

Directorates:
Children, Education & Families and
Oxfordshire Customer Services

EDUCATION SCRUTINY COMMITTEE

19 SEPTEMBER 2013

A REPORT ON RESULTS OF SOFT MARKET TESTING

**Report by Frances Craven, Deputy Director for Education & Early Intervention,
and Graham Shaw, Deputy Director for Oxfordshire Customer Services.**

Introduction

1. This paper is intended to update Education Scrutiny on the work completed so far with regard to soft market testing.
2. Final proposals on externalisation will be considered by Cabinet on 15th October 2013.

Background

3. Proposals for the externalisation of a range of back office services provided by OCS plus schools support and school improvement services were considered by Cabinet in July 2013. The services in scope are broadly speaking
 - Corporate Back Office (HR, Finance, ICT)
 - Schools Back Office (HR, Finance, ICT)
 - Schools and Learning/Foundation Years
 - Oxfordshire Skills & Learning

The status quo is not an option and current delivery models are no longer viable.

- £3M of savings needed from OCS alone from 2015/16
- Not enough capacity to support school improvement needs
- Back office services for schools are closely dependent on the system, processes and staff that deliver corporate back office services.

Soft Market Testing

4. This process was designed to help us find out potential market interest in the services in scope, potential delivery models and views on how to proceed. A range of national and local providers took part – public and private sector providers. Providers completed a detailed questionnaire and took part in face to face discussion.
5. More work has been completed internally to clearly identify and validate current running costs and overhead costs. Individual services have been subject to further review and analysis in terms of service specifications and key performance indicators.
6. Work has continued with other Councils to understand their experience of the procurement process, the scope of externalisation and their views on delivery models. It is clear that a large number of Councils are faced with the same issues as Oxfordshire and are taking similar journeys.

Key Learning Points from Soft Market Testing

7. Whether we do this in-house or with an external partner, we can only secure £3M savings by removing posts.
8. Some services or service elements will have to stop, as we cut our coat to suit our cloth.
9. One size does not fit all. Likely to mean different delivery models for different services and different timelines.
10. Market interest in all service areas; greatest interest in back office.
11. Testing has included private sector and public sector; national and local - all had valuable insights.
12. Schools need to be actively engaged and consulted in planning for services and delivery models they will use.

Next Steps

13. Briefings for Staff, 30th September 2013 onwards.
14. Proposals to Cabinet, on the 15th October 2013.

RECOMMENDATION

- 15. The Education Scrutiny Committee is RECOMMENDED to note the contents of the report and decide on any necessary further action.**

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