



## Report of the Cabinet Member for Education Improvement, Learning and Skills

Cabinet – 18 March 2021

### School Improvement - Future Regional Arrangements

<b>Purpose:</b>	To defer withdrawal from the regional school improvement service (ERW) from 31 March 2021 to 31 August 2021.
<b>Policy Framework:</b>	Welsh Government model for regional school improvement services. Corporate priorities 2018-2022
<b>Consultation:</b>	Corporate Management Team (CMT), Legal, Finance & Access to Services
<b>Recommendation(s):</b>	It is recommended that Cabinet:  <ol style="list-style-type: none"><li>1) Notes that since serving notice to withdraw from ERW the work around a new footprint and model for regional school improvement has not been progressed to enable a smooth transition to a new model by 31 March 2021;</li><li>2) Notes that any new model for school improvement is likely to need legal changes to governance arrangements which will not be in place by 31 March 2021;</li><li>3) Agrees to therefore withdraw the notice to withdraw served on 20 March 2020 and remain in ERW until 31 August 2021;</li><li>4) Delegates to the Director of Education and Chief Legal Officer authority to enter into any Deed of Variation necessary to ensure any change to withdrawal arrangements or any other necessary amendments approved by the Joint Committee.</li></ol>
<b>Report Author:</b>	Helen Morgan-Rees
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Tracey Meredith
<b>Access to Services Officer:</b>	Rhian Millar

## 1. Introduction

- 1.1 On 19 March 2020 Cabinet agreed to serve notice to withdraw from formal regional arrangements for education improvement, Education through Regional Working, (ERW) on 31 March 2021. It was intended that the Authorities would work together to ensure a smooth transition to a new footprint and model. Notice was served under cover of letter dated 20 March on the Leader of Ceredigion Council and at present Swansea Council is due to leave ERW on 31 March 2021.
- 1.2 Currently, there are ongoing discussions within the Swansea Bay City Deal footprint local authorities to establish new education consortium arrangements. Formal discussions between Directors have resulted in agreement about the main functions of a new partnership. Directors have agreed the principles for future regional working. However, the formation of a new partnership or consortium has been complex and subject to the following issues:
- Insufficient notice to exit a legal agreement at the same time resulting in a requirement to amend the legal agreement
  - More time required to agree functions of a new regional arrangement in light of parameters set by Welsh Government
  - The contingent liabilities of exiting local authorities have become clearer
  - Service users in Swansea have now provided their views on what a new regional arrangement should deliver within Welsh Government's expectations
  - Swansea has recently articulated to other Directors what functions it would want to preserve at a local level and what functions should be delivered by the new regional arrangements
  - Covid-19 response has taken priority
- 1.3 At the Joint Committee held on 13 November 2020, it was resolved that local authorities move at pace to dissolve ERW by 31 March 2021 and establish a new consortium arrangement by 1 April 2021. Given the issues listed in 1.2 it is now more realistic to allow more time to build a new arrangement that is fit for purpose. If the recommendation is approved, the other four remaining Council Leaders will be informed in writing that the second option discussed at Joint Committee on 13 November 2020, namely, new regional arrangements commencing on 1 September 2021 will become the preferred option. At the Joint Committee held on 9 February 2021, it was noted that Swansea requires more time to work towards a collaborative arrangement. If Cabinet agrees to defer withdrawal, a letter will be sent from the Leader of Swansea Council to the Leaders of the remaining four Councils, as outlined in appendix B.
- 1.4 The Welsh Government met with the Swansea Bay City Deal footprint authorities in January and February 2021 to support common expectations that met local, regional and national needs. The message from Welsh Government has been 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. As a result, Swansea has

articulated what it needs a new regional arrangement to deliver for Swansea. In addition, Swansea wants to deliver a few school improvement services at a local level, within the parameters set out by Welsh Government.

## **2. Background**

- 2.1 There is broad agreement within the Swansea Bay City Deal footprint that challenge advisers should be employed by each local authority but that their work is aligned to regional objectives.
- 2.2 There has been a growing understanding that a region is best placed to deliver workforce development for practitioners in respect of a new Curriculum for Wales because of economies of scale and alignment to the work of other education consortia in Wales.
- 2.3 There is an acknowledgement that the national programmes for the development of leadership are best delivered on a regional basis because of good quality existing delivery by ERW.
- 2.4 There is an understanding that the elements within the wellbeing, excellence and equity agenda can be delivered on a regional basis.
- 2.5 There is an emerging understanding that local authorities may wish to preserve resources at a local authority level in order to meet local priorities, according to the maturity of school improvement within each local authority.
- 2.6 In order to move towards a new regional partnership by 1 September 2021, Directors will need to agree the footprint, functions and structure of a new entity. Workshops are currently underway to achieve the position required within an extended timeline.

## **3. Finance**

- 3.1 With regards to finance, in FY2019-2020, ERW had an income of £64m; of this, £57m was pass ported directly to schools and local authorities via the 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 £7m is targeted at a range of school improvement activities, £4m of which was delegated to schools and local authorities across the ERW region.
- 3.2 Over and above this funding, local authorities 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 local authority funding.
- 3.3 The 5 local authorities contribute to the cost of the ERW central team of which Swansea's contribution is £159,000. If Swansea remains as part of ERW between 1 April and 31 August 2021, the pro-rated contribution

would be £66,250. It is not expected that entering into a new partnership would see an annual contribution exceed £159,000.

- 3.4 Clause 15.2 of the ERW agreement states that for a withdrawing authority ... “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.
- 3.5 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.
- 3.6 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 Cabinet’s agreement to remain in ERW until 31 August 2021 instead of the previously agreed leaving date of 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 The cost of exiting on 31 March 2021 for Swansea rather than 31 August 2021 could be as much as £0.5M. This estimate is based on Swansea having 28% of the pupil population of ERW and it is logical to assume that redundancy costs for all exiting Local Authorities collectively are c£2M.

## **6. Legal Implications**

- 6.1 The Welsh Government guidance document 'National model for regional working' sets out the role, structure and governance arrangements for regional consortia.
- 6.2 Clause 15 of the Agreement to constitute a Joint Committee provides for withdrawal and indemnity for consequences of withdrawal.
- 6.3 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. The deferment of the exit date to 31 August 2021 will be communicated to other local authorities.
- 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 5<sup>th</sup> year after withdrawal.
- 6.5 Any staffing implications arising from the withdrawal from ERW will be dealt with under the appropriate procedures. Appropriate legal advice should be sought as and when required.

### **Background Papers:**

None

### **Appendices:**

Appendix A – EIA

Appendix B – Letter of notice of withdrawal to Chair of ERW Joint Committee