

**Report for:** Cabinet

**Title:** Extension of Haringey Education Partnership (HEP) contract

**Report authorised by:** Ann Graham, Director of Children's Services

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**Ward(s) affected:** NA

**Report for Key/  
Non Key Decision: Key Decision**

**1. Describe the issue under consideration**

- 1.1 To request approval to an extension of Haringey Council's contract with Haringey Education Partnership to deliver school improvement services for three years from 1<sup>st</sup> September 2021 to 31<sup>st</sup> August 2024.
- 1.2 Haringey Education Partnership's existing contract with Haringey Council was agreed by Cabinet for a period of three years from 1<sup>st</sup> September 2018 to 31<sup>st</sup> August 2021 and is therefore due for renewal in time for the next academic year.
- 1.3 The Council entered into the original contract with HEP under Regulation 12 of the Public Contract Regulations 2015, which allows entities within public sector to contract directly without the need for competition, provided they meet the criteria stated in the Regulations. The proposed extension to the current contract, continues to meet the qualifying criteria, enabling the Council to contract directly with the HEP without the need for further competition.

**2. Cabinet Member Introduction**

- 2.1 Following central government funding reductions to the local authority for central services to schools, such as school improvement and monitoring, the Council worked with the schools to establish a schools led company – the Haringey Education Partnership (HEP) - to deliver support for school improvement and raising attainment, governors, curriculum development and continuing professional development (CPD). The first three year contract is now due to expire and this report seeks approval from Cabinet colleagues to extend the contract with the HEP for a further three years.
- 2.2 Partnership working between the Council and the HEP is vitally important and underpins relationships with our family of schools. The HEP has been very successful in building relationships with schools as they work to raise attainment. Partnership working is vital since, although the direction of national policy was to move to a 'schools-led model' of school improvement, key statutory functions to support schools remain with the Local Authority. These

include admissions, SEND, early years, school place planning, infrastructure improvements to school buildings. Given this split of roles and functions, collaborative working is essential since all these functions support schools, and combined are essential in delivering the best outcomes for children and young people.

### **3. Recommendations**

- 3.1** For the Cabinet to approve the extension of the Haringey Education Partnership contract for three years from 1<sup>st</sup> September 2021 to 31<sup>st</sup> August 2024 with a total contract value of £2.118m as allowed under Contract Standing Order 10.01.1(b).

### **4. Reasons for decision**

- 4.1** In 2017, the Council began working in partnership with schools across the borough to develop detailed proposals for a schools led school improvement company, known as the Haringey Education Partnership (HEP), to drive school improvement from 1st September 2018. Haringey Education Partnership work in close collaboration and partnership with the Council to build on the existing strengths of schools in Haringey. The model is aimed at creating an exceptional school system with a higher proportion of outstanding schools and continuing to tackle attainment gaps within and across schools in the borough.
- 4.2** The Council entered into a three-year contract with Haringey Education Partnership to deliver the Council's ongoing statutory and strategic school improvement functions from September 2018. This contract expires on 31<sup>st</sup> August 2021 and requires a decision to renew the contract to continue to the services provided by HEP in the next three academic years. HEP's new three year contract will provide strategic and operational certainty for the Council (in delivering its statutory and strategic functions) and schools in the borough.

### **5. Alternative options considered**

- 5.1** The contract is not extended and the Council insources its own school improvement service. The council is not resourced and structured to provide the existing level of service as the HEP. If the Council were to insource the service it would need to provide the statutory school improvement services within the allocated DSG.
- 5.2** The Council outsources its statutory and strategic functions for school improvement to a private contractor. This would run counter to the Council's preferred approach to service delivery. Any external provider would have no existing connection to the borough and have to establish relationships with Haringey schools from scratch. They would also need to raise significant income from Haringey schools to be sustainable and generate an operating profit.

### **6. Purpose of HEP**

- 6.1. Haringey Education Partnership (HEP) is a not for profit, schools-led school improvement company established by Haringey schools in partnership with Haringey Council in 2018. HEP aims to deliver the best school improvement from early years through to post-16. HEP discharges the Council's statutory and strategic functions in relation to school improvement.
- 6.2. HEP was set up against a fast-changing policy and funding backdrop. Following the direction of national policy, school improvement funding was cut significantly and diverted from local authorities to a 'schools-led model' based on teaching schools, MATs and developing NLEs, LLEs and SLEs<sup>1</sup>. The Education and Skills Funding Agency (ESFA) had already removed the Education Services Grant (ESG) from local authorities as of September 2017, which led to a funding reduction in Haringey from £2.784m in 2016/17 to £1.345m (including transitional funding) in 2017/18 and £550k in 2018/19 and beyond. This represented a loss of £795k for school improvement specifically, which had to be mitigated through the Council's General Fund. Simultaneously, the government removed the option for local authorities to top-slice the Dedicated Schools Grant (DSG) to fund school improvement initiatives through the National Funding Formula (NFF). The loss of "de-delegated" budgets from schools in 2018/19 added a further reduction of £612k used by the Council for school improvement, bringing the total loss of school improvement resource to the Council from 2018/19 to £1.407m. Without mitigating action, this would have placed an unsustainable pressure on the General Fund.
- 6.3. HEP is a 'schools company' and therefore a public company, owned and governed by the Council and each of the member schools. They are limited by guarantee, which means there is no financial liability beyond a notional £10 per member if HEP were to fail.
- 6.4. A "schools company" is broadly defined under the Schools Companies Regulations 2002 as a company set up to provide, facilitate or purchase services for schools and exercise relevant local authority functions. Schools companies are owned, governed and led by a group of schools in partnership with the local authority, with full membership open to schools that are located in a particular geographical area and a wider associated membership open to other schools and agencies with an interest.
- 6.5. The main benefit for a group of schools owning and leading such a company is that it allows the local schools as the principal beneficiaries and customers to directly shape the services and agendas that the company delivers. Joint ownership of the company would also help consolidate closer collaborative working between schools, particularly if (as in Haringey) the group reflects a diverse range of maintained schools, voluntary aided schools and academies. And, at a time when all school budgets are under severe pressure, financial modelling demonstrates that schools would be able to access school improvement services at significantly lower cost.

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<sup>1</sup> Local leaders of Education, National Leaders of Education and Specialist Leaders of Education

6.6. For the Council specifically, this model has the potential to:

- Ensure a deep partnership continues with the vast majority of schools in the borough across early years, primary, secondary, special and post-16 settings
- Deliver excellent school improvement services across the borough at no ongoing cost to the General Fund
- Provide a simple solution for commissioning statutory and strategic functions in relation to schools.

6.7 HEP's full offer to schools includes delivering the following school improvement services:

- **Challenge, advice and support**
- **Data analysis**
- **Continuing Professional Development**
- **Curriculum and pedagogy**
- **Governance**
- **Policy updates**
- **Strategic projects** including Black Caribbean and BAME achievement
- **SEND and Safeguarding network support**
- **Compliance**

6.8 Governance takes place through a board of directors comprising both of non-executive and executive directors. It is the responsibility of the non-executive directors to appoint a Managing Director to be an executive director on the Board and to oversee the effective management of the company on a day-to-day basis. HEP has also appointed an independent chair of the Board.

6.9 The Director of Children's Services is a member of the board and the Assistant Director for Schools & Learning and Cabinet Member, Early Years, Children and Families attend the Board in line with taking a schools led approach. Elected representatives from schools (both headteachers and chairs of governors) collectively make up the majority of the non-executive directors on the Board to ensure that it is a school led model.

## **7. Financial and membership arrangements**

7.1 Membership of HEP has always been open to all schools in Haringey across each phase (early years, primary, secondary, post-16) and type (maintained, academies, Free Schools, voluntary aided / controlled, special schools and FE colleges). It has also opened to a small number of schools in Enfield in order to build financial stability moving forward.

7.2 Once HEP was operational from September 2018, no funding has been required from the General Fund to support HEP. The Council passports relevant areas of funding specifically earmarked for school improvement as below. As a not-for-profit company, HEP has been required to sustain itself financially

through a roughly equal mix of income passported by the LA, membership income and income from additional traded services.

- 7.3 In the 2019/20 year, in addition to the income from Haringey Council, HEP raised £1.1m of income from schools making a total income of £2.0m. HEP's pre-tax retained surplus for the year was £0.4m which their accounts state was in line with expectations.

## **8. Performance of Haringey Education Partnership**

- 8.1 Contractual Key Performance Indicators have been set between the Council and HEP which are based on attainment targets for the Good Level of Development in Early Years, phonics in Year 1, end of KS2 SATs and GCSE results. There are KPIs for the % of schools judged 'good' or better and closing the gap in attainment at GCSE between disadvantaged / non-disadvantaged and White British / BAME students on average across all Haringey Schools in an academic year. These indicators and outcomes for 2018 – 2021 are set out in Appendix 1.
- 8.2 HEP's performance against its contractual commitments are reviewed annually with the Director of Children's Services and the Assistant Director for Schools and Learning. The KPIs for the new contract 2021- 2024 are set out in Appendix 1.
- 8.3 HEP is a membership organisation and delivers a core programme of support to schools buying into HEP as members. HEP has secured the annual buy-in of the vast majority of schools in Haringey. This includes: all three nursery schools; all five special schools; 58 out of 63 primary schools; and 8 out of 12 secondary schools. All schools not buying into HEP are members of a multi-academy trust which are not open to HEP membership.

## **9. Contribution to strategic outcomes**

- 9.1 Haringey Education Partnership's work contributes to the Borough Plan, in particular Priority 2 People - Outcome 5: Happy childhood: all children across the borough will be happy and healthy as they grow up, feeling safe and secure in their family, networks and communities;
- Objective a) All our schools will be outstanding or good and an increasing proportion will be rated as outstanding and
  - Objective b) All children and young people, whatever their circumstance, will be achieve to the best of their abilities.

## **10. Statutory Officers comments**

### **10.1 Finance**

- 10.1.1 Financial details of the award of School Standards and Improvement Services to Haringey Education Partnership are included in the body of the report. The

following table shows the indicative grant funded services that the council would be seeking to procure from the HEP.

| Funding  | Source of funding              | 2021/22<br>(7 months) | Indicative<br>2022/23<br>(12 months) |
|--|--------------------------------|-----------------------|--------------------------------------|
| Dedicated Schools Grant Funding (Council retained funding) |                                |                       |                                      |
| School Standards   | Central Schools Services Block | £173,833              | £298,000                             |
| Governor Services  | Central Schools Services Block | £75,833               | £130,000                             |
| Schools Forum  | Central Schools Services Block | £5,833                | £10,000                              |
| High Needs Block funding for school improvement            | High Needs Block               | £5,250                | £9,000                               |
| <b>Total DSG</b>   |                                | <b>£260,750</b>       | <b>£447,000</b>                      |
| Specific DfE grants subject to grant awards                |                                |                       |                                      |
| School Improvement Monitoring and Brokering Grant          | DfE specific grant             | £145,088              | £248,723                             |
| KS2 moderation and KS1                                     | DfE specific grant             | £5,711                | £9,791                               |
| <b>Total specific grant subject to awards</b>              |                                | <b>£150,800</b>       | <b>£258,514</b>                      |
| <b>Total indicative value of services contracted</b>       |                                | <b>£411,550</b>       | <b>£705,514</b>                      |

- 10.1.2 Core statutory services of an estimated £447k for a full year will be funded from Council retained Dedicated Schools Grant. Further services will be procured, should funding available to the estimated value of £259k per year.
- 10.1.3 The indicative value of services would be £706k per year and £2.118m for the proposed three year contract term.
- 10.1.4 The DfE have provided specific grant for School Improvement, Monitoring and Brokering of around £250k per academic year from September 2018. The grant has only been agreed until August 2021 at this stage. Should the grant funding continue then it is expected that this will be passported the HEP to continue to deliver this service for the Council.

## 10.2 Procurement

- 10.2.1 The Council contracted with HEP through provisions under Regulation 12 (Public contracts between entities with the public sector) within the Public Contract Regulations 2015 (PCR); having met the qualifying criteria to do so. Regulation 12 makes provision to directly contract with other public sector entities without the need for competition.
- 10.2.2 Strategic Procurement confirms the HEP continues to operate within the criteria of Regulations 12 of the PCRs, allowing the Council to contract directly with the HEP.
- 10.2.3 Regulation 72 of the PCRs (preventing contracts to be extended by more than 50% of the original value), does not apply to Regulation 12 and therefore the Council is able to extend the current contract with HEP without falling foul to Regulation 72.
- 10.2.4 The Head of Procurement has been consulted on this extension and has no objections to the recommendations proposed in Section 3 above.

### **10.3 Legal**

10.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.

10.3.2 Regulation 72 of the Public Contracts Regulations 2015 (“Regulations”) governs modifications of contract which are within the scope of part 2 of the Regulations. The contract between the Council and HEP is a Regulation 12 contract for the purposes of the Regulations and is outside the scope of Regulation 72. Therefore, the restrictions on contract extensions do not apply to the extension of contract which this report relates to.

10.3.3 Cabinet has authority to approve the extension of contract which this report relates to in accordance with Contract Standing Order 10.02.1(b) (extensions where the value is £500,000 or more).

10.3.4 The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet from approving the recommendations in the report.

### **10.4 Equality**

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

## **11. Appendices**

Appendix 1: Key Performance Indicators

### **Local Government (Access to Information) Act 1985**

N/A

### Appendix 1: Key Performance Indicators

| Key Performance Indicators | Description  | Measure 2018-21   | New Measure 2021-2024  |
|----------------------------|--|---|--|
| Ofsted                     | The latest Ofsted report on any Member School (nursery, primary, special, secondary) confirms it is "Good" or "Outstanding"  | 90% of all Member Schools in Haringey are Good or Outstanding at any time   | 95% of all Member Schools in Haringey are Good or Outstanding at any time  |
| GCSEs                      | The average combined results across all pupils in all Haringey Schools teaching GCSEs for GCSE Attainment 8 in an academic year  | Attainment 8 average for Haringey of at least the average results for pupils across the Greater London area   | Attainment 8 average for Haringey of at least the average results for pupils across the Greater London area  |
| Key Stage 2                | The average published results across all pupils in all Haringey Schools teaching Key Stage 2 for combined reading, writing and maths in an academic year                 | Above national average for KS2 combined reading, writing and maths each academic year   | Above national average for KS2 combined reading, writing and maths each academic year  |
| Early Years                | Haringey children are assessed as having reached a "Good Level of Development" through the Early Years Foundation Stage  | 70% of Haringey children assessed as achieving a Good Level of Development  | 74% of Haringey children assessed as achieving a Good Level of Development   |
| Closing the gap            | Differences in attainment at GCSE between disadvantaged / non-disadvantaged and White British / BAME students on average across all Haringey Schools in an academic year | The differences in attainment (measured by Attainment 8 score at GCSE) between disadvantaged / non-disadvantaged and White British / BAME students reduce each academic year over three years, with the first academic year used for comparison being 2017-2018 | The differences in attainment (measured by Attainment 8 score at GCSE) between disadvantaged / non-disadvantaged and White British / BAME students reduce each academic year over three years. |