

CABINET

12 July 2022

Title: Barking and Dagenham School Improvement Partnership Business Plan 2022/23	
Report of the Cabinet Member for Finance, Growth and Investment	
Open Report with Exempt Appendix 2 (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: Fiona Taylor, Acting Chief Executive	
Summary <p>This report seeks Cabinet endorsement of the Barking and Dagenham School Improvement Partnership (BDSIP) Business Plan. BDSIP is incorporated as a company limited by guarantee under the name of BDSIP LTD (co. no: 11126768) in line with the requirements of the Membership Agreement.</p> <p>The Business Plan has been scrutinised by the Shareholder Panel, an advisory body created to monitor and report to Cabinet on the performance of Companies that the Council has a shareholding interest in.</p> <p>The proposed business plan provides an update against 2021/22 financial performance and a forecast for the coming 2022/23 financial year which will, in effect, conclude its initial business plan five-year strategy. It is expected that once its 2023-26 three-year strategy is signed off, the company will provide a three-year forecast which performance will be monitored against and reported to Shareholder Panel.</p> <p>The Business Plan is set out at Appendices 1 and 2 to the report. Appendix 2 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 2022/23 as set out in the appendices 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 Company's Board consists of majority voting members made up of representatives from Barking and Dagenham Schools and two Council representatives. BDSIP's strategy and operation is therefore predominantly determined by those Barking and Dagenham Schools who are members of the Company who comprise a majority of the members in line with its motto "We are by schools, for schools".
- 1.3 BDSIP is a not-for profit Company and has no financial return targets to meet for the Council and any surplus achieved is used to reinvest in school improvement and new service offers. However, as a member and as Supervising Authority under the Schools Companies Regulations 2002 (The Regulations) the Council has an interest in the company's strategy and financial sustainability. As such, the Business Plan has been scrutinised by the Shareholder Panel and subsequently recommended for endorsement by Cabinet.
- 1.4 In what was another challenging year due to COVID restrictions overall traded services income was £49k below target. Nonetheless, it is important to note that since its establishment BDSIP has successfully exceeded all its original business case post tax targets – including the last two years of the pandemic where it still generated a positive surplus against the original business case forecast of a negative return in those years.
- 1.5 Council commissioning income was £126k higher than 2020/21. However, income forecast for 2022/23 is the lowest since the company was established in 2018. This is mainly attributed to reduction in DSG grant funding which is expected to be completely eliminated by 2025/26. In line with the original business case aspiration, demonstrating the ongoing value of these services to schools has enabled BDSIP to continue to provide them within their offer.

2. Barking and Dagenham School Improvement Partnership (BDSIP) Business Plan 2022-2023

- 2.1 The proposed business plan provides an update against 2021/22 financial performance and a forecast for the coming 2022/23 financial year which will in effect conclude its initial five-year strategy. Once BDSIP's 2023-26 three-year strategy is signed off the company will provide a three-years forecast which performance will be monitored against and reported to Shareholder Panel.
- 2.2 The Company's income target for 2022/23 is 26% higher than 2021/22 which is mainly attributed to price increases on some service offers such as School Improvement, Health and Wellbeing (Counselling).
- 2.3 The plan reiterates its continued commitment to become the most Trusted Partner for schools, to deliver the best outcomes for children in the borough. Currently, all schools in the borough purchase at least one service from BDSIP and a further 15 out of borough schools also buy services. The plan includes targets to increase the

volume of services sold by 15% with an aspiration to generate a 5% surplus to be reinvested in services to schools. Due to the pandemic in 2021/22 the company focused on maintaining the existing levels of income and as at year-end was still forecasting to achieve an unaudited surplus of 5%.

- 2.4 Since its launch in 2018 BDSIP has focused on updating its service offer by adapting and evolving it to suit changing schools needs as well as reflecting the tightening of budgets. Some of this has involved the introduction of new services however during the pandemic the development of new services was significantly reduced. In 2021/22 the company re-commenced redesigning its service offer to meet the requirements of a new Early Careers framework and introduced a Race and Social Justice service.
- 2.5 Forecast income target for Work Experience in 2022/23 is significantly higher than what was achieved in 2021/22 which reflects an expected recovery in demand following the easing of restrictions. One of the challenges in 2021/22 was to find employers willing to offer work experience placements but the removal of restrictions has raised expectations that this issue will be at least partly resolved in 2022/23.
- 2.6 One of the 2022/23 business plan targets is for all schools to be rated by Ofsted as “good” or “outstanding”. The COVID-19 pandemic meant the focus with inspections in 2020 was to establish schools’ ability to adapt to a remote learning offer and therefore no grading were awarded. However, based on 2019 data, 95% of schools purchasing services were rated either “good” or “outstanding”. Across the borough 91% of schools meet this objective, against a London average of 93%.

3. Consultation

3.1 The Business Plans have undergone the following consultations

- Approved by the BDSIP Board in May 2022
- Endorsed by the Corporate Performance Group on 23 June 2022
- Endorsed by the Shareholder Panel on 27 June 2022

4. Financial Implications

Implications completed by: Thomas Mulloy, Chief Accountant

4.1 BDSIP has no financial targets to meet other than maintaining a 5% surplus (all of which are reinvested into their services). Given the pandemic, their internal income targets have been challenging. The Council will maintain a watching brief to ensure there is no deterioration to BDSIP’s overall position going forward.

5. Legal Implications

Implications completed by: Ian Chisnell, Major Projects Solicitor

5.1 Cabinet is requested to approve a Business Plans for BDSIP Ltd, a company limited by guarantee.

- 5.2 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 empowers local authorities to do anything that an individual can lawfully do provided that the activity is not expressly prohibited by other legislation. It also has power to act as Supervising Authority under the School Companies Regulations 2002, as explained earlier in the report.
- 5.3 BDSIP is a not-for-profit company in which the Council is a minority member along with the group of Barking schools. It is appointed the Supervising Authority under the School Companies Regulations 2002 by the company.
- 5.4 Under Reg 26 of those Regulations the Council has an obligation to monitor the company finances and report if it considers that the company is poorly managed or in danger of becoming insolvent. Therefore, Cabinet, although it does not have final approval over the BDSIP Business Plan, is being asked to indicate its endorsement of the plan and recommend its approval at the BDSIP Annual General Meeting as a member of the company and Supervising Authority.

6. Other Implications

- 6.1 **Corporate Policy and Customer Impact** - The outcomes noted within the Business Plan are expected to have a positive impact on residents by improving service outcomes and educational attainment for residents and children.
- 6.2 **Health Issues** - The proposed Business Plan is anticipated to 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 2022/23 (excluding financial information)
- **Appendix 2:** Barking and Dagenham School Improvement Partnership Business Plan 2022/23 (exempt document)