

The future delivery of Barnet's Education and Skills service

1. Introduction

The Council is currently working with schools to develop a new way to deliver education related services in Barnet. This paper sets out our partnership ambition for education in Barnet, the drivers for change and sets out options that are being developed in partnership with schools.

2. Background and context

Barnet schools are among the best in the country and achieving this level of quality takes a relentless focus and drive by schools, governors, children and their families, supported by a range of local authority and other services.

So far, by working together in partnership and with the hard work and dedication of Barnet schools, staff and Barnet's children, we have had the benefit of a very successful schools system. Barnet residents consistently tell us that they value the quality of Barnet schools and, for Barnet families, it is one of the key attractions of living in the borough.

We want this success to continue. Given the financial challenge facing public services and the changing educational landscape, we need to consider what is the most appropriate organisational structure or delivery model for achieving this. We need a model that delivers our joint ambition and meets the needs of the schools and local authority partnership, as well as the children and families of Barnet.

3. Our ambition for education in Barnet

To underpin the move to a new way of doing things, as a partnership of schools and the local authority, we have developed a new joint ambition of where we'd like to be and what we will aim for:

We want Barnet to be the most successful place for high quality education where excellent school standards result in all children achieving their best, being safe and happy and able to progress to become successful adults.

Aims

- Every child attends a **good or outstanding school**, as judged by Ofsted
- The **attainment** and **progress** of children in Barnet schools is within the top 10% nationally
- Accelerating the progress of the most disadvantaged and vulnerable pupils in order to **close the gap** between them and their peers

4. Challenges and drivers for change

There are three broad drivers that mean, in our view, we cannot be complacent and carry on as now.

- The further significant **cuts** in local authority budget
- Maintaining **excellent performance**
- Adapting to the **new education landscape**

4a. The financial challenge

The council's resources will diminish significantly over the next 5 to 6 years, both as a result of the state of the national economy and as a result of more resources going directly into schools, including Academies and Free Schools. The council is facing a reduction in central government grant and, by 2020, it will lose 50% of its spending power compared to 2010. To achieve this level of savings, all council services are having to consider how to deliver efficiencies, what to stop doing and/or how to exploit opportunities to grow alternative sources of funding.

With the amount of funding available to local authorities to spend on central education services reducing, further cuts to the education budget will potentially lead to the council delivering a basic minimum standard of service to fulfil its statutory duties. The constraints on the council's budget mean that, unless an alternative delivery model is found that can protect and help to develop services, support for school improvement and for participation in education or training for young people aged 16+ will be severely curtailed and other services, such as special educational needs and educational psychologists, will struggle to fulfil their statutory obligations.

The council takes its strategic role in relation to school standards and in championing the progress and achievement of all Barnet's children very seriously. We believe that the quality of the services for which we are responsible plays a critical role in the success of the system overall and the outcomes for individual children.

We want therefore to explore how best we can harness the resources within the partnership of the local authority, schools and other providers to ensure all of Barnet's children and young people continue to have access to, and benefit from, high quality education and support to ensure they achieve their very best.

4b. The performance challenge

Whilst Barnet has enjoyed considerable success, there is growing evidence that we need to challenge our performance to remain among the best in the country. Whilst, overall, the proportion of good and outstanding schools remains high and among the top 10% in the country, for those schools inspected under the new Ofsted framework, as in local authorities across the country, the proportion of good or outstanding schools has fallen, in Barnet's case to just over 70%, a performance that only puts us in line with the England average.

The vast majority of resources for school improvement and most of the expertise are now held by schools and it is essential to harness these resources so that good and outstanding schools support other schools to improve. To that end, we need to look at new ways of schools working together, whilst also ensuring that schools collectively have a major role in determining the strategies and defining and overseeing the services that enable us to continue to ensure an excellent educational offer across the borough.

4c. The new education landscape

The majority of our secondary schools are now Academies and at least 15% of primaries will be Academies by 2016. There are also a number of free schools now established in Barnet. Interest in locally-led multi-Academy Trusts suggests the number of Academies will grow even more. As more schools become Academies there will be even less money available for central services, unless new Academies choose to buy into central services. In those circumstances the infrastructure of support for schools needs to be reviewed, to identify an appropriate balance between central support, school to school support and involvement of the wider market in services. In response to this changing landscape, and to avoid the fragmentation of the system and the isolation of schools in the absence of adequate support structures, new school partnership structures and new models for delivering education services are being developed across the country. We need to consider and plan what those structures and models should look like in Barnet.

5. Our journey so far

Barnet is not alone in this exploration of new partnerships and new models and many other areas around the country are having similar conversations between schools, other education providers and residents about how to develop new models to deliver education support services and related services. Over the last few months we have begun exploring with schools how best to develop our strategies around special educational needs, school places and school improvement. We have also

begun discussions about the partnerships and structures that might be best able to support the successful delivery of services to support these strategies.

We have looked at a number of factors including:

- our desire to continue to have a strategic approach to education across the borough delivered in partnership with all schools
- the potential opportunity to maximise financial resources and meet the financial challenge through external investment and developing services to sell elsewhere
- the ability of any new model to preserve and improve the quality of education in the borough whilst also being able to respond flexibly to changing needs
- the ease with which we can develop a new model of service delivery and its ability to harness the expertise that exists in Barnet.

Having considered these factors, we believe that there is an opportunity, within a partnership of the local authority, schools and, potentially, the private sector to harness resources and attract investment to develop a new way of delivering the services, a way that will maximise the chance to maintain and potentially grow services despite the financial challenges ahead.

6. Services in scope for the new organisation

The following services are proposed to be provided by any new model of delivery:

- **School improvement** – Learning Network Inspectors, Narrowing the Gap, NQTs, Data, BPSI
- **14-19 team**
- **SEN** – statutory assessment and placements, specialist advisory services
- **Educational psychology team**
- **Education welfare service**
- **Admissions and school place planning**
- **Governor clerking service**
- **Catering service**

7. Potential new models to deliver education services in Barnet

There is an array of models that could be developed and we have identified six options that we are exploring at this stage of the project:

- **Model One: In house**
- **Model Two: Local Authority Trading Company (LATC)**
- **Model Three: Outsource**
- **Model Four: Schools-led Social Enterprise**
- **Model Five: Joint Venture with schools having an ownership role**
- **Model Six: Joint Venture with schools having a commissioning role**

The models are explained in detail below and, for each one, we have identified the key potential opportunities and challenges that need to be considered. The list of potential opportunities and challenges is not exhaustive but shows the key ones we have identified to date.

7.1 Model One: In house

This option would mean that services are retained by the council and broadly delivered in the same way as now.

In-house	
Potential opportunities	Potential challenges
<ul style="list-style-type: none"> ▪ Income remains in-house ▪ Opportunity for closer integration with children’s social care ▪ Potential to develop new model for individual services such as catering 	<ul style="list-style-type: none"> ▪ Cannot secure additional private funding ▪ Limited ability to trade across boroughs and generate new income growth ▪ Without substantial new income, over time, funded services would be reduced to a statutory minimum with potential impact on services experienced by schools (school improvement, 14-19, Education Psychology service, Special Educational Needs services) ▪ Risk that key statutory functions would not be carried out adequately. ▪ Redundancies required

7.2. Model Two: Local Authority Trading Company (LATC)

This option would see services transferred into a company wholly owned by the Council in order to trade commercially and generate a surplus for the Council.

Local Authority Trading Company	
Potential opportunities	Potential challenges
<ul style="list-style-type: none"> ▪ Limited freedom to trade ▪ Fits with the council’s overall commissioning model ▪ Surplus/profit is retained to improve services 	<ul style="list-style-type: none"> ▪ Cannot secure additional private funding ▪ Without substantial additional investment and/or income the non-DSG-funded services would be reduced to a statutory minimum ▪ Risk that key statutory functions would not be carried out adequately. ▪ Redundancies may still be required. ▪ Opportunities to trade constrained by rules of LATC

7.3 Model Three: Outsource

This option would see services transferred to a third party to manage.

Outsource	
Potential opportunities	Potential challenges
<ul style="list-style-type: none"> ▪ Decreased financial risk ▪ New capability and added capacity ▪ Potential to leverage private investment ▪ Potential to reduce costs by increasing income ▪ Freedom to trade outside the borough 	<ul style="list-style-type: none"> ▪ Less likely to secure schools’ loyalty to the resulting contract ▪ No opportunity for schools to have a formal ‘stake’ in the model ▪ Less potential for schools to steer strategic direction or development of services ▪ Immature market for complete outsource may lead to the need for multiple contracts

	<ul style="list-style-type: none"> ▪ Cannot secure grant funding ▪ Surplus/profit retained by third party (unless some form of profit share is built into the contract)
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7.4 Model Four: Schools-led Social Enterprise

This model would see services transfer into a social enterprise (company or trust) that is **owned** by schools and the Council. Any surplus is retained by the company to develop services.

Schools-led social enterprise	
Potential opportunities	Potential challenges
<ul style="list-style-type: none"> ▪ Freedom to trade and generate income ▪ May be able to bid for grant funding opportunities ▪ Surplus/profit is retained to improve services ▪ Schools with majority/equal interest and control over future direction of the organisation 	<ul style="list-style-type: none"> ▪ Lack of commercial expertise may hinder growth ▪ Unlikely to meet short term saving targets without significant service reductions or increased income from schools ▪ No private investment ▪ If there is complex governance, this might weaken strategic leadership and the ability to act decisively

7.5 Model Five: Joint Venture with schools having ownership role

This model would see the creation of a new three-way partnership organisation **owned** jointly by the council, schools and a commercial organisation (private sector partner).

Joint Venture with schools having ownership role	
Potential opportunities	Potential challenges
<ul style="list-style-type: none"> ▪ Schools have formal stake in the model, increasing opportunity for schools to shape and commission services that are tailored to their needs ▪ Builds on the existing relationship between the Council and schools ▪ Potential to bring in investment ▪ Brings in commercial expertise ▪ Freedom to trade and generate income ▪ Shared risks and rewards/surplus with schools 	<ul style="list-style-type: none"> ▪ The smaller the private sector stake in the company, the less upfront private investment ▪ Some potential partners will not bid unless they have a 51% stake ▪ The private sector partner is less likely to accept full responsibility for outcomes if they do not have a controlling stake ▪ Public sector JVs can have relationship difficulties ▪ If there is complex governance, this might weaken strategic leadership and the ability to act decisively

7.6 Model Six: Joint Venture with schools having a commissioning role

This model would see the creation of a new partnership organisation owned jointly by the Council and a commercial organisation. A partnership Commissioning Board, consisting of representatives from the Council, schools and the commercial partner, would oversee and monitor the delivery of the contract, including performance indicators and agree overall direction and strategy.

Joint Venture with schools having a commissioning role	
Potential opportunities	Potential challenges
<ul style="list-style-type: none"> ▪ Schools have a formal influencing 	<ul style="list-style-type: none"> ▪ Schools do not have a formal stake in the model

<p>(commissioning) role in the model, increasing the opportunity for schools to commission services that are tailored to their needs</p> <ul style="list-style-type: none"> ▪ Builds on the existing relationship between the Council and schools ▪ Potential to bring in investment ▪ Brings in commercial expertise ▪ Freedom to trade and generate income ▪ Shared risks and shared rewards/profits between the council and commercial partner ▪ Schools have strategic influence without risk 	<p>(implications for level of ability to shape direction of the model and share in rewards/profits)</p> <ul style="list-style-type: none"> ▪ Public sector JVs can have relationship difficulties ▪ If there is complex governance, this might weaken strategic leadership and the ability to act decisively
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