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Chair, Children Young People and Education  
Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

14 July 2015

**Auditor General's report: *Achieving improvement in support to schools through regional education consortia – an early view***

Dear Ann,

As you know, the Auditor General for Wales recently published his report *Achieving improvement in support to schools through regional education consortia – an early view*, on which your Committee received a briefing with a view to undertaking an inquiry.

I requested a response from the Welsh Government to the recommendations contained in the Auditor General's Report, which the Public Accounts Committee has now considered. Given you intend to undertake an inquiry on this matter, and we are unable to commit sufficient time for further consideration, it may be helpful for you to take this response into account as part of your work.

I look forward to receiving a copy of your Committee's report in due course.

Yours sincerely,



**Darren Millar AM**  
Chair



Owen Evans  
Dirprwy Ysgrifennydd Parhaol • Deputy Permanent Secretary

Grwp Addysg a Gwasanaethau Cyhoeddus  
Education and Public Services Group



Llywodraeth Cymru  
Welsh Government

Mr Darren Millar AM  
Chair to the Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

7 July, 2015

Dear Darren

**Auditor General's report: "Achieving improvement in support to schools through regional education consortia – an early view"**

In response to your letter of 3 June, please find attached at annex A, a Welsh Government response to the Auditor General's report: "Achieving improvement in support to schools through regional education consortia – an early view."

You will be aware that the Auditor General asked for the study at this early stage in the development of the consortia in order to provide assurance of progress and to identify areas where additional work may be required. The report has been helpful in clarifying our approach to consortia working and our response to the recommendations reflects this.

Yours sincerely

A handwritten signature in black ink, appearing to read 'O. Evans', written in a cursive style.

Owen Evans  
Deputy Permanent Secretary – Education and Public Services

**Auditor General's report: *Achieving improvement in support to schools through regional education consortia – an early view***

**Welsh Government's response to the recommendations**

**Introduction**

The Auditor General for Wales asked the Wales Audit Office (WAO) to carry out a study on the Welsh Government's approach to improving schools through regional consortia.

The WAO and Estyn carried out joint fieldwork visits to each regional consortium and evidence was shared between the two organisations. The WAO and Estyn reports were jointly published on 3 June 2015.

The fieldwork visits took place between November 2014 and January 2015. The review involved the scrutiny of a wide range of evidence from schools, local authorities, diocesan authorities, regional consortia and the Welsh Government. In addition the WAO and Estyn attended, in an observer capacity, the Ministerial review and challenge sessions undertaken in October and November 2014.

The report focuses on progress in the delivery of school improvement through regional consortia. In particular it concentrates on the development of regional consortia governance structures which are carried out by means of either joint committees or, in the case of the South East Wales Consortium, through a company structure. The WAO felt that this approach was new and the effectiveness of governance arrangements would be essential for the achievement of improved outcomes for learners in Wales.

The study was intended to provide assurance on progress and to identify areas where further work may be required to ensure that suitable governance and financial structures for the system are set in place.

With the field work having been completed less than a year in to the implementation of the National Model for Regional Working (1 April 2014), the report provides an early indication of the progress being made by the consortia.

Verbal feedback was provided by the WAO and Estyn to each consortium at the end of the fieldwork exercise; as a result, each consortium is already progressing specific recommendations. A further progress check was undertaken by officials as part of the pre-planned summer review and challenge sessions. These sessions were held across Wales between 25 June and 3 July 2015 and have contributed to the collective all Wales response to the WAO recommendations provided below.

**Recommendation One - To clarify the nature and operation of the consortia.**

WAO found there to be continuing uncertainty about some aspects of the nature of regional consortia and their present and future scope. WAO therefore recommend:

- The Welsh Government should take full account of the statutory responsibilities of local authorities, and take appropriate legal advice, when considering changes to the roles it expects of local authorities and the regional consortia.
- The Welsh Government should update the National Model to be less prescriptive on the structure under joint committees or boards whilst maintaining a focus on outcomes.
- The Welsh Government and local authorities should develop and agree a consistent approach to the role of regional consortia and the Welsh Government in school improvement interventions so that all parties are clear what they should be involved in and responsible for.
- Local authorities should clarify whether consortia services are jointly provided or are commissioned services (services provided under a joint committee arrangements are jointly provided services and are not commissioned services).

### **Accept points one to three**

The National Model for Regional Working was co-constructed with key stakeholders (local authority leaders and chief officers, consortia, Estyn and head teachers) and sets out the parameters for regional consortia operation. It was always the intention to review the model and to refine it as regional consortia developed. The intention was that the National Model for Regional Working would act as a flexible framework within which consortia would operate and not a prescriptive set of instructions. It was signed-off by all 22 council leaders and their respective cabinets.

A review of the model is already underway with key stakeholders. This will provide further clarity on structures, roles and responsibilities. Robert Hill, who led on the development of the National Model for Regional Working, has been commissioned to lead this exercise which will result in some refinements to the model, in order to ensure clarity for all stakeholders. Our intention is that a refreshed model will be published by September 2015. It is also proposed that after the refinements have been agreed, a communications plan will be put in place so that all stakeholders are fully aware of the division of responsibilities.

### **Partly accept point four**

We think that this this needs further exploring with the WAO as there may be misinterpretation of the arrangements that are in place.

Whilst retaining the statutory responsibility for education improvement, local authorities no longer directly provide school improvement services as single authorities. This is in line with the National Model and underpinned by the Department's overarching strategy "Qualified for Life". Three regions have decided to deliver school improvement services jointly through a consortium arrangement and one has decided to commission directly from a company (the Education Achievement Service). We are content with this approach and believe that local authorities are best placed to determine their own delivery arrangements. However we do agree that these arrangements need to be clarified and this will be reflected in the redrafted National Model for Regional Working.

## **Recommendation Two - To focus on outcomes through medium term planning.**

WAO found that the development of effective regional consortia was hindered by a focus on short-term actions and uncertainty about the future of consortia. WAO therefore recommend:

- As any possible local authority re-organisation will not be fully implemented until 2020, the Welsh Government and regional consortia should develop three-year plans for the further development, scope, and funding of regional consortia linked to appropriate strategic objectives

### **Accept**

Working with local authorities, consortia and the Welsh Local Government Association (WLGA) we have this year streamlined consortia business plans into headline business plans which address specified key priorities. These high level plans are underpinned by more detailed plans used by each region to inform performance management and work-streams. This year's headline plans for discussion with Welsh Government officials included 3 year milestones, so that the direction of travel for each work-stream could be shown.

We intend to move to a three year planning cycle and discussions have already taken place with key stakeholders. This approach will support the development of longer term outcome based targets and improved planning. In addition we intend to continue with our programme of rationalising grants so as to ensure that the Education Improvement Grant is firmly focused on strategic outcomes. The intention is to reduce the administrative burden and move to more outcome focussed targets. We will agree the detail by October 2015 and ensure it is fully operational for start of the 2016 financial year. The introduction of a three year planning cycle will follow the same timescale.

## **Recommendation three - To develop more collaborative relationships for the school improvement system.**

The development of the National Model for Regional Working involved many school improvement partners but we found that this had not led to the development of sufficiently collaborative relationships. WAO therefore recommend:

- The Welsh Government should develop the present 'Review and Challenge' approach (where the Welsh Government hold regional consortia to account) to a more collaborative but robust comprehensive 'system review' approach in which all partners in the system share progress, challenges and issues openly.
- Regional consortia should develop improved arrangements for sharing practice and supporting efficiency (for example, one consortium could take the lead on tackling an issue or have functional responsibility for the development of a policy).
- The Welsh Government, local authorities and regional consortia should recognise the interdependency of all partners fulfilling their school improvement roles and agree an approach to:

- information sharing and consultation about developments related to school improvement;
- developing collaborative relationships of shared accountability;
- undertaking system wide reviews, and an alignment of the understanding and position of regional consortia across all Welsh Government relevant strategies

## **Accept**

Since the WAO and Estyn commenced their fieldwork, the termly review and challenge sessions between Welsh Government and consortia have been reformed into an integrated cycle of reviews with clearly set aims and objectives. This has strengthened the focus of each session. We will undertake a fundamental review of the current process following the Autumn Ministerial sessions in October.

A number of joint good practice seminars have been delivered across Wales, the most recent being in North Wales coordinated by GwE but supported by and actively involving representatives from all four consortia.

The four consortia have jointly committed to facilitate a two day sharing good practice workshop to be held in September 2015. Attendance will include the full senior leadership team and second tier leaders from all four consortia. This will generate an opportunity not only to share good practice but to jointly highlight and tackle 'All Wales' issues with each consortium agreeing to lead nationally on named issues and priorities, thus avoiding unnecessary duplication across the other three. Increasingly the strategic leads for different aspects of work in each region are liaising with each other to share plans and ensure greater consistency.

The four consortia successfully submitted a joint bid to Welsh Government to provide the lead on the moderation of Key Stage assessment in Wales. That work is underway and has deepened the level of collaboration across Wales, and will grow over the coming year.

In addition, as part of the New Deal for the Education Workforce, Welsh Government is working in collaboration with the second tier leaders from each region to ensure that there is high quality provision for professional learning across Wales. This will include facilitating partnership working between the regions to share and develop provision; and agreeing the professional learning areas that each region will lead on.

Welsh Government Officials will ensure that policy teams develop their policies in a collaborative manner, engaging with consortia, ADEW and the diocesan authorities, starting in September 2015.

Welsh Government officials will support the regional consortia to develop a peer review system to encourage cross consortia working at all levels and expect this to be in place by April 2016. The teacher assessment moderation programme currently being led by the consortia is providing a firm foundation for this.

We will continue to work with Estyn as they develop their framework for consortia inspection to ensure that there is a clear focus on collaborative working amongst the four consortia

We will continue to develop with consortia school-to-school working and explore ways on how we can accelerate the federation of schools.

#### **Recommendation four - To build effective leadership and attract top talent.**

Regional consortia, local authorities and the Welsh Government have all found difficulties in recruiting to senior leadership for education and we found there had been limited action to address this. WAO therefore recommend:

- The Welsh Government should work with local authority leaders to improve capacity and capability in the system to support strategic development and effective governance.
- The Welsh Government and local authorities should collaborate to improve the attractiveness of education leadership roles to attract the most talented leaders for the school improvement system.
- Local authorities should collaborate to support the professional development of senior leaders and to ensure appropriate performance management arrangements are in place for senior leaders.

#### **Accept**

The WLGA, working with the Virtual Staff College, has developed a leadership programme for education directors in Wales. The programme is aimed initially at current serving directors with a view to further develop this for future and aspiring education directors.

The first programme takes place in Autumn 2015 and will cover theoretical leadership thinking with practical examples from Wales and England. All 22 Directors of Education will be in attendance

Through the New Deal for the Education Workforce, the Welsh Government is developing a new leadership development strategy for Wales. This will include early identification of potential leaders and strategies for development from early career in schools, up to and through headship and into wider system leadership. It will also include strands on attracting, sharing and retaining talented individuals to work in Wales.

Developing leaders for the entire system in Wales is a clear priority. The strategy will be co-designed and implemented in collaboration with leading practitioners, Consortia, local authorities and WLGA to ensure shared ownership and commitment. Additionally, the four regions will explore ways to ensure that the top talent in the school, and local authority workforce, is attracted to the most senior posts in the regions.

#### **Recommendation five - To improve the effectiveness of governance and management of regional consortia.**

Whilst continuing progress is being made, WAO found that regional consortia have not yet developed fully effective governance and financial management arrangements. WAO therefore recommend that local authorities and their regional consortia should:

- improve their use of self-evaluation of their performance and governance arrangements and use this to support business planning and their annual reviews of governance to inform their annual governance statements;
- improve performance management including better business planning, use of clear and measurable performance measures, and the assessment of value for money;
- make strategic risk management an integral part of their management arrangements and report regularly at joint committee or board level;
- develop their financial management arrangements to ensure that budgeting, financial monitoring and reporting cover all relevant income and expenditure, including grants funding spent through local authorities;
- develop joint scrutiny arrangements of the overall consortia as well as scrutiny of performance by individual authorities, which may involve establishment of a joint scrutiny committee or coordinated work by local authority scrutiny committees;
- ensure the openness and transparency of consortia decision making and arrangements;
- recognise and address any potential conflicts of interest; and where staff have more than one employer, regional consortia should ensure lines of accountability are clear and all staff are aware of the roles undertaken; and develop robust communications strategies for engagement with all key stakeholders.

### **Accept**

Whilst refining the National Model for Regional Working, we will work with and support consortia and local authorities to further strengthen their governance arrangements. Welsh Government officials are undertaking some additional scoping work in relation to the scrutiny function. We believe that each local authority is accountable for providing assurance to its elected members and will therefore have its own scrutiny arrangements. We will however work with WLGA to support consortia and local authorities to further strengthen this area and ensure that mechanisms are developed to share innovative and best practice. Regions are already ensuring that each authority's lead members for the scrutiny function are liaising with each other to ensure best practice, and further work is already underway to share scrutiny information. All consortia are in the process of strengthening scrutiny arrangements and we expect this to be embedded by December 2015. This work will also include a consistent approach in relation to value for money for the services being delivered and the outcomes being achieved. This has been a feature of the recently completed challenge and review sessions.

Welsh Government officials are encouraging and supporting consortia and local authorities to share good practice in relation to self-evaluation processes, target setting, performance management and to further develop clear and robust financial management arrangements. An all Wales good practice event and work-shop will be facilitated by Welsh Government with the intention that strengthened arrangements will be adopted by all 22 local authorities and the consortia in preparation for the start of the financial year in 2016.

Increasingly there are specialists working across more than one consortium, and in some cases those individuals also provide support for local authorities. Clear lines of



accountability have been developed, and the strong emphasis on the performance management of Challenge Advisers together with a consistent national approach to the moderation of their work, should ensure that conflicts of interests, such as those identified in the WAO report, are more effectively managed in future.

### **Monitoring Progress and Impact**

Our challenge and review sessions with each consortium will continue to monitor the progress of these recommendations along with the impact on educational outcomes across the system. This will also be embedded within the consortia new three-year business planning cycle