

**Minutes**

**CABINET**

**Thursday, 14 February 2019**

**Meeting held at Committee Room 6 - Civic Centre,  
High Street, Uxbridge**



**Published on: 15 February 2019**

**Decisions come into effect from: 22 February 2019 \***

**Cabinet Members Present:**

Ray Puddifoot MBE  
David Simmonds CBE  
Philip Corthorne  
Jonathan Bianco  
Douglas Mills  
Keith Burrows  
Richard Lewis  
Susan O'Brien (Ex-Officio Member of the Cabinet)

**Members also Present:**

Nick Denys  
Henry Higgins  
Wayne Bridges  
John Riley  
Simon Arnold  
Peter Money  
John Morse

**1. APOLOGIES FOR ABSENCE**

All Members were present.

**2. DECLARATIONS OF INTEREST IN MATTERS BEFORE THIS MEETING**

No interests were declared by Members present.

**3. TO APPROVE THE MINUTES OF THE LAST CABINET MEETING**

The minutes and decisions of the Cabinet meeting held on 24 January 2019 were agreed as a correct record.

**4. TO CONFIRM THAT THE ITEMS OF BUSINESS MARKED PART 1 WILL BE CONSIDERED IN PUBLIC AND THAT THE ITEMS OF BUSINESS MARKED PART 2 IN PRIVATE**

It was confirmed that the items marked Part 1 would be considered in public and the items marked Part 2 in private.

## **5. MONTHLY COUNCIL BUDGET MONITORING REPORT: MONTH 9**

### **RESOLVED:**

**That Cabinet:**

- 1. Note the budget position as at December 2018 (Month 9) as outlined in Table 1.**
- 2. Note the Treasury Management update as at December 2018 at Appendix E.**
- 3. Continue the delegated authority up until the next Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between 24<sup>th</sup> January and 14<sup>th</sup> February Cabinet meetings, detailed at Appendix F.**
- 4. Approves re-phasing of 2018/19 capital expenditure and associated financing budgets totalling £39,032k (General Fund) and £16,836k (HRA) into later years of the capital programme.**
- 5. Accept awards of £44k additional grant funding from Transport for London for the Bridges Assessment and Strengthening Programme (£35k) and Borough Officer Training Programme (£9k).**
- 6. Accept £71k funding from the Department for Education towards support for care leavers at risk of rough sleeping to be managed within Social Care budgets in 2018/19 and 2019/20.**
- 7. Accept £210k funding from the Ministry of Housing, Communities and Local Government to support preparations for Brexit in 2018/19 and 2019/20, alongside additional funding to specifically support port authorities.**
- 8. Agree to the virement of £50k from unallocated capital contingency to fund works to the fountain at the Beck Theatre and approve the associated capital release.**
- 9. Ratify a special urgency decision taken by the Leader of the Council and the Cabinet Members for Finance, Property and Business Services and Community, Commerce and Regeneration on 14 February 2019 to:**
  - a) Accept the tender from Octaga Security Services Limited for the provision of security services at the Council's Civic Centre and other corporate properties for a 3 year period from 15 March 2019 to 14 March 2022 and at the value of £741,351 per annum.**
  - b) Furthermore, agree that this includes the provision to extend the contract for a further 1 + 1 year periods (5 years in total), subject to the approval of the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services.**
  - c) Agree to TUPE transfer the CCTV operatives from Kingdom Security Services back in-house as part of the Council's broader CCTV strategy.**

### **Reasons for decision**

Cabinet was informed of the latest Month 9 forecast revenue, capital and treasury position for the current year 2018/19 to ensure the Council achieved its budgetary

and service objectives. Additionally, Cabinet approved the re-phasing of capital budgets, accepted a grant from Transport for London for bridge strengthening works, funding from HM Government in respect of rough sleeping and Brexit and the allocation and release of funds for fountain works at the Beck Theatre in Hayes.

Cabinet received an addendum to ratify a special urgency decision taken on the same day, to award a new security contract for the Civic Centre and corporate properties.

#### **Alternative options considered and rejected**

None.

#### **Officer to action:**

Paul Whaymand, Finance

#### **Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

## **6. THE COUNCIL'S BUDGET - MEDIUM TERM FINANCIAL FORECAST 2019/20 - 2023/24**

### **RESOLVED:**

**That Cabinet approves for recommendation to Council:**

- 1. The General Fund and Housing Revenue Account budgets and Capital Programmes, along with proposed amendments to Fees & Charges as outlined in appendices 1 to 10, and having taken the consultation responses outlined in Appendix 16 conscientiously into account;**
- 2. The proposals for continuing the Council Tax Older People's Discount into 2019/20, having due regard to the completed Equalities and Human Rights Impact Assessment at Appendix 14;**
- 3. The Capital Strategy, Treasury Management Strategy Statement, Investment Strategy, and Minimum Revenue Provision Statement for 2019/20 to 2023/24 as detailed at Appendix 12;**
- 4. The proposed London Borough of Hillingdon Pay Policy Statement for 2019/20 set out at Appendix 13;**
- 5. That it resolves that Cabinet may utilise the general reserves or balances during 2019/20 in respect of those functions which have been reserved to the Cabinet in Article 7 of the Constitution (as set out in Schedule G of the Constitution - Budget and Policy Framework Procedure Rules).**

**That Cabinet notes:**

- 6. The Corporate Director of Finance's comments regarding his responsibilities under the Local Government Act 2003.**

## **Reasons for decision**

Following due consideration of the consultation and feedback from residents, Cabinet recommended its budget proposals to the Council meeting on 21 February 2019 for final consideration.

Cabinet noted that the budget proposals for 2019/20 include a thirteenth successive Council Tax freeze for over 65s and a fourth year of avoiding implementation of the Social Care Precept, to be delivered whilst maintaining frontline services through use of General Balances and a 2.4% increase in Council Tax for other residents, which had been limited to 90% of the average 2018/19 increases for households in the neighbouring boroughs and equated to £0.51 pence per week for a Band D household.

Cabinet welcomed the planned investment in local infrastructure over the next few years, which would include a new swimming pool in the Yiewsley / West Drayton area and a major programme of investment in the Borough's highways.

Cabinet noted the comments from the Policy Overview Committees and after discussion, recommended to Council a strong, balanced budget, which had been carefully developed to put residents first.

## **Alternative options considered and rejected**

The Cabinet could have chosen to vary the proposals in its budget before recommending it to Council on 21 February 2019.

## **Officers to action:**

Paul Whaymand, Finance

## **Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

## **Urgency Provisions**

*This report had been circulated less than 5 working days before the Cabinet meeting and was agreed by the Chairman to be considered as urgent.*

## **7. SCHOOLS BUDGET 2019/20**

### **RESOLVED:**

#### **That Cabinet:**

- 1. Agree to apply the disapplication approval notified by the Education and Skills Funding Agency on 7 February 2019, to transfer £3,499k from the Schools Block to enable an in year balanced Dedicated Schools Grant (DSG) Budget for 2019/20 to be set (as set out in paragraphs 1 to 4 of the addendum).**
- 2. Approve the Primary and Secondary schools funding formula as agreed by schools and the Schools Forum, as set out in paragraphs 26 to 30.**
- 3. Approve the Early Years Single Funding Formula, as set out in paragraphs 31 to 40.**
- 4. Approve the base rate of funding for the Two Year Old Free Entitlement Offer, as set out in paragraph 41.**
- 5. Approve the Early Years Centrally Retained budget as agreed by the Schools Forum, as set out in paragraphs 43 to 46.**
- 6. Approve the Central School Services budget as agreed by the Schools Forum, as set out in paragraphs 47 to 51.**
- 7. Approve the High Needs budget as agreed by the Schools Forum, as set out in paragraphs 52 to 64.**
- 8. Request that the Chairman of the Executive Scrutiny Committee considers waiving the scrutiny call-in period on the amended recommendation 1 and recommendations 2-7 so they come into immediate effect in order allow for sufficient time to submit school budget figures to the Education and Skills Funding Agency.**
- 9. In the event any new information is received requiring further changes to the Schools Budget following Cabinet's decision, delegate authority to the Leader of the Council and Cabinet Members for Finance, Property and Business Services and Education and Children's Services, in consultation with the Corporate Director of Finance, to agree any amendments to the Schools Budget for 2019/20 under urgency provisions.**

#### **Reasons for decision**

Cabinet reviewed the consultations with School Headteachers, Governors and Early Years providers on the distribution of the funding arrangements for schools for 2019/20.

In an addendum to the meeting, Cabinet noted that the Council's disapplication request to the Department for Education had been approved on 7 February 2019 giving ministerial authority for the transfer of funding within the Dedicated Schools Budget to help mitigate the substantial £3,499k deficit in the High Needs section. Cabinet gave all due consideration to the feedback from the Schools Forum at its meeting on 12 February 2019 following the development, however, it also noted that individual schools budgets would still increase by £964k next year and that this

would be on top of the additional funds that schools would receive from the Teachers Pay Award Grant.

Cabinet noted the importance of the Schools Forum in managing the total education budget and also the responsibility of individual schools themselves in setting their own balanced budgets.

Given the need to responsibly tackle the deficit and taking into account the resultant position of individual schools budgets, Cabinet agreed to fully apply the disapplication request, thereby enabling the setting a balanced Schools Budget.

### **Alternative options considered and rejected**

Cabinet could have ignored the Secretary of State's decision and agreed to set a £3,499k deficit Schools Budget for 2019/20 or partially applied the disapplication approval.

### **Officer to action:**

Peter Malewicz, Finance

### **Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

### **Urgency Provisions**

*This report had been circulated less than 5 working days before the Cabinet meeting and was agreed by the Chairman to be considered as urgent.*

## **8. REGIONAL ADOPTION AGENCY PROPOSAL**

### **RESOLVED:**

**That Cabinet:**

- 1. Agree in principle for the Council to join the Ambitious for Adoption Regional Adoption Agency;**
- 2. Delegate authority to the Corporate Director of Social Care, in consultation with the Leader of the Council and Cabinet Member for Education & Children's Services, to make all necessary decisions to further progress this proposal and formally sign-up to Ambitious for Adoption on behalf of the Council.**

### **Reasons for decision**

Cabinet noted that HM Government had announced in March 2016 changes to the delivery of adoption services by proposing that all local authority adoption services

be delivered on a regional basis by 2020. After research into the best approach for Hillingdon, Cabinet agreed to sign-up to a regional adoption agency called *Ambitious for Adoption*.

Cabinet welcomed that this partnership would ensure a coherent approach to improving the timeliness and quality of adoptions for children, whilst maintaining staff located in Hillingdon and local connections with the broader assessment processes and social care process.

#### **Alternative options considered and rejected**

Cabinet could have joined another regional agency, *Adopt London West*, but considered that they had not provided a sufficient level of detail or confidence in order to be considered by the Council.

#### **Officer to action:**

Tony Zaman / Ana Popovici

#### **Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

### **9. STANDARDS AND QUALITY OF EDUCATION IN HILLINGDON DURING 2017/18**

#### **RESOLVED:**

**That the Cabinet:**

- 1. Note the key findings set out in the report and;**
- 2. Note the comments from the Residents, Education and Environmental Services Policy Overview Committee.**

#### **Reasons for decision**

Cabinet received a detailed paper on the local academic results and attainment by pupils in the Borough during the last school year, highlighting good progress overall and that 91% of schools were now judged good or better. Cabinet also noted particular areas of concern where schools, with the Council, needed to work harder to improve performance.

#### **Alternative options considered and rejected**

None.

#### **Officer to action:**

Dan Kennedy, Residents Services

**Classification: Public**

*The report and any background papers relating to this decision by the Cabinet are available to view on the Council's website or by visiting the Civic Centre, Uxbridge.*

**10. CONTRACT EXTENSION: VOID PROPERTY REPAIR SERVICE**

**RESOLVED:**

**That Cabinet approves the extension of the contract with Axis Europe Plc for the provision of Void Properties Repair Service to the London Borough of Hillingdon for a one year period from 3rd April 2019 to 2nd April 2020.**

**Reasons for decision**

Cabinet agreed the extension of an existing contract that repaired and re-serviced council housing properties that become vacant in order to maximise the number of available homes available for tenants.

**Alternative options considered and rejected**

Cabinet could have considered bringing the service in-house or sought competitive tenders, but discounted these due to the satisfactory performance of the existing contractor.

**Officers to action:**

Gary Penticost / Michael Breen

**Classification: Private**

*Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.*

**11. PURCHASE OF PASSENGER SERVICE VEHICLES**

**RESOLVED:**

**That the Cabinet:**

- 1. Approves the purchase of 2 x 8 seater (plus driver) passenger service vehicles (buses) at a cost of £90,447.98 from Treka Bus Ltd.**
- 2. Approves the purchase of 20 x 16 seater (plus driver) passenger service vehicles (buses) at a cost of £1,487,299.20 from Treka Bus Ltd.**

**3. Approves the purchase of 4 x 30 seater (plus driver) passenger service vehicles (buses) at a cost of £381,380.00 from Nu-Track Ltd.**

**Reasons for decision**

To ensure value for money for taxpayers, Cabinet agreed the outright purchase of a number of passenger service vehicles, noting that existing vehicles were either at the end of their serviceable life or were hired, which was more expensive. Cabinet noted that these vehicles were used to transport residents, such as pupils who attend Special Education Needs schools and adults with mobility issues.

**Alternative options considered and rejected**

Cabinet could have decide to use hired vehicles, however, it considered this to be a more expensive option than purchasing new vehicles.

**Officers to action:**

Bobby Finch

**Classification: Private**

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**12. ANY OTHER ITEMS THE CHAIRMAN AGREES ARE RELEVANT OR URGENT**

No additional items were considered by the Cabinet.

The meeting closed at 7:29pm.

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**Internal Use only - implementation of decisions**

**Decisions that take immediate effect:** Cabinet's decisions relating to Item 6 related to the Cabinet's budget proposals and these decisions took immediate effect in order to be recommended to Council on 21 February 2019 to set a balanced budget. The Chairman of the Executive Scrutiny Committee also waived the call-in period after Cabinet on Item 8, the Schools Budget, and this decision also took immediate effect.

**All other decisions:** Meeting after Cabinet, the Executive Scrutiny Committee did not call-in any of the remaining Cabinet's decisions. Therefore, these decisions can

be implemented by officers upon the expiry of the scrutiny call-in period which is from:

**5pm, Friday 22 February 2019.**

Officers to action the decisions are indicated in the minutes.

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The public part of this meeting was broadcast on the Council's YouTube channel [here](#). Please note that these minutes and decisions are the definitive record of proceedings by the Council of this meeting.

If you would like further information about the decisions of the Cabinet, please contact the Council below:

[democratic@hillingdon.gov.uk](mailto:democratic@hillingdon.gov.uk)

Democratic Services: 01895 250636

Media enquiries: 01895 250403

To find out more about how the Cabinet works to put residents first, visit [here](#).

## Cabinet Addendum Sheet

14 February 2019



HILLINGDON  
LONDON

**Classification:** Public

### ITEM 5 - BUDGET MONITORING REPORT MONTH 9

#### NEW RECOMMENDATION 9

That Cabinet ratify a special urgency decision taken by the Leader of the Council and the Cabinet Members for Finance, Property and Business Services and Community, Commerce and Regeneration on 14 February 2019 to:

- a) **Accept the tender from Octaga Security Services Limited for the provision of security services at the Council's Civic Centre and other corporate properties for a 3 year period from 15 March 2019 to 14 March 2022 and at the value of £741,351 per annum.**
- b) **Furthermore, agree that this includes the provision to extend the contract for a further 1 + 1 year periods (5 years in total), subject to the approval of the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Corporate Director of Residents Services.**
- c) **Agree to TUPE transfer the CCTV operatives from Kingdom Security Services back in-house as part of the Council's broader CCTV strategy.**

#### **Supporting information**

Following a competitive tender exercise, Cabinet agreed a new manned security contract for the Civic Centre and other corporate properties, including the One-Stop Shop in Hayes, Olympic House, Harlington Road Depot, Ruislip Lido, key car parks and the Battle of Britain Visitor Centre, along for other sites or services when required. It was also agreed to transfer CCTV personnel in-house. The proposed contract value was in excess of £500k and in accordance with the Council's Constitution it would ordinarily require Cabinet approval. However, the Leader of the Council has the authority to take contract decisions on behalf of Cabinet where it is deemed urgent. In compliance with the Procurement Standing Orders, it is now reported to Cabinet for ratification.

#### **BACKGROUND PAPERS**

Decision Notice: 14 February 2019

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## ITEM 7 - SCHOOLS BUDGET 2019/20

### AMENDED / NEW RECOMMENDATIONS

That Cabinet amends Recommendation 1 in the report as follows and agrees:

**To apply the disapplication approval notified by the Education and Skills Funding Agency on 7 February 2019, to transfer £3,499k from the Schools Block to enable an in year balanced Dedicated Schools Grant (DSG) Budget for 2019/20 to be set (as set out in paragraphs 1 to 4 of this addendum).**

That Cabinet deletes the existing Recommendation 8, and replaces it with a new Recommendation 8 as follows:

**Request that the Chairman of the Executive Scrutiny Committee considers waiving the scrutiny call-in period on the amended recommendation 1 and recommendations 2-7 so they come into immediate effect in order allow for sufficient time to submit school budget figures to the Education and Skills Funding Agency.**

That Cabinet agrees a new Recommendation 9 as follows:

**In the event any new information is received requiring further changes to the Schools Budget following Cabinet's decision, delegate authority to the Leader of the Council and Cabinet Members for Finance, Property and Business Services and Education and Children's Services, in consultation with the Corporate Director of Finance, to agree any amendments to the Schools Budget for 2019/20 under urgency provisions.**

*Note: all the other recommendations numbers 2 through to 7 remain as set out in the original report.*

### **Reason for Recommendations**

The Secretary of State agreed the disapplication request referenced in the report, which allows the Council to transfer £3,499k from the Schools Block and by doing so allows an in year balanced DSG Budget for 2019/20 to be set.

### **Alternative Options**

- i) To ignore the Secretary of State's decision and agree to set a £3,499k deficit DSG Budget for 2019/20.
- ii) To partially apply the disapplication approval.

### **Supporting information**

The published Schools Budget 2019/20 Cabinet report, seeks agreement to set a Dedicated Schools Grant Budget for 2019/20 with a deficit of £3,499k, acknowledging that on the date

of publication, the Council had not received any communication from the Education and Skills Funding Agency (ESFA) with regards to the Council's disapplication request. This request had sought authority to transfer £3,499k from the Schools Block to enable the Council to set an in year balanced DSG Budget for 2019/20.

On the 7 February 2019, the Council received notification from the ESFA that Hillingdon's disapplication request had been approved. As a result, Schools Forum were asked to convene an emergency meeting to discuss the implications of this decision and to provide them with an opportunity to feedback to the Council their views before a final decision is made. This meeting took place on 12 February 2019.

At this meeting, Schools Forum made the following comments:

They appreciated the opportunity to comment on the decision made by the ESFA, but after careful consideration they still had the view that they would not wish to support the transfer of £3,499k from the Schools Block for the following reasons:

- i) They wished to reiterate that this is not addressing the fundamental issue that there is insufficient funding in the DSG and that any transfer of funds would have a direct and detrimental impact on the education of children in the Borough.
- ii) They recognised that a significant proportion of the pressure in the DSG was as a direct result of the introduction of the Children and Families Act 2014 and the extension of the provision to include young people aged 19 to 25, which the National Funding Formula does not appropriately fund. They felt very strongly that pressure needs to be put on the DfE to address the underfunding of this range of young people.
- iii) They expressed concern that they felt more schools would fall into financial difficulties, especially the smaller schools, with a high probability that more schools would be unable to set a balanced budget in 2019/20 and would be seeking to set licensed deficits with little opportunity to recover.

However, Schools Forum did recognise that they had a part to play in trying to address the funding shortfall and proposed to look into the following:

- i) Schools Forum did consider a compromise position and voted on a proposal to transfer 0.5% from the Schools Block, which was not agreed.
- ii) To undertake a review of the range of per pupil funding provided to schools, the link to Minimum Funding Guarantee protection and the level of balances that these schools have including the changes in those balances and consider whether there are any options that will allow the Council and Schools Forum to address this.
- iii) To review the potential to operate a clawback of surplus balances mechanism for all schools including academy schools. This would require lobbying of the DfE, as this approach is not possible under the current Regulations.
- iv) To review the impact of school surplus places and pupil place planning.
- v) To consider opportunities for schools and the Local Authority to work together to procure services at a preferential rate. Schools indicated that their biggest challenge was teacher recruitment, retention and use of agency staff.

## Proposed DSG Budget for 2019/20

1. The approval received from the ESFA allows Cabinet to set an in year balanced budget, resulting in a requirement to amend a number of the tables in the original Schools Budget 2019/20 report.
2. The following table summarises the final DSG Budget by funding block for 2019/20 and highlights the changes that need to be made should Cabinet agree to transfer £3,499k from the Schools Block:

		Published Budget £000	Proposed Amendments £000	Revised Budget £000
Schools Block	Income	(218,649)	0	(218,649)
	Expenditure	218,649	(3,499)	215,150
	<b>Net Total</b>	<b>0</b>	<b>(3,499)</b>	<b>(3,499)</b>
High Needs Block	Income	(39,512)		(39,512)
	High Needs Recoupment adjustment	7,879		7,879
	High Needs Recoupment	(730)		(730)
	Expenditure	35,963		35,963
	<b>Net Total</b>	<b>3,600</b>		<b>3,600</b>
Early Years Block	Income	(24,824)		(24,824)
	Expenditure	24,627		24,627
	<b>Net Total</b>	<b>(197)</b>		<b>(197)</b>
Central School Services Block	Income	(2,818)		(2,818)
	Expenditure	2,914		2,914
	<b>Net Total</b>	<b>96</b>		<b>96</b>
<b>Total</b>		<b>3,499</b>	<b>(3,499)</b>	<b>0</b>

3. The following table details the final DSG Budget for 2019/20:

Funding Block	Cost Centre description	Proposed Budget £'000	Proposed Amendments £000	Revised Budget £000
Schools	Schools Block Funding	(218,649)		(218,649)
Schools	Individual Schools Budget	217,195	(3,499)	213,696
Schools	Growth Fund Contingency	1,454		1,454
	<b>Schools Block Total</b>	<b>0</b>	<b>(3,499)</b>	<b>(3,499)</b>
Early Years	Early Years Block Income	(24,824)		(24,824)
Early Years	Early Years Single Funding Formula	17,191		17,191
Early Years	Early Years Single Funding Formula (additional 15 hrs)	3,881		3,881
Early Years	Maintained Nursery School Supplementary Funding	239		239
Early Years	Disability Access Fund	104		104
Early Years	SEN Inclusion Fund	200		200
Early Years	Core Childcare & Early Years (FIS)	251		251
Early Years	Early Years Advisory Teachers	185		185
Early Years	Provision for Vulnerable Children Placements	139		139
Early Years	Early Years Overheads	96		96
Early Years	Early Years Pupil Premium	123		123
Early Years	2YO Funding	2,218		2,218
	<b>Early Years Block Total</b>	<b>(197)</b>		<b>(197)</b>
High Needs	High Needs Block Income	(39,512)		(39,512)
High Needs	High Needs Block Academy Recoupment	7,879		7,879
High Needs	Estimated HN Recoupment adjustment	(730)		(730)
High Needs	Maintained ASB	3,447		3,447
High Needs	Top-up funding	21,256		21,256
High Needs	Independent placement provision (pre-16)	4,561		4,561
High Needs	Independent placement provision (post-16)	1,002		1,002
High Needs	FE college top up funding	2,730		2,730
High Needs	Hospital Tuition	75		75
High Needs	Spec Contingency Spec Needs	1,076		1,076
High Needs	Non-statemented pupils - exceptional funding	32		32
High Needs	Tuition - SEN out of school	93		93
High Needs	SEN Support Services	1,235		1,235
High Needs	High Needs Overheads	456		456
	<b>High Needs Block Total</b>	<b>3,600</b>		<b>3,600</b>
Central Schools	Central Schools Block Funding	(2,818)		(2,818)
Central Schools	DSG Funded Business Support	30		30
Central Schools	Schools Forum	5		5
Central Schools	Admissions	305		305
Central Schools	Hillingdon Virtual School	487		487
Central Schools	Non-statemented LAC placements	300		300
Central Schools	Education Safeguarding	166		166
Central Schools	Pupils Out of School	327		327
Central Schools	Copyright Licences	230		230
Central Schools	ESG Funded Services	754		754
Central Schools	Central Schools Block Overheads	310		310
	<b>Central Schools Block Total</b>	<b>96</b>		<b>96</b>
	<b>Grand Total</b>	<b>3,499</b>	<b>(3,499)</b>	<b>0</b>

4. The following table details the proposed budget movements between 2018/19 and 2019/20:

<b>Cost Centre description</b>	<b>2018/19 Original Budget £'000</b>	<b>Movement £'000</b>	<b>2019/20 Proposed Budget £'000</b>
Schools Block Funding	(215,472)	(3,177)	(218,649)
Individual Schools Budget	212,732	964	213,696
Growth Fund Contingency	1,662	(208)	1,454
<b>Schools Block Total</b>	<b>(1,078)</b>	<b>(2,421)</b>	<b>(3,499)</b>
Early Years Block Income	(26,307)	1,483	(24,824)
Early Years Single Funding Formula	16,993	198	17,191
Early Years Single Funding Formula (additional 15 hrs)	5,353	(1,472)	3,881
Maintained Nursery School Supplementary Funding	236	3	239
Disability Access Fund	101	3	104
SEN Inclusion Fund	200		200
Core Childcare & Early Years (FIS)	245	6	251
Early Years Advisory Teachers	185		185
Provision for Vulnerable Children Placements	209	(70)	139
Early Years Overheads	293	(197)	96
Early Years Pupil Premium	136	(13)	123
2YO Funding	2,218		2,218
Early Years Centres	138	(138)	0
<b>Early Years Block Total</b>	<b>0</b>	<b>(197)</b>	<b>(197)</b>
High Needs Block Income	(36,259)	(3,253)	(39,512)
High Needs Block Academy Recoupment	6,064	1,815	7,879
Estimated HN Recoupment adjustment	(1,068)	338	(730)
Maintained ASB	3,673	(226)	3,447
Top-up funding	19,052	2,204	21,256
Independent placement provision (pre-16)	4,063	498	4,561
Independent placement provision (post-16)	1,002		1,002
FE college top up funding	2,265	465	2,730
Hospital Tuition	75		75
Spec Contingency Spec Needs	871	205	1,076
Non-statemented pupils - exceptional funding	32		32
Tuition - SEN out of school	128	(35)	93
SEN Support Services	1,179	56	1,235
High Needs Overheads	260	196	456
<b>High Needs Block Total</b>	<b>1,337</b>	<b>2,263</b>	<b>3,600</b>
Central Schools Block Funding	(2,781)	(37)	(2,818)
DSG Funded Business Support	65	(35)	30
Schools Forum	5		5
Admissions	304	1	305
Hillingdon Virtual School	487		487
Non-statemented LAC placements	300		300
Education Safeguarding	165	1	166
Pupils Out of School	132	195	327
Copyright Licences	0	230	230
ESG Funded Services	754		754
Central Schools Block Overheads	310		310
<b>Central Schools Block Total</b>	<b>(259)</b>	<b>355</b>	<b>96</b>
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **Financial Implications**

It should be noted that the Secretary of State's decision is not permanent and only affects the 2019/20 DSG Budget.

Should Cabinet agree to transfer £3,499k from the Schools Block to set an in-year balanced DSG Budget for 2019/20, it is worth noting that the Individual Schools Budget will still increase by £964k. This is on top of the additional funds that schools will receive from the Teachers Pay Award Grant, which is estimated to be £1,983k. Additionally, the DfE are currently consulting on the funding mechanism for the planned increase in the Teachers Pensions contributions that employers will face, where it is understood that any financial impact will be fully funded through a grant.

The latest set of data available (1 April 2018 for Maintained Schools and 31 August 2017 for Academy schools), indicates that schools had total surplus balances of £36,724k (£9,554k for maintained schools and £27,170k for Academy schools). However, there is a wide spread of balances, ranging from a surplus of £5,706k to a deficit of £2,656k. There is currently no mechanism within the Regulations that allows the redistribution of these funds.

The Council have no involvement in setting individual school budgets but the Schools Finance Support Team closely monitors Maintained Schools considered to be at risk of falling into financial difficulty and offers appropriate support and advice. However, it remains the responsibility of individual schools to set a balanced budget.

## **Papers with Report**

Notification from the ESFA  
Draft Minutes of the Schools Forum meeting 12 February 2019



Education & Skills  
Funding Agency

Education and Skills Funding Agency  
Earlsdon Park  
53-55 Butts Road  
Coventry  
CV1 3BH

Tel: 0370 000 2288

[www.education.gov.uk/efa-enquiry-form](http://www.education.gov.uk/efa-enquiry-form)

7 February 2019

By email: [pmalewicz@hillingdon.gov.uk](mailto:pmalewicz@hillingdon.gov.uk); [pwhaymand@hillingdon.gov.uk](mailto:pwhaymand@hillingdon.gov.uk);  
[aevans2@hillingdon.gov.uk](mailto:aevans2@hillingdon.gov.uk); [dkennedy@hillingdon.gov.uk](mailto:dkennedy@hillingdon.gov.uk)

Dear Colleagues

### **Request to disapply the Finance Regulations**

Thank you for your amended disapplication request to move 1.57% from your schools block to your high needs block.

After consideration of your application and supporting evidence, the Minister has approved your request.

Please make any amendments to your authority proforma tool (APT) immediately, if needed, to ensure there is no delay issuing school budgets.

If you require further information or clarification on this decision, please contact us at [LA.Disapplication@education.gov.uk](mailto:LA.Disapplication@education.gov.uk).

Yours sincerely

**Keith Howkins**  
Head of the Funding Policy Implementation Unit

# DRAFT HILLINGDON SCHOOLS FORUM

Minutes of the extraordinary meeting held on Tuesday 12 February 2019 at 5pm in the Civic Centre

## Voting members

NAME	ORGANISATION	ATTENDANCE
<b>Maintained Nursery (1)</b>		
Ludmila Morris	McMillan Early Childhood Centre	PRESENT
<b>Maintained Primary - Schools (4)</b>		
Lisa Corrigan	Highfield Primary School	ABSENT
Duncan Greig	Breakspear Primary School	PRESENT
Bernadette Lloyd	Harefield Infant & Harefield Junior School	ABSENT
Kris O'Sullivan	Deanesfield Primary School	PRESENT
<b>Maintained Primary - Governors (4)</b>		
Jim Edgecombe (CHAIR)	Whiteheath Junior School	PRESENT
Tony Eginton	Minet Nursery & Infant School and Hillside Junior School	PRESENT
Phil Haigh	Cherry Lane Primary School	PRESENT
Jo Palmer	Hillside Infant School	PRESENT
<b>Maintained Secondary (1)</b>		
Liz Horrigan	Harlington School	PRESENT
<b>Maintained Special (1)</b>		
John Goddard	Hedgewood School	PRESENT
<b>Academies (9)</b>		
Bob Charlton	Charville Primary School	PRESENT
Joan Greening	Northwood Academy	PRESENT
Tracey Hemming	Middlesex Learning Partnership	PRESENT
Robert Jones	Haydon School	ABSENT
Helen Manwaring	Swakeleys School	APOLOGIES
Peter Ryerson	Guru Nanak Sikh Academy	PRESENT
(three vacancies)		-
<b>Special Academies (1)</b>		
Sudhi Pathak	Eden Academy Trust	ABSENT
<b>Alternative provision (1)</b>		
Laurie Cornwell	The Skills Hub	ABSENT
<b>Private Voluntary &amp; Independent Early Years Providers (2)</b>		
Elaine Caffary	4 Street Nursery	PRESENT
Lesley Knee	Ruislip Methodist Preschool	PRESENT
<b>14-19 Partnership (1)</b>		
(vacant)		

## Other attendees (non-voting)

<b>Independent Non-Maintained Special School</b>		
Debbie Gilder	Pield Heath School	NOT REQUIRED
<b>Shadow Representative (Maintained Primary - Schools)</b>		
Rachel Anderson	Dr Tiplests School	NOT REQUIRED
Julia Moss	Harefield Infant School	NOT REQUIRED
Sophia Shaikh	Grange Park Junior School	NOT REQUIRED
<b>Shadow Representative (Maintained Primary - Governor)</b>		
John Buckingham	Glebe Primary School	NOT REQUIRED
Mr Graham Wells	Colham Manor Primary School	PRESENT
<b>Local Authority</b>		
Kate Boulter	Clerk	PRESENT
Dan Kennedy	Director of Housing, Environment, Education, Performance, Health & Wellbeing	PRESENT
Peter Malewicz	Finance Manager - Children and Young People Services	PRESENT
Councillor David Simmonds	Deputy Leader of the Council and Cabinet Member for Education and Children's Services	PRESENT

	ACTION
<p>1. <b>APOLOGIES AND INTRODUCTIONS</b></p> <p>The Chair welcomed Councillor David Simmonds, Deputy Leader of the Council and Cabinet Member for Education and Children's Services, to the meeting.</p> <p>Apologies were recorded in the attendance list (above). The Chair confirmed the meeting was quorate and could proceed to business.</p>	
<p>2. <b>OUTCOME OF DISAPPLICATION REQUEST</b></p> <p>The Secretary of State for Education notified the Council on 7 February 2019 that it had agreed the Council's disapplication request to transfer £3,499k from the Schools Block to the High Needs Block in 2019/20. The Leader and Deputy Leader of the Council had asked Schools Forum to convene this emergency meeting to discuss the implications of the decision on the Individual Schools Budgets for 2019/20 prior to the Council agreeing the Dedicated Schools Grant (DSG) Budget for 2019/20 at the Cabinet meeting on 14 February 2019.</p> <p>The Forum considered a report which set out the background to the disapplication request and provided spreadsheets showing the level of schools balances, the impact on the 2019/20 actual position including impact of pupil number movements, and the impact of the disapplication request on School Budgets using 2018/19 data as the baseline.</p> <p>Cllr Simmonds addressed the meeting and in response to questions from Forum members advised that:</p> <ul style="list-style-type: none"> <li>• At its last meeting the Forum had recommended a deficit DSG budget to Cabinet. This meeting provided an opportunity for the Forum to discuss the matter again, in light of the Secretary of State's decision. The Forum's views would be taken into consideration when the Cabinet made its decision on the 2019/20 DSG budget on 14 February.</li> <li>• Cabinet was the decision-making body regarding the DSG budget and would take into consideration the views of both the Forum and the Secretary of State.</li> <li>• Although ringfenced, the DSG was part of the Council's overall budget and the Council was legally obliged to set a balanced in-year budget.</li> <li>• Pressure had been put on Government to provide more funding for High Needs, and Hillingdon would receive an additional £775K High Needs funding in both 2018/19 and 2019/20. The DfE also had a capital strategy to create more local places for children and young people with high needs. However there was no expectation that funding would increase sufficiently to pay off the deficit in the near future.</li> <li>• There was a choice to be made of whether to live with the deficit, and have a strategy in place to reduce it, or take action to reduce the deficit now. The Secretary of State's agreement of the disapplication request indicated that Government preferred improvement to be made to the deficit position now.</li> <li>• Hillingdon schools had an overall balance in excess of £36.7 million which indicated there was surplus money in the system. Schools Forum needed to exercise its leadership and consider ways in which funding could be distributed more effectively.</li> </ul> <p>The Forum discussed and commented on the impact on the proposed transfer from the Schools Block to High Needs:</p>	

- The Forum had no control over the primary cause of the deficit, which was the expansion of High Needs support from 0-18 to 0-25, with no corresponding increase in financial support from Government. Local authorities nationwide were reporting deficits attributed to the rapid increase in demand for high needs support.
- Prior to the Secretary of State agreeing the disapplication request, the Council had acknowledged that the Forum had managed its budget competently prior to the implementation of the Children and Families Act 2014; that the deficit primarily related to DfE funding failing to keep pace with growing demand for high needs, and the Council had expressed an expectation that Government would ultimately provide adequate funding to bring the Schools Budget back into balance.
- Transferring money from the Schools Block masked the reason for the deficit, at the expense of funding for mainstream education. It was important to be transparent about the reason for the deficit, so the cost of providing high needs support could be properly assessed and adequate funding provided by Government.
- Any transfer from the Schools Block to the High Needs Block would only serve to reduce the High Needs Block deficit. It would not make more funding available to support children and young people with high needs. Schools would have less money to spend on educating children, and no child would gain from additional funding in the High Needs Block.
- Pupil numbers had declined and it was possible there could be a 0% increase, or even a reduction, in the 2020/21 DSG. Some LAs were already experiencing 0% DSG funding increases. If Cabinet agreed the transfer for 2019/20, schools could suffer from funding cuts in consecutive years. Some schools would be put at financial risk if funding were to reduce.
- Any transfer would be for 2019/20 only. It was not possible to achieve £3.5million savings in one year, so there would be a further shortfall in 2020/21. It was vital that the underfunding was addressed to prevent recurrence.
- When the National Funding Formula is introduced, Schools Forum would have no control over the Schools Block element of the DSG.

The Forum discussed and commented on actions that could be taken to reduce the deficit:

- The Forum had made difficult decisions, advised and supported by officers, regarding savings that could be made to reduce the deficit. The timing of the Secretary of State's decision, less than a week before the Cabinet meeting, left no time to model any potential savings or implement actions, some of which would require consultation with stakeholders, or be outside the power of the Forum to determine.
- The overall school balances of £36.7 million quoted by Cllr Simmonds was based on maintained school balances as at March 2018, and academies balances as at 31 August 2017. The figure was likely to have changed since then. Of the £36.7 million quoted, around £9.6 million was in maintained schools and the rest was in academies. Academies were limited companies and did not separate capital and revenue. Currently there was no mechanism to claw back schools' surpluses, and any proposal to implement one would require support from the Council and the DfE. If any change were agreed, schools should not be penalised for running budgets efficiently.

	<ul style="list-style-type: none"> <li>• Some schools benefitted disproportionately from the Minimum Funding Guarantee (MFG). If these schools were reporting surplus balances, there may be a need to review the funding formula, to provide fairer distribution.</li> <li>• Primary pupil numbers had decreased this year, which would affect next year's budgets. Some schools had been financially disadvantaged by pupil numbers failing to reach expanded PAN targets. Place planning needed to be more flexible to enable schools to budget with more certainty. Any proposals to relax PANs would require the Council's approval.</li> <li>• Schools were already sharing some services and this could be explored further. For example, agency staff costs were high and unpredictable, and a common recruitment framework for teaching supply staff could potentially achieve savings if all schools agreed to use only that route.</li> </ul> <p>It was proposed and seconded that the Forum recommend to Cabinet that 0.5% be transferred from the Schools Block to the High Needs Block, consistent with the transfer agreed for 2018/19. It having been put to a vote, this was <b>NOT AGREED</b>.</p> <p>It was proposed and seconded that the Forum recommend to Cabinet that 0% be transferred from the Schools Block to the High Needs Block, consistent with the decision made by the Forum on 16 January 2019, for the reasons given at the meeting and reiterated above. It having been put to a vote, this was <b>AGREED</b>.</p> <p>It was further <b>AGREED</b> that Forum would explore the following areas with a view to identifying savings towards decreasing the deficit:</p> <ol style="list-style-type: none"> <li>(1) Seek advice from the DfE and Council regarding the implementation of a clawback mechanism for schools with high surpluses.</li> <li>(2) Review the MFG to ensure per pupil funding was fairly distributed.</li> <li>(3) Work with the Council to find a more flexible system for managing place planning to enable schools to manage resources more efficiently.</li> <li>(4) Explore collaborative working between schools to find efficiency savings.</li> </ol>	
3.	<p><b>DATE OF NEXT MEETING</b></p> <p>Wednesday 13 March 2019 at 2pm.</p>	

The meeting closed at 6.25pm.

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