

London Borough of Hammersmith & Fulham

Children and Education Policy and Accountability Committee Minutes



Tuesday 21 January 2025

NOTE: This was held as an informal meeting.

PRESENT

Committee members: Councillors Helen Rowbottom (Chair), Daryl Brown and Aliya Afzal-Khan

Co-opted members: Nandini Ganesh (Parentsactive Representative)

Other Councillors: Councillors Alex Sanderson (Deputy Leader) 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 (Executive Director of People)

Sarah Sanderson (Interim Operational Director, Children and Young People Services)

Peter Haylock (Operational Director for Education and SEND)

Debbie Yau (Committee Coordinator)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mercy Umeh and Trey Campbell-Simon, and Nadia Taylor (Parent Governor Representative).

Councillor Daryl Brown attended remotely.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

RESOLVED

That the minutes of the meeting held on 11 November 2024 were agreed as an accurate record.

4. 2025/26 REVENUE BUDGET AND MEDIUM TERM FINANCIAL STRATEGY (MTFS)

Councillor Rowan Ree (Cabinet Member for Finance and Reform) gave an overview of the 2025/26 Revenue Budget, including the operating environment, additional central government funding and objectives of the financial strategy. He also briefed on the budget headlines, the provisional settlement of the draft budget and departmental service allocations, the investment and savings proposals, council tax considerations and residual risks in 2025/26. He further highlighted the earmarked reserves forecast and medium-term financial forecast showing the estimated budget gap until 2028/29 as well as the MTFS for 2026/27+. Councillor Ree said the Revenue Budget would be presented to the Cabinet and Full Council in February 2025 after briefing the Policy and Accountability Committees and Policy Oversight Board.

Jacqui McShannon (Executive Director of People) presented the budget proposals of the Children's Services (CHS). She outlined the People's directorate vision and the strategy of providing the right services at the right time to meet needs locally, and highlighted the CHS achievements, in particular the Safety Valve. She also noted the challenges and mitigations as well as the CHS priorities, including the Children's Social Care reform. Tony Burton (Head of Finance – CHS and Education) then introduced the CHS 2025/26 Controllable Budget and the summary of change on Children's and Education Net Controllable Budget.

NOTE: Information on the presentations are attached in Appendices A and B

In response to Nandini Ganesh's question about Upstream, Councillor Ree noted that Upstream was a local industrial strategy embarked by the Hammersmith and Fulham (H&F) Council in collaboration with the Imperial College to attract research and development in respect of life science technology into the area. The Council would continue to support the College's research by providing space for businesses. So far, the Upstream Strategy had generated £6bn inward investment with branded companies/organisations moving to the White City and created some 13,000 jobs. Councillor Ree said the Council would ensure the inclusiveness of this cutting-edge research hub such that all children growing up in H&F would be benefited.

The Committee noted that an additional £1.13bn of new funding was announced for local authorities targeted at adult and children social care (with £250m of this being a new Children's Social Care Prevention Grant, distributed using a new children's needs-based formula).

In reply to Chair's question about the impact of the Children's Social Care Prevention Grant, Jacqui McShannon said the Government announced the national Children's Social Care reforms, "Keeping children safe, helping families thrive" and the associated Prevention Grant around mid-December 2024 and the local authorities were still

awaiting information on the conditions of the new grant. She agreed to brief the Committee when more information was available.

Sarah Sanderson (Interim Operational Director of Children and Young People's Services) noted that meanwhile, the CHS would continue its work and implement family-led plans the spirit of which aligned with one of the key principles underpinning the reform agenda. For example, the work of the Safeguarding Family Group Conference had utilised the capacity within the social work teams to ensure the system was safe, stable and effective. It was the intention of the CHS to retain the strong social work workforce and implement the new reforms in a planned way to meet with the expectations.

Jacqui McShannon noted the agency usage of children's social care was about 5% to 6% which was extraordinarily low reflecting a good and adequate support to the in-house workforce. It was hoped that the reforms funding could bring about a different model under which a lead professional of high-level skills and nurtured standards would stay with a family. Sarah Sanderson also highlighted the strong partnership currently embedded in the multi-agency working with families. CHS was in the process of engaging different partners/agents to see how the partnerships could be further strengthened under the reform agenda.

Responding to the Chair's further question, Jacqui McShannon said she believed the initiative was based on the Government Consultation Response on "Children's Social Care: Stable homes, Built on love" published in 2023. It was about the development of resilient families so that children could safely remain at home and thrive with their needs met in the earliest optimal way. It was noted that the CHS current practice of supporting parents and families as well as the growth proposals were in line with the reform agenda. The Chair and officers exchanged views on becoming pilot/prime of government reforms, learnings from running piloted family/fostering networks, and issues around the capacity of partner agencies.

Councillor Aliya Afzal-Khan noted CHS proposed net budget for 2025/26 was £65.974m within which was £11.904m for budget lines over which the service had little direct control. She sought details on the non-controllable items and the movement, if any, of the budget lines.

Tony Burton noted that non-controllable items were not under the directorate's direct control such as capital charges which was an accounting adjustment relating to asset depreciation and corporate overheads which provided finance and human resources support. On the movement of budget line, Tony noted that asset depreciation increased with capital investment and the depreciation charges were spread over a number of years. James Newman (Assistant Director of Finance) also noted that the budget lines could also go up by pay inflation. They explained that in line with the best accounting practice, expenditures on non-controllable items would be re-charged to the public-facing services proportionally based on headcount.

Cllr Ree highlighted the difficulty in budgeting back in 2022 when the inflation rate stood at 11.1%. With the current rate of inflation kept at the Bank of England's target around 2%, the provision of pay inflation was also pitched at 2%. He was proud that this Council was still able to invest £12.3m for growth spending while making £5.1m

efficiency savings even at a time when public finances were tight. He also noted that the administration had made £133m of efficiency savings during its time of office, without cutting frontline services.

As regards Nandini Ganesh's concern about "Travel Care and Support" being an item under both growth and savings, Tony Burton clarified they were related to different aspects. On growth, the increase of £519,000 was led by the growth in statutory Education and Health Care Plans (EHCPs) for children and young people with special education needs and disability (SEND). The savings of some £200,000 was resultant from retendering of bus services and independent travel training. Peter Haylock (Operational Director for Education and SEND) noted that the Travel Care and Support service was also open for children and young people with SEND. Jacqui Shannon said that Travel and Care Support was kept under regular review as this area of needs had become increasingly complex and costly to meet.

Nandini Ganesh sought elaboration about Safety Valve arrangements. Jacqui McShannon noted that in refreshing the People's directorate vision, the SEND Transformation programme had been reviewed to see how early intervention services such as speech and language therapies could be provided more effectively and inclusively to help identify children with autistic spectrum condition. The formal Safety Valve partnership with Department for Education was an arrangement to "accelerate" the SEND Transformation programme yet without compromising its effectiveness in meeting children's needs at an early stage.

Nandini Ganesh asked about the impact of Safety Valve as reflected in the demand for EHCPs. Jacqui McShannon noted that the growth of EHCPs had slowed down reflecting a positive impact of the revised offers delivered by the H&F's schools. It was hoped that the needs of the children and young people could be identified and met by national Transformation programme. Peter Haylock acknowledged while the real number of EHCPs was reducing, the flatter slope might also be due to better casework particularly for young people. He said quality advice and guidance provided to schools and parents had ensured needs were met at an earlier stage.

Tony Burton noted the Safety Valve had allowed direct investment into the system leading to early intervention as part of the Transformation agenda. Jacqui McShannon said as she understood, Safety Valve was also a funding arrangement to deal with historic deficit. Nandini expressed concern that there was misunderstanding among service recipients that the mission of Safety Valve was to reduce EHCPs which led to difficult situations among some parents. Jacqui highlighted the need to differentiate Transformation from Safety Valve to preserve the former's quality of early year support. Peter Haylock added that in addition to the low percentage of children and young people in H&F with EHCPs and SEND, the rates of their involvement in tribunal or mediation/complaints cases were also very low.

In response to the Chair's enquiry, James Newman noted the Government had released on 18 December 2024 a consultation document on Funding Reform which had set out plans for three-year multiple settlements from 2026/27 onward representing a major overhaul of the funding system. The key stakeholders in bodies like Society of London Treasurers and finance directors in London councils and LGA would be engaged and involved in the consultation process. The local authority would have to be

ready in the next 11 months to meet this ambitious challenge for local government funding as the turnaround of budget cycle would be quite tight.

Summing up, the Chair expressed appreciation for the balanced budget in hard times and the high quality of CHS especially social care services delivered with great integrity.

RESOLVED

1. That the Committee noted the budget proposals and agreed to recommend them to the Cabinet as appropriate.
2. That the Committee noted the proposed changes to fees and charges and agreed to make recommendations as appropriate.

5. DATE OF NEXT MEETING

The Committee noted the next meeting would be held on 22 April 2025.

Meeting started: 7.02 pm

Meeting ended: 8.06 pm

Chair

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