



# **AUDIT COMMITTEE**

## **8 JANUARY 2019**

### **GOVERNOR SERVICES**

Report from: Ian Sutherland, Director of People Children & Adults Services

Author: David Watkins, Head Of Education

#### Summary

The report explains the process which led to the provision of governor services being moved from Medway Commercial Group (MCG) to another provider and the current arrangements in place to ensure the Council meets its statutory duties for maintained schools.

#### **1. Budget and Policy Framework**

- 1.1 In November 2015, Cabinet agreed to commence and establish the Alternative Delivery Model for the Medway Council Control Centre (MCCC), being a Local Authority Trading Company (LATCo), with Medway Council being the Majority Shareholder and to commence trading from 1 April 2016.
- 1.2 The transfer of Governor Services to Medway Commercial Group in June 2017 was a matter for Cabinet.
- 1.3 The Cabinet monitors the performance of MCG through regular monitoring reports.
- 1.4 Responsibility for scrutinising the operation and effectiveness of an alternative model of service delivery such as Medway Commercial Group is a matter for the Overview and Scrutiny Committees.
- 1.5 The Audit Committee has a key role with regard to corporate governance and provides a high-level focus on assurance and the Council's arrangements for governance. The Council has delegated to the Audit Committee responsibility for providing an independent review of the Council's financial and non-financial performance.
- 1.6 The role of the Committee in considering this issue is therefore to focus on whether the Council's governance arrangements that are in place are effective to ensure the delivery of quality services and value for money through Medway Commercial Group.

## **2. Background**

- 2.1 At its last meeting the Committee requested a report on the change in the arrangements for the provision of Governor Services by Medway Commercial Group, in particular Members asked for more information about the MCG decision making process, whether any discussions about this decision had taken place with the Council and whether any detailed discussion were taking place with schools about the change. Members also invited the Council appointed Director on MCG to attend the meeting of the Committee when this item is discussed. This invitation was declined on the grounds that it was more appropriate for the MCG Managing Director to attend a meeting of the Audit Committee to discuss services provided by MCG

## **3. Options**

- 3.1. An options appraisal will be undertaken during the spring term to inform the future direction of travel for this service.

## **4. Advice and analysis**

- 4.1 In June 2017 the Cabinet agreed to transfer a number of services to MCG including Governor Services with effect from 1 August 2017. There were 2 FTE who delivered Governor Services. During July and August of 2018 a number of operational concerns came to light in relation to the conduct of staff who had been TUPED from Medway Council to MCG in order to deliver Governor Services. Staff providing this service both resigned at short notice which created a significant issue in the ability of MCG to provide the service.
- 4.2 Given the impending school holidays and the need to continue the provision of this service to support governing bodies, MCG put in place interim arrangements to ensure the service continued to operate. MCG took the decision to contract with The Education People (a Local Authority Trading Company owned by Kent County Council) an established and experienced provider of these services. MCG contracted for an initial 12 month period to ensure there was no gap in provision and the Council continued to deliver its statutory duty.
- 4.3 As part of the monthly contract monitoring review, the Head of Education was informed of the position and that arrangements had been put in place to continue to support schools.
- 4.4 MCG informed schools and in addition, the Head of Education met with both primary and secondary head teachers at the start of the academic year to update them in relation to the new arrangements. In addition, the service provider has also met with head teachers to explain access and support arrangements.
- 4.5 The actions taken by MCG, in what was unusual circumstances, ensured a Governor Service continued to be available and accessible to all schools but specifically, maintained schools where the local authority has a statutory responsibility.

- 4.6 MCG has incurred an additional cost of £10,990 for the service provided by The Education People and the cost of a licence to access the software for Governor Hub of £9,000. A review of the service will be undertaken in the spring term by the Head of Education to make an informed decision regarding the future provision of governor services moving forward.

## 5. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Cost increase	Increase in the cost of providing this service placing additional pressure on the Education Budget.	Review the options around the provision of this service.	High
Poor service delivery	The service fails to deliver the statutory service to maintained schools	Regular contract review meetings.	Low

## 6. Consultation

- 6.1 Consultation with schools will be undertaken as a key part of the review being undertaken during the spring term.

## 7. Financial implications

- 7.1 The change in provision has incurred additional costs to the Council of £15,410, part year effect for the financial year 2018/19, in order to deliver the statutory elements of the services. This cost had previously been covered by the income generated by the in-house service, prior to the transfer to MCG.

## 8. Legal implications

- 8.1 The respective roles of this Committee, the Council and MCG are set out in the body of the report. There are no other legal implications.

## 9. Recommendation

- 9.1 The Committee is asked to note the update provided.

### Lead officer contact

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## Appendix 1

List of statutory duties for Governor Services.

### Background papers

None



### Governor Statutory duties:

#### General Requirements

Below is a summary of the statutory duties of the LA:

- (a) Carry out statutory duties in accordance with the Education Act 2002 Section 20 and with regard to ensuring Instruments of Government comply with regulations. The LA has to provide copies of all Instruments of Government, free of charge, to all governors, trustees in the case of a foundation, to the diocesan authority or other appropriate religious body (statutory only);
- (b) Carry out statutory duties in accordance with the Education Act 2002 and 2011, The School Governance (Constitution) (England) Regulations 2007 and 2012 coordinating the nomination and appointment of Local Authority governors to each Governing Body (statutory only);
- (c) In accordance with the Education Act 2002 and 2011 and regulations The School Governance (Constitution) (England) Regulations 2012 the Local Authority is responsible for elections in community and voluntary controlled schools. Governor Services provides advice and guidance on these elections and reviews guides in light of amended legislation (statutory only);
- (d) Development and maintenance of governor information on governor database to meet Local Authority statutory duties (statutory only);
- (e) Liaison on behalf of the Local Authority with external organisations on governance issues such as Diocesan authorities, National Governance Association, National and Regional Coordinators of Governor Services, School Governor One Stop Shop and Inspiring Governors (statutory and traded);
- (f) Proactive role for Local Authority administration to keep vacancy levels of Local Authority Governors below national benchmarks liaising with Inspiring Governance (statutory only);
- (g) In accordance with Education and Inspections Act Section 67 et al the Local Authority retains the powers of intervention where schools are causing concern and these powers allow the appointment of additional governors in certain circumstances and unlimited numbers of additional governors (statutory only);
  - When a school requires special measures or significant improvement;
  - If the school has been subject to a formal warning, from the local authority, Governor Services recruits and brokers the placement of additional governors.