

# Minutes



## Performance Scrutiny Committee - Partnerships

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Date: 9 November 2022

Time: 3.00 pm

Present: Councillors D Mayer (Chair), S Cocks, P Drewett, Hussain, Jones, M Pimm, A Screen and E Stowell-Corten

Neil Barnett (Scrutiny Adviser) and Felicity Collins

In Attendance: Councillors D Davies (Cabinet Member for Education) and L Lacey (Cabinet Member for Infrastructure), Rhys Cornwall (Strategic Director – Transformation and Corporate), Tracy McKim (Head of People, Policy and Transformation), Lyndon Watkins (Managing Director – Newport Norse), Mark McSweeney (Director – Professional and Contract Services – Newport Norse), Sarah Morgan (Head of Education), Sarah Davies (Deputy Chief Education Officer), Geraint Willington (EAS Director – Resources), Ed Pryce (EAS Assistant Director – Policy and Strategy), Marc Belli (EAS Principal School Improvement Partner), Neil Barnett (Scrutiny Adviser), Felicity Collins (Governance Officer) and Pamela Tasker (Governance Officer)

Apologies: Councillors K Whitehead

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### 1 Declarations of Interest

None.

### 2 Norse Joint Venture Partnership

Invitees:

- Tracy McKim – Head of People, Policy and Transformation
- Rhys Cornwall – Strategic Director – Transformation and Corporate Centre
- Lyndon Watkins – Managing Director of Newport Norse
- Mark McSweeney – Director – Professional and Contract Services – Newport Norse
- Councillor Laura Lacey – Cabinet Member for Infrastructure

The Head of People, Policy and Transformation introduced the committee to the Newport Norse representatives. The Managing Director of Newport Norse provided an overview through a presentation of the joint venture plan and covered the turnover, profit sharing and covered the main points of the report such as performance monitoring and the meeting arrangements in place for review and discussions with the authority and schools in particular. The Partner advised the Committee of the pipeline of work planned with the council for the next 2-3 years but assured Members they are aware of the areas they could improve on and that they will be working harder with the council with austerity coming shortly. The Members were informed of the office based in Cleppa Park and were offered an open invitation to visit the team to see what they do.

Committee raised the following points:

*This document is available in welsh / Mae's ffurflen hon ar gael yn Gymraeg*

- A Member felt pleased to see that the partners are working with the schools to encourage young individuals for apprenticeships. In relation to value for money, as it is important for customer satisfaction. A number of head teachers seem to hold negative opinions on the efficiency of Norse and asked the partners for their comments on that.

The Managing Director advised that over the years as with any client/provider relationship there can be tensions. The partner has evidence of those which are looked into on a case by case basis, usually out of ten, only one of those have any substance for a complaint.

The Director clarified that the Corporate Landlord Policy is the council's policy, and that Newport Norse are the agent for the policy. The partner highlighted there are occasions where structures have been built not in accordance with respective regulation in which Norse would have to do something about it to make it safe, and appreciated that some schools may complain. It was stressed that particular buildings such as schools should be safe from a health and safety compliance view. It was noted the partners encourage all schools to go through in terms of the education liaison groups so they can sit down and discuss with the schools – when schools get quotes for certain things it may be they are looking at different materials such as timber instead of steel, for instance. The Partner admitted generally that some suppliers may be cheaper but not by a lot and felt it was important to mention they pay their employers the living wage.

The Head of People, Policy and Transformation highlighted that it is important to acknowledge how things can be perceived from the client side such as corporate landlord policy, and it's important for schools know what Norse is, how it is priced and why that is. They work closely with education on that, but acknowledged there is more that they can do to improve on that.

- In relation to the rebate section of the report; a Member asked the partners to confirm the proportion of profit that the Authority receives.

The Managing Director advised the Committee in the region of 50% with the way the contract is structured.

- The Member also asked the partners to confirm what happens with the rest of the profit made.

In response, the Managing Director confirmed that most of it is in the public sector, a dividend goes to the parent company, Norfolk City Council who started Norse, and the rest goes to the Newport Norse group.

- The Member then made an observation that they reinvest in the company and Norfolk City Council gets a dividend and asked if that is above the share that the partner receives.

The Managing Director confirmed that it is as they also put their work into it and share as they are the ultimate shareholder but informed Committee it is not a huge payment.

- The Chair asked if that figure is published.

The Managing Director confirmed that it is and that he will follow that up to share with the committee as he was unable to confirm the figure from memory.

- A Committee Member queried if all of the 298 Norse employees are on a full time contract.

In response, the Managing Director clarified that there is a variety of full time and part time staff, being both office and field based. On average there are around 70-80 in office based roles as it has expanded, with a number of those roles being part time. They aim to attract the best staff with their flexible arrangements.

- The Member acknowledged that Norse spend £13.9 million on staff wages, and asked if that number included the work that has been sub-contracted out. How many are full time.

The Managing Director confirmed that the number provided includes the sub-contracted work. Norse have 35 full time members of staff.

- The Member asked if most of the work is from sub-contractors.

The Managing Director confirmed that out of their own labour, they do active maintenance and statutory testing, with minor works and providing technical services, but very often that work can be sub-contracted.

- The Chair referred to Norse's case study of a school needing aluminium windows but ordering from another trader for the wrong material. The Chair asked Norse to explain who would have got the material for the school, who negotiated with them and asked whether it was contractors. And asked if they get a range of people to bid and then Norse select the best.

The Director for Contracts highlighted that the issue they face is that as the school is the purchaser, they dictate the specifics and the Managing Director confirmed that the school do not have to use them.

The Director for Contracts confirmed that they do indeed review the bids and select which one would be best.

- The Chair asked the partners if those mentioned would be local.

The Director for Contracts confirmed they are as they aim to hire and bring in local. The Managing Director advised on page 11 there is a statistic which highlights around 79% of the work is given locally.

- A Member referred to the number of 25 trainee apprentices and asked what the partners do to encourage female and individuals from ethnic minorities to work in the construction industry.

The Managing Director recognised that the majority of individuals coming to work in are male and they have struggled to change that statistic as they have struggled for direct labour. Members were assured that the Norse team would like to have female operatives in that area and appreciated that it is something they need to work on. It was mentioned that they have a significant number of females in terms of office based roles, their gender split in the overall work force is 40/60 at the moment.

The Director with Contracts agreed and added that they went to Llanwern pre-pandemic and will look to visit John Frost School to talk about construction work opportunities with the pupils. They attend job fairs and also have a kick start scheme in which a female law graduate came in for training and has now been given a permanent role there.

- A Member asked the Partners if they work with local universities to attract students to the roles.

The Managing Director recognised that they could look into it as they could do more on that. It was mentioned that the benchmark scheme he once worked on in Somerset Council was pre-dominantly white males in the profession. It was acknowledged there is a course being developed with Jeff Bacon in Bristol on surveyors on how to bring in more people. They advised they are looking at it constantly as it is a competitive market.

- A Member expressed his interest in the apprentice training statistics as it is an important role to upskill people in the local area. It was highlighted that they have 298 staff and have 500 training days, which equates to around 1.5 training days per person a year. The Member felt that number did not sound like much training.

The Director for Contracts felt it was important to note that 200 of those staff are cleaners who work part time and may do less than 15 hours; which skewed the numbers.

The Managing Director added that some employees are undertaking a Masters of Business Administration. Many of the colleagues who work in the administration team are undertaking courses, when they apply that number to the office based staff then that number would go up as it was highlighted that Norse pay for those courses. The Director for Contracts also mentioned that teambuilding is not classed as training. Members were informed that Norse does lots of work on that but mentioned that it is not included in the report.

The Director also highlighted they have a system called The Learning Hive which is an online system which ensures all employees are up to date on their health and safety training and a range of different training modules.

- A Member wished to know more on the partner's plans for sustainability and asked if they could see their policy on climate change to see how it aligns with the council's policy.

The Managing Director explained that they will be introducing climate change as a standing item in their board. They support the council on climate change, it is built in the environment and group policy. It was mentioned that the group aspirations net carbon aim is by 2050 and the council's is by 2030.

It was mentioned that Norse have a tradition base fleet of around 30 vehicles which are all leased, and that they are looking to change the electrified fleet. They are currently in talks with the council on how long that aspiration would need to become a reality.

The Managing Director also mentioned that they are looking to develop this, noted that the council has undergone Carbon literacy training and have therefore asked for the provider so they can do it for Norse also. The Head of People, Policy and Transformation added that it has been mentioned as it is important to weave it into their decisions.

- A Member asked the partners to confirm their total profit from 2021-2022 and if any of the profit has gone into local charities/community groups. It was acknowledged that Newport Norse has arranged work for charities such as Age UK and MacMillan.

The Managing Director confirmed that they have worked for local women's shelter, and pre-covid, they were able to take children to the pantomime, supported St. David's Hospice and that they usually do a sponsored bike ride to support schools also for their playing kits and for local organisations.

- A Member asked if they have built or invested in Newport with projects.

The Managing Director confirmed that they have not but explained that staff have a number of volunteering hours where they can work on projects. If there is a Newport City Council project whereby the case and aspiration may not match, the Newport Norse staff can get involved with jobs such as gardening and decorating jobs, for instance. The Committee was assured that colleagues are encouraged to use their volunteering hours.

Discussion ensued about the profit share model and the Managing Director explained the value is shared between Norse and the Council which can be shared in a range of forms for the council, such as a financial sum or as goods and services. The Director acknowledged that the social value now is very different from the value from when the contract was signed back in 2014. Part of the ongoing discussion amongst the partnership, if the Council were to extend the contract, then there are things that the council would like to see differently due to the changes over time.

The Head of People, Policy and Transformation recognised that it is important to highlight what Newport City gets in return from the partnership, for instance, with the profit share model. The Council made those decisions on the profit share model and felt it was important to mention that. At the renewal, the council and partner will consider those in discussion.

- A Member noted that the partner's presentation was very similar to the last year and that there is not much change in terms of profit/rebate and asked why the partners have not done a breakdown this year on their compliments/complaints data. The Member also asked the partners to confirm how they see the potentially last two years of the contract going; and asked where it could benefit both services users and the partners.

The Managing Director explained the difference on complaints procedures, but agreed that they could produce more and share more detail on that if the Members would like that information, it has just been a change of style.

The Chair and Members wished to follow that up with the partner.

Further to the discussion, the Managing Director continued to explain that for the last two years, the operating model will be much more secure and with customer feedback, the Newport Norse team undertake an annual survey in terms of customers such as schools. It was explained they undertake the work and also request the feedback while it is being done. It was stated that the approval rate is along the lines of 98% and they are trying to maintain that level of satisfaction and go beyond that.

The Director recognised that the uncertainty in the relationship has been discussed due to there being two years left in the contract. They strive to perform the best services they can and that they are committed to Newport and will continue to look to provide certainty.

Members were informed that the feedback has improved and that they receive around 2000 calls a month through the helpdesk which translate to thousand work orders. On the scale of the operations, there are bound to be issues; as if they would not receive communication from their customers then those customers would be hiding the problem and not tackling the issue. It is also in the staff's interest to provide a good service as they are local, therefore are recipients of their work.

- The Chair asked how independent the Partner's report is on compliments.

The Managing Director confirmed that they have a complaints procedure as they are reported quarterly to the board. It was mentioned that they did not have any

complaints in the latest one and the council has two independent representatives on that board.

- A Member felt he appreciated the concept of the public ownership side of Norse, paying their staff the real living wage and local people being employed through them. However it was noted the report lacked feedback of customer satisfaction. The Member suggested that Norse could include the customer surveys in future on cost efficiency and feedback from the service users.

In response the Managing Director said that on value for money report each year they run through that and agreed to share their feedback records after the meeting. For their benchmark rates, they do an annual survey from customer experiences and assured the Members that they are taking the Committee's feedback on board.

- A Member expressed his concern on the rebate model during the current financial climate and asked the partners if they would look to keep it the same.

The Managing Director appreciated the Member may have philosophical views on that. The Director gave a breakdown if the Council went to another provider with a 10% rate. If that work went through Norse rather than external with the same profit margin, the Council in effect gets 5% back. Norse accepted lower profit margins than any other private company would. The Rebate is for value share. It could be that the council may want that share done in a different way, they could either have it given back through work done or rather have the money to use.

- Discussion ensued and the Member highlighted the cost of the living crisis and believed that the service users are overspending to get the rebate back and was conscious that it is taxpayers' money. It was appreciated that the model was set years ago and that the partnership does return money to the council; but the Councillor felt during the current climate, Norse's prices being higher than others so the council may not be saving that much and a new model could be brought in.

The Managing Director noted the Member's comments and asserted that the alternative for the council would be to insource everything, the supply chain as well. It would be a huge entity for the council to arrange. The Director of Contracts stated that he has been in the public sector industry for 38 years and felt that the current model is the best he has worked with as they can make a decision quickly.

The Managing Director acknowledged the concerns mentioned and assured the Committee that they review their benchmark trade rates and sit in the middle of their competition. The Head of People, Policy and Transformation reminded Members that it was the proposal at the time when the joint venture was agreed and that the view from the committee on how the partnership is perceived and how the public money is spent is just as important to note.

- A Member mentioned the facilities offer to the council in the report, and noted that project management was included. The Member referred to the work at Bassaleg High School with Wilmott Dixon and asked if they selected them or did the panel group select from the school.

The Managing Director clarified that Wilmott Dixon are the contractor and the Director for Contracts highlighted that they were the contract manager and ran the procurement selection, the project between Wilmott Dixon and the Council. The Director mentioned that Norse were not involved with the contractual arrangement, just the procurement.

The Managing Director advised that the procurement is based on the framework that the Welsh Government determined, and that it is specific because of their funding arrangement.

## **Conclusions**

- The Committee thanked the Officers from the Newport Norse Joint Venture Partnership and considered the report and presentation that was shown. The Committee decided that although there has been satisfactory progress against the initial aims of the partnership, some Members spoke of disagreement about the existing profit split model that was agreed at the start of the contract.

Comments were made that with the current cost of living climate, the model perceives an overspend on services and the partnership not directly showing corporate responsibility. Members also wished to comment that when discussing a possible renewal of the contract, the partnership arrangements need to consider corporate social responsibility and social value further, as well as reconsidering the cost model. Further comment was made that the next partnership with Norse or other, should be operated as an open book with a fixed profit margin, maybe 3 - 4%. There would be little or no risk to the partner as they have 100% of the work, should charge the true cost and still have a profit of 4% to operate the management of their responsibilities.

- The Committee think that better communication is needed between Norse and NCC/clients in relation to the costing model.
- That Norse and the partnership should consider climate change in its decisions and planning.
- The Committee thanked Newport Norse for their invitation to their Newport Head Office and wished to take up their offer to visit their site to see how things are operated there.
- The Committee that unlike last year's report, there were no breakdown of the compliments and complaints attached. Members would like to receive the full details of the complaints. Members also advised it would be helpful to see customer surveys undertaken and included in performance reporting.
- The Committee asked the partners to provide a more detailed breakdown of their staff numbers and to clarify how much of the work is subcontracted. The Committee also requested what the gender and ethnicity of the apprenticeships/trainees were, would like to see this area monitored on an annual basis and also what action they might take to move towards ensuring they have a diverse workforce.
- The Members would like to know the figure of money which goes into the public services and how much shares Norfolk Council gets. Members also wish to know where does the rebate money go, and how is it used and recorded? Members stated that it is not transparent and for clarity, very suspect to interpretation by the public.

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### **3 Education Achievement Service (EAS) - Value for Money 2021-22**

Invitees:

- Geraint Willington - EAS Director – Resources
- Ed Pryce – Assistant Director – Policy/Strategy

- Marc Belli – EAS Principal School Improvement Partner
- Sarah Davies – Deputy Chief Education Officer
- Sarah Morgan – Chief Education Officer, Newport City Council
- Deborah Davies – Cabinet Member for Education, Newport City Council

The Chief Education Officer introduced the Committee to the Partners and introduced the report. The Education Achievement Service (EAS) Director for Resources presented an overview and presentation of the Value for Money Report 2021-2022 and drew the Committee's attention to the main points and invited the Committee to ask any questions they felt were relevant. It was highlighted that 5 authorities own the company and that the report is focused on the S2S (School 2 School) approach.

Members asked the following:

- A Member referred to the economy and efficiency part mentioning the 96% going to schools and asked if there is any obligation on schools to use it for improvement.

The EAS Director for Resources responded that two grants come in – the Regional School Improvement of DPP Grants and lots of sub-grants within those grants, then there is an expectation within those to be fulfilled.

EAS have been more flexible with schools, given them the money to decide what to do, the school would show us what they wish to use it and demonstrate how, which is then signed off by the panel following review. The Chief Education Officer mentioned that EAS also have a Head teacher Strategy Group which worked well for the minimum requirements and advised that the model is sensible.

- A Member highlighted the finance side, mentioned the strain from staffing levels and the cost of living crisis; despite they may have efficient funding at the moment, the Member asked if the partners could see that changing.

The Director for Resources recognised that it will be challenging moving forward with the funding from the grants and Welsh Government.

The Chief Education Officer explained that the model works on 50% grants and that is dependent on what the Welsh Government. The other 50% is from Newport City Council. It depends if they can afford EAS on annual value but assured the Committee it is excellent value for money. It was mentioned that other regional services have gone up in price but with EAS that has not happened. The contributions with Local Authorities have decreased but EAS has allowed them to retain a good service to see efficiency.

- A Member noted he found the report quite hard to read as a newly elected Councillor with the range of unfamiliar terms and phrases. The Member asked for the Partners to confirm what they would like from the discussion and asked what the local schools receive from EAS on a monthly basis.

The Principal School Improvement Partner gave an example of where a local Newport school partnered up with a school in Cardiff, both schools had similar socio-economic challenges. The children in the schools come from the 20% most deprived areas in Wales. The Head-teachers of the schools have been working together with a serving practitioner, as an improvement partner alongside Estyn report measures due to a disappointing inspection

It had a significant impact through the process at all levels, which was effective in working to evaluate the standard of pupils work and also established informal relationships in both schools to share effective practice. From this, the schools saw rapid improvements. In December 2021, they saw the Newport school being removed from the notifications from Estyn which is a great improvement for review. The



partners will continue to work hard as no school is perfect, as they would like to further build on the confidence of the schools. The Cabinet Member also commended the local high school after having visited it.

- A Member wished to know what has been the significant challenge over the past year for the partnership and if the partners could foresee the next year's challenges.

The School Improvement Principal explained that the new curriculum for Wales and the ALN transformation are two key legislative changes in Wales coming in at a time of the post-pandemic era, will be a challenge for all schools.

- A Member felt it was good that the schools partner up with others in other areas. It was mentioned that some schools may have a larger population of pupils from BAME communities and therefore the Member wanted to know if those schools would have access to extra funding for that, as there must be more costs for the interpreters.

The Assistant Director for Policy advised that would be specific for GEMS, who are separate from EAS but that service is provided through them. Their colleague Sally Bevan is running a team in ensuring the right provision is in place for teachers. Many of EAS programmes go through their provision.

- A Member appreciated how the report writer mentioned that he did not have access to the pupil attainment data due to the change in reporting style. The Member noted there are three case studies within the report and asked if there were more and how extensive the evidence is.

The Assistant Director – Policy (EAS) confirmed that there is a breadth of evidence not included in the report. The way the report was written is in a way that it is not the whole of EAS' work. In relation to a Member's prior point about the jargon, it was written for people with more contextual information. That is why the partners tried to fill in the gaps on that in the meeting and stressed that they would be more than happy to return to do that but assured Members there is a range of evidence available but was not included in the report.

- A Member asked the partners to clarify when they identify a school experiencing issues before partnering up; when the partners would go visit and evaluate the issues; if there is a budget on solving the problem as well as the partnership itself.

The Chief Education Officer explained that on occasion the budget comes in and if there is a host of problems; the partners work together as professionals and recognise the issue that the school improvement partners cannot improve everything. Such as poor financial management, poor exclusion issues. They do offer support in a targeted approach for those schools.

The Deputy Chief Education Officer added that the EAS work closely with the council with the School Development Plan. Where in the region, local Headteachers would meet to evaluate the progress from the previous plan and evaluate. Then EAS would go to the school, ensure the evaluation is robust and discuss key priorities with the partnerships to identify the key needs. Could be through local authority, EAS or a mixture of both. It was emphasised that every school has a universal offer of eight days of support and in addition to that the learning school network such as the two schools earlier mentioned working together.

It is an opportunity for professional learning in targeted groups in schools, for instance support for the middle leadership in schools who are the engine for learning. The tiered approach evolves every year as they are able to better match their improvement partners in the regions to meet the needs of the schools in a more

refined approach. Discussion ensued amongst the Members and EAS partners regarding the budget and the Deputy Chief Officer highlighted the cultural shift of supporting schools without pressure to build it in to partnerships.

- A Member made the observation that pupils were hardly mentioned in the report and that the report almost admits to that as it states that it came to conclusions in the recommendations to make sure that the mechanisms are in place to gather data if the pupils are making progress.

The Assistant Director – Policy (EAS) appreciated the Councillor’s comment and explained that in terms of the data, it is not that it does not exist; as it exists in schools. He went on to note that they cannot aggregate up to Local Authorities to compare league tables as referred to in the report. The Director also stated that getting the improvement partners into the school is key and having personalised assessments; which is more qualitative than quantitative.

It was highlighted that the report was written on the year where the systems were based in pandemic era where they were not able to access schools in lockdown. The partners have returned since April to schools much more and explained that physical work is taking place.

The Committee Members thanked the officers for the work that they do and for their time and commended them on their partnership work.

### **Conclusions**

- The Committee considered the information provided within the submission of evidence, together with the externally commissioned Education Achievement Service (EAS) Regional Value for Money (VfM) report 2021-22 and PowerPoint presentation. Members. The Committee praised the partnership for their hard work and appreciated that the job is difficult. They were pleased with the figures contained within the report and wished to comment that this feels like a real partnership.
- The Committee were pleased to note that good practice is being shared within the partnership and schools from the examples that were given by the Officers and are hopeful that this continues in future.
- The Committee raised a comment related specifically to the impact of the school support measures on school improvement. The progress made in moving to a new model of school support was acknowledged, however the lack of pupil based data did not yet make it possible to state that the model resulted “in significantly accelerated progress in schools.” Members appreciate that much of the pupil progress data used previously to make judgements on school effectiveness is now not available - the Alcott report acknowledged this. The report recommended, however, that EAS find to systems to gather such data.

Members would like to see this data as part of future reports. It is appreciated that it may be necessary to summarise the data if there is a large amount of it. Conclusions drawn from the data could be in the main report, with the supporting data as an appendix- maybe as summary tables.

- The Committee wished to make the comment that it would be nice to see the benchmark figure of 96% being maintained but were mindful of pressures such as the decreased staff levels, the cost of living, and the pay rise, could affect that.

- The Committee queried whether EAS had any direct communications with Norse or previous partnership work with regards to the schools they both represent. Members commented that given both services work directly with the schools in Newport, it may be beneficial if there was partnership work between EAS and Norse to see how they can make the necessary improvements the schools think they would benefit from.

The meeting terminated at 6.00 pm