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SUBJECT: NEW GOVERNANCE ARRANGEMENTS FOR SOUTH EAST WALES EDUCATION ACHIEVEMENT SERVICE

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To apprise Members of the changes necessary to the agreed Governance arrangements for our Regional School Improvement Service – Education Achievement Service (EAS) in order to align the arrangements to the National Model for School Improvement.
- 1.2 To seek approval to implement the new arrangements.

2. SUMMARY

- 2.1 A National Model of regional working for school improvement was introduced by the Minister for Education and Skills in March 2014. The South East Wales Education Achievement Service (EAS) closely aligns with the National Model but, in order to comply with the National Model, it was recognised that the 'Governance' arrangements required further consideration. Each of the five local authorities of the South East Wales Consortium will in the next month present the new governance arrangements to Members in order to seek approval to implement the changes.

3. LINKS TO STRATEGY

- 3.1 The five Councils and the Company Education Achievement Service (EAS) Collaboration and Members' Agreement.
- 3.2 The Deed of Contribution.

4. THE REPORT

- 4.1 The South East Wales Education Achievement Service was established as a limited company in July 2012. Its prime function is to raise standards in education across the region. Newport, Torfaen, Caerphilly, Blaenau Gwent and Monmouthshire Councils commissioned the EAS to deliver a school improvement service on behalf of each individual authority and hence across the consortium.
- 4.2 In March 2013, the Minister for Education and Skills introduced a 'national model for regional school improvement services' and in December of the same year all five Local Authorities within the regional consortium agreed to work to this model.

4.3 The National Model contains five key themes

1. Mission, values and principles of effective school improvement
2. The scope of regional consortia
3. Delivery of respective regional consortia and local authority functions
4. Governance and accountability
5. The organisation and operation of consortia

4.4 The school improvement service developed by the South East Wales Consortium is closely aligned to the 'National Model' but, in order to comply with the National Model, it was recognised that the 'Governance' arrangements would require further consideration. Each of the five local authorities of the South East Wales Consortium will in the next month present the new governance arrangements to Members in order to seek approval to implement the changes.

4.5 Currently the EAS Board is made up of nominated Directors and Councillors from each of the five Councils. Leaders from each Council have expressed a desire to see a consistent approach to the nomination of board members across the five Local Authorities. It is suggested that such board members should be:

- Senior Cabinet Members (who do not hold the portfolio for Education) but have the necessary skills and experience to make decisions
- A Lead Chief Executive
- The Managing Director of the EAS
- The Chair of the Executive Board.

4.6 It is proposed that the governance arrangements outlined in paragraph 4.7 are implemented in order to meet the requirements of the National Model. As Governance arrangements are already in place for the EAS the proposal outlined below includes a combination of current, revised and additional arrangements. Draft Terms of Reference for each of the governing groups are included in Appendices 1-4.

4.7 The proposed new governance arrangements will include:-

1. The continuance of an EAS Board
2. The addition of a South East Wales Executive Board
3. The continuance of the JEG (Joint Executive Group)
4. The addition of an Audit Committee

4.8 It must be noted that both the JEG and the addition of an Audit Committee sit outside the agreed National Model of Governance.

4.9 **The Continuance of the EAS Board:**

4.9.1 Board members will have responsibility for approving the budget (including remuneration), business planning and performance management of the regional consortium. Meetings will focus on monitoring progress against the Business Plan. The Board may delegate operational decision making to the Executive Board and must demonstrate sustained control ensuring that it does not act as a 'rubber stamping' body. The Board will appoint senior EAS staff and deal with Human Resource (HR) related issues. The EAS Board will determine appropriate levels of remuneration for the Managing Director and his senior team and be responsible for the appointment or removal of the Managing Director.

4.10 **The addition of an EAS Executive Board:**

4.10.1 Membership of the Executive Board will include the Chairperson of the EAS Board, the Managing Director (acting as a paid official and not an Executive Board Member) a Lead Chief Executive, a Lead Director of Education and no more than five additional individuals, one appointed to the Executive Board. These individuals will include a Welsh Government

representative and individuals with expertise in school improvement (one of whom must be a serving Head teacher drawn from a school within the consortium area). The EAS Board will appoint the Executive Board members.

- 4.10.2 The Lead Chief Executive will rotate on an annual basis. Paul Matthews, Chief Executive of Monmouthshire County Council has volunteered for this role in the first instance.
- 4.10.3 The Executive Board acts as an advisory group and on instruction from the South East Wales EAS Board. The Executive Board is accountable to the EAS Board, but will have delegated powers to consider and recommend an annual Business Plan in line with the set budget, monitor and evaluate progress and outcomes of the Business Plan.
- 4.11 The continuance of the Joint Executive Group (JEG)
 - 4.11.1 Leaders are clear that they wish to see the continuation of the JEG in order to ensure that the five Cabinet Members with the portfolio for Education and Chief Education Officers/Directors from each local authority (LA) across the region engage in meaningful discussion linked to commissioning and validation.
 - 4.11.2 The JEG challenges the delivery of the EAS Service and will determine if the Service is meeting the standards required. It is the forum whereby each Member is made aware of any issues which may affect the delivery of services.

The JEG is also a mechanism to ensure that each portfolio holder is satisfied that the EAS are delivering on the services commissioned which enable the LA to fulfil its statutory functions.

- 4.11.3 The continuance of a JEG group, as stated in Para.4.7 of this report will be in 'addition' to the advice set out in the National Model. The JEG will act in an advisory capacity but will not form part of the formal decision making process.
- 4.12 Scrutiny is an important component of any model of governance. With such large financial investment in the Regional Services value for money needs to be evident. The current governance arrangements agreed for the Education Achievement Service include a Joint Scrutiny Committee. However, this arrangement does not form part of the National Model.
- 4.13 Therefore, after careful consideration, Leaders and Chief Executives of the five Councils propose that the establishment of an Audit Committee is required.
 - 4.13.1 The membership would be made up of two nominees from each of the five Councils. These nominees are likely to be (but not required to be) members of the local scrutiny committee. This decision will be taken on an individual local authority basis.
 - 4.13.2 The Audit Committee will scrutinise the financial reporting process, in relation to risk management systems and internal and external audit functions. Its role is to provide advice and recommendations to the EAS Board within the scope of their terms of reference. The Managing Director must bring to the attention of the EAS Board the terms of reference for the Audit Committee and ask that they be approved by the EAS Board.
 - 4.13.3 Draft Terms of Reference for the aforementioned governing groups are outlined in Appendix 1, 2, 3 and 4. Following legal advice the Managing Director will bring the terms of reference to the attention of the EAS Board for their approval.

5. EQUALITIES IMPLICATIONS

- 5.1 There are no equalities implications arising from this report.

6. FINANCIAL IMPLICATIONS

6.1 There are no financial implications arising from this report.

7. PERSONNEL IMPLICATIONS

7.1 There are no personnel implications arising from this report.

8. CONSULTATIONS

8.1 All comments received have been incorporated into the body of the report.

9. RECOMMENDATIONS

9.1 Members approve the new governance arrangements for the Education Achievement Service as outlined in paragraph 4.7.

10. REASONS FOR THE RECOMMENDATIONS

10.1 The governance arrangements for the Regional Service align to the National Model.

11. STATUTORY POWER

11.1 Local Government Act 1972
School Standards & Framework Act 1998

Author: Sandra Aspinall, Acting Deputy Chief Executive
Consultees: Chief Executives of Newport, Torfaen, Caerphilly, Blaenau Gwent and Monmouthshire Local Authorities
Leaders of Newport, Torfaen, Caerphilly, Blaenau Gwent and Monmouthshire Councils
Consortium Directors of Education/Chief Education Officers
South East Wales Education Achievement Service
Cabinet Members for Education across the five local authorities
Corporate Management Team
Senior Management Team of the Directorate for Education & Lifelong Learning
Interim Head of Legal Services & Monitoring Officer

Background Papers:

Welsh Government: A National Model for Regional Working in Wales February 17th 2014

Appendices:

Appendix 1 Draft Terms of Reference of the South East Wales EAS Board
Appendix 2 Draft Terms of Reference for the EAS Executive Board
Appendix 3 Draft Terms of Reference for the Joint Executive Group
Appendix 4 Draft Terms of Reference for the EAS Audit Committee