

Report

Scrutiny Meeting



Part 1

Date: 20 March 2024

Item No:

Subject Education Achievement Service (EAS) - Value for Money Regional Review: Phase 1 (December 2023)

Purpose Newport City Council are a local authority co-owner of the EAS Regional School Improvement Service. This paper describes the outcomes of an external report on the Value for Money (VfM) of the Regional Service.

Author Geraint Willington (Director, EAS)

Ward All

Summary The VfM report for this period (Appendix A) focuses on the delivery of the regional service and the regional impact set against a number of criteria. Members will note that the report does not break down individual LA detail. The report has been written by external consultants, Rod Alcott and Betsan O'Connor, following a tender process. A key requirement of the South-East Wales Education Achievement Service ('the EAS') is to demonstrate that it offers value for money to the five local authorities within its geographical remit and their constituent schools. This report details the findings from a Value for Money (VfM) review that was undertaken 'an independent report on value for money functions of the EAS. The report pays particular attention to the extent to which schools are making progress towards becoming School as Learning Organisations (SLO).

Proposal Members are requested to:

- Receive the report for information

Action by The Education Achievement Service in partnership with the LA

Timetable This report is phase 1 of activity that reflects on the current Business Plan period (April 2022-March 2025)

This report was prepared after consultation with:

- Sarah Morgan (Chief Education Officer)

Signed

Background and Report

- 1.1. The Educational Achievement Service (EAS) is the school improvement service of the five local authorities in South East Wales: Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen. The EAS is owned by the five Councils and operates within a robust governance structure which is populated by representative Elected Members from each Council.
- 1.2. The EAS has been in operation since September 2012 and has undergone many changes during this period. Through the commissioning of a Business Plan the EAS delivers key school improvement support to all schools and educational settings across the South East Wales region.
- 1.3. The EAS endeavours to work in partnership local authorities, schools and settings and wider stakeholders, ensuring that service delivery remains of a consistently high standard and meets the needs of the system. The service welcomes external expertise and challenge to support continued improvement and will remain agile and responsive to regional need.
- 1.4. The VfM report (Phase 1 - Dec 2023) was commissioned to review the delivery of the regional EAS Business Plan for the period April 2022 to March 2025. It focuses on the delivery of the regional service and the regional impact set against a number of criteria. Members will note that the report does not break down individual LA detail.
- 1.5. The external tender contract was awarded to Rod Alcott and Betsan O'Connor for them to jointly complete the review. The report has been agreed through EAS Governance structures (Company Board, Joint Executive Group (JEG) and Audit and Risk Assurance Committees (ARAC)) in early 2024.
- 1.6. This report is a departure from previous years' annual reviews. For the first time this will be a two-year study split into two phases. The rationale for this was the significant changes to the context in which the EAS now operates. The EAS faces greater budget pressures in maintaining financial stability, the socio-economic climate has changed, post pandemic recovery and changes to the way in which Welsh Government publishes school and pupil outcome measures, that have all impacted on education and particularly on vulnerable learners.
- 1.7. Over a five-year period from 2018 to 2021 the EAS has commissioned an annual Value for Money (VFM) report based on an evaluation of its performance against the following criteria:
 - **Economy:** minimising the cost of resources used while having regard to quality (inputs) – spending less;
 - **Efficiency:** the relationship between outputs and the resources used to produce them – spending well; and
 - **Effectiveness:** the extent to which objectives are achieved (outcomes) – spending wisely

- **Equity:** the extent to which service provision is needs based to remove barriers and facilitate equal opportunity – spending fairly; and
- **Sustainability:** an increasingly standard consideration within the context of the Well Being of Future Generations Act (WBFG) – spending for the long term.

1.8. The combined effects of resource constraints, changing contexts, shifting focuses, pandemic impact and methodological evolution, are reflected in the overall judgements that were arrived at over the past few of years. It's worth noting that each VfM review focused on a different aspect of the regional programme of work. These judgements, in chronological order are as follows:

- EAS is providing good value for money because overall outcomes are improving from a reduced level of spending as a result of resources being used efficiently, fairly and in a sustainable way; with consequent benefits for schools and pupils across the region. (2018)
- EAS is providing good value for money in terms of those aspects that are within its control – notably economy, efficiency, equity and sustainability. However, collective action involving EAS, its constituent local authorities and school leaders is required to address concerns over educational outcomes across the region and those schools that are underperforming. (2019)
- EAS continues to provide good VfM in terms of the services it provides to schools across the region as evidenced by improved outcomes for some learners and the achievement of the other objectives that it has set for itself. (2020)
- EAS continues to provide good VfM in terms of the services it provides, as evidenced by its successful mitigation of the impact of the pandemic on schools, learners and its own workforce. (2021)
- The overall conclusion is that the refined S2S delivery model represents good value for money. (2022)

1.9. However, there have been significant changes to the context in which the EAS now operates, and consideration of these changes led the Board to reconsider its approach and opt for a two-year study to replace the annual studies previously undertaken. The revised approach comprises two phases with Phase 1 being undertaken in 2023 and Phase 2 in 2024. These contextual changes can be summarised as:

- budget pressures;
- socio-economic climate;
- post pandemic recovery; and
- changes to Welsh Government published outcome measures.

1.10. While each of the above contextual changes provides a significant challenge to service provision, the EAS considers that budget pressures represent the biggest challenge facing them.

1.11. Given the changes to Welsh Government published outcomes evidence gathering for Phase 1 of the study, undertaken in 2023 and reported on here, was broader than previously, and required greater focus on first hand data capture from schools and settings.

This was gathered from a sample of 40 schools across the region utilising a refined methodology for capturing learner progress in schools. The process of evidence gathering was compromised by limited access to schools because of Action Short of Strike (ASOS) following on quickly from pandemic related school closures. This involved over 40% of headteachers exercising their right, not to engage with external agencies, including school improvement.

- 1.12. Measurement of progress will be facilitated by the fact that findings from the Phase 1 evidence gathering exercise have resulted in further refinement to the approach that will enhance the quality of evidence gathered in Phase 2. This, coupled with greater confidence in schools using new measures of progression, leads to expectation that a more comprehensive picture will emerge from Phase 2.
- 1.13. A substantial body of research has identified that schools becoming effective learning organisations is fundamental to learner progress. The EAS organisational vision aligns with this therefore, the central focus for Phase 2 will be gathering evidence on the extent to which schools are making progress towards becoming Schools as Learning Organisations (SLO). This is an internationally recognised, evidence backed guide for school leaders, promoted as part of Welsh Government policy. Significant work has been undertaken, based in part on the findings from evidence gathering in Phase 1, to develop a model that will enable this progress to be measured and enable well-informed judgements to be made in relation to VfM.
- 1.14. The EAS uses its Business Plan arrangements to support its own organisational learning as well as monitor its agreed Business Plan objectives. This year, a known period of change in policy expectations and post pandemic response was utilised to drive and signal upcoming changes. Most significant in a value for money context was the changes to capturing learner progress alongside a critical budget setting context. This year all Business Plan objectives were met, and a mature self- evaluation and risk management approach has been strengthened with an improved focus on impact for current business plan period (April 2022 – March 2025).
- 1.15. It is not clear whether all stakeholders fully understand the overlap between building system and school level organisational capacity. The underpinning added value of building schools' own capacity through its school leaders to work on behalf of the EAS as partners in the improvement journeys of practitioners and schools has not been fully quantified. Nevertheless, its impact is recognised, and work is underway to strengthen the coexistence and capture the impact.
- 1.16. The priority given by the EAS to strengthen the accuracy of school's own self -evaluation threads through all aspects of its work. Schools with the greatest support needs are supported explicitly. Nevertheless, the new arrangements are yet to fully capture the necessary details consistently on groups of learners, or groups of schools with differing support needs. Some of the main findings at the end of this first phase are highlighted below:
 - The EAS' support to schools is leading to strengthening capacity and capability at both practitioner and leader levels.

- The challenge to respond to the socio-economic climate and lower school attendance has seen most schools intensify their efforts to support vulnerable groups of learners.
- Nearly all schools have identified variation in aspects of teaching or in the performance of groups of teachers. Nevertheless, the honest evaluations and subsequent open conversations with EAS colleagues shape bespoke support.
- A few schools have established a secure baseline from which to monitor and evaluate pupil progress.
- Too many School Development Plans have priorities which do not focus on the outcomes of learning and teaching. However, they have focused on the compliance aspects of delivering the curriculum over this last year.
- Only a few schools have minimised the variation in the quality of teaching sufficiently to impact on the outcomes for all learners.
- Nearly all clusters have worked together to better interpret new expectations of evaluating learning and supporting learner participation in benchmarking their own progress. In a few schools, engaging learners in understanding progression and tracking their own progress is enhancing learning.

1.17. The report was sectioned into the following aspects:

- Executive Summary
- Introduction
- Financial Context
- Review Aims
- Evidence Gathering
- Review Findings
- Organisational Learning
- Learner Learning
- System Learning
- Conclusions
- Next Steps

1.18. The full content of the report can be found in Appendix A, but the report below focuses on the key elements of financial context and conclusions.

Financial Context

1.19. From their inception in 2012 regional school improvement consortia have been subjected to a common funding formula from constituent local authorities. While the formula has remained unchanged there has been, for the EAS, a continuous year on year reduction in this core funding as illustrated by the table below.

Year:	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
LA Funding:	£3,376,653	£3,275,353	£3,209,847	£3,145,651	£3,098,465	£3,036,496	£2,960,887
Trading Income:	£601,974	£447,460	£0	£0	£0	£0	£0
Total Core Funding:	£3,978,627	£3,722,813	£3,209,847	£3,145,651	£3,098,465	£3,036,496	£2,960,887

Grants:	£56,082,261	£52,033,572	£51,991,066	£49,022,408	£51,996,479	£60,830,062	£60,023,836
TOTAL:	£60,060,888	£55,756,385	£55,200,913	£52,168,059	£55,094,944	£63,866,558	£62,984,723
Delegated to Schools:	£50,384,126	£46,481,315	£48,886,304	£46,142,076	£48,754,009	£58,240,283	£57,562,486
Delegation Rate:	90%	89%	94%	94%	94%	96%	96%
Residual Income:	£7,668,633	£7,278,655	£6,314,609	£6,025,983	£6,340,935	£5,626,275	£5,422,237

- 1.20. Over the seven-year period covered in the table there has been an agreed 12.31% reduction in Local Authority (LA) funding which, along with the elimination of trading income, has resulted in a reduction in total core funding of some £1.018m or 25.6% in absolute terms; although in real terms, when inflation and pay awards are taken into consideration, the reduction has been in excess of 30%.
- 1.21. The annually agreed reduction in Local Authority funding represents efficiency savings on the part of Local Authorities that have typically resulted in a reduction, for the EAS, of around 2% per annum in core funding. The agreed reduction has been implemented on a consistent basis across each of the constituent Local Authorities, typically between 0.5% - 3% per annum. However, these reductions are dwarfed by the 10% cut agreed for 2023-24 which, when combined with anticipated pay awards and general inflation, will result in a very significant reduction in real terms. One consequence of this reduction, despite the non-filling of certain vacancies, will be a decrease in the delegation rate to schools.
- 1.22. Over the same time period the amount of grant money received from the Welsh Government reduced year on year up to 2019-20 but has increased over the last two years with a very significant increase of £8.83m or some 17% between 2020-21 and 2021-22 the amount has dropped slightly in 2022-23 by £806k, and will significantly drop in future Grants into the LA Education Grants. When reductions in LA funding, elimination of trading income and increases in grant money received are added together the increase in total funding is £2.92m which represents a 4.87% increase in absolute terms over a seven-year period. However, when inflation and pay awards are taken into account, there has probably been very little or no increase in real terms between 2016/17 and 2022/23. From 2023/24 onwards the scale of the anticipated real terms reduction in income means that, despite achieving £1m savings from the deployment of school based School Improvement Partners (SIPs), financial stability and sustainability represents the biggest challenge facing the EAS.
- 1.23. When increases in the rate of delegation to schools are taken into account then residual income spent on running the organisation, including staffing costs, fell by some £2.25m or 29.3% from 2016-17 to 2022-23. Reduced spending has inevitably resulted in a considerable reduction in staffing numbers, with the number of Full Time Equivalent (FTE) staff reducing from 111 in 2016-17 to 64 in 2022-23, taking the total reduction in FTE staff reduction to 47 over the period 2016-17 to 2022-23, representing a reduction of almost 42.4% in staffing levels. This staffing reduction is a direct consequence of the decision by the EAS to refine its delivery model from a fully staffed central model to a self-improving

School to School (S2S) model where schools are funded to provide support and challenge to peer schools within the region.

- 1.24. Overall, the EAS has made significant and regular efficiency savings which support the LAs. These have been made alongside a reducing grant from Welsh Government and the cessation of traded income. Over time, school improvement approaches have been trialled and developed to place greater capacity in schools rather than within the school improvement service. This aligns with the principles embedded in the vision of building a self-improving and learning system across the region.
- 1.25. The EAS has shaped its medium-term financial planning around its vision and has over time increased its delegation rates to schools to 96%, placing resources within schools and/or to build system capacity in schools. More recently, during the current business planning cycle (2022-25), the financial planning arrangements, all delivery models, business plan objectives and vision and values dovetail explicitly. The arrangements to evaluate impact under the new policy expectations are yet to fully capture the depth of information necessary to formulate a value for money judgement.

Conclusions

- 1.26. Both the policy and financial context within which the EAS delivers its Vision and Business Plan objectives are challenging and changing. Its approach to signalling change in its own work in response to fundamental external influences are captured in the approaches to financial planning and evaluating impact on learning. The arrangements to build capacity within the organisation to better respond to and capture data to support its own self-evaluation and improvement planning are underway. This report captures some early progress and learning.
- 1.27. The EAS uses its Business Plan arrangements to support its own organisational learning as well as monitor its agreed Business Plan objectives. This year, a known period of change in policy expectations and post pandemic response was utilised to drive and signal upcoming changes. Most significant in a value for money context was the changes to capturing learner progress alongside a critical budget setting context. This year all Business Plan objectives were met, and a mature self-evaluation and risk management approach has been strengthened with an improved focus on impact for 2023-25.
- 1.28. Each objective in the EAS Business Plan contributes towards organisational and system wide improvement and capacity building. The underpinning principles of learning organisations permeates the work of the EAS and schools across the region. However, too often, this is not clear to all staff as they undertake their day-to-day work. Where there are senior level decisions made, such as on the format of school support arrangements or resourcing plans to capture evidence, there is added value to underpin the EAS vision. However, operational level decisions such as those on approaches taken to evaluate learning programmes miss opportunities to draw out the organisational and system level learning. On occasion, the inconsistent explicit focus on the principle of schools as learning organisations means that the EAS can miss opportunities to capture the impact of its work

on wider system transformation. Already, plans are underway to strengthen and make these explicit.

- 1.29. It is not clear whether all stakeholders fully understand the overlap between building system and school level organisational capacity. The underpinning added value of building schools' own capacity through its school leaders to work on behalf of the EAS as partners in the improvement journeys of practitioners and schools has not been fully quantified. Nevertheless, its impact is recognised, and work is underway to strengthen the coexistence and capture the impact.
- 1.30. The priority given by the EAS to strengthen the accuracy of school's own self-evaluation threads through all aspects of its work. This begins with the annual dialogue and the identification of school development priorities. Schools with the greatest support needs are supported explicitly. This leads to better quality teaching over time, and this is reflected in the work of learners. Nevertheless, the new arrangements are yet to fully capture the necessary details consistently on groups of learners, or groups of schools with differing support needs.
- 1.31. The EAS' support to schools is leading to strengthening capacity and capability at both practitioner and leader levels. Where this is clearly and explicitly documented, the correlation between intent and impact is clear. It is too early to judge the scale and breadth of this work fully due to the incomplete picture currently available due to ASOS following quickly on from the pandemic related school closures.
- 1.32. A few schools have established a secure baseline from which to monitor and evaluate pupil progress. In these cases, school leaders can review and seek resolutions to hurdles at pupil or teacher level. These interventions lead to improvements in pupil engagement, progress, and achievement.
- 1.33. Nearly all schools have identified variation in aspects of teaching or in the performance of groups of teachers. In these schools, the scale of progress in learning is diluted. Nevertheless, the honest evaluations and subsequent open conversations with EAS colleagues shape bespoke support. Specific teacher knowledge and expertise is highlighted as driving better outcomes in about a third of schools. Physical education, ICT and maths in particular.
- 1.34. Too many SDPs have priorities which do not focus on the outcomes of learning and teaching. Generally, school leaders have over focused on process compliance or implementation rather than on the impact of change. This does not allow the school or EAS to monitor fully the improvement journey of the school and its subsequent impact on pupils learning.
- 1.35. Only a few schools have minimised the variation in the quality of teaching sufficiently to impact on the outcomes for all learners. In these schools, progress is visible throughout the work of pupils, regardless of year group or ability.
- 1.36. The challenge to respond to the socio-economic climate and lower school attendance has seen most schools have intensified their efforts to support vulnerable groups of learners. Specific strategies and programmes to support pupils to make sufficient progress in their

learning this year have influenced teachers and support staff to create a safe climate for learning where possible. Where school leaders have driven whole school interventions, changes in culture and approaches to support vulnerable learners, progression is stronger.

1.37. In a few schools, engaging learners in understanding progression and tracking their own progress is enhancing learning. As school leaders and teachers work together in clusters to better interpret new expectations of evaluating learning, supporting learners to see their own progress is a useful / relevant benchmarking tool.

2. Resource Implications

2.1 There are no specific resource implications, but resource decisions already taken are considered within finance section of the report.

3. Consultation

3.1. The Consultees are noted below:

- Directors of Education (within South East Wales)
- EAS Company Board
- Regional Joint Executive Group (JEG)
- Individual local authority scrutiny committees (each local authority determines the most appropriate committee and whether to add the report to the work programme)

4. Background Papers

4.1 The South-East Wales Regional Value for Money Report: Phase 1 is attached as Appendix A.