



Report of the Cabinet Member for Economy and Strategy

Cabinet – 19 March 2020

School Improvement - Future Working Arrangements

Purpose:	To give notice to leave the regional school improvement service - ERW
Policy Framework:	Welsh Government model for regional school improvement services. Corporate priorities 2018-2022
Consultation:	CMT
Recommendation(s):	It is recommended that: 1) Cabinet agrees in principle to a new model for school improvement based on the City Deal footprint. 2) Cabinet agrees to withdraw from the current consortium arrangement via ERW by 1 April 2021 and agrees to serve notice in writing to each of the other Authorities by 31 March 2020. 3) Discussions are held with City Deal partner Councils and the Welsh Government to agree the future collaboration arrangements for school improvement.
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1. Introduction

- 1.1 In February 2011, the then Minister for Education and Skills set out 20 priorities for rapidly transforming standards of achievement in Wales in his speech 'Teaching makes a difference'. One of the priorities the Minister identified was about the structural management and leadership of education in Wales. He included the following direction to local authorities (LAs):

“We will expect LAs to participate in consortia arrangements, including shared consortium services, or suffer financial penalties, including the withdrawal of Better Schools Funding. The consortia will identify system leaders, who will support and challenge the professional learning communities, which will have a focus on literacy and numeracy.”

As a consequence, LAs had to formalise their various existing informal arrangements for working together into the four regional consortia that exist now. For Mid and South West Wales the previous SWAMWAC model, originally designed to address the new arrangements for teachers' workload, was the identified footprint for future collaboration between the councils. That footprint had been a less formal collaboration with limited functions, particularly in relation to the distribution of funding. It is difficult to find any logical or evidence-based argument set out at that time for this collaboration footprint to be the right footprint for the consortium based approach going forward.

- 1.2 Since its inception, ERW has struggled to function as an effective consortium. It has experienced a number of challenges.
 - The sheer size and diversity of the geographical area of the ERW footprint has presented operational and organisational difficulties
 - There have been several changes of political and managerial leadership and it has failed to exercise strategic and policy grip
 - There have been some difficult issues with staffing and management which have damaged relationships between partners and demoralised staff
 - Over the past two years some of the partners have become increasingly disengaged with the arrangements and the performance of the organisation. Neath and Port Talbot Council intends to leave ERW on 31 March 2020
 - School improvement has in many ways become compartmentalised and divorced from the broader learning and skills agenda. It has focussed on specific performance measures based almost exclusively on the traditional lines of attainment and attendance within schools, divorced from economic ambition
- 1.3 Attempts have been made to resolve these difficulties and these have met with partial success. However, the problems persist and a long term solution now seems unattainable without radical structural change to the approach.
- 1.4 The Welsh Government is in the process of setting out a new direction for regional working by local councils and as such this would seem to be an appropriate moment at which to consider the most effective way forward for school improvement services in Mid & South West Wales. The message from Welsh Government has been relatively clear; collaboration is a requirement but the form of that collaboration is not

mandated. It is for the councils themselves to agree how this will be done.

2. Background

- 2.1 The characteristics of the six LAs that comprise ERW reflect the specific language, culture and needs of their individual communities; it is not a homogenous area. The economic ambitions are based on the Growing Mid Wales and Swansea Bay City Deal strategies leading to strong collaboration between Powys and Ceredigion and an equally powerful collaboration between Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea. These are well-established and successful partnerships with a strong track record of delivery.
- 2.2 There has been a growing feeling amongst the ERW members that the issues of economic development and skills need better and more structured co-ordination at regional level. There has been an increasing recognition that a whole education approach is required with school improvement at its core and this is reinforced by the introduction and rollout of the new Curriculum for Wales. A single comprehensive approach is required to address the skills requirements for the key sectors that are the focus for the economic ambitions of the Swansea Bay City deal.
- 2.3 There is a real opportunity therefore to bring a renewed focus to the school improvement function across the South West Wales area.
- 2.4 There must however be a smooth transition that ensures that the current support given to schools causing concern continues uninterrupted across the whole region. Arrangements will need to be made specifically to continue the support in Powys and Pembrokeshire.
- 2.5 The Joint Working Agreement for ERW requires that unless there is the agreement of all partners no member can leave without serving 12 months' notice of their intended departure. Whilst every attempt will be made to secure universal agreement there is no guarantee that it will be achieved and therefore it is now essential that notice is served on each of the other authorities before the end of March 2020.

3. Finance

- 3.1 With regards to finance, in 2018/2019, ERW had a turnover of £67.5m; of this, £60.8m is delegated directly to schools and LAs via Pupil Development Grant (PDG) and Regional Consortium School Improvement Grant (RCSIG) formulae (in Swansea's case all of the PDG funding and over 95% of RCSIG funding is delegated directly to schools). The remaining £6.6m is targeted at a range of school improvement activities across the current ERW region.

- 3.2 Over and above this funding, LAs were expected to maintain their school improvement capacity at a total of 58 challenge advisers and a financial threshold of £5.3m, of which were expected to fund a service to the value of £1.3m. This is funded from core LA funding.
- 3.3 The 6 LA's contribute £250,000 to the cost of the ERW central team of which Swansea's contribution is £69,900. A new structure was agreed by Joint Committee (JC) in October 2019, a further review by the six LA Directors will be presented to JC in March 2020 for 2020-2021 financial year. If this is agreed, this will still result in Swansea contributing a further one off £45,000. This is unachievable in a period of continued financial pressures and uncertainty for Swansea's core budget.
- 3.4 Schools, officers, governors and members question the value of ERW in terms of value for money and impact in Swansea. Swansea has a strong education system. Long standing duplication and inequity in the ERW structure have not been satisfactory addressed despite ongoing challenge from LA officers.
- 3.5 Clause 15.2 of the ERW agreement states that for a withdrawing authority ... "i will indemnify the other Authorities against any Loss to the other Authorities arising directly out of the consequences of its withdrawal from this Agreement". That would need to be quantified in due course by agreement with those other authorities.
- 3.6 ERW has a significant accumulated pension deficit recorded in its last accounts and it would be expected a share of those liabilities would either fall to the Council on exit or pass to successor regional arrangements. Equally, however, there would be a share of ERW assets and those at last balance sheet date exceeded pension fund deficit liabilities.
- 3.7 The authority would remain liable for residual contribution costs and redundancies, if any, as set out in section 6.4

4. Equality and Engagement Implications

- 4.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

An EIA screening has been undertaken (Appendix A), there are no immediate Equality Implications in relation to this report. We are asking for Council's agreement to service notice from ERW by 31 March 2021. There will be no immediate change to service delivery from a service users perspective and any changes will be subject to a separate EIA.

5. Financial Implications

- 5.1 There will be an additional one-off unbudgeted LA contribution required of £45k for 2020-21. The detailed wider implications remain uncertain. There will be future financial liabilities falling to each LA in respect of any resulting redundancy costs following future structural changes to the regional collaboration model.

6. Legal Implications

- 6.1 Clause 15 of the Agreement to constitute a Joint Committee provides for withdrawal and indemnity for consequences of withdrawal.
- 6.2 The Agreement provides that any authority may withdraw from the agreement by giving notice in writing to each of the other authorities to expire 12 months from the end of the Financial Year in which the notice is given. Therefore, notice has to be given by the end of this financial year.
- 6.3 As this is a voluntary withdrawal each authority has agreed that, in the event that it gives notice of withdrawal to other authorities, it will indemnify the other authorities against any loss arising directly out of the consequences of its withdrawal.
- 6.4 The authority withdrawing shall remain liable for their contribution calculated to the date upon which its notice expires including any costs of redundancy directly attributable to the withdrawal of that authority as per clause 15.4 of the agreement which ranges from 100% in the first 2 years after withdrawal to 40% in the 5th year after withdrawal.
- 6.5 Any staffing implications arising from the withdrawal from ERW will be dealt with under the appropriate procedures.

Background Papers:

None

Appendices:

Appendix A – EIA

Appendix B – Letter of notice of withdrawal