

# **THE FUTURE DIRECTION OF EDUCATION SERVICES IN BARNET**

**SUMMARY OF OUTCOMES**

**JANUARY 2015**

# School survey results

- 98 responses, representing between 71 and 84 schools (14 respondents did not identify their school)

	Support	Willing to consider	Do not support
In-house	30.5% (22)	33.3% (24)	32.0% (23)
Social Enterprise	31.0% (22)	33.8% (24)	33.8% (24)
3-way JV	18.6% (13)	41.4% (29)	35.7% (25)
2-way JV	31.9% (22)	31.9% (22)	27.6% (19)

NB 26-29 respondents did not answer these questions

- Likely to recommend investment in social enterprise – 45% of those that responded to the question (ie 32 respondents)

# School survey results

- Preferred option, of those that responded to the question (ie. 66 respondents):

Option	First preference	Average score
In-house	25.8% (17)	2.41
Social enterprise	28.8% (19)	2.68
3-way JV	13.6% (9)	2.45
2-way JV	31.8% (21)	2.45

# Public survey results

- 123 responses
- Strong support for vision and aims
- General agreement to services to be included + criteria
- Strong support for schools being involved
- 57% concerned about 3<sup>rd</sup> party involvement

	Support	Willing to consider	Do not support
In-house	75.0%	14.3%	7.1%
Social enterprise	48.8%	14.3%	29.8%
3-way JV	33.3%	22.6%	38.1%
2-way JV	22.6%	19.1%	50.0%

# Financial modelling/commercial assessment

	In-house	Social enterprise	3-way JV	2-way JV
Return to LBB over 5 years	£1.5m	£1.6m	£2.5m	£2.6m

- Based on cautious estimates of growth
- In-house service reductions – approx £0.7m
- Social enterprise service reductions – approx £0.3m
- Speed and scale of growth
- Ability to trade outside the borough, particularly to other LAs

# Ability to meet overall objectives

	In-house	Social Enterprise	2-way JV	3-way JV
Helps to maintain a strong partnership between the council and Barnet schools	✓✓	✓✓✓	✓✓	✓✓✓
Enables schools to take a stronger leadership role in the education system	✓✓	✓✓✓	✓✓	✓✓✓
Is able to attract new investment/funding and access commercial expertise to preserve and grow services	✓✓	✓✓	✓✓✓	✓✓✓
Has the freedom to be creative and the flexibility to develop new services quickly during times of change	✓	✓✓	✓✓✓	✓✓✓
Is able to engage with and build trust with all key stakeholders, including parents and the public	✓✓✓	✓✓✓	✓✓	✓✓
Preserves or improves service delivery in key service areas	✓	✓✓	✓✓✓	✓✓✓
Is able to customise services to meet the needs of different types of school	✓✓	✓✓✓	✓✓✓	✓✓✓
Is able to achieve budget savings without reducing current service levels	✓	✓✓	✓✓✓	✓✓✓

# In-house

- Strong preference from those that responded to public survey
- Good level of support from school respondents (31% support and 33% willing to consider – 26% rank as first choice)
- Lower growth and slower than JV models, with no certainty of delivery (no risk transfer)
- Likely to require significant service reductions to meet MTFS targets

# Social enterprise

- Good support from schools (31% support and 34% willing to consider – 29% rank as first choice) and reasonable support from the public
- Ranked highest by schools on basis of “average ranking”
- Higher financial and reputational risk:
  - No certainty of delivery (no risk transfer)
  - Likely to require service reductions
  - Schools’ money at risk if fails
- Can it be justified as “preferred model” on basis of 32 respondents saying they are likely to recommend investment?

# 3-way joint venture

- Very little active support from schools (19% support and 41% willing to consider – 14% rank as first choice), the public or the market
- Lower return to LBB, due to three-way share
- Strongest in terms of meeting overall objectives
- Provides financial certainty within 12 months (risk transfer with contract)
- Should meet MTFS targets without service reductions
- JV best placed to achieve growth out of borough

# 2-way joint venture

- Ranked as first preference by highest number of school respondents (32% support and 32% willing to consider – 32% rank as first choice)
- Least supported from public survey respondents
- Quite strong in terms of meeting overall objectives
- Provides financial certainty within 12 months (risk transfer with contract)
- Should meet MTFS targets without service reductions
- JV best placed to achieve growth out of borough

# Conclusions

- School survey gives no absolutely clear mandate for any of the options, but shows marginal preference for 2-way JV
- Public preference from survey is for in-house, but that does not meet the overall objectives and likely to require service reductions
- Public are very keen that schools should be involved
- Social enterprise is very high risk and has not attracted the overwhelming support that would mitigate that risk
- 3-way JV is best fit to overall objectives, but schools (and the market) are not keen on it
- 2-way JV provides the best potential return with highest level of certainty and is a good fit to overall objectives

# Recommendations

- Proceed with joint venture, but keep option of involving schools in ownership open during dialogue to address public desire to see schools involved in running services
- Ensure that public concerns regarding involvement of a third party are addressed, as far as possible, in the procurement process

# Current position and next steps

- Children, Education, Libraries and Safeguarding Committee approved recommendations on 12<sup>th</sup> January
- Referred to full Council on 20<sup>th</sup> January
- If decision confirmed by full Council, OJEU notice will be published same week, seeking expressions of interest
- Shortlisted organisations invited to participate in dialogue late March
- Dialogue – with participation of schools, April/early May, two to three days per week for five to six weeks
- Final tenders – end of May, to be evaluated during June