

## DECISION RECORD <sup>1</sup>

Officer Key Decisions are subject to the Council's Call-In Procedure (Annex 9 of the Council's Constitution) **Council's Constitution**

**Subject:** To negotiate a new contract between Hertfordshire County Council (HCC) and Herts for Learning (HfL) for the provision of HfL services and support to HCC

*(Please use the same title as provided in the Forward Plan)*

Staff Contact: Simon Newland

Executive Member: Terry Douris

Tel: 01992 588755, ext. 28755

Portfolio: Education, Libraries and Localism

### 1. Decision <sup>2</sup>

To negotiate a new contract between Hertfordshire County Council and Herts for Learning for the provision of Herts for Learning Services and Support to Hertfordshire County Council. This contract will be a rolling year-long contract to cover the period April 2019 to March 2026; this is because Schools Forum will need to agree de-delegated funding to cover part of the costs of the contract on a yearly basis.

### 2. Reasons for the decision <sup>3</sup>

The original HCC/HfL School Improvement contract commenced on the **1st September 2013** and continued for a period of three years until **31st August 2016** but could be extended at the agreement of both parties for up to three years.

The parties have extended and amended the contract by the first variation dated 12 August 2016, the second variation dated 24 March 2017, the third variation dated 23 June 2017 and the fourth variation dated 29 March 2018. The current variation takes effect from 1<sup>st</sup> April 2018 and continues until 31st March 2019. This is the last time that the original contract can be extended.

In October 2017, Hertfordshire County Council undertook a consultation with maintained schools on proposals for the de-delegation of funding by Maintained Schools for the years 2018/19 and 2019/20 for school improvement and other support provided by HfL to allow the Council to continue to fund Herts For Learning to undertake a range of functions in support of schools, separate to and beyond what is provided to those schools on a traded basis.

These activities are necessary for the Council and its Maintained Schools to continue to operate as successfully on behalf of local children as we have come to expect over many years. It is now clear that there is no general requirement on Maintained Schools to convert to Academy status in the medium term future.

The proposals for the de-delegation of funding were supported by a majority of maintained schools and formally agreed by the Schools Forum on 29<sup>th</sup> November 2017 specifically to support the extension of current arrangements with Herts for Learning up to 31<sup>st</sup> March 2019 and for the following year 2019/20.

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Both parties believe that the support HfL provides schools through the existing contract has been extremely beneficial to Hertfordshire schools overall and for this reason wish to negotiate a new contract.

HfL is a schools company and the share capital comprises 19% shares owned by HCC and 81% shares owned by Hertfordshire schools.

The total cost of the new contract will be met by a combination of allocated DSG (Dedicated Schools Grant) budget and de-delegation as agreed by the Schools Forum. For the period 2020/21 up to March 2026, Schools Forum will be asked to agree the principle of agreeing to de-delegate the funding costs and arrangements every two years. There will be no additional cost for Hertfordshire County Council.

### 3. Alternative options considered and rejected <sup>4</sup>

As indicated in section 2 both parties believe that the support HfL provides schools through the contract has been extremely beneficial to Hertfordshire schools overall.

In addition, Schools Forum has been happy to support financially through de-delegated funding the extension to the existing contract and the negotiation of a new contract. So for these reasons no alternatives have been considered.

Legal advice has been sought and they have confirmed that the new contract can be commissioned through the TEKAL route because HfL is a publicly owned company and their business with non-shareholders is currently at less than 10%.

### 4. Consultation

(a) Comments of Executive Member <sup>5 6</sup>

Agree

(b) Comments of other consultees <sup>7</sup>

### 5. Following consultation with, and the concurrence of the Executive Member, I am proceeding with the proposed decision.

Signed: .

Title: Op. Dir. Education Date: 28/11/15

### 6. Copies of agreed document to:

- All consultees
- All members of the County Council (Democratic Services to send)
- Hard & electronic copy (for public inspection both at County Hall and on [hertfordshire.gov.uk](http://hertfordshire.gov.uk)) to the Democratic Services Manager - Room 213 County Hall; [democratic.services@hertfordshire.gov.uk](mailto:democratic.services@hertfordshire.gov.uk)

<sup>1</sup> Please refer to the Call-in and Contract Award Process for officers to determine if notice on this decision record for successful and unsuccessful bidders is exempt information and is therefore subject to inclusion in Annex 'A'