

Full Business Case Education and Skills Alternative Delivery Model

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1. Introduction and strategic context

On the 23rd June 2014, the Children, Education, Libraries and Safeguarding (CELS) Committee noted the savings target allocated by the Policy and Resources Committee and agreed to complete a Commissioning Plan and savings proposals by December 2014. The Children, Education, Libraries and Safeguarding Committee's proposed Commissioning Plan sets out the key priorities for children and young people over the next five years, alongside the projected budget profile for services within its portfolio. Budget targets have been allocated to each service area through to 2019/20, including for the Education and Skills delivery unit.

The Education and Skills Alternative Delivery Model Project was established to meet these priorities. Six options were initially reviewed, which were reduced to four options for a more thorough review in the Final Outline Business Case. The options were:

- Re-modelled in-house delivery
- Schools-led social enterprise
- Joint venture with a third party, with schools in an ownership role (three-way joint venture)
- Joint venture with a third party, with schools in a commissioning role (two-way joint venture)

The options were assessed against pre-defined objectives, as well as being subjected to financial and commercial assessment. A detailed consultation exercise was conducted with schools and the public. A soft market testing exercise was also conducted to test the market's appetite for providing the services in scope. The Children, Education, Libraries and Safeguarding Committee agreed the recommendation that a joint venture with a commercial provider (either three-way with schools or two-way) was the option most likely to meet the objectives for the project. The Committee agreed that a full business case should be developed for that option and authorised the commencement of a procurement exercise to identify a third party partner.

Through this procurement exercise, an alternative option to the joint venture model was proposed. This was considered to have the potential to meet the Council's needs and was evaluated in parallel to the joint venture model. The ability to explore alternative options was an expected benefit of the competitive dialogue process. As a result, this Full Business Case sets out three options; and proposes a strategic partnering arrangement as the preferred option.

The options being considered are:

- To award the contract and establish a joint venture company
- To award the contract based on a strategic partnering model
- Not to award the contract and review the alternative options previously considered (a re-modelled in-house delivery or schools-led social enterprise)

2. Rationale

There are a number of pressures which initially drove the Council to consider alternative models of delivering education services. The educational landscape is changing. Schools are becoming increasingly autonomous and there is increasing diversity of educational providers entering the educational arena. At the time of commencing this project, in Barnet, 17 out of 24 of secondary schools were academies and there were six primary academies. Of these, two were secondary free schools and three were primary free schools, with more set to open. Based on current trends, the rate of conversion to academies and free schools is predicted to increase over the coming years. Furthermore, funding is increasingly being delegated to schools through the move towards a national funding formula¹.

These changes are reshaping the roles, responsibilities and relationships within the education partnership. There are principally three key drivers that combine to make a compelling case for change in how education services are delivered. These are:

- i. A **performance** driver to maintain Barnet's excellent education offer, contributing to the quality of life in the Borough. This driver recognises that, in recent years, Barnet schools have been among the best in the country. However, maintaining this performance is challenging and some recent Ofsted inspections have been disappointing – a potential early warning sign that we need to review and evolve to adapt our systems and services to better reflect the new educational environment in which our partnership with schools is operating. It also recognises that the vast majority of school improvement resource and expertise is now controlled and managed by schools themselves and that the effective involvement of schools is essential to delivering better educational outcomes for Barnet as a whole.
- ii. A **strategic direction** driver to maintain Barnet's excellent relationship with schools. This driver recognises the increasingly diverse range of school governance arrangements that are emerging, including academies and free schools, and the need to ensure that future service provision is of a high standard and that services are responsive to the needs of all schools. It also recognises that these changes in school leadership place schools in a strong position to play a much more central role in shaping and driving future service provision.
- iii. A **financial driver** to meet the Council's savings target, whilst maximising the opportunity to provide sustainable services into the future. This driver recognises that funding going to schools has been well protected, despite recent reforms. However, the ability of the local authority to fund services to meet its remaining statutory duties is less secure, being impacted by both the

¹ London Borough of Barnet, Education Strategy for Barnet 2013/14-2015/16.

reduction in local government funding overall, and by a reduction in government grant as individual schools convert to academy status.

The shift in responsibility and financial resources for managing and leading school improvement to schools is resulting in schools increasingly becoming drivers and designers of the services they need to support them. This is particularly the case in respect of the development of school to school support and represents a significant change in the role of local authorities and schools. Developing a model of delivery based on the partnership with schools provides an opportunity to provide services that are responsive to the needs of schools and that are sustainable over time by allowing schools to commission the services they need.

3. Project definition

The aim of the project is to identify a new way of delivering the Council's Education and Skills service in order to:

- Maintain Barnet's excellent education offer;
- Maintain an excellent relationship between the Council and schools; and
- Achieve the budget savings target for the service up to 2020.

Scope

All local education authority services, as currently provided by the Council's Education and Skills Delivery Unit, have been included in the scope for consideration of a new delivery model.

The services in scope are:

- Strategic and financial management of the service
 - Strategic oversight of the Education and Skills service
 - Strategic support and advice to the Schools Forum
 - Management of the Dedicated Schools Budget and the distribution of funding to schools (including SEN place-funding and top-up funding)
- School improvement
 - Statutory local authority services, such as monitoring, supporting and challenging schools, and intervening in maintained schools where necessary
 - Narrowing the gap service (DSG funded)
 - Virtual School
- Special educational needs (including changes implemented from 1st September 2014)
 - SEN placements & performance team
 - SEN Early Support Programme

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- SEN Transport – commissioning and assessment
- SEN Transport – brokerage, contract and budget management
- Educational psychology team (part traded)
- SEN placements (DSG funded)
- SEN specialist support service (DSG funded)

- Admissions and sufficiency of school places
 - Pupil place planning
 - Admissions Service (DSG funded)

- Vulnerable pupils
 - Education welfare service (part traded)

- Post 16 learning
 - 14 - 19 service to ensure sufficiency and breadth of supply
 - Monitoring, tracking and supporting participation

- Traded services within the Education and Skills delivery unit
 - Catering service
 - Governor clerking service
 - Barnet Partnership for School Improvement (BPSI)
 - Newly Qualified Teachers support
 - Educational psychology (part)
 - Education Welfare Service (part)
 - North London Schools International Network (NLSIN)

Current financial position

The table below sets out the 2015/16 financial position of all the services in scope; and how the funding is split between council funding, income and DSG funding. The total council funding in scope is just over than £7.8million, with total expenditure being over £20million. The services generate £9.3 million in income annually.

Service Area	Total Gross Expenditure	Funded by			
		Income		DSG	Net Council Funding
		Traded	Non-traded		
£	£	£	£	£	
Strategic Management	295,814	-	16,630	-	279,184
14-19 Team	499,680	55,000	42,000	96,990	305,690
Barnet Partnership for School Improvement (BPSI)	842,240	868,160	-		(25,920)
Catering	7,024,200	7,265,970	-		(241,770)
Ed Psych Team	939,120	226,780	-	120,770	591,570
Education Welfare Service	381,100	124,705	-		256,395
Foreign Language Assistants	152,320	165,020	-		(12,700)

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Project Management

Governors Clerking & Support	325,710	295,430	-	-	30,280
School Improvement	531,761	-	-	88,221	443,540
Newly Qualified Teachers	147,680	135,260	-	-	12,420
North London Schools International Network (NLSIN)	59,820	66,210	-	-	(6,390)
SEN Early Support Programme	19,130	-	-	-	19,130
Referral & Assessment Team	1,216,414	-	-	121,000	1,095,414
SEN Specialist team	1,366,398	116,468	-	1,249,930	-
Pupil Travel	109,574	-	-	-	109,574
School Admissions	361,200	-	-	361,200	-
SLA for Oakleigh for Early Years	715,050	-	-	715,050	-
Virtual School	406,460	-	-	283,750	122,710
Shared Service	341,576	-	-	53,000	288,576
Total before Transport	15,735,247	9,319,003	58,630	3,089,911	3,267,703

SEN Transport	4,776,510	-	-	400,000	4,376,510
Transport Brokering	200,000	-	-	-	200,000
Grand Total (After Transport)	20,711,757	9,319,003	58,630	3,489,911	7,844,213

These figures are exclusive of the overheads for the service, for which an appropriate adjustment would be made within the contract. Work is continuing on finalising these, but they are anticipated to total approximately £0.9 million.

4. Key activity to date

The following section outlines the key activity and decisions that have been undertaken to date, from the consideration of a draft outline business case through to the recommendation of a preferred bidder and model.

Options appraisal in the outline business case

At its meeting on 15th September 2014, the Children, Education, Libraries and Safeguarding Committee considered a draft outline business case that set out the results of work that had been undertaken to assess the best way of delivering Education and Skills services in the future. The draft outline business case set out details of six options for consideration by the Committee. These were:

- In house delivery
- Outsource
- Local authority trading company (LATC)
- Schools-led social enterprise
- Joint venture with a third party, with schools in an ownership role (three-way joint venture)

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- Joint venture with a third party, with schools in a commissioning role (two-way joint venture)

The Committee gave approval to proceed to consultation on four options to inform the development of a final outline business case. These were:

- Re-modelled in-house delivery
- Schools-led social enterprise
- Joint venture with a third party, with schools in an ownership role (three-way joint venture)
- Joint venture with a third party, with schools in a commissioning role (two-way joint venture)

The final outline business case, considered by the Children, Education, Libraries and Safeguarding Committee on 12th January 2015, set out the findings from the assessment of the quality, commercial and financial viability of each of the options and the consultation undertaken with schools, the public and the market which are summarised below.

Schools have shown a good level of engagement throughout the process. They have been provided with information in the form of information packs, briefing sessions for all headteachers and chairs of governors and a Frequently Asked Questions document distributed to all schools. They have also had the opportunity to input to the approach through the Headteacher Reference Group. A survey of headteachers and chairs of governors was conducted between 10th November and 2nd December 2014 to assess factors such as services to be included and level of support for the various options. This was analysed by OPM, an independent market research organisation. Overall, 25% of respondents strongly agreed and 53% tended to agree with the education support services that had been selected to be included in the delivery model.

A survey was also made available for the public and service users on www.engage.barnet.gov.uk between 7th October and 1st December 2014. Three focus groups were conducted with: parents of children with Special Educational Needs; parent governors; and parents generally. In addition to analysing the results of the school survey, OPM were commissioned to both conduct the focus groups and analyse the public survey returns. 43% of respondents strongly agreed and 40% tended to agree with the education support services that had been selected to be included in the delivery model, with the highest level of support to SEN services and school improvement services being included.

Any new delivery model will constitute a significant change that will have an impact on employees. There were a number of briefing meetings with employees as the outline business case was developed. During November 2014, meetings were held to allow employees to explore the implications of the four options and also to suggest potential opportunities for improvement. Additional meetings took place with the recognised trades union representatives. Members of the management team of the

Education and Skills delivery unit were engaged throughout the consultation and engagement phase and contributed to the financial modelling of the service.

Soft market testing was conducted, where relevant commercial providers were invited to submit written responses to a questionnaire, which covered areas such as relevant experience, capacity, possible challenges and model preferences. As per Cabinet Office guidelines, the purpose of this activity was to engage with the market, pre-procurement, to establish the feasibility, capability, maturity and capacity of the market as a whole. The answers were then followed-up in more detail with respondents as part of face-to-face discussions. Submissions were received from six organisations.

Four of the participants were positive about the opportunity to take on the whole of the proposed cluster of services, whilst the other two were keener to work in a partnership where they would only take on some of the services. Following this exercise it was concluded that there was sufficiently strong market interest to generate a healthy and competitive procurement. The market was generally positive about the opportunity and appeared to offer more than one option in relation to the final structure of the new venture.

The final outline business case, presented to the Children, Education, Libraries and Safeguarding Committee on 12th January 2014, concluded that the option most likely to meet the Council's needs would be the joint venture with a third party. The report advised that the next stage of the process should consider the most appropriate way of involving schools in commissioning and shaping services, either in an ownership or in a commissioning capacity. The Committee agreed the recommendation that a full business case should be developed on the establishment of a joint venture company with a third party for the future delivery of the Education and Skills service. The Committee also authorised the commencement of a procurement exercise to identify a third party partner to inform the development of the full business case.

On 20th January 2015 this decision was ratified by full Council.

The procurement process

The procurement exercise has been carried out using the competitive dialogue process. This is designed to ensure that the most appropriate solution is developed through dialogue between the procurer and potential providers.

Prior to dialogue commencing, the Education and Skills service worked with the project team to develop service specifications, key performance indicators (KPIs) to monitor performance and the award criteria against which the submissions would be assessed. Work was also conducted with legal advisors to tailor the model contract; the Government's recommended standard contract used in significant tender exercises.

Pre-Qualification Questionnaire (PQQ) Stage

An OJEU Contract Notice was published on 31st January 2015, inviting the submission of pre-qualification questionnaires from appropriately qualified parties. The OJEU notice named all Barnet schools as stakeholder members, to enable schools to benefit from any resulting contract, without having to undertake a further procurement exercise.

11 organisations expressed an interest in the opportunity and four pre-qualification questionnaires were received by the deadline of 2nd March 2015. One of these was substantially incomplete and was, therefore, not compliant with the Council's minimum requirements. The remaining three questionnaires were evaluated by a panel of officers and the three organisations were subsequently invited to participate in dialogue.

All three organisations indicated their intention to consider using sub-contractors to deliver part of the service.

One bidder withdrew before dialogue commenced, as they did not feel it was the right package of services for their business.

Feedback was sought from the providers who did not submit a PQQ, but took part in the soft market testing exercise. Reasons included: difficulty in finding the right partner; perceived lack of commercial viability against anticipated required investment; and lack of resource to participate in the process.

Outline Solution (OS) Stage

At the outline solution stage three dialogue days were conducted with each of the two bidders, covering key strategic objectives, service requirements, contractual, commercial and legal requirements. A number of head teachers also participated in dialogue sessions to provide views on schools' priorities and concerns.

During the dialogue at OS stage, both bidders expressed the view that there were alternative models to the joint venture company that may better meet the Council's objectives. Sufficient evidence was presented to satisfy the evaluation team that it was of value to consider an alternative model in parallel to the joint venture model in order to determine the outcome that would best met the project objectives.

The Invitation to Submit Outline Solutions permitted the submission of both a principal and a variant bid for the two delivery models, which would be considered in parallel, but separately.

One Outline Solution was received by the deadline of Friday 12th June 2015. The other bidder submitted a letter withdrawing from the procurement process, as they had concluded that this particular opportunity did not provide the right fit with their business model.

The evaluation panel, including two head teachers, evaluated the Outline Solution and concluded that the submission provided sufficient, credible evidence that

continuing dialogue would be likely to result in the submission of a final tender that would meet the needs of the Council and schools.

The options to continue with a single provider, to return to the market or to pursue a non-market alternative were considered and a risk appraisal conducted on each option. In consultation with the Chief Executive and other members of the Strategic Commissioning Board, it was agreed that the project would proceed to the second phase of dialogue with a single provider.

Steps were taken to ensure that Best Value could still be tested. A paper was produced by the commercial advisory team exploring the options to secure and test Best Value in a single provider environment. This incorporated learning from other projects. Additional activity undertaken to ensure Best Value included scheduling extra dialogue sessions, setting clear minimum requirements and building in additional scrutiny.

The variant model consisted of a hybrid delivery model, based on a strategic partnering agreement between the Council and the bidder. The proposed strategic partnering model is outlined in more detail in the options section of this full business case. It was made clear to the bidder that Member approval covered the establishment of a joint venture company and that any change to that would require further Member approval. It was therefore agreed that both principal and variant bids should be developed further in the detailed solution stage to enable further assessment of which model would best meet the Council's objectives, prior to further consideration by Members.

Detailed Solution Stage

At the detailed solution stage, seven dialogue days plus additional legal sessions were conducted. These covered service requirements, governance, financial, commercial, HR and legal requirements. A number of headteachers again participated in the dialogue sessions to provide a schools' perspective on emerging proposals.

In addition, the bidder and their catering sub-contractor presented an overview of their history, experience and approach to groups of staff, headteachers, chairs of governors and Elected Members. They also met with local trades union representatives and a regional officer of Unison participated in the dialogue process.

During this phase, as part of the Council's ongoing budget-setting and monitoring process, the MTFs savings targets for the project were updated, as follows:

	Year 1 15/16	Year 2 16/17	Year 3 17/18	Year 4 18/19	Year 5 19/20	Total
Initial MTFs savings profile	695,000	85,000	160,000	255,000	350,000	1,545,000
Revised savings profile	0	780,000	160,000	255,000	350,000	1,545,000

During this phase, it was also confirmed that the SEN transport brokerage function would be in scope of the project. As a result of the dialogue process, it was agreed that proposals would be submitted for the management of both transport delivery

(whether through third party contracts or through the Council's Streetscene delivery unit) and the associated budget. This is in accordance with the published Contract Notice and previous reports to the Children, Education, Libraries and Safeguarding Committee, but would extend to taking on responsibility for delivering the savings required from the transport service.

The SEN transport savings have been added to the MTFs savings profile, described below:

	Year 1 15/16	Year 2 16/17	Year 3 17/18	Year 4 18/19	Year 5 19/20	Total
SEN transport incremental savings profile	0	120,000	120,000	0	100,000	340,000
Revised savings profile (including SEN transport)	0	420,000	570,000	350,000	545,000	1,885,000

The £100k saving required in 2019/20 relates to the withdrawal of funding for the brokerage function.

At the close of the detailed solution stage, both a principal and a variant bid were submitted. A mark-up of the Shareholders Agreement for the joint venture model and the Strategic Partnering Agreement, for the strategic partnering model were considered as part of the evaluation; as well as an outline of the governance structures for each model.

Final Tender (FT) Stage

At the final tender stage, a further seven dialogue days were conducted, covering service requirements, governance, branding, financial, commercial, HR and legal requirements. During this time all key commercial and legal elements of the proposal were agreed and the bidder was provided with further information on which to base their final tender.

5. The final tender

Following completion of the final phase of the dialogue process, a Final Tender was submitted Monday 12th October 2015. This confirmed that a key sub-contractor would provide catering services under the contract. The contract itself would be for the provision of a range of specified services to the Council, with a requirement that specified traded services are offered to Barnet schools on a standard set of terms and conditions, in accordance with agreed service specifications that set out the level and quality of service required.

The Final Tender comprised the following key documents:

Response form A:	Compliance requirements
Response form B:	Method statements and service specifications for each service
Response form C:	Responses to questions regarding stakeholder

	engagement
Response form D:	Financial submission
Response form E:	Services Contract and Shareholder Agreement
Response form F:	Any additional comments/feedback

The key features of the Final Tender are as follows:

Maintain Barnet's excellent education offer

- i. All services would be provided in accordance with agreed method statements and service specifications. These set out the level and quality of service that is required and reflect current service provision
- ii. Services would transfer "as is" and be subject to a rigorous service review process, using a 100 day plan approach and carried out in consultation with key stakeholders and staff, that would result in development plans
- iii. Responsibility for managing the SEN transport budget and associated contracts would be included in the service offer
- iv. A small number of employees would have joint employments with both the bidder and the Council, in order to enable the Director of Children's Services to properly discharge the statutory functions associated with that role
- v. The performance management regime, against which the bidder has put 100% of their profit at risk, sets out agreed requirements for the maintenance of current service quality, as well as challenging targets for improving educational outcomes
- vi. The final tender confirms that the bidder and the sub-contractor will comply with all relevant policies and procedures of the Council, for example in relation to staffing, customer service, health and safety and business continuity, as well as continuing to support the corporate life of the Council, for example by permitting staff to participate in election duties

Maintain an excellent relationship between the Council and schools

- i. The final tender sets out comprehensive proposals for stakeholder engagement, including governors, parents and pupils as appropriate
- ii. Governance arrangements would have direct schools involvement and would enable greater influence over the quality and strategic direction of services than that provided by current arrangements
- iii. Staff would transfer directly to the providers, as appropriate, enabling them to benefit from being employed by established organisations that specialise in their area of expertise
- iv. Enhanced TUPE arrangements would apply, in accordance with the Council's current requirements
- v. The catering sub-contractor has committed to paying employees the London Living Wage after the Council ceases to fund the differential

Achieve the budget savings target for the service up to 2020

- i. The tender is based on the provision of existing service levels at a fixed annual price that takes into account the Council's MTFS savings requirements, including the savings target for SEN transport

- ii. The risk of generating the income growth that is necessary to reduce the net cost of these services to match the price being charged to the Council sits entirely with the bidder
- iii. Any profit from growth in education services achieved within a defined geographical area, above that required to meet the MTFS savings target and the bidder's initial investment, would be shared between the bidder and the Council, with a portion also being set aside for the benefit of education and schools in Barnet
- iv. Services will be marketed utilising the established brands of the Council and the bidder
- v. Whilst the risk in respect of growth sits entirely with the bidder, the tender sets out clear proposals on how that growth will be achieved

The detailed financial evaluation is set out in Appendix B to the Children, Education, Libraries and Safeguarding Committee report.

The services contract and shareholders agreement are based on the OGC model contracts, modified by agreement between the parties. Key elements include:

- Responsibilities of the parties
- Guarantees and indemnities between the parties
- Governance arrangements
- Indexation of contract price
- Performance management regime and deductions for poor performance
- Arrangements for dealing with changing circumstances or requirements
- Dealing with disagreements and termination

The primary objective of negotiations in respect of the contract clauses has been to ensure a fair and appropriate apportionment of risk, whereby both parties accept the risk for matters that are under their control and there is a reasonable apportionment of other risks over which neither party has control. The purpose of this is to ensure that the Council does not pay within the contract price for non-commercial risks, whilst the bidder takes on the commercial risks of securing the level of income required to under-write the contract price.

Alternative proposal

One of the key benefits of using the competitive dialogue process is that it allows for the development of solutions that are specifically designed to meet the needs of the client. The report to the Children, Education, Libraries and Safeguarding Committee in January 2015 advised that a joint venture company was the option that was most likely to meet the Council's objectives.

Through the dialogue process and within their final tender, the bidder has proposed a strategic partnering agreement as an alternative delivery model. This is in addition to submitting a tender based on the joint venture company option. The partnering model can be summarised as being a hybrid of the joint venture option and the

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traditional outsourcing option, providing some of the benefits of each model, whilst avoiding some of the perceived disadvantages of each.

Under the joint venture company model, there would be a new company owned by the Council and the bidder that would deliver the services to schools as well to the Council. The bidder would own the majority of the company and be in overall control, subject to certain reserved matters that would require the Council's consent in recognition of its financial and reputational interest in the Traded Services. Profit would accrue within the joint venture company and be shared by dividends.

Under the partnering model, the Council would enter into the services contract directly with the bidder. The bidder and its catering sub-contractor would enter into contracts directly with the schools for traded services. There would be a partnership board that would replicate in part the function of the board of directors in reviewing performance. There would still be reserved matters to the Council in recognition of its financial and reputational interest in the Traded Services, which would materially be the same. Profit would accrue to the bidder and be shared with the Council via payments under the services contract.

The two options share the following common features:

- i. Staff would transfer to the bidder or its sub-contractor under the provisions of TUPE;
- ii. The bidder would be in control of the services and would be responsible for the obligations and liabilities in the services contract;
- iii. The opportunity to consider and influence service quality and strategic direction would sit at the strategic partnership board level;
- iv. The Council would have the right to veto certain key decisions that could affect Traded Services and gain share;
- v. The performance management regime would be the same for both models;
- vi. There would be an enhanced voice for schools through the strategic partnership board and sub-board arrangements;
- vii. Gain share arrangements would enable the Council and schools to benefit from growth over and above that required to meet the MTFS savings;
- viii. The branding of the service would be the same; and
- ix. Contract management and client side arrangements would be the same.

The key differences between the two options are set out in the table below.

Joint Venture Company	Strategic Partnership
Creates separate legal entity governed by company law and shareholders' agreement	No separate legal entity created – relationship is governed by partnering agreement

Creates additional cost associated with servicing a separate entity and added complexity to governance arrangements, including potential conflicts of interests for directors	No additional cost and greater simplicity of governance arrangements
Services contract would be between LBB and the joint venture company, which would sub-contract it to the bidder	Services contract would be directly between LBB and the bidder
Traded Services contracts between school and company with all revenue going into company potentially creating greater transparency and control of operation and profits available for gain share.	Traded Services contracts between the bidder or its sub-contractor and schools. Revenue going into the bidder with the Council relying on contractual rights to assess operation, financial performance and profits available for gain share.
Value of Traded Services and brand would be in the company with clear framework for selling ownership and continuing to grow Traded Services and brand at expiry of contract.	Value of Traded Services and brand held by the bidder with more challenges to managing the commercial value of the Council's ownership and any on-going development of the brand and Traded services.

The final tender was evaluated by a panel comprising:

Service Experts

Commissioning Director – Children and Young People: Chris Munday
 Programme Director, Education and Learning: Val White
 Education and Skills Director: Ian Harrison
 Head of Education Partnerships and Commercial Services: Alison Dawes
 Headteacher representatives: Robin Archibald, Ian Kingham

Subject Matter Experts

Project Lead: Deborah Hinde
 HR: Liz Hammond
 Finance: Anisa Darr, Ruth Hodson
 LBB Commercial Team: Philip Hamberger
 Head of Programmes and Resources: Tom Pike
 Programmes and Resources Officer: Cara Elkins
 Commercial advisors (iMPOWER): Jason Walton, Martin Cresswell

Legal Resources

External legal advisors (Bevan Brittan): Lucinda Price, Matthew Waters, Laura Miskelly
 LBB legal advisor (HB Public Law): Sarah Wilson, Linda Cohen

Tender response forms and evaluation took into account the following detailed sub-criteria, which were the subject of consultation with the Headteacher Reference Group and the recognised trades unions.

Appendix A

Objective	Award criteria (high level)	Sub-criteria/basis for submission questions
Maintain Barnet's excellent education offer	Service quality 30%	<ul style="list-style-type: none"> Preserves or improves service delivery in key service areas Enhances current service to provide a broader service offer to schools in Barnet and beyond and potentially to other local authorities Able to customise services to meet the needs of different types of school Creative, flexible and adaptable to respond quickly to develop new services during times of change Contributes to the Council's broader strategic objectives
Maintain an excellent relationship between the Council and schools	Stakeholder engagement 25%	<ul style="list-style-type: none"> Helps to maintain a strong partnership between the council and Barnet schools Governance arrangements that enable schools to play a key role in the direction and development of education services A proposal and approach that engages with and builds trust with key stakeholders, including headteachers, governors, parents and the public Sound approach to transfer and integration of staff in order to achieve continuity of service Transparent and comprehensible performance reporting and charging mechanisms
Achieve the budget savings target for the service	Financial benefit 30%	<ul style="list-style-type: none"> Effectiveness of proposal to guarantee delivery of the budget savings set by the council without reducing current service levels Effectiveness of proposal to provide new investment/funding, commercial expertise and access to an established commercial and marketing structure to preserve and grow services Is based on a credible commercial plan with appropriate share of financial benefit for the council via the contract and JV
Provides a sound basis for managing the contract to ensure delivery of the project objectives in the long term	Contract and legal 15%	<ul style="list-style-type: none"> Agreements that appropriately allocate risk and provide the Council with adequate protection. Avoids unnecessary contract management overhead through consistency with the Council's existing commercial arrangements. Performance management and payment mechanisms that are not unnecessarily complex to operate or understand

Panel members evaluated the relevant sections of the tender individually and then came together in a moderation meeting on 22nd October to agree consensus scores. The following table sets out the moderated scores for each element of the tender.

Element of tender response	Weighting	JV model	Partnering model
Overall management and delivery of core services	20%	16%	16%
Provision of catering services	5%	4%	4%
Provision of other services	5%	3%	3%
Sub-total: Service quality	30%	23.0%	23.0%
Enabling schools' influence	3%	2.4%	2.4%
Stakeholder engagement strategy	7%	5.6%	5.6%
Staff	8%	6.4%	6.4%
Performance reporting and charging	7%	5.6%	5.6%
Sub-total: Stakeholder engagement	25%	20.0%	20.0%
MTFS annual savings target	15%	6.0%	7.5%
MTFS cumulative savings target	9%	3.8%	4.5%
Approach to achieving financial benefits	3%	1.8%	1.8%
Cost of change	3%	2.4%	2.4%
Sub-total: Financial benefits	30%	14.0%	16.2%
Legal/contract	15%	9.0%	6.0%
Total	100%	66.0%	65.2%

Following the moderation meeting, further clarification meetings took place with Cambridge Education, to progress the development of the strategic partnering agreement. As a result of these meetings, the Council's legal advisors have concluded that, based on the progress made, the strategic partnering model would now warrant a score of 3 for the legal/contract element. This would increase the weighted score to 9% and have the following effect on the overall scoring:

Element of tender response	Weighting	JV model	Partnering model
Service quality	30%	23.0%	23.0%
Stakeholder engagement	25%	20.0%	20.0%
Financial benefits	30%	14.0%	16.2%
Legal/contract	15%	9.0%	9.0%
Total	100%	66.0%	68.2%

Overall, evaluators were of the view that this was a good, solid submission from a sound provider with a wealth of experience that demonstrates a desire to expand services and a commitment to continue excellent performance. The proposal reflected the ethos and approach that had been adopted by the bidder during dialogue and demonstrated their understanding of the requirements and desire to work in partnership with the Council and schools. Particular strengths were identified as:

- i. Both the bidder and their proposed sub-contractor are part of large, global organisations, are experienced in the provision of these services and have a solid track record of delivery;
- ii. The proposal presented a rigorous approach to the management and delivery of services and good evidence of understanding our requirements;
- iii. There was a strong emphasis on partnership working, with a range of forums on which schools and other stakeholders would have a voice, building on existing arrangements and providing strong formal governance;
- iv. There was recognition of the existing strengths of the service and an emphasis on the need for a smooth transition and a strategy for building on those strengths;
- v. In respect of staff, the commitments to enhanced TUPE provisions and the London Living Wage were welcomed and the proposal set out a good approach to staff recruitment, retention, motivation and development;
- vi. Gain share proposals are simple and fair, including an element of benefit to education and schools in Barnet;
- vii. The proposal provides a good performance management structure, with appropriate governance arrangements and puts 100% of the bidder's estimated profit at risk for any poor performance; and
- viii. The proposal guarantees a contract price to the Council that incorporate the MTFs savings requirement.

It was recognised that there remain some issues to be resolved prior to the signing of any contract. However, it was considered that these are matters for clarification and completion only and that they do not undermine the overall proposal. In summary, they are:

- Establishing an accountability protocol for working effectively with the Director of Children's Services
- Establishing protocols in respect of joint employment contracts
- Agreeing revisions of the specification for Strategic Management of the Service and minor amendments to other specifications, as required
- Agreeing an appropriate mechanism for dealing with any catering performance deductions
- Finalising the drafting of contractual arrangements in respect of gain share and exclusivity
- Finalising the drafting of a strategic partnering agreement (if required)
- Finalising interface arrangements with the Customer and Support Group, together with reaching agreement on the appropriate apportionment of any additional costs and overhead budgets.

As identified above, the key risk of proceeding with a single bidder was the ability to test Best Value from any subsequent bid. It is considered that the final tender meets the Best Value test, due to the following factors:

- i. Within the invitation to submit final tender, the bidder was advised that the Council reserved the right to reject any tender that failed to score a minimum

- of 2 on any single element, or that failed to score 60% overall. Both options passed this “double hurdle” requirement;
- ii. Both options put forward significantly exceed the level of savings from growth and efficiency that has been identified as achievable through an enhanced in-house or social enterprise model;
 - iii. The proposals put forward represent the best offer the market has to offer;
 - iv. Gain share and open book accounting arrangements will provide assurance that the Council will share in any benefits over and above those secured through the guaranteed contract price; and
 - v. It was made clear to the bidder throughout that non-award of the contract remained an option and any tender would have to clearly demonstrate that it would meet the objectives set for the project. This resulted in significant improvements between Detailed Solution and Final Tender, most notably in relation to the percentage of profit put at risk the in the event of poor performance.

6. Options

The following section reviews each option, presents the relevant findings from the consultation activity previously undertaken, evaluates the options and identifies the recommended option.

The options being considered are.

1. To award the contract and establish a joint venture company with a third party provider
2. To award the contract based on a strategic partnering agreement with a third party provider
3. Not to award the contract

Option 1: Joint Venture Company with a Third Party Provider

Description

Under the joint venture company model, there would be a new company owned by the Council and the bidder that would deliver the services to schools as well to the Council. The Council would enter into the service contract with the company. The company would contract directly with schools and would sub-contract the task of delivery to the bidder and its sub-contractor. The bidder would own the majority of the company and be in overall control, subject to certain reserved matters that would require the Council's consent in recognition of its financial and reputational interest in the Traded Services. Profit would accrue within the joint venture company and be shared by dividends.

The joint venture company would have a profit making motive, but its constitutional documents (principally articles of association and a shareholders' agreement) would also set out clear social objectives and details of how profits would be shared between the Council and the bidder. Whilst this option would allow the Council to

transfer shares to a schools-owned company, it is considered highly unlikely that schools would wish to take an ownership role at this stage. Although headteachers have been proactive and engaged in the process, they have not shown any increase in appetite for extending this engagement to participating in ownership of the venture since the schools survey was conducted.

The primary governance body for the joint venture company would be the board of directors. The bidder would take a majority representation on this board. In addition, there would be a strategic partnership board that would oversee the performance and development of services. Any key decisions regarding the strategic direction of the partnership would be taken by the board of directors.

The risk associated with achieving the performance levels required and the MTFs savings would also pass through the joint venture to the bidder.

How it meets the objectives

Establishing a joint venture company with a commercial partner would enable an injection of funding and commercial expertise to build capacity and grow services. Transformation drawing upon commercial expertise is also expected to deliver more efficient processes.

The relationship with schools is built through the commissioning role at strategic partnership board level. Through growth in services and targeting services to customer needs, the organisation will be able to support improved educational outcomes in Barnet.

Service levels are contractually assured and contractual arrangements would guarantee achievement of the MTFs savings requirements over the life of the contract. Gain share arrangements would mean that the Council would benefit from any additional profit on growth. In addition, a portion of any additional profit would be set aside for the benefit of education and schools in Barnet.

Advantages and disadvantages

The joint venture model would allow Barnet to benefit from growing income, although specific mechanisms for managing income and dividend distribution would be required.

In this model the Council would be a minority shareholder and have a minority of the directors on the joint venture board, although the Council would retain some powers through 'reserved matters' in the shareholders agreement.

A key disadvantage of establishing a joint venture company is that it will cost an additional £90,000 annually to cover the costs of servicing a separate entity. These costs include company administration, additional contract management fees and additional governance in order to meet statutory responsibilities as company directors. There are also concerns about potential conflicts of interest for Council-appointed directors.

It is also considered that schools would be able to play a less active role in shaping the direction of the joint venture company, compared to the strategic partnering model, as strategic decisions would take place at the board level and, without an ownership role, they would not have as strong a voice in the direction of the venture.

Option 2: Strategic Partnering Model

Description

Under the strategic partnering model, the Council would enter into the services contract directly with the bidder. The bidder and its catering sub-contractor would enter into contracts directly with the schools for traded services. There would be a strategic partnership board that would replicate in part the function of the board of directors in reviewing performance. There would still be reserved matters to the Council in recognition of its financial and reputational interest in the Traded Services, which would materially be the same. Profit would accrue to the bidder and be shared with the Council via payments under the services contract.

The Strategic Partnering Agreement would set out the partnering governance arrangements and structures relating to the relationship between stakeholder partners and how they interact, including the establishment of a Strategic Partnership Board. It would establish a formal collaborative relationship between the parties so that it facilitates strategic input, oversight and development of the services in a forum where parties can directly represent themselves; providing a forum for the review, challenge and development of business plans. The Strategic Partnership Board would include representation from schools.

How it meets the objectives

The strategic partnering model has many of the features of the joint venture company model, including the input of commercial expertise, investment and the transfer of risk.

Service levels are contractually assured and the bidder has guaranteed the provision of the MTFs savings requirements over the life of the contract. The gain share agreement means that the Council will benefit from any additional profit on growth. A portion of any additional profit would be set aside for the benefit of schools in Barnet.

The relationship with schools is built through the commissioning role at strategic partnership board level. Through growth in services and targeting services to customer needs, the organisation will be able to support improved educational outcomes in Barnet. This model avoids any potential conflict of interest for Council-appointed directors.

Advantages and disadvantages

Much like a joint venture, the main advantage of this model is that it would bring external investment and access to an established commercial and marketing structure, which would improve the ability of the business to grow its income

sufficiently and quickly enough to fill the gap caused by the reduction in income from the Council. The bidder would also hold the risk of delivering the MTFs savings.

In the partnership model, schools would have the option of playing a more active role in shaping the strategic direction of the partnership without having to take on the risks and responsibilities associated with an ownership role.

A potential disadvantage of this model is the risk that it may be perceived by some stakeholders as being closer to a straight outsourcing of services than the establishment of a joint venture company would be. This reputational risk could reduce the uptake of services, impeding growth critical to its success. However, this proposal incorporates a key role for schools in governance and performance monitoring, and it is anticipated to build on the existing strong partnership between schools and the Council.

Option 3: Not to award the contract

Description

The third option that is available at this point is to not award the contract. However, the service would still be required to meet the MTFs savings, so remaining the same is not an option. This would mean revisiting the in-house and social enterprise models that were previously considered, either individually or in combination with each other.

The remodelled in-house option would involve the Council continuing to manage the education support services provided by the Education and Skills Delivery Unit directly. The Council would continue to be responsible for appointing and managing staff; retain strategic oversight of services and would continue to consult with schools on service provision and strategic direction. The Council would need to carry out a comprehensive programme of process review and improvement to maximise efficiency and give careful consideration to those elements of the service that it would continue to fund and those that would need to cease or be moved to traded status. It is likely that this option would involve merging Education and Skills with another delivery unit within the Council, in order to reduce management overheads.

The schools-led social enterprise model would involve the schools and the Council jointly owning a company that would deliver the services. The investment required to establish the new entity and develop the services would come from the schools and the Council.

This option could also include consideration of going back to the market for all or some of the services concerned. Given the extensive engagement that has already taken place with the market and the significant cost that would be involved in carrying out a further procurement exercise, this is not considered to be a viable approach.

How it meets the objectives

Re-modelled in house

Initial budget savings would be achieved through service reductions, but it may be possible to offset some job losses and service reductions in the longer term by increasing traded income for existing services, primarily by promoting and selling more services to Barnet schools. This would require an initial investment of £1.3m by the Council. Without this, most of the savings would have to come from service reductions.

The reduced service level that would be required to meet budget targets, together with the loss of a distinctive focus on education by merging the service with another delivery unit, could undermine the ability of the Education and Skills service to support better educational outcomes for Barnet.

Schools would continue to be strategic partners, but would not have any enhanced commissioning role under this model. This may limit their ability to influence service direction or have an enhanced role in quality and performance management.

Schools led Social Enterprise

The Social Enterprise model would be contingent on the existing good relationships with schools and provides enhanced ownership of the education system by schools. However, it is dependent upon securing a much higher commitment from schools to participating and investing in that ownership than has been demonstrated to date.

Service levels would need to be maintained through investment from schools and the Council, to enable growth of services and the addition of new services, with savings being delivered to the Council through contractual arrangements. Feedback from schools has indicated insufficient interest in investing in such a model. Better educational outcomes for Barnet and an adaptation to the new education landscape could be achieved through greater schools' ownership of services and strategies.

Advantages and disadvantages

Whilst this option would ensure that the full control of these services is retained by the Council, it carries significant risks, in that:

- i. It does not meet the Council's stated objectives for this project;
- ii. It would require a significant reduction in services and consequent risk of redundancies in order to meet the MTFS savings target; and
- iii. There is a significant risk that the bidder would seek compensation for its bid costs in the event of non-award.

The lack of a commercial partner (be it through a joint venture or strategic partnering model) in a contractually binding agreement means that there would be no guarantee of savings and the Council would retain the risk of delivering the required MTFS savings.

Consultation

For full details on the consultation activity undertaken please see the Outline Business Case that was considered by the Children, Education, Libraries and Safeguarding Committee on 12th January 2015. This section highlights the key points arising from that consultation.

Consultation feedback from schools

The following criteria were ranked as “very important” or “important” by more than 90% of respondents:

- Helps to maintain a strong partnership between the Council and Barnet schools
- Is able to engage 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

The ability to attract new investment/funding and access commercial expertise to preserve and grow services was ranked as “very important” or “important” by 57% of respondents. The ability to achieve budget savings without reducing current service levels was ranked as “very important” or “important” by 78% of respondents.

Respondents were asked to indicate their likely willingness to play an active role in the various models, either as a director or on a strategic commissioning group. For all of the models, there were sufficient headteachers and chairs of governors that indicated they would be willing to play an active role to suggest the model would be viable from a governance point of view. Overall, more respondents indicated a willingness to participate as a member of a strategic commissioning group (15 respondents) than as a director (10-12 respondents, depending on model). There was very little willingness to be involved in ownership models from secondary schools.

In respect of the four models under consideration, the views of the respondents were:

	Strongly support	Tend to support	Willing to consider	Do not support	Strongly opposed	Don't know/not sure
In-house	11.1% (8)	19.4% (14)	33.3% (24)	27.8% (20)	4.2% (3)	4.2% (3)
Social enterprise	12.7% (9)	18.3% (13)	33.8% (24)	29.6% (21)	4.2% (3)	1.4% (1)
3-way joint venture	5.7% (4)	12.9% (9)	41.4% (29)	31.4% (22)	4.3% (3)	4.3% (3)
2-way joint venture	14.5% (10)	17.4% (12)	31.9% (22)	26.1% (18)	1.5% (1)	8.7% (6)

Whilst all models attracted a degree of support, it was concluded that the schools survey did not provide a clear finding about the favoured model.

Results of public consultation

Results in respect of the evaluation criteria were broadly similar to the schools survey, with:

- The same four criteria being rated as “very important” or “important” by most respondents;
- All criteria being rated as important by the majority of respondents; and
- The same two criteria being rated as “very important” or “important” by fewer respondents.

In respect of the four models under consideration, the views of the respondents to the public survey were:

	Strongly support	Tend to support	Willing to consider	Do not support	Strongly opposed	Don't know/not sure
In-house	50.0% (42)	25.0% (21)	14.3% (12)	4.8% (4)	2.4% (2)	3.6% (3)
Social enterprise	26.2% (22)	22.6% (19)	14.3% (12)	13.1% (11)	16.7% (14)	7.1% (6)
3-way joint venture	14.3% (12)	19.1% (16)	22.6% (19)	15.5% (13)	22.6% (19)	6.0% (5)
2-way joint venture	8.3% (7)	14.3% (12)	19.1% (16)	25.0% (21)	25.0% (21)	8.3% (7)

This showed a clear preference amongst respondents for the in-house model, with the two-way joint venture being the least favoured option, albeit with 42% of respondents willing to consider it.

Amongst the focus groups, there was a split in preferences. The Governors group preferred the in-house model, a small majority of the Parents’ group preferred the two-way joint venture model and the SEN group was divided between those who thought the in-house model was best and those who thought it was a model which already had problems.

The public survey sought views on how important it is that schools are involved in the running of these services. Of those that responded, 58% thought it was very important and 22% thought that it was important.

Response to consultation outcomes

The final outline business case contained a table that identified the key themes from consultation, together with initial responses. That table is reproduced below, with further responses included in bold text.

Theme	Response
Model – there were mixed views about the preferred model, with schools and public respondents raising concern about the time commitment and financial risk to	Whilst all models could provide the level of savings required, each carries different levels of risk and a different balance of service reductions and income growth. Bringing in a third party provider enables a provider with commercial expertise to support rapid

Theme	Response
<p>schools involved in the ownership models and some respondents requesting further information.</p>	<p>development of the service, whilst the Council retains a key ownership role in the running of any new company. Whilst the option of school ownership can be kept open in the Competitive Dialogue stage, a number of respondents understand that a school role as commissioner can give them a sufficient role in the strategic direction of the proposed new company. The proposed model provides an appropriate voice for schools, whilst addressing the concerns regarding time commitment and financial risk.</p>
<p>Services included – there were comments by schools and residents about the inclusion of some services, although residents supported SEN and school improvement services being included more than schools. Staff and trade unions also raised concern about conflict of interests between different partners.</p>	<p>The services to be included in the model include both statutory functions of the local authority and traded services. Provision of a unified and integrated approach for the delivery of education services is considered to be important for maintaining a quality education support function. Quality assurance and the need for specialist provision will be key aspects for discussion during the competitive dialogue process for all of the services concerned. The proposed partner is a well-established provider of education services, with a strong track record. The appointment of a specialist sub-contractor will bring the necessary expertise to that service and ensure there is no conflict of interest between different partners.</p>
<p>Third party expertise – there were some comments about the lack of expertise of any third party provider and the need for quality assurance.</p>	<p>The evaluation criteria will be designed to ensure that the right partner is chosen and the option of a joint venture delivery model ensures the Council continues to have a role in delivery of services. However, the Council will also need to ensure that its contract monitoring process is robust and the lead responsibility for quality assurance will sit with the statutory Director of Children’s Services. The proposed partner is a well-established provider that brings the necessary expertise in the provision of these services. The final contract will establish a strong performance and contract management regime, as well as appropriate arrangements for engaging effectively with the Director of Children’s Services.</p>
<p>Length of contract – there were comments from schools and the market about the length of contract, with the market expressing a desire for a longer contract term to enable certainty in return for investment and the schools commenting on the level of commitment.</p>	<p>If schools are in a commissioning role, it is anticipated that they will be able to buy services on an annual basis and will not be tied into the entirety of the contract, although discounts may be offered for longer contractual arrangements. It will therefore be imperative for the owners of the company to meet the needs of their school customers to ensure continued purchase of services, as well as exploring new markets. Based on legal and commercial advice, the contract term is recommended to be seven years, with options to extend up to a further three years.</p>
<p>Conflict of interest/priority of different parties – employees raised concerns about conflict of interest between different parties. Residents also raised concern about the profit motives of a third</p>	<p>Potential conflicts of interest will be an important aspect to consider during the procurement process to ensure that any conflict of interest can be managed appropriately. Whilst a third party provider may be a profit making company, it may also be a not for profit organisation. It is important to ensure that the</p>

Theme	Response
party provider.	<p>procurement process focuses on quality of provision and value for money, rather than the status of the provider. Profit making companies have been successfully involved in the delivering of statutory functions and public services for some time and can provide a level of expertise to ensure that resources are focused on service delivery.</p> <p>The proposal to establish a strategic partnering arrangement overcomes concerns regarding potential conflicts of interest. Residents' concerns regarding the profit motives of a third party provider are mitigated by the fact that, as part of an employee-owned company, the bidder is not subject to the demands of the stock exchange or institutional investors regarding short-term gains and can take a longer-term approach.</p>

Evaluation of the options

Quality Evaluation

The following table provides a rating for each option's overall likelihood of meeting each of the criteria. Those criteria that were rated as most important in the schools and public surveys are identified in bold.

	Joint Venture	Strategic Partnering	Do not award
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	✓✓	✓✓✓	✓

Appendix A

Key:

✓	Low
✓✓	Medium
✓✓✓	High

The key assumptions that underpin some of the objectives have been listed in the table below:

Criteria	Key assumptions	Comments
Helps to maintain a strong partnership between the Council and Barnet schools	The SP model would provide a significantly enhanced role for schools in governing the partnership	Schools have been engaged throughout the procurement exercise. Headteacher representatives on the evaluation panel expressed a clear preference for the SP model as providing a strong voice for schools.
Has the freedom to be creative and the flexibility to develop new services quickly during times of change	It would be more challenging to introduce greater creativity and flexibility with the alternative models that would be available if a contract were not awarded.	Innovation has already taken place to develop and grow the traded services currently being provided. It would be difficult to see a step change in innovative service delivery without the input of significant additional expertise; compared to the SP and joint venture options, where there is demonstrable experience in doing this.
Preserves or improves service delivery in key service areas	The service reductions that would be required in the event of not awarding the contract would have a detrimental effect on service quality.	Barnet already takes a continuous improvement approach to improve service delivery. With the need to reduce budgets the remaining options would be unlikely to be able to preserve the quality of service, as they are less likely to achieve substantial growth.
Is able to achieve budget savings without reducing current service levels	The SP and joint venture are best placed to achieve this.	The provider has submitted a credible bid to demonstrate how they are able to do this and guarantee savings whilst delivering services to current levels and committing to the achievement of challenging targets through the KPI regime.

The table shows that the strategic partnering model and joint venture are rated most highly against the key criteria, in particular preserving, improving and developing service areas whilst also achieving budget savings.

The detailed financial comparison of the options is contained in Appendix C to the Children, Education, Libraries and Safeguarding Committee report.

The financial proposal has been subject to rigorous scrutiny by the Council's finance officers and the project's commercial advisors, iMPower. Their advice is that "We believe that overall the risks inherent in achieving the required savings and gain

share have been considered and satisfactorily addressed. The Council is aware that, sensibly, prudent amounts of gain share have been targeted and the information provided does give sufficient confidence in new sales and surplus potential. There is an acceptable residual risk related to CE failing to achieve all its targeted financial contribution from this as the price for services is guaranteed under the contract terms.”

Preferred option

The Council’s commissioning approach requires consideration of the best model for delivering services to meet its priorities and outcomes. Based on the evaluation set out above, it is considered that a strategic partnering arrangement is the option that best meets the Council’s needs, in that it will:

- Maintain Barnet’s excellent education offer;
- Maintain an excellent relationship between the Council and schools; and
- Achieve the budget savings target for the service up to 2020.

Considerable effort was put into the competitive dialogue process to ensure that the resulting tender met the needs of all stakeholders. The proposal addresses many of the concerns that were expressed by stakeholders through the consultation process. In particular:

- i. It provides an appropriate voice and level of influence for schools, whilst addressing concerns about the time commitment and financial risk to schools involved in the ownership models;
- ii. The main contractor is a well-established provider of education services, with a strong track record, which should overcome concerns regarding the potential lack of expertise a third party provider, particularly in respect of SEN services. The use of a specialist sub-contractor, provides the appropriate level of expertise in respect of catering services;
- iii. Concerns about potential conflicts of interest are overcome by the strategic partnering model; and
- iv. Residents’ concerns regarding the profit motives of a third party provider are mitigated by the fact that the bidder is part of an employee-owned company. As such, they are not subject to the demands of the stock exchange or institutional investors regarding short-term gains and can take a longer-term approach.

For staff, the proposal provides clarity and a degree of security in respect of employment and terms and conditions of service that the Council simply cannot provide at this time. Whilst the share-ownership benefit of working in an employee-owned company would only be available to a small number of senior staff, it is considered that all staff will benefit from the progression and development opportunities that come from being employed in large specialist organisations, both of whom are providing similar services to other public bodies. In addition, many staff will be eligible to participate in bonus schemes.

Based on the evaluation of the final tender and the assessment of how each option meets the Council's criteria, it is concluded that:

- i. Both options put forward by the bidder meet the Council's stated objectives and key criteria;
- ii. Whilst the joint venture option scored slightly more overall at the point of moderation, this was purely as a result of the legal documentation for a strategic partnering arrangement not being as advanced as for the joint venture option. Subsequent clarification meetings have confirmed that there are no fundamental matters of principle on which there is disagreement and it is considered to be highly likely that the outstanding matters will be resolved during contract finalisation;
- iii. The strategic partnering option provides the most financially advantageous solution, meeting the Council's MTFS savings requirement on both an annual basis and a cumulative basis; and
- iv. The strategic partnering option provides a better fit overall to the Council's requirement and gained more support from headteacher representatives as providing schools with a voice and the opportunity to influence the direction of services, without the additional cost and complexity of establishing a joint venture company.

It is therefore recommended that the Council appoints a preferred bidder on the basis of a strategic partnering arrangement, subject to resolution of the outstanding contractual matters identified above.

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7. Expected benefits

Benefit Type	Description of the benefit	Who will benefit	Expected benefit value	Financial year that the benefit will be realised	Benefit Owner	How will the benefit be measured	Baseline value (£, % etc) and date
Financial benefit – cashable	Delivery of MTFS savings	Schools, Service users, Residents, Staff	See Appendix B to the Children, Education, Libraries and Safeguarding Committee report	Savings profile commences 2016/17. Annual savings target against base budget to be realised by financial year 2019/20 Cumulative savings total by financial year 2022/23	Commissioning Director Children and Young People	As set out in contract	Baseline budget £11,334k, 2015/16
Financial benefit – non-cashable	Potential further financial gain via access to established commercial expertise	Schools, Service users, Residents, Staff, other local authorities	See Appendix B to the Children, Education, Libraries and Safeguarding Committee report	From 2016/17	Commissioning Director Children and Young People	As set out in contract (gain share agreement)	Nil
Non-financial benefit	Maintenance of excellent service provision	Schools, Service users, Residents, Staff	N/A	From 2016/17	Commissioning Director Children and Young People	As set out in contract Performance management regime (SKPIs, KPIs, OKPIs, PIs) to measure service effectiveness	Performance against baseline KPIs

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Project Management

Non-financial benefit	Specific education focus brings the service closer to the market and ensures decisions are made based on customer needs	Schools, Service users, Residents, Staff	N/A	From 2016/17	Commissioning Director Children and Young People	As set out in contract	N/A
Non-financial benefit	Experience and access to more specialist resources	Schools, Service users, Residents,	N/A	From 2016/17	Commissioning Director Children and Young People	As set out in contract	N/A
Non-financial benefit	Governance arrangements enables schools to play a greater role in influencing the strategic direction of the service	Schools	N/A	From 2016/17	Commissioning Director Children and Young People	As set out in Strategic Partnering Agreement	N/A

8. Summary of key risks

Risks in respect of project completion

Risk	Impact	Likelihood	Mitigating actions
There is a risk that additional information emerges during the contract finalisation process that significantly undermines the commercial basis of the final tender.	High	Medium	<ul style="list-style-type: none"> A reasonable mobilisation period has been planned A template mobilisation plan has been provided to confirm key activities Significant effort has been applied to ensure that the bidder has had comprehensive and accurate information on which to base their tender
There is a risk that outstanding contractual matters cannot be resolved to the mutual satisfaction of both parties.	High	Medium	<ul style="list-style-type: none"> There will be ongoing engagement with the bidder to discuss and resolve these issues

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There is a risk that appropriate interface arrangements with the Customer and Support Group, along with appropriate apportionment of overheads, cannot be agreed within the required timescale.	High	Medium	<ul style="list-style-type: none"> There will be ongoing engagement with the Customer and Support Group and the bidder to finalise these arrangements
There is a risk that staff will leave due to concerns about the transfer.	Medium	Medium	<ul style="list-style-type: none"> A communication plan is in place. Early and frequent engagement and consultation will be undertaken by the Council and the provider. A timely decision will help to reduce uncertainty for staff. A TUPE plus commitment has been made by the provider. A reasonable mobilisation period has been planned.
There is a risk that failure to execute the mobilisation plan effectively leads to a dip in performance or adversely affects the transferring employees.	High	Low	<ul style="list-style-type: none"> A reasonable mobilisation period has been planned. The provider and the Council are experienced with similar TUPE transfer mobilisations. A template mobilisation plan has been provided to confirm key activities
There is a risk that failure to execute the mobilisation plan leads to a delay in contract commencement.	Medium	Low	<ul style="list-style-type: none"> A reasonable mobilisation period has been planned. The provider and the Council are experienced with similar TUPE transfer mobilisations. A template mobilisation plan has been requested at FT stage to confirm key activities would be considered.

Risks in respect of the proposed model

Risk	Impact	Likelihood	Mitigating actions
There is a risk that schools do not continue to purchase services.	High	Medium	<ul style="list-style-type: none"> A commitment to maintain current pricing levels for the first year has been made by the provider. The proposed partner specialises in providing education services and has an established and highly regarded reputation. The bidder is expected to maintain a comprehensive programme of engagement activity. The provider has guaranteed the MTFS savings to the Council

Appendix A

There is a risk that any substantial failure in the provider's growth strategy leads to reduced service levels in the core contract.	High	Medium	<ul style="list-style-type: none"> The contract requires that any service redesign is conducted in consultation with the Council. The growth strategy and delivery model will be reviewed annually and influenced by Strategic Partnership Board.
There is a risk that the partner proposes excessive (ie. Above inflation/market rate) increases in school meal prices.	High	Low	<ul style="list-style-type: none"> A commitment has been made by the provider to maintain school meal prices until September 2016. Any future increase in primary school meal prices must go through the Strategic Partnering Board The provision exists in an already competitive market place – schools contract on an annual basis and prices are published six months beforehand, so will have the choice to switch providers.
Relatively small financial deductions for poor performance may reduce current service performance and outcomes.	High	Low	<ul style="list-style-type: none"> 100% of profit will be put at risk. The provider is obliged to provide rectification plans for any failures against all KPIs. The provider is keen to enhance their excellent reputation to develop their business in other localities. If service standards fall too low the Council has the option of termination or step in.
There is a risk that staff will leave due to concerns about the transfer.	Medium	Medium	<ul style="list-style-type: none"> A communication plan is in place. Early and frequent engagement and consultation will be undertaken by the Council and the provider. A timely decision will help to reduce uncertainty for staff. A TUPE plus commitment has been made by the provider. A reasonable mobilisation period has been planned.
Absence of financial rewards for improved performance may lead to a lack of achieving aspirational service targets.	Medium	Medium	<ul style="list-style-type: none"> The ability to earn credits has been built into the KPI regime. The provider wants to enhance their excellent reputation to develop their business in other localities.
There is a risk that a change in government policy/funding levels significantly undermines the financial assumptions, potentially leading to increased cost to the council.	Medium	Medium	<ul style="list-style-type: none"> The arrangements for agreeing changes in the contract require the provider to submit a no "increased" cost option and to mitigate the impact of any changing circumstance. This would be a risk to the council if the service is retained in house.
Ineffective client/contract management function cannot effectively manage the contract.	Medium	Low	<ul style="list-style-type: none"> The Council has experience of managing contracts of this size and larger. Contract management staff have been involved throughout dialogue. The contract management fits within an established commissioning/provider structure.

9. Costs/investment appraisal

As outlined in the options analysis, expected savings from the strategic partnering model will achieve the MTFS savings. The incremental savings made year on year, the annual profile and the cumulative savings are outlined in the table below.

Financial year	16/17	17/18	18/19	19/20
	£000	£000	£000	£000
MTFS savings profile	900	280	255	450
Total annual savings profile	900	1,180	1,435	1,885
Cumulative annual savings profile	900	2,080	3,515	5,400

A client function will be required to effectively manage the service. This will draw on existing structures within the Council. The service will be overseen by the Commissioning Director for Children and Young People. The contract will be managed by the Partnership Relationship Manager, Commissioning Group.

The total cost of delivering the Education and Skills Alternative Delivery Model project, to 31st March 2016, is currently forecast to be within the £1.5m budget that is being funded from the Transformation Reserve. Actual expenditure in previous financial years totalled £350k. Expenditure for the current financial year is forecast to be as follows:

	Forecast spend £000
Project team	500
Legal advice	150
Commercial advisors	255
HR support	50
External review	25
Contingency & Transition costs	135
Other project support costs	35
Total	1,150

Any additional costs associated with establishing the interface arrangements between the bidder and the Customer and Support Group will be met from the transition costs element of this budget. Discussions are ongoing between the Council, the bidder and the Customer and Support Group to confirm which elements of these overhead services will be required by the bidder and the appropriate budget and cost apportionment. It is intended that the outcome of these discussions will be cost-neutral to the Council.

10. Timescale

The full business case will be considered by the Children, Education, Libraries and Safeguarding Committee on 18th November 2015. The Committee will then make recommendations to full Council on 8th December 2015.

If Members agree the recommendations to award the contract and enter into a strategic partnering agreement, work will be undertaken to finalise the contract documentation and mobilise the contract, with a view to commencing service provision under the new arrangements on 1st April 2016.

A comprehensive implementation plan will then be finalised, in consultation with the bidder. The table below sets out the key dates and milestones for the remainder of the project:

Key dates/milestones	Timeline
Implementation Project Board & Implementation Project Team established	14/12/2015
Mobilise HR & TUPE Team	14/12/2015
Mobilisation plan approved	18/12/2015
Staff Engagement – TUPE Formal Consultation	04/01/2016 – 04/03/2016
Communication Plan implemented (includes meetings with Headteachers, Governors, Schools Forum)	14/01/2016 – 21/04/2016
Establish Governance Boards (Partnering Model or JV Model), Contract Management Team, Shadow Senior Management Team	18/01/2016
Awarded Contract Signature	29/02/2016
Issue Transfer In Letters & Packs to TUPE staff	18/03/2016
Staff Transfer complete	31/03/2016
Transfer of Responsibility / Contract Start date	01/04/2016

11. Project Assurance

Overall decision making rests with the Children, Education, Libraries and Safeguarding Committee. Detailed work to develop the project and its implementation has been carried out by officers, reporting to the Council's Strategic Commissioning Board and the project's Executive Sponsor (Chris Munday – Commissioning Director, Children and Young People). Within this process, project assurance is provided principally through the Project Board, which has membership as follows:

Programme Director, Education and Learning
Education and Skills Director
Project Lead

Val White (Chair)
Ian Harrison
Deborah Hinde

Appendix A



Commercial Lead
Head of Programmes and Resources (project assurance)
Head of Education Partnership and Commercial Services
Head of Finance
HR Lead
Service Manager/Principal Lawyer (HB Public Law)

Project Management
Philip Hamberger
Tom Pike
Alison Dawes
Ruth Hodson
Liz Hammond
Sarah Wilson

The Project Board meets fortnightly and has oversight of all project activity, including:

- Approval of project plans
- Monitoring of progress
- Contribution of relevant professional expertise to development of products and deliverables
- Approval of products and deliverables

The mobilisation will continue to be monitored in this way. Assurance in respect of the future delivery of services will be provided by the governance structure that will be set out in the contract.

The project was the subject of an internal audit against the Council's project management standards during an earlier phase. The project has since been subject to a Gateway Review, conducted by Local Partnerships. The findings and recommendations from this review was considered by the Project Board and the report is appended to this full business case.

Advice and guidance has also been provided by PWC in respect of information governance and security.

12. Dependencies

The outcome of the Unified Reward project may have an impact on the project, should this be implemented prior to contract award. Decision making timescales are being monitored.

The Council's accommodation strategy and planned move to a site at Colindale is also anticipated to have an impact on the project. The bidder has been consulted on this and expressed a desire to maintain co-location with other Council services. The project team has been liaising with the accommodation project team to ensure that the service's requirements are considered within their planning.

The bidder has indicated that they will require a selection of support functions through the Customer and Support Group contract. Mobilisation is dependent on the Customer and Support Group being able to provide the support services that Cambridge Education required at an acceptable price.

13. Local Partnerships Health Check report

Local Partnerships Health Check

Version number: Final

Date of issue to PO: 8/9/15

PO: Val White/Chris Munday

Authority: London Borough of Barnet

Local Partnerships Health Check Review dates:

29/07/2015 and 30/07/2015

Review Team:

Peter Foale

Val Knight

Local Partnerships Health Check Conclusion

This is a well-run and resourced project that is making good use of the skills and experience of the members of the project team. There is a very clear and shared view of the objectives of the project and the benefits that it will bring to all the stakeholders in Barnet if it can be brought to a satisfactory conclusion. There is a shared optimism among the project team that the bidder with whom the council is currently in dialogue is the right partner to deliver the services that will fall within the scope of this contract, if the right commercial arrangements can be agreed. At this stage in the process, we can see no reason why the procurement should not proceed.

The withdrawal of two of the original bidders presents the council with some challenges if it is to be able to demonstrate that the proposed solution will provide the best value for money. However, a detailed exercise has been completed that examines in detail the risks associated with having a single bidder. A report on these risks and presenting a number of different scenarios for moving the project forward has been presented to, and considered by, the SCB. The decision of the SCB has been to continue with the procurement with a single bidder, while taking due account of the associated risks. One positive outcome of the early move to a single bidder process has been to allow the council to concentrate all its resources on the dialogue process in order to drive the project towards the best possible outcome.

The formal basis of that relationship is still under consideration and two alternative models are being developed in parallel. The final form of the alternative delivery model (ADM) and the details of the commercial agreement will be subject to formal approval by elected members. There must be a robust and detailed audit trail to support the recommendation.

It appears that this project has every chance of reaching contract close although it is recognised by the council that this is not necessarily a foregone conclusion. It is possible that the bidder could withdraw if it believes that it cannot meet the challenging financial targets within the MTFs or the parties cannot reach an acceptable commercial settlement. The high level objectives of the project are the yardstick against which any potential deal will be judged and it is clear that these represent the 'red lines' that the council will not cross if it does not judge the proposed deal to be acceptable. The council has identified and articulated these 'red lines' in detail and recognises that these will need to be kept under review as the dialogue progresses.

The council should assess the risks of the mobilisation and operational phases of the project and continue to put the resources and mitigation in place to manage these.

Summary of Report Recommendations

The Review Team makes the following recommendations, which are prioritised using the definitions below.

Ref. No.	Recommendation	Critical/ Essential/ Recommended
1.	The council should ensure sufficient allocation of time and resource to identify and record the lessons learned from the Education and Skills ADM. These should be added to the lessons learned from CSG and Re. and fed into the ADM toolkit to inform future projects.	Recommended
2.	The council should ensure that user guides are produced for each of the key project documents.	Essential
3.	The project team should write a formal communications strategy for the next stage of the project based on, and linked to, the risk register. This should include a specific communications and briefing pack that covers the eventuality of either side withdrawing from the project prior to contract close. This should be prioritised as part of the communications strategy	Essential
4.	The project team should ensure that the minutes of future dialogue meetings are formally signed off by both the council and the bidder to provide a single record and a robust and well documented audit trail.	Recommended
5.	The council's 'red lines' should be kept these under review by the Strategic Commissioning Board and the Project Board as the dialogue progresses.	Essential

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately

Essential (Do By) – To increase the likelihood of a successful outcome the programme/project should take action in the near future.

Recommended – The programme/project should benefit from the uptake of this recommendation.

Background

The aims and objectives of the programme:

Barnet Council (the council) is seeking to deliver a range of education services using an Alternative Delivery Model (ADM). There are three specific objectives underpinning this model:

1. Maintaining education excellence
2. Keeping partnerships with all schools
3. Delivering financial savings in line with the Council's medium term financial strategy

The procurement/delivery status:

Phase 2 of the competitive dialogue process has been completed. Phase 3 (detailed solutions) is currently under way and the bid is due back on 14 August 2015.

Purposes of this Local Partnerships Health Check:

This review is a health check and focuses on the areas identified by Barnet Council and set out in annex A. However, since the foci were originally identified, the withdrawal of Capita from the dialogue has resulted in there only being a single bidder. The implications of this are explored in some detail as part of the review.

Conduct of the Local Partnerships Health Check:

This stage review was carried out from 29 and 30 July 2015 at Barnet Council offices, North Business Park, Oakleigh Rd South, London N11 1NP. The team members are listed on the front cover.

The people interviewed are listed in annex B.

The Review Team would like to thank the council and the interviewees for their support and openness, which contributed to the Review Team's understanding of the Project and the outcome of this review. We were particularly grateful for the openness with which all interviewees engaged with us, which is not always the case. We would particularly like to thank Cara Elkins for her excellent organisation and support.

Findings and recommendations

1. Lessons learned and knowledge transfer

There is clearly extensive experience of projects of this type within the project team and its advisers. Some of this has been gained in other authorities, but there is a significant amount of experience in Barnet of alternative delivery models such as CSG and Re. There has inevitably been a turnover of council staff and external advisers over the period of, and subsequent to, these earlier procurements. The council has documented the lessons learned in order to make use of prior experience. A close down report on CSG and Re. was presented to the council's Contract Monitoring and Overview Committee in March 2014 that sets out the lessons learned.

The discussions about the use of a joint venture or a strategic partnership to deliver the outcomes of this project will inevitably produce some important learning points that will be relevant to future ADM projects. These need to be captured by the council to aid the development of future projects.

We are aware that a number of the individuals working on this project are on time limited contracts or will leaving shortly after the end of the procurement phase. It is likely that Barnet will seek to use ADMs for other services in the future and is therefore essential that the lessons learned from this procurement are properly captured and documented. Adequate time and resource must be allocated to this process if the council is to get the maximum benefit. This should be embedded in the timetable for all projects and the lessons learned phase should be added to existing Barnet ADM toolkit. This will help the council achieve better value for money from its investment in staff and consultants.

We note that the council has used a number of external consultants to help plan and deliver this project. The project documents will be extensive and complex and we consider it essential that user guides are written that explain the structure and content of these documents and how, in practice, they will work. These need to be provided by the time the project goes live, particularly where external consultants have provided this advice.

Recommendation 1:

The council should ensure sufficient allocation of time and resource to identify and record the lessons learned from the Education and Skills ADM. These should be added to the lessons learned from CSG and Re. and fed into the ADM toolkit to inform future projects.

Recommendation 2:

The council should ensure that user guides are produced for each of the key project documents.

2. Communications Strategy

The review team did not see a formal written communications strategy during our review although we have done subsequently. We are also aware that communications are discussed at Project Board and Project Team meetings. This is a high profile project that will impact on a large number of stakeholders across the borough, particularly schools and their communities. Good communications will remain as important as the project moves towards mobilisation and implementation as they are now. One of the council's key objectives is to maintain the quality of its partnerships with schools and this may be put at risk if the project team does not manage communications effectively.

Communications have been managed effectively to date but will become more critical in the next few months. We note that there is a risk register for the project and we consider that this should be used as the foundation for the communications strategy as it will form part of the mitigation of some of the identified risks.

We note that there is a high degree of optimism from all interviewees that the procurement will be brought to a mutually satisfactory conclusion based on the dialogue to date. This is encouraging as the team collectively has significant experience of procurements. However, it has to be recognised that the commercial offer has not been presented formally and that either party could withdraw before contract close if they do not feel that proposed deal is in their best interests or capable of delivering the council's objectives.

If this were to happen, the council will still have to deliver services as normal while detailed alternatives are developed. This will be necessary because the savings required by the MTFs will still have to be delivered.

Recommendation 3:

The project team should write a formal communications strategy for the next stage of the project based on, and linked to, the risk register. This should include a specific communications and briefing pack that covers the eventuality of either side withdrawing from the project prior to contract close. This should be prioritised as part of the communications strategy.

3. Project management and controls

We were very impressed by the quality of all the individuals in the project team and the robustness of the processes they have put in place to manage the project. The withdrawal of two of the original bidders has produced some challenges for the council and the dialogue process but a positive consequence has been that the team is well resourced to manage the process going forward.

The original intention was to use Capita's resources to help manage and deliver the project but the council correctly identified the conflict of interest that would arise if Capita were a bidder and took proper steps to mitigate this. The alternative arrangements have generally worked well although we are aware that there have been issues around HR information, which have now been resolved. The project is continuing to proceed on time and to budget.

Recording the agreed outcomes of the next stages of the dialogue process until contract signature is achieved will be critical to ensure that the provider delivers the council's requirements. Our view is that should be a single set of minutes with agreed action points identified for every meeting that are signed off by both parties. This should prevent elements of the dialogue being reopened later in the process and there will be a good audit trail to underpin the final recommendation that is taken to elected members. The council's minute taker needs to have commercial experience to ensure that agreed actions are recorded correctly.

Recommendation 4:

The project team should ensure that the minutes of future dialogue meetings are formally signed off by both the council and the bidder to provide a single record and a robust and well documented audit trail.

5. Planning for the next phase

The mobilisation phase will create some interface issues with contracts held by the council's other strategic partners. For example, some aspects of HR and ICT are currently delivered under other contracts. These issues need to be identified in the risk register with owners assigned to them.

The governance arrangements for this phase and the subsequent move to the operational phase need to be approved. We note that a lead officer has been identified for the operational phase and is now involved in the dialogue. The Project Board has recognised that detailed consideration needs to be given to the operational arrangements during the next phase of the dialogue and appropriate staff identified to strengthen the client function. This will include the development and implementation of a communications strategy linked to the revised risk register. We were advised that resources have been identified and allocated to deal with the

interface issues of the mobilisation phase and the subsequent contract management arrangements.

6. Value for money

The council is in a vulnerable position with only having a single bidder throughout this process. We understand that it has taken stock of its position and assessed whether it has robust comparators to demonstrate value for money and whether the commercial deal itself is deliverable. At this stage, the council itself is satisfied that the procurement should continue. We welcome the fact that the council has identified and articulated its 'red lines' and that these were reviewed by the Project Board at the end of phase 1 of the dialogue. It will important to have a process for keeping these 'red lines' under review as the dialogue progresses to ensure that they are not being crossed or, if circumstances change, to identify any need for them to be modified in the light of dialogue. We believe that this should be built into the governance arrangements and that the council should continue to review its position on an on-going basis.

Recommendation 5:

The council's 'red lines' should be kept these under review by the Strategic Commissioning Board and the Project Board as the dialogue progresses.

The next Review is suggested at the conclusion of the dialogue process prior to contract award.

Annex A

Focus of Health Check requested by Barnet Council

Procurement

- Confirm that there is an appropriate & robust procurement / delivery strategy and that a procurement plan and evaluation processes are in place
- First alternative delivery model (ADM) since CSG/Re. Using an internal team rather than Capita PMs. Views on how this has worked.
- Ethical Walls / conflict of interest
- Testing best value with a single tender

Project Management and Controls

- Project controls and organisation are defined, financial controls are in place and the resources are available
- Has the project identified the right risks and have the appropriate mitigating actions been put in place?
- First ADM since CSG/Re. Using an internal team rather than Capita PMs. Views on how this has worked.

Next phase / Planning

- Development and delivery approach and mechanisms
- Realistic plan through to completion
- Appropriate resourcing (skills and experience) for the next phase

Annex B

Interviewees

NAME	ROLE
Val White	Project sponsor
Chris Munday	Executive Project Sponsor
Isabella Galka	Project Office
Stoli Mutzuris	Project Officer - procurement
Deborah Hinde	Project Lead
Cara Elkins	Project Assurance
Tom Pike	Project Assurance
Jon Nash	Procurement Lead
Jason Walton	Commercial Advisor
Claire Symonds	Commercial and Customer Services Director
Sarah Wilson	Legal Advisor
Ian Harrison	Education and Skills Director