

Item No.	Classification: OPEN	Date: 8 th July 2003	MEETING NAME EXECUTIVE
Report title:		Recommendation to award contract for review of education services in Southwark	
Ward(s) or groups affected:		All	
From:		Strategic Director of Education and Culture	

BACKGROUND INFORMATION

1. The Executive were informed on 25th March of the desire of W S Atkins to terminate their contract with the Council at the end of July and that DfES intended requiring the Council to put in place a strategic management contract for a year pending a longer term review of how best to undertake LEA functions. Award of contracts for the long-term review and interim strategic management is contingent on the Executive's decision regarding possible termination of the contract with WS Atkins.
2. Since March negotiations have taken place with Atkins and DfES and meetings have taken place with the Minister for Schools, Stephen Twigg, and the Secretary of State for Education, Charles Clarke. In addition, DfES has commissioned PricewaterhouseCoopers (PwC) to procure the strategic management arrangements in conjunction with the Council.
3. At its meeting on 20th May 2003, the Executive approved the specification for the long-term review of the options for providing LEA services. The Executive also approved the organisations to be invited to undertake this review.
4. The decision to award the contract for the review was deferred at Executive meetings on 30th June and 7th July 2003 as a result of the termination of the contract with Atkins not being agreed at either of those meetings.

Role of the Department for Education and Skills

5. The contract for the review of education services will be with the Council. The Executive agreed the review would be jointly managed with the Department for Education and Skills (DfES), with Professor Tim Brighouse, Commissioner for London Schools, assisting the Council in this process.

Advisory Group

6. The Council has established an Advisory Group to advise it on the procurement of the interim strategic management and the review of education services. The Terms of Reference for the group were agreed in principle by the Executive in May, and are attached (Appendix 2). Membership of the Advisory Group is also attached (Appendix 3).

KEY ISSUES FOR CONSIDERATION

7. Three bids were received by the closing date 16th June 2003 – OPM, PwC and LLC (Institute of Education).
8. The evaluation criteria were agreed by the Council and the DfES, with the Advisory Group advising how the criteria should be weighted. The criteria were consistent with the specification and focussed on five key areas: key issues and approach; experience; engagement and consultation; value for money; and quality assurance. The final evaluation criteria were agreed before the deadline for receipt of the bids.
9. The Advisory Group met on Wednesday 18th June to consider the bids. It was agreed that all three bids met the minimum criteria. Generic weaknesses were identified against all the bids and they formed the basis of seven issues to address with bidders during interviews held on Wednesday 25th June. They were:
 - Knowledge of new models for education services
 - Customisation to local needs
 - Breadth of the project
 - Experience and knowledge
 - Engagement and consultation
 - Mix of 'soft' and 'hard' approaches
 - Value for money

REASONS FOR URGENCY

10. The education service is the subject of ongoing negotiations following a request from WS Atkins to terminate their contract for provision of education support services by 31st July 2003.
11. If the contract with Atkins is terminated, a contract for interim strategic management for a period of 12 months will be awarded. Conclusion of the initial phase of the review (to which this contract relates) is set down for the end of October 2003 to allow sufficient time to develop and consult on a preferred long-term model, which could be ready for implementation no later than August 2004 (and as early as the second break clause in the draft contract for interim strategic management – March 2004). To achieve the completion date for the first phase of the view the preferred bidder will need to begin work as soon as possible, necessitating award of the contract this week.

REASONS FOR LATENESS

12. The closing date for bids for the review was Monday 16th June 2003. Bidders were short-listed that week and presentations and interviews with the short-listed bidders were held on Wednesday 25th June 2003. Officers met on Thursday to moderate the evaluations and agree a recommendation.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Minutes of Executive meetings 20.05.03, 30.06.03, 07.07.03	Town Hall 31 Peckham Road SE5 8UB	Everton Roberts 020 7525 7221

APPENDIX 1

Audit Trail

Lead Officer	Roger Smith, Strategic Director of Education and Culture	
Report Author	Ian Hughes, Head of Corporate Strategy Louise Gardiner, Assistant to the Chief Executive	
Version	Final	
Dated	7 July 2003	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	No	No
Chief Finance Officer	No	No
Executive Member	No	No
Date final report sent to Constitutional Support Services	07.07.03	

APPENDIX 2

ADVISORY GROUP – COMPOSITION AND TERMS OF REFERENCE

1. Composition

Headteachers

Up to three representatives, of which one must be a primary school Head, one must be a secondary school Head, and one must be Head of a special school or have a special unit attached to the school.

Governors

1 x primary school Governor
1 x secondary school Governor
(of which one must be a parent Governor)

Diocese

1 x diocese representative (to be agreed by the Roman Catholic and Church of England diocese)

Trades Unions

2 x representatives

2. Terms of reference

A. Interim Strategic Management Contract

- Advise on the marking and weighting criteria for the evaluation of tenders
- Participate in and advise the Council on the evaluation of tenders
- Participate in and advise the Council on the presentations of short-listed tenders
- Make a recommendation(s) to the Council on the award of the contract

B. Long-term review

- Advise on the marking and weighting criteria for the evaluation of tenders
- Participate in and advise the Council on the evaluation of tenders
- Participate in and advise the Council on the presentations of short-listed tenders
- Make a recommendation(s) to the Council on the award of the contract
- Make a recommendation(s) to the Council on the preferred option for long-term arrangements

APPENDIX 3

MEMBERSHIP OF THE ADVISORY GROUP

Gary Foskett	Headteacher, Eveline Lowe School Chair, Headteachers Council Executive
Cathy Loxton	Headteacher, Aylwin Girls' School Vice-Chair, Headteachers Council Executive
Sylvia Morris (Reserve)	Headteacher, Cathedral School Member of the Headteachers Council Executive
Irene Bishop (Reserve)	Headteacher, St Saviours and St Olaves School Member of the Headteachers Council Executive
Martin Seaton	Chair of Governors, Archbishop Michael Ramsay School Chair, Southwark Governors Forum
Peter Bibby	Chair of Governors, Dog Kennel Hill School
Josie Spanswick	Representing the Catholic and Church of England Diocese
Ann Goss	NUT representative
Stephen Luscombe	NASUWT representative