

Children and Education Select Committee

20 February 2018

Looking to 2019: School Support Services Commissioning and the Development of School Improvement through the Education in Partnership Initiative



Purpose of report: Scrutiny of Services and Budgets

1. Introduction:

1.1 To raise awareness of changes associated with School Support Services Commissioning (including School Improvement) via the Babcock Joint Venture. The report also covers changes in national and local funding for Councils and the Government's intention for future school improvement to be by schools themselves.

1.2 To seek views on future options for delivery of the Council's statutory responsibilities, which will ultimately require Cabinet decision in March 2018.

2. Background and scope

2.1 The Joint Venture that was established by Surrey County Council (SCC) in April 2004, (initially with Vosper Thorneycroft, then with Babcock International, trading as B4S), has proven to be very successful. Over the past 14 years SCC officers have worked in partnership with B4S staff to deliver a range of support services to Surrey schools and to the Council. In this period we have seen the performance of schools, as judged by OFSTED, rise to 95% Good or Outstanding. Surrey is now top of the SE counties in terms of its primary and secondary schools' performance and is ranked 23rd out of the 152 Local Authorities in England.

2.2 B4S has delivered a range of new staffing policies in schools on behalf of the Council, there has been robust monitoring of schools' budgets, ensuring that the financial risk to the Council is minimised, and schools have been well supported across the breadth of their operations. Health and Safety issues and other key strategic risks have been addressed and B4S staff have delivered key strategic projects supporting the health, wellbeing and attainment of Surrey children and young people. Their staff know our schools well and are generally trusted as reliable providers of services.

2.3 The Council's contract with B4S (not the traded service with schools) is scheduled to end on 31 March 2019 and cannot be significantly extended without a retendering process. Both parties are currently considering whether to agree to a one term extension up to August 2019 in order to end commissioned services at the conclusion of the academic year. This would guarantee continuity of support to schools and allow time for hand over during the summer holiday period. In either event we are now in the 'exit period' with only one more annual output specification to commission (covering 2018/19).

2.4 The current council spend on the service delivery agreement with B4S (2017/18 financial year) is £3.16 million and we expect this to fall to around £2.1m in 2018/19. The budget has decreased every year as government policy has directed money to schools, rather than the Local Authority, and as Surrey maintained schools convert to academy status. This spend figure may be compared to Babcock's reported income from trading with Surrey schools being around £10m per annum; that is to say the Council's spend represents only about 20- 25 % of the overall turnover of the B4S business.

2.5 Over the years the Annual Output Specification has diminished for various reasons and there are now only a small number of statutory and key strategic duties, currently commissioned from B4S. As well as making suitable arrangements for this work to continue in some form, arrangements are also being explored for future provision that schools may purchase directly, as this forms the vast majority of B4S' business in Surrey. The future arrangements for the services which schools purchase directly are not considered in this paper as options include potential sale as well as Babcock continuing the offer and these issues are commercially sensitive.

2.6 There is significant interdependence between this work and that of the Education in Partnership Programme which is primarily concerned with providing support to develop local partnerships and professional networks that will deliver future school effectiveness monitoring and direct improvement support; (work that B4S was previously commissioned to do).

2.7 SCC officers are working together with schools and others on all aspects of future school support. The scope of the work currently delivered by Babcock through the SCC commissioned annual output specification (or SDA) is outlined in paragraph 6 below (and in more detail in appendix a).

3. National and local changes

3.1 Although the B4S/SCC contract is scheduled to end in 2019, and cannot be automatically re-let, it is unlikely that SCC would want to re-tender for such an extensive range of services in the current educational and financial climate. The significant changes in education, and the changes to Local authority funding since the start of the joint venture in April 2004 preclude this approach.

3.2 Government moves towards increasing school autonomy, the significant rise in the OFSTED performance of Surrey schools over the past 5 years, the changes to local patterns of school organization with the introduction of Free Schools and academies (directly funded by the Education Funding and Skills Agency and accountable to the Regional schools Commissioner) and the consequent reduction in local authority responsibilities and budgets have all contributed to the need for a new approach to local education management and oversight. Therefore re-tendering for a large education support services contract with an external provider is not a viable response to the current situation and the future needs of the County.

4. Outcomes and needs:

4.1 Schools are key to achieving good outcomes for children and young people, both universally and for vulnerable and disadvantaged groups. Schools have a central role to play in the aiding the Council to achieve many of its commissioning intentions as articulated in its policy document 'Child First: Commissioning Intentions for Children in Surrey 2017-22'. In particular the Local Authority will:

- Champion the educational achievement, progress, health outcomes and engagement of vulnerable children and young people throughout their life course (looked after children, children in need, children with free school meals, children with SEND and other vulnerable groups).
- Develop educational opportunities for children and young people with SEND in local schools or colleges that offer the best value for money.
- Secure increased participation in education, training and employment post 16 for young people in 'vulnerable groups'.
- Increase the school readiness of children and reduce the gap in both healthy development and attainment between disadvantaged groups and their peers in early years.

4.2 The Joint Strategic Needs Assessment (JSNA) highlights key needs for children and young people in relation to education, particularly the section on Education, Training & Skills.

4.3 There is an ongoing need to commission services that address the needs and deliver the key outcomes highlighted above. This paper outlines options for future means of delivery.

5. Education in Partnership developments (EiP)

5.1 As suggested above, Surrey's education system is large and now much more diverse. Academies and Free Schools constitute 34% of the county's 389 publicly funded education settings. This proportional rate varies across the phases: 28% of Surrey's primary schools are now academies, whereas 75% of 53 secondary have already converted.

5.2 A total of 30 schools converted to academy status in the 2016/17 academic year – of which 23 were primary schools – and a further 9 have converted so far in 2017/18.

5.3 Within this mixed economy schools are working well together in a range of partnerships which offer sustainability and capacity to improve standards through peer-to-peer support.

The key partners and groupings that over-arch many of the 389 Surrey schools consist of:

- 29 Multi-Academy Trusts
- 1 Cooperative Trust (Ember Learning Trust – 5 schools)
- 20 'informal' partnerships / confederations
- A number of 'hard' federations
- The Surrey Teaching Schools Network: 20 teaching schools + 13 alliances
- 6 dioceses

5.4 As we make the transition to a schools-led system, schools will increasingly draw on these partnerships and their professional networks to maintain and improve standards, share expertise, resources and data, achieve economies of scale through efficiencies and joint procurement of services. This new way of working is intended to ensure resilience and sustainability.

5.5 While local authorities continue to hold a range of statutory duties with respect to education, funding changes and national policy mean that the way they discharge those responsibilities will need to change. For example, previous central grant funding for school improvement has been significantly reduced and now has an uncertain future.

5.6 A cross-sector partnership is developing a schools-led improvement model for Surrey, which will utilise capacity from within the schools system – e.g. teaching schools, National Leaders in Education, school improvement leads in Multi-Academy Trusts and dioceses.

5.7 While the Council will no longer be funded to provide or commission targeted school improvement services to individual schools, it will still have an important role to play in the schools-led improvement system: keeping abreast of the overall performance of all schools, 'horizon scanning', risk assessing, brokering support and monitoring. As such, the Council is considering its options for fulfilling its role in quality assurance. Schools are suggesting a system that would work alongside school to school support and provide insight into county wide improvement priorities.

5.8 In line with the government's signalled intentions, Surrey schools are working together to establish local professional networks to take over responsibility for school improvement support from September 2018.

These networks would operate across phases and geographical areas of Surrey. The Council is supportive of this approach and is an active partner in these schools led discussions. In time there may also be Area School Improvements Boards established, consisting of representatives of the Local Authority, Teaching Schools, Surrey MATs, National Leaders of Education and the Dioceses. The County Council would therefore retain its monitoring and brokering role and maintain a strategic overview of standards in Surrey schools which would, in turn, inform and support the work of the local school improvement and support networks.

5.9 The Primary Purpose website – recently created by the Primary Phase Council – provides an example of how schools will be able to access peer-to-peer support in future. Similarly, the schools-led SEND Review Framework is designed to encourage schools to work together to share expertise and improve the educational offer for pupils with special educational needs.

5.10 In light of the developing schools-led system, the work to prepare for the end of the Council's contract with Babcock 4S presents an opportunity to identify services that schools may have an interest in providing.

6. Key Options

6.1 Options are considered in this paper primarily for the directly commissioned services (covered in the next section). Traded services options are briefly highlighted but are being pursued separately, given the commercial sensitivity. A report with recommendations will be made to Cabinet in March 2018 on the commissioned services.

6.2 The key options for commissioned services are firstly whether to provide in-house or commission externally. In-house includes both provision by Schools & Learning and also provision by Orbis, which then includes partnership arrangements with East Sussex and Brighton & Hove. External options include: another local authority; schools through MATs or similar; consultants; or private sector organisation. These options are set out in the following section.

7. Headline Options for statutory and strategic services (currently commissioned from B4S and paid for by the Local Authority) – NB these are not traded services paid for by schools

See table below

Task	Status of task	Outline options					
		In-house - SCC	Orbis	Other provider LA	School /MAT	Consultant	company
1. Assessment -EYFS	Statutory - requires QTS						Reprocure
2. Assessment -KS1 and 2	Statutory - requires QTS						
3. Assessment investigations	Stat. LA officer but not necess QTS						
4. NQT support	LA could cease Acc Body status						
5. Training and deployment of ASGs	Strat. LA could withdraw service						
6. SACRE support	Stat. requires qualified advisor						
7. SEN and Additional Needs	part statutory part strategic						
8. Finance support for SCC	key strategic risk/ S151 duty						
9. HR strategic support for SCC	part statutory/employer duty						
10. ICT support for SCC	statutory elements and key risk						
11. H and Safety advice to schools	statutory elements and key risk						
12. Health and Wellbeing projects	Mainly funded by Public Health						
13. Tree inspections	H and S Order/not stat. but key risk						
14. Tree surveys for SCC projects	essential part of planning apps.						

8. Schools and other Stakeholders Survey

8.1 The SCC/B4S partnership ran a series of schools and governor briefings, followed by an online survey, to seek service user views on the future delivery of the statutory and strategic tasks commissioned and funded by Surrey County Council. Schools were not, however, surveyed on School Improvement support as this service is no longer going to be a statutory requirement of the Local Authority and, as explained above, it will not be a service funded by SCC in the future.

8.2 An analysis of the stakeholder survey draws on responses from 46 schools and academies. This is representative of around 15 -20% of all Surrey publicly maintained schools and academies. (It should be noted that Babcock regularly surveys schools on the quality of the traded services it provides.)

8.3 The following service areas were covered in the survey: Statutory Assessment, support for newly qualified teachers; financial monitoring of LA delegated budgets; data collection; HR Support for the implementation of the council's policies and staffing responsibilities in schools ; maintenance of the school governor database and LA governor appointment support; Health and Safety advice to schools; professional support for the Standing Advisory Council for RE (SACRE); Special Educational Needs quality assurance monitoring in a cross section of Independent schools with Surrey pupils on roll; other SEND support for the LA in its maintained schools and specialist centres; cyclical tree inspections on school sites; the implementation and support for Public Health funded priorities in schools .

8.4 Respondents made a number of helpful and insightful comments that emphasised their views and concerns about the future provision of these support services. These will be included in the Cabinet report and will help shape the officer recommendations for each service area.

8.5 The survey also generated many general remarks about the future direction of travel. Overall there was a stronger preference for in house solutions; this was especially expressed by Community schools. Schools are feeling the effect of cutbacks to their budgets and to B4S, and dislike the frequent changes of consultants they have experienced as of late. Some feel that previously good working relationships are being lost. A 'one size fits all' culture is unhelpful according to some. One school commented that IT based support may be cost effective but it does not recognise the individuality of schools or their circumstances. A number of schools indicated their concern over the loss of services at both SCC and B4S which they perceive "puts schools out on a limb". Strong support was expressed for the quality of HR support from B4S but also concern over the cost of traded services. Some respondents expressed a view that the end of the Babcock contract may be taken as an opportunity to make savings which will be of detriment to the quality of school support. There were pleas by some to "make as few changes as possible". One school states that it would prefer another contract with a single provider but overall a high level of trust in SCC was expressed.

9. Next steps:

9.1 The future model for delivering services commissioned by Surrey County Council is being designed within the constraints of the current available budget. However, it should be noted that there may be a loss of synergy between the commissioned services and traded services if these are delivered by different organisations in future, and this may generate cost pressures or a need to review service provision so it can be delivered within budget.

10. Programme Risks and Mitigation:

10.1 The key risks to the smooth transition of services to new provision are regularly and routinely monitored by the programme team. They are summarised in brief in the following table:

Risk	Consequence	Action/response	Risk Owner	RAG rating
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Delay in key decisions eg contract end date, sale of business	creates uncertainty and impedes response time	Close monitoring and review of progress by Steering Group	Frank Offer	
Procurement engagement with next phase associated with personnel changes	May need to procure some small service lots at short notice	Communicated risk to Ross Duguid. DS leaves SCC 31 January 2018	Melanie Harris	
B4S staff have a lot of knowledge of schools that we will lose	Risk of loss of information about SCC schools and associated reputational risk to SCC	Make provision for effective and detailed exchange of intellectual property during final year – not to be left to final term. Some TUPE of staff will mitigate impact	Melanie Harris/Liz Mills	
Insufficient time/staff to implement adequate, effective change process	Impact on schools; potential partial/temporary service failure. Reputational risk to SCC/Orbis/new provider	Allocated work stream leads to individual projects to ensure smooth transition and preparedness.	Melanie Harris with Frank Offer monitoring on regular basis	
Imperfect/uncoordinated communications between various stakeholders	Schools and others become concerned at lack of information; sensitive info reaching wrong audience; B4S concerned about risks to business	Communications strategy in place with work-stream lead Various Comms. channels identified and established with stakeholders. Prioritisation of time for communications	Melanie Harris supported by Tim Edwards	
Impending OFSTED inspection of LA	Concern by some team members that this may divert focus and resources	Project Lead officer focussed on this work; systems in place to ensure continual progress. Key milestones in phase 1 reached. Phase 2 most likely to	Frank Offer/Liz Mills/Melanie Harris	

		be affected		
Small or isolated schools struggle with increasing autonomy and break with B4S	new system, new providers ; inexperienced in procurement	Procurement aware and have been asked to consider providing workshops. Survey has produced helpful suggestions from some schools	Liz Mills – ref overall messages to schools Melanie Harris/new Procurement work stream lead	
Support from schools/MATs ref final Cabinet decisions	Schools may not like the final decisions made	Communication of the decision , implications for schools, sign posting to support, use of Phase Councils to support messages can all help	Liz Mills	

Next steps:

Options and recommendations are being developed for Cabinet in March 2018, which allows 12 months for implementation and management of smooth transition in March/April 2019.

Recommendations by Select Committee:

Views are sought from the Children and Schools Select Committee on the proposed preferred options for each of the statutory and strategic Education tasks, currently delivered by Babcock FourS, for which the Local Authority must make provision from 1 April 2019.

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Sources/background papers: Table outlining SCC school and council support services currently commissioned through B4S