

Report to:	Sutton Shareholders Board	Date:	1 May 2019
Report title:	Cognus 2019/20 Annual Business Plan		
Report from:	Nick Ireland, Acting Strategic Director, People Directorate		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Sunita Gordon		
Author(s)/Contact Number(s):	Kieran Holliday, Head of Pupil Based Commissioning, 0208 770 6553		
Corporate Plan Priorities:	<ul style="list-style-type: none"> ● Being Active ● Making Informed Choices ● Living Well Independently ● Keeping People Safe 		
Open/Exempt:	Open		
Signed:		Date:	16 April 2019

1. Summary

- 1.1 This report and associated Appendix A provide information on the 2019/20 annual corporate business plan.

2. Recommendations

The Sutton Shareholders Board is recommended to:

- 2.1 Approve the Cognus Annual Business Plan 2019/20.
- 2.2 Authorise the nominated officer to approve, on behalf of the Sutton Shareholdings Board any further non-material changes to the Annual Business Plan recommended by the B shareholders in consultation with the Chair of the Sutton Shareholdings Board.

3. Background

- 3.1 The annual Cognus Business plan is a summary of the business planning cycles that individual teams in Cognus have undertaken this year to develop their key priorities throughout 2019/20.

The document is therefore largely built 'bottom up' and contains a summary of the individual team plans.

- 3.2 The Business Plan is currently in a draft format prior to receiving feedback from the A and B shareholders. The plan has received first approval from the Board of Directors, with some final points to be amended alongside any Shareholder changes.
- 3.3 The Sutton Shareholdings Board is asked to make any comments on the current draft for amends and to authorise the nominated officer to approve, on behalf of the Sutton Shareholdings Board any further non-material changes to the Annual Business Plan recommended by the B shareholders in consultation with the Chair of the Sutton Shareholdings Board. Feedback from B shareholders will be sought following the Sutton Shareholdings Board committee meeting.
- 3.4 At the time of writing, the company had not completed its financial outturn processes, therefore the 2018/19 figures provided in the Business Plan are draft figures at this stage only.

4. Issues

- 4.1 Following feedback from the Sutton Shareholders Board on the 2018/19 Business Plan, the draft 2019/20 annual business plan provides a clear improvement plan broken down against each of the 4 priorities identified in the plan:

- (i) Transforming the Business,
- (ii) Ensuring Financial Stability,
- (iii) Developing Relationships, and
- (iv) Delivering Effective Services.

The priorities have been shaped by discussions with London Borough of Sutton (LBS) commissioning and clear effort has been made to ensure that, where possible, priorities are underpinned by specific and measurable deliverables. This should help shareholders to understand the performance of the company at the mid year and end of year review stages in future.

- 4.2 It should be noted that there are some LBS commissioned services ceasing from 1 April 2019 due to commissioning decisions within LBS (funded through the Dedicated Schools Grant). These include Sensory Impairment Services, English as an Additional Language and Travellers services. As a result, some of these services have been 'merged' within other teams to deliver a more coherent offer e.g. Autism services now being covered within Paving the Way operationally although it will retain a separate budget as the company trades and take on new work/contracts.
- 4.3 Alongside planned financial changes, the business plan acknowledges potential changes that the Company will need to adapt to, resulting from continuing financial pressures on budgets across the company's key customers (LBS, Schools / Academy Trusts). Both the LAs review of the High Needs Block (upon which much of the Company's DSG income is derived) as well as

the ongoing implications of the Written Statement of Action represent financial risks to the company but also a potential opportunity, particularly where the review recommends a greater investment in school support services to reduce the reliance on Education, Health and Care Plans in the future.

4.4 Notwithstanding the above, the company continues to move towards a robust and sustainable financial position, and it remains positive that the company is trading healthily inside and outside of the Borough as well as attracting income from alternative sources including the Department for Education, Arts Council and other sources.

4.5 It was noted in the February Committee that the LA was underway with work to review the commissioning and contract arrangements with the company. It is welcome from a shareholder perspective that the following developments have put in place:

- The appointment of a permanent Commissioning Lead (Children's Change Projects) in March 2018 - this role alongside the Head of Commissioning and Health Integration will act as a single point of contact for the company and will work almost exclusively on developing the commissioning framework with Cognus.
- The LA Authorising Officer role moving into the remit of the Head of Commissioning and Health Integration (separating the role out with the A shareholder representative).
- The development and revision of the KPIs set out in the commissioning agreement.
- That key officers (the Assistant Director for Education and SEND) will be more involved and engaged within the company in the Board of Directors (advisory/non voting).

4.6 This is positive and will help clarify key performance indicators and contract management processes strengthening the relationship between the company and its key customer - especially important in the context of the company having reached the halfway point in the 5 year commissioning agreement.

5. Options Considered

5.1 There are no options considered as part of this report.

6. Impacts and Implications

Financial

6.1 The funding allocated to the Cognus contract for 2019/20 from the Council's General Fund and Dedicated Schools Grant (DSG) is £1.997m and £2.363m respectively. In addition there is a DSG budget allocation of £1.7m in 2019/20 for Speech and Language and Occupational Health therapies.

Legal

6.2 There are no legal implications. The purpose of this report is to provide the Company’s Annual Business Plan in line with matters that are reserved to Shareholders as set out in the Shareholders Agreement.

7. Appendices and Background Documents

Appendix letter	Title
A	Cognus 2019/20 Business Plan

Background documents
Cognus Business Plan - 2018/19

Audit Trail		
Version	Final	Date: 16 April 2019
Consultation with other officers		
Finance	Yes	Sue Holmes
Legal	Yes	Rachel Godson-Amamoo
Equality Impact Assessment required?	No	N/A