

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Educational Services

Council: 26 May 2010

Subject: "Healthcheck" Report by Michael O'Neill on Educational Services

1. Purpose

- 1.1 To inform members of the progress made in implementing the recommendations of the "Healthcheck" report by consultant Michael O'Neill based on his examination of structures within Educational Services carried out between November 2009 and January 2010.

2. Background

- 2.1 Between November 2009 and January 2010, education consultant Michael O'Neill, former Director of Education in North Lanarkshire Council, carried out an investigation into the structures within Educational Services. He was commissioned to examine structures with a view to recommending efficiencies which would allow the Council to make savings over the next 3-5 years. The report produced as a result of his work was made available to elected members in February 2010.
- 2.2 In the budget for 2010/11 approved by Council on 28 January 2010, it was stipulated that Educational Services should realise £500,000 of savings from the recommendations contained in the O'Neill report. No specific savings were identified and it was left to officers to determine how the savings would be achieved.
- 2.3 At its meeting on 28 April 2010, Council approved a motion which, inter alia, contained the following resolution:
"The Chief Executive is instructed to bring this report to the May Council, outlining how other recommendations in the [Michael O'Neill] report are to be implemented, including new structures and timescales plus any other aspect of the report which require Members to take a decision.

Members will also require a financial breakdown showing projected savings that are envisaged from management actions and officer's recommendations to Members arising from the independent consultant's report."

3. Main Issues

- 3.1 Since the consultant's report was published, the Executive Director and other senior officers within Educational Services have been involved in extensive consultation with affected groups of staff. Although the principal purpose in commissioning the report was to position the department favourably for the difficult financial challenges which lie ahead from 2011 onwards, officers have been mindful of the requirement to generate gross savings of £500,000 in the current financial year.

- 3.2 It is important to note that some of the recommendations in the report were implemented as management adjustments in advance of the Council decision of 28 January. Although these represent savings to the Council in general terms, they cannot be seen as part of the £500,000 savings stipulated in the budget. Nevertheless, in order to provide members with as detailed a picture as possible, these management adjustments are identified in the text of this report.
- 3.3 Because of the complexity of some of the recommendations in the report, the requirement to consult staff, the interdependency of some of the services affected, the fact that changes to staffing levels which affect schools generally require to be implemented from the start of the school year in August rather than the start of the financial year and the fact that some staff are still considering the options available to them, it is impossible to provide Council with final savings figures at this time. The figures detailed in this report represent savings which have definitely already been identified. Further savings are likely to be identified over the coming months. All savings figures are gross savings. Costs associated with early retirement and voluntary severance will be funded centrally.
- 3.4 The Schools (Consultation) (Scotland) Act 2010, which became law on 5 April 2010, made it impossible to implement the consultant's recommendations with regard to the management of Early Education and Childcare Centres (EECCs) in the manner originally envisaged. The future management of EECCs is therefore the subject of a separate report to this Council meeting.
- 3.5 Following publication of the consultant's report, new requirements for assessment and moderation for Curriculum for Excellence were published by the Scottish Government. These new requirements will significantly increase the responsibility of each local authority to ensure consistency of standards across all schools. This will have significant workload and other implications for the Quality Improvement Service and has influenced the Executive Director's response to the consultant's recommendations.

Principles

- 3.6 In conducting his review, the consultant used two key underlying principles: the centrality of Devolved School Management within Educational Services and the requirement to de-layer central management to reduce duplication. These principles were applied to the different service areas within Educational Services. What follows here is a summary of the main **recommendations** in each service area, a summary of the **actions** taken in response to those recommendations and details of the **savings** achieved as a result of those actions (all savings identified include on-costs).
- 3.7 Libraries/Culture
- 3.7.1 **Recommendations:** the consultant's report recommended an amalgamation of the Libraries and Culture sections under a single Section Head. He also recommended a de-layering approach to the management of the new service which would result in a reduction of 3.7 FTE posts, although this saving would be partially offset by an enhancement of salary for Senior Library Assistants.

3.7.2 Actions: the recommendation to amalgamate the two sections was accepted and is currently being implemented. The Section Head Libraries will remain in post until September 2010 to assist with the implementation of the restructuring of the combined section. In September she will retire and the Section Head Culture will assume responsibility for the new combined section. There will be a reduction in the workforce profile over time. However, the extent of the staffing restructure which can be achieved will be determined by the outcome of a consultation process on the future shape of the West Dunbartonshire Libraries/Culture Service. A report has been tabled for the meeting of the Education and Lifelong Learning Committee on 12 May 2010 seeking permission to proceed with this consultation.

3.7.3 Savings

Deletion of Section Head post:	full year gross saving	£43,700
	2010/11 gross saving	£24,500

Further savings will be determined by outcome of consultation process.

3.8 Community Learning and Development (CLD)

3.8.1 Recommendations: the consultant's report recommended the deletion of 4 FTE posts in the Adult Literacies Team and 3 FTE posts in the Youth Outreach Team.

3.8.2 Actions: the 4 Adult Literacies posts were taken as management savings before the budget was agreed. So far, one member of the Youth Outreach Team has taken early retirement. Work is ongoing to redeploy a further two members of the Youth Outreach Team.

3.8.3 Savings:

Deletion of 4 Adult Literacies posts: full year saving £141,000
(Note: having been taken as a management adjustment, this sum does not count against the £500,000 target)

Other savings so far:	full year gross saving	£26,400
	2010/11 gross saving	£19,800

3.9 Quality Improvement Service

3.9.1 Recommendations: the consultant's report recommended the deletion of the CPD Manager's post, the deletion of 4 Quality Improvement Officer (QIO) posts (or possibly 3 if the CPD Manager's post is deleted) and the deletion of one Education Support Officer (ESO) post.

3.9.2 Actions: The CPD Manager will retire in August 2010, and his responsibilities will be taken over by the Quality Improvement Team. One QIO has been transferred to a new role which involves the running of the Choices Programme, thereby saving the salary of the Education Manager at Choices. 2 ESO posts have been deleted, rather than the one suggested in the consultant's report. In addition, a further 2 QIO posts are likely to be deleted over the next 2 years as a result of retirements. The precise timing of these retirements is still the subject of discussions with the QIO team. This more gradual process will allow the department to deliver on its responsibilities for assessment and moderation as described in paragraph 3.5 above. Finally,

another ESO has expressed a desire to move from a full time post to a 0.5 FTE post in April 2011.

3.9.3 Savings

Savings to date:	full year gross saving	£254,200
	2010/11 gross saving	£198,400

Further savings will follow as other QIOs retire and if the ESO moves to a 0.5% FTE contract in April 2011.

3.10 Policy Unit

3.10.1 Recommendations: the consultant recommended that the Section Head (Policy) post should be deleted following the promotion of the then post-holder to a corporate post.

3.10.2 Actions: the Section Head (Policy) post was deleted as a management saving before the budget was agreed.

3.10.3 Savings

Deletion of Section Head post:	full year gross saving	£69,600
	2010/11 gross saving	£69,600

(Note: having been taken as a management adjustment, this sum does not count against the £500,000 target)

3.11 Primary Peripatetic Teachers

3.11.1 Recommendations: the consultant recommended that this team be disbanded and the staff involved be offered voluntary severance, early retirement or redeployment to school vacancies. It should be noted that the figures quoted by the consultant contained inaccuracies and his recommendations did not take into account the complexity of redeploying mainly part time specialist staff, some of whom were qualified in secondary education but who had never taught in the secondary sector.

3.11.2 Actions: the service is being disbanded as of August 2010 and work is ongoing to secure redeployment, severance or retirement agreements for the staff involved.

3.11.3 Savings

Savings to date:	full year gross saving	£125,300
	2010/11 gross saving	£73,100

(Note: these figures represent the savings secured so far; further savings will be generated by the ongoing process described in 3.11.2 above.)

3.12 Early Intervention Team (EIT)

3.12.1 Recommendations: the consultant's report recommended the disbanding of this team via retirement, severance and redeployment, having completed successfully the work for which it was established.

3.12.2 Actions: the team is in the process of being disbanded, with the aim of concluding the process by August 2010.

3.12.3 Savings

Savings to date:	full year gross saving	£239,000
	2010/11 gross saving	£146,900

3.13 Network Support Team (NST)

3.13.1 Recommendations: the consultant recommends that the team be redistributed to school clusters, with savings being made in the management of the service but with the creation of a new post of Support for Learning Coordinator.

3.13.2 Actions: the department has conducted a wholesale review of the service and has adopted a slightly different model to that suggested in the report. Nevertheless, significant savings have been generated both at management and at basic grade teacher levels. This work is ongoing; savings identified so far are detailed below, although further savings are likely to follow.

3.13.3 Savings

Savings to date:	full year gross saving	£198,700
	2010/11 gross saving	£157,900

3.14 "Pupil Support Team" (actually known as the Flexible Support Team)

3.14.1 Recommendations: there are no specific savings recommendations in the report, although there are some comments which display an incomplete understanding of the work of this small team, which works with some of our most vulnerable and disengaged young people. The report also does not mention the fact that a significant proportion of the funding of this team comes from external sources.

3.14.2 Actions: Work is ongoing to review the structure of this team, the nature of its work and its links to other services and agencies.

3.14.3 Savings: no specific savings identified (or recommended) although savings may result from the ongoing review of the service.

3.15 Kilpatrick Early Years Service (KEYS) and Early Education and Childcare

3.15.1 As explained in 3.4 above, the enactment of new legislation has made it impossible to take forward the consultant's recommendations in this area. A separate report on this matter has been tabled for this Council meeting.

3.16 Psychological Service

3.16.1 Recommendations: the consultant recommends the deletion of one Senior Educational Psychologist post from this service.

3.16.2 Actions: a decision was taken that a Senior's post be deleted from August 2010 as a management saving before the budget was agreed and that there be a further 0.2 FTE reduction in Senior grade Educational Psychologist provision through the non-filling of a 0.2FTE vacancy.

3.10.3 Savings

Savings to date:	full year gross saving	£71,700
	2010/11 gross saving	£53,000

(Note: having been taken as a management adjustment, this sum does not count against the £500,000 target)

4 People Implications

- 4.1 The people implications are detailed throughout the text of this report. Any major restructuring of this nature inevitably causes stress and uncertainty to staff. Genuine consultation is a key factor in this process as is a need to deal sensitively with staff who are affected by the proposals. All processes have followed the Council's policy on Organisational Change.

5 Financial Implications

- 5.1 The key financial implications are detailed throughout the text of the report. Overall, the savings generated by actions taken in response to Michael O'Neill's report currently amount to the following:

Full year gross savings	£887,300
2010/11 gross savings	£620,600

(Note: this is the figure which counts against the £500,000 savings target)

Full year gross management adjustments:	£282,300
2010/11 gross management adjustments	£263,600

Total full year gross savings	£1,169,600
Total 2010/11 gross savings	£884,200

As noted in the text of the report, further savings are certain to be realised over the coming months as restructuring work continues.

- 5.2 The cost of commissioning the Michael O'Neill report was £12,500 which was paid from the 2009/10 Educational Services Revenue Budget.

6. Risk Analysis

- 6.1 Failure to make strategic plans to make significant savings in the current economic climate could leave Educational Services exposed to serious financial risks. The consultant's report has enabled the department to take actions on a number of fronts to ensure that costs are cut and services are benchmarked against similar services in other Councils.
- 6.2 Throughout the processes of consultation and restructuring, senior managers within Educational Services have been conscious of the risk that services could be cut so severely that the department could fail to fulfil its statutory obligations or that the quality of service delivery could be seriously weakened. Every effort has been made to ensure that this will not happen. However, ongoing management of this risk will be essential as the process of restructuring and cost cutting proceeds.

7. Equalities Impact Assessment

- 7.1** Since most of the services under review relate to school pupils, there is a potential equality impact in relation to young people. An Equalities Impact Assessment was carried out and safeguards have been identified to ensure that all statutory duties are discharged, resources are targeted at the most vulnerable young people, quality assurance measures are rigorously applied to ensure that services remain high in quality and any proposals to make significant changes to service delivery (eg with regard to libraries and early education) will be subject to further approval by elected members.

8 Conclusions and Recommendations

- 8.1** Consultant Michael O'Neill was commissioned to review current structures and staffing within Educational Services.
- 8.2** He identified significant savings which could be realised through restructuring of services.
- 8.3** Consideration by the Executive Director of a number of additional factors including new legislation and new requirements for assessment and moderation of learners' work under Curriculum for Excellence have influenced the Director's response to the consultant's recommendations.
- 8.4** The management decisions taken in response to the consultant's recommendations are detailed in this report, as are the savings generated by these decisions and the aspects of the report which will require further approval by elected members.
- 8.5** Members are asked to:
- a) note the management decisions taken in response to the report and the savings resulting from these decisions; and
 - b) note that members will require to make decisions on recommendations which propose consultation on the future shape of library/culture provision and the management of early education and childcare within West Dunbartonshire Council.

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Appendices: None Page 7

Background Papers: A Healthcheck Review of the Department of Educational Services – Report by Michael O’Neill

Equalities Impact Assessment Pro-forma

Wards affected: All wards