



**Subject Heading:**

**General T&Cs for Provision of Services to LA Maintained Schools**

**Report Author:**

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**Eligibility to vote:**

**LA Maintained school members**

### SUMMARY

Havering's Scheme for Financing Schools sets out the financial relationship between the local authority and the schools that it funds. The Scheme was agreed by the Schools Funding Forum at its meeting on 17<sup>th</sup> March 2016. The scheme has not changed for 2017-18 other than for dates and the deletion of the names of schools that have become academies from the list of schools to which the Scheme is applied.

However, the LA wishes to amend the Scheme for a change in the delivery model for traded services to ensure a more commercial and sustainable future model. As part of the transformation project and in shaping our operational model to meet the demands of a more competitive and evolving education market, the contractual framework under which maintained schools purchase traded services from the LA is being updated in order to bring things broadly in line with industry standards. A similar contractual framework was implemented for academies in 2015. The new contractual framework which is to be known as 'General T&Cs for the Provision of Professional Services to Maintained Schools' is expected to take effect in the 2018/19 buy back cycle and it will replace all current local guidelines.

### RECOMMENDATIONS

That the Schools Funding Forum approves an amendment to the Scheme for Financing Schools to reflect the proposed new contractual framework, including specific changes to the exit terms under which schools or the Council may terminate the agreement for service provision and the mutual obligations of Schools and the Council under the agreement.

### REPORT DETAIL

The increased financial autonomy given to schools, the funding constraints they face and the increased competitiveness in the education market place has resulted in a more demanding and price sensitive school buyers' community. The current guidelines for provision of services bought back from the LA using delegated budgets as stipulated in the Scheme for Financing Schools and published on the Education Services Portal falls short of the contracting standards that schools have become accustomed to under the current education market condition.

In adapting to the prevailing market conditions, it has become necessary to update the contractual framework under which traded services is provided to maintained schools. There are three key areas that should be highlighted as follows:

1. Opt-in model of purchasing; under the current model, schools have to opt out within two time scales (1st October – 30th April for the service to stop on 31st August) or (1st May – 30th September for the service to end on 31st March) otherwise the SLA rolls on perpetually. This will cease under the new framework meaning that at the end of the agreement, assuming a school does not terminate the service during the year, the service will not automatically continue.
2. Exit Terms; a straight forward termination rule requiring 3 months' notice of cancellation of a service or services in-year.
3. Responsibilities and Obligations; greater clarity regarding what is expected of all parties to ensure effective delivery of services

Essentially, the proposed changes set out in the new T&Cs for maintained schools are designed to align the way the LA trades with maintained schools broadly with contractual standards in the education market place. In addition, the new T&Cs will eliminate any ambiguities in the current SLA framework which a number of school colleagues have found to be unnecessarily complicated.

In conclusion, this new traded services T&Cs represents a balanced and more transparent framework which more appropriately reflects the new commercial relationship with maintained schools and the realities of the education market place.