

CABINET

21 April 2020

Title: Barking and Dagenham School Improvement Partnership Business Plan 2020-23	
Report of the Cabinet Member for Finance, Growth and Investment	
Open Report with Exempt Appendix 1 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972)	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
Summary <p>This report seeks Cabinet endorsement of the Business Plan the Barking and Dagenham School Improvement Partnership (BDSIP) in line with the requirements of the Membership Agreement. This Business Plan has been scrutinised by the Shareholder Panel, the advisory body created to monitor and to report to Cabinet on the performance of Companies that Council has a shareholding interest in.</p> <p>It must be noted that the Business Plan has been developed prior to the recent pandemic and it is not yet possible to determine the extent of the impact this will have on the Company's ability to deliver the outcomes outlined in the report however this will be monitored through the Shareholder Panel.</p> <p>The substantive Business Plan is contained within Appendix 1 to this report, which is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p>	
Recommendation(s) <p>The Cabinet is recommended to endorse the BDSIP Business Plan 2020-2023 at Appendix 1 to the report.</p>	
Reason(s) <p>To assist the Council in achieving value for money for the taxpayer and is aligned to both the 'Growing the Borough' and 'Well run organisation' objectives.</p>	

1. Introduction and Background

- 1.1 In line with the Membership Agreement for BDSIP, this Business Plan has been produced for Cabinet endorsement.
- 1.2 The Business Plan has been approved by BDSIP Board and has been scrutinised by the Shareholder Panel and recommended for endorsement by Cabinet.
- 1.3 It must be noted that this plan has been prepared prior to the current restrictions operating as a result of the Covid-19 pandemic. As it is not clear how long the current restrictions will last it is not possible to determine the extent to which the commitments within this Business Plan will be able to be delivered however this plan will serve as the baseline forecast by which the impact of Covid-19 can be assessed.

2. Barking and Dagenham School Improvement Partnership (BDSIP) Business Plan 2020-2023

- 2.1 BDSIP is a school's led Company with 81% of the shares being held within the Barking and Dagenham family of Schools and 19% being held by the Council as a minority shareholder. BDSIP is a not-for profit Company with no financial targets to meet for the Council. However, as a shareholder the Council has an interest in the company's strategy and financial sustainability.
- 2.2 In 2019 fifty-six schools have opted to be Members of BDSIP including all 43 LBBB schools and 13 academies and the Business Plan sets out the Company's vision to become schools' most **Trusted Partner**, working with them to deliver the best outcomes for all our young people.
- 2.3 Since its launch in 2018 BDSIP has focused on updating its service offer to schools across the business, adapting and evolving it's original offer in line with changes in schools needs and tightening of budgets. This has generated positive feedback and schools buy-in which puts the company in good stead to achieve its strategic aims which is by 2023 BDSIP want to see all pupils, schools and staff in Barking & Dagenham achieve excellence
- 2.4 The Business Plan demonstrates that the Company has had a positive year developing enhancements to its service offer as well as the creation of new services such as primary careers, counselling and Continued Professional Development.
- 2.5 As a result of introducing new service offers the company has exceeded its business plan financial target and is forecasting a surplus financial position for 2019/20 which will be reinvested in services back to schools. In this Business Plan the company commits to introduce at least two new services every year which it will develop in response to schools emerging needs.
- 2.6 BDSIP's aspiration is to see all schools in B&D rated good or outstanding by 2023. Part of delivering this ambition will be for BDSIP to continue to maintain or grow the current level of traded services to ensure best practise is shared and embedded across all B&D schools.
- 2.7 Following further analysis of the work done undertaken by LBBB Education and

BDSIP it is proposed that SEND and inclusion commissioning and their associated costs will return to the Council in 2020/21 with the Early Years advisory service and their costs moving to BDSIP.

- 2.8 BDSIP successfully secured external funding from the Department for Culture, Media and Sport to support the development of BDSIP's services and culture change within the business. This demonstrates positive external recognition in the company's ethos and its aspirations for children and young people in the borough

3. **Consultation**

- 3.1 The Business Plans have undergone the following consultations

- Approved by the BDSIP Board on 23rd March 2020
- Endorsed by the Shareholder Panel on 24th March 2020

4. **Financial Implications**

Implications completed by: Philip Gregory, Finance Director

- 4.1 The company structure allows any surplus to be re-invested in the activities of the company. The Council is a minority shareholder in the company and there are no financial returns included within the Medium Term Financial Strategy.

5. **Legal Implications**

Implications completed by: Ian Chisnell, Major Projects Solicitor

- 5.1 Cabinet is requested to approve a Business Plans for BDSIP a company in which the Council has a minority interest.
- 5.2 BDSIP is a not-for-profit company limited by guarantee in which the Council along with the group of Barking schools has a membership. The Council is a minority member with 19% control. Therefore, the Cabinet does not have final approval over the BDSIP Business Plan and is asked to indicate its endorsement of the plan and agree for the Council's Non-Exec Directors to vote for its approval at the BDSIP Annual General Meeting. The decision is taken as member of the company.
- 5.3 The Council has a number of relevant powers regarding its involvement in such companies. Section 1 of the Localism Act 2011, the general power of competence ("GPC") empowers local authorities to do anything that an individual can lawfully do provided that the activity is not expressly prohibited by other legislation. Activities authorised by the GPC can include investment, trading or charging decisions which may be undertaken through commercial (corporate) vehicles with the primary aim of benefiting the authority, its financial management, its area or its local communities. The power is wide and provided that the specific activity is not expressly restricted or proscribed by other legislative provisions, approval will be within the parameters of the GPC power.
- 5.4 As a public body, the Council cannot provide state resources or other forms of support on a selective basis to any organisations or body in a manner that could potentially distort competition and trade in the European Union. This principle is

binding in law on the Council and is applicable for this company in which it has a minority interest.

6. Other Implications

- 6.1 **Support Services** - The Business Plan outlines that BDSIP will be creating its own internal support services function as of April 2020. Discussions between the Council and BDSIP are in place to ensure a smooth transition.
- 6.2 **Contractual Issues** - Development of Business Plan's is a contractual commitment for all of the Companies and is designed to set the framework by which the strategic direction of each Company is considered and approved or endorsed by the Council as either a major or minor Shareholder
- 6.3 **Staffing Issues** – Some elements of the plan may involve the transfer of staff from the Company back to the Council and vice versa. In this situation TUPE will apply.
- 6.4 **Corporate Policy and Customer Impact** – The outcomes noted within the Business Plan are expected to have a positive impact on residents, either by supporting the Council's aim to become self-sustainable as well as improving service outcomes and educational attainment for residents and children.
- 6.5 **Health Issues** - The proposed Business Plan will have a positive impact on the local community.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix 1: Barking and Dagenham School Improvement Partnership Business Plan 2020-2023 (exempt document)