of the Primary, Secondary and Special school Headteacher groups have demonstrated their support for the proposal to a recent meeting of the Council's Executive Management team.

A number of schools from each of the sectors have committed to join the company on incorporation and other schools will consider joining in the Autumn Term.

The Company will drive improvement and attainment in the City in line with expected best practice by utilising the very best aspects of the school system. The Company will be the vehicle to lead on and co-ordinate school improvement and subject to Cabinet approval will be in operation from September 2015.

- 4.10 The proposal also seeks to ensure that the Council retains a clear role in education, advocating for children and families to improve standards. This model is also a timely opportunity for the Council and the Sheffield family of schools to be pro-active at a time of significant shift in Government policy when the Secretary of State has indicated an acceleration of the academy programme for those schools that are deemed to be not good or outstanding but "coasting" or worse.
- 4.11 It will not be necessary for the Company to retain a large number of staff to achieve the goals set out. The proposed model is for a relatively small core team of professionals to act as a broker of school improvement resource, drawing on existing capacity within the Sheffield system and where necessary buying in additional capacity from outside the city so that schools have the support they need when they need it.

LEGAL

- 4.12 Section 95 of the Local Government Act 2003 gives the Council power to do for a commercial purpose anything which they are authorised to do for

the purpose of carrying on any of their ordinary functions. This must be through a company.

Before exercising the power the authority shall -

(a) prepare a business case in support of the proposed exercise of that power; and

(b) approve that business case.

The Council must recover the costs of any accommodation, goods, services, staff or any other thing that it supplies to a company in pursuance of any agreement or arrangement to facilitate the exercise of the power.

The 2002 Education Act and the School Company Regulations 2002 allows for the creation of a schools' company that is owned by schools and can trade with other schools. The Council has to consent to the governing body of a maintained school participating in the company.

The purpose of the company must be to:

- Provide services or facilities for any schools
- Exercise the Council's education functions
- Make, or facilitate the making of, arrangements under which facilities or services are provided to schools by other persons.

It also enables the governing bodies of maintained schools to second staff into the company.

- 4.13 The Schools Company must be set up as either a company limited by shares or a company limited by guarantee.

It is proposed that the new company be established as a company limited by guarantee for the following reasons:

- It more accurately reflects the ethos of the schools in seeking to set up a school improvement vehicle for the city as it will be a not for profit company. Any surplus that is generated has to be reinvested in the company for the improvement of services
- Unlike a shareholder model the company's directors main duty is to the success of the company and its objects, rather to exist to make a profit for shareholders
- Academies can join a not for profit company; they are prohibited by their governance structures from joining a shareholder model
- It protects members from personal liability for debts (liability is limited to the guarantee set out within the articles, currently suggested to be £25)
- It will have objects which would satisfy the public benefit tests although it is not currently proposed that the company be charitable in nature.

4.14 It is proposed that the company will have two cohorts of membership – the council which will have 20% of the voting rights and the schools (including the academies and the colleges) which will have 80% at company general meetings. The Council nominated directors will comprise 20% of the board of directors.

4.15 It is proposed that for administrative ease the company be established over the summer with a small number of school members but as each individual governing body and academy trust makes the decision to join the company during the autumn term an Interim Board would be set up to make decisions as the Company membership is getting established. The proposed Interim Board would consist of one Council nomination, one nomination from each school sector and two independent directors.

A formal nomination and election process would be established to move from Interim to Full Board. This will happen once all Sheffield schools, academies and colleges have had the opportunity to become members of the Company.

4.16 The company's structure and governance arrangements mean that the full EU procurement regime will not apply either to contracts which the Council or the other school members wish to award to it as the company will within the "in-house" or "Teckal" exception under the Public Contract Regulations 2015. For this exception to apply the council and the other members of the new company must all be "contracting authorities", "public bodies" and exercise the sort of decisive control over the new company as they do over their own departments. This is the "control" test.

There is also a "function" test which relates to the proportion of its functions that it delivers for members as opposed to non-members and this will mean that the new company's accountants will need to ensure that income streams are closely monitored within the company as in order to retain this exception 80% of the company's turnover must be from its members (the council and the schools).

Finally there must be no direct private capital participation in the company which rules out non-publically funded bodies or institutions from joining the company, although they could purchase services from it, up to a maximum of 20% of the company's turnover.

The advice from the Director of Legal and Governance has been subject to external scrutiny by a partner in a firm of solicitors who has experience in this area and as currently drafted¹, the articles of association of the company ensure that both the "control" and "no private capital participation" tests are satisfied. The Council's contract monitoring arrangements will need to ensure that the "function" test remains compliant for the duration of the contract with the company with regular monitoring and reviews.

- 4.17 Officers will need to be mindful that any other arrangements that are negotiated between the Council and the New Company are State Aid compliant. For example, any arrangements for back-office functions such as pay-roll or HR, accommodation and IT are “at cost” and not subsidised.
- 4.18 The Council also has a role to play as the “supervising authority” for the purposes of the School Company Regulations. Its role would be to:
- Monitor the management and finances
 - Notify the members if it considers that the company is being poorly managed or if there is a risk of the company becoming insolvent
 - It will have the right to see the company accounts and it’s governance documentation
 - It may direct the governing body of a maintained school to reduce its involvement in the management of the company or resign as a member if:
 - The school has a deficit budget
 - Goes into an Ofsted category

FINANCIAL

- 4.19 Until the formal contract for the delivery of the monitoring, challenge, support and intervention services is finalised with the new company the Council will support the new company with cash flow and staff to enable the company to mobilise. This initial funding will form part of the first year’s budget.

The funding for the proposed commission at this phase is expected to allow the Company to grow and develop its school improvement offer as well as build the organisational infrastructure for future development. It will comprise of:

- £800k per annum (pro-rata for 2015-16) contracted budget from the Local Authority
- The trading surplus from STAT On-Line, a current product delivered by Sheffield City Council. The current surplus projections for this service are £144k for 2015-16; with potential for future growth. For the reasons noted above this will have to be kept under careful review in order to ensure that the contractual arrangements remain within the “Teckal” exception (as set out in paragraph 4.16)
- Projected income from schools purchasing school improvement packages, overall this would amount to a projected income of £1123k for 2015-16; with potential for future growth.

- 4.20 The Council contribution represents a fixed contribution from the LA to the Company for the three years. The proposal can be considered good value for money as the contracted budget levers in additional funding from schools to spend on school improvement activity.
- 4.21 The company will be expected to fund its staffing arrangements; accommodation; communications and information technology; HR, financial and legal support and brokered school improvement support from these identified funding streams. The Company can choose to buy services back from the Council at established rates. No subsidy would be provided to avoid any State Aid issues.
- 4.22 The impact of VAT on the system is currently being evaluated.
- 4.23 There is an issue that STAT income forecasts are higher than the 20% from non-members limit allowed under Teckal arrangement.

COMMISSIONING

- 4.24 A commissioning (client) function will be set up within the Council. Its role will include working with the Company to shape the overall strategy and approach for improving our schools and setting and monitoring of performance against key indicators. Clear targets and outcome measures will be set each year. The client function will be funded from the current CYPF budget.
- 4.25 A data sharing agreement will be put in place between the Council and the Company to underpin the work that the Company will be contracted to deliver.

STAFFING

- 4.26 The current School Improvement staffing structure is 10.1FTE. There are however current vacancies of 6FTE. These vacant posts will be dis-established when the service function is undertaken by the school company freeing up the budget for the commissioning of targeted school improvement support.
- 4.27 Of the current 4.1FTE school Improvement staff in post, 3.1FTE would TUPE to the Schools Company when the contractual arrangements are in place with the remaining post retained to lead on the commissioning role. 2 FTE Project Support roles have been identified as potentially in scope of TUPE.

A temporary secondment arrangement is being considered for this initial group in advance of a TUPE transfer to allow time for the company to establish and embed its employment terms and conditions of service, and provide additional protection for employees during the first academic year. It is intended that this group will transfer to the Company at the end of the secondment period.

The School Company is highly likely to request the support of the Council in gaining Admitted Body Status to the South Yorkshire Pension Authority Scheme in order to facilitate its obligations under TUPE. The financial implications for the Council and the Company will need to be evaluated before a final decision is taken on this matter.

- 4.28 An Equalities Impact Assessment has been undertaken and this will ensure that the proposal will not unfairly disadvantage any staff. All Council policies and procedures relating to consultation will be adhered to throughout the process.

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The option (A) to continue with the current partnership arrangements under the CWLB (maintain the status quo) was considered. It is felt that whilst the current arrangements have delivered improvement it is unclear how the CWLB as is could accelerate improvement in line with the challenges presented. In particular the lack of protection afforded to members in an unincorporated association would temper ambitions and hinder the development of services.
- 5.2 There is an option (B) to discontinue current arrangements and leave school improvement arrangements to the market to provide. Whilst some schools would manage to find and procure effective school support and improvement there is a concern that other schools would not look for support and become isolated and vulnerable. This option is also contrary to all of the evidence about school improvement being most effective when delivered in a self-improving system.
- 5.3 The third option (C) is to revert to a Local Authority led approach to school improvement. Here existing resources would be used for an expanded school improvement function. A number of disadvantages were identified with this model, these include:
- The proposal does not support the evidence about a school led system of improvement being most effective
 - The diminishing resources that the Local Authority has to put into school improvement as the Education Services Grant allocation falls
 - The impact of the academies programme that means that aside from safeguarding and SEND the LA has a limited remit with many schools and this sector would be untouched.
- 5.4 A fourth option (Option D) would be to authorise the Council maintained schools to establish the schools' company and to not join the company as a member. In order to be able to commission from this company the council would have to go out to a full EU procurement and there is no certainty that the new contract would be the successful bidder.
- 5.5 Option E is the recommended option and is the development of the CWLB

into Schools Company that would be incorporated as a Company Limited by Guaranteed. The Local Authority would transfer its school improvement resource into the company and this would be pooled with contribution from schools to shape the overall improvement offer.

6.0 REASONS FOR RECOMMENDATIONS

6.1 Option E has been chosen for the following reasons:

- It maximises the impact of improvement activity on standards and attainment
- To increase and strengthen school partnership working and do more city-wide partnership work. To make a firm commitment that binds schools, academies, colleges and SCC together in the interest of all children
- The Council retains and strengthens its role in education, advocating for children and families to improve standards
- It promotes the growth and expansion of improvement services – shifting the focus away for budget challenges
- The school company provides a model that will potentially provide better value for money.

7.0 RECOMMENDATIONS

7.1 The report recommends that Cabinet:

- Agrees that the creation of a Schools' Company, to be known as Learn Sheffield, is the preferred option for delivering improvements in standards and performance of schools in the City
- Approves the creation of a Schools Company in the form of a Company Limited by Guarantee
- Approves the Council becoming a Member of the company and providing a guarantee up to the limit of £25.00 in the event that the company is wound up and is unable to pay its debts
- Approves the disestablishment of the City Wide Learning Body given the creation of the Schools Company
- Delegates authority to the Executive Director CYPF to consent to the governing bodies of all maintained schools in Sheffield which have a delegated budget and which are not in the Ofsted "Special measures" Category to become members of the proposed new company
- Approves the Council acting as the "supervising authority" for the purposes of the Education Act 2002 and the School Company Regulations 2002 and delegates authority to the Executive Director CYPF and the Director of Finance to determine these arrangements
- Delegates authority to the Executive Director of CYPF in consultation

with the Director of Legal and Governance to agree the Articles of Association of the proposed company

- Delegates authority to the Director of Legal and Governance to take all necessary legal steps to incorporate the company
- Delegates to the Executive Director of CYPF in consultation with the Director of Finance and the Director of Commercial Services the approval of the business case
- Delegates to the Executive Director of CYPF in consultation with the Lead Member for CYPF to agree a named person to be recommended to full Council to represent the Council Membership at general meetings of the company in accordance with the Constitution
- Delegates to the Executive Director of CYPF in consultation with the Lead Member to agree a named person as an interim non-executive director to the interim Board
- Delegates to Executive Director of CYPF in consultation with the Lead Member for CYPF the nomination of two persons as non-executive directors to the Board of the Company upon the full Board being elected by the members
- Authorises the Executive Director of CYPF in consultation with the Director of Human Resources as necessary, to second the identified staff to the company subject to formal consultation and agreement and at the appropriate time, commence formal consultation with Trade Unions regarding the transfer of staff from the Council into the company
- Approves the procurement strategy of awarding a contract to the new company
- Approves the proposed contract value of £800,000 per year over three years
- Authorises the Executive Director CYPF in consultation with the Lead Member of CYPF, the Director of Finance, the Director of Commercial Services as appropriate to:
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 - Create a client function within the Council that will commission, support and monitor the performance of the Company
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proposed services and any other necessary legal agreements that are required in order to give effect to the arrangements.

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Date: 26.06.15

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