

Regulatory and Audit Committee

Title:	Bucks Learning Trust Improvement Plan
Date:	Wednesday 18 November 2015
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Summary

Following the publication of the BLT Audit Report in September 2015, and subsequent verbal report to the Regulatory and Audit Committee on 23rd September 2015, a BLT Improvement Plan was formulated. Important to note is that as a result of the audit report findings, a significant number of supplementary issues have arisen out of this regarding BCC's contract with the BLT. These issues include those related to governance as well as some operational areas. The improvement plan therefore incorporates both the audit management actions as well as additional actions required in order to secure necessary improvements across the board.

In light of these issues, it was agreed that the Funding Agreement between BCC and the BLT should be reviewed and refreshed in full. This is complex and time consuming work, but is critical in ensuring that expectations of the BLT's work on behalf of BCC and robust governance arrangements are in place going forward. The attached '*BLT Improvement Plan: Management Actions / Project Team*' was presented to One Council Board on 4th November 2015, where it was agreed to move forward with work stream project work and report back to One Council Board again in the New Year; at which point further work will have been carried out towards the drafting of a new Funding Agreement. One Council Board recognised the ambitious time scales involved following publication of the audit report. The anticipated timescales for this work are detailed within the attached plan.

Therefore, due to the need for this additional and substantial work, alongside that identified by the audit, a number of the timescales assigned within the audit management actions for completion have had to be amended (as noted in the Improvement Plan, Part two). This has been unavoidable owing to the significant scale of work required prior to drafting a revised Funding Agreement. There are considerable risks involved with this work that are being

developed through project work, with involvement from Legal, Commercial Services / Procurement, other BCC partners and the BLT. However, this will ensure that future statutory functions and governance are robustly managed by BCC going forward; ensuring that the effective work of the BLT in working with schools continues, whilst securing a more rigid framework of accountability and governance.

The attached Improvement Plan is in two parts. Part one outlines the management / project team work streams in place to address the issues (as at 9th November 2015). Where audit recommendations are referred to within Part one, they appear in *italics*. Actions in RED refer to *Phase (1) Immediate and Critical Actions* that the project team are steering with high priority. Part two is the audit report, RAG rated with additional commentary. Both are working documents and will be updated as project workstreams continue to progress. The project team meets fortnightly to review and drive progress within workstreams.

Status Update

An interim Director of Education CSC&L came into post on 4th September, who took on responsibility for leading on improvements relating to the BCC / BLT relationship; including management actions recommended within the audit report. Since the publication of the audit, work has been ongoing in developing improved relationships between BCC and the BLT, not least so that BCC can be assured that *'the LA knows its schools well'* (*Schools Causing Concern, DFE, January 2015*); which is a statutory requirement.

As such, additional monthly finance meetings between BCC and the BLT are now taking place, as well as additional half termly 'Schools Causing Concern' challenge meetings, chaired by the interim Service Director of Education. These measures were put in place immediately following the publication of the audit report in order to manage some of the identified risks that exist during this interim period whilst we work towards implementation of a new Funding Agreement.

Further, the interim Director of Education has been supporting the Contract Management team in securing outstanding documentation from the BLT as identified within the audit findings (ref completion dates within Improvement Plan). Officers within CSC&L have been developing important draft revisions to the Funding Agreement appendixes 1-5, which involves an extensive review of the LA statutory duties, aligning these with revised Key Performance Indicators (KPIs). In addition, Officers have been supporting the BLT in developing a number of critical documents identified as outstanding within the audit findings. The interim Director of Education has written to the CEO of the BLT with final deadlines for submission of all outstanding documents and assurances have been received (ref completion dates within Improvement Plan). During this interim period of review, any matters requiring escalation from Contract Management, the Director of Finance or Education Champion Officers (BCC officers) will continue to be referred to the interim Director of Education to pursue as an interim risk assurance measure, until the new Funding Agreement and Governance Proposals are in place. Legal advice being sought includes reference to how any issues of non-compliance should be managed through an escalation process. The newly formed Commissioning Group will meet on the 17th November 2015 to consider draft governance proposals, as well as

review BLT performance against current KPIs for the year 2014/15; following the scheduled termly review to be held on 13th November 2015. The Commissioning Group Members include: *MD CSC&L, Lead Member Education & Skills, Director of Assurance, Director of Policy & Strategy, Director of Education*. As an additional interim assurance measure, this group will be advised of any further identified issues requiring escalation, along with a full update on progress with the Improvement Plan workstreams.

In summary, whilst the *Project Team* is in its infancy, significant work has already been developed since the publication of the audit report, which will inform the Project Plan as we continue to move forward. It is critical that this process be robust in order to ensure strong governance and therefore robust assurances going forward for BCC regarding this platinum contract. As such, some timescales will need to have a measure of flexibility so that the Project Team can continue to respond appropriately to developing issues.

The attached Improvement Plan is RAG rated and highlights the current status of workstreams. Please note that a number of the completion dates within this plan, and indeed within the audit management recommendations, will be reached during the period between submitting this report (9th November 2015) and the next Regulatory and Audit Committee meeting on the 18th November 2015; for example the *BCC and BLT Risk Registers, S11 safeguarding tool and Exit & Continuity plans* are due for completion by 13th November 2015. As such, a verbal update can be provided by CSC&L representatives in order for the Committee to be fully briefed regarding status on the 18th November.

Legal implications

Within the Improvement Plan there is a workstream dedicated to the project work requiring Legal involvement. Legal Services have been instructed and form part of the Project Team. A number of legal queries are categorised within the plan in RED (Immediate & Critical).

Background Papers

BLT Improvement Plan: Management Actions / Project Team is detailed below for reference:

Management Actions Relating to: *Reviewing Funding Agreement between BCC and BLT*

In light of BLT Audit findings, it was agreed to review the Funding Agreement in order to ensure contractual arrangements and governance of BLT activities are more robust. This is a significant piece of work in addition to addressing the management actions identified from the audit in September 2015. During this interim period whilst we continue to work within the current Funding Agreement framework, a project team is in place to manage both the current risks associated with the BLT and to drive this action plan towards establishing a revised Funding Agreement that is fit for purpose going forward. This was presented as draft to OCB on 4.11.15. They agreed the way forward and requested this come back to OCB in the New Year once it has progressed further.

Project Team Members

David Johnston, MD CSC&L

Simon Rose, Interim Director of Education

Project Officer Lead – Ed Mallam

Paul Shanley, Contract Manager

Brian Dean, Estates Officer

Legal

Patricia Hook, Commercial Services: Procurement

Atifa Sayani, Education Champion

Ben Thomas, Head of Commissioning CSC&L

John Huskinson, Director of Finance CSC&L

Rona Hopwood, CYP Commissioner

Gill Shurrock, Head of SEN

BLT Improvement Plan: Management Actions / Project Team

Where included, the audit management actions are in italics

Phase One: Immediate & Critical actions (IN RED)

Phase Two: Management Actions to secure progress towards revised Funding Agreement

Project Team meet fortnightly.

Workstream	Management Actions	Lead Officer	Completion	Progress RAG
1. Statutory & critical duties relating to school improvement.	Review what is statutory and what is deemed critical for BLT to carry out on behalf of BCC. Ref appendix 1-5 of Funding Agreement. Ref Standards Report, local and national priorities.	AS / SR / GS	Nov 15	
	Review current and longer term arrangements for supporting non-selective maintained secondary schools.		Nov 15	
	Review arrangements for supporting academies / Free Schools.		Dec 15	
	Review arrangements for supporting pupils with SEND post 16.		Dec 15	
	Draft new KPIs that match statutory and critical functions.		Dec 15	
	<i>KPIs to be reviewed and on the agendas for termly and annual review meetings – ref audit action 15.</i>		<i>13.11.15</i>	
2. Financial Arrangements.	<i>All BLT financial transactions to be approved by MD CSC&L – with immediate effect – ref audit action 17.</i>	JH / BT	<i>1.10.15</i>	
	<i>Risk Register to include all financial risks (ref audit action 18).</i>		<i>13.11.15</i>	
	<i>Annual financial spot check: draft new terms for the revised FA ref audit action 13.</i>		Dec 15	
	<i>Draft variation to contract so that the BLT funding is paid monthly – ref audit action 16.</i>		<i>17.11.15</i>	
	<i>BLT debts that are more than 90 days overdue will be investigated</i>		<i>30.11.15</i>	

	<i>by the Finance Director CSC&L and recovered. This needs to be built into the new FA – ref audit action 18.</i>			
	<i>BLT financial reporting for termly review meetings to include forecasting and narrative – ref audit action 19.</i>		13.11.15	
	Review BLT annual funding forecasts up until end of contract.		Dec 15	
	Meeting with MD TEE to explore Platinum contract experiences in another Business Unit (SR, 12.11.15).			
3. Contract Management Arrangements.	<i>Risk Register for BCC and BLT up to date (BLT operational risks & BCC risks) – ref audit action 9a, 9b – recorded on County Risk Management System.</i>	PS / BT / JH / RH	13.11.15	
	Establish a single cycle of BCC / BLT key activity with timelines.		Dec 15	
	<i>BLT annual report to include frequency and attendance by trustees at the BLT board meetings – ref audit action 3</i>		13.11.15	
	<i>Escalation processes to Senior Managers at BCC where there is non-compliance, to be drafted and included within the Funding Agreement (ref legal advice on limitations of enforcement) – ref audit action 5a, 5b.</i>		Dec 15	
	<i>BLT board of trustees details to be accurately published on their website, as well as with Companies House and Charities Commission website – ref audit action 4.</i>		13.11.15	
	<i>The BLT has a Contract Manager in place, suitably qualified and empowered to act on behalf of the Trust – ref audit action 6.</i>		2.11.15	
	<i>BLT 'Exit Plan' to be drawn up and provided for BCC – ref audit action 7.</i>		2.11.15	
		13.11.15		

	<i>BLT 'Continuity Plan' as above – ref audit action 8.</i>		13.11.15	
	<i>Complaints Procedure approved – ref audit action 10a, 10b (awaiting final review by Complaints Team re whether final complaint stage moves to BCC or Ombudsman).</i>		13.11.15	
	<i>BLT complaints register to be presented to BCC Complaints Team annually – ref audit action 11b.</i>		31.8.15	
	<i>BLT to complete and forward to BCC the annual S11 Safeguarding Self-Assessment Tool – ref audit action 12.</i>		13.11.15	
	<i>Platinum contract review on CMA to be completed by BLT – ref audit action 14.</i>		30.9.15	
	“Plan B” / contingency needs to be documented and agreed with all key stakeholders, and any risks identified need to be recorded and managed on the Risk Management System (SR / DJ).	PS / BT / JH / RH	Jan 16	
	<i>Commercial Services/Procurement advice sought to provide overview and guidance as to procurement issues.</i>		Nov 15	
4. Legal Implications.	<i>Advice sought on how to proceed with reviewing and amending the funding agreement.</i>	Legal / SR / DJ	Dec 15	
5. Commercial Leases.	Review lease arrangements and draft new arrangements to be included in the FA.	SR / BD	Jan 16	
6. Governance.	<i>Governance proposal drafted and to be approved by Commissioning Group.</i>	SR / DJ / SA	17.11.15	
	<i>The above will address audit actions 1a, 1b, 2</i>		17.11.15	
7. Revised Funding Agreement to go 'live'.	The project group to have finalised a draft Funding Agreement with support from Legal & Commercial Services: Procurement at each	Project group, legal,	Jan / Feb 16	

	stage of the process.	procurement team, BLT.		
	Draft approved by OCB and Lead Member for Learning & Skills.			
	Negotiations with BLT re draft Funding Agreement.			
	Final legal ratification of FA.			
	Final approval by OCB and Lead Member for Learning & Skills.			

During this interim period, how are risks being managed?

- Monthly finance meetings have been set up between BCC and BLT.
- Director of Education has introduced additional half termly meetings with the BLT CEO and intervention Director to challenge support for 'schools causing concern'.
- First termly review set for 13th November to be attended by Director of Education to strengthen levels of challenge and accountability against KPIs in advance of new Commissioning Group meeting.
- All financial transactions for the BLT are being authorised by the MD CSC&L.
- *Regulatory and Audit Committee to receive updated management actions, progress with audit findings and current status update (18.11.15).*
- Legal have been instructed to advise throughout this process and included within workstreams.
- Commercial Services / Procurement will advise on procurement issues throughout this process.

PART.2. BLT Audit Management Actions Identified
Progress RAG rating with management actions

Management Actions

a) BLT Trustees – Governance Proposal Document

The new Commissioning Group has been established and the terms of reference have been agreed. The first formal meeting of the Group takes place on 17 April.

Officer responsible:

Director of Strategy and Policy (Monitoring Officer)

Date to be implemented by:

30 September 2015 - Implemented

b) BLT Trustees - additional LA representatives

The Council & the BLT are currently advertising externally for new Trustees with suitable skills and experiences.

Officer responsible:

Director of Strategy and Policy (Monitoring Officer)

Date to be implemented by:

Management Actions

31 December 2015 - On track

Elected Members on Outside Bodies

A description of the role of Trustees and a person specification has been established and agreed with the Bucks Learning Trust. Arrangements are also in place for the approval of new appointments by the County Council.

Officer responsible:

Director of Strategy and Policy (Monitoring Officer)

Date to be implemented by:

31 December 2015 – Implemented

Trustee Board Meetings Frequency and Attendance

The BLT will be reminded that the Annual Report should include the frequency and attendance by Trustees at the Buckinghamshire Learning Trust Board Meetings. If this is not actioned this will be escalated to BCC senior managers to determine the next steps.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

13 November 2015 (Next termly review meeting) Amended from 12 October to reflect date change of Review meeting

Management Actions

BLT Board of Trustees – Details on website

It has been discussed with the BLT about ensuring trustee details are correct and consistent on the BLT website, Charities Commission website and Companies House listing.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

30 September 2015

a) Escalation Process for Areas of Non-Compliance – Development

To support contract management a formal escalation process will be developed to ensure that areas of concern with the BLT contract are brought to the attention of relevant senior managers at BCC. This will define the tolerance levels and key officers to be notified. This process has been discussed at 1:1 and is to be presented at the BLT Governance workshop on 21 September 2015.

Officer responsible:

Head of Commissioning and CYP Commissioning Officer (BLT Contract Manager).

Management Actions

Date to be implemented by:

December

15

Date amended from 12 October to reflect revised date of review meeting. Paper being prepared for sign off at Commissioning Group meeting on 17th November

b) Escalation Process for Areas of Non-Compliance - Approval

The escalation process to bring areas of concern with the BLT contract to relevant senior managers at BCC will be approved by the Managing Director CSC&L.

Officer responsible:

Head of Commissioning and CYP Commissioning Officer (BLT Contract Manager), then formally approved by Managing Director, CSC&L

Date to be implemented by:

December 15 amended from 31 October to reflect date of Commissioning Group meeting when contract management paper including escalation should be approved

Management Actions

Contract Manager at BLT

BLT Contract Manager appointed – forms part of the Finance Director role.

Officer responsible:

Director of Education

Date to be implemented by:

31 October 2015

Exit Plan

The Exit Plan was discussed at a meeting with BLT on 12 August and they have been given a deadline of 30 September to complete, however BLT indicated that they may not be able to meet this deadline. If the Exit Plan is not provided this will be escalated to BCC senior managers to determine the next steps.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

30 September 2015

This will be received by 13.11.15

Management Actions

Business Continuity Plan

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

30 September 2015

CH has provided a BCP outline and support for BLT to draft.

Revised date to be implemented by:

13.11.15

a) Risk Register – BLT Operational Risks

The Risk Register was discussed with BLT on 12 August when they agreed to put in place an overall Risk Register for the organisation with an operational risk register in relation to the work that BCC funds.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

13 November 2015 Amended from 31 October 2015 – revised date is when next review meeting is due when Risk Register will be covered

Management Actions

This will be received by 13.11.15

b) Risk Register – BCC Risks

The current Risk Register will be reviewed and amended to include only BCC contract risks. The risk owners will be BCC officers. This will then be added to the corporate Risk Management System.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

30 November 2015 Revised from 30 September as require BLT Risk Register first, to extract BCC contract risks from this

This will be received by 13.11.15

a) Complaints Procedure Approval

The Feedback and Complaints Procedure has been received from the BLT and this is being reviewed by the contract manager and the BCC Complaints Team Manager.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

Management Actions

30 September 2015 *The BCC Corporate Complaints Manager has requested an amendment to the Policy prior to approval, this amendment has not been done by BLT and it is likely that they will continue to dispute the amendment so this may need to be escalated to the Commissioning Group*

This will be resolved by 13.11.15

b) Complaints Procedure Available to Customers

The Contract Manager will notify BLT when the Feedback and Complaints Procedure has been approved and inform them that this should be made available to their customers.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

30 September 2015 *Outstanding in view of 10A*

a) Complaints - on Contract Management Application

A project looking at recording data for all contracted out services complaints within the CMA is due to start soon. This will enable contracted services to automatically upload their complaints direct to the CMA system.

Officer responsible:

Management Actions

Customer Complaints Team Manager

Date to be implemented by:

31 December 2015

b) Complaints – forwarded to BCC Customer Complaints Team

The BLT Complaints Register that was presented at the Spring Term 2015 Monitoring meeting 19/05/15 will be forwarded to BCC Complaints Team

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

31 August 2015

Annual Spot Check – Section 11 Audit

A new S11 Audit for 2015 was discussed at the meeting with the BLT on 12 August. BLT has been given a deadline of 30 September, but this has already been challenged. It has been stressed that this is a priority. If this is not provided or if there are any concerns raised by the responses this will be escalated to BCC senior managers and Buckinghamshire Safeguarding Children Board.

Officer responsible:

Management Actions

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

30 September 2015 Whilst the BLT have informally advised that this has been done, it has not been submitted

This will be received by 13.11.15

Annual Spot Check – Financial Check

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

Dec 15

New terms to be drafted as part of revised Funding Agreement.

Platinum Contract Review - on CMA

The BLT Best Practice Platinum self-assessment questionnaire will be completed.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

Management Actions

30 September 2015

KPIs Monitoring and Review

Officer responsible:

TBC after approval of BLT Governance Proposal

Date to be implemented by:

TBC after approval of BLT Governance Proposal

Early Payment of April 2015 Grant

There are now monthly meetings between the Finance Director, CSC&L and the BLT Finance Director. Another cash advance was provided to the BLT in July. A variation to contract is being drafted that will change the grant payment to a monthly basis. This will remove the need for an advance.

Officer responsible:

Finance Director, CSC&L

Date to be implemented by:

17.11.15

Approval of Early Payment of April 2015 Grant

Management Actions

Now that it is agreed this is a contract for VAT purposes, a limit order will be raised for the amount expected and BLT will submit invoices for payment. The scheme of delegation is limited to £5m for the Education Director role so the limit order will be approved by David Johnston via workflow. The BCC contract manager will arrange this.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

30 September 2015

This has been superseded as MD CSC&L now authorises all BLT transactions.

BLT Debts Due

The BLT debts that are more than 90 days old will be investigated with the relevant budget holders to ensure that these are recovered as soon as possible. Many of these older debts are ICT invoices. The delay is mainly due to a misunderstanding of the support services that BLT expected to be provided under the Agreement.

Officer responsible:

Finance Director, CSC&L

Date to be implemented by:

30 November 2015

Management Actions

Termly Monitoring Finance Reports

The financial reporting requirements for Termly Monitoring meetings were discussed at a meeting with the BLT on 12 August. If the financial report does not include forecast and narrative this issue will be escalated to BCC senior managers to determine the next steps.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

13 November 2015 Date amended from 30 September 2015 to reflect revised date of Termly Review meeting

Annual Review Standard Agenda Items and Report

The BLT will be reminded that for the next Annual Review they should ensure that the agenda items and report items are applied in line with the Funding Agreement.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

13 November 2015 Date amended from 12 October to reflect revised date of Termly

Management Actions

Review meeting

Termly Monitoring Meetings – Trustee Attendance

Trustee attendance at Termly Monitoring meetings will be considered alongside the BLT Governance Proposal. The BLT will be encouraged to invite the Board Director or another Trustee to attend the Termly Monitoring meetings.

Officer responsible:

CYP Commissioning Officer (BLT Contract Manager)

Date to be implemented by:

31 December 2015 This needs amending to a Trustee attending the Commissioning Group meetings rather than the Contract Review meetings and this action is given to MD CSC&L/Director of Strategy & Policy