

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

27 March 2019

**Joint Report of the Chief Executive – S.Phillips
and the Director of Education, Leisure & Lifelong Learning
– A.Evans**

ERW REGIONAL SCHOOL IMPROVEMENT CONSORTIUM

Matter for Decision

Wards Affected: All

SECTION A

Purpose of Report

1. Recommendations on this Council's future participation in the (South West and Mid Wales) Regional School Improvement Consortium (ERW).

Background

2. Over the past year or so, Neath Port Talbot (and others) has raised significant concerns about the regional school improvement service as delivered by ERW. The consortium is a collaboration of six local authorities – the others being Carmarthenshire, Ceredigion, Pembrokeshire, Powys and Swansea.
3. These concerns relate to three main areas – and what follows can be no surprise to anyone as these issues have been set out in previous correspondence (e.g. a letter from the Leader of Council dated 10 October 2018):

Governance

4. We have had to battle to gain access to financial information that should be readily available. It has been difficult/impossible to track the distribution of funding against the agreed funding formula (particularly the allocation to schools who need support most); how

certain appointments and pay awards have been made to central staff and on whose authority; how and why large Welsh Government funding streams are being allocated and a general lack of transparency around the workings of the Joint Committee. An internal audit report undertaken by Pembrokeshire Council last year identified many significant weaknesses in the arrangements.

5. There are also too many examples of Directors being excluded from key meetings, discussions and communications – particularly as the statutory responsibilities remain with local authorities notwithstanding the regional structure. Effectively, the former Managing Director was reporting to Welsh Government civil servants in our opinion, not the Joint Committee. This is not acceptable – control and accountability should be in the same place or it puts Elected Members in an invidious position.

Quality

6. We have regularly expressed our disappointment with the quality of work produced regionally. This included the first draft of the 2018/19 Business Plan; the guidance on Looked After Children Pupil Deprivation Grant and the self-evaluation report produced prior to Estyn inspection. The poor quality of this work has resulted in senior officers spending a disproportionate amount of time having to edit and correct key documents. Moreover, some regional initiatives, such as the Leaders of Learning model, have been poorly managed and there is little evidence of an impact on standards despite a financial commitment of circa £2.5m.
7. Similarly, our schools have voiced widespread concerns over the quality of support being delivered by ERW's central team and the effectiveness of its communication. Quite simply, head teachers in Neath Port Talbot see only limited value being added through the collaboration to the point where many consider the current arrangements to be deadweight and a barrier to effective school improvement practice.
8. The fact that, over the past two years, the number of NPT schools categorised as red or amber has reduced significantly seems to have had little to do with ERW. We currently have only one school categorised as being amber; no red schools and none in an Estyn statutory category of special measures or significant improvement.

9. Moreover, a recent survey (autumn 2018), revealed that **88%** of school respondents rated the school improvement service provided by NPT as excellent or good. In direct contrast, only **16%** of respondents rated the ERW service as excellent or good.
10. Thus we believe that there should be greater local intelligence and direction applied to the activities that support pupil progress based on a local understanding of need. We must be allowed to invest resource and funding into areas agreed by Elected Members as being key priorities, regardless of whether they fit into regional or national grant allocations or not.
11. We also believe that much could be gained from investing resource into a high quality pre-school provision offer. This would compensate for the language deficiencies in children's preparedness for learning on admission into schools. However, owing to the restrictions within grant funding, we are unable to make such decisions because the money is tied into a uniform approach that does not easily respond to local needs. Within ERW, we are the local authority with the highest percentage of free school meals within the primary school population and Powys is the second lowest in Wales. It does not make sense to apply a common approach across all local authorities within a region.
12. Similarly again, we are uneasy with the regional approach to supporting Looked After Children. We do not see any value being added by regional co-ordination of support and we have yet to receive an evaluation or report of this activity. There is no regional plan as far as we can ascertain, the funding is distributed on a banding model that was not agreed by Directors and can only conclude that this is a £75k resource that would be better spent within schools. It also seems inconsistent with the approach taken by the Welsh Government's Health and Social Services Department who are very much focussed upon the responsibilities of individual local authorities regarding Looked After Children – not regions.

Financial

13. All local authorities are struggling, in very difficult circumstances, to get every last penny we can to the classroom under severe constraints. That is and remains this Council's priority. Others are making similar points e.g. the teaching trade

unions have recently questioned the amount of money being channelled away from the front line to consortia – some £70 million in our case - and the Children’s Commissioner has identified the financial pressures on less well-off parents (those just above the eligibility criteria for free school meals) in terms of the cost of education - school uniforms, school meals, school trips, etc.

14. So against this background, **it is simply not realistic to ask for a four-fold increase in local authority contributions to ERW core costs (the current proposal)** at a time when schools themselves are facing real terms cuts; a number are already in deficit and/or facing compulsory redundancies exacerbated by teacher’s pay increases and employer pension contributions.
15. In this context, it is also worth drilling into the detail of ERW funding. In 2017/18, it had a turnover of £67.5m; of this, £60.8m is delegated to schools and local authorities via PDG and EIG formulae (in our case all PDG funding and over 90% of EIG funding is delegated to schools). The remaining £6.6m is targeted at a range of school improvement activities across the region; our schools receive £892k of this amount.
16. Over and above this funding, local authorities are expected to maintain their school improvement capacity at a total of 58 FTE Challenge Advisers and a financial threshold of £5.3m, of which we are expected to fund a service to the value of £850k. This is funded from core local authority funding. We have consistently maintained this commitment, however this is not the case in all other local authorities.
17. In the ERW consortium, local authorities are also expected to make additional contributions to regional working above the ring-fenced core funding agreed in 2013 when the National Model for Regional Working was established. Whilst we concede that the funding arrangements differ across the four regions. The EAS (Gwent) being an arms-length employing organisation funded by ring-fenced core and grant monies and GwE (North Wales) and Central South (Wales) are similarly funded by ring-fenced core and grant monies with all staff employed by an agreed ‘surrogate’ local authority. In ERW, central staff are employed by an agreed ‘surrogate’ local authority (Pembrokeshire) and Challenge Adviser staff are employed by their home local authorities. Under such arrangements, we fail to understand the need to provide additional

financial contributions to the regional working model. This is exacerbated by the fact that the contributions have not been subject to review since they were established in 2013 and subsequently ring-fenced core costs have not reduced in line with local government settlements in contrast to other regions as we understand it. Currently, we are not complying with the request to provide additional funding – ironically (and despite all the fuss) it has proved unnecessary for the current financial year as ERW has notified an underspend of some £590k.

Analysis

18. Despite all of the foregoing, we have engaged for six months or more in a process to try and put things right. The new acting Managing Director has led this process well and there has been in depth consultation with our Heads and other stakeholders as well as numerous rounds of correspondence and meetings (including the Joint Committee itself).
19. We remain prepared to commit to regional working on the right terms as education in Wales is in the throes of unprecedented reform and the stakes are high in terms of realising the intended outcomes. Meanwhile, the budget pressures faced by local government show no sign of abating. But these terms do not include increasing our contributions to the point where our own staff would be at risk of redundancy by leaving them reliant on grant funding which the Welsh Government has a habit of cutting e.g. the Minority Ethnic Achievement Service.
20. In this dialogue we have consistently set out our position very clearly as follows:
 - School improvement functions will be retained at local authority level, underpinned by a regional strategy that allows for cross-authority deployment and providing confidence that statutory responsibilities are being met, funded by core budget;
 - The regional service will focus on curriculum reform, funded from grant unless Welsh Government decide to transfer this funding into the RSG. The exact quantum of grant needed to deliver reform is to be determined;

- Welsh Government to provide written assurance that grant funding will be delivered on time at the beginning of each financial year;
- It is neither necessary nor efficient to provide additional funding to the regional service. Staff can be employed on permanent terms and conditions even though they are grant funded;
- The Joint Committee would oversee and provide much more robust governance to the delivery of curriculum reform whilst this Council will ensure congruence and coherence on the three strands of the reform agenda, accountability framework, ALN reform and curriculum reform, and how they impact on pupils in our schools and other settings. This will be subject to local scrutiny in line with our statutory responsibilities; and
- This system brings clarity of roles in terms of national policy set by Welsh Government; its implementation by local government and supported regionally in its delivery.

Conclusion

21. Where regional working is not effective, we have a responsibility to challenge and change its practice (even if others find this uncomfortable), particularly when we are being told so in no uncertain terms by our schools.
22. Following the last Joint Committee meeting on 8 February 2019, it was agreed that the Chair would write to the Education Minister proposing a way ahead. That letter is at Appendix 1. Regrettably, there has been no substantive response at the time of writing this report. We are left with the sense that the Welsh Government may not really wish to engage in identifying a solution as these issues have now been under discussion in one form or another for over a year. Thus we have to consider all options open to us as the status quo cannot be justified.
23. **Officers therefore conclude that action is necessary. The Joint Committee agreement on ERW contains a withdrawal provision requiring a year's notice. It must be served by 31 March to be effective for the following year. We therefore recommend that the Council serve that notice immediately.** If

we did not do so, we would be locked in until 1 April 2021 at the earliest. However, it should be noted that the notice can be retracted at any time during the 12 months before it becomes effective.

24. This is a decision that we do not advocate lightly and have reached this position as a last resort. It is acknowledged that withdrawal from the consortium in itself could pose risks to Neath Port Talbot as it is likely that Welsh Government will interpret a withdrawal as being contrary to national policy and could withhold school improvement funding of between £900k and £11.8m. Realistically, however, we do not see ERW or Welsh Government being able to justify denying our schools the funding and a decision of this nature would be very vulnerable to legal challenge.

Workforce Implications

25. None directly; but we have concerns that the net effect of what is being proposed by ERW puts our staff at greater risk of redundancy. Our trade unions have been consulted informally and agree.

Legal Implications

26. The Joint Committee Agreement of 16 July 2014 provides at Clause 15.1 that *“Any Authority may withdraw from this Agreement by giving notice in writing to each of the other Authorities to expire 12 months from the end of the date Financial Year in which the notice is given”*.

27. Clause 15.2 provides that in the event notice of withdrawal is made, which is voluntary (i.e. not out of a decision of the Welsh Government), the withdrawing authority will *“indemnify the other Authorities against any loss to the other Authorities arising out of the withdrawal”*. However, it is not readily obvious what detriment would apply to the other participants should we leave.

Recommendation

That the Leader of Council write to the Chair of the Joint Committee in terms of the draft letter at Appendix 2.

Reasons for Proposed Decisions

To address the deficiencies in current arrangements surrounding the regional school improvement consortium.

Implementation of Decision

This decision is for immediate implementation.

It is proposed that the Chair of the Cabinet Scrutiny Committee be asked to agree that the decision is not subject to call in on the basis of the Scrutiny Procedure Rules in Part 4 of the constitution [page 61]. Specifically Paragraph 17.11 [a] states that the call in procedures shall not apply, inter alia, where:

“The decision being taken by the Cabinet or a Cabinet Committee is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would prejudice the interests of the Council or the public interest.”

This is because the recommendation, if agreed, requires the letter to be sent within 48 hours (i.e. by 29 March) as 31 March falls on a Sunday. The decision would, however, be reported to the next available meeting of the relevant Scrutiny Committee.

Appendices

Appendix 1 – Letter from the Chair of the Joint Committee to the Education Minister, 11 February 2019

Appendix 2 – Draft Letter from the Leader of Council to the Chair of the Joint Committee

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