

**MINUTES OF MEETING Cabinet Member Signing HELD ON Tuesday, 18th June, 2024, 4pm- 4.15pm**

**PRESENT:**

**Councillor Zena Brabazon – Cabinet Member for Children, Schools and Families**

**ALSO ATTENDING: Ginny Thorne, Caroline Brain(Online) Ayshe Simsek**

**1. FILMING AT MEETINGS NOTICE**

The Chair referred to the filming at meetings notice and attendees noted this information.

**2. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**3. URGENT BUSINESS**

There were no items of urgent business.

**4. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**5. DEPUTATIONS/PETITIONS/QUESTIONS**

There were no deputations, petitions or questions put forward.

**6. HARINGEY SCHOOL IMPROVEMENT AND GOVERNOR SERVICES**

The AD of Commissioning & Programmes set out the reasons for consideration of the report which was seeking approval to proceed to open tender for the Council to continue to commission School Improvement and Governor Services. This was to ensure statutory and strategic functions can be delivered and to ensure compliance with the Public Contract Regulations 2015 and the Council's Contract Standing Order policy.

The Cabinet Member for Children, Schools and Families was also being asked to approve the budget of up to £3,686,107 for a total of 8 years under a 4 plus 2 plus 2 years contractual agreement, commencing from 1<sup>st</sup> April 2025 until 31<sup>st</sup> March 2033.

In response to questions from the Cabinet Member, the following information was noted:

- This was an open tender process and the Council was undertaking this procurement in its capacity as a supervising authority for the provision as set out in paragraph 7.5.1 .
- This decision did not affect the operation of the HEP(Haringey Education Partnership which was established as a School's Company and had a wide remit and reach.
- The Council would look to commission a provider to work on these strategic and statutory functions, aiming to also have a strong interface with traded services being commissioned by schools.
- After this meeting and call in period, a briefing report on this decision would go forward to the Schools Forum on the 16<sup>th</sup> of July in accordance with schools finance guidance as the decision involved allocation of the central school services funding block. Following this Schools Forum meeting, the Council would go out to open tender for these services and bring forward a report later in the year to Cabinet on the award of the contract.

The Cabinet Member for Children, Schools and Families,

## **RESOLVED**

1. To approve the proposal to proceed to open tender for the Council to continue to commission School Improvement and Governor Services to ensure statutory and strategic functions can be delivered and to ensure compliance with the Public Contract Regulations 2015 and the Council's Contract Standing Order policy.
2. To approve the budget of up to £3,686,107 for a total of 8 years under a 4 plus 2 plus 2 years contractual agreement, commencing from 1<sup>st</sup> April 2025 until 31<sup>st</sup> March 2033 in accordance with the budget breakdown in section 7.8 of this report.

## **Reasons for decision**

To be compliant with regulation, HEP would need to secure a minimum of 80% from Haringey Council and Haringey Schools. This would meet Public Contract Regulations 2015, specifically Regulation 12 to be exempt from competition criteria.

However, it has been identified that over recent years HEP has expanded its offer and area of operations to encompass schools beyond the Haringey Local Authority area. Whilst this has ensured that the organisation has achieved financial sustainability and

was able to retain its non-profit making status which has benefitted the LA and Schools through a diverse and comprehensive offer.

However, the expansion of HEP's business and income stream therefore means that HEP's non- Haringey business equates to more than 20% of their total income and therefore we are require to tender.

HEP's membership is composed of 112 member schools, the proportion of schools are:

- 82 Haringey Schools.
- 30 Enfield Schools

Haringey member schools currently constitute 73% of HEP's membership, therefore falling below the 80% PCR Regulation 12 threshold when measured by membership.

In addition, in 22/23 HEP's reported income apportionment also fell below the threshold for PCR Regulation 12 compliance, with a maximum of 64% of income coming from in-borough sources:

<b>Income source</b>	<b>Percentage of total income in 22/23</b>
London Borough of Haringey	22%
Haringey Schools Traded Services	34%
Kickstart Grant	8%
Enfield Schools	11%
Non-member Schools	25%

The dilution of Haringey membership below 80%, combined with HEP's increase in non-Haringey income, necessitate the requirement to undertake a competitive procurement tender process.

The service is funded via the Dedicated School Grant: Central School Services Block (CSSB). The CSSB budget has pressures due to a forecast decrease in the allocation of CSSB of 2.5% per annum. The forecast decrease is factored into the proposed budget envelope detailed in section 7 of this report. Due to the forecast decrease in CSSB, no inflationary uplift can be made during the contract period.

The service requires a sustainable long term funding envelope from the Central School Services Block (CSSB) to ensure that the service can continue to deliver local authority statutory and strategic functions for the whole period of a future contract.

In the event of an alternative provider succeeding to win the tender instead of the current provider, HEP would continue to offer and provide traded services to Haringey schools. Schools can decide to commission traded services from a provider of their

choosing, hence HEP have been successful in securing the custom of non-Haringey schools.

### **Alternative options considered.**

#### **Option 1: Direct award to the existing provider,**

Directly Award a new contract to HEP following the expiry of the existing contract without proceeding with an open competitive tender. Following a rigorous legal and procurement assessment of Public Contract Regulations 2015 and HEP's business model, the conclusion reached was that a direct award to HEP without competition would not be compliant with the PCR's 2015 and this option is therefore not recommended. To directly award a contract to HEP without an open tender opportunity would be in breach of PCR's 2015 and may leave the Council open to challenge from other interested parties.

#### **Option 2: Insource the service.**

Insource the functions that HEP delivers on behalf of the Council. Following an assessment of this option it is not recommended, due to the cost of an in-house model.

An in-house model would require the recruitment of a number of school improvement partners and a head of service to deliver the local authority statutory and strategic functions. This would exceed the current contract value of £457,000 per annum.

All Council's CSSB allocations are decreasing by 2.5% per annum and therefore the Council would be at risk of a funding shortfall in the longer term.

HEP was also set up in partnership with schools who favoured the model of an outsourced service in preference to the previous in-house model. Schools continue to support the outsourced service, through continued membership of HEP.

#### **Option 3: Proceed to Open Competitive Tender- Recommended option**

The option to proceed to open tender to ensure compliance with Public Contract Regulations 2015, for the Council to continue to commission School Improvement and Governor Services to ensure statutory and strategic functions can be delivered and to ensure compliance with the Public Contract Regulations 2015 and the Council's Contract Standing Order policy is the recommended option.

## **7. NEW ITEMS OF URGENT BUSINESS**

None

## **8. EXCLUSION OF THE PRESS AND PUBLIC**

Not required.

**9. NEW ITEMS OF EXEMPT BUSINESS**

None

CHAIR:

Signed by Chair .....

Date .....