



**Children, Education and Safeguarding
Committee
22nd September 2020**

Title	The future delivery of the Education and Skills Service
Report of	Chairman of the Committee - Cllr David Longstaff
Wards	All
Status	Public, save exempt Appendix C which contains financial information about a body in accordance with Paragraph 3, Schedule 12A Local Government Act 1972
Urgent	No
Key	No
Enclosures	<p>Appendix A - Full Business Case (including Appendix 1 - Initial analysis of options; Appendix 2 - Options assessment against the evaluation criteria; Appendix 3 - Summary of consultation responses), and additional appendices to the Full Business Case:</p> <ul style="list-style-type: none"> • Appendix 4 – Consultation report • Appendix 5 - Joint response from trade unions • Appendix 6 – Joint trade unions petition • Appendix 7- NAHT response <p>Appendix B - Equalities Impact Assessment</p> <p>Appendix C – Exit Agreement for termination of contract with Mott MacDonald- <i>Exempt appendix</i></p> <p>Appendix D- Shareholders Agreement in relation to the Barnet Education and Learning Service</p> <p>Appendix E- Barnet Education and Learning Service (BELS) Annual Business Plan</p>

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Summary

In April 2016 Barnet entered into a new seven-year strategic partnership with Mott MacDonald, trading as Cambridge Education, to provide all of the council's education services. The partnership was established in consultation with Barnet schools following a detailed options appraisal and procurement process. The aim of establishing the partnership was to:

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

The contract was due to expire on 31st March 2023 with an option to extend for any period up to a maximum of three years, potentially extending the contract up to the end of March 2026.

As a result of the complexities and consequences of the COVID-19 crisis on Mott MacDonald's business, the council and Mott MacDonald agreed that the termination of the Education and Skills contract may be the most appropriate course of action. The council and Mott MacDonald entered into negotiations regarding the future of the contract, with a view to agreeing a controlled exit by mutual consent. This meant that the council needed to consider urgently the best way of delivering the Education and Skills service in the future in order to protect the council, its relationship with schools and services for children and young people.

A confidential report was submitted to the council's Policy and Resources Committee on 17th June 2020, setting out the current situation and giving authority to the Executive Director for Children and Young People to make a decision, in consultation with the Commercial Director and Chairman of the Children, Education and Safeguarding Committee, to continue negotiations with Mott MacDonald and to terminate the contract if satisfactory terms could be reached and to consult with interested parties on alternative delivery options.

A chief officer in consultation with committee chairman Delegated Powers Report was published on 6th July 2020, setting out the agreed Heads of Terms for the termination of the contract with Mott MacDonald and the decision to terminate the contract with the Heads of Terms appended as a confidential report. A consultation with schools and the Steering Group of the Parent Carer Forum ran from 19th June to 3rd July and the results from this were set out within the report. An Equality Impact Assessment was also completed and was appended to the report. These were considered alongside the further analysis of the options that had been undertaken and the report set out the decision to implement option 2, which was to transfer all of the Education and Skills services and staff into a Local Authority Controlled

Company and to novate the current contract with Mott MacDonald, with the contract with ISS to provide catering novating to the council.

The Children, Education and Safeguarding Committee is asked to note the content of the report, the decisions that were set out in the Delegated Powers Report on the 6th July and the operational steps that have been taken to implement the decision.

Officers Recommendations

- 1. That the Children, Education and Safeguarding Committee note the content of the report.**
- 2. That the Children, Education and Safeguarding Committee note the decision to terminate the current contract with Mott MacDonald.**
- 3. That the Children, Education and Safeguarding Committee note the decision to novate the current contract with Mott MacDonald to the newly created Barnet Education and Learning Service Ltd and for the option to extend the contract to 31st March 2026 to be exercised.**
- 4. That the Children, Education and Safeguarding Committee note the decision to novate the current contract which Mott MacDonald holds with ISS to provide catering services to the council and to commission Barnet Education and Learning Service Ltd to manage the contract on behalf of the council.**
- 5. That the Children, Education and Safeguarding Committee note the Shareholder Agreement in relation to Barnet Education and Learning Service and the annual Barnet Education and Learning Service Business Plan.**

1. WHY THIS REPORT IS NEEDED

- 1.1 Barnet is well known for the excellent quality of its schools and the diversity of its educational offer. These are at the heart of Barnet's vision to be Family Friendly and its continuing success as a desirable place where people want to live, work and study. Excellent educational outcomes and ensuring children and young people are resilient and equipped to meet the needs of employers are vital to Barnet's future success.

2. STRATEGIC CONTEXT

- 2.1 In April 2016 Barnet entered into a new seven-year strategic partnership with Cambridge Education, to provide all the council's education services. The partnership was established in consultation with Barnet schools following a detailed options appraisal and procurement process as set out in the report approved by the Council on 8th December 2015. The strategic objectives when establishing the partnership were to:
 - Maintain Barnet's excellent education offer
 - Maintain an excellent relationship between the Council and schools

- Achieve the budget savings target for the service up to 2020.
- 2.2 The contract was due to expire on 31st March 2023 with an option to extend for any period up to a maximum of three years, potentially extending the contract up to the end of March 2026.
- 2.3 The performance against all three of the stated objectives for the partnership has been strong and the benefits that were expected from the partnership have been realised. Educational progress and achievement have improved consistently year on year. 96.8% of Barnet schools are good or outstanding and Barnet is now in the top 10% for almost all measures and the top 5% for many of the measures. The £1.885m budget savings target for the service up to 2020 has been achieved and the excellent relationship with schools has been at least maintained.
- 2.4 There is also a very strong and experienced management team in place within the Education and Skills service, which has the confidence of schools, members, Council officers and other stakeholders.
- 2.5 The table below provides a summary of the performance against the strategic objectives.

Strategic Objective	Summary of performance
1. To maintain Barnet's excellent education offer	<ul style="list-style-type: none"> • Educational progress and achievement have improved consistently year on year • 96.8% of Barnet schools good or outstanding • Barnet now in the top 10% for almost all measures and top 5% for many of the measures • All areas for improvement identified in the original business case have been significantly improved. • 2nd in the country for both Progress 8 and Attainment 8 • In the top 10% for all measures for disadvantaged pupils
2. To maintain Barnet's excellent relationships with schools	<ul style="list-style-type: none"> • Schools have been engaged in the governance arrangements for education and skills through boards and sub-groups. • Successful engagement with schools that require improvement, evidenced through improved results. • Traded income levels have been maintained despite financial challenges facing schools.

Strategic Objective	Summary of performance
3. To achieve the budget savings target for the service	<ul style="list-style-type: none"> • All of the MTFs savings that were built into the contract have been achieved. • 200k of further savings have been delivered through the transfer of the Early Years Standards team and Barnet Early Years Alliance SLAs. • There has been no gainshare delivered through the contract.

The impact of COVID-19 on the delivery of the contract

- 2.6 The unprecedented nature of the COVID-19 pandemic had significant impacts on the contract delivery model and Mott MacDonald notified a Force Majeure event under the contract in April, noting the potential effect of the event (covid19) on the performance of the obligations under the contract with the council. Under this Force Majeure event the council provided temporary financial support to mitigate against these impacts, in accordance with Cabinet Office guidance.
- 2.7 As a result of the complexities and consequences of the COVID-19 crisis there would have needed to be substantial revisions to the way in which Mott MacDonald delivered the Education and Skills contract. This could have included changes to the terms and conditions of staff and salary arrangements and other commercially confidential conditions, which would have been unacceptable to the council and would have undermined the delivery of the service.

Report to Policy and Resource's Committee on 17th June

- 2.8 A report was submitted to the council's Policy and Resources Committee on 17th June 2020, setting out the situation and giving authority to the Executive Director for Children and Young People to make a decision on the future arrangements for the current contract and, if this decision involved terminating the current contract earlier, considering what options were appropriate for future delivery of the services. This report was confidential due to the negotiations between the council and Mott MacDonald being ongoing. The Committee resolved the following:
1. That the Policy and Resources Committee note the content of the report, the success of the contract with Cambridge Education to date and the impact of COVID-19 on Mott Macdonald's future and therefore the delivery of the contract.
 2. That the Policy and Resources Committee delegate authority to the Executive Director for Children and Young People, in consultation with the Commercial Director and the Chairman of the Children, Education and Safeguarding Committee, to continue discussions with Mott McDonald on termination of the current contract and to agree to the termination of the contract if satisfactory terms are negotiated.
 3. That the Policy and Resources Committee agree the initial options appraisal and that, if a decision is taken to terminate the contract with Cambridge Education, two options of transferring the Education and Skills service either back in-house and/or into a Local Authority Controlled Company (LACC) are taken forward for further appraisal in a Full Business Case.

4. That the Policy and Resources Committee delegate authority to the Executive Director for Children and Young People to consult with schools and other key stakeholders on the two options for the future delivery of the Education and Skills service.
 5. That the Policy and Resources Committee delegate authority to the Executive Director for Children and Young People, in consultation with the Chairman of the Children, Education and Safeguarding Committee, to make the following decisions:
 - (i) agree the business case and decide which of the two options to implement;
 - (ii) take all operational steps to facilitate the implementation of the agreed option, including but not limited to transfer of staff, setting up any required corporate body, novate any existing contracts, including exercising any option to extend until 31 March 2026 and agreeing terms of any new contract for delivery of services, subject to the term not continuing beyond 31 March 2026.
 6. In addition to a Delegated Powers Report and reporting to the Children, Education and Safeguarding Committee on the educational outcome of decisions on this matter, the chairman of the Children, Education and Safeguarding Committee is instructed to report back to the next meeting of the Policy and Resources Committee on the contractual and financial decisions taken in this matter and the implications thereof with as much of the report as possible taken in public session.
 7. That the Policy and Resources Committee notes that officers continue to work closely with suppliers to ensure that appropriate supplier relief arrangements are in place and to monitor the impact of Covid-19 on their sustainability.
- 2.9 Schools and the Steering Group of the Parent-Carer Forum were consulted on the proposed options, in case a decision was made to terminate the contract between the council and Mott MacDonald. The timescale was limited to ensure that any future decisions fit into the academic year. Consultation was open between 18th June and 3rd July. A summary of the responses is set out in Appendix 3 of the Full Business Case and a report is provided in Appendix 4.
- 2.10 Under both options on which schools and the Steering Group of the Parent Carer Forum were consulted it was proposed that the ISS contract would continue and that the contract would be novated to the council, which meant the current contract under which ISS provides a catering service to schools would change from being a contract between Mott MacDonald and ISS to a contract between the council and ISS. Under both options, the Education and Skills service would be asked to manage the contract on the council's behalf.

Consultation with schools

- 2.11 Headteachers were invited to attend one of two meetings (using MS-Teams) held on Friday 19th June, at which representatives of the council and Mott MacDonald explained the current situation and the proposal to consult on two options and answered questions. A consultation document was issued to all schools later the same day. The document invited each school to respond to a survey, with one response per school. Headteachers were asked to consult their chair of governors (or chair of Academy Trust) or all governors. A link to the survey was sent to schools on Monday 22nd June. The consultation document was emailed to chairs of governing bodies on

Tuesday 23rd June. Schools were asked to respond to the survey by 4pm on Friday 3rd July.

2.12 The consultation document was intended to give schools a summary of the current position and of the options being considered, alongside the analysis carried out so far by council officers. The survey asked the following questions:

1. Do you agree with the strategic objectives for the future delivery model for the Education and Skills Service?

Please give a rating against each of the objectives (strongly agree, agree, neither agree nor disagree, disagree, strongly disagree):

- To deliver the best possible education outcomes
- To deliver financial savings
- To maintain good relationships with schools
- To minimise disruption to the service through the implementation of one of the options indicated above

2. Please choose your preferred option for delivery of the Education and Skills services:

- 1) Bring the service back in house
- 2) Transfer all services into a Local Authority Controlled Company
- 3) Don't know/no preference

3. What level of involvement do you believe schools should have in the future delivery of the Education and Skills Service?

Please give a rating against each of the following (strongly agree, agree, neither agree nor disagree, disagree, strongly disagree):

- 1) School representatives on a partnership board or consultative forum
- 2) School representatives on the board of directors (LACC model only)
- 3) Other role – please specify

4. The contract is due to expire on the 31st March 2023 with an option to extend for a further three years to 31st March 2026. Do you agree that if the contract is transferred to a LACC, the current contractual terms should be extended to March 2026 to provide stability for the service? YES or NO.

2.13 A summary of the responses from schools is shown in Appendix 3 of the Full Business Case and the consultation report is provided in Appendix 4. There was slightly stronger support from schools for Option 2 (transfer the service into a LACC) with 46% (37 schools) preferring this option compared to 42% (34 schools) preferring option 1 (transfer the service in house).

Consultation with the Steering Group of the Parent-Carer Forum

- 2.14 The Steering Group of the Parent-Carer Forum was invited to attend a meeting (using MS-Teams) held on Thursday 25th June, at which the Executive Director, Children's Services and the Assistant Director, SEND and Inclusion (who is jointly employed by the council and Cambridge Education) explained the current situation and the proposal to consult on two options, and answered questions. A consultation document had been issued to members of the Steering Group the previous day. The document invited members of the Steering Group to respond to a survey by 4pm on Friday 3rd July.
- 2.15 The survey asked for a response from members of the PCF Steering Group to the same questions as schools were asked to respond to.
- 2.16 A summary of the responses from members of the Steering Group of the Parent-Carer Forum is included in Appendix 3 of the Full Business Case and the consultation report is provided in Appendix 4. All respondents (100%, 5 respondents) from the Steering Group of the Parent Carer Forum preferred option 2 (transfer the service into a LACC) with no respondents preferring the in-house option.

Briefings with staff and unions

- 2.17 All Education and Skills service staff were invited to one of four meetings (on MS-Teams) by the Education and Skills Director on Thursday 18th June, at which representatives of Mott MacDonald and the council briefed staff on the current situation and the proposal to consult schools and the PCF Steering Group on two options and answered questions. Staff were informed that consultation on their transfer under TUPE regulations to either the council or a Local Authority Controlled Company would begin on Monday 6th July and was expected to last until Monday 20th July. A briefing document was sent to all staff on Friday 19th June. Staff were invited to send any comments or questions by 4pm on Friday 3rd July.
- 2.18 Trade unions representatives were invited to a meeting (on Skype) by the Education and Skills Director on Tuesday 23rd June, at which representatives of Mott MacDonald and the council briefed them on the current situation and the proposal to consult schools and the PCF Steering Group on two options and answered questions. The unions were informed that consultation on the transfer of staff under TUPE regulations to either the council or a Local Authority Controlled Company would begin on Monday 6th July and was expected to last until Monday 20th July. The briefing document and consultation document for schools were sent to unions representatives on Monday 22nd June.
- 2.19 A summary of the key comments from staff and trade unions is included in Appendix 3 of the Full Business Case. The majority of staff (24 staff) supported transferring the service in-house rather than into a LACC (16 staff). The trade unions supported transferring the service in-house.
- 2.20 The NAHT submitted a response to the briefing document. This is attached at Appendix 7. This stated that members working within Cambridge Education and affected by this

proposal were unanimous in their support for the establishment of an LACC in line with Option 2 of the consultation document.

Delegated Powers Report on 6th July

- 2.21 Discussions with Mott MacDonald regarding the termination of the contract continued following the Policy and Resources Committee meeting of 17th June 2020. These progressed in a constructive manner and satisfactory key commercial terms were agreed in principle. These ensured, as a minimum, that the termination of the contract would not result in any additional cost to the council. On that basis, the Executive Director for Children and Young People, in consultation with the Chairman of the Children, Education and Safeguarding Committee, the Chief Executive, the Finance Director the Commercial Director, took the decision through a Delegated Powers Report on the 6th July that the termination of the contract should proceed with a view to the contract being terminated with effect from 31st August 2020.
- 2.22 Through the Delegated Powers Report on the 6th July, the Executive Director for Children and Young People, in consultation with the Chairman of the Children, Education and Safeguarding Committee, also took the decisions:
- To novate the current contract with Mott MacDonald to the newly created Barnet Education and Learning Service Ltd and for the option to extend the contract to 31st March 2026 to be exercised.
 - To novate the current contract which Mott MacDonald holds with ISS to provide catering services to the council and to commission Barnet Education and Learning Service Ltd to manage the contract on behalf of the council.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Committee is asked to note the decision to terminate the contract with Mott MacDonald, which was on satisfactory terms as outlined in the Exit Agreement set out in exempt Appendix C.
- 3.2 The Committee is asked to note the decision to novate the contract to the new company Barnet Education and Learning Service Ltd and to extend the contract to 31st March 2026.
- 3.3 The Committee is asked to note the decision to novate the current contract which Mott MacDonald holds with ISS to provide catering services to the council and for Barnet Education and Learning Service to manage the contract on behalf of the Council in order to provide continuity with the current model.
- 3.4 Following the decisions taken through the Delegated Powers Report on 6th July, operational steps were taken to implement the decisions in line with the delegated authority agreed by Policy and Resources Committee on the 17th June. A Joint Programme Review Board between the council and Mott Macdonald, chaired by the

Commercial Director, was established to oversee the implementation of the decisions. The operational steps and key milestones are summarised in the following paragraphs.

- 3.5 Cambridge Education undertook a TUPE consultation with staff and the unions between 6th and 27th July.
- 3.6 The Barnet Education and Learning Service was registered with Companies House on 6th July. An interim Chief Executive was appointed, one day per week from 15th July to 28th August, to facilitate the smooth transfer of services and staff.
- 3.7 A report was taken to Full Council on 23rd July, at which the appointments of the following council officers and elected members to the Barnet Education and Learning Service Ltd. were approved:
 - Councillor David Longstaff (Chairman of the Children, Education & Safeguarding Committee and Lead Member for Children’s Services)
 - Mr Chris Munday (Executive Director for Children & Young People)
 - Mr Ben Thomas (Assistant Director, Education, Strategy & Partnerships)
- 3.8 All the Education and Skills staff, including the Senior Management Team, transferred from Cambridge Education to the Barnet Education and Learning Service on the 1st September, with the same staffing structure. The Education and Skills Director became the Chief Executive of the Barnet Education and Learning Service.
- 3.9 The contract with Mott Macdonald terminated on 31st August and novated to the Barnet Education and Learning Service on 1st September. The contract was extended to 31st March 2026 at the point of novation.
- 3.10 The contract between Mott Macdonald and ISS to provide catering services novated to the council on 1st September.
- 3.11 A report is being taken to Policy and Resources Committee on 24th September, at which it is recommended that the Committee approves a Shareholder Agreement in relation to Barnet Education and Learning Service (attached at Appendix D) and the annual Barnet Education and Learning Service Business Plan (attached at Appendix E). This sets out the matters that only the Council as sole shareholder can determine (including the Reserved Matters) and ensures that the Council has an appropriate level of control over BELS to meet the so-called Teckal exemption from public procurement rules permitting the direct award of the contract to the company without pursuing a competitive procurement process.
- 3.12 The Reserved Matters are set out at Schedule 3 of the Shareholders Agreement and require Council approval for key strategic and high level financial decisions to be made by BELS. They relate to:
 - i. The Constitution of the Company
 - ii. Officers and Shareholders of the Company
 - iii. The future direction and development of the Company
 - iv. The management of the business of the Company, including key financial decisions

- 3.13 The Business Plan sets out the approach the Company will take in undertaking the Company's business for the next Financial Year. Reserved Matters can be approved in advance if they are included in the approved annual Business Plan.
- 3.14 The Committee is asked to note that clause 3.2 of the Shareholder's Agreement says that the Business Plan for BELS will be approved in future years by the Children, Education and Safeguarding Committee on the Council's behalf, and that Reserved Matter 9 prevents any spending by BELS that is not in accordance with approved spending by the Executive Director of Children's Services in the exercise of statutory officer functions and in accordance with BARNET's Financial Regulations.

4 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 4.1 Recommendations are to note decisions that have been made and so there are no alternative options to consider.

5 POST DECISION IMPLEMENTATION

- 5.1 The Barnet Education and Learning Service will work to deliver the annual Business Plan adhering to the requirements of the Shareholder Agreement.

6 IMPLICATIONS OF DECISION

6.1 Corporate Priorities and Performance

- 6.1.1 Barnet is well known for the excellent quality of its schools and the diversity of its educational offer. These are at the heart of Barnet's vision to be Family Friendly and its continuing success as a desirable place where people want to live, work and study. Excellent educational outcomes and ensuring children and young people are resilient and equipped to meet the needs of employers are vital to Barnet's future success and one of the key priorities within the Corporate Plan.

6.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 6.2.1 The financial impact of terminating the contract is set out in Appendix C which marked exempt as it contains commercially confidential information.
- 6.2.2 The Business Case (attached at Appendix A) set out the budget position for 2020/21, showing that the Education and Skills service is provided at a total annual gross cost of £15.45m, funded by £4.78m from the Dedicated Schools Grant, which is ring-fenced, and generation of income of £3.36m. This leaves a net budget of £7.32m.
- 6.2.3 The financial impact of the two options, against the baseline of Cambridge Education continuing to deliver the contract, is set out in the Business Case. This showed that the in-house option would lead to extra net costs of £542,000 whereas the LACC option

would result in a saving of £161,000. The difference between the two options is therefore net expenditure of £703,000.

6.2.4 There have also been some one-off costs required in order to deliver the project to establish the LACC and transfer the staff and services into the LACC. These are forecast to total £90,000 and are being charged to the Covid budget as they have been incurred due to Covid.

6.3 Social Value

6.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

6.3.2 The options appraisal set out the advantages and disadvantages of each of the options and the rationale for the decision in order to achieve best value.

6.4 Legal and Constitutional References

6.4.1 The Council has general and specific duties and powers in relation to delivery of education functions. Some of these functions can be contracted out to an external provider, whereas others must continue to be delivered by the Council. Under the current contract, some staff are on joint employment contracts to allow them to exercise council functions. This includes SEN and education welfare services. This arrangement would continue when the service is delivered by the LACC.

6.4.2 Public procurement rules must be followed in relation to awarding new contracts; however, the Public Contracts Regulations 2015 permit the Council to award a contract to a controlled company without conducting a competitive tendering process, where the 'control' and 'function' tests are satisfied. These are that the Council exercises over the Company a control similar to that which it exercises over its own departments, and that more than 80% of the activities of the Company are carried out in the performance of tasks entrusted to it by the Council. The Shareholders' Agreement satisfies the 'control' test, and the Company will be providing more than 80% of its services to the Council. Contract Procedure Rule 6.1 also permits the awarding of a contract directly without undertaking a competitive tendering exercise in exceptional circumstances if approved in advance by the Commercial & ICT Services Director.

6.4.3 The Council's Constitution, Article 7 notes that the Children, Education and Safeguarding Committee has 'Responsibility for all matters relating to children, schools and education.'

6.5 Risk Management

6.5.1 The council has an established approach to risk management, which is set out in the Risk Management Framework. In accordance with this, a risk register has been

maintained and overseen by the Joint Programme Review Board. Project risks were identified, along with mitigation measures, throughout the project and have been successfully managed.

6.6 Equalities and Diversity

6.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and
- other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- foster good relations between people from different groups

The broad purpose of this duty is to integrate considerations of equality into day to day business and to keep them under review in decision making, the design of policies and the delivery of services.

6.6.2 An Equality Impact Assessment was carried out in relation to staff and has been appended to the full business case.

6.6.3 It is considered that the chosen option of transferring the Education and Skills Service to a LACC will not have a negative impact on this group of staff. There were no redundancies and all terms and conditions, including their pensions, were protected through the TUPE transfer.

6.6.4 Those that were in the LGPS scheme remained in the LGPS scheme and retained their continuous service. Those that were on a Mott Macdonald Aviva pension, which is what they were recruited onto, transferred to an Aviva pension with the Barnet Education and Learning Service that is the same as their previous scheme. Any new staff can join the same scheme. The LACC has an 'open' LGPS scheme, which gives the company the discretion to enable staff who are not currently in the LGPS and new joiners the opportunity to join the LGPS but only if that is affordable.

6.6.5 It is considered that the transfer protected staff from the risk of a negative impact if they were to have remained with Mott MacDonald. Mott MacDonald indicated that, as a result of the complexities and consequences of the COVID-19 crisis there would need to be substantial revisions to the way in which Mott MacDonald delivered the Education and Skills contract, which could have included changes to the terms and conditions of staff and salary arrangements if staff had remained employed by them.

6.6.6 With the in-house option all current and new staff would have been automatically enrolled into the Local Government Pension Scheme, which has more favourable terms than the Mott MacDonald scheme (Aviva), albeit that employee contributions would have increased from the current rate of 4.5%. It would have meant that all staff would have been covered by the Modification Order, which would have meant that their continuous service would have transferred if they had moved from their job with the council to a job with another body covered by the Modification Orders, such as a local

authority or school. This may have had a positive impact for staff. However, the estimated additional cost of all staff being in the LGPS scheme was £818,000, which may have had to be met through reductions to jobs or services.

6.6.7 Some staff and the trade unions expressed views that the transfer will have a negative impact on protected characteristics because it will promote a two-tier workforce. These views are summarised in the consultation summary of the Full Business Case. For the reasons set out above it is not accepted that it will have a negative impact compared to their current employment status and mitigations are set out in the sections below.

6.6.8 It was recognised that the transfer would constitute a significant change and, in accordance with the Council's Managing Organisational Change Policy, the change was managed in a way that sought to minimise the disruptive effects of change. This included formal TUPE consultation which ran from 6th July to 27th July, in which all staff were offered 1:1s.

6.6.9 There will also be continued monitoring of data around protected groups to ensure employment opportunities for staff in minority groups.

6.6.10 It is anticipated that there will be no impact on service users as a result of this change because there are no proposed changes to the levels of service provided.

6.7 Corporate Parenting

6.7.1 In line with the Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. The outcomes and priorities in the refreshed Corporate Plan, Barnet 2024, reflect the council's commitment to the Corporate Parenting duty to ensure the most vulnerable are protected and the needs of children are considered in everything that the council does.

6.7.2 There are services in scope for this project which support Children in Care and Care Leavers specifically, such as the Virtual School, as well as the overall service which impacts on these groups through improving educational outcomes overall. Barnet is now in the top 10% for measured achievement for all disadvantaged groups and this remains a high priority for the service.

6.8 Consultation and Engagement

6.8.1 A summary of the consultation with schools and the Steering Group of the Parent Carer Forum and the engagement that took place with staff and unions is set out in sections 2.27 to 2.36 above. A summary of the responses to the consultation is set out in Appendix 3 and the consultation report is provided in Appendix 4. A summary of comments from staff and the unions is set out in Appendix 3 of the Full Business Case.

7 INSIGHT

7.1 A range of data and information were used to inform the initial options appraisal.

8 BACKGROUND PAPERS

- 8.1 Education and Skills Future delivery of service for Children, Education, Libraries and Safeguarding Committee on 12th January 2015:
<https://barnet.moderngov.co.uk/documents/s20181/Education%20and%20Skills%20Future%20Delivery%20of%20Services.pdf>
- 8.2 Referral to Full Council- Education and Skills future delivery of service on 8 December 2015:
<https://barnet.moderngov.co.uk/documents/s27817/Report%20to%20Council%20-%20CELS.pdf>
- 8.3 Delegated Powers Report- Future Delivery of Education and Skills on 6th July 2020:
<https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=7505>