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# Review of the governance arrangements of the Joint Education Service

## **Vale of Glamorgan Council**

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# Status of report

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The team who delivered the work comprised Karen Smith of Grant Thornton.

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# Summary report

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## Summary

1. In September 2012, a new Joint Education Service (JES) was established to provide school support and traded services to the Vale of Glamorgan, Cardiff, Merthyr Tydfil, Rhondda Cynon Taff and Bridgend councils. This development was driven by the need to reduce costs and to respond to the drive of the Welsh Government towards regional service provision. Previously, the Vale of Glamorgan and Cardiff councils each had their own service, whilst the other three Councils shared a service, but within a less formal and more limited structure.
2. As well as providing a more financially sustainable, regional offering, the JES was also designed to address the following acknowledged weaknesses within the previous arrangements:
  - Staff provided challenge to schools as well as support through traded services. It was recognised that the school challenge and support functions should be more clearly separated so that any challenge is not compromised.
  - The greater focus on revenue generation constrained capacity to prioritise the challenge role and led to a dilution of outcomes in terms of school improvement.
  - The approaches were not leading to the required rate of improvement. There were a significant number of primary and secondary schools underperforming across the five authorities.
3. With shared service delivery a key element of the efficiency agenda, it was agreed that undertaking any improvement activity on a standalone basis would not constitute an effective way forward. The push for collaborative working was reinforced when the Minister for Education and Skills stated that underperformance must be addressed through sharing capability and capacity, 'We will expect local authorities to participate in consortia arrangements, including shared consortium services, or suffer financial penalties, including the withdrawal of Better Schools Funding...' (Action 19)<sup>1</sup>
4. For the Vale of Glamorgan, the new arrangements present a number of challenges including:
  - the extent to which they offer, and can clearly demonstrate, value for money; and
  - the extent to which the governance arrangements provide the Council with the information, flexibility and influence that it requires, to assure itself that children and young people in the Vale of Glamorgan are receiving the best service possible.
5. The risks associated with the transfer of services need to be understood and managed well, to ensure that the quality of service is maintained and expected outcomes are delivered.
6. This review sought to answer the question:

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<sup>1</sup> 1 Delivered 02-02-11. Accessed 09-06-11

from <http://wales.gov.uk/docs/dcells/publications/110202teachingmakesadifferenceen.pdf>

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*Has the Council got arrangements in place to manage the changes in delivery of school improvement services and can it be confident that the JES provides a service that represents value for money for the Vale of Glamorgan?*

In looking at this, we considered the following three sub-questions:

- Does the Council have effective plans to manage the change in schools improvement service delivery?
  - Are the changes to the schools improvement service being implemented effectively?
  - Are monitoring and reporting arrangements in place to track implementation progress and manage any issues arising?
- 7.** Overall, our work at this early stage of implementation has led us to conclude that the arrangements in place to manage the changes in school improvement services are still in the process of development, and the Council cannot currently be confident that the JES represents value for money for the Council.
- 8.** We reached this conclusion because:
- the Council's plan for managing the change in delivery of the schools improvement Service needs to be strengthened;
  - there is currently, no formal systematic means of testing whether or not the changes brought about by the introduction of the JES are working effectively; and
  - monitoring and reporting arrangements are in the process of being established but have yet to be fully implemented.
- 9.** Although the costs of delivering the service have reduced (by approximately £100,000), it is not clear whether the outcomes being delivered match those previously achieved.
- 10.** However, we recognise the progress made, in accordance with the directive and policy objectives of the Welsh Assembly;
- a. the shared service for the five authorities has been established within a relatively short time, with a signed agreement detailing terms and conditions, and broadly how the service will operate; and
  - b. operationally, the Council has put in place mechanisms to ensure that the particular needs of its schools are understood and that the services provided by JES officers are directed towards the specific outcomes it is looking to achieve, at this level.
  - c. the commissioning function appears to be developing well, aided by effective communication between the Council and those responsible for delivering the service within the JES.
- 11.** At a strategic level however, work is needed to create a robust governance framework, particularly in respect of effective risk and performance management arrangements. At the time of our review (January-April 2013), the following matters had yet to be resolved:

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- The overarching strategy for school improvement for the Consortium had not been published. This needs to be in place to set the context for the JES and to enable the Council to stipulate its requirements and clarify how the JES will contribute.
  - Performance management at a strategic level was still developing - how the Council will hold the JES to account for providing the service that it requires. This includes how the Council will manage the on-going drive for increased value for money from the service.
  - Risk management was happening informally, but there was no systematic assessment of risks nor clear plans for mitigation.
- 12.** These are matters that are within the remit of the Council to address. A number of other issues were raised by our work that can only be resolved by the five partnership authorities working collaboratively, and in discussion with the JES. This includes:
- establishing an effective cross-Council scrutiny function, although we understand that plans are in place for this to commence from September;
  - performance management within the JES. Mechanisms were not in place at the time of our review to allow the performance of the JES to be systematically assessed and tracked. The arrangements for managing underperformance or the failure of the JES, by the five partner Councils, were also in their infancy. The collaboration agreement does not contain penalty clauses; and
  - an exit strategy was not in place, should the JES fail to deliver in the longer term.

## Proposals for Improvement

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P1 The Council should establish and refine a performance management regime which will formally and systematically test the extent to which the JES is providing a service that delivers to its expectations.

P2 The Council should undertake a risk assessment of the impact of the JES and update it on a regular basis. It should include any high scoring strategic risks in its corporate risk register. The Education and Skills Directorate should regularly and formally monitor and manage the remainder.

P3 The Council should ensure that there is sufficient investment in the development of the scrutiny function (in the Council and within the collaborative structure), including regular reviews of its success and challenges, as it becomes a feature of the performance management regime.

P4 The Council should consider how the value of the service can be increased during the period of the contract, to justify the fixed contribution to the service.

# Appendix 1

## Findings Matrix

Has the Council got arrangements in place to manage the changes in delivery of school improvement services, and can it be confident that the JES provides a service that represents value for money for the Vale of Glamorgan?

Sub Question	Finding	Conclusion
<p>Does the Council have effective plans to manage the change in Schools Improvement Service delivery?</p>	<p>Due to the timing of our review, with the operation of the JES only commencing in the September of 2012, some key features of the governance framework had yet to be resolved. The number of partners involved has delayed the completion process, although sufficient traction was maintained for a final agreement to be reached and signed off in March 2013.</p> <p>Key features of the governance arrangements in place (agreed by the Joint Committee and published on February 14 2013) include:</p> <ul style="list-style-type: none"><li>• a joint committee consisting of two elected members from each council plus a senior officer;</li><li>• an Executive Board, including the lead representatives for education from each authority;</li><li>• an Operational Management Group, comprised of service Directors, the JES lead officers and the Heads of School Improvement;</li><li>• documented terms of reference for each of the core groups within the structure;</li><li>• regular meetings between the JES and schools; and</li><li>• reports from the JES to Heads of Improvement on progress.</li></ul> <p>However, a number of matters are outstanding:</p> <ul style="list-style-type: none"><li>• reports on the internal performance of the JES are not currently shared with the Executive Board;</li><li>• specific targets for schools within the Vale area have yet to be agreed and passed</li></ul>	<p><b>The Council's plan for managing the change in delivery of the schools improvement Service needs to be strengthened.</b></p> <p>We propose that the Council;</p> <ul style="list-style-type: none"><li>• Invests time in establishing and refining a performance management regime which formally and systematically tests the extent to which the JES is providing a service that delivers to the Council's expectations.</li><li>• Undertakes a risk assessment of the impact of the JES and updates it on a regular basis. Any high scoring strategic risks should be included within the corporate risk register. The remainder should be regularly and formally monitored and</li></ul>

Sub Question	Finding	Conclusion
	<p>through Scrutiny, within the Council;</p> <ul style="list-style-type: none"> <li>the School Improvement Strategy for the Consortium, setting the context for the JES and the targets for schools within the Vale, has yet to be agreed (although was due to be considered by Scrutiny in March 2013. This did not take place: it was subsequently agreed on 13 May); and</li> <li>actions available to the Council should the JES fail to deliver have yet to be considered.</li> </ul> <p>A strategic plan for the JES is being developed that will help to target available resources towards a small number of key priorities. It is anticipated that this plan will provide the basis for local authority performance management of consortium activity and be agreed through the Council's Scrutiny Committee.</p> <p>The risks to the Council arising from the establishment of the JES have been discussed (for example, the risk of the JES under spending) but not formally documented or incorporated within a clear risk management framework. A systematic approach to risk management has not been established.</p> <p>It is our view that establishing a robust performance and risk management framework and a clear failure regime are essential to clarify at this stage in the relationship between the JES and the Council. Once custom and practice take root, it can be more challenging to introduce new approaches.</p> <p>We understand that addressing these matters fully is complicated by the need for the Council to work collaboratively. This may restrict the pace and extent of arrangements put in place.</p>	<p>managed within the Education and Skills Directorate.</p>
<p>Are the changes to the schools Improvement Service being implemented effectively?</p>	<p>Whilst the issues with the performance management regime have been noted above, early, informal feedback suggests that the JES is providing a service to the standard expected by the Council and which meets the requirements and expectations of schools.</p> <p>It is too early in the life of the JES to test the quality of service provided and its impact on school performance. This will come at the year end, when examination results are</p>	<p><b>There is currently no formal, systematic means of assessing whether or not the changes are working effectively.</b></p> <p>Whilst there are signs that service delivery is being implemented</p>



Sub Question	Finding	Conclusion
	<p>published.</p> <p>Communication at officer level appears to be effective and working well. Meetings are regular and involve commissioning officers directing the work of the JES locally. Detailed briefings are provided on the circumstances of the schools and the priorities that need to be addressed within each.</p> <p>Feedback from members also indicates that communication with this group is also effective. Some challenges had arisen in respect of the scheduling of meetings, but these matters have been resolved.</p>	<p>effectively, it is too early to draw conclusions. Work is needed to ensure that systems are in place to evidence performance, as noted above.</p>
<p>Are monitoring and reporting arrangements in place to track implementation progress and manage any issues arising?</p>	<p>Earlier paragraphs have covered the current risk and performance management arrangements, testing the value gained through the JES and the additional work needed to safeguard the interests of the Council. Lead officers are aware of some of the performance metrics used within the JES, but this too is a developing area.</p> <p>The lead commissioning officers are members of the Executive Board and have access to all that is currently available and reported, strategically. This includes reports on the financial and operational performance of the JES. No significant issues have arisen, thus far, apart from the challenge of recruiting to certain posts. These challenges have since been resolved and no detrimental impact on service delivery was noted as a consequence of the delay.</p> <p>The financial benefit of the JES to the Council has been calculated. The saving that the Council originally hoped to gain from the service, and quoted in the original business case, was £432,000. The actual saving achieved is approximately £100,000. It is not clear whether further savings are likely to come through as a result of the JES.</p> <p>The Council has committed to fund the JES with a minimum contribution of £653,000 per annum for the next three years.</p> <p>It is essential to understand what the Council will gain from this commitment and how the JES will be able to demonstrate value for money to the Council, as a key stakeholder. Currently, it is not yet clear how the value might increase over time, in times of financial austerity this will need to be demonstrable to justify the on-going level</p>	<p><b>Monitoring and reporting arrangements are in the process of being established but have yet to be fully implemented.</b></p> <p>In moving forward, we consider that the following two proposals for improvement will help the Council to track and manage progress, and encourage the delivery of a service that represents good value for money:</p> <ul style="list-style-type: none"> <li>• ensure that there is sufficient investment in the development of the scrutiny function, including regular reviews of its success and challenges as it becomes a feature of the performance management regime; and</li> </ul>

Sub Question	Finding	Conclusion
	<p>of expenditure, when other service areas face reduced funding levels.</p> <p>The delay in commencing cross-Council scrutiny is also an issue emerging from our work. A plan was agreed during the time of our review, for a joint scrutiny function to be set up covering all the partner authorities, operating from September 2013. It is considered that the forthcoming elections (May 2013) mean that little meaningful work can take place before this point . An effective scrutiny function should be a core component of the performance management framework.</p> <p>The development of a joint scrutiny body will not eradicate the need for the Council to conduct its own scrutiny of the JES, to ensure that it is getting optimum value from the agreement. We understand that internal scrutiny may cease from September 2013, when the cross-Council group commences. This would weaken the focus on the performance of the JES for the Vale. Scrutiny by members within the Council should be a core component of the comprehensive performance management framework.</p>	<ul style="list-style-type: none"> <li>consider how the value of the service can be increased during the period of the contract, to justify the fixed contribution. Value for money must be clearly demonstrated on an on-going basis.</li> </ul>





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