

AGENDA MANAGEMENT SHEET

Name of Committee Overview and Scrutiny Board

Date of Committee 20 July 2011

Report Title Relationship with Schools

Summary The Overview and Scrutiny Board are asked to give consideration to the report that went to Cabinet on 14 July 2011 which is attached as Appendix 1

For further information please contact Paul Galland
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Would the recommended decision be contrary to the Budget and Policy Framework? No

Background Papers

CONSULTATION ALREADY UNDERTAKEN:- *Details to be specified*

- Other Committees
- Local Member(s)
(With brief comments, if appropriate)
- Other Elected Members Cabinet Members
- Cabinet Member Cllr Alan Farnell
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)
- Chief Executive Jim Graham
- Legal David Carter
- Finance John Betts

- | | | |
|--------------------------|-------------------------------------|---|
| Other Chief Officers | <input checked="" type="checkbox"/> | The subject matter of the report was considered by SDLT on 15 June 2011 and 6 July 2011 |
| District Councils | <input type="checkbox"/> | |
| Health Authority | <input type="checkbox"/> | |
| Police | <input type="checkbox"/> | |
| Other Bodies/Individuals | <input checked="" type="checkbox"/> | A variety of stakeholders, including school head teachers and governors, have been consulted in the first stage of this review and there are details in Appendix 2 of the report. |

FINAL DECISION

YES/NO (If 'No' complete Suggested Next Steps)

SUGGESTED NEXT STEPS :

Details to be specified

- | | | |
|---|-------------------------------------|---|
| Further consideration by this Committee | <input type="checkbox"/> | |
| To Council | <input type="checkbox"/> | |
| To Cabinet | <input checked="" type="checkbox"/> | 13 October 2011 |
| To an O & S Committee | <input type="checkbox"/> | |
| To an Area Committee | <input type="checkbox"/> | |
| Further Consultation | <input checked="" type="checkbox"/> | The report is being issued for consultation to a wide group of stakeholders |

Overview and Scrutiny Board

20 July 2011

A Self-Sustaining School System – The County Council's Future Relationship with Schools

Recommendations:

1. The Overview and Scrutiny Board is invited to consider the attached report and recommendations and consider any comments it wishes to feedback to Cabinet as part of the consultation process.

PAUL GALLAND
Strategic Director
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Warwick

13 July 2011

1. Executive Summary and Proposed Principles to Underpin the Future Working Relationship with Schools

- 1.1 The Government is changing the role of schools including the relationship they have with central and local government. The focus is to be much more based on putting power in the hands of teachers, reducing central and local bureaucracy and control and, in short, giving schools much more direct control over their own affairs.
- 1.2 Autonomy is the driving principle and the development of Academies is an example of this. However, the principle of autonomy is to relate to all schools irrespective of whether they choose to become Academies. The Government sees Councils having a smaller and more strategic role in relation to schools but with a strong, continuing focus on vulnerable children.
- 1.3 The County Council is also changing. It is moving towards being more of a strategic commissioner of services. Its resource base is reducing and it can no longer fund the range of services it has previously offered to schools. Moreover, the way that schools are funded, both in terms of revenue and capital, is the subject of national reviews at the moment and it is likely that the funding formulae will be changed and that Councils will no longer play a significant part in the resource allocation process.

- 1.4 The number of Academies is increasing, but whilst it is likely that all secondary schools in Warwickshire will eventually become Academies, most primary and special schools are reluctant about the Academies process and less keen to follow this route at this time. Therefore they will need assistance to develop relationships with other schools to operate effectively in this new world. School clusters or more formal federations of schools will be a good way of achieving this.
- 1.5 In the new relationship, there is a high desire from head teachers and governors that the county council should be more direct and transparent about how it intends to respond to the changing agenda including:
- Making it absolutely clear what the Council's ongoing statutory duties are and what schools are entitled to expect from the Council;
 - Clarifying the future offer of other, non statutory services that will be available to schools (including Academies) and improving the performance, value for money and quality of its traded services, including transparent standards of service and service level agreements;
 - Putting in place mechanisms to assist schools who want to become Academies, and to develop clusters and/or federations in a timely and structured way;
 - Clarifying how the Council will carry out its role in relation to vulnerable children and agreeing with schools how this work will be prioritised and funded;
 - Improving the general relationship with schools and the way schools work with the Council and other key partners.
- 1.6 As part of this, the County Council also needs to make improvements, including ensuring that the services it provides offer value for money and are affordable from the Council's perspective without the need for them to be subsidised. This is especially true for traded services that will also find themselves increasingly exposed to competition as schools exercise their choice to 'shop around' to get the best deal.
- 1.7 In this new and challenging world the Council, schools and partners will need to refresh their collective approach towards governance to ensure that resources are being maximised in the interests of children and schools. Some head teachers and governors have indicated that the current governance process is opaque and needs improving and simplifying.
- 1.8 In addition, the Council has to re-think the way it exercises its democratic role to both support and challenge schools when it is required. This will be difficult without the cooperation of schools, parents and local communities as some of the traditional sources of information and intelligence (for example on school performance) may not be available in a timely way in future without new mechanisms being agreed and put in place.

1.9 So, although the emphasis from central government is for schools to have more control over their own affairs, it is also important that the Council continues to work with schools to enable an educational community to continue to flourish in Warwickshire. Within this approach the importance and value of interdependence in the relationship with schools needs to be promoted in a mature and innovative way, wherever possible with schools and the Council operating as equal partners in the interests of children and young people.

1.10 It is proposed that the following principles underpin the new relationship: The Council will;

- As its first priority always be focussed on ensuring the best outcomes for schools and their children and young people;
- Recognise and adapt its processes to the principle that schools are intended to have greater autonomy and should be treated that way whilst ensuring that important areas of interdependence continue to be developed;
- Be clear and transparent about the services that will be available to schools (with detailed standards of service and service level agreements), including clearly setting out what the council has to provide under statutory duties;
- Positively support the development of Academies where schools choose to go down that route or it is in their best interest and make it clear how the Council will continue to work with Academies, so schools considering the option know what the offer will be;
- Put even more energy into helping schools to develop clusters and/or federations as business hubs (in addition to their role in relation to school improvement), including making available financial, procurement, human resources and legal advice;
- Work with schools to help them commission the best deals for the services they trade;
- Where it continues to trade services to schools improve the performance and quality of those services;
- Work with schools and partners to ensure it retains and where necessary improves the services available to vulnerable children, including setting out a clear strategy for how this will be achieved;
- Work with schools and partners to put in place new governance arrangements that ensure the collective resources for schools are maximised to achieve the best outcomes for children
- Seek to involve parents, communities and partners, to assist with providing timely information on schools performance and constructive challenge and support to schools when it is needed.
- Ensure the way it exercises its changed democratic role is robust, in tune with the changes taking place and underpins the role of the Council as the champion of children, parents and families.

1.11 Although there are numerous references to the Schools White Paper – The Importance of Teaching throughout this report, it will be the Education Bill, when enacted by Parliament that will define the future role of the Council and its relationship with schools.

2. Introduction

- 2.1 There is a huge agenda currently in train for reforming the world of children and young people. A variety of reviews and proposals are being brought forward, but in many cases the detail of the ways in which these emerging developments will be implemented, or the consequences managed, have yet to be decided. In line with many other initiatives that the present Coalition Government has set in train, part of the challenge appears to be for the public sector, private sector, schools, children, parents and communities to come forward with new ideas and plans to make these initiatives work. The message is that we should not look to Government to provide all the answers. These developments come with a variety of opportunities and risks.
- 2.2 The national initiatives currently impacting on children and young people and schools include;
- The Schools White Paper – The Importance of Teaching
 - The Education Bill
 - The Special Educational Needs and Disability Green Paper – Support and Aspiration
 - The Munro Review of Child Protection
 - The Review of Vocational Education – The Wolf Report
 - The James Review of Educational Capital
 - Consultation on School Funding Reform
- 2.3 In addition to these national developments, the County Council has made a clear commitment in its own corporate business plan that it aims to:
- Move the Authority towards being a strategic commissioner of services - developing the Authority's contracting and commissioning skill base;
- and specifically in relation to children's services, it aims to:
- Support schools to improve their performance and challenge poor performance where it exists;
 - Raise the educational aspirations of children and young people;
 - Strengthen the relationship between schools and other public services (e.g. the Police).
- 2.4 However, these developments come with an added complication, namely, their co-incidence with the worst economic recession since the Second World War and a substantial reduction in public sector spending. Altogether they require a radical re-appraisal of the way we work in world of children and young people. Within this wide ranging set of issues, one of the biggest challenges to resolve is the Council's future 'Relationship with Schools' (RwS).

- 2.5 This report therefore sets out to identify a set of values, principles and steps that will underpin the County Council's future relationship with schools. The emphasis here is that the relationship is about the whole of the Council and its services, not just the People's Group that comes into being on 1 November 2011, and the references to 'the Council' throughout this report should be read in that way. To do this the report examines the areas of support traditionally provided and whether and to what extent they should continue. It also attempts to say how it could achieve this stronger, more strategically focussed role given the likely impact of the aforementioned policy changes and other external pressures.
- 2.6 To help secure the answers, the report has largely focused on four main topics:
- i. Core services provided by the Council to schools - what should they be and what is affordable?
 - ii. Traded Services - the balance between commissioning and providing; what is in the best interest of schools and the Council and what is affordable?
 - iii. Decisions about the best use of our collective resources - what kind of processes would enable the Council and schools to work comfortably and effectively together?
 - iv. Democratic mandate - how can the Council, on behalf of its communities, provide constructive challenge and support when schools most need it?
- 2.7 Within these topics some other important areas are also considered including:
- The future of schools' funding
 - WCC's policy on Academies
 - The potential role of schools and school clusters
 - Vulnerable Children
 - The role of commissioning
 - The role of school governors
- 2.8 Finally, there is the challenge of balancing the County Council's moral and legal obligations towards children and young people against the pressures to adopt sustainable and business like approaches to the delivery of services. With this in mind the report recognises that The Children and Young People's Plan for Warwickshire for 2010-2013 has a very clear vision, namely, '*Our vision is that every child and young person, including those who are vulnerable and disadvantaged, has the greatest opportunity to be the best they can be*'. Much work has already been done to raise levels of attainment for all, a key Council priority, and to focus on vulnerable children through improvements to safeguarding and the development of early intervention services. However, getting the County Council's relationship with schools right and delivering a self-sustaining school system will undoubtedly enhance this.

- 2.9 In producing this report, the author has engaged in many meetings, focus group discussions and consultation with some of the key stakeholders, especially schools head teachers and governors. The feedback from these various meetings etc. has helped shape this report. A table describing what has occurred is at appendix 1. A summary of the discussions from the focus groups and the results of a questionnaire sent to schools as part of this project are available in a separate report.
- 2.10 Inevitably, the Council and schools will be working with a considerable degree of uncertainty for the foreseeable future and therefore it is important to keep the recommendations in this report under regular review and to update and adjust them when necessary.

3. Warwickshire's Schools

- 3.1 The funding for services that support Warwickshire's schools is made up of two core areas: Dedicated School Grant and Core Council Funding targeted at Education Related Services. These are broken down as follows:

Description	2010/11	2011/12*	Movement
	£m	£m	£m
Dedicated School Grant			
Individual School Budgets	261.292	262.405	1.113
Early Years Places to PVI Sector	9.634	11.210	1.576
Grant Allocation (mainstreamed in 2011/12)	41.059	41.276	0.217
Centrally Managed Expenditure (including contingencies)	27.903	25.784	-2.119
One-off agreements	0.432	0.000	-0.432
DSG Allocation	340.320	340.675	0.355
Core Council Funding			
Education Related Services	34.122	29.256	-4.866
Total Non-DSG	34.122	29.256	-4.866

Warwickshire presently has 269 school and nearly 82000 pupils, which can be broken down into the following categories:

School Types	Number of Schools	Number of Pupils
Nursery	8	566
Primary	195	39799
Secondary	36	33910
Special	9	993
Pupil Reintegration Unit	1	258
Maintained Total	249	75521
Independent	20	6167
All Schools	269	81688

- 3.2 The picture of school performance in Warwickshire is generally positive. The information in the following paragraphs is taken from the report on school performance 2010 that was presented to the Children and Young People Overview and Scrutiny Committee on 2 February 2011.
- 3.3 The majority of children in Warwickshire attend good schools. Ofsted judge that 62% of all Warwickshire Schools are good or outstanding. The number of schools in categories of concern (1%) is well below that found in other authorities (9%). 26% of secondary schools have been judged as outstanding including all the grammar schools. The number of schools in Ofsted categories of concern has declined steadily in recent years. In 2004 there were 10 schools causing concern. In September 2010 there were two (one primary school and the PRU). Attainment in Warwickshire is above the national average and above or in-line with the performance of statistical neighbours for almost all performance indicators.
- 3.4 However, despite the overall positive picture there remain some groups of pupils whose performance gives concern (notably children who receive free school meals) and there are variations in performance across different geographical areas of the county.
- 3.5 These successes and challenges need, therefore, to remain high in the consciousness of the Council as it redefines its relationship with schools into a more strategic role as described in various parts of this report. In particular, the role of champion for vulnerable pupils needs to take on a higher priority for the Council.

4. The Future of Schools Funding

- 4.1 The future of schools funding is currently under review. Prior to the 2011/12 financial year, there were three fundamental elements to revenue funding for schools

- An amount of core funding allocated by the Council from its revenue support grant allocation;
- The dedicated schools grant (DSG) a specific, 'ring-fenced' grant for maintained schools, allocated by central government to schools via the Council that has two core elements:
 - An allocation to schools and early years providers based on a locally agreed funding formula;
 - A centrally managed element
- A number of other dedicated, 'non ring-fenced' grants.

This is broken down as follows:

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	£m	£m	£m
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DSG Allocation	340.320	340.675	0.355
Core Council Funding			
Education Related Services	34.122	29.256	-4.866
Non Education Related Services	69.802	72.625	2.823
Grant Funding	27.939	20.449	-7.490
Total Non-DSG	131.863	122.330	-9.533

- 4.2 The core funding covers statutory and discretionary activities a number of which are described in appendix 2. This part of the budget has come under severe pressure as part of the latest three year MTFP agreed by Council last February and is leading to a number of services being reduced or cut as described in appendix 2. In some cases managers are seeking to protect these services through starting to trade them with schools.
- 4.3 The DSG is the largest element of school funding and is allocated for school related services across the following areas:
- Individual School Budgets
 - Early Years Places to the PVI sector
 - Grant Allocations that are now mainstreamed
 - Centrally Managed Expenditure

- 4.4 The Individual School Budget allocation is by the far the largest element of the DSG and represents about 77% (this percentage excludes the mainstreamed grants, if you include these it's more in the region of 89%) and is allocated to schools through a local school funding formula that has been developed and agreed through the School Forum. Elements of this include:
- a fixed allocation per school of between £87k and £95k for primary schools and £150k for secondary schools;
 - an allocation per pupil (taking into account cohorts by age and numbers at particular stages);
 - an allocation based on indices of deprivation and special educational needs (15% of the formula);
 - an allocation for overheads, premises related costs based on the size of the school's footprint;
 - the 'pupil premium' equating to £430 for every child who qualifies for free school meals.
- 4.5 For 2011/12, following consultation with all head teachers and governors, a large proportion of the mainstreamed grants are also allocated directly to schools and are included as part of the Individual School Budget.
- 4.6 Although the DSG is ring-fenced for school related services, the Council is currently entitled to retain an element of DSG for certain statutory functions such as admissions, statementing and special educational needs (SEN) - out of county placements. In addition, schools may choose to use some of their DSG to get the Council to carry out activities on their behalf through, for example, using traded services delivered by the County Council.
- 4.7 Prior to 2011/12, individual grants that were allocated to schools were categorised under the Standards Fund group of grant income. As part of the Comprehensive Spending Review, these individual grants have been streamlined into the DSG. The value of the DSG has been protected on a per pupil basis.
- 4.8 Other dedicated grants that the Local Authority has received have largely either been cut or reduced considerably in 2011/12 with consequential changes to the Council's service offer.
- 4.9 The Government is currently carrying out, '*A consultation on school funding reform: rationale and principles*'. The Warwickshire County Council response was submitted to the DfE on 25 May 2011. The Government believes the current locally determined funding system is flawed and wants to move to a national formula. It is perhaps worth noting the consultation's reference to the role of local authorities:

"The majority of funding is delegated to individual schools; but some funding is retained by local authorities. There is no set national definition of the balance of funding between what is delegated and what is retained centrally; nor of all the functions that should be delegated to schools and those that should be retained by local authorities.

If we move to a fair funding formula, with or without flexibility, it will be necessary to have a clear divide between these responsibilities and the funding for them. Every school and authority would be funded in the same way regarding these responsibilities, despite their current different arrangements. There would likely be freedom for schools to decide to operate functions through the local authority or otherwise.”

- 4.10 Set in the context of the White Paper and the ongoing tough financial climate facing the public sector including schools, this review of the funding formula, potentially affecting the amount of DSG that can be retained by the Council, could have significant implications for the Council. Services funded through the centrally managed DSG tend to be those that are the most financially volatile and difficult to control the demand for, e.g. special educational needs. So if this change results in a fall in centrally managed DSG the Council will be faced with a situation where there is further distance between the statutory services that it has to continue to provide to schools and the resources available. In these circumstances the Council would have to bridge any gap by further efficiency savings or cuts in other services.
- 4.11 Consequently it is essential that the Council continues to contribute its views to the Government on these proposals as they emerge, preferably having achieved a common position with schools, to ensure a fair and appropriate funding formula for Warwickshire. It is also important that the Council engages with key influencers like local MPs on this matter. In any event, the Council needs to be very focussed on those statutory duties that are driven by demand and which generate the highest costs, e.g. special educational needs. There are already plans being prepared to review some of these services, but they need to be right up front in the Council's priorities for service review and re-design as part of the Council's change management programme and it is also vital that schools play a substantial part in these reviews.

R1 It is recommended that reviews are carried out as soon as possible into the policies and delivery mechanisms of the major services currently funded by the retained DSG to ensure they are maximising value for money and to identify how savings could be made if required. These reviews should start with the area of SEN and disability and they should have a substantial input from schools.

- 4.12 Additionally there is a national 'Review on Education Capital' in train, which is predicated on the need for reform throughout the system of capital funding, from capital allocation at the centre through to delivery and management of individual buildings on the ground. This will potentially reduce or remove the Council's role in managing capital allocations to schools and create questions about how strategic capital investment is made in such a way that it reflects demographic growth and admissions policies.

5. Academies

- 5.1 Academies are publicly funded, independent schools, that receive funding directly from, and that are accountable to, Government. In future there is no statutory requirement for any formal relationship between local authorities (LAs) and Academies beyond a limited number of statutory duties.
- 5.2 Nationally, the policy on Academies, having been developed at pace, is picking up momentum and at the time of writing this report 22 secondary schools in Warwickshire have already either achieved or signalled their intention to seek Academy status, with a number of consequential implications for the County Council and maintained schools. It is predicted that by September 2012, most if not all secondary schools in Warwickshire will be Academies and this should be a central principle in our working assumptions. Moreover, the Government has recently expanded the opportunity to become Academies to schools categorised as satisfactory but improving.
- 5.3 Take up in primary schools nationally is much slower than in the secondary sector. There are a number of primary schools across the country that are beginning to convert, although none in Warwickshire at the time of writing this report. Feedback from focus groups held as part of this project has generally shown both primary schools and special schools to be reluctant about pursuing Academy status at present. On 16 June 2011 the Government announced that the 200 of the worst performing schools in England would be taken out of local authority control and become Academies.
- 5.4 However, the Church of England's Diocesan Director of Education for Coventry has recently written of the Diocese's developing vision for Academy Trusts. The Diocese believes there are many advantages from joining Academy Trusts, amongst them being: school to school support including extended CPD (continued professional development); and economies of scale in procurement. The Director has written, '*With the drastic reduction of Local Authority capacity to provide advice and support it is becoming more apparent that the remit of the Diocese will need to broaden and develop as we support our school communities within the family church.*'
- 5.5 The implications of this are not yet clear but it could mean that a further 64 schools, many of them primary schools, in Warwickshire convert to become part of a Church Academy model, perhaps through a number of Academy Trusts, in the medium term and so become independent of the local authority. This needs to be kept under review in order to assess the opportunities and consequences.
- 5.6 It has become important therefore that all schools understand the County Council's position on Academies and what the future 'offer' to schools is to be, whether or not they become an Academy, so they can make an informed choice on their own future and where their relationship with the Council fits in. During the focus groups held as part of this project it came out there was concern that schools that do not become Academies could be left behind.

- 5.7 Discussions with some school head teachers and governors carried out as part of this project have revealed that concerns like these are very real in Warwickshire and they need to be at the heart of our considerations about how the Council works with schools in future at a practical and democratic level. This is discussed later in this report.
- 5.8 Meanwhile, the Government has already top sliced funding from local authorities revenue support grant for schools. In Warwickshire this is equivalent to £2.08m (full year effect) so far. It clearly wants local government to positively support the Academies policy. Moreover, the Government has recognised the current funding mechanism for Academies is unsustainable and this is one of the reasons for the reviews of funding mentioned earlier.
- 5.9 There is evidence that some of the schools seeking Academy status are already looking beyond the Council to procure services that the Council has traditionally provided. This situation will not be helped if the Council appears ambivalent or unclear about its future approach to Academies and schools. Indeed, some school head teachers are undecided about how to plan for the future and have questioned the future viability of the County Council services currently provided to schools.
- 5.10 However, these are the realities of the changes the Government has set in train and therefore it is suggested that it would be easier for the Council to proactively address them and its future relationship with schools if it adopts a more positive stance in relation to Academies and sets out clear policies for change, giving more certainty on the Council's future offer to schools. This should clearly recognise that this relates to those schools that either want to convert or that need to in order to achieve the necessary improvement.

R2 It is recommended that the County Council positively supports and promotes the development of Academies in Warwickshire for schools that either want to convert or that need to convert to achieve the necessary improvement, to enable it to proactively reposition its future offer to all schools.

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6. Greater Autonomy for Schools

- 6.1 Academies are just one of the facets of a much more significant policy change, namely to give schools much more autonomy over their own affairs and reduce the role of central and local government. This has been clearly reinforced in the Schools White Paper and by the reduction in money coming to local government in 2011/12 for children and young people's services, especially the reduction in grants for what were previously seen as 'core services'. However, arguably, this also fits with the Council's desire to develop more of a commissioning approach to its future role and therefore should be seen as an opportunity both for schools and the Council.

- 6.2 To quote from the White Paper, one of the aims is to, '*Sharply reduce the bureaucratic burden on schools, cutting away unnecessary duties, processes, guidance and requirements, so that schools are free to focus on doing what is right for children and young people in their care*'.
- 6.3 Although the White Paper clearly envisages a significantly reduced role for local authorities, it also describes a more strategically focussed future role for local government, '*as champions for parents and families, for vulnerable pupils and of educational excellence*'. This needs further definition by the Council and schools believe the Council needs to be clear and specific about the activities and funding necessary to achieve this and how this will be provided.
- 6.4 However, in order to effectively fulfil this championing role in this new relationship, it will also be important that the Council continues to work with schools to enable an educational community to continue to flourish in Warwickshire. Within this approach the importance and value of interdependence in the relationship with schools will need to be promoted in a mature and innovative way, with schools and the Council operating as equal partners in the interests of children and young people.

7. Core services provided by the Council to schools - what should they be and what is affordable?

- 7.1 This section relates to services provided by the Council from its core budgets. This does not include those services provided on a traded basis, which is dealt with later in this report, nor those services delivered by the Council that are funded through Centrally Managed DSG. The value of services funded through County Council core budgets in 2011/12 is £29.256m, a reduction of £4.866m on the previous year. This will be reduced by a further £3.634m as these services are reviewed and the medium term financial plan is fully implemented
- 7.2 There are a number of important questions that need to be considered by the Council around this topic:
- What flexibility do we have in deciding whether we deliver these services, especially if the changes envisaged in the White Paper happen?
 - Could the resources for some of these activities be devolved direct to schools if that is something they and we want to pursue (at an individual school or cluster level for example)?
 - Which services are most valued by schools?

8. Statutory Duties and Discretionary Services

- 8.1 There are currently a long list of statutory duties for the Council in relation to schools. However, many of these duties can be summarised as to:
- ensure there are sufficient schools and school places in their area;

- promote high educational standards;
 - ensure fair access to educational opportunity;
 - promote the fulfilment of every child's educational potential;
 - promote diversity and increase parental choice;
 - respond to the views of parents on school provision.
- 8.2 If the proposals in the White Paper – 'The Importance of Teaching' are implemented in full, some of these will continue at a more strategic level but others will reduce or could disappear altogether.
- 8.3 According to the White Paper the Council's future key roles will be to:
- Support parents and families through promoting a good supply of strong schools – encouraging the development of Academies and Free Schools which reflect the local community;
 - Ensure fair access to schools for every child;
 - Use their democratic mandate to stand up for the interests of parents and children;
 - Support vulnerable pupils – including Looked After Children, those with Special Educational Needs and those outside mainstream education;
 - Support maintained schools performing below the floor standards to improve quickly or convert to Academy status with a strong sponsor, and support all other schools to collaborate with them to improve educational performance;
 - Develop their own school improvement strategies – they will be encouraged to market their school improvement services to all schools, not just those in their immediate geographical areas.
- 8.4 A broad description of some of the statutory and discretionary services provided to schools can be found in appendix 2.
- 8.5 There are some statutory requirements that straddle across both schools and the local authority. For example, governing bodies have a responsibility for setting a balanced budget and ensuring value for money, but the Council's Section 151 Officer has a to ensure sound financial administration in schools, giving governing bodies independent assurance on the quality of their financial management whilst simultaneously discharging the Council's responsibilities to ensure sound financial administration. There are similar complexities when it comes to health & safety, human resources and insurance.
- 8.6 Due to the sharp reduction in local authority funding for direct delivery of some services to schools the Council is left with the decision either to reduce the resources it puts into those services or to make cuts in other activities to sustain previous levels of support to schools. Given the clear shift in emphasis towards the Council having a smaller and more strategic role in relation to schools, there is a strong case to make the corresponding cuts where funding has been reduced or cut. This is broadly the approach that has been taken in the production of the Medium Term Financial Plan.

- 8.7 There is also the potential opportunity to try to offer services affected by cuts as traded services, but this too raises a number of questions that are picked up later in this report.
- 8.8 Where statutory duties in critical areas are continuing (e.g. SEN duties) there should be continue to be the appropriate level of support, but as recommended earlier these areas should be subject to early service reviews to ensure that they are operating as effectively and efficiently as possible. There may also be a case to commission additional services in some of these areas, e.g. vulnerable children and this should be considered, in consultation with schools, and be assessed as relative priorities against the other services provided by the Council.

9. School Clusters

- 9.1 The Government's intention is that as Academy status becomes the norm, local authorities will increasingly move to a strategic commissioning and oversight role. This fits with this Council's own corporate aims on commissioning. Although it is clear at the moment that schools are at different stages of adapting and adjusting to the process and notion of more direct autonomy and accountability for their own affairs, progress is well underway in Warwickshire in the development of school clusters as professional learning communities and some schools are already thinking about the wider opportunities this greater freedom presents. There are 30 of these professional communities, albeit, with different numbers of schools (ranging from three to 12) and they are relatively coterminous with a number of locality areas.
- 9.2 The shifting emphasis is now for school improvement support to be found in effective schools rather than in local authority services and schools are being encouraged to look beyond the boundaries of an individual school and develop capacity through school-to-school collaboration and sharing of resources and practice. By January 2011, almost all schools in Warwickshire supported by the Council were engaged in collaborative improvement clusters and some have developed quite sophisticated learning activities involving teachers working across a group of schools, an increase in the number of business managers employed across the community and the beginnings of representative governors from across the group meeting together to discuss how best to work collaboratively in the best interests of their shared communities.
- 9.3 This development provides a strong opportunity for redesigning the future relationship with schools around the cluster model with the Council more focussed on facilitating the development of schools clusters, not only to underpin school improvement and sustainability which is the current approach, but also as the basis of school business development hubs which commission or provide the services necessary to underpin school life. This might also provide the opportunity for the Council to directly delegate to schools clusters some or all of its funding for services that it retains or

chooses to continue to provide from its revenue budget allocated for the Peoples' Group. If so, this should be done on the basis that there is an acceptable, formal arrangement which gives the Council clear access to the kind of information it needs to enable it to fulfil its new statutory, strategic role.

- 9.4 However, creating effective school cluster 'business hubs' will need new legal and financial mechanisms to be put in place for schools, for example to deal with risks associated with the management of finance and the employment of shared staff. This is important as some schools are giving strong signals that they don't want to be put in a position where one school is acting as a 'banker' or employer on behalf of the cluster and thereby carrying an unreasonable level of risk. Schools also want to get help with embedding procurement processes and skills at a cluster level to enable them to maximise the opportunities offered by a growing market.
- 9.5 Indeed, schools have indicated that until the school cluster approach becomes embedded it would be very helpful if the County Council could help them develop the options available to them (e.g. from informal arrangements to formally constituted federations) and provide advice and/or assistance on the practical steps needed.
- 9.6 One option to provide the kind of help schools need would be to accelerate the reduction of resources in an area or areas where an activity is no longer a statutory duty or priority and redirect that resource towards supporting the development of school clusters (including legal, financial and procurement advice) for a fixed period of time.
- 9.7 As stated earlier, it is also very important that the Council is crystal clear about how it intends to fulfil its role as champions of parents, families and vulnerable pupils. Some schools have indicated that they are unclear about the statutory duties and core funded services that the Council either has to or chooses to provide. This makes it difficult for them to make choices about which services they should or may want to buy from the Council and this also needs to be addressed.

R3 It is recommended that the Council sets out very clearly to all schools, in the light of changes in statutory duties, reductions in budgets and reviews of its priorities, precisely what the Council's statutory duties are, the core services it is continuing to fund and any detailed standards of service that underpin them. This includes confirming the approach towards its statutory duties and discretionary activities as set out in appendix 2.

R4 The Council should energetically and proactively build upon the good work already being done to develop school clusters for school improvement purposes to also develop them into business development hubs and potentially formally federated clusters, where schools want to pursue this approach, for the purpose of commissioning and/or providing the services needed to help the school develop and function in an autonomous way .

R5 To facilitate the development of clusters as described in recommendation 5, the Council should put together a time-limited package of support for clusters, including legal, financial, human resources and procurement advice, to help guide schools through the transition stage.

10. Vulnerable Children

10.1 As mentioned elsewhere in this report, the Government expects the local authority to continue to champion the needs of vulnerable children in its area as part of its re-defined, strategic role.

10.2 The definition of Vulnerable children includes:

- Looked after children
- Children on free school meals
- Children with special educational needs and disability
- Excluded children
- Gypsy, Roma and Traveller children

10.3 The Council needs a clear plan for improving educational attainment and championing the needs of all of these groups and it will be important to demonstrate that it has a clear and integrated strategy with schools for this purpose.

(This report doesn't stray into the very important area of the Council's responsibility for 'safeguarding' children and young people).

11. Special Educational Needs (SEN) and Disability

11.1 In March 2011, the Government, launched its Green paper - 'Support and aspiration: A new approach to special educational needs and disability'. This was flagged in the Schools White paper 2010 which said, "*The local authority role as a convener of local services also means that they are best placed to act as the champion for vulnerable pupils in their area. In particular, they will continue to ensure that disabled children and those with Special Educational Needs can access high-quality provision that meets their needs, and they will continue to be responsible for funding provision for pupils with statements of Special Educational Needs. We will give local authorities more freedom to develop their own plans to support vulnerable children in their education. They will be given freedom to develop new and innovative approaches to providing services and deploying resources.*

11.2 The broad direction of Government policy in cutting bureaucracy and giving greater freedom and autonomy to schools and parents continues in this Green Paper. The Government has said that it wants to put in place a radically different system to support better life outcomes for young people; give parents confidence by giving them more control; and transfer power to professionals on the front line and to local communities.

- 11.3 This will be assisted by introducing more transparency in the provision of services for children and young people who are disabled or who have SEN. Parents will have real choice over their child's education and the opportunity for direct control over support for their family.
- 11.4 They also propose:
- local authorities and other services will set out a local offer of all services available;
 - the option of a personal budget by 2014 for all families with children with a statement of SEN or a new 'Education, Health and Care Plan';
 - more innovative and collaborative working between professionals and services;
 - stronger local strategic planning and commissioning of services;
 - greater transparency for parents and value for money.
- 11.5 The expectation is that this will be achieved through closer working with the health sector and the new Health and Wellbeing Boards and GP consortia pathfinders. There are plans to reduce bureaucratic burdens by simplifying and improving the statutory guidance for all professionals working with children and young people with SEN or who are disabled from birth to 25. There will be work undertaken with the educational psychology profession and local commissioners to review the future training arrangements for educational psychologists, greater collaboration between local professionals and services and across local boundaries and extended freedom and flexibility with which funding can be used locally.
- 11.6 Targeted funding will also be provided to voluntary and community sector organisations that have a strong track record of delivering high quality services, and a national SEN and disabilities voluntary and community sector prospectus will be published that will set out the key areas in which further funding will be available to voluntary and community sector organisations.
- 11.7 Therefore meeting the needs of children with SEN and disability will continue to be a very significant challenge for the Council. Indeed, these are areas of service are a source of considerable anxiety for schools and especially for special schools and the feedback from head teachers and governors in focus groups was that it is important to them that the Council continues to act as advocate for children and young people with a specific emphasis on Children with complex needs and challenging pupils.
- 11.8 Uncertainty surrounding future funding mechanisms and the general impact of cuts in the Council's budget are leaving special schools both unsure and concerned about what the future offer will be and the consequences for the way they work. This should be partly addressed by recommendation 3 in this report. It is perhaps worth noting that, in terms of budget constraints versus increased expenditure, the SEN budget for out of county placements alone has increased by 50% since 2006.

- 11.9 The perceived lack of transparency over what schools are entitled to receive and what is their responsibility to provide is seen as a major impediment to planning ahead. This was strongly reinforced at a specific focus group held with special school head teachers and governors.
- 11.10 The potential move to Academies was of particular concern to special schools and they expressed a strong desire to continue have a relationship with the Council if engagement and communication and the quality of services provided could be improved. Whilst the issue of SEN and disability is an issue for all schools, the relationship with special schools does feel to be of a different nature.
- 11.11 Where there are important ongoing areas of statutory duty like SEN and disability they will require a higher degree of joined up working between parents, the schools, the Council and the health services sector to maximise the best use of resources and skills in a joined up way.
- 11.12 The Children, Young People and Families / People's Group is currently considering proposals for an SEN restructure.

12. Excluded Pupils

- 12.1 Behaviour in schools is another significant issue within the Schools White Paper 2010. The Government says it wants to restore the authority of teachers and head teachers, so they can establish a culture of respect and safety, with zero tolerance of bullying, clear boundaries, good pastoral care and early intervention to address problems. As a last resort, head teachers need the ability to exclude disruptive children and to be confident that their authority in taking these decisions will not be undermined.
- 12.2 To assist with, this the Government is proposing to pilot a new approach to permanent exclusions where schools have the power, money and responsibility to secure alternative provision for excluded pupils. Academies are already accountable for their excluded pupils, including funding.
- 12.3 WCC's Cabinet has recently agreed a strategic plan and business plan to meet the needs of excluded pupils or those at high risk of exclusion, including primary schools. This reflects problems found with the performance of the Warwickshire Pupil Referral Unit (PRU) identified by Ofsted in its inspection in 2010. The project currently underway has 3 overarching strategic aims:
- To meet the learning needs of pupils at risk of exclusion or who have been excluded by introducing new approaches;
 - To reduce the number of exclusions and consequently demand on the PRU;
 - To improve the quality of education for young people attending the PRU.

- 12.4 Some head teachers voiced concern about the Government's plans in this area and the additional pressure it might put on schools. However, the Government has said in the short to medium term, local authorities would be needed to retain a duty to ensure that sufficient provision is available and take responsibility for quality assurance.
- 12.5 It is therefore important that the Council takes an active role in working with all schools to avoid some schools taking the easy option of excluding difficult pupils. The approaches being developed with schools have the potential to do this, but the Council should monitor its impact carefully.
- 12.6 For all of the reasons outlined in this report, the Council has to retain a strong focus and give a high priority to all vulnerable children in its new relationship with schools. Whilst a number of separate plans exist for some of these groups, at present there is no specific overarching Council strategy in place for vulnerable pupils. There is a strong argument that this should be addressed and there should be a single, fundamental strategy covering all of the key vulnerable groups, including the input and engagement of schools and partner agencies in the Children's Trust. It is argued that the Children and Young People's Plan serves this purpose, but this Plan also ranges into other areas.

R6 That a single, fundamental strategy and action plan to meet the needs of vulnerable children be developed with the involvement of schools and key partners in the Children's Trust (including a review of existing service level agreements and outcomes).

13. Traded Services - the balance between commissioning and providing; what is in the best interest of schools and the Council and what is affordable?

- 13.1 The County Council presently has a large traded services portfolio with schools. This is even being expanded in 2011/12 as some services previously funded through core budgets or via grants are being now offered on a traded basis to see if they can be sustained in this way. In some cases the traded services are not just provided to, or for, schools. They operate with other clients as well, most notably some of the central support services who have internal County Council clients (e.g. HR, IT and legal services).

14. Warwickshire Education Services (WES)

- 14.1 All services trading with schools should operate under the WES 'umbrella'. Historically this has not always been the case, for example the music service and outdoor education have for a number of years operated outside such arrangements.

- 14.2 WES Services were originally put in place following the Education Reform Act 1988 which introduced local management of schools. In April 2000, the Government policy of fair funding came into effect which resulted in further delegation to schools with more services trading with schools. The WES Board was originally established in 2003 to coordinate the services that trade with schools. All WES traded services are represented on the WES Board. These services are set out in the table in paragraph 15.3 below.
- 14.3 Following the Academies Act 2010 and the establishment of a number of schools as Academies within Warwickshire, a number of additional services have commenced trading with schools under the WES 'umbrella', with effect from 1 April 2011, to offer services to those schools and to gain business, namely:
- Admissions Service
 - Customer Relations Service
 - Education Safeguarding Service
 - Equality & Diversity Service
 - Free School Meals Service
 - Minibus Driver Training and Assessment Service
 - Risk and Assurance Service
 - Vehicle Fleet Management Service
- 14.4 Furthermore, a number of other services have reviewed their statutory functions and have recently commenced trading with schools due to budget pressures arising from savings plans:
- Children's University Service
 - Education Psychology Service
 - Education Social Work Service
 - Integrated Disability Service
 - Outdoor Education Service
 - Youth and Community Service
- 14.5 However, there is no evidence to suggest that the either the pre-existing and/or the recently expanded list of traded services has been critically reviewed at a strategic level to see if they still reflect the corporate priorities of the Council. Indeed, it is difficult to identify an overall business strategy for traded services that is underpinning the 'offer' being made to schools. This is an important consideration if the Council wants to continue to ensure that it can maintain provision of certain services for schools at the right price and quality as this will inevitably require choices about making more investment in some areas to ensure the services being offered remain competitive.

R7 It is recommended that the Council should establish a clear strategy for its approach to traded services that this should explicitly reflect the Council's current core priorities and corporate plan. Services that trade must clearly demonstrate they are needed to make a contribution to the strategy and that schools really want them.

15. Performance of and Demand for Traded Services

- 15.1 There are some positive views about some of the traded services, including some glowing views of some of Council officers. A number of schools have also said they would wish to continue to use Council as their preferred provider of traded services if they are transparent, with clear SLAs, and of the right price, quality and customer service.

Analysis of WES Subscription Database by Service (as at 20 April 2011)

Service	2010/11 £000	2011/12 £000	Variance £000	Explanation
Attendance Improvement Service (AIP)	8	0	-8	Prices increased due to loss of grant and reduced buy back of service
Catering and School Meals Service	877	1,294	417	Reduced buy back of service
Cleaning and Caretaking Service	1,693	1,487	-206	Reduced buy back of service
Copyright Service	213	215	2	
Early Intervention Service (previously called LABSS)	1,372	1,136	-237	Reduced buy back of service
Education Safeguarding Service	1	16	15	
Educational Development Service (EDS)	184	0	-184	Service closed and ceased trading 31 st March 2011
Energy and Water Efficiency Service	24	22	-2	
Finance Service	1,154	1,114	-40	Reduced buy back of service
Governor Development Service	168	144	-24	Reduced buy back of service
HR and Payroll Service	1,107	1,047	-60	Reduced buy back of service
ICT Development Service	2,638	2,858	220	Prices increased due to loss of grant
Legal Service	87	80	-7	
Press and Media Service	16	21	5	
Property Indemnity Service	2,984	2,571	-413	
Safety and Premises Service	348	321	-27	Reduced buy back of service
Schools Insurance Service	1,557	1,405	-152	
Schools Library Service	156	131	-25	Reduced buy back of service
Sickness Insurance Service	3,457	3,003	-455	Reduced buy back of service. Also, refer to section 3.10
Specialist Technical Service (STS)	195	175	-20	Reduced buy back of service
Sub Total	18,240	17,038	-1,201	
New for 2011				
Admissions Service	3	78	75	
Childrens University Service	0	21	21	
Education Social Work Service	1	90	89	
Educational Psychology Service	0	264	264	
Equality and Diversity Service	0	1	1	
Free School Meals Service	0	0	0	
Integrated Disability Service (IDS)	0	47	47	
Outdoor Education Service	0	4	4	
Youth and Community Service	0	1	1	
Sub Total	4	506	501	
Total	18,244	17,544	-700	

- 15.2 Feedback from consultation with schools has identified that traded services need to improve transparency, responsiveness, consistency, customer care, quality and cost effectiveness.
- 15.3 Although all schools have registered their initial 2011/12 WES services requirements a number are still considering additional requirements. Therefore, over the coming weeks the above table is likely to change. Some of the above variances are due to the implications of changes in grant funding. Therefore, prices to schools have been increased to reflect such losses, for example:
- Catering & School Meals Service School Lunch Grant
 - ICT Development Services Harnessing Technology Grant
- 15.4 The following table, excluding new services for 2011, analyses whether the major variations in the above table between school 'buy back' in 2011/12 and 2010/11 is due to the establishment of Academies

Analysis of WES Subscription Database by School Type (As at 20 April 2011)

School Type	2010 £'000	2011 £'000	Variance £'000
Nursery	246	227	-19
Primary	12,051	11,994	-56
Secondary	3,005	2,929	-76
Secondary Academy *Note 1.	910	470	-439
Secondary Academy *Note 2.	964	338	-626
Special	1,064	1,079	15
Total	18,240	17,038	-1,201

Notes:

Alcester Grammar School, Ashlawn School , Polesworth School, Rugby High School and The Nuneaton Academy

Alcester Community School, Coleshill School, George Elliot School, King Edward VI School, Myton School, Stratford Grammar School for Girls, Stratford High School and Studley High School.

- 15.5 The Secondary Academy variance (- £1.065m) is partly due to some current WES Services not being offered to Academy Schools, for example Property Indemnity Scheme (-£0.364m), Schools Insurance Service (-£0.152m) and Sickness Insurance Scheme (-£0.239m). The balance is mainly due to some of the future Academy Schools currently only purchasing services for part year, i.e. period up until they become an Academy school.
- 15.6 Further work is being undertaken to fully understand the impact on individual traded services. At this stage Cleaning and Caretaking Service, Early Intervention Service and Sickness Insurance Scheme appear to be the services with reduced buy back across all schools for 2011/12.
- 15.7 Work is also continuing to analyse the income changes in more detail and to compare the changes in income to increases in prices and projected income for each service. However it is clear from the data that some services have seen large reductions in their income levels between the two years.

16. Business Plans and Trading Accounts

16.1 One of the key questions under this topic is; are the services being traded operating as real business units, with clear business plans including an understanding of the markets in which they operate, trading strategies and profit and loss style accounts? Moreover, are these businesses fully recovering their costs, including securing enough resources for any necessary investment for the future to keep them competitive, or are they in effect making a loss and being subsidised by the Council and if so at what 'opportunity cost'?

16.2 Where one part of a service is provided in a competitive environment and another part in a non-competitive environment, that part provided in a competitive environment should be considered for disclosure. The summary of the disclosure should include:

- The nature of the trading operation, i.e. the service that is provided and the main customers
- Turnover
- Surplus/deficit
- Any reapportionment of surplus/deficit
- Any details putting financial performance in a context useful to the reader of a formal report of performance

16.3 Initial analysis of WES traded services has identified that the vast majority of services do not produce trading accounts in accordance with the Council's recommended practice. The majority of managers use the standard cost centre managers' report to manage their business unit/trading arm. Indeed, based on managers' initial response to the request for copies of their trading accounts (to be provided by 27 April 2010), and subsequent discussions held with a number of managers, it would appear that little variance analysis is undertaken on specific contracts or at individual school level. Therefore, for example, the impact of a loss of a school contract is not readily available. Also, the service/corporate overheads included within the accounts of WES traded services vary across the Directorates. Different approaches for overhead allocation are used.

16.4 It is not possible to quantify whether services traded to schools are recovering their costs or being subsidised, and if so, to what extent. Therefore, given the significant number of services traded it is necessary to do further, more detailed reviews beginning with the services that generate the greatest amounts of income. Work is already underway on this, starting with:

- Catering & School Meals
- Cleaning & Caretaking Services
- Finance
- HR & Payroll
- ICT Development Services
- Property Indemnity Services

- Sickness Insurance Scheme

16.5 The purpose of this exercise is to fully understand:

- The accounts of each service, i.e. sources of funding, trading accounts for each service/key service area, reliance on grant funding etc.
- The current monthly/quarterly performance management information
- The current pricing policy
- The current contractual arrangements
- The current market information/benchmarking data
- The key corporate implications associated with the current trading arrangements of the service
- The service's major trading issues

16.6 Following the detailed analysis of these 'bigger' traded services identified above, it is proposed that a similar analysis be undertaken for all the remaining WES traded services. This exercise will include the services that have only commenced trading since April 2011. It is intended that all of this detailed work will be completed by 30 September 2011.

R8 A detailed review of every traded service is carried out as described in paragraph 16.5 to be completed by 30 September 2011.

17. The Future of Traded Services

17.1 Clearly for the reasons outlined earlier, the Council needs to get a better and more detailed understanding of its traded services in order to assess the future steps it needs to take.

17.2 By introducing more traded services into a school market place that, in terms of its spending power, is at best standing still and at worst shrinking, inevitably puts some of the current traded services at greater risk. Many of these new services have commenced trading to generate income to balance their budgets and, in some cases, to preserve their services. To date the decision to commence trading has been determined by individual Directorate DLTs/managers. As indicated earlier, there needs to be a more strategic view of the services the Council chooses to trade.

17.3 Moreover, the Council has to balance competing outcomes when it comes to traded services to schools. On the one hand it wants to be the champion of schools and children and as such ensure that it helps schools get the best possible deal when it comes to the services they procure, thus ensuring that schools' resources go as far as possible towards raising the educational aspirations and achievements of children and young people.

17.4 However, on the other hand the Council also wants to ensure its traded services are competitive, provide a good service and operate as effective business units covering their costs. It also has to be recognised that some services that trade with schools also provide services to the rest of the County

Council and in some cases other partners. In these cases, if schools were to no longer buy those services there could be an increase on the costs of those services to other clients through loss of the benefits of economies of scale.

17.5 Services being traded with schools face a number of significant challenges which, in turn, raise some fundamental questions. The challenges are:

- They are going to come under increasing and significant pressure from competition from the private sector and even other local authorities as schools exercise their freedom to 'shop around' and seek greater value for money;
- There is evidence to show that some schools are unhappy with the quality and cost of some services that they get from the County Council, in some instances commenting that they do not get the level of customer service that they feel entitled to expect;
- At a time when the level of schools funding is at best standing still and at worst reducing, more Council traded services have been joining the market place meaning more are competing for less in a shrinking market;
- There is already evidence to show some schools are starting to look elsewhere for some services and some of the bigger schools are beginning to offer services to smaller schools;
- The Council is already offering to help schools to access information on other options for service provision;

17.6 To get a snapshot of future demand, a questionnaire survey of schools was carried out as part of the relationship with schools project. Two hundred and forty-four educational establishments were sent the questionnaire with 74 (30%) responding. When asked about their intentions to continue to purchase traded services over the next three years, over 70% of respondents said they would continue to want to buy if available:

- Finance Service
- Legal service
- Safety and Premises Service
- Payroll Service
- Schools Insurance Service
- Sickness Insurance Service
- Property Indemnity Service
- Human Resources Services

17.7 However, in contrast the following nine services were selected by less than 20% of respondents:

- Educational Social Work Service (newly traded)
- Cleaning Service
- Parent Support Advisor Service (newly traded)
- Outdoor Education Service (newly traded)
- Design and print Service
- Heritage Education Service
- Youth and Community Service (newly traded)
- Interpreting and Translation Services
- International Development Service (newly traded)

17.8 In almost every case demand for traded services was down on the current situation, but it should be recognised that this is only a snapshot of future demand at a time of considerable uncertainty and more qualitative data should be gained from the detailed review of every traded service that is recommended later in this report.

17.9 So, what happens in the event that demand declines? Does the Council encourage schools to go for the best deal or try to protect its own market position? These outcomes may not be mutually exclusive, but could easily come into conflict. Where there is such a conflict, it is recommended that the default position should always be what is in the best interest of schools and of children and young people.

R9 It is recommended that there should remain a clear separation between the council's role to help schools get the best possible procurement outcomes (e.g. price and quality) and the operation of the Council's traded business units; and that the priority outcome for the Council should always be helping schools get the best possible deal.

18. Guiding Principles for Trading with Schools

18.1 Although more detailed work is underway to understand the true position of the financial performance of some of the Council's traded services, it is nevertheless vital that the Council immediately establishes some guiding principles to govern its future approach towards trading.

18.2 Indeed, given all of the above there is a fundamental question as to whether the Authority should continue to trade with schools at all. It could be argued that the market is now much more developed and a range of private sector providers is available to schools for most, if not all, services and therefore that the Authority should focus on its core strategic commissioning and statutory roles rather than direct delivery. It can also be argued that the Council is in a much stronger position to exercise its strategic role to 'champion' the cause of schools when it is not encumbered by having to justify and defend and potentially protect the services it is providing to schools. It will be necessary to return to this question when more detailed trading information is available.

- 18.3 However, for the Council to step out of the traded services business altogether also carries risks for the authority and schools.
- 18.4 For schools in the short to medium term the risk is that they do not have the skills or processes in place to access the market opportunities available to find alternative solutions. In the medium to long term this is unlikely to be an issue as clusters or federations become well established as described earlier and the market expands its interest to take advantage of the new freedoms schools have. To some extent this is already beginning to happen.
- 18.5 As far as the Council is concerned, as previously stated, some services rely on the business from schools to enable them to keep their charges to their internal Council customers at a lower level than would otherwise be the case. Information technology is a good example of this (e.g. the cost of Broadband). If schools were not trading with the Council these rates could go up significantly putting more pressure on the Council's managers to find further savings or make cuts in front line services.
- 18.5 The Council also has to be mindful of the interdependence of some of the services it trades with its statutory duties as referred to in paragraph 8.5 of this report. In some cases a traded service brings benefits to schools and helps underpin some of the Council's core duties, e.g. the links between the financial services traded to schools and the ability of the Council to discharge its responsibilities to ensure sound financial management. There would be a cost to the Council and potentially increased risks if this relationship became undone. Therefore these services in particular need careful thought, with the costs and risks fully analysed, as some of the recommendations in this report are applied.
- 18.7 Moreover, the traded service business is valued at £18m to £20m (when pay as you go purchases are added to the subscription income) and employs in excess of 1000 staff. Therefore closing down some or all of the businesses could incur very high 'one off' costs, for example redundancy payments.
- 18.8 A middle way may be found through the new 'commissioning' approach that would explore options for the delivery of these services such as through a joint venture or outsourcing to the private sector. When the Council has more detailed information on the financial performance and future trading challenges for each traded service it would be wise to carry out a commissioning 'options appraisal' for the services the Council continues to offer. That decision would have to be taken in close collaboration with schools.
- 18.9 In the meantime, as mentioned earlier, any decisions to trade should be based on the corporate, strategic outcomes that this Council is seeking to achieve. There is therefore a need for clarity as to the reasons why the Authority should provide services to schools and the value added by such provision. The following questions are relevant in this respect:

- Does the provision of services help the Authority to secure better outcomes for children and young people?
- Does an ongoing trading relationship with schools strengthen the broader strategic goals of the Authority e.g. in facilitating 'One Front Door'?
- Does the provision of services by the Authority add value by, for example:
 - ❖ ensuring easy access for schools to quality assured services;
 - ❖ supporting the relationship between schools and the Authority;
 - ❖ enabling the Authority better to monitor standards in schools, for example in relation to health and safety;
 - ❖ enabling the Authority better to fulfil its statutory responsibilities?
- Can the Authority provide such services at reasonable cost and without significant risk, taking into account the potential costs of severance and redundancy if the Authority decides not to directly employ staff providing services to schools?
- Could a partnership with a private provider offering, for example, a 'brokerage' service offer better value for money at less risk for the Authority.
- Is there good competition from quality private sector providers in the market?

18.10 In any event, a further concern is whether the Council presently has staff with the required level of commercial and business acumen (including the necessary marketing and selling skills) to run traded services as viable businesses, providing value for money and excellent customer service. If the Council does continue to operate a portfolio of traded services it would be in its interests to employ someone at a senior level who does have those skills, perhaps bringing in someone from the private sector. This would not necessarily require any restructuring of services, but that individual would need to have sufficient influence and control to effect the changes and improvements needed.

R10 The following principles are adopted to guide the Council's approach to traded services in the short to medium term:

The guiding principle which should underpin the relationship with schools is to secure better outcomes for children and young people in Warwickshire, and in particular the most vulnerable;

The provision of 'in-house' services to schools on a traded basis should always be judged against the other options for those services and should be subject to a clear and compelling business case that demonstrates that an 'in-house' service:

- **Is compatible with the Council's corporate strategy and outcomes;**
- **represents value for money;**
- **offers excellent quality and customer service**
- **involves little financial risk;**
- **adds value to the service provided.**

R11 All traded services should be required to balance income and expenditure, without any subsidy from the Council's revenue grant effective from 1 April 2012. The only exceptions to this rule would need to be formally approved by Cabinet based upon clearly defined benefits for the Council and/or schools that justified a subsidy.

R12 All traded services should have business plans and fully transparent service level agreements available to schools (with detailed standards of service) in place by 30 September 2011.

R13 The Council should appoint someone with the appropriate business and commercial skills to ensure continuous improvement in the performance of traded services and ensure they cover their costs, provide value for money and offer excellent customer service.

R14 Dependant on the findings from the reviews of traded services and following detailed discussions with schools on the future demand for traded services, a full options appraisal should be conducted on the commissioning opportunities for delivery of those services in the medium to long term.

19. Decisions about the best use of our collective resources - what kind of processes would enable the Council and schools to work comfortably and effectively together?

- 19.1 In terms of the Council's revenue funding for core activities, as discussed earlier, this has been already reduced significantly and this funding will continue to be under pressure until 2014 as the savings proposals in the medium term financial plan are implemented. However, although the Council will be playing a reduced role in relation to schools in future, according to the Government, '*local authorities will have a strong strategic role as champions for parents families and of educational excellence*'. Achieving this will require some re-sculpting of the way the Council engages and communicates with schools and partners.
- 19.2 There will, of course, still be a very large amount of money spent on schools related activities, but the Government has said, "*we will devolve the maximum amount of funding possible to go straight to schools and make information and tools available so head teachers can drive improvement and realise efficiencies*". If this happens (i.e. funding largely goes direct to schools, by-passing local authorities) and/or we see a large increase in Academies or other forms of independent school, new governance measures will be needed to be put in place to ensure that, for example, some of the access, investment and business continuity considerations that go beyond individual school boundaries are addressed.

19.3 For example:

- How will equity of access for parents and their pupils be effected?
- If school rolls begin to fall, who will be in a position to take an overview and plan and implement a coherent response?
- How will uneconomic surplus school places be avoided?
- How will strategic capital investment decisions be taken?
- To which core activities should the local authority continue to give priority?
- What happens if there is less funding for high cost specialist services for children with special educational needs?
- Can school buildings still be developed as community facilities or hubs from which a range of services are delivered?
- What happens if a maintained school or an Academy fails and needs urgent support from the Council or the wider school community?

19.4 At a practical level when it comes to DSG, recommendations earlier in this report propose that school clusters will be vital in achieving a self-sustaining school system, ensuring schools attain the maximum impact from their budgets. This is not only in terms of improvement and sustainability of their academic work, but also to enable them to commission and procure 'best value' from support services. Whilst some schools are already exploring this opportunity, others, especially in the primary sector, remain fearful of what this means and are worried that the 'safety net' of the local authority will disappear too quickly leaving head teachers in particular spending too much time administrating rather than teaching. This is why it is recommended that the Council puts in place practical measures to help schools establish clusters that enable them to function effectively as businesses, ideally sharing resources, and that there is a period of two years transition to enable an orderly change. Again, the Council and schools will need an effective governance mechanism to oversee this.

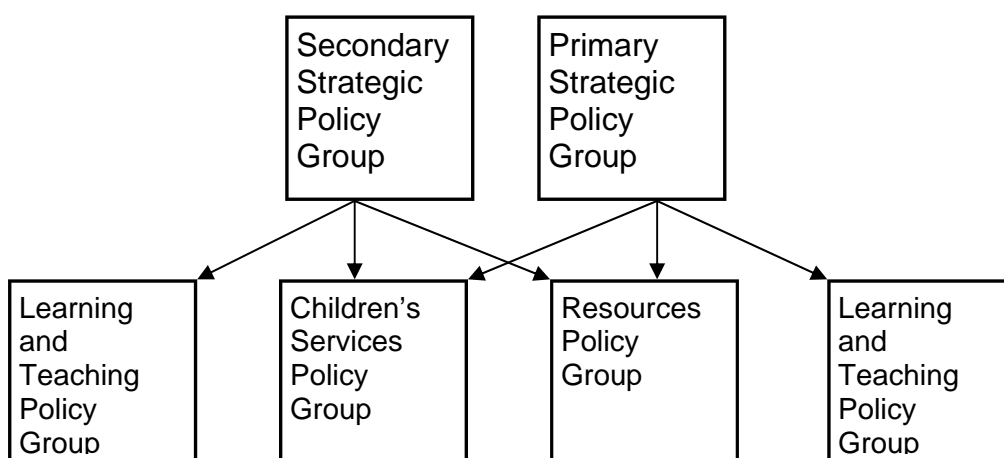
19.5 During discussions with head teachers and governors on this topic the question was raised about what happens if a school or school cluster fails. There was a fear that perhaps the kind of school to school support envisaged to overcome such issues may not materialise. This led to a view that the Council and elected members may from time to time need to act as an 'arbitrator, facilitator and honest broker' between schools. There was also a fear that competition for resources between schools and/or clusters could act as a barrier to collaboration.

19.6 It came out from the focus groups that schools would welcome the ability to have access to senior managers on a more regular basis both at an individual school and at a cluster level. Clearly with the downsizing taking place within the Council this could be difficult to achieve, but it is a request that needs to be examined and a solution found. One option for achieving this could be to make the Council locality lead Head of Service the key contact for the schools within their locality.

- 19.7 Linked to this, smaller schools in particular are concerned about what help will be available to them in the short to medium term to understand the changing landscape and to gain access to specialist services and advice when it is needed. There is a sense that they don't fully understand all of the emerging developments that may or will affect them and that the Council could also do more to communicate these and the strategic plans the Council has to address them.
- 19.8 Therefore, the Council needs to do better at communicating with schools and listening and feeding back its responses to issues raised. A particular focus should be to ensure all schools fully understand the change agenda and its implications for them. This should cover both the content of communications and the communications channels. To effectively achieve the role of champion, this also has to embrace other key public sector partners with schools such as the police and health services.

20. Governance

- 20.1 In terms of governance, including consultation and engagement, there are already a number of representative learning and teaching policy groups in existence (see below). These act as consultative forums for the key policy issues affecting schools in the county and they meet each term.



Details of the roles of these groups are attached at appendix 3.

- 20.2 In addition to this there exists a Schools Forum, established in 2002 under the Education Act 2002. The Forum is required to be consulted and offers advice to the Strategic Director for Children, Young People and Families on three principal matters:
- Proposed changes to the school funding formula
 - Issues relating to the management of the schools budget
 - Terms of significant contracts to be let by the LA paid out of the schools Budget

- 20.3 In addition the Schools Forum has an explicit power to allow the Local Authority to increase the level of central expenditure, above the central expenditure limit.
- 20.4 The Schools Forum is an important mechanism for consultation which augments existing consultative arrangements by bringing together the various stakeholders in particular headteachers and governors in the budget process to share views. It does not replace those existing arrangements.
- 20.5 However, in discussions with head teachers and governors as part of this project the effectiveness of these various groups and the extent to which they actually represented schools' views came in for some question. A number of head teachers indicated they had little real understanding of the system. In any case, it needs to be questioned whether these are the right mechanisms for the changing relationship that is envisaged and whether a new system is needed.

21. The Somerset Compact

- 21.1 As an example of what might be done, in Somerset the County Council and schools have established the Somerset Compact to help oversee the new relationship. The compact is founded on joint construction and leadership of all services for schools. The emphasis is on making a difference to the lives and futures of children and young people in Somerset supporting them to achieve fulfilment, well being and their full potential in life; and protection for the most vulnerable children and young people and schools through stability of service provision, retaining a safety net for those schools and children who need more, will be ensured.
- 21.2 The Compact defines the:
- Future working together between schools and the LA;
 - Development of school-to-school collaboration to improve schools and standards;
 - Provision of agreed services by the local authority schools and other providers.
- 21.3 The compact will encourage:
- A self-improving schools system in Somerset maximising school to school support;
 - Co-leadership of school improvement and strategies;
 - Joint accountability and a greater quality assurance role for schools;
 - Maximum devolution of school funding and thus increased responsibility to fund school services;
 - All schools using their resources together with the Local Authority to maximise efficiency and value for money in service delivery.

- 21.4 This approach is very similar to much of what is recommended in this report and it is suggested that a similar approach therefore could be developed with schools in Warwickshire.

R15 The Governance arrangements for the future relationship between the Council and schools should be reviewed with schools in the light of the recommendations in this report to ensure they enable resources to be maximised to deliver both a self-sustaining schools system and to enable a focus on the new strategic role envisaged for the Council. Any new arrangements should include elected Members and there should be an expectation that all County Councillors should be a school governor.

R16 The Council should put in place a new communications strategy with schools, identifying specific senior liaison officers for schools and schools clusters. This should be developed in consultation with schools and should ensure clear and regular feedback mechanisms for issues raised by schools.

22. The Wider Public Sector

- 22.1 In terms of ensuring the Council and schools work effectively with the wider public sector to maximise the use of its collective resources, one of the Council's corporate aims under the children's services element of its Corporate Plan is, "*to strengthen the relationship between schools and other public services (e.g. the Police)*".
- 22.2 At a time of considerable uncertainty and trepidation for schools about all of the changes taking place and the risks and consequences of them, as the Council moves away from some of its traditional roles and is involved less in delivery, it has the opportunity to help be the glue that bonds the new ways of working together.
- 22.3 This will become really important as the future relationship will be founded much more on voluntary commitments and less on statutory duties to co-operate. For example, the Government has said that it will legislate to remove the duty on schools and colleges to cooperate with Children's Trusts and abolish the requirement for local authorities to produce a Children and Young People's Plan. The Government says it can leave schools and local authorities to make decisions themselves in all of these areas – because central government is not as well-placed as local people to make decisions. However, it remains very important to ensure that important, existing relationships don't fragment and therefore the Council should work with partners to retain commitment to the Children's Trust model.
- 22.4 With the Council's role being much more tightly focussed around the needs of vulnerable pupils, clearly ensuring strong engagement from health services and the Police will be key to future success. In terms of the some of the areas that have been core funded in the past, such as money for speech therapy, the Council will no longer be funding this and will need to negotiate with health services to fill the gap.

22.5 The Council will also need to continue to explore and promote the benefits of collocating a range of public services to the community, including to school children. With schools being the main focal point in many communities, schools buildings provide an ideal opportunity to cement core services to children and families. However, as more schools become Academies and the ownership of school buildings transfers this outcome may become more difficult to achieve. Therefore in addition to the Council's own direct relationship with schools through a revised governance arrangement such as a compact, locality forums could be developed as part of the mechanism for exploring and developing a number of schools as extended local service delivery points.

R17 The County Council should work with schools and other partners to retain commitment to the Children's Trust model and use this model to build new and robust arrangements to reflect the changing relationship with schools.

R18 Mechanisms should be explored for developing a number of schools as extended local service delivery points for parents, children and families.

R19 The County Council should clearly state its willingness and desire to collocate its services into extended local service delivery points in schools where there is an acceptable business case.

23. Democratic mandate - how can the Council on behalf of its communities provide constructive challenge and support when schools most need it?

23.1 In the schools' system that is being proposed, there are new roles envisaged for local authorities, for example they will, "*have an indispensable role to play as champions of children and parents, ensuring that the school system work for every family and using their democratic mandate to challenge every school to do the best for their population*".

"They also have a unique role in bringing together all services for children in a local authority area so that every child is ready and able to benefit from high-quality teaching in excellent schools".

23.2 The emphasis of the 'strategic role' (e.g. strategic commissioning and oversight) and the use of the word 'champion' feature widely in the Schools White Paper. But what does this actually mean in a practical and democratic sense and how will it be achieved?

- 23.3 As mentioned earlier in this report, there is an absolute drive to set schools free from being maintained by the local authority and the bureaucracy that the current arrangement brings. Academies and Free Schools are already independent from local authorities, aside from a small but important number of statutory duties that stay with Councils.
- 23.4 But, paradoxically, the freeing of schools from bureaucracy and the greater autonomy envisaged could make it more difficult for the Council to carry out the role the Government envisages. For example, access to good quality and timely information is an important facet to being an effective champion providing constructive challenge and support to schools when it is needed. As the Council's role in areas like school improvement is either diminished significantly or lost altogether, it will potentially lose an important area of insight into how schools are performing. Schools will not be required to provide Councils with early warnings of impending problems and will they want to admit they are in difficulties, especially if they are operating in competition with other schools for pupils and effectively operating as businesses?
- 23.5 It remains to be seen how the Government's commitment, "*to dramatically reduce bureaucracy, cutting out unnecessary duties, guidance and red tape*" will translate into actions. However, whilst in itself this is a laudable aim that fits well with the aim of autonomy and 'freeing schools up', it seems inevitable that this will involve some loss of useful intelligence on performance. There will still be some statutory data and information around, but will it be timely?
- 23.6 Added to this, there is no requirement for the local authority to be represented by a governor on Academies, although the Academy governing body can choose to appoint one. The Education Bill currently going through Parliament does not appear to include local authority governors as a statutory category on governing bodies and this could therefore lead to a dramatic reduction in Council governors over time. At best this would be in the gift of the governing bodies at schools. Again this would be a loss of an important form of engagement with schools and insight into the challenges facing them. In the governors focus groups there was a strong view expressed that elected members should continue be involved as school governors. There was also some concern about the expectations of that will fall on governors in this new, 'autonomous' schools system and the ability to attract people of the right calibre to be governors.
- 23.7 Given all of this, a new kind of strong and confident relationship with schools will need to be found to enable Council's to get appropriate information on when to challenge and support schools when it is most needed, whilst at the same time not undermining the autonomy of schools and the process of school to school support, which should be the first approach to solving problems wherever possible. If a new form of governance as described earlier in this report can be established with elected Members playing a key role in that arrangement, most of the risks outlined above could be overcome.

23.8 Another important source of intelligence on how schools are performing could come from the local community. Often parents, families and local people who have involvement with children will be the first to sense if things are awry at a school. Enabling these groups to transparently engage with the Council and elected Members on a regular basis would provide an opportunity to understand local perceptions of school performance to underpin more formal reports and data, that may not always be as timely. The locality forums could be one method to enable this kind of interaction to take place.

23.9 In addition Members will still have a number of other important roles to play; and mechanisms within and outside the Council should be developed to ensure these role are carried out in a robust and effective way. These include:

- gluing the relationship between schools, the Council and key partners (like health and police) together to deliver the best possible outcomes for vulnerable children;
- maximising the opportunities for bringing services for children and families together through joint service outlets in larger schools;
- ensuring that the services provided to schools by the Council are supported and challenged to deliver value for money and good customer service, especially with regard to statutory duties and traded services to schools;
- Engaging localities work effectively as a mechanism for strengthening the links between local schools, public sector agencies and their communities.

R20 Early discussions take place between the Council and representatives of head teachers and governors to discuss how the Council can best fulfil its democratic mandate to constructive challenge, support and act as a ‘champion’ for schools and to agree what information and assistance schools need to provide to facilitate this.

R21 The Council should encourage schools to continue to have local authority representatives on school governor boards.

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Appendix 1

Development of Project – Key Dates

Date	Action	Outcome
02.02.11	Meeting with Marion Davis, CYP&F Strategic Director	Discussion on Project Scope. Identifying consultees. Agreed that Mark Gore will be CYP&F contact.
03.02.11	Meeting with Dave Clarke, Resources Director	Discussion on Project Scope
09.02.11	Secondary Strategic Policy Group	Introduction of Project
10.02.11	Primary Strategic Policy Group	Introduction of Project
10.02.11	Meeting with Greta Needham, Head of Law & Governance	Discussions regarding Academies Working Group, school governance, Somerset Compact with Schools, and statutory obligations.
11.02.11	Meeting with Cllr Farnell, WCC Leader of Council	Discussion on Project Scope and Member involvement
14.02.11	Email to WCC Leadership Team	Project update
16.02.11	Meeting with David Carter, CWG Strategic Director	Discussion on Project Scope and seeking support with consultation process. Agreed that Tricia Morrison will provide support on consultation process
16.02.11	SDLT meeting	Project Scope agreed – Traded Services business accounts to be produced by 27.04.11
17.02.11	Slot at CYP&F DLT meeting	Discussion and feedback on Project Scope
21.02.11	Cabinet/SDLT – project scope circulated virtually as meeting on 25 February cancelled	Observations and approval received from Cllrs Seccombe, Hobbs, Heatley, Timms, Jim Graham, Hugh Disley
21.02.11	Meeting with Chris Jukes, Head of Projects, Resources	Establishing work to be done on reviewing traded
21.02.11	Meeting with Simon Smith, CYP&F Finance Manager	Information supplied on DSG. Commissioning team to explore statutory responsibilities associated with services traded under WES
24.02.11	Meeting with Tricia Morrison, Head of Performance	To arrange for support (collation/analysis) on consultation process
28.02.11	Milestone	Cabinet's Feedback taken into account - Project Scope agreed
28.02.11	Meeting with Jim Graham, Chief Executive	Project update

28.02.11	Meeting with Mark Gore, Head of Learning & Achievement	MG to provide HT/Governor names to join Project Board. MG to provide Project Manager support within CYP&F. MG to provide other LA contacts.
28.02.11	Warks Governors' Forum Steering Group	Explaining project
01.03.11	Email to all Warks Schools, Colleges & Academies	Explaining project
02.03.11	Email to all Warks Governors	Explaining project
07.03.11	Meeting with Andy McDarmaid, E&E Improvement & Development Manager	Project assurance meeting
08.03.11	Meeting with Ernst & Young	Research on commissioning element
08.03.11	Meetings with Cllrs Timms & Seccombe, Children's Trust Board	Discussion on progress and seeking views
09.03.11	Meeting with Geoff King & Janice Ogden, WES Board	Research on traded services and WES
10.03.11	Coleshill Schools' Strategic Policy Group	Meeting as part of consultation process
10.03.11	Meeting with Chris Jukes	Update on traded services element
14.03.11	Meeting with Cllr Farnell	Update on progress with project
17.03.11	Meeting with Mark Gore & Tricia Morrison	To establish process for focus groups and questionnaire
18.03.11	Teleconference with Greta Needham	Advice on Governor consultation process
17.03.11	Meeting with Garry Rollason & Stephanie Gardner (WCC Risk & Assurance)	Discussion on corporate risk & assurance
21.03.11	Meeting with Cllr Robbins	Prior to Cllr Robbins visit to Derby with Cabinet colleagues
22.03.11	Meeting with David Maheffey (Deloitte)	
23.03.11	Primary HT Area Business Meeting (South & Central)	Advised on Consultation process
24.03.11	Primary HT Area Business Meeting (North, East & N&B Area)	Advised on Consultation process
24.03.11	Dave Clarke, David Carter & Chris Jukes	Discussed emerging risks re traded services
26.03.11	Governors' Forum Meeting	Represented by Greta Needham who presented outline presentation of project
29.03.11	Special School HT	To give a 15 minute presentation on

	Meeting	project
29.03.11	Meeting with John Betts, Head of Corporate Finance	Schools Funding - The consequences to WCC's budget of Academies
31.03.11	Meeting with Ed Parker (Ernst & Young)	Follow up to meeting on 8 March
01.04.11	Secondary Heads' & College Principals' Conference	Presentation on project
01.04.11	Meeting with Chris Jukes	Update on traded services element
05.04.11	Meeting with Bob Hooper & Lorrie Cooper (CYPF)	Discussion on school Improvement and school clusters
06.04.11	Meeting with Emma Curtis Mary Yeomanson and Tricia Morrison (WCC Service Improvement)	Agreeing consultation process
07.04.11	Meeting with Mark Gore	Project Update
18.04.11	Meeting with Cllr Farnell	Project Update
19.04.11	Academies Core Working Group	Discussion on links to project
26.04.11	Meeting with Mark Gore	Project Update
03.05.11	Stratford Schools Cluster Meeting	Meeting as part of consultation process
03.05.11	RwS Review Group	Governance
05.05.11	Meeting with Emma Curtis and Mary Yeomanson	Finalising consultation process
05.05.11	Meeting with Mark Gore	Project Update
05.05.11	Meeting with Andy McDarmid, E&E Improvement & Development Manager	Project Assurance meeting
09.05.11	Meeting with Cllr Farnell & Chris Jukes	Update on traded services element
11.05.11	Meeting with Chris Jukes	Project Update
16.05.11	Academies & Free Schools Working Group	Consultation process
16.05.11	RwS Focus Groups	Consultation - Secondary School Headteachers
17.05.11	RwS Focus Groups	Consultation - Primary Chair of Governors
17.05.11	Meeting with Mark Gore	Project Update
18.05.11	Meeting with Ian Bickerton /Lorna Hayes (Swindon Borough Council), Chris Jukes	Traded Services
19.05.11	Meeting with Chris Jukes	Project Update
19.05.11	Schools Forum	PG to provide update on project
19.05.11	RwS Focus Groups	Consultation - Secondary Chair of Governors
20.05.11	RwS Focus Groups	Consultation - Primary School Headteachers

20.05.11	End of consultation period	
23.05.11	Meeting with Greta Needham	Role of School Governors/Democratic Mandate
24.05.11	Special School HT and Governors Focus Group	Consultation
25.05.11	Meeting with Chris Jukes	Project Update
27.05.11	Milestone	Production of high-level summary of consultation results
31.05.11	Meeting with Liz Holt, CYP&F Manager of Commissioning Support Service	Research
01.06.11	Meeting with Chris Jukes	Project Update
02.06.11	Linda Wainscot, Director of Education, Diocese of Coventry	Research
13.06.11	Meeting with Ian Froggett, Chair of ATP (Augmented Teachers' Panel)	Consultation
14.06.11	Mark Gore	Project Update
15.06.11	Milestone	Draft Report to SDLT
15.06.11	Meeting with Chris Jukes	Project Update
16.06.11	Meeting with Jo Grills, Director for Learning and Development, GCC	Research
21.06.11	RwS Review Group	Governance
23.06.11	Primary Headteachers' Business Meeting	Update on consultations
23.06.11	Meeting with Jo Davidson, Interim Director of People's Services – Hereford County Council	Research
29.06.11	Meeting with Chris Jukes	Project Update
11.07.11	Meeting with Chris Palmer, Service Director: Learning and Achievement, Solihull Borough Council	Research
14.07.11	Milestone	Final report to Cabinet
18.07.11	Meeting with Colin Green, Director of Children, Learning and Young People's Directorate, Coventry City Council	Research
18.07.11	RwS Review Group	Governance

Appendix 2

Statutory and Non-Statutory Services Delivered to Schools

Statutory

Service Area	Activity	Budget	Staff Numbers	Proposed Action
Curriculum Support 14-19 Service	Part Funded by Government Grant. Statutory responsibility for 'commissioning' post-16 provision in particular for students (aged 16-25) with Learning Difficulties and Disabilities. New arrangements for funding post-16 provisions have diminished 'commissioning role'.	Total Budget £743,860	8 Admin support x 2 in total	Some reductions in staffing have already been made. Staff numbers and roles will need to be reviewed as the role of the LA in relation to 14-19 is clarified..
<u>Admissions – Appeals</u> <u>Fair Access</u> <u>Protocol</u> <u>Selection Tests</u>	Statutory function to run a coordinated admission service (including IYFAP) and to carry out appeals for schools for which we are the admissions authority. Selection tests to be coordinated on behalf of the grammar schools which are now academies – and paid for by them.	£512k	14.5 - administrative	Continue on present basis.
<u>Education Social</u> <u>Work.</u>	Plans in place to delegate fully to schools and offer funded service retaining only a small core for statutory work (mainly around prosecution etc).	£137K	0.5FTE Team Leader 1.2FTE Caseworkers 0.5FTE admin	Retain a small team for prosecution work. The figures here represent what will be left, by March 2012, of the 'core' service following restructure & inevitable redundancies

Service Area	Activity	Budget	Staff Numbers	Proposed Action
<u>Free School Meals and Transport Admin.</u>	Statutory responsibility	£184k	4 - administrative	All state school are required to provide a hot meal. The county council is not required to offer a catering service, but administers parents entitlement to free meals. Retain small team 3 to 4 people on administration.
<u>Hospital Tuition</u>	Statutory responsibility	DSG £472,864		Need to continue to deliver in the most efficient way
<u>School Transport.</u>	Statutory responsibility. Environment and Economy commissioned by Children Young People and Families to deliver statutory service	Non DSG £7,277,002 & £503,019 (LAC School Transport)	See FSM and Transport admin	Need to continue to deliver in the most efficient way.
<u>SEN Out-County.</u>	Statutory. Move to reduce budget by 1) better commissioning/procurement 2) development of in-county provision.	DSG £8,890,371		Due for a fundamental review
<u>SEN Transport.</u>	Statutory	Non DSG £4,887,211		Due for a fundamental review
<u>Learning and Achievement.</u>	Strategic Leadership. Support for consultative arrangements with schools. Strategic Planning of school places and implementation of		1 x HOS	Need to continue to deliver in the most efficient way.

Service Area	Activity	Budget	Staff Numbers	Proposed Action
	<p>statutory proposals in response to demographic trends. Statutory.</p> <p>Access & Organisation:</p> <p>Primary & Early Years: Strategic Leadership.</p> <p>Intervention in schools in Ofsted categories or at risk of failure</p> <p>Support for consultative arrangements with schools.</p>	<p>Included in Admissions/Transport/FSM budgets</p> <p>Total budget £1,473,300</p> <p>£832,583</p> <p>£157,755</p>	<p>5 administrative</p> <p>1 – Hay – PSS</p> <p>12</p> <p>Admin support 5.93 FTE</p>	<p>Transfer of staff from Schools and Community.</p>

Service Area	Activity	Budget	Staff Numbers	Proposed Action
<u>Induction of NQTs</u>	Statutory until September 2012.			Where the LA is the employer of the NQT, as now, it is likely to remain responsible for securing statutory Induction provision from an “appropriate body”, thereby having an administrative/commissioning role.

Non Statutory

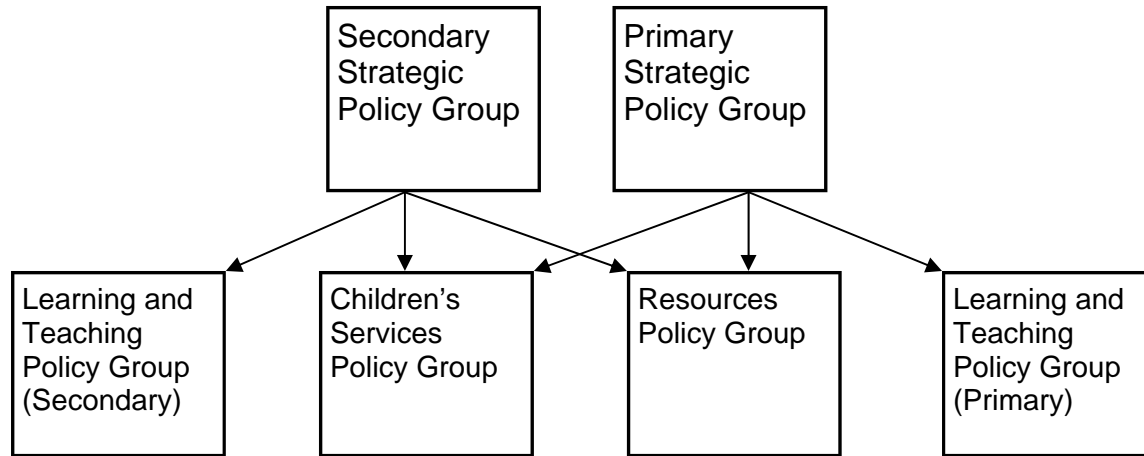
Service Area	Activity	Budget	Staff Numbers	Proposed Action
<u>County Music Service</u>	Part grant funded – will be fully traded from 1 September 2011 with no support from County Council resources.			Still managing a grant. What level of resources are required for this?
<u>Education Development Service</u>	Ceased 1 April 2011.			No further action.
<u>ICSS/EMAG</u>	County Council funding for ICSS ended 1 April 2011_ and ICSS will cease 1 September 2011. Ethnic Minority Achievement Grant delegated to schools. £250k of County Council funding retained to support Gypsy Roma and Traveller children. £110k of EMAG funding retained (as agreed by Schools Forum) to support new arrivals in 2011/12. Schools Forum to be asked to	£250K £110K	6 3	Cease work where grants are going. We can't really delegate support for Gypsy and Traveller Children. This service should be combined with the Traveller services run in the Communities Directorate.

Service Area	Activity	Budget	Staff Numbers	Proposed Action
	continue funding in 2012-13.			
<u>Nurture Groups/LSU's</u>	Pump-priming funding agreed by Schools Forum to develop Nurture Groups and Learning Support Units as part of strategy to reduce exclusions	DSG £180,893		This is top sliced from DSG, but the work doesn't have to be done by the Council. Suggest the Council exits from this work and leaves to schools to manage as responsibility for excluded children shifts.
<u>Primary National Strategy.</u> <u>Secondary National Strategy.</u>	Grants ended in April 2011. Residual funding to fund programmes until the end of the Academic Year will end September 2011.	Zero 11/12 Budget, expenditure until September funded from 10/11 earmarked TSF Grant		The Council should exit from school improvement work by July 2012.
<u>School Crossing Patrols.</u>	Discretionary. Service commissioned from Environment and Economy	Non DSG £377,724		The delivery of this service should be reviewed with schools to see if it could be fully delegated.
<u>Schools and Communities Area Working.</u>	Discretionary. Link officers with schools and involved in school organisation proposals. Role will end in September 2011.	£383,000	5 x Hay / Soulbury 2 x admin	Activity due to terminate, staff transfer to support School Organisation.
<u>SEN Health Authority Speech Therapy.</u>	Discretionary payment to NHS to provide Speech Therapy. Due to end April 2012.	Non DSG £133,000		Should be treated as a health responsibility. Due to terminate.

Appendix 3

Headteacher Policy Groups Overview

Headteacher policy groups act as consultative forums for the consideration of key policy and issues affecting schools in the county. These groups meet termly.



Membership

One headteacher representative is elected to each group by their areas. There are 14 Primary areas and four Secondary areas (NASH elects two representatives to each group).

Primary and Secondary Strategic Policy Group

Purpose

- To act as the key policy group for primary/secondary headteachers with an overview of all policy issues and how they globally impact on schools
- To have an overview of the transformation agenda
- To keep up to date with issues of school accountability at local and national level
- To inform decisions about the commissioning of services by the Children, Young People and Families Directorate, on behalf of schools
- To hold the Local Authority to account for services to schools
- To champion, scrutinise and contribute to the development of policy for the Children, Young People and Families Directorate
- To work in partnership with the Strategic Director on overarching strategic issues in relation to the development of educational provision within the county
- To set the agenda for the termly headteacher conferences/business meetings and advise on other issues of communication

Areas of Responsibility:

- Overview of developments in relation to issues raised in the Importance of Teaching document
- Communication with the Local Authority on the development of the school to school support agenda
- Consultation on policy issues particularly relating to school accountability
- To inform decisions about the direction for development of services to governing bodies

Primary and Secondary Learning and Teaching Policy Groups

Purpose

To advise the Strategic Director on matters relating to raising standards and improving outcomes for children and young people in Warwickshire schools.

Areas of Responsibility:

- Raising Standards
- School Improvement
- Curriculum developments
- SEN and inclusion issues
- Transition issues

Children's Services Policy Group **(Cross-phase)**

Purpose

To advise the Strategic Director on matters relating to the development of provision within the well being agenda around the child and their family within the context of their community.

Areas of Responsibility:

- Extended Services including study support
- Family Information Service
- ESW service
- CAMHS
- Youth Support services
- Care Matters agenda
- Family support through Children's Centre development
- Community Cohesion agenda
- Provision for Looked After Children
- Early Intervention Service

Resources Policy Group
(Cross-phase)

Purpose

To advise the Strategic Director on all resource issues affecting Warwickshire schools.

Areas of Responsibility:

- Budget and finance issues including national funding issues
- HR issues including recruitment and retention, leadership succession and development planning and wider school workforce development
- Development of alternative models of school leadership
- Health and Safety issues
- Provision and development of Traded Services
- Developments in ICT including We-Learn
- Capital Programme

For further information visit

www.warwickshire.gov.uk/edpolicydevelopment