

REPORT TO: East Lothian Council

MEETING DATE: 17 December 2013

BY: Chief Executive

SUBJECT: Report of the Local Area Network's Focused Scrutiny of the Education Service

1 PURPOSE

- 1.1 To present to Council the report of the Local Area Network's focused scrutiny of the education service to review the implications of the Council's decision to amend the proposal to develop shared service arrangements for strategic management and operational support services for Education services with Midlothian Council.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council notes the report from the Local Area Network and welcomes the opportunity to continue working with the Local Area Network to support self-evaluation and continuous improvement.

3 BACKGROUND

- 3.1 The Local Area Network Assurance and Improvement Plan Update 2013-2016 included a proposal to for scrutiny activity led by Education Scotland with assistance from Audit Scotland and the external auditor on the impact of shared services on Education and Children's Services. The Chief Executive agreed to keep the Council updated on the inspection and focused scrutiny work by the Local Area Network.
- 3.2 This work was undertaken as a focused scrutiny of the education service in November 2013. This scrutiny examined documentary evidence and involved focus groups with members of the Council Management team, senior councillors from the Administration and the Opposition and key staff involved in the education service.
- 3.3 The Council has now received the report from the Local Area Network on this focused scrutiny – see Appendix 1.

- 3.4 Phil Denning, Chair of the Local Area Network will attend the Council meeting to present the report.

4 POLICY IMPLICATIONS

- 4.1 The report of the Local Area Network's focused scrutiny of the Education Service supports the Council's self-evaluation and continuous improvement.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – none.
6.2 Personnel – none.
6.3 Other – none.

7 BACKGROUND PAPERS

- 7.1 Appendix 1: Report of the Local Area Network's Focused Scrutiny of the Education Service

AUTHOR'S NAME	Paolo Vestri
DESIGNATION	Corporate Policy and Improvement Manager
CONTACT INFO	pvestri@eastlothian.gov.uk 01620 827320
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Appendix 1: Report of the Local Area Network's Focused Scrutiny of the Education Service

Background

In 2010, Midlothian Council and East Lothian Council approved a proposal to develop a shared Education and Children's Service. The rationale for the proposal was that this could provide benefits in terms of management capacity, increased educational attainment, further improve the quality of specialist services and deliver financial savings. The councils established a shared services project team that comprised senior officers of each authority's education services. Both councils held a number of joint staff focus groups and events with key stakeholders such as unions, head teachers, parents, carers and young people. In June 2011, the councils agreed to develop shared service arrangements for strategic management and operational support services for Education and Children's Services. They made progress in developing operational workstreams that brought together staff from both councils. In November 2011, elected members from both councils approved the work undertaken up to that date. The councils appointed a new director of Education and Children's Services for the shared service early in 2012. However, following the change in administration in May 2012, the original proposal to share a head of education was rescinded.

In its Assurance and Improvement Plan of 2013, the Local Area Network (LAN) of inspection and scrutiny agencies considered that there was a need for them to review the amendment to this major shared services proposal. The purpose of this review was not to challenge the decision, but to examine and consider the reasons for the proposal's amendment and the implications for the quality of education services, financial planning and future partnership working. Accordingly, the education service was the subject of focused scrutiny activity from LAN members in November 2013. This scrutiny examined documentary evidence and held focus groups with key personnel involved in the shared services process.

The scrutiny team, on behalf of the LAN, wish to publicly thank all those involved for their input, time and co-operation with this process.

The view of the scrutiny team:

Positive benefits and areas for reflection and consideration

The positive benefits

The view of the scrutiny team was that while the aim of developing shared services in education had not met its original aims, there were a number of positive benefits for East Lothian Council. These were:

- Improved innovative capacity
- Staff commitment and sharing practice
- Ongoing impacts

Improved innovative capacity

The Council should be given credit for being ambitious and imaginative. This is particularly the case in attempting shared services in a major service such as education where there is not an established 'road-map' to direct the work. The proposal to share services did generate innovative thinking to meet unexpected issues in relation to governance, staffing and developing educational practice. The distance travelled in developing this proposal was notable. This is particularly important given other councils' experiences in being able to discuss shared service delivery but being unable to provide examples of concrete work to deliver proposals beyond initial planning stages.

Staff commitment and sharing practice

This was an ambitious proposal and there was clear staff commitment to discuss and develop the process and a notable lack of resistance to the initial proposal. This took the form of high levels of attendance at a range of working groups, visioning events, and through sharing practice and partnership work between schools. This latter work has continued.

Ongoing impacts from the proposal in evaluating partnership and sharing practice

Despite the amendments to the original proposal, there is still an appetite for shared services (or, 'partnering') within both Councils. Examples recently put in place include health & safety and trading standards. Other areas such as internal audit are presently being explored. Senior staff who work in schools in both authorities continue to develop and learn from each other's practice. These may be smaller projects compared with the original proposal for sharing services in education but they are valuable. At the same time, there are now also proposals for 'partnering' in other areas. These examples provide clear evidence of both councils learning from their involvement in an ambitious and innovative proposal.

Areas for reflection and consideration

The view of the scrutiny team was that while the aim of developing shared services had not met its original aims, there were a number of areas for reflection and consideration for East Lothian Council. The scrutiny team are of the view that the Council has a valuable opportunity to learn from an experience that few other councils have explored in such depth. These were:

- The need for a clear narrative of improvement
- The importance of achieving and sustaining consensus
- Multiple innovations and cultural complexity
- Potential to learn from other Council services
- Costs

The need for a clear narrative of improvement

The work involved in delivering the proposal made considerable headway, but in the view of the scrutiny team there needed to be more clarity about the service improvements sought and the expected benefits that shared educational services would make to children, young people, families and communities in the two council areas, particularly in the areas of attainment and achievement.

The importance of achieving and sustaining consensus

One of the reasons the proposal was amended was a lack of policy consensus across a range of key stakeholders. Whilst 'shared services' was seen as a good concept in principle, significant questions about particular aspects, particularly with regard to governance arrangements, remained unanswered. Both councils should have been more alert to this gap in consensus.

Multiple innovations and cultural complexity

The ambitious proposal to create a new entity to oversee Education in both councils was unnecessary and was a key factor in the project's amendment. The proposal was essentially about sharing specialist services, management capacity and support services. The proposals to create this new entity gave rise to significant and understandable concerns about governance arrangements and staff terms and conditions. Councillors were not clear how the Council could delegate its statutory responsibilities for education to this new entity. It also became clear that there were significant differences in the operational management and culture of the two education services. While these differences were not insurmountable, they added to the considerable complexity of the process. The view of the scrutiny team is that more consideration should have been given to the attempt to deliver such a major change at a time when there were other significant changes affecting the Education Service such as the implementation of Curriculum for Excellence, and the appointment of several new headteachers.

Potential to learn from other Council services

The scrutiny team's view is that there was a need to learn from other council services which have changed their governance and delivery form. An example would be arms length organisations in sports and leisure services. Many of the challenges faced in sharing services in education have been faced in sports and

leisure trusts (such as governance and accountability) and many of the unanswered questions relating to this proposal continue to present challenges in the leisure trusts which are more mature in terms of development. The view of the scrutiny team is that there were valuable lessons to be learned in other areas of council activity, but these were not sufficiently explored.

Costs

There have been costs to the Council, financial and non-financial, as a result of the attempt to share education services. There was a considerable input in terms of staff time. Key members of staff have left since May 2012. At present the Council has a senior management structure which has clear strengths in finance and human resources but there is a need to consider the staff capacity required to deliver a long term educational strategy in line with the new Single Outcome Agreement.

Looking ahead

Scrutiny and self-evaluation

There are ongoing considerations about the role of the Education Committee in now providing scrutiny. The involvement of headteachers and pupils in Education Committee meetings is admirable, but consideration is presently being given to how the Education Committee operates. Whatever form of scrutiny the Council chooses to develop, the view of the scrutiny team is that this should provide the same degree of public accountability as the Education Committee.

Whilst front line staff, Quality Improvement Officers and specialist support services now regularly and usefully share practice, there may be a case to re-examine some of the elements of the shared services proposal in terms of enhancing and building capacity. As part of its processes to support continuous improvement, the Council should consider evaluating the impacts of this work within schools. The Council may wish to consider how it now takes this agenda forward following the How Good is Our Council self-evaluation in Education undertaken in early 2013. The LAN has worked closely with senior officers and a number of departments to support self-evaluation and the LAN is happy to offer its support with regard to Education.
