

THIS AGREEMENT is made on 15 March 2018.

BETWEEN:-

- (1) **THE SECRETARY OF STATE FOR EDUCATION** whose Head Office is at Sanctuary Buildings, Great Smith Street, London, SW1P 3BT (the "**Department**"); and
- (2) **DELOITTE LLP** (No: **OC303675**) whose registered office is situated at 2 New Street Square, London, EC4A 3BZ ("**Supplier**").

RECITALS:-

- (A) The Department and the Contractor entered into a contract for the provision of consultancy services, dated 27 October 2017 with the Department's reference number of RD1001125 ("**Original Contract**") for the purposes of assisting the Department for Education and Wakefield City Academies Trust in assessing and implementing the orderly closure of the trust.
- (B) The Department and the Contractor have agreed to vary the terms of the Original Contract as set out in this Agreement.
- (C) The Department's reference number for this Variation Agreement is 01.

IT IS AGREED as follows:-

1. **CONSIDERATION**

In consideration of each of the parties entering into this Agreement (such consideration being agreed by the parties to be good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged and agreed), the parties have agreed to vary the Original Contract in accordance with Appendix 2: Contract Charges.

2. **VARIATION OF THE ORIGINAL CONTRACT**

- 2.1 The parties agree with effect from the date of this Agreement the Original Contract shall be varied as set out in Annex 1 attached.
- 2.2 Subject to the variations set out in Annex 1, the Original Contract shall continue in full force and effect in all respects.
- 2.3 In addition to the amendments set out in Annex 1, the Original Contract shall be construed and interpreted with such further consequential amendments as are necessary to give effect to the amendments set out in Annex 1 of this Agreement, as if such further amendments were also expressly set out in Annex 1.
- 2.4 Except as provided in Clause 2.3 and Annex 1, the parties agree that no other liabilities, financial or otherwise, shall accrue to the Department because of this Variation Agreement.

3. **SEVERABILITY**

The provisions of this Agreement are intended by the parties to be severable in the event that any part of it is held to be illegal or unenforceable (in whole or in part) and such part shall not affect the validity and enforceability of the remaining provisions or the remainder of the affected provision under this Agreement.

4. **AUTHORITY AND COSTS**

Each party undertakes that it has full power and authority to enter into and shall be responsible for its own costs arising in relation to this Agreement.

5. **THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

5.1 Subject to Clause 5.2 below, this Agreement is not intended to create any benefit, claim or rights of any kind whatsoever enforceable by any person who is not a party to this Agreement. Accordingly, the parties confirm that no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

5.2 It is the intention of the parties that any other department, officer or agency of the Crown, may as required from time to time act as the Department's agent in enforcing the Department's rights under this Agreement.

6. **GOVERNING LAW AND JURISDICTION**

The parties agree that this Agreement and any dispute arising under or in any way connected with the subject matter of this Agreement (whether of a contractual or tortious nature or otherwise) shall be governed by and construed in accordance with the laws of England, and the parties submit to the jurisdiction of the English Courts.

EXECUTED by the parties on the first date in this Agreement.

**Authorised to sign for and on behalf of
the Secretary of State for Education**

Signature



Date 15/03/2018

Name in Capitals



Address in full

Education Funding Agency
53-55 Butts Road
Coventry
CV1 3BH

**Authorised to sign for and on behalf of
Deloitte LLP**

Signature



Date

15/3/18

Name in Capitals



Address in full

1 CITY SQUARE
LEEDS
LS1 2AZ

ANNEX 1

VARIATIONS TO ORIGINAL CONTRACT

All references to Clauses in this Annex 1 are to Clauses in the Original Contract.

1. Appendix 2: Contract Charges shall be replaced to reflect the following total costs for the contract;

Task	Cost	Total
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Grand Total (excluding VAT)		£198,570

2. The remaining outputs required for the above costs are:

- 2.1 Steps plan

- This deliverable will be provided by the WCAT management team. Deloitte will review the plan and make suggestions on any steps missed by the WCAT team. However, ultimate responsibility for the output will be with the WCAT CEO and CFO and the Department. As this is not a Deloitte deliverable, there is nil cost involved with this work.

- 2.2 [REDACTED] High-level review of the 21 academies in WCAT. This deliverable was provided on 21 February 2018. There are no further deliverables for this phase of work.

- 2.3 [REDACTED] High-level review of the trust including review of: contracts, assets and asset disposal strategies, property and operating leases, Local Government Pension Scheme liabilities, creditors, tax implications and areas of sensitivity.

- This will be a Deloitte deliverable and will be provided within 30 days of the provision of an updated wind-up scenario plan by the WCAT CEO and CFO. This scenario plan must include pensions, tax and working capital analysis
- This scenario plan will enable Deloitte to undertake analysis and produce a report including but not limited to the bottom line position of the trust, forecasted solvency, implications for contracts and assets on transfer of the academies.

- If the scenario plan is insufficient and there is a view that the deliverable cannot be provided by 31 March 2018, Deloitte must halt activity on this phase and seek advice from the Department.

2.4 [REDACTED] Options analysis.

- This phase is no longer required by the Department. No work will be undertaken on this, and no cost will be incurred as a result.

2.5 [REDACTED] Delivery of the solvency option for wind-up of the academy trust, including: providing commentary on statutory documents, providing a milestone plan for wind-up implementation, preparing necessary statutory documents.

- The plan is to be delivered within 30 days of receipt of the Phase 1b report outlined at para 2.3. The format of this deliverable is a milestone plan for wind-up implementation and preparation of and commentary on related statutory documents, as advised by Deloitte's solvency experts.

3. For the avoidance of doubt, the grand total outlined in this Annex 1 will be the final chargeable amount for the contract. No additional costs incurred by the Supplier over the cost outlined at Annex 1 will be accepted by the Department. This is following agreement by the Supplier that all remaining outputs above are within the original contract scope.