

London Borough of Hammersmith & Fulham

Children and Education Policy and Accountability Committee Minutes



Monday 29 January 2024

PRESENT

Committee members: Councillors Helen Rowbottom (Chair), Mercy Umeh and Aliya Afzal-Khan

Co-opted members: Nandini Ganesh (Parentsactive Representative) and Nadia Taylor (Parent Governor Representative)

Other Councillors: Councillors Alex Sanderson (Cabinet Member for Children and Education) and Rowan Ree (Cabinet Member for Finance and Reform)

Officers:

James Newman (Assistant Director of Finance)

Tony Burton (Head of Finance – CHS and Education)

Jacqui McShannon (Strategic Director of Children's Services)

Amana Gordon (Operational Director, Children and Young People Services)

Sarah Bright (Assistant Director - Childrens Commissioning)

Debbie Yau (Committee Coordinator)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Daryl Brown, Councillor Lucy Richardson and Eleanor Allen.

Nandini Ganesh joined the meeting remotely.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

Nandini Ganesh raised the following amendments for the minutes of the meeting on 13 November 2023:

Item 6, paragraph 10:

“Nandini Ganesh asked if people supported internship as part of Industrial Strategy in Education as they might not necessarily lead to employment” should read as:

“Nandini asked if supported internships were part of the industrial strategy as in practical terms they always did not lead to employment. It would be good if the supported internships offer was part of the Industrial Strategy.”

Item 7, paragraph 5:

“Nandini Ganesh commented that to assure the parents about programme safety and quality, it might be useful to state the programme was suitable for children and list the providers involved” should read as:

“Nandini Ganesh commented that it would be useful for parents to know the age range of the summer in the city programme, as for disabled students and students with SEN, it could go up to 25, but it might not always be suitable for 25-year-olds to be in the same programme as a 18 year old. Parents needed to understand the suitability of the programme before enrolling their children/ young people.”

RESOLVED

That the minutes of the meeting held on 13 November 2023 were agreed to be an accurate record.

4. 2024 MEDIUM TERM FINANCIAL STRATEGY

Councillor Rowan Ree (Cabinet Member for Finance and Reform) gave an overview of the 2024 Medium Term Financial Strategy. He said that despite the financial constraints faced by local authorities across the country, the Council managed to put together a budget that not only safeguarded key services but also protected those services that made Hammersmith and Fulham (H&F) unique like providing breakfast for primary school children, free home care and local Law Enforcement Team. Although the grant funding from central government had been cut by 56% in real terms since 2010/11 and one in five local authorities might need to issue a section 114 notice this year, Councillor Ree reassured that this Council was one of the best run councils in London, as recognised by the External Auditor, and would continue to provide services residents needed. Last year, the Council had managed to run a budget surplus and add this to the reserves at a time when most councils were taking money out of theirs. The budget setting this year had started with a budget gap of £23m from which savings had to be found. This was made possible because of a ruthlessly financially efficient approach in managing public services and through carrying out a number of reforms in various areas.

In terms of technology reform, Councillor Ree noted the use of artificial intelligence in adult social care services and the use of robots by the revenue and benefits team to

provide the best effective services for residents. Under organisational reform, more savings across the council would continue to be identified through the four large corporate savings programmes. The Council was also funding new policy reforms to improve service delivery, notably the commissioning of the Family Hubs. Councillor Ree took the opportunity to thank finance officers who had worked incredibly hard throughout the year for putting this balanced budget, as well as officers in various teams who, together with Councillor Alex Sanderson, Cabinet Member for Children and Education, had managed previous year's budget effectively and identified savings.

James Newman (Assistant Director of Finance) presented the Corporate Budget Strategy 2024/25. He outlined the strategic operating environment, objectives of the Council's financial plans, strategy to deliver the financial plans, proposed budget for 2024/25, including a summary of proposed revenue budget 2024/25, savings and investment proposals, a summary of reserve position and a medium-term forward look. The budget would be considered by the Cabinet on 12 February and approved by Full Council on 28 February this year.

Jacqui McShannon (Strategic Director of Children's Services) presented the budget proposals of the Children and Education Services. Highlighting that budget decisions were consistent with the team's vision and high aspirations for the children, young people and their families, she introduced the strategic "whole system" approach under which right provision at the right time would be made to meet needs locally. She outlined the right strategy, challenges and mitigations and priorities. Tony Burton (Head of Finance – CHS and Education) presented the 2024/25 savings (£1.562m) and growth (£1.531m) detail.

Councillor Alex Sanderson (Cabinet Member for Children and Education) highlighted the success of the Children and Education Services in the broader national context where some councils were running out of financial resources. In addition to delivering nearly 300 statutory duties, the team strived for excellence in the face of massive complexity of needs and reduced budgets, working effectively to ensure the children and young people in H&F got the right support at the right time to the right level. She appreciated the team for setting a balanced budget and delivering exceptional services across the board. She also thanked them for working entrepreneurially and creatively with different partners to really drive change, like the Care Leavers Compact and establishing ground-breaking industrial strategy to make sure the young people get the jobs in the future.

Given the unexpected inflationary movement and the late arrival of final figures of financial settlement from central government, the Chair was concerned how these were built into the budget and subject to ongoing review in future. James Newman noted that among the net controllable budget of about £200m, around one third was general grant from the central government, 40% from council tax and 32% from business rates. The Council had modelled the numbers within a range of options with reference to views from people like London treasurer and London finance directors and taking into account the unpredictability of inflation and interest rates as referenced by the Bank of England. Noting the slashed grants from the central government in mid-December last year, the Council had recast the numbers and

tried to manage as best as it could by building contingencies to mitigate the risks as much as necessary.

Councillor Ree expressed grave concern about central government's ways of allocating the final figures of financial settlement. He said that before its arrival, the Council had estimated the government grant based on worst case scenarios and planned for its four-year budget. While the settlement used to arrive in late November, it had been pushed back and further in recent years. In his opinion, there was no reason why the central government needed to leave the matter as late as 18 December. Moreover, the central government only allocated one-year settlement for the past six years instead of multiple settlements. The late arrival plus just one-year settlement had made this budget setting incredibly difficult. Finally, there was hearsay that a major grant, the £2.8m Household Support Fund, which had helped the most vulnerable to tide over the cost-of-living crisis would not continue from April onward. Now it was learnt that there might be some compensation in the Budget delivered on 8 March when the H&F budget would have already set. Councillor Ree remarked that the chaotic arrangements of the central government did reflect its incompetence in funding local authorities.

Echoing his view, Councillor Alex Sanderson highlighted the uncertainty brought by one-year settlement which had impacted adversely the contracts with external partners who needed a sense of security as well. The Chair agreed and considered that uncertainty and under-investment might lead to a less competitive landscape and hence low-quality services.

As regards the deployment of resources in the central government grants as raised by the Chair, Councillor Ree noted with concerns that increasingly more of the central government's grants were ringfenced for specific purposes. As different parts of the country might be faced with different issues, local authorities should be given more leeway in deciding how to spend the money in the pot as in the past. Attaching strings to reduced grants was not a welcoming trend among the local authorities.

Councillor Mercy Umeh thanked the hard work of Councillor Ree and the teams for a well-balanced budget again despite the financial struggles and challenges. In reply to her enquiry about the Family Hubs, Jacqui McShannon remarked that Family Hubs were more than just buildings but a way of working where colleagues in education, health, commissioning, co-production etc worked extensively with LED, Young Hammersmith and Fulham Foundation, Action Disability and Parents Active and so on to deliver all Council's services to families in the borough. While one specialist hub offering additional enhanced services would be open at the Stephen Wilshire Centre, the current plan was to open a hub each in the north and south of the borough within this year. A number of working groups was co-designing the new offers, including digital workstreams, which made the hubs evolving and changing.

Sarah Bright (Assistant Director - Childrens Commissioning) remarked that by harnessing the resources of the community, Family Hubs were partnership with external partners initiative co-locating all Council's services under one roof for different parties to connect and support families together effectively. Some key partners had been engaged to kick start for the hubs which would evolve over time to include a whole host of community partners. Families should be able to access all

the support they needed without having to go to multiple places. They could navigate via the Family Navigator their way through the complex pathways and systems for services redesigned after listening to their needs.

Nandini Ganesh (Co-optee) asked whether the Family Hubs were an ongoing investment. Tony Burton advised that the Children and Education Services team was successful in bidding for over £1m to put Family Hubs in place, and a recurrent provision of £320,000 would be made by the Council to allow the hubs to develop over the medium term.

Nandini Ganesh sought elaboration about the safety valve arrangement on SEND up until 2025/26 and how the budget was impacted as a result. Tony Burton noted that investment items such as Travelcare and Support for SEND's transport need were funded from the council tax budget under the General Fund Account as this was the statutory responsibility of the local authorities. As regards the safety valve arrangements, the current £19m (growing in full to £20.5m by the end of the next year) fund would be used to repay the deficit that had been built up on the Education budget some years ago.

Noting that the third sector organisations had to bid for the third sector investment funds, Nandini Ganesh asked whether there was any reduction to the third sector investment funds on offer. James Newman undertook to provide the information after the meeting.

Information sent on 16 February 2024

Nadia Taylor (Co-optee) appreciated the Council's ruthlessly financially efficient management. She was concerned whether savings were made from restructuring workforce or revising service provisions as it was necessary to ensure continuous good services. Councillor Ree assured that the Council managed to cut £118m spending without affecting current frontline services. On the other hand, the Council was providing new services like free breakfast for primary school children, free homecare services and the local law enforcement team. He added that the budget was planned for at least four years in advance and reviewed in medium terms to ensure there would be sufficient savings to provide current and new services in the future.

Noting it was proposed to increase the council tax by about 5% until 2028, Nadia Taylor considered this was difficult to be coped with by most households who were already struggling with the rising cost of living. Being the Chair of Carers Network, Nadia noted that there were households with intensive caring responsibilities for young, elderly and/or disabled family members.

James Newman explained that the 4.99% increase of council tax until 2027/28 was proposed by the central government and local authorities were flexible to make its own decisions year by year. In line with other London boroughs and due to inflationary pressure and funding demand, the Council had made a difficult decision to raise the council tax by 5% this year.

Referring to the Council's track record in freezing the council tax for the last five years, Councillor Ree highlighted that the tax was now 22% lower in real terms as compared to 2014 and was the third lowest in the country. He said that to protect struggling residents through the cost-of-living crisis, the Council ran a most progressive council tax scheme under which 42% of the residents in the borough did not pay the full council tax amount, including 11% who did not have to pay at all.

The Chair remarked that this was an anachronistic tax benefitting those who were receiving the services while exempting the most vulnerable. Councillor Ree differentiated the council tax base and council tax support scheme. He pointed out that exempting vulnerable residents such as care leavers, foster carers and those on low income and disability benefits from paying council tax would not push up the tax base which could only be increased within a national limit of 4.99%.

Nadia Taylor asked about the re-banding of the properties in the borough for the purpose of setting the council tax levels. Councillor Ree noted that there had not been a re-banding since 1992 and might lead to some unfairness. For example, a Band H property might worth at least 8 times as much as a Band A one but it only paid 3 times as much council tax. He further noted that the banding had to be set within the national framework which was beyond the Council's discretion.

Councillor Aliya Afzal-Khan thanked all the officers for their hard work done to balance the budget. Regarding the growth proposal for the Travelcare and Support, she asked whether there was any data to show the increased demand over the last few years to justify the investment.

Jacqui McShannon explained that the costs of Travelcare and Support had increased by about 19% partly due to inflation, and there were 68% increase in the children's destinations from 75 in 2018/19 for 322 children who needed support to the current 142 destinations for 511 children. Among the 142 destinations, about 21% were out of the borough. The growth began to slow down last year. According to an exercise conducted across West London last summer which had enabled the benchmarking of performance indicators, the number of children getting Travelcare and Support in the borough was roughly about a third of those who had got a Education, Health and Care Plan (EHCP). Jacqui outlined the strategies in meeting the rising demand. While all children had access to inclusive education in the mainstream or the special education schools as appropriate, new resource bases were implemented in the mainstream schools in order to offer timely support to children and young people to avoid escalating of needs. On cost analysis, those children or young people who needed to travel solo might be encouraged, where appropriate, to travel by themselves to enhance life experience or get one-to-one attention support.

Councillor Alex Sanderson remarked that the Travelcare and Support was an incredibly managed service. She recalled that the Education team had once managed to continue the service when the current provider failed 3 weeks before the beginning of the new term. Given there were only two providers currently, the team was working hard under real limits to provide the service at the best value for money with a view to ensuring the safety of children and young people in going to school.

Responding to Nandini Ganesh’s enquiry about independent travel training, Jacqui McShannon confirmed that it was still on offer and the team would step up publicity to ensure its accessibility. Nandini noted that it was necessary to inform parents or carers that the training was on offer. She said that the schools used to work closely with the team and offered the training to eligible pupils in the borough. Jacqui undertook to provide more information on independent travel training.

Information sent on 31 January and 21 February 2024

Responding to the Chair’s question about the Children and Education Services team’s priorities for the coming year, Jacqui McShannon noted the following:

- Leading subregional projects – (a) leading on behalf of eight London boroughs a Fostering Recruitment and Retention Hub which aimed to provide local placements where children and young people could stay close to their communities; and (b) leading the Pan London Care Leavers Compact which ensured that all care experienced young people in London could benefit from consistent offers including housing, education, employment, training and mentoring;
- Industrial Strategy – working with the businesses and different traditional and innovative partners to organise school workshops to enhance STEM provisions and opportunities for children and young people;
- SEND children – invested in early intervention and referral to speech therapist, drawn up education, health and care plan for them;
- Support young carers – supported young carers who worked directly with children and families on the edge of care or at the edge of protection;
- School attendance – worked in partnership to address the significant increase in persistent absenteeism at both the primary and secondary school levels and to identify the underpinning drivers of the issue;
- Schools – supported those which experienced recruitment and retention issues and helped them to be financially viable; and
- More experienced workforce

RESOLVED

That the Committee noted the budget proposals and recommended them to the Cabinet as appropriate.

5. DATE OF NEXT MEETING

The Committee noted that the next meeting would be held on 25 March 2024.

Meeting started: 7.04 pm
Meeting ended: 8.31 pm

Chair

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