

CHILDREN'S SERVICES COMMITTEE

MINUTES AND DECISION RECORD

29 NOVEMBER 2018

The meeting commenced at 11.00 am in the Civic Centre, Hartlepool.

Present:

Councillor: Brenda Harrison (In the Chair)

Councillors: Marjorie James, Sue Little and Shane Moore.

Co-opted members:

Mark Tilling, Secondary Schools Head Representative
David Turner, Primary Schools Head Representative

Healthwatch representative: Ruby Marshall.

Also Present: Councillor Rob Cook as substitute for Councillor Katie Trueman in accordance with Council Procedure Rule 5.2.

Alan Chapman as substitute for Zoe Westley, Special Schools Head Representative
Sue Sharpe, Schools Forum

Officers: Sally Robinson, Director of Children's and Joint Commissioning Services
Mark Patton, Assistant Director, Education
Chris Little, Director of Finance and Policy
Sandra Shears, Head of Finance (Corporate and Schools)
Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

48. Apologies for Absence

Councillor Ann Marshall and Katie Trueman
Evelyn Leck, Healthwatch representative
Zoe Westley, Special Schools Head Representative

49. Declarations of Interest

The Headteachers stated their usual declarations of interest.

50. Minutes of the meeting held on 13 November 2018

Received.

51. High Needs Block Disapplication 2019/20 *(Director of Children's and Joint Commissioning Services)*

Type of decision

Key Decision – tests (i) and (ii) apply. Special Urgency rules applied.

Purpose of report

To inform members of the outcome of Schools' Forum held on the 26 November 2018 and their decision in relation to the request to transfer £1.030m from the Schools Block to the High Needs Block (HNB) to fund the forecast financial pressure in 2019/20.

To seek agreement that the local authority should present a disapplication request to the Secretary of State in order to ensure that the local authority can set a balanced budget for the HNB and provide for its most vulnerable children and young people.

Issue(s) for consideration

The Assistant Director, Education updated the Committee following the discussion at Minute No. 47 of the meeting on 13 November 2018 on the decision of the Schools Forum at its meeting held on 26 November 2018.

As had been previously reported it was predicted that there would be a £1.030m deficit at the end of 2019/20 in the funding available to those young people funded whose educational needs were met from the High Needs Block. The Schools Forum had been considering a number of options on methods of meeting this deficit. A brief overview of the history of the issue was set out in the report.

In order to meet the anticipated financial pressure of £1.030m in 2019/20, Schools' Forum requested 2019/20 budget modelling against the three proposals: -

Option 1 - Report an unbalanced budget deficit of £1.030m

Option 2 - Transfer £0.550m from the Schools Block to High Needs Block, along with a rate reduction to fund the remaining shortfall of £0.480m

Option 3 - Transfer £1.030m from the Schools Block to High Needs Block

The likely impact of these options on schools' individual budget shares had been calculated and reported to all schools.

The Council's preferred option was option 3. This option would result in a relatively minor net decrease (0.2%) to each school budget in 2019/20 in comparison to 2018/19 budgets. Option 3 would address the anticipated overspend. This was the preferred option because it spread the additional financial burden across all schools which was more in keeping with Hartlepool's fully inclusive ethos. This option would require a

disapplication request being made to the Secretary of State.

Schools' Forum and all headteachers had been kept up to date with the growing financial pressure on the HNB. Schools' Forum (and all headteachers) considered the three options at its meetings on 16 October 2018, 12 November 2018 and 21 November 2018. At its meeting on the 21 November a fourth option was discussed. This option was to agree the transfer of £0.550m but report a deficit of £0.480m.

Schools' Forum agreed to consult all headteachers and they reconvened on 26 November 2018. After a lengthy discussion where views of individual schools were presented by their Forum representatives, the Schools' Forum voted on the four options and voted to support Option 1.

The Council could not support Option 1 as it had a duty to set a balanced budget.

In debate Members questioned the needs of children funded from the HNB that were not being met in Hartlepool and what could be done to return those children to Hartlepool that were currently being supported elsewhere. It was explained that, as with many other authorities, some of the children and young people supported by the HNB had very specific needs and/or disabilities that required very specialist care that was only available in a number of limited venues. Some also had to be placed outside the area for educational as well as social care reasons. Not all these children and young people could return to Hartlepool. There were very good practitioners in Hartlepool and some issues did simply revolve around accommodation but there was ongoing capacity building in our schools though this did take time.

Members reviewed the impact of the transfer of the HNB deficit from the Schools Block in monetary terms for individual schools as set out in an appendix to the report. The Schools representatives stated that those figures did also need to be seen in terms of the impact of other factors on school budgets. For example, not all of the recent pay award for teachers had been centrally funded, pay awards for non-teaching staff had not been funded at any level and there were new pension contribution requirements that effectively meant that all schools budgets were being cut. The schools representatives also stated that the 0.2% would apply from this school year's budget.

The Chair commented that she understood that the issue was very significant for schools and this had been reflected in the debate at several school forum meetings. The Chair also stated that Councillors and officers did not see this as a 'schools versus Council' issue. The Council understood the schools perspective. The Chair indicated that a motion would be submitted to the next Council meeting seeking support for a further approach to Government.

The issue of the disapplication was discussed by the meeting. Schools

representatives were concerned that the disapplication request may give the impression that there was enough funding in the Schools Block when quite clearly there wasn't. A Member did consider that this was an exceptionally difficult decision and that he had wanted to support the schools in saying they had reached a line. The Member questioned how many other local authorities were going through the same disapplication decision process and if that in itself would send a message to government. The Director of Finance and Policy commented that should the number of disapplication requests submitted to the Minister be significant that may give a stronger message that schools were underfunded as it would require the Minister to make a decision, which would not be the case if a deficit budget was set.

A Member referred to the previous comment about taking the HNB deficit from the Schools Block meant that there was sufficient funding there and wondered if the recent positive Ofsted outcome report would not also add to that view. The Director of Children's and Joint Commissioning Services commented that despite austerity Ofsted inspectors still expected to find good services in place.

In closing the debate the Chair recognised the feeling behind the Schools' Forum decision but the Council could not agree a deficit budget; it was required to set a balanced budget. Hopefully the number of disapplication requests would make the Minister think again but the Chair thought this would be unlikely. The chair acknowledged the comments made by Members in relation to submitting the application direct to the Minister with representatives from the schools and also the schools themselves sharing their concerns among the wider schools network in the region. The Chair considered this to be an insidious position for the Committee to be in and reluctantly supported the proposal for the application of Option 3 – the submission of a disapplication request to the Secretary of State to transfer £1.030m from the Schools Block to the High Needs Block for the 2019/20 budget.

Decision

1. That the contents of the report be noted.
2. That the recommendation from Schools' Forum for Option 1 – Report an unbalanced budget deficit of £1.030m – be noted.
3. That option 3 for addressing the 2019/20 High Needs Budget overspend by submitting a disapplication request to the Secretary of State to transfer £1.030m from the Schools Block to the High Needs Budget for the 2019/20 budget was unanimously approved.

52. Any Other Items which the Chairman Considers are Urgent

There were no items the Chair considered urgent.

The Committee noted that the next meeting would be held on Tuesday 4 December 2018 at 4.00 pm in the Civic Centre, Hartlepool.

The meeting concluded at 11.55 am.

H MARTIN

CHIEF SOLICITOR

PUBLICATION DATE: 6 DECEMBER 2018