

# Education, Participation and Skills Transformation: Plan for the Department – Options for the Future.



## Document Information

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|----------------------------------|--|
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## Document control

| Version | Date                    | Author                        | Change Ref   | Pages Affected |
|---------|-------------------------|-------------------------------|--|----------------|
| 1.0     | 13/04/2017 – 07/06/2017 | Mark Mortimer<br>Jerry Clough | Various initial drafts and refinements                           | All            |
| 2.0     | 27/06/2017              | Jerry Clough                  | Revised version following feedback from Programme Delivery Group | All            |
| 3.0     | 03/08/2017              | Jerry Clough                  | Various amendments   | All            |
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## Sign off

| Position  | Name           |   | Date  |
|---|----------------|---|---|
| Assistant Director for Education Participation and Skills | Judith Harwood | Signed off for discussion by CMT, CIB<br>Presented to System Design Group<br>Signed off for Cabinet Planning<br>Cabinet Planning approved for Cabinet Schools Forum | 27/06/2017<br>28/09/2017<br>3/10/2017<br>10/10/17<br>11/10/17 |

|            |   |
|------------|---|
| Definition | Where this paper refers to 'Academies' this should be taken to include free schools, studio schools and University Technical Colleges. 'Maintained schools' means local authority maintained schools. 'Schools' refer collectively to both 'Academies' and 'Maintained Schools'. A 'setting' is an early year's establishment.  |
| Scope      | The scope of this document was agreed following a workshop with system leaders and approved by the Children's Improvement Board on 1 <sup>st</sup> February 2017<br>All current functions of the Education, Participation and Skills Department are in scope with the main notable exceptions of: <ul style="list-style-type: none"> <li>▪ Special Educational Needs and Disabilities Service (support services) as this is part of a separate stream of transformation work and procurement but will be linked closely to this offer as work progresses</li> <li>▪ Child and Adolescent Mental Health Services</li> <li>▪ School Nursing</li> <li>▪ School Transport Contract (although the functions going forward are in scope)</li> </ul> |

## Options for Education, Participation & Skills Department

### Purpose of the report

To recommend a preferred option for the future of the Education, Participation & Skills Department

### Decision to be taken

To select the best option for the Education, Participation & Skills Department and authorise the necessary project work to implement it

### I. Executive Summary

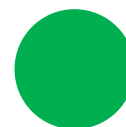
As pressure on education budgets increases and the move towards Academies and Multi Academy Trusts continues, the role, size and nature of the Education Participation and Skills Department needs to be re-evaluated. It should also be recognised that for the foreseeable future a 'dual system' will operate: i.e. that maintained schools will still exist and the department will be required to support, challenge and intervene as necessary.

This paper identifies and evaluates 5 potential options for the future of the Department:



#### **Option 4 - Work in Partnership with Schools on an Agreed Range of Services**

**Evaluation:** Impact ✓ Sustainability ✓ Risk ✓



The paper identifies **Option 4** as the single preferred option and outlines the work being undertaken with schools and the next steps to bring forward a full business case in October 2017 establishing its viability. Option 3 is identified as a fall back option if Option 4 is not shown to be viable in the business case.

The paper details the work that has been done with schools across Plymouth to test their support for this partnership approach and 50% of schools have agreed in principle to create a partnership with the Council, based on the following proposition:

- to continue the dialogue with schools in preparing together a business case defining the scope and delivery vehicle to achieve Option 4 which would enable a partnership to be formed with schools to run the majority of services currently within the Education Participation and Skills Department
- To approve the budget for 2018/19 which with the support from schools and income from buyback of services and the DSG from the Schools' Forum would enable continuity of services for 2018/19 whilst the work is ongoing in defining the partnership and to use 2018/19 to create the long-term partnership
- To look to integrate the functions within Education, Participation and Skills Department with those provided by PLP/PEC in a new partnership entity.

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## 2. Background

### Purpose of this Document

The Council has set out a clear and persuasive case for the importance of education within the Plymouth Plan. Government policy over recent years has radically impacted the role of local authorities in respect of education, with more schools moving to academies.

The Plan for Education guides the strategic ambition and direction for the City Council in respect of education. The purpose of this document is to set out the options for the future shape of the Education, Participation and Skills Department in light of government policy, Council strategy and the statutory requirements placed on the Department. This plan will show how the Department will achieve the Council's ambition within available resources.

### Our context

Educational standards over recent years in Plymouth have shown some variation. However, in general, attainment has been below average for at all key stages and by the end of KS4, results remain below the national average in terms of attainment and progress. At Post-16 the percentage of pupils achieving three or more 'A' Levels grades A\*-E is also below the national average.

In terms of disadvantaged pupils, the data highlights the fact that disadvantaged pupils attain less well than non-disadvantaged pupils. Attainment of children with special educational needs or disabilities performance data shows that at key stages 1 and 2, pupils in the city broadly attained at or above pupils with the same starting points, across most subjects, but by the end of KS4 SEND pupils broadly attain less well compared to all pupils with similar starting points. Results for Children Looked show that at key stages 1 and 2 performance was below those of all children nationally.

Destinations data for the city shows that the percentage of pupils in education, training or employment post-16 is on a rising trend with the latest figures showing that 95% of pupils secure employment with training or taking a place in further education.

In terms of the quality of provision, 85% of pupils attend good or outstanding primary schools (below the regional average) and 71% of pupils are educated in secondary schools judged to be at least good (well below the national average). 100% of special schools are good or outstanding. Absence and exclusions are rising across the city as is complexity of need. Social, emotional and mental health needs are a predominant category of special need. The number of children in elective home education is rising as are safeguarding concerns and complaints.

### Integrated Health and Wellbeing

The City has an overarching approach to the future of its people based services detailed in its Integrated Health and Wellbeing Programme. This advances the benefits of collaborating with partners and integrating both commissioning and the provision of services where joint benefits can be realised. Decisions about the future of the Education, Participation and Skills Department will take the principles of Integrated Health and Wellbeing as the underpinning direction.



## **Context for the Education, Participation and Skills Department**

The functions required to be undertaken by the Education, Participation and Skills Department have changed markedly over recent years.

In summary, the remaining functions of the Department will be a small core of co-ordinating statutory functions in respect of Academies (approximately 75% of Plymouth schools currently) with some additional improvement and oversight functions in respect of maintained schools (whilst the number will reduce from the current 25%, it is anticipated that there will remain a number of maintained schools for the foreseeable future).

This dual system has operated well in the city for a number of years with the local authority supporting the education system irrespective of the governance arrangements of schools.

The core remaining statutory functions for the City Council are:

- Promote high standards of education and ensure fair access to education
- General duty to secure sufficient schools (Placement Planning)
- School improvement in maintained schools and challenge to academies
- Promoting and coordinating cooperation
- Championing the best outcomes for children and young people including safeguarding
- Commissioning for those with additional need or vulnerability & alternative provision
- Admissions and transport
- Special Educational Needs and Disabilities

The Education, Participation and Skills Department currently employs around 450 staff and uses agency staff in a planned way for a number of functions.

Plymouth has a diverse educational estate with 99 schools and 125 private, voluntary and independent early years' settings. 45 childminders are registered to provide early years' education and care. There are 69 primary schools (includes 3 infants and 3 juniors), 2 nursery schools and 8 special schools including a pupil referral service. There are 19 secondary schools, all with post 16 provision, with diverse offerings, including grammar schools. In addition we have one all through primary/secondary free school.

### **Funding**

The Dedicated Schools Grant funding is coming under increasing pressure and the Education Service Grant general fund has removed, placing significant financial burden on Plymouth City Council. This leaves a shortfall of circa £1.37 million, which will need to be matched by a reduction in expenditure.

There is, therefore, a genuine and pressing need to transform in order to secure the best possible outcomes for the children and young people in Plymouth as agreed in the Plymouth Plan within the resources available.

The current budget allocation for the Department is £9.81 million, which covers a range of responsibilities not just in schools and settings, but is also inclusive of Early Years functions and post 16 development.

### **3. Reaffirming the Plan for Education in Plymouth to 2020 Working Together to Achieve Excellence**

#### **Context and Introduction**

The Plan for Education in Plymouth to 2020 was presented to Cabinet Planning on the 28 March 2017. As a key context for the plan for the Education, Participation and Skills Department, this section reaffirms the continued importance of the plan and the ambition and commitments that it contained. There is also a published Plan for Skills published with a strong partnership driving its delivery that informs the Departmental plan

The Plan for Education is supportive of agendas concerned with people and place: improving educational outcomes is a critical element of the city's growth agenda and the health and well-being of residents. The plan includes a section on the physical infrastructure required.

Progress against the Plan will be evaluated by the Plymouth Education Board comprising system leaders from schools, early years sector, the Plymouth City Council, higher education institutions, further education, the National College of Teaching and Learning and the Regional School Commissioner's Office. At the inaugural meeting of the Board, members agreed to focus initially on the priorities of leadership and disadvantage.

The Plan for Education is important as is the role of the Plymouth Education Board as the attainment for children and young people across the City is below national averages in many areas:

- Attainment is below average for reception year of primary school despite a rising trend over the last four years.
- At key stage 1, phonics results are improving, but are just below the national average.
- At the end of key stage 1, attainment across subjects is below the national average.
- At the end of Key Stage 2, results are below the national average for reading, writing and maths combined. Individually they are also below the national averages.'
- By the end of Key Stage 4, attainment in English and maths combined, is below the national average
- At Post-16 the percentage of pupils achieving three or more 'A' Levels grades A\*-E is below the national average.
- Disadvantaged pupils attain less well than non-disadvantaged pupils and this is true for Early Years through to KS4.

#### **The Vision**

We will work in partnership and integrate where possible to provide vibrant and effective educational settings that enable children and young people to develop as active citizens and enjoy a good quality of life in a productive and resilient economy.

#### **The Approach**

Our work will encompass three key roles for the system and within that the Local Authority: that of '**Champion**', '**Commissioner**' and '**Convenor**'. **Champion:** Together we will champion the interests of parents and pupils by monitoring and challenging the work of all providers and schools. Parents and pupils will have their voices clearly heard and their interests effectively met.

**Commissioner:** We will commission (jointly where possible) a range of services and educational provision from a range of providers, including early years settings, schools and health, as a means of securing improved outcomes for all learners.

**Convenor:** We will promote and organise ways in which schools and the LA can integrate and collaborate with providers to secure improvement through networks and partnerships.

### **Working Together to Achieve Excellence**

There's no room for complacency: standards in many indicators are improving gradually but need to improve more quickly. Head Teachers know that expectations are rising and are working in a system where autonomy is to be earned, enjoyed and embraced; they also know that becoming isolated will not serve them or the system well.

External support from and collaboration between schools and MATs, can accelerate improvement and remove barriers. In Plymouth, the Local Authority and schools acknowledge the shared responsibility for the outcomes for all children and young people and integrated approaches to improvement are now well embedded.

The new system requires different leadership and a new relationship and to be sustained it must adapt approaches to support, challenge and intervention and use available resource creatively and dynamically.

### **Reconfirming the Plan for Education**

Whilst government policy and other drivers may shift the immediate emphasis within education, the Plan for Education 2020 remains the critical statement of intent and ambition of Plymouth City Council.

## **4. The Purpose and Vision for the Education, Participation and Skills Department**

The purpose of the Education, Participation and Skills Department is:

- Everything we do is about:
  - Facilitating partnerships so that all children, young people and their families in Plymouth have the best access and opportunities
- We do this by
  - Championing for children and young people through Plymouth School Improvement Board.
  - Commissioning with others to secure the highest quality services
  - Convening collaborative relationships on all aspects of education to secure outstanding provision, widen opportunities and promote inclusion and equalities
- What this means the Department will do
  - Discharge our statutory responsibilities in a way that supports local schools to deliver the best outcomes for children and young people
  - Encourage and facilitate collaboration between all involved in education – between schools, local partners and regional bodies
  - Look to influence the 'best deal' through facilitating partnerships that deliver economies of scale and collective buying power.

## Critical Success Factors

In delivering the vision for Education, Participation and Skills it is important that the following critical success factors are assessed in considering the options for the future of the Education, Participation and Skills Department:

- **Impact**  
Plymouth City Council can demonstrate a positive impact on the future of children and young people in the City by supporting an education system that is flourishing and delivering high quality outcomes.
- **Sustainability**  
The Department of Education, Participation and Skills is sustainable – the role and expectations of the Department must match with the budget available.
- **Risk**  
The Department has a balanced approach to risks and potential liabilities, bearing a share of these within a partnership approach, but not exposing the Council to significant future potential costs.

***The extent to which the options identified in the following analysis meet these critical success factors will be the first consideration of their viability.***



## 5. Options for the Future of the Education, Participation and Skills Department

Having considered in some depth a range of options for the Education, Participation and Skills Department in Plymouth City Council, the following five distinct options have been identified as representing the different approaches for consideration.



### Option 1 Do Nothing

Making a decision to take no additional action at the present time with the Department continuing in its current form with minor operational amendments



### Option 2 Focus on Statutory Functions Only

The Department would focus on commissioning services to meet its statutory obligations and cease any involvement in discretionary education activities



### Option 3 Focus on Statutory Functions, plus a small number of additional priorities

The Department would focus on commissioning services to meet its statutory obligations and ensure that a few, key additional priority areas are still provided to schools



### Option 4 Work in Partnership with Schools on an Agreed Range of Services

In addition to statutory functions, work with schools to agree a partnership or range of partnerships to deliver key priority and beneficial functions, with shared risk and reward



### Option 5 Set-up a Council Owned Trading Company

The Council could opt to discharge its statutory obligations and then set up a trading company to secure contracts for a range of educational services with schools and Academies

## 6. Review of Options

The evaluation of the 5 options summarised in the table below, shows a clear preferred option which meets the three Critical Success Factors. There is a second option that could be further explored if the preferred option cannot be achieved.

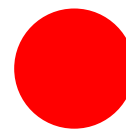
Option 4 allows:

|                       |  |
|-----------------------|--|
| <b>Impact</b>         | The Council maximises influence in the future of education in the City achieving greater influence through working in positive partnership                                 |
| <b>Sustainability</b> | The partnerships are scaled to the size that everyone commits to and the nature of a partnership binds all partners in to the success of the venture                       |
| <b>Risk</b>           | The partnerships would be established on the basis of agreeing jointly how to handle future risks – a partnership ensures that parties commit to a longer term arrangement |



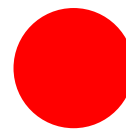
### Option 1 - Do Nothing

**Evaluation:** Impact ✘ Sustainability ✘ Risk ✘  
Not recommended for further consideration



### Option 2 - Focus on Statutory Functions Only

**Evaluation:** Impact ✘ Sustainability ✔ Risk ~  
Not recommended for further consideration



### Option 3 - Focus on Statutory Functions, plus a small number of additional priorities

**Evaluation:** Impact ~ Sustainability ~ Risk ~  
Recommended for consideration if preferred option cannot be achieved



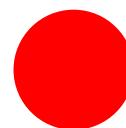
### Option 4 - Work in Partnership with Schools on an Agreed Range of Services

**Evaluation:** Impact ✔ Sustainability ✔ Risk ✔  
Recommended for further consideration



### Option 5 - Set-up a Council Owned Trading Company

**Evaluation:** Impact ~ Sustainability ✔ Risk ✘  
Not recommended for further consideration



### Option Recommendation

It is recommended to explore **Option 4 - Work in Partnership with Schools on an Agreed Range of Services** in more detail, as its evaluation shows significant opportunities over and above any option identified. This option will be explored with schools to gauge their interest and then detailed partnership options examined in a full business case.

*Option 3 would be pursued if Option 4 cannot be achieved*

## **Moving from Option Recommendation to Implementation of a Full Proposal**

In recommending Option 4 – work in partnership with schools on an agreed range of services, there are some clear steps that need to be taken in order to consider a full proposal.

**Finance:** The financial position of the department needs to be understood and the full proposal recommended must show how it sustainably addresses the financial requirement.

**Flexibility:** Given that education policy is subject to change, it is important that the full proposal is able to be adaptable so that the Council can deliver on its statutory responsibilities and its ambition set out in the Plan for Education.

**Partners' Agreement:** The recommendation of option 4 to work in partnership, clearly requires willing partners in order to be successful. In considering the final proposal, it must be clear that enough partners, in this case, schools and multi academy trusts, support the proposal and have demonstrated a degree of commitment to the road map set out.

The next 2 sections of this document therefore cover:

7. Departmental Financial Position
8. A Partnership with Schools

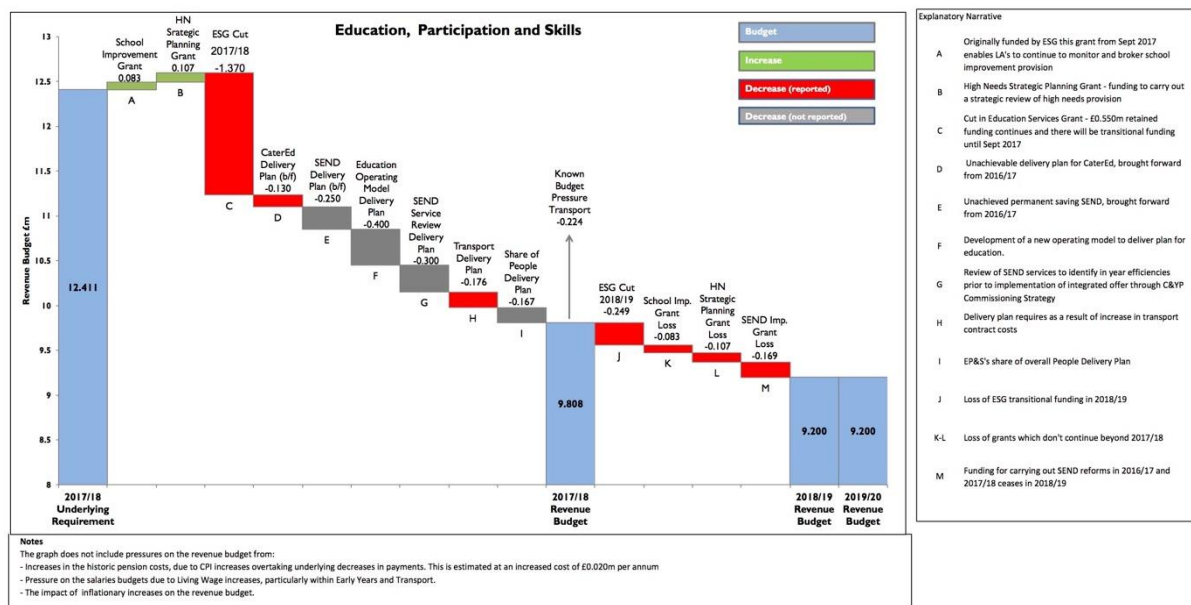
## 7. Departmental Finance Position

### 2017/18 Budget Position

The revenue budget for the Education, Participation and Skills Department is under significant pressure as a result of the general factors affecting local authority funding and due to the particular changes to education funding.

In 2017/18, the pressure on the revenue budget totals approximately £2.8million.

The waterfall diagram shows the budget changes between years.



The removal of the Education Support Grant essentially would leave the education revenue budget paying for long-term pension liabilities that are a result of decision taken over 20 years ago. As a result of the apparent perversity of this outcome and in order to protect spend on current education priorities, the Council has decided to absorb this cost within its central corporate budget. This limits the savings requirement within the department to approximately £1.4 million.

By September 2017, the Department has identified around £1m of the savings required and managed some significant emerging in-year cost pressures. This leaves the revenue budget with a projected overspend of approximately £400,000.

### Long-Term Budget Position

The Department has a further savings requirement for 2018/19 of approximately £800,000, but after specific grant reductions are removed (as spend should be relatively easily reduced in line with the grant reduction), the savings requirement is £349,000. Clearly the Department will also have to manage any underachievement in recurrent savings against the 2017/18 plan.

In the longer-term, the Education, Participation and Skills Department will be sized to be recurrently affordable, by matching to the recurrent budget that will be available. This will be done by scaling back to focussing on the statutory responsibilities for the Department and a small number of further priorities that may be affordable.

The table below shows how the total Departmental budget is built up from a range of funding sources and how this splits by the service bundles used to analyse the workings of the Department.

| Education, Participation & Skills<br>Gross Budget Funding<br>£m | Gross<br>Budget | Revenue<br>Funding | DSG<br>Funding | ESG<br>Funding | Grant<br>Income | Income<br>from<br>Schools | Other<br>Income |
|---|-----------------|--------------------|----------------|----------------|-----------------|---------------------------|-----------------|
| School Improvement  | 2.24            | 0.90               | -0.47          |                | -0.39           | -0.40                     | -0.08           |
| Health & Wellbeing  | 0.20            | 0.08               | -0.01          |                |                 | -0.07                     | -0.04           |
| Transport   | 4.37            | 4.06               | -0.08          |                |                 | -0.09                     | -0.14           |
| Admissions and organisation                                     | 1.00            | 0.40               | -0.44          |                |                 | -0.07                     | -0.09           |
| Safe Guarding & Inclusion                                       | 0.98            | 0.50               | -0.23          |                |                 | -0.22                     | -0.03           |
| Skills  | 0.28            | 0.28               |                |                |                 |                           |                 |
| <b>Total</b>  | <b>9.06</b>     | <b>6.21</b>        | <b>-1.23</b>   | <b>0.00</b>    | <b>-0.39</b>    | <b>-0.85</b>              | <b>-0.38</b>    |
| Schools Funding   | 60.15           | 0.00               | -60.15         |                |                 |                           |                 |
| SEND  | 24.04           | 4.09               | -16.84         |                | -0.28           | -0.20                     | -2.63           |
| Schools support   | 5.45            | 0.87               | -3.27          | -0.87          | -0.06           | -0.38                     |                 |
| Community meals   | 0.13            | 0.00               |                |                |                 |                           | -0.13           |
| On course South West  | 1.87            | 0.00               |                |                | -1.87           |                           |                 |
| Sports  | 0.31            | 0.25               |                |                | -0.04           |                           | -0.02           |
| Delivery Plans  |                 | -2.07              |                |                |                 |                           |                 |
| Other Adjustments e.g. Data Team                                | 0.49            | 0.45               | -0.04          |                |                 |                           |                 |
| <b>Total</b>  | <b>101.50</b>   | <b>9.81</b>        | <b>-81.53</b>  | <b>-0.87</b>   | <b>-2.63</b>    | <b>-1.43</b>              | <b>-3.16</b>    |

Additional services will only be undertaken in partnership with schools and only where there is a proven, affordable case for providing the funding for these services from the money available to schools. If this partnership approach cannot be delivered, then those additional services will no longer be available to schools or provided.

This approach gives a significant degree of assurance about the longer-term budget position for the Department. However, depending on the outcome of the partnership conversation with schools, it may be necessary to consider how to manage some one-off costs of reprofiling the Department to the resources recurrently available.

### Financial Requirements for Partnership

The financial requirements for the Education, Participation and Skills Department to create a partnership with schools on a long-term basis are that the partnership could show how the 2017/18 remaining cost pressure is met of £400,000 and to give confidence that the structure created could find savings in 2018/19 of a further £349,000.

In seeking to resolve this with partners, it should be noted that the Council's contribution to the partnership would amount to:

- Up to £9 million of direct revenue funding, depending on the natures of services within the partnership
- The associated support services charges that add to the £9m of direct cost to give the total cost
- The £1.4 million of pension costs that the Council has met from its corporate resources.

Therefore, whilst there is a remaining financial challenge, the move to a partnership model is matched by a real commitment in recurring resources from the Council.

## **8. A Partnership with Schools**

### **Definition of Partnership**

The term 'Partnership' is used in this context to distinguish a way of joint working for the future from other models, such as the Council creating a trading entity owned and run by the Council to supply services.

In essence, partnership means a venture in which both the Council and Schools who are interested have a stake in the ownership and agree how to share the full costs, risk, liabilities and any potential surplus or income.

A partnership is not a mechanism for the Council to avoid its legitimate historic commitments or costs. However, neither is it a way for the Council to retain all the financial risk whilst others benefit from the opportunities. A partnership would be established with a full and open joint understanding of potential benefits, risk and liabilities across all parties.

The partnership form and agreement would need to cover the following imperatives:

- Long Term Commitment – partners commit to the long term benefits of establishing a joint venture and the rules of the partnership bind long-term commitment from all
- Shared Ownership – the partners all have a stake in the success of the venture
- Promote innovation – the partnership works in a way to build on and innovate by schools playing a full and active part, bringing new levels of ideas and ways of working
- Share benefits, surpluses, risks and liabilities – the partnership is clear about the potential benefits and how these would be shared. Equally, risks and liabilities are known and agreed
- Flexibility of Structure – based on the needs of ownership, influence and the most efficient and effective way to structure the joint venture

Ultimately, a partnership must be able to demonstrate that it will have a positive impact on the education system in Plymouth and be clear on the vision and purpose shared by schools and the Council.

### **Examples of Partnerships in the Education Environment**

There are a number of examples of successful partnership in Plymouth, including:

- CATERed where the Council owns 51% of the venture and Schools own 49% (percentage breakdown necessary to satisfy pension requirements), but the structure of the Board (6 school Directors, 2 Council Directors) sees far greater influence for schools
- Building Plymouth
- Plymouth Teaching Schools Alliance /Plymouth Learning Partnership

### **Work with Schools to date**

A number of events to discuss the options for the future of the Education, Participation and Skills Department have been held with Head Teachers, Governors and Multi Academy Trust Chief Executives starting with a workshop on Thursday 25<sup>th</sup> May 2017 which was attended

by 25 schools from across Plymouth. In order to ensure that the widest range of schools were able to give their views, further events were run throughout June as well as updates at various different forums with schools.

Schools were invited to consider the services currently provided by the Council and, following discussion and debate, indicate their views on working in partnership with the Council in the future.

Whilst the total number of schools replying formally at that time was less than 40%, other views have been expressed giving a level of indication of preference from around 50% of schools.

Across all 6 service bundles, the majority of schools were interested in working in partnership with the Council, with the exception of skills where schools indicated that they needed more information.

|                              | Interested in exploring partnership | May be interested, but need more information | Looking at other options/ not relevant |
|------------------------------|-------------------------------------|--|--|
| 1. School Improvement        | 20                                  | 11   | 1                                      |
| 2. Health and Wellbeing      | 16                                  | 14   | 2                                      |
| 3. Transport                 | 18                                  | 9  | 4                                      |
| 4. Admissions & Organisation | 28                                  | 5  | 2                                      |
| 5. Inclusion                 | 29                                  | 2  | 2                                      |
| 6. Skills                    | 6                                   | 17   | 5                                      |

Whilst this does not indicate the views of all schools, the support was strong enough for the Corporate Management Team to support further conversations with schools to explore the partnership option in more detail.

A further series of meetings was held in September 2017 commencing with Head Teachers representing their specific phase organisations. The meetings explored in more depth the type of partnership that schools and the Council might enter in to and the rationale for doing so. They examined the financial proposition, noting the 2017/18 in-year shortfall in the Council funding that would need to be resolved. An engagement session was held on 25 September 2017 to outline the work to date where a further 39 schools attended along with Plymouth Excellence Cluster, Plymouth Teaching School Alliance and Plymouth Learning Partnership. Two further meetings were held on the 2 October 2017 with Heads and CEO's of Multi Academy Trusts. In total we have now met with 70 of the 99 schools in the City. Schools Forum met on 11 October and fully supported the work to date, the options paper and the proposition being presented to Cabinet on 31 October 2017.

The proposition in summary is:

- To look to create a long-term partnership between schools and the Council for the majority of services currently provided by the Education, Participation and Skills Department

- To recognise that there was a potential shortfall in funding of £400,000 and as a first call to see if Schools' Forum could identify DSG funding that could be repurposed to cover this amount
- To make a commitment to maintain levels of buyback for 2017/18 and 2018/19 and DSG funding to allow detailed discussions to be undertaken
- To look to reconstruct arrangements with PLP/PEC in order to create a new partnership covering a comprehensive range of services in the City with ownership shared and including schools
- To work as a partnership to reduce the overall cost of the partnership, on the belief that integrating a range of services and working collaboratively offers significant savings, in order to determine whether to reinvest in an enhanced offer for partners or to release funding for schools use
- To recognise the link to the Plymouth Education Board and how the partnership would support the ambition to raise attainment and standards across the City

### **Model of Partnership**

There have been various approaches to creating a partnership explored:

- Use CaterEd as the partnership vehicle for the new service vehicles
- Use a new company within the .Ed framework as the new partnership vehicle
- Create a new stand-alone partnership

And it was felt there was an opportunity, if sufficient time were available, to take a strategic look at how services to schools could be organised across the City to support the ambition of the Plymouth Education Board.

### **Partnership Proposition**

Following discussions with schools, it was felt that there are enough schools who have given a firm indication to support for a partnership approach for this to be a robust and viable option

## **9. Summary, Recommendations and Next Steps**

This paper has provided analysis of the options for the approach to the Education, Participation and Skills Department, based on its revised purpose.

### **Recommendations**

- That Cabinet approve the attached report to enable the further work to continue with schools to develop a business case for future partnership working
- That Cabinet recommend to Council that the 2018/19 revenue budget be set at not less than £9.2m which with the support from schools and income from buyback of services and the Dedicated Schools Grant would enable continuity of services for 2018/19 whilst the work is ongoing in defining the partnership.



## Appendix I Detailed Consideration and Evaluation of Options

Each of the options is evaluated using the critical success factors over the following pages



### Option I Do Nothing

Making a decision to take no additional action at the present time with the Department continuing in its current form with minor operational amendments

### Summary

In order to evaluate all options available, this option explores the impact on the Department of not substantially changing the way in which it operates, despite the significant changes in education policy and expectations. The reason for the creation of the business case is the necessity to change to meet new intended outcomes, so the evaluation of this option should support the rationale for the business case, by demonstrating that not changing would have hugely significant negative consequences.

| Benefits                                   | Dis-benefits   |
|--|--|
| Project resource can be diverted elsewhere | Academisation will lead to diminishing Council influence and funding and an ability to positively impact on education in the City  |
| No implementation costs                    | The Department would not address the budget challenges that it is facing with potential of c£1.37m not addressed – the Department would not meet its sustainability target |
| No burden on management capacity           | The Council will be exposed to all of the risks and liabilities of a changing education system with no positive action taken to address new requirements                   |
| No redundancy costs                        | The service will not align easily to corporate strategy (Champion, Commission, Collaborate)  |
|  | If the Council does not reposition itself, it risks losing its ability to focus services where improvements are necessary  |
|  | If the Council does not deliver services in an alternative way, it risks having to significantly reduce or cancel non-statutory services                                   |

### Evaluation

- ✘ **Impact**      The Council would lose influence and may not positively impact on education in the City
- ✘ **Sustainability**      The Department would not be sustainable, even in the short term
- ✘ **Risk**      The Council would be left with significant risk from not addressing change

This option fails to address any of the 3 Critical Success Factors

***This option is not recommended for further consideration***



**Option 2  
Focus on Statutory Functions Only**

The Department would focus on commissioning services to meet its statutory obligations and cease any involvement in discretionary education activities

**Summary**

The Council could opt to focus only on the statutory obligations placed on it and leave schools to determine whether they want any additional services and if they do, where they would buy them from. The Department could commission services to meet its obligations and therefore move to being a very small statutory commissioning function or retain staff to provide those functions directly.

| Benefits   | Dis-benefits   |
|--|--|
| Subject to financial benefit analysis – may offset a proportion of £1.37million pressure on the revenue budget through a significant reduction in the size of the department | The Council would significantly limit its influence and education across the City would suffer as a result of the loss of the productive joint working currently occurring |
| Would reduce future risks and liabilities on the Council   | The parring back of functions to minimum requirement would have a significant impact on close dependencies, eg ability to effectively commission and collaborate           |
| Would impact on accommodation and back office functions offering further indirect savings  | Would not optimise and utilise existing resources and a loss of experience   |
| A smaller focused team would have clarity of purpose around statutory functions such as strategy, planning oversight & assurance   | May damage reputation, especially if School Cross Patrols /Independent Travel were to be removed   |
| Any statutory service delivery requirements could be commissioned, or delivered in such a way as to further reduce costs   | May lead to redundancies and related costs which would have to be offset against any financial benefits  |

**Evaluation**

- ✘ **Impact** By focusing on statutory obligations the Council would limit its positive influence and impact on education in the City
- ✔ **Sustainability** This option allows the Council to limit exposure to the affordable statutory functions
- ~ **Risk** The long-term risks and liabilities are minimised, but there may be considerable short-term costs

Of the 3 Critical Success Factors, this option achieves on **Sustainability**, fails on **Impact** and **Risk** would require further analysis

***This option is not recommended for further consideration as it would represent the Council deciding to play a minimal role in the future of education in the City***



**Option 3**  
**Focus on Statutory Functions, plus a small number of additional priorities**

The Department would focus on commissioning services to meet its statutory obligations and ensure that a few, key additional priority areas are still provided to schools

**Summary**

The Council could opt to define a few additional priority services as critical to the success of schools and that have shown the most significant benefit over the last few years. It would continue to provide these to schools, with or without schools contributing to some of that cost, but would ensure that on top of statutory functions, some of the key elements of the Council’s impact on education are maintained.

| Benefits  | Dis-benefits   |
|---|--|
| Focus on key priorities would achieve some efficiencies and optimise resources            | The Council may be seen as defining which services are important and which are not – very much in its traditional role                       |
| May offset a proportion of £1.37million pressure on the revenue budget                    | The Council would need to determine an approach to schools who may see the services offered as of less value                                 |
| Would reduce the risk of unfinanced expenditure   | The approach to charging for discretionary services may limit interest and leave unfunded expenditure  |
| Some limited impact on accommodation and back office functions offering indirect savings  | Savings from the project may not be sufficient   |
| Would optimise a refocused workforce, aligned to programme outputs and plan for education | Short term redundancy costs for services not defined as key priorities and risk of longer term liability for discretionary services provided |
| Would allow the consideration of some service delivery via tender or commissioning        | Perceived reduction in Council support for Early Years settings  |
|   | Some loss of experience  |

**Evaluation**

- ~ **Impact**            The Council retains some influence, but seen as acting in its old role
- ~ **Sustainability**   Expenditure is reduced, but may not be sufficient to match budget
- ~ **Risk**                There may be some short term costs and some longer term risk remain

This option is does not draw clear conclusions on any of the 3 Critical Success Factors, but none are achieved

***This option would be recommended for further consideration only if a preferred option could not be achieved; with further work it may mitigate risk successfully, but doesn’t deliver on Key Success Criteria***



**Option 4**  
**Work in Partnership with Schools on an Agreed Range of Services**

In addition to statutory functions, work with schools to agree a partnership or range of partnerships to deliver key priority and beneficial functions, with shared risk and reward

**Summary**

The Council could look to maximise partnership arrangements with schools, with flexibility about ownership and governance, in order to achieve education goals in the City. This builds on excellent examples of partnerships such as CATERed and the new Plymouth Schools Improvement Board, with a focus on ensuring schools value services that the Department feel adds value. This would see staff move in to partnership ventures.

| Benefits   | Dis-benefits   |
|--|--|
| Fits with the Council’s overall commissioning model. In effect schools would ‘commission’ the service                        | Relies on schools to want to work in partnership with the Council when they may wish to be free from Council involvement     |
| Would maximise the Council’s influence in education in the City – a convener of partnership arrangements                     | There may be a mixed view from schools making partnership arrangements in different areas complicated or unwieldy            |
| Should be able to significantly offset the £1.37 million pressure on the budget and optimize resources and efficiencies      | It may be hard to agree on the balance of risk and ownership   |
| Reduces future risk – the Council would only enter partnerships where future risk and liabilities are shared                 | Partnerships may be complex to establish and require significant programme input   |
| Gains long term commitment from schools as partners in a joint venture   | Redundancies may still be required   |
| Would offer the platform for innovative new ways of working and transformation working collaborative with emerging Academies | Areas where schools do not wish to work in partnership will cease – even if the Department think they are important          |
| Impact on accommodation requirements, bringing indirect benefits of smaller estate   | Objectives might not be consistently aligned with partners/potential partners  |
| Freedom and flexibility to consider more efficient, alternative service provision (i.e. third sector/partner involvement)    | As services are added, governance may become complex. This may weaken strategic leadership and the ability to act decisively |

**Evaluation**

- ✓ **Impact**            The Council maximises influence in the future of education in the City
- ✓ **Sustainability**    The partnerships are scaled to the size that everyone commits to
- ✓ **Risk**                The partnerships would be established on the basis of agreeing jointly how to handle future risks

All three of the Critical Success Factors evaluation positively

***This option is recommended for further consideration***



|  |
|--|
| <p><b>Option 5</b><br/> <b>Set-up a Council Owned Trading Company</b></p>  |
| <p>The Council could opt to discharge its statutory obligations and then set up a trading company to secure contracts for a range of educational services with schools and Academies</p> |

**Summary**

In many areas Councils have moved to establish trading functions with the potential to generate additional income whilst providing services. This would operate on a commercial basis with services sold to any schools in or outside Plymouth who wish to buy from the company and would compete with existing public and private sector suppliers.

| Benefits   | Dis-benefits   |
|--|--|
| Freedom to trade and generate income; could make a surplus for the Council to improve services   | The Council’s influence in education is largely left to a trading relationship and therefore is limited                                |
| Subject to financial benefit analysis – may offset a proportion of £1.37 million pressure on the revenue budget, but not in the short term | The Council is left with all of the risk if schools were to choose a different provider for some or all of their services at any point |
| Would offer the platform for innovative new ways of working and transformation   | Significant support required to establish  |
| The Council, though the company, would be a significant education presence in the City   | Limited customer base (schools) with restricted financial flexibility  |
| An existing vehicle (CATERed) might be utilised to aid the process of transformation   | Redundancies may still be required   |
|  | Lack of commercial expertise may hinder growth – there are more mature providers in the market   |
|  | Unlikely to meet short term saving targets without significant service reductions or increased income from schools                     |

**Evaluation**

- ~ **Impact**            Some ongoing influence in education, but mostly limited to a trading relationship
- ✓ **Sustainability**    The company would only trade in areas where enough schools wish to purchase services
- ✗ **Risk**                The Council would retain all of the risk of schools choosing a different provider at any point

Of the 3 Critical Success Factors, **Impact** can only be judged when schools’ intentions are clear, short term **Sustainability** evaluates well, but the Council is left with significant **Risk**

***This option is not recommended for further consideration***