

Opposition policy costing – Regional Improvement Teams – Labour party

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| Description of policy |
| Labour will ‘establish a new set of regional improvement teams’ to improve schools’ Ofsted ratings. ‘Labour will therefore establish a new set of regional improvement teams, to work as partners with schools in responding to areas of weakness identified in new Ofsted school report cards’ (The Labour Party, <i>Mission breaking down barriers</i> , 6 July 2023, link). |
| Additional policy assumptions |
| <u>Assumptions from Special Advisors</u> <ul style="list-style-type: none">• The pledge can be broadly met using the current Trust and School Improvement Offer model.• Assume:<ul style="list-style-type: none">a) all schools in receipt of a below ‘outstanding’ Ofsted judgement are eligible (approximately 18,350 schools).b) all eligible schools would accept the offer.• 2-days support should be available to each school, with delivery spread out across a 4-year period aligning with the current inspection cycle and to accommodate capacity constraints*.• Offer should commence for the 24-25 academic year.• Incorporate the cost of introducing 9 Trust Development Networks, one per government region, to hold trust leader events and conferences, set up formal peer networks and learning sets which help facilitate peer reviews and the sharing of knowledge and experience to drive improvement and offer a mentoring scheme to allow schools and trusts to benefit from experience of system leaders**. <p><i>* For context, the current Trust and School Improvement offer will see up to 6,620 days being delivered to eligible schools annually. Eligible schools under the current offer have 10-days support available. Under this costing, this figure would rise to approximately 9,200 days a year (140% of current capacity usage). We expect to need to use the same personnel to deliver support.</i></p> <p><i>** This is not currently part of the Trust and School Improvement offer but it is an area of School Improvement DfE has already been exploring and would offer universal support to all below Outstanding schools, in line with Labour’s proposal, so has been included in the costing.</i></p> |
| Additional technical modelling assumptions or judgements required |

Trust and School Improvement Offer 23/24

As per special advisors' assumptions that this pledge can be broadly met using the current Trust and School Improvement offer, the following outlines the costs associated with the current model:

The current Trust and School Improvement offer costs up to **£4,572,000** and is available for up to 595 schools and trusts. These schools can be categorised into two groups both of which would receive at least 10 days of support @£600 per day (daily rate currently allocated to system leaders):

- Group 1 - schools who receive 2 or more consecutive Requires Improvement judgements, with the latest one in 23/24 AY or schools who receive a single Inadequate judgement in the 23/24 AY. We assume that 75% of these schools will accept the offer, based on previous Trust and School Improvement offer take-up figures.
- Group 2 – schools or trusts assessed by DfE's Regions Group, using existing risk indicators and regional intelligence, that are in need of immediate support.

Some eligible schools would also have access to either of the below **enhanced strands** of support targeted at schools with greater need:

- 5 additional support days (5 days @ £600 per day)
- 60 trust partnerships (£10,000 per partnership)

The allocation of the enhanced strands of support to schools is contingent upon a needs assessment conducted by the system leader providing support, and this assessment is subsequently verified by the corresponding DfE Trust and School Improvement offer delivery lead in the respective region.

The determination of the proportion of schools granted access to enhanced support hinges on the budget balance after accounting for automatically eligible schools. Owing to the unpredictable nature of flow schools, we routinely adjust the calculation.

Calculation and methodology for determining yearly cost of operating Regional Improvement Teams, based on current Trust and School Improvement offer costs

The calculated yearly cost of operating the Regional Improvement Teams program represents the estimated cost required to sustain the Regional Improvement Teams program over the specified 4-year period, offering 2 days of support to each school with below 'outstanding' Ofsted judgments (approx. 18,350 schools).

Given Parameters (taken from Special Advisor assumptions):

1. Total number of schools: 18,350
2. Duration of support per school: 2 days
3. Program duration: 4 years

4. Take up rate: 100%
5. Daily rate for system leader support: £600 (As per the current rate and have applied HMT GDP deflators for future years. No further assumptions made on uprating in future years).

Step 1: Calculate Total Days of Support over 4 years:

Total days of support = Number of schools × Days of support per school
18,350 schools × 2 days = 36,700 days

Step 2: Calculate Total Days of Support over 1 year:

Total days of support each year = Total days of support / 4 years
36,700 days / 4 = 9175 days

Step 3: Calculate Yearly cost of operating the programme

Yearly cost of operating the programme = Days of support per year x Daily rate for system leader support
9,175 days x £600 = £5,505,000

Regional Delivery Partners 23/24

We currently have 9 contracted Regional Delivery Partners (1 per government region) who cost **£749,685** and are responsible for the provision of services relating to the identification, matching, brokering, and monitoring of system leader support for schools eligible for Trust and School Improvement 23/24.

Regional Delivery Partners payments vary and consist of:

- a) fixed monthly costs relating to communication requirements with DfE Regions Group monitoring of system leader support. Regional Delivery Partners' fixed costs for Trust and School Improvement offer 23/24 are £446,558. These costs accounts for a Trust and School Improvement offer that reaches c.630 schools.
- b) variable costs dependent on the number of:
 - schools contacted to seek confirmation of acceptance of support
 - variable costs dependent on the number of system leaders matched in the month
 - The current average variable cost per contact is £164 and per match £272.94.

Transitioning from the Trust and School Improvement offer to the Regional Improvement Teams offer comes with an increase in Regional Delivery Partner costs. Currently, we have accounted for Regional Delivery Partners handling around 630 schools annually, slightly surpassing the 595 schools expected to be covered by Trust and School Improvement Offer 23/24*. With the proposed scheme, this figure would surge to approx. 4,600 schools per year, significantly inflating Regional Delivery Partner costs.

Calculation and methodology for determining yearly cost of operating Regional Delivery Partners for Regional Improvement Teams based on current Trust and School Improvement offer – Regional Delivery Partner costs

1. **Current Yearly Cost of Operating Regional Delivery Partners for Trust and School Improvement Offer:** £749,685
2. **Scaling Factor for School Number Expansion (from c. 630 schools to 4600 schools):** The given scaling factor is 7.3.
3. **Yearly Cost of Operating Regional Delivery Partners for Regional Improvement Teams:** This is calculated by multiplying the current yearly cost for Trust and School Improvement offer – Regional Delivery Partners by the scaling factor: $£749,685 \times 7.3 = £5,472,700$

No assumptions have been made about a change of procurement strategy for Regional Delivery Partners to create efficiencies.

**The variance between these two numbers is because the 630 figure is based on up to 70 matches per year per region. Given that this is a demand-driven offer relying on Ofsted judgement, predicting the exact uptake is challenging. In calculating costs, the variable part of Regional Delivery Partners is based on a per-unit approach, as opposed to scaling the 630-figure. As for fixed costs, the escalation from 595 to 630 schools isn't substantial enough to warrant adjustments in our costing.*

Trust Development Networks

We have costed to introduce 9 sector led Trust Development Networks (1 per government region). The aims of Trust Development Networks, in each of the regions, are to:

- hold **3 trust leader events and conferences** per year (1 per term) - £63,500 per year per region
 - Costs include 3 days of CEO oversight of each event at £600 per day, 6 days of administrative/project management support per event at £310 per day, and £17,500 for venue, catering and speaker costs per event.
- set up formal **peer networks and learning sets** which help facilitate **peer reviews** and the effective sharing of knowledge and experience to drive improvement. - £34,500 per year per region
 - Costs include 27 days of CEO oversight per year at £600 per day, and 59 days administrative/project management support per year at £310 a day.
- offer a **mentoring** scheme to allow schools and trusts to benefit from experience of system leaders. - £13,400 per year per region
 - Costs include 12 days of CEO oversight per year at £600 per day, and 20 days of administrative/project management support at £310 per day.

No costs for Trust Development Networks accounted for in 22/23 and 23/24 as program not yet launched.

Regional Improvement Teams' commencement date

As the Trust and School Improvement Offer 23/24 offer is already in operation, we have included its projected costs below. Costs for the Regional Improvement Teams are for a September 2024 launch.

Inflation

We have added GDP deflators (as below) for the Regional Improvement Teams, Regional Delivery Partners and Trust Development Networks costing from September 2024 and thereafter.

| Financial year | GDP deflator |
|----------------|--------------|
| 2024-25 | 1.68% |
| 2025-26 | 1.71% |
| 2026-27 | 1.62% |
| 2027-28 | 1.77% |
| 2028-29 | 1.88% |

Source: HMT GDP deflators at market prices, and money GDP December 2023 ([link](#))

Cost/Revenue to the Exchequer over five years

| | DEL (departmental expenditure limits £m) | | | | | |
|---|--|--|----------------------|--|--|---|
| | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
| Trust and School Improvement Offer | £1.17m | + 21/22 = £0.01m +22/23 =£2.576m +23/24 = £0.201m | +23/24 =£3.83m | | + 23/24 = £0.434m | |
| Trust and School Improvement Regional Delivery Partners | £0.472m | + 23/24 = £0.437m | + 23/24 = £0.312m | | | |
| Trust Partnerships | £0.215m | | | | | |
| Regional Improvement Teams | | | +24/25 =£3.67m | +24/25 =£1.84m +25/26 = £3.67m | +25/26 =£1.84m +26/27 = £3.67m | +26/27 = £1.84m +27/28 = £3.67m |
| RIT Regional Delivery Partners | | | +24/25 = £3.65m | +24/25 = £1.83m +25/26 = £3.65m | +25/26 = £1.83m +26/27 = £3.65m | +26/27 = £1.83m +27/28 = £3.65m |
| Trust Development Networks | | | +24/25 = £0.668m | +24/25 £0.334m +25/26 = £0.668m | +25/26 = £0.334m +26/27 = £0.668m | +26/27 = £0.334m +27/28 =£0.668m |
| Subtotal before inflation or Barnett consequential (rounded to 3sf) | £1.86m | £3.22m | £12.1m | £12.4m | £12m | £12m |
| Adjustment for inflation (using GDP deflators) | | | £0.203m | £0.424m | £0.611m | £0.835m |
| Barnett consequential (18.75% uplift) | | | £2.31m | £2.4m | £2.38m | £2.41m |
| Total (rounded to 3sf) | £1.86m | £3.22m | £14.6m | £15.2m | £15m | £15.2m |

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| Comparison with current system (if applicable): | |
| <p>As above, this is based mainly on our current Trust and School Improvement offer model and expanded to include all schools in receipt of a below 'Outstanding' Ofsted judgement.</p> <p>There would be a significant rise in Regional Delivery Partners' costs in comparison to the current system. This is primarily because Regional Delivery Partner variable costs are tied to the number of schools contacted and system leaders matched. Regional Delivery Partners currently handle around 630 schools annually. With the proposed scheme, this figure would surge to approximately seven times the number of schools currently matched per year.</p> <p>We have costed to introduce 9 sector led Trust Development Networks (1 per government region), to hold trust leader events and conferences, set up formal peer networks and learning sets which help facilitate peer reviews and the effective sharing of knowledge and experience to drive improvement and offer a mentoring scheme to allow schools and trusts to benefit from experience of system leaders.</p> | |
| Other comments (including other Departments consulted): | |
| <p>This costing was produced by DfE.</p> <p>This costing does not include any benefits of the policy, such as reducing the number of schools that will require intervention and therefore reducing intervention expenditure.</p> <p>This is an optional offer for schools and there may not be 100% take-up.</p> | |
| <i>To be completed by Permanent Secretary's Office</i> Date costing signed off: | 04/01/2024 |
| <i>[If applicable]</i> Date revised costing signed off: | |