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**MINUTES OF A MEETING OF THE
PEOPLE OVERVIEW & SCRUTINY SUB COMMITTEE
Appointment Centre Room 10 & 11, Town Hall, Romford
11 July 2024 (7.00 - 7.47 pm)**

Present:

COUNCILLORS

Conservative Group Jason Frost (Chairman) and Judith Holt

Havering Residents' Group Julie Wilkes, Sarah Edwards, Robby Misir and Christine Smith

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman reminded Members of the action to be taken in an emergency.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies were received for the absence of Councillors Frankie Walker.

3 DISCLOSURE OF INTERESTS

There were no disclosures of interests.

4 MINUTES

The minutes of the previous meeting were agreed as a correct record and signed by the Chairman.

5 HAVERING EDUCATION SERVICES - TRADED SERVICES FOR SCHOOLS AND EARLY YEARS SETTINGS

The Sub-Committee were presented with a report on the Havering Education Services (HES) Traded Services for Schools and Early Years (EY) settings.

The traded services are for all schools in the borough and EY settings. Members noted all Local Authorities (LAs) have traded services of varying levels but Havering's is one of the most broad and longstanding, being in use for over 12 years. The relationship between HES and schools would be changing as the grant to provide the services would reduce by over £600k. Also, the clientele using the services would be changing as more schools have joint academy trust as opposed to being controlled by the LA with national academy trusts potentially having their own traded services.

A pressure facing HES is schools needing to make efficiencies and work under smaller budgets, meaning they have less available resources to pay for the traded services provided by HES. It was noted that the COVID pandemic added further pressure but the service was now providing at a small deficit but the forecasts for the current year are showing a small surplus.

Members noted HES had refreshed its commercial strategy the previous year with 5 key pillars; Enhancing the current trading activities, Safeguarding & future-proofing their financial situation, Expanding the current brokerage & partnerships model, Enhancing the current traded CPD offering & expanding audience & customer base, Strengthening their commercial culture & capabilities.

It was explained by officers that the HES Traded Services generate £12.5 million as revenue annually but due to laws and regulations cannot make a profit. Some services, such as catering and music schools, can generate a surplus due to how they operate but all monies are ring-fenced. Members noted that if the Traded Services was an external or arms-length company they could make a profit by Havering' Cabinet made the decision to keep it in house.

Members questioned the viability and achievability of the targets set to which offices responded that each target has a delivery plan based on performance from previous years. The Sub-Committee asked if a report could be brought back outlining each delivery plan to which the officers' explained they could contain exempt information so the decision would be made by the Officers and Chairman.

The Sub-Committee made no recommendations and noted the report.

Chairman