

LA Maintained Schools – Core Offer

Executive Member(s): Cllr Tessa Munt - Lead Member for Children and Families

Local Member(s) and Division: All Somerset

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1. Summary / Background

- 1.1** Due to current financial and compliance risks, we are proposing to change the current support offer for Local Authority Maintained Schools. Currently, schools buy back services via SSE (Support Services for Education). A new core offer model would continue the traded model, but to help with compliance and manage/mitigate the risks, we would bundle certain services into two new offers: Base and Business Manager. Other services would remain unchanged and would continue to be offered to all schools.

2. Recommendations

- 2.1.** That the Executive:

Agree to the implementation of an LA Maintained Schools core offer comprising a Base and Business Manager elements, based on the proposed charging model, with an effective date for new contracts of 1 April 2023.

3. Reasons for recommendations

3.1 This decision is being brought forward because developments which have emerged in the past 12-18 months have created a situation where both schools and the local authority are facing a significant level of risk and concern. Specifically:

- After three years without data on pupil progress and attainment, data from 2022 is not demonstrating decline across all Key Stages, including phases where performance had previously been stronger. Other indicators show similar levels of underperformance.
- Recent years have seen multiple examples of compliance failure in schools relating to health and safety, safeguarding, finance and property, leading to a loss of confidence in mechanisms of assurance.
- The 2022 Schools White Paper proposed the academisation of all schools by 2030, an announcement that has created a high degree of uncertainty about how this level of transformation could be achieved, and support sustained, in a manner that avoids damage to the support infrastructure for schools.
- The Department for Education announced the removal of the Local Authority Monitoring and Brokering Grant, worth £513k, and the primary source of funding for school improvement work.
- Other funding sources have come under pressure, with the reduction of the Historic Commitments element of the Central Schools Services block by 20% each year, and the unforeseen economic shocks leading to steep rises in the rate of inflation.

3.2 In order to respond to this picture of rapidly developing risk, a project was launched in October 2021 to begin discussions with schools about a different relationship between the local authority and LA Maintained schools, that would provide a stronger foundation for improvement work, greater assurance in relation to compliance, and support for schools that is more flexible and responsive to need.

3.3 As part of this project two research exercises were conducted, a deep dive with a small group of schools undertaken by TPX Impact (see Appendix 3) and a survey of all schools in September 2022 on the detail of potential deliverables for inclusion in a core offer to schools.

3.4 This proposal forms a companion piece to the approval given by the Senior Leadership Team to reorganise Education and Inclusion teams, including a wholly new management structure. While that re-organisation did not assume a core offer, if a core offer is agreed it will provide a staffing structure that is ready to implement the proposals.

3.5 A full business case accompanies this proposal. The business case sets out four options:

- Option 1: Do nothing
- Option 2: Do minimum
- Option 3: Core Offer
- Option 4: Withdraw from LA maintained support

3.6 The preferred option is **Option 3: Core Offer**. This is the most complex option, but also carries the lowest risk to the organisation. The option proposes to redesign of traded offer for LA Maintained Schools and service financial model to:

- Increase the level of bundling and move to longer-term contracting
- Set realistic but stretching income targets for all functions
- Gather intelligence and build reputation for strategic move to grow market share with trusts
- Increase resource flexibility to enable ongoing efficiency and right size to need/demand
- Create base budgets for compliance to protect risk management activities

3.7 Implementation of this model would mean that local authority services would only be available through a Base or Business Manager offer, except where the services has been explicitly identified as appropriate as a discrete offering ('Bespoke offer'). The deliverables that make up the Base and Business Manager offers are set out in Appendices 1 and 2.

4. Other options considered

4.1. The business case sets out four options which have been assessed on the basis of risk. While Option 3 is the preferred option, action has been taken to ensure that Option 2 could still be implemented were proposals not approved. A consultation on de-delegation has been undertaken with schools, and on 16 November Schools Forum voted unanimously to give the local authority approval to implement de-delegation and education functions funding arrangements should a core offer not be approved by the Executive.

5. Links to County Vision, Business Plan and Medium-Term Financial Strategy

5.1. These proposals form part of the response by Children's Services to the present financial pressures and the MTFP planning process. They are designed to form part of a county-wide response to serious underperformance in educational progress and attainment. As part of preparing a new Education Strategy, analysis indicates that weak support infrastructure for schools is likely a contributing factor in underachievement. While there will need to be many responses to improving pupil outcomes, assuring sound foundations for high-quality, reliable and accessible support for LA maintained schools should form part of that response.

6. Consultations and co-production

- 6.1.** We have consulted and engaged with the affected LA Maintained Schools throughout the last year. As part of the discovery phase of the project we commissioned TPXImpact to work with the schools and research why they buy back the services they do, how they cover services they don't buy back from SSE and what improvements they would like to see. Thirty schools volunteered to take part in that project. The final report for this work can be found in Appendix 3.

We also conducted a detailed survey during September 2022 of all LA maintained schools, and 68 out of 140 schools responded. The surveyed detailed the deliverables within the core offer and asked LA Maintained schools to let us know about any possible impacts to them regarding school staff and/or school contracts with other providers. This information has then been used to help finalise the current core offer model, and which services form part of it and which remain outside as part of the bespoke offer.

7. Financial and Risk Implications

- 7.1.** The financial model is complex, but it is based on a reasonable set of assumptions that, due to their nature, will change over time. The model will be reviewed early in 2023/24 and appropriate mitigating action taken immediately should any change result in a financial pressure.
- 7.2.** Extensive financial analysis has been undertaken to provide assurance that the proposed charging model will be sufficient to cover costs both for the Education, Partnerships and Skills function and for all other corporate functions delivering core offer services. These services have formed part of a Project Board and have been part of ongoing development work to capture costs and deliverables for the model.
- 7.3.** Further analysis has also been undertaken in the following areas:
- Comparison of charges to schools, where charges are likely to increase most and how this compares to schools in financial difficulty
 - Inflationary pressures in the current financial year and likely areas of increase in 2023-24
 - Potential impacts of increased charges on other areas of buy back income
- 7.4.** Overall, this has concluded that, with the identified mitigations (para 6.3 of the business case), the model should be affordable for both the local authority and schools. The level of charge for the base offer (5% of individual schools budgets before any additional grants) is similar to charges by multi-academy trusts (averaging between 4-6%) and lower than local authority charges have been historically (8-12%).

- 7.5.** While the strategic focus for Education broadly is focused on improving outcomes for children, the drivers for these proposals primarily focused on reducing risk. This is because it has been identified that the current level of risk could derail attempts by the local authority and by schools to secure improvement and that stability, and a secure footing is a necessary precondition for the local authority to support others.
- 7.6.** The overall risk model and key risks are detailed in the business case (para 4.1 and 7.6).

8. Legal and HR Implications

- 8.1.** Local authority trading is governed by regulations and guidance issued by the Department for Education. We have consulted the Education and Skills Funding Agency to confirm that proposals to change de-delegated and education functions funding arrangements to become fully traded are permissible within the guidance and this has been confirmed.
- 8.2.** The Department for Education guidance encourages local authority trading of services to be offered singly as well as in packages. However, the guidance is clear that this must be practicable, and that any restriction to schools' freedom of choice must be reasonable.

Analysis of outcomes for pupils, school quality based on Ofsted outcomes, and other critical indicators such as the level of exclusions, demonstrates that the risk of non-compliance with standards that affects children is very high at this time. The proposed model has been devised to mitigate identified compliance risks, with a particular focus on risk to children, and the bundling of services is essential as a response to the identified 'moral hazard' associated with the selling of discrete services. Therefore, reductions in choice are reasonable because of the imperative to reduce risk and significantly improve standards.

- 8.3.** There are two groups of staff who could be impacted by the introduction of a Core Offer: local authority staff and staff in schools.

In relation to local authority-employed staff, a staff reorganisation was consulted on during July-September 2022 and is in the process of being implemented. While this staff reorganisation could deliver the current service, it has been designed to make delivery of a Core Offer possible and therefore no further change would be required.

In relation to school-based staff, the survey of all schools in September 2022 asked detailed questions about staffing with the express intention to avoid creating any TUPE implications through the design of a Core Offer.

9. Other Implications

9.1. Equalities Implications

The proposed core offer is designed to focus on compliance and mitigate risk across the LA Maintained Schools cohort.

Services/support currently offered to LA Maintained schools will continue under the new core offer model and because of all schools receiving the base package, service delivery will increase, so the core offer will not result in services reducing.

As part of the core offer for LA Maintained schools the Curriculum, Projects & Resources team will help provide support around facilitated access to community groups representing a wide range of interests and protected characteristics, including online and curriculum resources and networks in relation to protected characteristics.

Schools will continue to have equalities responsibility under the Equality Act and Public Sector Equality Duty, as do we as the Local Authority.

9.2. Community Safety Implications

There are no community safety implications.

9.3. Sustainability Implications

The core offer includes deliverables which support schools in the procurement of energy and water in a sustainable way, as well as access to curriculum resources and networks in relation to the climate emergency.

9.4. Health and Safety Implications

Recent incidents have raised concerns about the level of assurance that the local authority has in relation to health and safety within schools, including safety in relation to property. The proposed core offer is designed to focus on compliance and mitigate risk across the LA Maintained Schools cohort.

9.5. Health and Wellbeing Implications

Analysis supporting the development of an Education Strategy for the county suggests that a weak support infrastructure may have contributed to higher levels of anxiety among staff and pupils within the county. While this is likely to be only one factor, improving the quality, reliability and accessibility of support is intended to have a positive impact on mental wellbeing.

9.6. Social Value

The local authority trades with schools in Somerset and beyond, and this has always been with the objective of utilising a surplus from such trading to support schools in the county. The current proposal has the same objective, but with an increased focus on providing transparency about how school funding secures stronger support, and with a greater focus on ensuring that all activities in relation to schools contribute, even if indirectly, to better educational outcomes for children and young people.

10. Scrutiny comments / recommendations:

10.1. Children and Families Scrutiny Committee considered an advance briefing on this proposal on [7 November 2022](#). The committee asked for assurance that the business case would include an Equalities Impact Assessment, which it does. The full business case will be subject to pre-decision scrutiny on 12 December 2022.

11. Background

11.1. In 2014 Somerset County Council created Somerset Services for Education (SSE) and moved the majority of schools-focused services within the council onto a full-cost recovery traded basis. This function has now been in operation for eight years. A number of other local authority teams also trade with schools. Additionally, Children's Services includes a small number of schools-focused teams outside of the SSE line management chain that operate a mix of traded, statutory and grant-funded functions.

This complex picture of functions together provides the local authority's contribution to a high-performing education system in the county. However, the education system in Somerset is performing poorly, and prior to the pandemic, was in a cycle of rapid decline. Not only does significant underperformance impact on children's lives and opportunities, and in the long term, the health, wealth, and competitiveness of the whole population, but escalating failure carries with it significant short- and medium-term cost and risk implications for the local authority.

12. Background Papers

- 12.1. Appendix 1** - Full list of deliverables included in Core Offer – Base Offer
Appendix 2 - Full list of deliverables included in Core Offer – Business Manager
Appendix 3 - TPXImpact discovery final report/slide pack
Appendix 4 - Implementation timeline for Core Offer Go live

Appendix 5 – Full Business Case (Including Risk Matrix and financial modelling)

Report Sign-Off

		Date completed
Legal Implications	Honor Clarke	Click or tap to enter a date.
Governance	Scott Wooldridge	Click or tap to enter a date.
Corporate Finance	Jason Vaughan	Click or tap to enter a date.
Customers, Digital and Workforce	Chris Squire	Click or tap to enter a date.
Property	Paula Hewitt / Oliver Woodhams	Click or tap to enter a date.
Procurement	Claire Griffiths	26/10/22
Senior Manager	Claire Winter	Click or tap to enter a date.
Commissioning Development	Sunita Mills / Ryszard Rusinek	26/10/22
Executive Member	Cllr Tessa Munt - Lead Member for Children and Families	30/11/22
<u>Sign-off Key Decision / Consulted on Non-Key Decision</u>		
Local Member	n/a	Click or tap to enter a date.
Opposition Spokesperson	Opposition Spokesperson - Children & Families - Cllr Frances Nicholson	Click or tap to enter a date.
Scrutiny Chair	Scrutiny for Policies - Childrens and Families - Cllr Leigh Redman	29/11/22

DRAFT

Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer

Version	1.0	Date	21 November 2022
Description of what is being impact assessed			
A revision to the way that services are offered by the local authority to Local Authority Maintained Schools. Services that were previously offered individually will now form part of a package. Services that were previously funded by agreement of Schools Forum to ‘top-slice’ school budgets will now be offered as part of the traded package. No services that were previously offered are proposed to cease. Some services that were previously funded by government grant will now be charged to schools.			
Evidence			
What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the Office of National Statistics , Somerset Intelligence Partnership , Somerset’s Joint Strategic Needs Analysis (JSNA) , Staff and/ or area profiles , should be detailed here			
A research exercise was conducted with schools and forms part of the papers for this decision. Data relating to school past purchasing decisions was analysed alongside school and local authority budgetary information and data to enable forecasting of inflation.			
Who have you consulted with to assess possible impact on protected groups? If you have not consulted other people, please explain why?			
A research exercise was conducted with schools and forms part of the papers for this decision. A further survey was conducted of all relevant schools, with responses received from 47% of schools.			

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"> Because charges to schools may be higher than in previous years, this may have an impact on schools serving children 4-16. However, the assessment demonstrates that other options would have a more detrimental impact and therefore this proposal offers the highest chance of protecting children against adverse impacts. Proposals have been designed to treat all schools as equally as possible and to mitigate more significant changes. 	□	⊗	□
Disability	<ul style="list-style-type: none"> Because charges to schools may be higher than in previous years, this may have an impact on special schools serving children with disabilities. However, the assessment demonstrates that other options would have a more detrimental impact and therefore this proposal offers the highest chance of protecting children against adverse impacts. Proposals have been designed to treat all schools as equally as possible and to mitigate more significant changes. 	□	⊗	□
Gender reassignment	<ul style="list-style-type: none"> 	□	□	□

Marriage and civil partnership	<ul style="list-style-type: none"> • 	□	□	□
Pregnancy and maternity	<ul style="list-style-type: none"> • 	□	□	□
Race and ethnicity	<ul style="list-style-type: none"> • Because charges to schools may be higher than in previous years, this may have an impact on schools serving a population with proportionately higher ethnic diversity. However, the assessment demonstrates that other options would have a more detrimental impact and therefore this proposal offers the highest chance of protecting children against adverse impacts. Proposals have been designed to treat all schools as equally as possible and to mitigate more significant changes. 	□	⊠	□
Religion or belief	<ul style="list-style-type: none"> • Because charges to schools may be higher than in previous years, this may have an impact on schools with a religious designation. However, the assessment demonstrates that other options would have a more detrimental impact and therefore this proposal offers the highest chance of protecting children against adverse impacts. Proposals have been designed to treat all schools as equally as possible and to mitigate more significant changes. 	□	⊠	□
Sex	<ul style="list-style-type: none"> • Because charges to schools may be higher than in previous years, this may have an impact on schools where there is a gender imbalance in the school population. However, the assessment demonstrates that other options would have a more detrimental impact and therefore this proposal offers the highest chance of protecting children against adverse impacts. 	□	⊠	□

	Proposals have been designed to treat all schools as equally as possible and to mitigate more significant changes.			
Sexual orientation	•	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.	• Because charges to schools may be higher than in previous years, this may have an impact on schools in rural locations. However, the assessment demonstrates that other options would have a more detrimental impact and therefore this proposal offers the highest chance of protecting children against adverse impacts. Proposals have been designed to treat all schools as equally as possible and to mitigate more significant changes.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Negative outcomes action plan

Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

If negative impacts remain, please provide an explanation below.

Completed by:	Amelia Walker
Date	21 November 2022
Signed off by:	
Date	
Equality Lead/Manager sign off date:	
To be reviewed by: (officer name)	
Review date:	