

BRIEFING NOTE

Agenda Item No. 6

TO: Children's Scrutiny Panel

DATE: 28th April 2011

RE: Education Contract Review – progress update April 2011

Purpose

This briefing provides an update on the progress of the Education Contract review.

Review progress

The review commenced in October 2010 in anticipation of the public sector deficit reduction programme and the White Paper 'The Importance of Teaching.

The Government's policy direction of increasing the autonomy of all schools is supported by the reduction in grants to the council combined with a redirection of funding from the council direct to schools. This will happen through two key policies – converting schools to Academies and the introduction of national funding direct to all maintained schools; following consultation this year.

The impact on the contract with Serco has been substantial; the value has reduced by £7.7 million in total. The impact on education support is much less, estimated at £1.7 million net. This is based on £5.6 million total reduction on education support offset by £3.9 million Pupil Premium.

The impact of this reduction on individual schools will vary greatly, due to the difference in Pupil Premium, how much support was provided to the school by Serco previously (and now will need to be traded) and indirectly the impact of Single Status/Equal Pay on school budgets.

During the review Headteacher representatives fully understood that trading would increase and agreed to the deletion from the output specifications of those activities that they rated as less important to their schools in improving attainment. In many cases they accepted that services could become 'part traded'.

In response Serco completed an 'Impact Assessment' and proposed their own changes to meet the funding reduction while mitigating impact on schools and frontline services. They have had to place over 200 staff at risk and expect to reduce their staffing by over 100.

This impact assessment was reviewed by council officers with Headteacher representatives during March and the final recommendations for changes was submitted to the Contract Review Board on 8th February and then to the Education Executive Board on 16th February. A report to Cabinet on 16th March secured approval to the proposed service reductions.

The full impact on schools will become clearer during the Summer and Autumn terms. Serco have briefed schools on what will be traded from September and have already amended some of the prices they will charge and responded to school requests for bespoke services.

It is likely that the contract will require further adjustment as the Council and Serco agree to changing priorities. For example, we have now included in the specification a clearer role for Serco in the Academy Conversion process and also supporting school collaborative clusters.

In conclusion, following extensive engagement with Headteachers and other stakeholders over the last 6 months the detailed changes to the contract have been successfully finalised to deliver a £7.7 million reduction from 1st April 2011 onward (net budget reduction for education support £1.7 million). Serco have been careful to ensure that service reduction has been focussed on back office or advisory staff so that the impact on schools and children and young people has been minimised as far as possible.

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