

Education Service Review Proposals

School Forum March 28th 2018

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Corporate Capital Board:	
Forward Plan:	-
Cabinet:	
Council:	-

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Paul Atkins
Education Capital Programme Manager
e: paul.atkins@southampton.gov.uk
t: 023 8023 4378
m: (07595) 636744

1. Background and Context

- 1.0 Southampton City Council has committed to undertake a full in-depth review of education services provided to schools. This is in response to feedback from head teachers, school business managers and Schools Forum.
- 1.1 This report details the formal terms of reference, scope, proposed methodologies programme of work and outcomes from the Education Service Review, (ESR).
- 1.2 The Education Service Review will commence in April 2018, subject to approval from Schools Forum and will report its findings, recommendations and outcomes to Schools forum in September 2018

2. Scope and Terms of Reference

2.0 Scope

2.1 Service Delivery Processes.

- 2.1.1 Within the timeframe of this review it is not feasible to transform service delivery across the whole of the Education Service. The review will consider key service delivery processes from each of the service areas within Education; this will include:

- Schools Admissions
- School Effectiveness
- SEN & Disability Service
- Early Years
- Education Welfare Services
- Vulnerable Pupil Service
- Educational Psychology
- School Place Forecasting
- Virtual School
- Music Service
- Children's Information Service
- Language Intervention

- 2.1.2 Successive restructures have focused on the 'form' of the organisation, i.e. who reports to who within the service and corresponding staffing levels. Structural focus carries an emphasis on who and not what, where, how or why?

- 2.1.3 Adopting a structural focus rarely addresses purpose, service delivery mechanisms or opportunities to improve the levels of service offered, examine the need for specific services or indeed create and nurture a service able to respond effectively in a turbulent and rapidly changing environment.

- 2.1.4 Structural reconfigurations may deliver savings however they do not transform the delivery of services. The proposals set out in the review will, if endorsed start and embed a process of change within and throughout the Education Service.
- 2.1.5 It is proposed to use a selection of appropriate Systems Thinking principles, methodologies and tools, (See Section 3.0) to focus on selected processes in order to support, enable, facilitate and embed a culture of continuous improvement within and throughout the education service.
- 2.1.6 This will involve training and supporting key managers within the service throughout the timeframe of the proposed ESR. The intention is for Service Managers to gain the skills, confidence and knowledge to become process leaders equipped with the apposite skills to develop and transform their own services with a focus on the customer and value.
- 2.2 **Back Office Support Services.** Education Services delivered to schools either directly or indirectly involve other service delivery functions within the City Council. The scope of this review will include supporting back office services. The intention is to consider both the direct access to these services by schools, i.e. the Service Level Agreements and services delivered to schools for ICT, Legal Services and HR.

Back Office service functions are also engaged in supporting the delivery of Education Services to schools, for example the Capita ONE system is used in the delivery of the Schools Admissions service. It is recognised within the timeframe of this review, (April to September 2018) it is not feasible to deliver an in depth review of all back office services the intention is to focus on ICT and Finance.

- 2.2.1 Information and Communications Technology, (ICT). The scope of the proposed review will look at the ICT systems and resources used to support and deliver the range of Education Services delivered to schools. Opportunities to improve the value of service and reduce costs can come through:
- Identifying redundant [no longer used] ICT systems
 - Over licensing of systems
 - Reducing levels of ICT support where not required
 - Reviewing how ICT systems are used to support service delivery
- 2.2.2 Financial Support. Schools and the Education Service require significant financial support to deliver effective services. The proposed review will consider the financial support and resources required in order to underpin and deliver an effective service. The review of financial services will include the direct delivery of financial support to schools. The review will include:
- Dedicated Schools Grant, (DSG) allocation
 - Schools Budget Reporting
 - Schools Deficit Recovery Plans

- Early Warning Processes (linking schools performance, improvement and finance) in order to effectively support individual schools
- 2.2.3 Human Resources. HR services are engaged directly by Schools and the Education Service. The proposed service review will identify and catalogue the HR services used and accessed by Schools and the Education Service.
- 2.2.4 Capital Assets. Capital assets deliver a range of services and are engaged directly by Schools and the Education Service. The proposed service review will identify and catalogue the services used and accessed by Schools and the Education Service.
- 2.2.5 Legal Services. Legal Services deliver a range of services and are engaged directly by Schools and the Education Service. The proposed service review will identify and catalogue the services used and accessed by Schools and the Education Service.
- 2.2.6 Service Level Agreements. The existing SLA's will be reviewed in line with the outcomes from (2.2.1 through 2.2.5) and will consider:
 - How services are accessed
 - Levels of service required by Schools
 - How schools are charged for services
- 2.3 **Finance Processes.** Schools Forum have identified a number of key processes that require review. These will be undertaken by a process review team utilising the same approach and methodologies set out in this report.
 - 2.3.1 *Charges for Conversion to Academy.* Southampton City Council have expressed the intention to recover the internal costs incurred in relation to schools converting to academies. The internal costs associated with conversion to an academy include legal, education, finance, capital assets and HR. Previously Southampton City Council have advised Schools Forum there would be a fixed cost of £10,000 for schools converting to an academy.
 - 2.3.2 No Service Level Agreement is currently in place for the academy conversion process and it is recognised SCC need to clarify the conversion process with schools and the basis for any charges. It is recommended the conversion process, service levels and the proposed charges shall form part of the Education Service Review.
 - 2.3.3 *Schools in Difficulty Fund.* The current schools in difficulty fund provides a mechanism for schools with a deficit budget to apply to Southampton City Council for £20,000 support. The fund is currently sourced through a per pupil 'top-slice' charge of around £5 per pupil. The current process was debated at School Forum in January 2018 and forum agreed the process should be reviewed. The provision of a fixed loan to individual schools in deficit does not necessarily provide value for money. Other uses of the fund should be considered, for example providing specific business planning resource to assist schools to develop recovery plans might be considered as offering improved value for money.

- 2.3.4 *School Surplus Budgets.* Southampton Schools are required to comply with a formal process to secure approval for the retention of surplus budgets above 5% for Secondary Schools and 8% for Primary Schools. The current process does not set out consistent criteria for the retention of budgets and the sign-off [approval] stage does not involve Southampton City Council, Education or Finance services. It is recommended a formal review of the process for the retention of surplus budgets is undertaken as part of the Education Services Review.
- 2.3.5 *Dedicated Schools Grant, (DSG).* The Dedicated Schools Grant, (DSG) is the Government allocation made to local authorities for funding schools. The final DSG settlement is announced in December each year. Schools forum has a statutory responsibility to approve the allocation of the DSG each year. This includes decisions on how the Minimum Funding Guarantee, (MFG) formula is applied and any decision on transfer of funding from the Schools Block to the High Needs Block, (HNB).
- 2.3.6 Schools Forum require all options relating to the DSG and their implications set out in detail in advance of the January Schools Forum meeting where statutory decisions are made. Learning lessons from the past and adopting best practice from other local authorities
- 2.3.7 *Special School 'Top-Up' Funding.* A formal review of the categorisation, banding and associated top-up funding levels is currently being undertaken through the Special Schools Heads Conference.

2.4 **Terms of Reference for the Education Service Review**

- 2.4.1 The Education Service Review Board, (ESR Board). Schools Forum should establish a formal Board constituted to oversee the programme of work set out in this report.
- 2.4.2 The ESR Board will be have representatives from each of the Primary, Secondary and Special School sectors. It is recommended there should be two representatives from the Primary sector and one each from the Secondary and Special sectors.
- 2.4.3 Southampton City Council officers from service areas across Education will be represented on the Board.
- 2.4.4 The principal role of the ESR Board will be to identify key service delivery processes from different business areas and commission and oversee the work of process improvement teams within each service area. Process teams will be established with a brief to review and transform the specified business processes.
- 2.4.5 Process improvement teams will work with a structured set of methodologies and tools (as set out in Section 3.0 of this report). Process improvement teams will focus on carefully selected processes, (by way of example the Appeals Process in Schools Admissions).

- 2.4.6 For example targeted process improvement within Schools Admissions around the Appeals process if facilitated and directed effectively will reduce the number of appeals and more importantly reduce the risk of complaints to the LGO.
- 2.4.7 Education staff will be trained and supported throughout the proposed service review.
- 2.4.8 Process improvement teams will be constituted from managers and staff involved in the service delivery along with representation from schools, (voice of the customer)
- 2.4.9 Senior Management in the Education Service will receive structured training and support required to introduce and manage a culture of continuous improvement.

3. Approach and Methodology

3.0 **Systems Approach.** The proposals set out in this report are underpinned by and built upon tried and tested methodologies, approaches and management tools drawn from different Systems Thinking disciplines, (these include but are not necessarily limited to Continuous Improvement, Lean, Six σ , Kaizen...) . Adapted, configured, introduced and adopted correctly the proposals set out in this report will lead to the inception of transformational change.

3.1 Specific Methodologies

3.1.1 Understanding Work as a System. The term System in this context does not refer to the ICT systems used to support the delivery of services. The term System here refers to the **whole system of work** required to deliver services in its entirety.

3.1.2 System in this context is defined as the sum of the components [or parts] required to deliver services or outcomes. The System includes the people, processes, policies, information systems, information flows, decisions, procedures, service level agreements, back office processes, customers, partner organisations, suppliers; in fact everything needed to deliver.

3.1.3 The Education Service can be viewed as a System of work. The System can be seen as a collection of interrelated components or sub-systems these include the Schools, (LA maintained and Academies), The Education Service, Officers, Politicians, The Regional Schools Commissioner, (RSC), Department for Education, (DfE), Education Skills Funding Agency, (ESFA), Governors, Head Teachers, Teachers, the Policies, Procedures, Processes, Information Systems, Back Office Services, Service Level Agreements, Budgets, Financial Resources, Accommodation...

3.1.4 Figure 1.0 illustrates how The Southampton Education System might be represented as a 'whole system' of interlinked components and elements. Boundaries, components of Systems and their interfaces are arbitrary and can be drawn in many different ways.

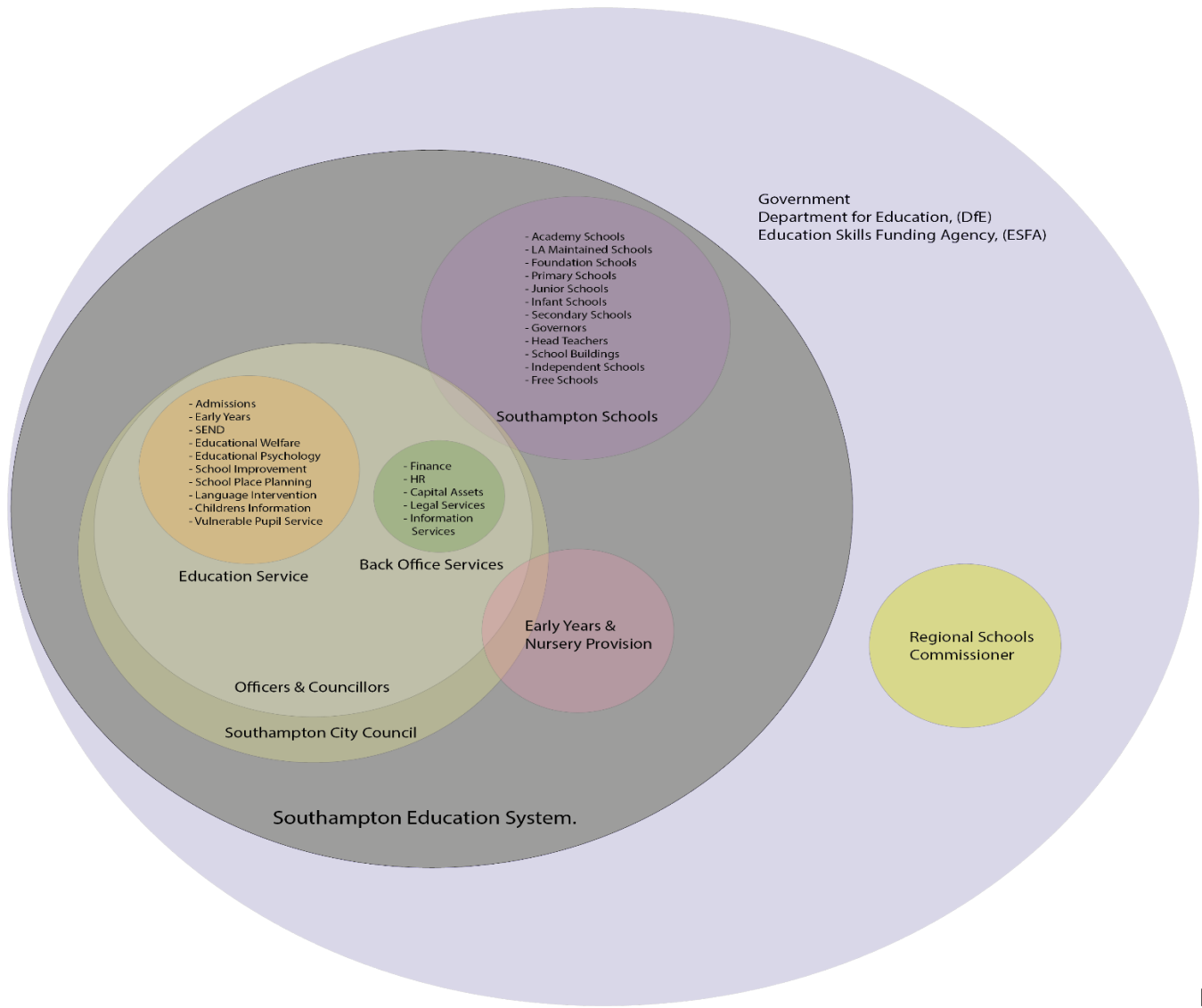


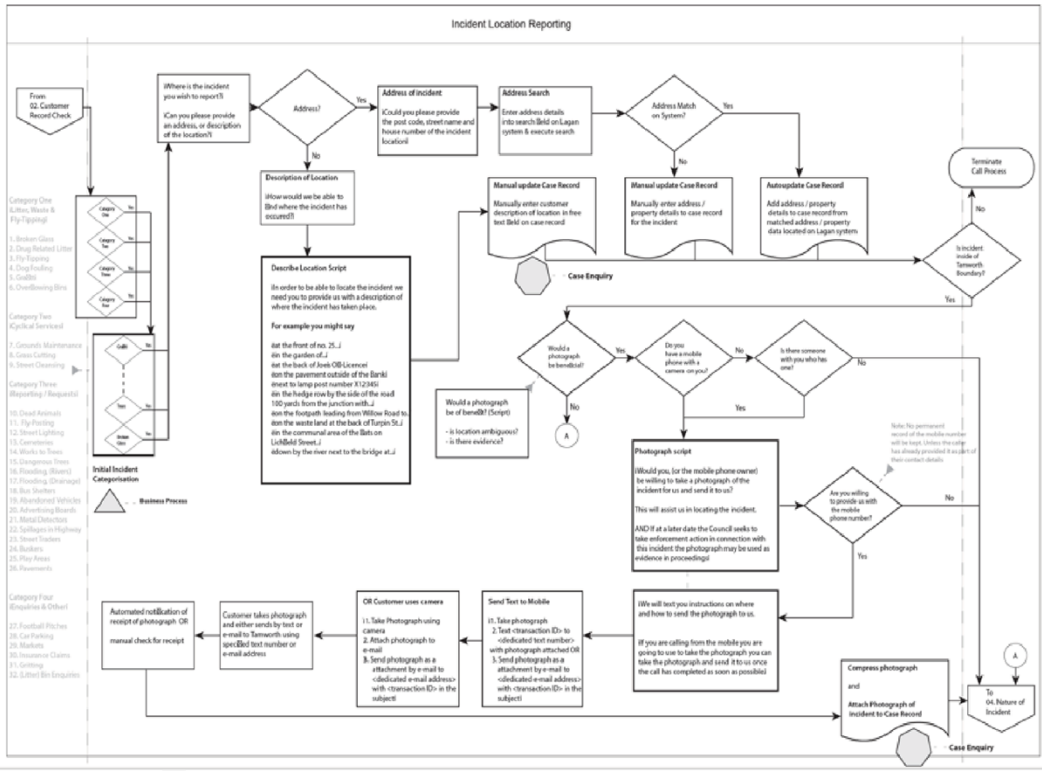
Figure 1.0

- 3.1.5 Systems have purpose.
- 3.1.6 The purpose(s) of the Southampton Education System could be defined in many different ways from differing perspectives.
- 3.1.7 Systems are complex.
- 3.1.8 How the purpose of System is defined, viewed and communicated can have a profound influence on the overall performance of the System.
- 3.1.9 **Management is the consistent, systematic and continuous drive to improve the System by working and aligning resources on the improvement of the System itself by everyone.**
- 3.1.10 Leadership and Culture. The successful implementation of Systems approaches rely wholly on the active engagement and support of senior management and leadership within an organisation.
- 3.1.11 The performance of the System is a function of the System as a whole. The performance is a function of how the individual components, (people, processes, ICT) interact and deliver outcomes, i.e. 'sum of the parts'.

3.2 The Value of Process Mapping.

Process mapping is not simply drawing up flowcharts for processes as illustrated in Figure 2.0. It is the collective contribution of individuals who are actively involved in the process.

- 3.2.1 Using the Appeals process in Schools Admissions by way of example the process improvement team might be constituted from:
- The Service Manager
 - Admissions Staff
 - Representation from Schools, (Customer)
 - Appeal Chair
 - Legal Service
 - Facilitator
- 3.2.2 By working together in a structured environment away from the work itself the process team would collectively develop an understanding of the System of Work involved in the Appeals Process. Its purpose. Who does what, when, how, where and why? This is not drawing a flowchart. It is working on the System, (3.1.9)



Tamworth Borough Council
Street Scene Services
Process Maps v 0.2
Compiled November 27th 2012
Revised December 12th 2012



03. Incident Location Reporting



Figure 2.0 The Right and Wrong Approach to Process Mapping

3.3 The Three Voices, (Customer, Process and People)

3.3.1 Structured process mapping, (or collectively working on the System) leads to an understanding of the process, the needs of the schools, (customer) and an understanding of the process from the perspective of the staff, (people).

3.3.2 If effectively facilitated this leads to what is frequently referred to as Profound Knowledge. A deep insight into the whole System of Work.

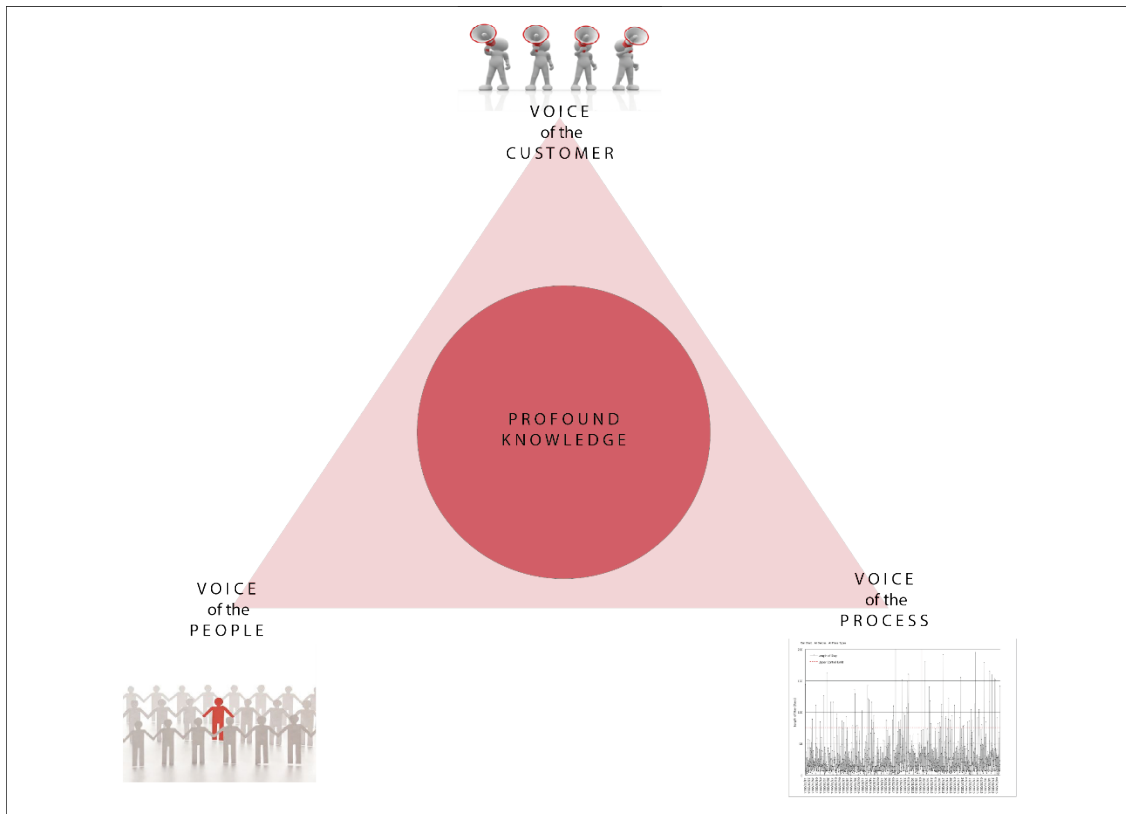


Figure 3.0 The Three Voices

3.3.3 By guiding people through a structured investigation into the System of Work it is possible to re-examine the purpose of the process, (or System). From this insight it is possible to construct performance statements and measures.

3.3.4 In the example of the Schools Admissions (Appeals) process a suitable performance statement and measure might be

Performance Statement *'to reduce the number of complaints to the Local Government Ombudsman resulting from admission appeals..'*

Performance Measures *'the number of LGO complaints'*

3.4 DMAIC (Define, Measure, Analyse, Improve & Control)



3.4.1 Having established a deep understanding of the System of work along with appropriate performance statements and measures the next stage is to work on how the System can be improved.

3.4.2 **The underlying principle here is understand the System before you change it.**

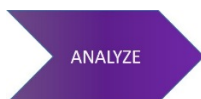
3.4.3 One technique for managing structured improvements is to use the DMAIC model. This involves managing planned improvements through a repeated cycle of stages or steps



- Clear Articulation of the Problem
- Resources Required
- Improvement Scope



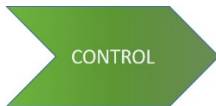
- What should be measured
- How will it be measured
- Data Collection



- Analysis of the resulting data
- Understanding the data
- Identification of the problems
- Identification of root causes
- Revised process maps



- Identification of solutions and improvements
- Implementation plans
- Repeated cycles. Plan → Do → Study → Act



- Embed changes into business

3.4.4 The intention is to guide and facilitate process improvement teams through at least one iteration of the DMAIC cycle for the chosen process.

3.5 Variance in Processes and Statistical Process Control, (Measurement)

3.5.1 All processes are subjected to variance. Consider for example the trivial example of travel time to work. Over several months the individual journey times could be measured and recorded.

3.5.2 Journey times would fall into a normal distribution curve as shown in Figure 4.0. The Standard Deviation, (σ) is a measure of the spread of journey times.

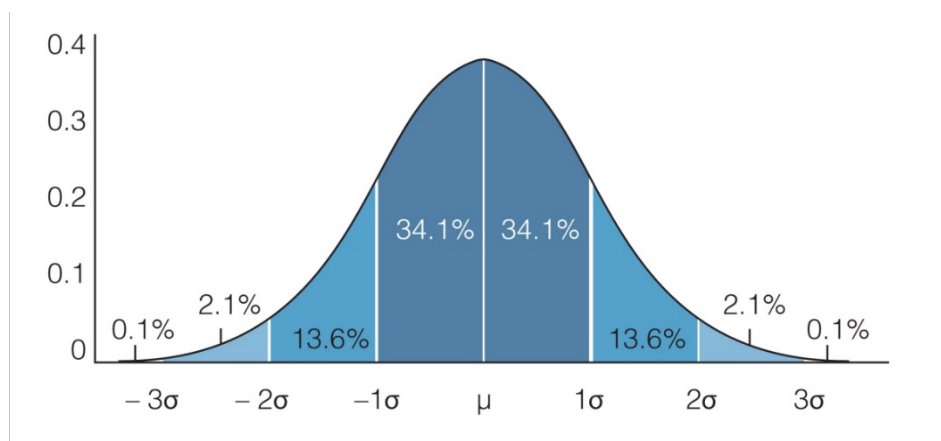


Figure 4.0 Normal Distribution Curve

3.5.3 Common Cause Variation. On one day it might take fifty minutes to get to work. The next day fifty five minutes, then forty-eight minutes. The journey times are varying randomly around a mean value. This variance is referred to as common

cause variation, (process noise). It is perfectly normal and a function of the System of work.

3.5.4 However on some days journeys might be unusually extended for a range of reasons, e.g. traffic, weather, roadworks, break down. In these cases it may take two or three hours to get to work. Instances where journey times extend beyond two standard deviations, (2σ) either side of the mean journey time are called Special Cause Variation.

3.5.5 The chart shown in Figure 5.0 shows the length of stay in a respite care home for elderly people. The red line is the 2σ line or Upper Control Limit.

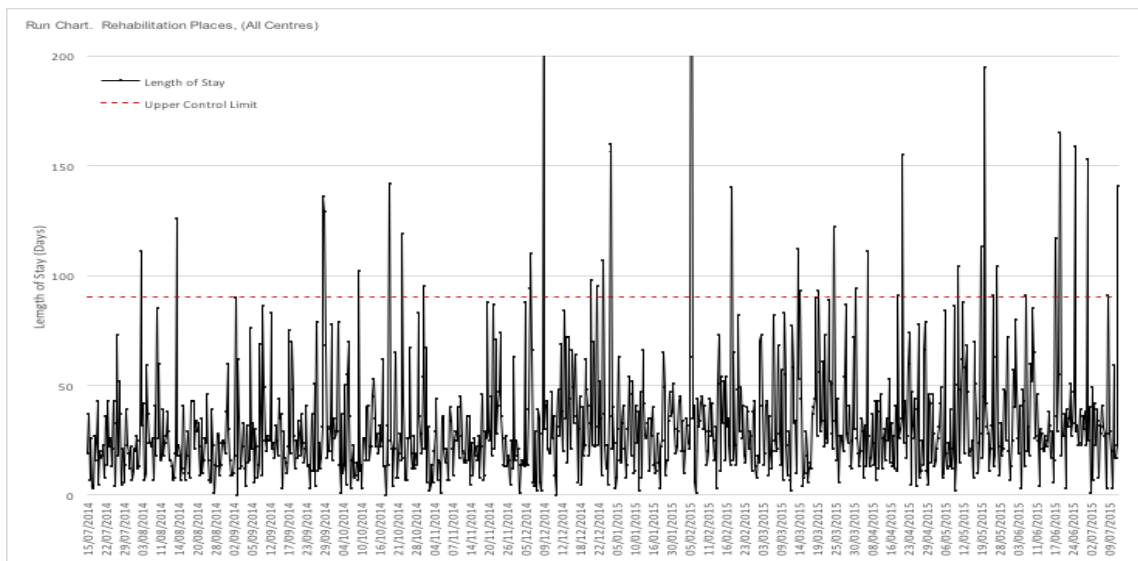


Figure 5.0 Run Chart Length of Stay in Respite Care, (Special Cause Variation)

3.5.6 An understanding of the statistics is unimportant. However by charting the length of stay in time sequence with the Upper Control Limit displayed on the chart it provided Social Care managers, (commissioners) with insight into the underlying causes behind extended stays in respite care.

3.5.7 Each instance where the length of stay exceeded the Upper Control Limit was extensively analysed and the causes understood. In this example many of the extended stays were as a result of NHS Acute facilities discharging patients into respite care facilities. This information allowed the service to manage the pressure from the NHS and better utilise short term care for respite purposes.

3.5.8 The proposed review of Education Services will look to introduce measurement of processes using this technique where appropriate. Individual Process Improvement teams will be supported and provided with the necessary learning to introduce Run Charts as effective management tools in undertaking causal analysis.

3.6 Deming's Seven Dimensions of Waste

- 3.6.1 There are a wealth of process improvement tools and techniques. This report highlights just some and is not prescriptive but indicative. W. Edwards Demming introduced the notion of the Seven Dimensions of Waste. It is a generic model and identifies seven categories or common causes of waste in Systems. Waste is defined as any factor which impedes the flow of value.
- 3.6.2 As part of the process mapping work it is often useful to consider the tasks and actions that make up a delivery process in terms of the factors which impede the flow of value to the customer, (schools) using the 7D model can assist in identifying inefficiencies in the System of Work.

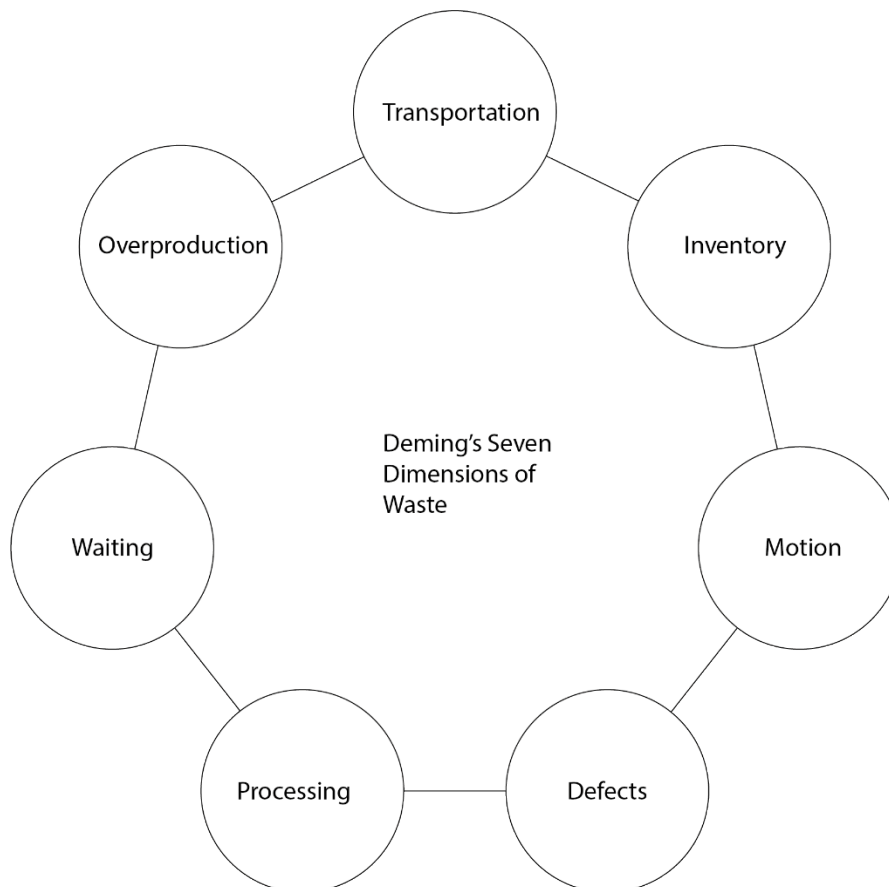


Figure 6.0. W. Edwards Demming Seven Dimensions of Waste

3.7 Causal Analysis

3.7.1 There are a range of tools and techniques used to undertake causal analysis of problems and issues within processes and Systems. One of the more widely used techniques are Ishikawa Diagrams, (or Herringbone Diagrams).

3.7.2 These can be used to systematically ask the question ‘why?’ in a structured way to reveal the underlying causes

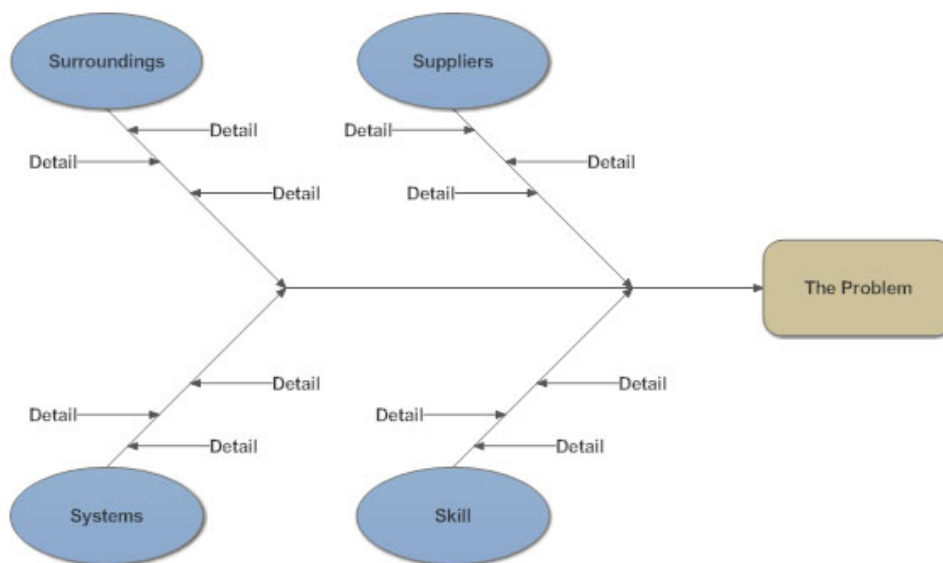


Figure 7.0 Ishikawa Diagram

3.8 Training, Mentoring & Coaching

3.8.1 The correct introduction of Systems methodologies into an organisation leads to challenges and is disruptive.

3.8.2 The proposals set out in this report include the necessary training, mentoring, coaching and facilitation required to assure their effective introduction.

3.8.3 The benefits accrued from the successful introduction of the proposed methodologies and approach include:

- Embedded culture of Continuous Improvement
- Greater ownership
- Improved performance
- Improved job satisfaction
- Service continuity and succession planning

3.8.4 The approach advocated is ‘inch wide, mile deep.’ It does not attempt to resolve all of the service delivery processes in one go. It focuses on key delivery processes usually identified as the most problematic by the organisation.

3.8.5 It embeds the skills required for sustained and irreversible change within the System.

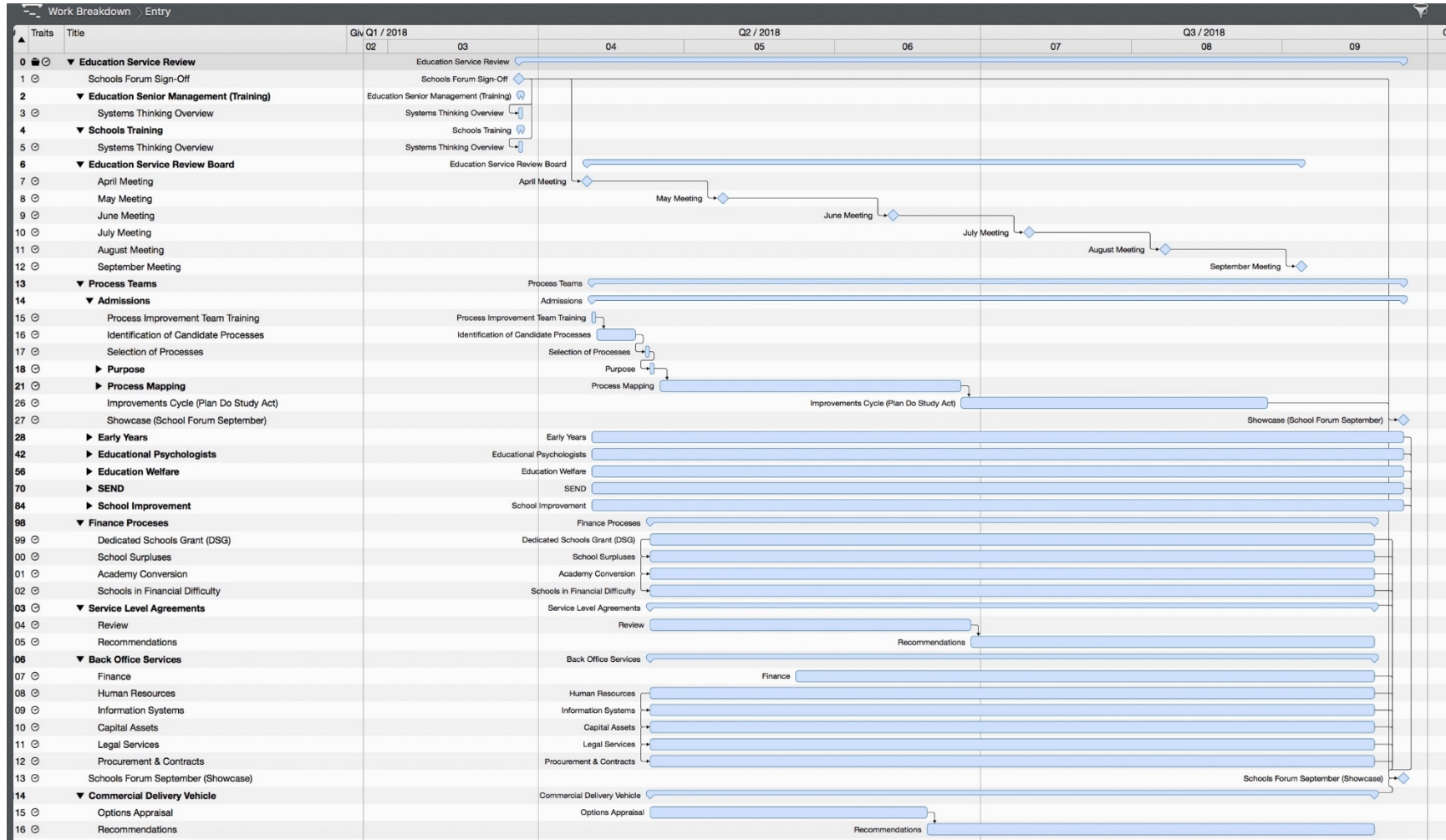
3.9 **Commercial Provision of Services**

3.9.1 The Education Service Review will additionally establish a work stream focused on establishing a long term commercial delivery vehicle and how this interfaces and integrates with the Corporate LATCO, (Local Authority Trading Company)

3.9.2 In particular the issue of capacity will be explored.

- What services should be provided?
- Who should provide these services?
- How should services be provided?
- Provider or Broker?

3.10 Proposed Programme of Work



3.11 Education Service Review Outcomes

- 3.11.1 **Process Showcase (September Schools Forum).** Outcomes from the individual process improvement teams will be presented back to Schools Forum by way of a Showcase of work. Lessons drawn from the work undertaken by individual process improvement teams will be shared between teams and with Forum.
- 3.11.2 **Finance Processes (September Schools Forum).** The revised processes for Surplus Budgets, Academy Conversion, Schools in Difficulty and the Dedicated Schools Grant, (DSG) will be presented as a Showcase of work from the process team established to review the finance processes.
- 3.11.3 **Back Office Processes (September Schools Forum).** The back office processes are not subject to the same methodology and approach as the process improvement teams. This is because time is constrained. The intention is to bring a management report with recommendations detailing how Back Office Processes should be improved into the future.
- 3.11.4 **The outcomes from the Education Service Review should be used as the baseline for the realignment and reorganisation of the Education Service.**

4. Recommendations

- 4.0 **Schools in Difficulty Fund.** Schools Forum approve the inclusion of an in-depth formal review of the Schools in Difficulty Fund and its supporting delivery process within the Education Service Review.
- 4.1 **Charges for Conversion to Academy.** Schools Forum approve the inclusion of an in-depth formal review of the Conversion to Academy process, service levels and charges within the Education Service Review as detailed in this report.
- 4.2 **Budget Surpluses.** Schools Forum approve the inclusion of an in-depth formal review of the management of Budget Surpluses held by schools and its supporting delivery process within the Education Service Review.
- 4.3 **Dedicated Schools Grant, (DSG).** Schools Forum approve the inclusion of an in-depth formal review of the DSG allocation process and budget reporting processes to Schools Forum within the Education Service Review.
- 4.4 **Education Service Review.** Schools Forum endorse the methodologies, approach and programme of work outlined in this report. Nominate representatives from each of the Primary, Secondary and Special Sectors as representatives on the Education Service Review Board with the remit to report progress through to Schools Forum.