

CENTRAL SOUTH CONSORTIUM

REPORT FOR JOINT COMMITTEE

5TH JUNE 2014

Setting up Governance Model for Consortium

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Following the publication of the Government's national model, Central South Consortium produced a Business Case which set out the vision, priorities and targets for the region. It established the working arrangements of the consortium and also allowed for the agreement of separate annexes with each authority to govern the separate commissioning arrangements in place in each case. The Business Case confirmed the governance model for the consortium which is attached.

In summary the consortium model will be governed by:

- **A Joint Committee** which has a reduced membership of Leaders of each Local Authority or their nominated representative, the lead Chief Executive (which will revolve annually), the Managing Director and the Chair of the Executive Board (see below). Joint Committee members will agree a Chair and Deputy Chair which will revolve annually. It is envisaged that the Joint Committee should meet termly.

The Joint Committee will in turn appoint:

- **An Executive Board** which comprises: the Lead Director of the Consortium, the Managing Director, a nominee of Welsh Government, a representative Leader or Cabinet Member from the Joint committee (not the Chair), and five external experts to be appointed through a national advert and process. The Executive Board will meet every half term.

The Executive Board will be guided by three steering groups:

- Directors steering group - continuing to meet fortnightly, chaired by a Lead Director (which will revolve annually).
- Schools representative steering group – meeting each half term.
- Governors group - also meeting each half term.

This model has been agreed by both the current Joint committee and the Welsh Government.

The LA Annexes are in process of being agreed with the consortium following the agreement to the business case. It is proposed that it is agreed that these are delegated for agreement to each Director of Education.

Legal Agreement

Once the governance model is set up and in place, a submission will be prepared to be taken to all five authorities Cabinet decision making process to allow for the agreement of the new legal agreement. This will be confirmed through the Joint Committee at its meeting in September. At this point the process to transfer staff of the consortium onto common terms and conditions, pension and redundancy policy will proceed.

Actions to implement the governance model:

1. Joint Committee. Each LA in their AGM needs to nominate either the Leader or their representative to attend the Joint Committee and invite nominated representative to sit on the Executive Board from among those chosen. If each LA nominates one Cabinet Member the Committee will remain quorate under the terms of the current legal agreement.
 - a. **Action: RCT Democratic services team to liaise with others, supported by Directors in each LA. All LAs to confirm that this has taken place.**

2. 'Lead' roles. The Consortium governance model is helped by the roles of Lead Cabinet Member who Chairs the Joint Committee, Lead Chief Executive and Lead Director who represent the consortium and enable decision making. These roles are due to revolve once the new governance model is agreed. It is customary for the five authorities to take turns to take these roles ensuring that the division of roles is representative across the five authorities on a revolving basis. Typically this process starts when the Joint Committee elect their Chair who is the 'Lead Cabinet Member' and the Chief Executives then decide which should be the lead for the year and so on to the Directors. It would be helpful if this process could take place as quickly as possible during the summer term.
 - a. **Action: JC to nominate and elect a Chair, Chief Executives to agree their nominated representative and then Directors will do the same.**

3. Legal agreement. RCT legal team will produce a first draft for comment, but it is expected that this will not be radically different to that which established the School Improvement Service (not LINKs) in the original model. A submission will then be taken to all five authorities covering the new legal agreement as soon as possible in June/July to agree the new model and legal agreement by each Cabinet. Following this the final legal agreement will be brought to the September meeting of the Joint Committee for final approval. At this stage the process to transfer staff of the Consortium to the RCT common terms and conditions and pension/redundancy policy will proceed.
 - a. **Action: RCT legal team to prepare the new draft legal agreement which will be taken to all five Cabinets for agreement under a common submission. Following approval at the September Joint Committee staff will transfer to RCT terms and conditions.**

4. Executive Board Members to be agreed by panel of LA Member representatives.
 - a. **Action: HR to set up a panel to interview Executive Board members following sift by Directors. (This has been agreed for the 25th June.)**

- b. Action: CSC to establish Executive Board meeting date, invite members and put together TOR.** This will take place once Members have been confirmed.
5. Headteacher steering group. Directors have agreed that this should be the current representative heads group (made up of nominated and elected chairs of federations in each LA) but advised by the CSW Strategy Group.
 - a. Action: CSC to confirm with both groups in meetings this term their respective roles with regard to governance of the consortium.**
6. Governor steering group. Representatives have been sought from across the five LAs for inaugural meeting and ToR agreement.
 - a. Action: CSC to follow up and set up first meeting.**
7. Annexes. It is proposed that these are delegated to Directors of Education for agreement.
 - a. Action: JC to agree.**

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Annex C: Governance Agreement

Governance has been agreed across the five authorities, is in line with the national model and is set out in this statement.

Principles

- The service works for, and on behalf of, the five authorities and their schools who commission jointly with the aim of developing a strong and leading schooling improvement model which improves standards in schools within the five local authorities.
- The long-term aim of the consortium is to hand over responsibility and leadership for system-wide school improvement to schools in the region to be organised to meet the stipulations of the regulators and inspectorates, with facilitation provided by a smaller consortium workforce.
- The Joint Committee is responsible for agreeing the business plan and for holding the Executive Board and managing director to account.
- The existence of CSC as a service serving five councils does not remove the primary responsibility for providing education for its learners from each individual council.
- The accountability, governance and commissioning arrangements need to ensure that each council has complete confidence that their statutory functions will be met as a result of the activity taking place on their behalf by CSC.
- The service engages with schools on behalf of the authority as defined in the commissioning agreement (reviewed annually), in response to schools and their individual needs and in response to the pre and post- inspection needs of schools.
- Any changes in the strategic direction are taken by the Joint Committee. Change may be proposed by the local authorities or the CSC Joint Education Service. Operational management of the CSC rests with the Managing Director held to account by the Executive Board.
- Both directors of education and practitioners within the CSC will inform each other promptly about any issues or developments relevant to each school.
- The operational practice comprises of core activities which may be varied by local agreement as part of each annual commissioning plan to reflect the local authorities' needs and circumstances, recognising that this may incur additional costs.

Accountability

The Joint Committee

Legal responsibility for the CSC is held by the Joint Committee as delegated through the legal agreement agreed by each local authority's Cabinet.

The Joint Committee is responsible for agreeing the business plan and budget, reviewing the performance of the service on behalf of the five local authorities. The Joint Committee meets every term to review progress.

Representatives on the Joint Committee include:

- The Leader of each constituent local authority, or his/her delegated nominee – normally the Cabinet Member with responsibility for education;
- The lead chief education officer for the region that year;
- The managing director of the Consortium;
- The chair of the Executive Board of the Consortium.

Meetings of the Joint committee will be open to the public. Voting rights will be held only by Elected Members.

The Joint Committee will be chaired by one of the Cabinet Members of the five Councils. The five authorities will appoint one member to the role of chair for a period of 12 months from the date of appointment, rotated in a specific order. The consortium will provide secretariat to the Joint Committee and deliver the services at no additional charge to the local authorities. Agendas are agreed through dialogue between the chair and the managing director of the Consortium.

The Executive Board

The managing director is appointed by, and accountable to, the Executive Board who reports to the Joint committee. The Executive Board is accountable for operational delivery of the organisation. The Executive Board will comprise:

- The Managing Director;
- A nominee of Welsh Government;
- The lead director of the consortium;
- A representative Cabinet Member from the Joint Committee who acts as champion in the region (who is not the chair of the Joint Committee);
- Five external experts nominated from a pool agreed with Welsh Local Government Association and Welsh Government one of whom is a serving headteacher from the region;

One of the external experts chairs the Executive Board. The executive board will have delegated responsibility for the implementation of strategy, business planning, budget, performance, risk and remuneration and appointment of the managing director and senior team.

Steering groups

The senior management team of the consortium will be advised in its development of strategy and operational practice by three groups:

- The directors' group will meet fortnightly as part of their commitment to ensure that agreed operational protocols are in place, with the overall aim of efficient delivery of service across the region. The directors' group will be chaired by a lead director who will set the agenda. This role will rotate on an annual basis.
- The headteachers' group will meet each half term time to consider the work of the Consortium. It will consist of headteachers nominated to represent their own local authority. The headteachers' group will consist of a headteacher per sector for each authority. The group will be chaired by a nominated headteacher which may again revolve as agreed amongst the group.
- A governors' group which also meets each half term to consider the work of the Consortium. It will also operate with a representative per sector and per local authority and will be chaired by a nominated governor.

The managing director will attend and report to each group seeking their views on strategy, operational practice and performance. The outcomes from these groups will be reported to the Executive Board and formally in the business plan.

Business plan and agreement

The strategic direction for the Consortium will be set through the agreement of the business plan by March. This will include:

- thorough contextual analysis of the summer's results, the initial findings of the system leader's/challenge adviser's strategic conversation with each school;
- a thorough review of progress and performance;
- latest policy expectations;
- proposals about deliverables during the year and expected outcomes as a result;
- a submission from each local authority setting out the strategic priorities of the authority, demand and need analysis and performance/quality expectations; and
- affordability from the revenue expectations of local authorities and the Welsh Government for the future financial year.

The business plan will be published by March each year and will set the budget expectations for the following financial year.

Should any functions be significantly changed (i.e. position of the traded services) or new functions be commissioned from local authorities to the CSC within year, clear plans for the delivery of these against budget will be required to come to the Joint Commissioning Group for agreement.

New strategies which are not contained in the commissioning plan, or development of significant detail or changed budget proposals will also require the approval of the Joint Commissioning Group.

Hosted arrangement

The consortium is hosted by one authority – RCT – for the purposes of an employing authority and provision of back office functions (HR, finance, legal and IT). The legal agreement sets out the financial agreements that the host may enter into for the provision of services in the delivery of host functions. All staff will be employed under RCT terms and conditions and the main operating procedures (HR, procurement, contract procedure) belong to that of the host.

In signing the legal agreement, the five local authorities are committed to one authority becoming the formal authority (employer in law) and will work towards ensuring that is achieved. The local authorities must agree that all staff are transferred to the host who at the point of transfer shall become the employer in law.

Scrutiny

The managing director of the Consortium will be expected to provide a report to each Scrutiny committee of each local authority on the performance and budgetary position of the Consortium and the future business plan proposals. This would ideally take place in the autumn term to inform business planning.

Funding arrangements

The CSC is funded by the five member local authorities and the funding model is based on the IBA. The model allows for an element of 'pooling' within the service in order to provide the scale to

deliver a high quality effective service model. All five authorities have made a commitment to work together in this way for the long term. The funding for the model of delivery will be agreed as set out above as part of the overall commissioning plan for the financial year ahead. The operational costs of the service are met from a combination of services commissioned by each local authority, and services commissioned by schools. The financial contribution of each local authority will be set out in separate service level agreement.

The managing director of the Consortium is responsible for the provision of financial reports to the Executive Board and Joint Committee which provide financial information to inform decision making and will be supported to do so by the finance function of the host authority through a service level agreement.

Through the legal agreement the host authority is the banker organisation for the consortium. As such the host authority also carries out Section 151 responsibilities for the consortium and provides financial auditing and assurance.

Legal basis

The accountability framework for the Consortium is underpinned by a legal agreement between the five Cabinets. This legal agreement provides the delegated authority to the joint commissioning group and through them, the managing director, for the operation of the Consortium.

The new governance model will require the current legal agreement to be changed. The changes are not significant but material enough. Principal changes will include:

- Membership and functions of the Joint Committee
- The Executive Board and its responsibilities
- The commissioning framework's proposals enabling local authorities to set out their own commissioning intentions and the development of a single commissioning plan for the Consortium.
- Revenue funding proposals to be (potentially) agreed through an annual service level agreement with each authority and not mandated in the legal agreement.
- Section 151 officer responsibilities
- Any new functions which are not included within the commission plan.