



# Cabinet

**Date:** THURSDAY, 18 FEBRUARY 2010

**Time:** 7.00 PM

**Venue:** COMMITTEE ROOM 6 - CIVIC CENTRE, HIGH STREET, UXBRIDGE UB8 1UW

**Meeting Details:** Members of the Public and Press are welcome to attend this meeting

This agenda and associated reports can be made available in other languages, in braille, large print or on audio tape on request. Please contact us for further information.

This Agenda is available online at:  
[www.hillingdon.gov.uk](http://www.hillingdon.gov.uk)

## Councillors in the Cabinet:

Ray Puddifoot (Chairman)  
*Leader of the Council*

David Simmonds (Vice-Chairman)  
*Deputy Leader / Education & Children's Services*

Jonathan Bianco  
*Finance & Business Services*

Keith Burrows  
*Planning & Transportation*

Philip Corthorne  
*Social Services, Health & Housing*

Henry Higgins  
*Culture, Sport & Leisure*

Sandra Jenkins  
*Environment*

Douglas Mills  
*Improvement, Partnerships & Community Safety*

Scott Seaman-Digby  
*Co-ordination & Central Services*

**Published:**  
Wednesday, 10 February 2010

**Contact:**  
Mark Braddock, Senior Democratic Services Manager  
Tel: 01895 250470  
Fax: 01895 277373  
Email: [mbraddock@hillingdon.gov.uk](mailto:mbraddock@hillingdon.gov.uk)

# Useful information

Bus routes 427, U1, U3, U4 and U7 all stop at the Civic Centre. Uxbridge underground station, with the Piccadilly and Metropolitan lines, is a short walk away. Limited parking is available at the Civic Centre. For details on availability and how to book a parking space, please contact Democratic Services

Please enter from the Council's main reception where you will be directed to the Committee Room. An Induction Loop System is available for use in the various meeting rooms. Please contact us for further information.

Please switch off any mobile telephones and BlackBerries™ before the meeting. Any recording of the meeting is not allowed, either using electronic, mobile or visual devices.

If there is a FIRE in the building the alarm will sound continuously. If there is a BOMB ALERT the alarm sounds intermittently. Please make your way to the nearest FIRE EXIT.



# Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest in matters coming before the meeting
- 3 To confirm the minutes of the previous meeting held on 21 January 2010 1 - 12
- 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

## Cabinet Reports - Part 1 (Public)

- 5 Council Budget - Month 9 2009/10 Revenue and Capital Monitoring (Cllr Bianco) 13 - 50
- 6 The Council's Budget and Medium Term Financial Forecast 2010/11 - 2013/14 (Cllr Bianco)
- REPORT TO FOLLOW***
- 7 Housing Revenue Account (HRA) Rent Setting 2010-2011 (Cllr Corthorne) 51 - 72
- 8 Schools Budget and funding arrangements 2010/11 (Cllr Simmonds) 73 - 182
- 9 Future of Hillingdon Homes (Cllr Corthorne) 183 - 192
- 10 Connexions Intensive Service Review (Cllr Simmonds) 193 - 224
- 11 The Drive, Ickenham - application to modify the Definitive Map and Statement (Cllr Burrows) 225 - 240
- 12 Post 16 Education Transition Plan - transfer of responsibilities from the Learning and Skills Council (Cllr Simmonds) 241 - 306
- 13 Transport for London funded programmes 2010/11(Cllr Burrows) 307 - 312
- 14 Revisions to the Planning Obligations Supplementary Planning Document for Educational Facilities (Cllr Burrows) 313 - 336

## **Cabinet Reports - Part 2 (Private and Not for Publication)**

<b>15</b>	Contract extension - Translation and Interpreting Services (Cllr Mills)	337 - 342
<b>16</b>	Contract extension - Graffiti Removal (Cllr Jenkins)	343 - 346
<b>17</b>	Blue Collar Temporary Worker Agency Contract (Cllr Seaman-Digby)	347 - 352
<b>18</b>	Procurement of Vehicles for Passenger Transport (Cllr Jenkins)	353 - 358
<b>19</b>	Leasehold Buildings Insurance Tender (Cllr Bianco)	359 - 364
<b>20</b>	Supporting People Programme (Cllr Corthorne)	365 - 372

*The reports listed above in Part 2 are not made public because they contains exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.*

<b>21</b>	Other items which the Chairman decides are relevant or urgent
-----------	---

# Agenda Item 3

## Minutes

### Cabinet

Thursday, 21 January 2010

Meeting held at Committee Room 6 - Civic Centre,  
High Street, Uxbridge UB8 1UW



HILLINGDON  
LONDON

Published on: 22 January 2010

Decisions come into effect on: 29 January 2010

	<p><b>Cabinet Members Present:</b></p> <p>Ray Puddifoot (Chairman) David Simmonds (Vice-Chairman) Jonathan Bianco Keith Burrows Philip Corthorne Henry Higgins Sandra Jenkins Douglas Mills Scott Seaman-Digby</p> <p><b>Councillors also Present:</b></p> <p>George Cooper Judith Cooper Eddie Lavery John Riley Tony Eginton Santokh Dhillon Brian Crowe</p>	
123.	<p><b>Apologies for Absence</b></p> <p>None.</p>	
124.	<p><b>Declarations of Interest in matters coming before this meeting</b></p> <p>Cllr Douglas Mills declared a personal and prejudicial interest in Item 6 (minute 129) as he resided in the area concerned and left the room for the item. He also declared a personal interest in Item 12 (minute 135) as a relation to him worked within one of the departments undergoing business improvement activity.</p> <p>Cllr George Cooper declared a personal interest in Item 7 (minute 130) as Deputy Chairman of the Audit Committee and in Item 8 (minute 131) as a member of the Ramblers Association.</p>	

125.	<p><b>To confirm the minutes of the previous meeting held on 17 December 2009</b></p> <p>The minutes of the last meeting were confirmed as a correct record and agreed.</p>	
126.	<p><b>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</b></p> <p>This was confirmed.</p>	
127.	<p><b>Floriston Avenue - Application to Modify the Definitive Map and Statement to include a Public Footpath</b></p> <p><i>This item was moved to the start of the Cabinet agenda to allow members of the public present to listen to the discussion and the decision made.</i></p> <p><b>RESOLVED:</b></p> <p>That Cabinet agrees that on the balance of probability, the evidence, when considered with all other relevant evidence available, shows that a right of way which is not shown in the Definitive Map and Statement subsists or is reasonably alleged to subsist over land in the area to which the map relates. As such the right of way should be added to the Definitive Map and Statement.</p> <p><b>Reasons for decision</b></p> <p>Cabinet made a decision in relation to an application which it has received to add a route to the definitive map and statement. This would allow local residents to be able to use it as a path to access Ryefield Avenue directly from Floriston Avenue and Lynhurst Road without making a large detour.</p> <p><b>Alternative options considered and rejected</b></p> <p>Cabinet could have decided that the right of way should not be added to the Definitive Map and Statement.</p>	<p><b>Action By:</b></p> <p><i>John Fern, Environment and Consumer Protection</i></p>
128.	<p><b>Hillingdon Residents' Survey</b></p> <p><i>Cabinet asked the Chief Executive to thank all staff for their efforts in maintaining and improving the high levels of resident satisfaction with council services.</i></p>	<p><b>Action By:</b></p> <p><i>David Holdstock, Deputy Chief Executive's Office</i></p>

	<p><b>RESOLVED:</b></p> <p><b>That Cabinet note the findings of the report setting out the views of residents and their satisfaction and feedback on council services.</b></p> <p><b>Reasons for decision</b></p> <p>For the Cabinet to be informed about the results, share the result findings and their publication.</p> <p><b>Alternative options considered and rejected</b></p> <p>None</p>	
129.	<p><b>Conservation Appraisal - Ruislip Village Conservation Area</b></p> <p><b>RESOLVED:</b></p> <p><b>That Cabinet:</b></p> <ol style="list-style-type: none"> <li><b>Approves for consultation, the draft Ruislip Village Conservation Area Appraisal.</b></li> <li><b>Authorises officers to undertake public consultation for 4-6 weeks, with all local residents, businesses, Ward Councillors and amenity societies in the area, as appropriate.</b></li> </ol> <p><b>Reasons for decision</b></p> <p>Cabinet approved the draft conservation area appraisal for public consultation, as the Ruislip Village Conservation Area was extended in January 2009 and has been subject to significant development pressure. Cabinet agreed that the period of 4-6 weeks for public consultation would be in line with Hillingdon's Statement of Community Involvement.</p> <p><b>Alternative options considered and rejected</b></p> <p>Cabinet could have decided not to consult on this document, which would have been against national policy guidance and non-compliant with the Statement of Community Involvement.</p>	<p><b>Action By:</b></p> <p><i>Sarah Harper/ Nairita Chakraborty, Planning and Community Services</i></p>
130.	<p><b>The work of the Audit Committee: report to Council</b></p> <p><i>The Leader and Cabinet expressed their thanks to the Head of Internal Audit and her team of officers for their excellent work.</i></p>	<p><b>Action By:</b></p> <p><i>Khalid Ahmed, Deputy Chief</i></p>

	<p><b>RESOLVED:</b></p> <p><b>That Cabinet notes and welcomes the Audit Committee's annual report to be submitted to Council in February.</b></p> <p><b>Reasons for decision</b></p> <p>Cabinet noted and welcomed the report. In accordance with best practice guidance the Audit Committee are required to submit an annual report to Council outlining the Committee's activities over the previous 12 months.</p> <p><b>Alternative options considered and rejected</b></p> <p>The Cabinet could have provided comments on the work of the Committee which would have been considered alongside the report to Council.</p>	Executive's Office
131.	<p><b>Accessible Hillingdon - Supplementary Planning Document</b></p> <p><i>Cabinet expressed its thanks to Cllr Peter Kemp, Disabled People's and Equality Champion, along with officers, on their efforts in producing this document.</i></p> <p><b>RESOLVED:</b></p> <p><b>That Cabinet:</b></p> <ol style="list-style-type: none"> <li><b>Notes the comments received during the consultation period as set out in Appendix 1.</b></li> <li><b>Approves the amendments to the 'Accessible Hillingdon' Supplementary Planning Document (SPD) as set out in Appendix 1 (subject to the amendments indicated in the table below)</b></li> <li><b>Subject to the above amendments, adopts the 'Accessible Hillingdon' SPD as set out in Appendix 2 and associated Sustainability Appraisal as supplementary planning guidance for the purposes of development management.</b></li> <li><b>Grants delegated authority to the Director of Planning and Community Services, where necessary in consultation with the Cabinet Member for Planning and Transportation, to approve any minor amendments or corrections of a factual nature, to the SPD before it is formally published.</b></li> </ol>	<b>Action By:</b> <i>Charmian Baker / Ali Kashmiri, Planning and Community Services</i>

## Reasons for decision

Cabinet approved the Accessible Hillingdon SPD to provide up to date planning guidance to guide future development proposals and to broaden the scope of good design by positively encouraging partnership working between the Council, professionals involved in the development process.

Cabinet moved some amendments, which were agreed, to the policy document as set out below:

Proposed amendment	Reason for amendment
<p><b>Page 14:</b> bullet point 3: "Lifetime Homes should be accessible by lift in blocks containing up to 15 flats",</p> <p>should be amended to read:</p> <p>"Lifetime Homes should be accessible by lift in blocks of flats comprising two stories or more."</p>	Lifts should be provided in all blocks of flats comprising two stories or more to ensure satisfactory accessibility.
<p><b>Page 30:</b> point 4: "Where new flats or rooms to new flats, including kitchens and bathrooms/ WC are proposed...",</p> <p>should be amended to read:</p> <p>"Where new dwellings or rooms in new dwellings, including kitchens and bathrooms, are proposed..."</p>	The guidance should be broadened to address all dwelling types and to bring it in line with the Council's floorspace standards.
<p><b>Page 32:</b> Heading: "Sheltered housing/Residential developments for over 65's"</p> <p>should be amended to read:</p> <p>"Sheltered Housing/residential developments for over 55's".</p>	The guidance should reflect the borough's policy to make provision for those over the age of 55.

## Alternative options considered and rejected

Cabinet could have not agreed to the amendments generated by the public consultation and not to adopt the SPD.

132.	<p><b>Council Budget - Month 8 2009/10 Revenue and Capital Monitoring</b></p> <p><b>RESOLVED:</b></p> <p>That Cabinet:</p> <ol style="list-style-type: none"> <li>1. Notes the forecast budget position for revenue and capital as at Month 8.</li> <li>2. Notes the treasury management update in Appendix B.</li> <li>3. Agrees to fund up to £5k for the accessibility event from unallocated non specific growth</li> </ol> <p><b>Reasons for Decision</b></p> <p>The reason for the monitoring recommendation was to ensure the Council achieves its budgetary objectives. The report informed Cabinet of the latest forecast revenue and capital position for the current year 2009/10. Cabinet also approved some small funds for an accessibility event with partner organisations.</p> <p><b>Alternative options considered and rejected</b></p> <p>There are no other options proposed for consideration.</p>	<p><b>Action By:</b></p> <p><i>Paul Whaymand, Finance and Resources</i></p>
133.	<p><b>Regulation of Street Trading Activities</b></p> <p><i>An amended recommendation was moved and agreed by the Cabinet to bring the policies, conditions and appendices in the report fully in line with the Council decision on 14<sup>th</sup> January 2010 to provide the Licensing Committee with new powers to determine street trading applications.</i></p> <p><b>RESOLVED:</b></p> <p>Cabinet approve the Street Trading policies and appendices set out in this report subject to final amendments, to be agreed by the Head of Democratic Services in consultation with the Leader of the Council, ensuring they fully comply with the decision of full Council on 14 January 2010 granting the Licensing Committee the power to determine all matters relating to street trading applications.</p> <p><b>Reasons for recommendation</b></p> <p>By moving the amended recommendation, Cabinet ensured that Street Trading activity is effectively licensed and regulated in a manner that complies with the London Local Authorities Act 1990 (as amended) and also in a manner that is fair and equitable to</p>	<p><b>Action By:</b></p> <p><i>Kathy Sparks, Beejal Soni, David Frost, Bill Hickson, various departments.</i></p>

	<p>traders and the Council. Cabinet's decision also ensured the lawful, properly authorised use of relevant enforcement powers and took full account of the new powers given to the Licensing Committee by full Council on 14 January 2010 ensuring greater public accountability and Member oversight into matters related to Street Trading in Hillingdon.</p> <p><b>Alternative options considered and rejected</b></p> <p>Cabinet could have decided not to agree the revised policies and conditions, which would have resulted in the Council enforcing a policy which would not have complied with the legislation.</p>	
134.	<p><b>Business Improvement Delivery: Localities, Enforcement and Transport services</b></p> <p><b>RESOLVED:</b></p> <p><b>That Cabinet:</b></p> <ol style="list-style-type: none"> <li><b>Agrees that work in relation to Localities, Enforcement and Transport services, as detailed in the report, is developed fully as part of the Business Improvement Delivery (BID) programme within the timescale shown in paragraph 10 of the report.</b></li> <li><b>Agrees that in the event of disagreement between relevant departments, that the way forward be decided by the Deputy Chief Executive, in consultation with the Leader of the Council.</b></li> </ol> <p><b>Reasons for decision</b></p> <p>Cabinet noted that Hillingdon had an excellent record in driving efficiencies through business improvement. Cabinet agreed this second report, which proposed that functions relating to locality working, enforcement functions and transport services be taken forward through the BID process.</p> <p><b>Alternative options considered and rejected</b></p> <p>Cabinet could have decided to leave things as they were and not consider common functions under BID. This would have foregone any potential for business improvement and efficiencies that exist.</p> <p><b>Urgency Provisions</b></p> <p><i>This report had been circulated less than 5 working days before the Cabinet meeting and was agreed by the Chairman to be</i></p>	<p><b>Action By:</b></p> <p><i>Jeff Maslen / Fran Beasley</i></p>

	<p><i>considered as urgent.</i></p>	
135.	<p><b>Appointment of Contractor for the construction of homes as part of the HRA Pipeline Project</b></p> <p><b>RESOLVED:</b></p> <p><b>That Cabinet agrees:</b></p> <ol style="list-style-type: none"> <li><b>1. To award the construction contract (using the JCT 2005 form of contract, with contractor's design) for the projects in the Housing Revenue Account (HRA) Pipeline Programme for which funding has been allocated by the Homes and Communities Agency to Bidder 5 at a contract sum of £6,437,838.</b></li> <li><b>2. To expenditure of up to £994,793 in professional, legal and survey fees and other capital costs associated with the delivery of these projects, including interest incurred during the construction period and the capitalised cost of staff time.</b></li> <li><b>3. To a contingency sum of £615,677 being made available to the project.</b></li> <li><b>4. To withdraw the exempt nature of relevant parts of the report solely for Officers of the Council to use to provide public information about this initiative and for other related purposes.</b></li> </ol> <p><b>Reasons for decision</b></p> <p>Cabinet's decision meant that the first phase of homes to be developed via the HRA Pipeline Programme could commence. Cabinet considered that the tender submitted by Bidder 5 in the report was the most economically advantageous tender submitted to construct the homes.</p> <p>Cabinet agreed further identified costs in relation to fees expended to date to achieve planning permission and procure the construction contract for the projects and to appoint professional consultants to ensure that new homes were constructed to a high standard.</p> <p>At the meeting, the Cabinet also resolved to withdraw the exemption status of relevant sections of the report purely for Council Officers to undertake publicity and related activities.</p>	<p><b>Action By:</b></p> <p><i>Mazhar Ali, Adult Social Care, Health &amp; Housing</i></p>

	<p><b>Alternative options considered and rejected</b></p> <p>Cabinet could have accepted an alternative tender which was not the most economically advantageous of all those submitted, or have accepted no tender at all.</p> <p><b>Exempt Information</b></p> <p><i>This report was included in Part II as it 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.</i></p>	
136.	<p><b>Acceptance of a tender in connection with Pinkwell Primary School - new build hall extension and refurbishment works to form a Children's Centre</b></p> <p><b>RESOLVED:</b></p> <p class="list-item-l1">1 That Cabinet accept the tender submitted by P. Brady (Contractors) Ltd. in the sum of £722,344.20, which officers consider offers the Council best value.</p> <p class="list-item-l1">2 That Cabinet approves the virement of £512k from the allocated section 106 capital funding, previously released to the ECS budget for the Pinkwell School expansion.</p> <p><b>Reasons for decision</b></p> <p>Cabinet agreed to accept a tender for the construction of a new single storey extension to provide a new multi-purpose hall facility; together with redevelopment of the existing hall to provide a Children's Centre for Pinkwell Primary School, Pinkwell Lane.</p> <p><b>Alternative options considered and rejected</b></p> <p>Cabinet could have not accepted any tender, in which case the project would not have been able to proceed.</p> <p><b>Exempt Information</b></p> <p><i>This report was included in Part II as it 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</i></p>	<p><b>Action By:</b></p> <p><i>Eileen Nicholson, Major Construction Projects, Planning &amp; Community Services</i></p>

	<p><i>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.</i></p>	
137.	<p><b>Off site processing of back office Council Tax Recovery and Business Rate work</b></p> <p><b>RESOLVED:</b></p> <p>That Cabinet formally approves the awarding of a 3 year contract with an option to extend for a further 2 years with effect from 29th March 2010, to Liberata plc for the back office processing of Council Tax and NNDR work at a cost of £293k per annum.</p> <p><b>Reasons for decision</b></p> <p>As part of the Council's wider drive to explore cost saving initiatives, Cabinet agreed to extend the newly awarded contract to Liberata plc to include NNDR (Business Rate) and Council Tax Recovery services.</p> <p><b>Alternative options considered and rejected</b></p> <p>Cabinet could have decided to keep this service in-house. However, a review did not consider this to be a viable proposition of improving the performance of the service and to maximise savings</p> <p><b>Exempt Information</b></p> <p><i>This report was included in Part II as it 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.</i></p>	<p><b>Action By:</b></p> <p><i>Rob Smith, Finance and Resources</i></p>
138.	<p><b>Voluntary Sector Leases</b></p> <p><b>RESOLVED:</b></p> <p>That Cabinet agrees the rents and lease terms provisionally agreed by officers with the voluntary sector organisations detailed in the report and instructs Estates and Valuation Services officers to then commission the Borough Solicitor to complete the appropriate lease documentation and rent review memoranda.</p>	<p><b>Action By:</b></p> <p><i>Greg Morrison, Finance and Resources</i></p>

	<p><b>Reasons for decision</b></p> <p>Cabinet agreed the proposed rents because the letting of property at less than the full market rent constitutes a disposal at less than best consideration and the decision to do so requires final Cabinet approval. In doing so, the approval of the terms provisionally agreed by officers and granting the organisations concerned discounts in rent complied with the Voluntary Sector Leasing Policy agreed in July 2004.</p> <p><b>Alternative options considered and rejected</b></p> <p>Cabinet could have chosen not to apply the Voluntary Sector Leasing Policy or chosen to approve one or more cases but not others.</p> <p><b>Exempt Information</b></p> <p><i>This report was included in Part II as it 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).</i></p>	
139.	<p>Other items which the Chairman decides are relevant or urgent</p> <p>None.</p> <p><b><u>The meeting closed at 7.40pm</u></b></p> <p><b>THE ABOVE DECISIONS MADE BY THE CABINET DO NOT COME INTO EFFECT UNTIL FRIDAY 29<sup>th</sup> JANUARY 2010, UNLESS CALLED-IN BY THE EXECUTIVE SCRUTINY COMMITTEE.</b></p> <p><b>MEMBERS AND OFFICERS WILL AUTOMATICALLY BE NOTIFIED OF ANY CALL-IN BY DEMOCRATIC SERVICES.</b></p>	

This page is intentionally left blank

# Agenda Item 5

## COUNCIL BUDGET - MONTH 9 2009/10 REVENUE AND CAPITAL MONITORING

<b>Cabinet Member</b>	Councillor Jonathan Bianco
<b>Cabinet Portfolio</b>	Finance and Business Services
<b>Report Author</b>	Paul Whaymand, Finance and Resources
<b>Papers with report</b>	None

### HEADLINE INFORMATION

<b>Purpose of report</b>	<p>The report sets out the council's overall 2009/10 revenue &amp; capital position, as forecast at the end of Month 9 (December).</p> <p>The in year revenue position on normal activities is forecast as being £253k more net expenditure than budgeted, an adverse movement of £267k on the Month 8 position.</p> <p>However, exceptional items have an increased favourable variance of £1,706k. The net consequence to date is the overall revenue position forecast is £1,453k less net expenditure than the revised budget, a favourable movement of £194k on Month 8.</p> <p>Total forecast capital expenditure for the year is estimated to be £83,461k (£81,319k month 8), which is £4,707k less than the latest budget. The rephasing of the budgets was undertaken in December to align the budgets to the November outturn reducing the current budget by £21,424k to £88,168k.</p>
<b>Contribution to our plans and strategies</b>	Achieving value for money is an important element of the Council Plan for 2009/10.
<b>Financial Cost</b>	N/A
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships
<b>Ward(s) affected</b>	All

### RECOMMENDATIONS

#### That Cabinet:

1. Notes the forecast budget position for revenue and capital as at Month 9.
2. Notes the treasury management update in Appendix B.
3. Agrees unallocated priority growth to fund £400k for urgent Highways revenue maintenance work following the recent severe weather

4. Notes the rephasing of the capital budgets.
5. Approves the release of recently allocated S.106 amount of £45k to the Leisure development at Botwell Green
6. Approves the release of recently allocated S.106 amount of £113k to the Yiewsley & West Drayton Town Centres initiatives project
7. Approves the virement of capital budget from ECS to P&CS for the Merrifields 3rd Floor fit out, £245k in 2009/10 and £370k in 2010/11

## INFORMATION

### Reasons for Recommendations

1. The reason for the monitoring recommendation is to ensure the Council achieves its budgetary objectives. The report informs Cabinet of the latest forecast revenue and capital position for the current year 2009/10.

### Alternative options considered

2. There are no other options proposed for consideration.

## SUMMARY

### A) Revenue

3. The in year revenue position on normal activities is forecast as being £253k less net expenditure than budgeted, an adverse movement of £267k on the Month 8 position. This is primarily due to a continued adverse trend in the demand for Older People services and an adverse movement in projected development control and building control income.
4. However, exceptional items have a favourable movement of £200k due to the continued review of creditor provisions in the balance sheet which have now resulted in a total one-off transfer to the revenue account of £2,275k (£2,075k in month 8). The exceptional pressure on asylum funding has reduced by £261k from £1,830k to £1,569k due to the government reimbursing the 2008/09 special circumstances claim in full thus enabling the provision held against this claim to be released. However, this still leaves an ongoing government underfunding of asylum of around £3m per annum. The other previously reported exceptional item of £1m relating to the in-year savings programme is unchanged. The net consequence to date is the overall revenue position forecast is £1,453k less net expenditure than the revised budget, a favourable movement of £194k on Month 8.
5. The most significant pressures for which contingency provides are in relation to Asylum spend, Transitional Children, Homelessness and Mental Health pressures. At Month 9 these pressures are forecast to be £1,733k more than the contingency budget provides, an adverse movement of £119k from Month 8. This adverse movement is due to new pressures of £50k for winter gritting and £60k for the ice rink. The remainder of the pressure (£1,569k) is still due to the forecast asylum spend being more than the contingency provides. As mentioned above this has reduced by £261k due to government agreeing to reimburse the 2008/9 Special Circumstances claim in full.
6. There continue to be pressures from the downturn particularly in relation to the property market and the effect this has on planning, building control and land charges income. These are treated as contingency items and at Month 9 show an adverse variance of £236k, an adverse movement of £9k on Month 8.
7. Capital financing costs are still forecast to underspend by £120k as a result of debt refinancing work undertaken at the start of the year.

8. The balances brought forward at 31st March 2009 were £16,234k. £3,540k of this sum was applied in support of the 2009/10 budget as part of the budget strategy agreed at Council Tax setting. The additional £694k of balances in excess of the £12,000k target level of balances brought forward into 2009/10 was earmarked for potential business efficiency investment. £200k of this sum was allocated to assist the Business Improvement Delivery (BID) project in Month 8. The remaining £494k remains for potential drawdown to support BID but remains unallocated at this point in time.
9. The forecast balances as at 31st March 2010 based on the current forecast underspend of £1,453k are £13,453k.

## **B) Capital**

10. Total forecast capital expenditure for the year is estimated to be £83,461k (£81,319k Month 8), £4,707k less than the latest budget. The projections assume that the remainder of contingency will not be drawn down. This month's increase is primarily due to revised forecasts and phasing on the fully grant funded Guru Nanak project.
11. The £8,800k budgeted level of capital receipts for 2009/10 will not now be delivered in full. Receipts are now likely to be in the region of £1,200k due to the rephasing of sales into the next financial year when market conditions are expected to improve.
12. The net effect of the reduction in forecast capital receipts and the rephasing on the programme is a £2,680k increase in the forecast use of unsupported borrowing, from £27,238k to £29,918k. In addition, the supported borrowing forecast has decreased by £194k from £3,260k to £3,066k.
13. The rephasing of the budgets was undertaken in December to align the budgets to the November outturn. This has resulted in the underspend previously reported on projects of £21,424k being removed. On specific projects this will be rephased into 2010/11 but programme of works budgets will only be rephased at the year end to deal with specific accruals.

## A) Revenue

14. Table 1 indicates the overall impact of the expenditure forecasts now reported on the approved budget and the resulting balances position.

**Table 1**

2009/10 Original Budget	Budget Changes		2009/10 (As at Month 9)		Variances (+ adv/- fav)		
			Current Budget £'000	Forecast £'000	Variance (As at Month 9) £'000	Variance (As at Month 8) £'000	Change from Month 8 £'000
£'000	£'000		£'000	£'000	£'000	£'000	£'000
217,419	-5,576	Directorates Budgets on normal activities	211,843	212,216	+373	+106	+267
-25,844	4,576	Corporate Budgets on normal activities	-21,268	-21,388	-120	-120	0
<b>191,575</b>	<b>-1,000</b>	<b>Sub-total Normal Activities</b>	<b>190,575</b>	<b>190,828</b>	<b>+253</b>	<b>-14</b>	<b>+267</b>
1,210	0	Exceptional Items - Asylum	1,210	2,779	+1,569	+1,830	-261
	1,000	In-year recovery savings	1,000	0	-1,000	-1,000	0
	0	Creditors review		-2,275	-2,275	-2,075	-200
<b>1,210</b>	<b>1,000</b>	<b>Sub-total Exceptional Items</b>	<b>2,210</b>	<b>504</b>	<b>-1,706</b>	<b>-1,245</b>	<b>-461</b>
<b>192,785</b>	<b>0</b>	<b>Total net expenditure</b>	<b>192,785</b>	<b>191,332</b>	<b>-1,453</b>	<b>-1,259</b>	<b>-194</b>
<b>189,245</b>	<b>0</b>	<b>Budget Requirement</b>	<b>189,245</b>	<b>189,245</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3,540</b>		<b>Net total</b>	<b>3,540</b>	<b>2,087</b>	<b>-1,453</b>	<b>-1,259</b>	<b>-194</b>
<b>-16,234</b>		<b>Balances b/f 1/4/09</b>	<b>-16,234</b>	<b>-16,234</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>		<b>Transfer to earmarked reserves</b>	<b>694</b>	<b>694</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-12,694</b>	<b>0</b>	<b>Balances c/f 31/3/10</b>	<b>-12,000</b>	<b>-13,453</b>	<b>-1,453</b>	<b>-1,259</b>	<b>-194</b>

## Directores' Forecast Expenditure Month 9

15. Table 2 shows further details on the budget, forecast and variance at Directorate level now reported. Further detail on each directorate is shown in Appendix A.

**Table 2**

2009/10 Original Budget	Budget changes	2009/10 Current Budget (as at Month 9)	Directorate	2009/10 Forecast (as at Month 9)	Variances (+ adv/- fav)		
					Variance (As at Month 9)	Variance (As at Month 8)	Change from Month 8
£'000	£'000	£'000		£'000	£'000	£'000	£'000
84,879	-1,502	83,377	Adult Social Care, Health & Housing	84,019	+642	+387	+255
37,274	-1,291	35,983	Environment & Consumer Protection	35,976	-7	0	-7
57,577	-2,713	54,864	Education & Children's Services	54,864	0	0	0
13,810	-652	13,158	Planning & Community Services	13,183	+25	+125	-100
15,179	1,184	16,363	Central Services	16,363	0	0	0
6,900	-40	6,860	Developments Contingency	6,763	-97	-216	+119
0	0	0	Pay Award	-190	-190	-190	0
1,800	-562	1,238	Growth to be allocated	1,238	0	0	0
<b>217,419</b>	<b>-5,576</b>	<b>211,843</b>	<b>Sub-Total</b>	<b>212,216</b>	<b>+373</b>	<b>+106</b>	<b>+267</b>
			<b>Exceptional items:</b>				
1210	0	1,210	Exceptional pressure: Asylum funding	2,779	+1,569	+1,830	-261
0	1000	1,000	In-year savings	0	-1,000	-1,000	0
0	0	0	Creditors review	-2,275	-2,275	-2,075	-200
<b>1,210</b>	<b>1,000</b>	<b>2,210</b>	<b>Sub-Total</b>	<b>504</b>	<b>-1,706</b>	<b>-1,245</b>	<b>-461</b>
<b>218,629</b>	<b>-4,576</b>	<b>214,053</b>	<b>Total</b>	<b>212,720</b>	<b>-1,333</b>	<b>-1,139</b>	<b>-194</b>

16. **Adult Social Care, Health & Housing** are projecting a **pressure of £642k** as at Month 9, an adverse movement of £255k. This is due to a continuation in the trend for an increasing demand pressure on Mental Heath and Older Peoples Services which are now forecasting pressures of £504k and £599k respectively. However there is still a favourable variance in the Learning disability service of £387k reflecting care packages for new and transitional clients starting later. This forecast excludes sums for which contingency provides for Transitional Children (£1,675k), Mental Health Services (£450k) and Homelessness (£1,300k).

17. **Environment & Consumer Protection** are forecasting a **favourable variance of £7k** as at Month 9 after identifying recovery savings to contain pressures. There is a pressure of £95k in the Street Cleansing service and residual costs and loss of economies of scale on Harlington Road Depot (£169k) net of actions being taken to reduce costs. There is also now a pressure being forecast in the Street scene locality team due to the enhanced scheme activity. Savings are forecast in Waste Disposal (£250k), Trade waste (£40k) and Off-Street Car parking (£33k) which offset these pressures. This forecast excludes the additional

amount for the Waste Disposal Levy (£720k), Waste and Recycling services (£200k) and Vehicle Fuel costs (£85k) which are contingency items, where the forecasts are in line with the original budgeted amounts. There is now an additional contingency item of £50k required to cover the increased costs of the winter gritting.

18. **Education & Children's Services** are forecasting a **nil variance** as at Month 9 on normal activities. The remainder of the unallocated recovery savings have now been applied to the individual service areas. The E&CS position excludes the pressure on asylum (£2,460k) and Exhausted All Appeal cases (£580k) which are being treated as contingency items. The Month 9 forecast for asylum represents a pressure of £1,830k on the contingency budget assumptions, no change from Month 8.
19. **Planning & Community Services** are projecting **a pressure of £25k** as at Month 9 an improvement of £100k on month 8. This improvement arises as a result of the decision to not commit any further expenditure from the Community Safety Fund in this financial year. All other pressures remain unchanged from month 8. The Group position excludes pressures on Development Control (£472k), Building Control (£184k) and Land Charges (£753k) income and Golf (£262k) for which contingency provides. In total there is currently a forecast pressure of £236k on these contingency funded items, an adverse movement of £9k on Month 8. There is also an additional call on contingency of £60k for the ice rink.
20. **Central Services** are forecasting a **nil variance** as at Month 9. There are gross pressures totalling £302k within Finance & Resources including an ongoing pressure of £172k on income streams from commercial properties, a shortfall of £44k on income from schools buy back of Facilities Management services and £56k on income from the hire of the Middlesex Suite and a pressure of £30k due to maintaining and keeping secure surplus properties prior to their disposal.
21. **Pay award:** The 2009/10 budget was based on an assumed pay award of 1.5%. Of that, 0.3% was utilised to fund the late additional award for 2008/09, leaving a balance of 1.2%. Employers settled on 1% which results in an underspend of around £190k.
22. **Exceptional items:** The forecast pressure on asylum funding has reduced to £1,569k as a result of the release of £261k from the 2008/09 provision against the Special Circumstances grant for that year which has now been paid in full. The in-year recovery plan of £1m is unchanged from Month 8. The review of creditor provisions in the balance sheet has increased by £200k to £2,275k. Overall exceptional items are now being forecast as a favourable variance overall of £1,706k.

## **Development & Risk Contingency: £1,472k pressure (£142k favourable)**

23. £8,110k of potential calls on the Development & Risk Contingency were identified as part of the budget setting process for 2009/10, £7,320k is held in the base budget and £790k is budgeted to be met from balances. Table 3 shows the amounts that have been allocated or committed as at Month 9.

**Table 3**

<b>Development and Risk Contingency</b>	<b>2009/10 Budget</b>	<b>Agreed</b>	<b>Forecast as needed</b>	<b>Variance (+adv / - fav)</b>
<b>2009/10 allocations:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Total net contingency at start of the year</b>	<b>8,110</b>			
<b>Allocations approved</b>				
Christmas Lights Fund for Town Centres	0	30	30	+30
<b>Commitments:</b>				
General Contingency	500		0	-500
Increase in Transitional Children due to Demographic Changes	1,675		1,675	0
Increase in Mental Health Packages due to Demographic Changes	450		450	0
Homelessness Budget - Reduction in DWP Funding	1,050		1,300	+250
Asylum non-EAA monitoring pressure	660		2,199	+1,539
Asylum Exhausted All Appeals	550		580	+30
Waste Disposal Levy	720		732	+12
Cost Pressures on Recycling Service	200		200	0
Vehicle Fuel Monitoring Pressure	85		60	-25
Local Land Charges Income	715		753	+38
Development Control Income	350		472	+122
Building Control Income	108		184	+76
Golf Courses Income	262		262	0
Uninsured claims	450		450	0
Legal Challenges	120		120	0
Civic Centre Energy Monitoring Pressure	100		0	-100
Provision for Planning Inquiries	75		0	-75
Joint Appointment of Director of Public Health	40		5	-35
Winter Gritting	0		50	+50
Ice Rink	0		60	+60
<b>Total net contingency</b>	<b>8,110</b>		<b>+9,582</b>	<b>+1,472</b>

24. A large proportion of the total contingency is expected to be required in full and the pressure on asylum in particular has resulted in an overall pressure of £1,472k on the contingency budget. If the asylum pressure were excluded there would be an underspend of £97k on contingency.

25. The forecast asylum spend has reduced to £2,779k in excess of base budget provision within Children's Services. This is £1,569k in excess of the net sum for which contingency provides (£1,210k). The pressure on the non EAA element of Asylum (£1,800k) comprises a

pressure on over 18's due to the ongoing demand for service and the continued under-funding by the Government and a pressure on under 18's due to the moderation of the special circumstances claim. However, the UKBA has recently agreed to reimburse all the Special Circumstances claims by the Council for 2008/09. This means that £261k from the provision made in 08/09 can now be applied to the current year pressure and nets the non-EAA variance down to £1,539k. The current forecast in Exhausted all Appeals cases is £580k.

26. Within ASCH&H the contingency items in relation to Transitional Children and Mental Health are forecast to be needed in full at this early stage of the year. The pressure on the Homelessness contingency budget due to a reduction in DWP funding (£1,050k) is now expected to exceed this by £250k due to inflation on Private Sector Landlord rents and capped housing benefit.
27. Pressures related to the economic downturn which were highlighted in 2008/09 as exceptional items are in 2009/10 budgeted within contingency. However, as at Month 9 they are projected as being £236k more than provided within contingency. Development control income is forecast as a gross pressure of £472k, £122k in excess of that provided for within contingency. The main area of pressure is due to the limited number of major applications, however this is a volatile area and given the scale of the fees the position could change during the year. Land charge income has moved to a cost recovery basis due to a change in regulations enacted in December 2008 and current projections show a pressure on contingency of £38k. The forecast for building control income is a gross pressure of £184k, £76k above that provided for within contingency based on a reduction in income of 18% from the same period in 2008/09.
28. A sum of £85k has also been included in the contingency to cover fuel pressures. At Month 9 it is forecast that £60k will be needed.
29. In addition it is forecast that £450k will be required from contingency for uninsured claims, £200k for the Recycling service, £262k for Golf income and £120k for legal costs.
30. However at month 9 there are also 2 new calls on contingency, £50k for the additional winter gritting costs and £60k for the ice rink.

**Priority Growth: Nil variance (No change)**

31. £1,500k was included in the 2009/10 budget for priority growth of which £800k was for HIP Initiatives new growth and the continuation of schemes developed in 2008/09 including Hillingdon First and recycling pilots developed through the Waste and Energy project. In addition there is £700k of unallocated non specific growth.
32. Table 4 summarises the position with regards to each element of priority growth.

**Table 4**

Priority Growth	2009/10 Budget	Agreed draw downs	Commitments	Unallocated
<b>2009/10 Unallocated Priority Growth at start of the year</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>HIP Initiatives New budget:</b>	500			
<b>Agreed:</b>				
Angling amenities		10		
Civic pride		26		
Organisation People & Performance - PADA Audit work		6		
Corporate finance		65		
Communications		54		
Heritage - Works of art & Stained glass window		11		
Customer Experience - Hillingdon First		77		
Alfresco dining facility		18		
Waste and energy	300	22	278	0
<b>HIP Initiatives unallocated balance</b>	<b>800</b>	<b>289</b>	<b>278</b>	<b>233</b>
<b>Unallocated non specific growth</b>	<b>700</b>			<b>700</b>
Christmas parking concessions		45		-45
Accessibility event		5		-5
Highways Maintenance		400		-400
<b>Balance of unallocated growth</b>	<b>700</b>	<b>450</b>	<b>0</b>	<b>250</b>
<b>Total</b>	<b>1,500</b>	<b>739</b>	<b>278</b>	<b>483</b>

33. HIP Steering group have approved £289k of revenue allocations so far this year the detail of which is set out in table 4. This now includes £18k for the alfresco eating area, £4k for citizenship ceremony pins and £5k for Civic awards and volunteer pins approved at January Steering Group. In addition there are pressures of £278k forecast in Waste associated with recycling initiatives. If it transpires that E&CP cannot absorb these costs within existing budgets there could be a potential request for funding from HIP contingency.

34. Cabinet agreed to fund £45k of costs associated with Christmas parking concessions for Hillingdon First card holders from the £700k unallocated non specific growth. The sum will be allocated once the final cost of the scheme is known.

35. There is a recommendation in this report to make one further allocation from priority growth. £400k is to be allocated to enable a £1.1m programme of priority highways maintenance work to be undertaken by the end of March. A survey of road conditions has been undertaken following the recent severe weather and the roads in the most urgent need of repair have been put into a programme of works which will be undertaken by the end of March. As works progress it may be that some of the revenue patching work is more cost effectively dealt with as capital resurfacing works. If this is the case then the financing of that work will be adjusted from revenue to capital at the year end.

36. As at Month 9 there is an estimated £233k remaining from the HIP initiatives budget, and £250k of unallocated non-specific priority growth budget. The Month 9 forecast assumes that the balance of unallocated growth will be spent.

## **Corporate Budgets' Forecasts: £120k favourable (No change)**

37. Table 5 shows budget, forecast and variance now reported on corporate budgets as at Month 9.

**Table 5**

2009/10 Original Budget	Budget Changes	2009/10 Current Budget (as at Month 9)	Corporate Budgets	2009/10 Forecast Outturn (as at Month 9)	Variances (+ adv/- fav)		
					Variance (As at Month 9)	Variance (As at Month 8)	Change from Month 8
£'000	£'000	£'000		£'000	£'000	£'000	£'000
-1,892	115	-1,777	Unallocated savings	-1,777	0	0	0
9,026	-18	9,008	Financing Costs	8,888	-120	-120	0
3,690	4,572	8,262	FRS 17 Pension				
			Adjustment	8,262	0	0	0
-24,703	0	-24,703	Asset Management				
			A/c	-24,703	0	0	0
-11,965	-93	-12,058	Corporate Govt				
			Grants	-12,058	0	0	0
<b>-25,844</b>	<b>4,576</b>	<b>-21,268</b>	<b>Corporate Budgets</b>	<b>-21,388</b>	<b>-120</b>	<b>-120</b>	<b>0</b>

38. Debt financing costs are still forecast to be underspent by around £120k due to debt refinancing work undertaken since the start of the year. A report on treasury management activity is attached at Appendix B.

## **B) Capital**

### **Background**

39. A budget of £88,195k was set by council in February 2009 which was revised to £94,806k following the amendments to budgets, as a result of the final outturn in 2008/9.

40. The revised budget for December 2009 is now £88,168k (£105,195k month 8). The variance in this month's budget is due to the rephasing of £21,424k to reflect the month 8 outturn projections. There are a number of additions, these include increases of £113k for Town centre initiatives, £45k for Botwell Green, £4,189k for Guru Nanak and £50k for TfL.

## Current Year Expenditure

41. Table 6 shows the actual spend to date and the projected outturn for 2009/10.

**Table 6**

Groups	Original Budget £'000	Revised Budget £'000	Capital Spend Month 9 £'000	Actual Spend % of Revised Budget %	Forecast outturn £'000	Variance £'000
Adult Social Care, Health & Housing	3,715	5,288	3,658	69%	5,256	-32
Environment & Consumer Protection	8,193	8,768	5,415	62%	8,899	+131
Education & Children's Services	23,613	21,746	10,442	48%	20,651	-1,095
Planning & Community Services	2,351	2,331	1,320	57%	2,281	-50
Finance & Resources	2,576	2,578	1,213	47%	2,972	+394
Deputy Chief Executive	2,125	1,951	429	22%	1,975	+24
Major Construction Projects	29,181	30,177	20,797	69%	29,951	-226
<b>Group Total</b>	<b>71,754</b>	<b>72,839</b>	<b>43,274</b>	<b>59%</b>	<b>71,985</b>	<b>-854</b>
Recovery from Contingency					-1,604	-1,604
Programme Contingency	3,196	2,725	0	0%	1,000	-1,725
Contingency	1,500	1,137	0	0%	604	-533
<b>Contingency Total</b>	<b>4,696</b>	<b>3,862</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>-3,862</b>
HRA	11,745	11,467	5,966	52%	11,476	+9
<b>Total</b>	<b>88,195</b>	<b>88,168</b>	<b>49,240</b>	<b>56%</b>	<b>83,461</b>	<b>-4,707</b>

42. A summary of the programme for the Major Construction Projects is shown below in more detail:

MCP Group	Original Budget £'000	Revised Budget £'000	Capital Spend Month 9 £'000	Actual Spend % of Revised Budget %	Forecast outturn 2009/10 £'000	Variance 2009/10 £'000	Forecast Variance 2010/11 £'000	Variance Total £'000
Planning & Community Services Projects	17,682	19,550	14,661	75%	19,678	+128	+1,278	+1,038
Education & Children's Projects	9,884	10,087	5,967	59%	9,785	-302	+5,711	-81
Finance and Resources Projects	15	10	0	0%	10	0	0	-5
Environment Projects	1,600	430	169	39%	418	-12	+3,812	+2,600
Project QS Support		100	0	0%	60	-40	0	-40
<b>MCP Group Total</b>	<b>29,181</b>	<b>30,177</b>	<b>20,797</b>	<b>69%</b>	<b>29,951</b>	<b>-226</b>	<b>+10,801</b>	<b>+3,512</b>

43. The overall Capital Programme budget is projecting an underspend of £4,707k as at Month 9. This is detailed in table 6.

44. Actual spend to date is £49,240k, which equates to 56% of the total 2009/10 programme budget. This change is reflected by the rephasing and is also slightly distorted as the school spend being reported quarterly.

45. There are a number of schemes currently forecasting a potential overspend. These potential overspends total £1,754k, a reduction of £159k from the £1,913k forecast in Month 8. This

reduction relates to a number of these pressures being anticipated to occur in 2010/11 and funding for pressures being identified, as show in the table below.

Scheme	Funding	Revised Budget	Actual Spend (incl accruals)	Forecast Outturn (Month 9)	Variance
		£'000	£'000	£'000	£'000
HRA - Long Lane- Mental Health Units	HRA	30	0	31	+1
HRA – Pipeline project	HRA	0	0	8	+8
HRA -Decent Homes Works	HRA	9,762	5,211	9,812	+50
Boxing Club	Council	0	36	41	+41
Manor Farm	Council	0	0	350	+350
Civic Centre Electrical Works	Council	55	377	395	+340
Chrysalis	Council	1,018	428	1,067	+49
Hillingdon Sport & Leisure Centre	Council	8,372	6,656	8,372	0
Botwell Green Leisure Development	Council	10,391	7,725	10,621	+230
Photovoltaic Cells - Civic Centre Roof	Council /grant	34	35	35	+1
Uxbridge High	Grant/Council/School Contribution	1,247	1,220	1,578	+331
Breakspear Crematorium	Mixed	1,876	2,196	2,196	+320
Civic Centre Boilers	Council	50	4	53	+3
Public Conveniences (ECP other schemes)	Council	185	193	215	+30
<b>Total</b>		<b>33,020</b>	<b>24,081</b>	<b>34,774</b>	<b>+1,754</b>

46. A proportion of these overspends are schemes that are not fully funded through Council resources e.g. Schools, S.106 etc. In addition where possible Council funded scheme overspends will be funded by virement from other parts of the capital programme within the Group concerned. After taking these factors into account the remaining potential pressure on contingency is around £1,256k. Further work continues to be undertaken to refine the pressure and identify funding options.

### Current Year Financing

47. Table 7 shows the financing of both the budget and the expected outturn.

**Table 7**

2009/10	Unsupported	Capital Receipts	Supported	Grants	HRA (inc MRA)	Section 106 and other contributions	Total Capital Programme
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revised budget 2009/10	25,802	8,800	3,379	36,358	10,196	3,633	88,168
Outturn 2009/10	29,918	1,200	3,066	35,035	10,166	4,076	83,461

48. The level of unsupported borrowing forecast as at Month 9 is £29,918k (£27,238k Month 8), an increase of £2,680k on the previous month due primarily to the rephasing of a projected capital receipt to 2010/11. The supported borrowing forecast has decreased by £194k from £3,260k to £3,066k on the previous month. This is primarily due to the rephasing of funding to reflect current outturns in 2010/11.

49. The £8,800k budgeted level of General Fund capital receipts for 2009/10 will not now be delivered in full due to market conditions. However, receipts of £1,200k are now projected.

## **CORPORATE CONSULTATIONS CARRIED OUT**

### **Financial Implications**

50. The financial implications are contained in the body of the report.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance**

51. This is a Corporate Finance report.

### **Legal**

52. There are no legal implications arising from this report.

## **BACKGROUND PAPERS**

53. Monitoring report submissions from Groups.

## APPENDIX A – Detailed Group Forecasts

### Adult Social Care, Health and Housing (ASCH&H)

#### **Revenue: £642k adverse (£255k adverse)**

1. The increased pressure on OPS services reported this month is due to the unprecedented demand being experienced by Hillingdon Hospital due to the recent adverse weather and the immediate knock on effect on ASC as a significant number of services are required at short notice to allow safe discharge. It is seen as a considerable achievement that this substantial increase has been managed without incurring any 'delayed discharge' fines and this has been due to the exceptional efforts of ASC staff in responding to this crisis.
2. The ASCH&H budgets are predominantly demand led and affected by demographic trends and the pattern of demand experienced to date confirms the pressures first identified in the latter part of last year across a range of service areas, most notably Housing Benefit, Housing Needs and Mental Health which to date have been mitigated by management action. However the emerging pressure in Older Peoples Services reported in recent months has continued to increase. Officers have reviewed the causes of these pressures to identify possible further management actions available and have concluded that this also represents a sustained increase in demand for these services resulting in an exceptional pressure.
3. Officers are pursuing a number of measures to avoid the overspend projected at this time with a view to achieving a break even position by year end. However at the moment those measures whilst mitigating demand have yet to reduce the pressure. This work is doubly important to ensure that the department starts next year with a balanced position. In the context of a demand led volatile service spending approx £290 million this becomes a finely balanced approach with inherent risks.
4. The Month 9 report is showing an adverse variance of £642k reflecting an adverse movement of £255k from the Month 8 position. The overall position for ASCH&H is set out in the table below.

Division of Service	Forecast Variance Month 9 £'000	Forecast Variance Month 8 £'000	Change from Month 8 £'000
Older Peoples Services	+599	+344	+255
Physical & Sensory Disability Services	0	0	0
Learning Disability Services	-387	-387	0
Mental Health Services	+504	+504	0
Housing Benefits	-150	-150	0
Housing Need Services	0	0	0
ASCH&H Other Services	+77	+77	0
<b>ASCH&amp;H - Total</b>	<b>+642</b>	<b>+387</b>	<b>+255</b>

#### **Older People Services: £599k adverse (£255k adverse)**

5. The primary reason for this adverse movement is as set out in para 1 above. The ASC staff have to date dealt with 100 additional assessments above the norm resulting in 30 residential and 40 intensive homecare packages and utilised part of an existing ward within Mount Vernon to relieve pressure on Hillingdon hospital. These additional costs are estimated to be in the region of £250k albeit this may change if the forecast length of stay for those in short term residential placements should differ from actual.

6. Notwithstanding this current unprecedented demand the service has to date managed to contain underlying pressures for increased demand for Nursing care and additional costs incurred in arranging alternative residential and nursing placements due to concerns about the quality of care delivered by one provider. However in addition to this the demand for nursing and homecare provision continues above that previously forecast with the demand for nursing care having risen by 19% since April. Officers have established that the increased demand isn't necessarily related to new placements but that the number of people no longer requiring residential or nursing care has not fallen as expected.
7. This service is managing a gross budget of £41.7m, received £170k of unavoidable growth, £38k of growth; and a savings target of £1.1m as part of the 2009/10 budget setting process.

#### **Physical Disabilities: Nil variance (No change)**

8. This service is managing a gross budget of £10.1m, and has a savings target of £100k as part of the 2009/10 budget setting process. This service is currently forecasting outturn to be on budget.

#### **Learning Disability: £387k favourable (No change)**

9. This service is managing a gross budget of £31.5m, received £935k of unavoidable growth; and a savings target of £100k as part of the 2009/10 budget setting process.
10. The favourable movement first reported in Month 4 has shown a continuing favourable trend which the Month 9 forecast reflects. The forecast assumes that the £1.7m corporate contingency held for transitional children is received reducing the gross pressure.

#### **Mental Health: £504k adverse (No change)**

11. The forecast is unchanged from last month as Officers continue to take mitigating actions to alleviate this pressure which is primarily related to residential placements.
12. The forecast also assumes that the £450k corporate contingency held for Mental Health Services is received reducing the gross pressure from £954k to £504k reported in this forecast. This service is managing a gross budget of £5.3m, received £208k of unavoidable growth; and a savings target of £25k as part of the 2009/10 budget setting process.

#### **Housing Benefits: £150k favourable (No change)**

13. The service is managing a gross budget of over £138m and at this stage is forecasting an underspend of £150k. The favourable movement now being reported is due to a positive external audit of the 2008/09 Housing Benefit claim, and this should in turn result in the finalisation of the claim by the DWP. Officers are confident that as a result a favourable movement can now be brought into the forecast.
14. The Housing Benefit budget, as reported previously, is experiencing pressure as a result of increased benefit uptake. Benefit applications within the privately rented accommodation area is showing increases of 23% which is now establishing a pattern which will result in a pressure of over £300k. This pressure has been mitigated by additional one-off admin grant funding from DWP and other compensating actions available to the service, which are being actively pursued.

#### **Housing Need Services: Nil variance (No change)**

15. This service is managing a gross budget of £39m and received £550k of unavoidable growth as part of the 2009/10 budget setting process; this budget line includes Homelessness.

16. The budget continues to experience considerable pressure. However, the measures identified to mitigate the pressures in recent months have been successful, leaving a small residual pressure of under £150k within the context of a gross budget of £39m. This mitigating action is being maintained in order to stave off the ongoing pressures associated with the nature of this service. The underlying pressure remains around the level reported in recent months and officers are continuing to focus staffing efforts to contain expenditure within budget. A nil forecast is being reported as a result. These efforts to contain the pressure is putting at risk the council's ability to achieve the government's 2010 temporary accommodation target as reported previously. The forecast assumes that the £1.3m corporate contingency held for Homelessness is received.

#### **Other ASCH&H Services: £77k adverse (no change)**

17. The adverse pressure is primarily due to essential works on Careline costing £90k to enable the switchover of existing equipment from an analogue to a digital signal for which the Council has no discretion. Although forecast as an overspend Officers continue to work at containing this spend within existing budgets if possible. There is also an adverse variance of £14k for the Colne Park caravan site, which has resulted from legal costs associated with an Anti Social Behaviour Order (ASBO).

#### **Housing HRA : £859k favourable (£323k favourable)**

18. The HRA has a gross budget of £48.8m. The forecast for Month 9 shows an overall favourable variance of £536k, which represents a marginal improvement of £28k from the month 8 forecast as set out in the table below:

Division of Service	Forecast Variance Month 9 £'000	Forecast Variance Month 8 £'000	Change from Month 8 £'000
HH Ltd: General and Special Services	0	+112	-112
HH Ltd: Repairs Services	0	0	0
LBH: General and Special Services	-130	-100	-30
LBH: Repairs Services	+52	+52	0
Other Expenditure	-387	-280	-107
Income	-394	-320	-74
<b>In Year (Surplus) / Deficit</b>	<b>-859</b>	<b>-536</b>	<b>-323</b>

#### **Hillingdon Homes: Nil Variance (£112k improvement)**

19. Hillingdon Homes are reporting a nil variance, an improvement of £112k. In part this is due to increases in budgets that have been offset by corresponding increases in income. In addition budgets for utilities and insurance have been increased as these are corporately negotiated.

#### **LBH General and Special Services: £130k favourable (£30k improvement)**

20. The LBH General and Special Services forecast has improved by £30k due to lower staffing costs in the homelessness area.

#### **Other Expenditure: £387k favourable (£107k improvement)**

21. An improvement of £107k is being reported at month 9 as a result of a reduction in the provision for bad debts resulting from good performance in rent collection.

#### **Income: £394k favourable (£74k improvement)**

22. The income forecast has improved by £74k and the overall favourable variance has resulted from improved rent collection and reduced voids.

## Environment and Consumer Protection (E&CP)

### Revenue: £7k favourable (£7k favourable)

- At Month 9, the Group is forecasting a favourable variance of £7k, which compares to a nil variance as reported at Month 8. The forecast variances are expressed net of any contingency provisions, which are detailed within the report.

Division of Service	Forecast Variance Month 9	Forecast Variance Month 8	Change from Month 8
	£'000	£'000	£'000
Street Cleansing	+95	+95	0
Harlington Road Depot	+169	+169	0
Waste Disposal	-250	-200	-50
Trade & Clinical Waste net	-40	-40	0
Off Street Parking Income	-33	-33	0
Street Scene Locality Team	+52	+52	0
Recovery Plan Savings	0	-43	+43
<b>E&amp;CP - Total</b>	<b>-7</b>	<b>0</b>	<b>-7</b>

### Contingent Items: Gross Pressure £992k (No change)

- The Council's 2009/10 contingent budget contains sums relating to the Waste Disposal Levy and cost pressures on Recycling Services and Vehicle Fuel which impact on the ECP Group position. West London Waste set a 2009/10 levy that utilises the full amount of the contingency with a minor adverse variance of £12k. The Borough's recycling activity continues to exceed base budgeted levels, and the position forecasts full use of the contingency. The bulk diesel purchase price has started to rise again as forecast, and a contingency call of £60k continues to be assumed.

Division of Service	Gross Pressure Month 9	Gross Pressure Month 8	Change from Month 8	Contingency	Net Pressure
	£'000	£'000	£'000	£'000	£'000
Waste Disposal Levy	732	732	0	720	+12
Recycling Services	200	200	0	200	0
Vehicle Fuel	60	60	0	85	-25
<b>E&amp;CP - Total</b>	<b>992</b>	<b>992</b>	<b>0</b>	<b>1,005</b>	<b>-13</b>

### Street Cleansing: £95k adverse (No change)

- The adverse position represents the net forecast across Street Cleansing, Graffiti and Litter Abatement services. The pressure relates to the Street Cleansing service and to activity required to maintain service standards. Actions continue to be taken to minimise this pressure without impacting on service levels.

## **Waste Services: £290k underspend (£50k favourable)**

4. **Recycling Costs:** The overall pressure on Recycling is currently forecast at £525k (last month £510k). The major elements of the variance relate to Gate Fees and recycling bags, reflecting a continuing improvement in recycling performance across both Household and composting recycling. This position allows for the continuation of new initiatives that were implemented during 2008/09, for Estates Based recycling, the Blue Sky scheme, Specialist collections and Battery Bank. The forecast position is beginning to incorporate the expected seasonal variations in the income and expenditure profiles. Income and rebates continue to be favourable, whilst as expected green/organic tonnages have dropped, levels of dry recycling have been maintained. There is £200k available in the contingency for Waste & recycling cost pressures that can partially offset this position.
5. **Waste Disposal:** The gross contingency pressure of £732k reflects the actual increase in the 2009/10 Waste Levy confirmed by West London Waste Authority (WLWA) at the authority meeting in January 2009. The Section 52(9) budget was reset as part of the 2009/10 levy setting, however tonnages have continued to show a significant fall during 2009/10. The decrease has also reversed previous seasonal trends with the single largest fall in tonnages during October. Whilst the third quarter tonnage figures are still subject to confirmation the expectation is that the underspend could increase further and therefore the forecast position has improved to £250k underspent this month. The decreased tonnages are largely reflected across West London Waste Authority's constituent Boroughs and as a result it is continuing to predict that there will be no implications from the Landfill Allowance Trading Scheme (LATS) in 2009/10.
6. **Trade Waste:** The position remains a £70k favourable variance due to overachievement of income. As previously reported levels of business have reduced during 2009/10 and this is considered to be a combination of the cumulative impact price increases linked to the annual increases in Landfill Tax and the economic downturn. Close monitoring and enforcement is currently ensuring that the levels of aged debt are under control. The overachievement on this service has been reduced by the forecast pressure on Clinical Waste explained below, giving a net position of £40k favourable.
7. **Civic Amenity Sites:** A nil variance is forecast across this service area. The position on this service area will continue to be closely monitored in line with variations in activity.
8. **Clinical Waste:** The Council has now taken on the responsibility for the collection and disposal of Clinical waste from residents homes previously undertaken by Hillingdon Primary Care Trust (HPCT), and as required by the Environmental Protection Act 1990. The service transferred during September and the costs incurred to date indicate that the impact will be contained within the estimated impact for 2009/10 of £30k. However this service is subject to client number variations which can affect costs accordingly.

## **Harlington Road Depot: £169k adverse (No change)**

9. The pressure on the depot chiefly relates to a reduction in the intensity of usage, with the movement of some Council services to the Civic Centre, together with the loss of Hillingdon Homes contributions for space occupation at the depot and use of the Stores facility. Options to mitigate the pressures continue to be explored. Some space rationalisation measures have been implemented in January, and the reported position makes an assumption that these changes will have a favourable part-year impact in 2009/10.

## **Off-Street Parking: £33K favourable (No change)**

10. In terms of Car Park income the expected favourable seasonal variation, in the third quarter of the financial year, was evidenced significantly later than previous financial years. The economic

climate is considered to be a major factor and will have been exacerbated by the severe weather conditions experienced in December and early January.

### **Parking Revenue Account**

11. The recent severe weather conditions have also affected Parking Enforcement, with operations having to be suspended at the height of the snow. This is forecast to further reduce the level of penalty charge notice (PCN) income, which has already seen a fall during 2009/10 when compared to previous years. This underlying decrease is consistent with a London-wide trend, attributed partly to economic downturn and a more general increase in compliance levels. It is currently forecast that through a combination of management action and some anticipated improved performance in the last two months of the year, that this pressure can be accommodated within the ring-fenced Parking Revenue Account. However the reduced income will impact adversely on the unallocated surpluses available for future years.

### **Winter Maintenance**

12. A further consequence of the weather has been additional activity within the Winter Maintenance service. The winter gritting teams have been working almost solidly from mid-December onwards. By early January the volume of grit used exceeded that used throughout the whole of the 2008/09 financial year by 300 tonnes. As a result the service is expected to incur additional material and manning costs, which are initially forecast to be around £50k over budgeted levels. A contingency allocation is being requested to meet these additional costs.

### **Streetscene Locality Team: £52k adverse (No change)**

13. There has been increased activity incurred through the delivery of the enhanced Streets Ahead Week of Action scheme which has led to additional one-off costs principally on publicity, printing and promotional activities.

### **Recovery Plan Savings: Nil variance (£43k favourable)**

14. Actions have now been identified that are anticipated to be sufficient to deal with the residual pressures faced by the Group.

### **Vehicle Fuel Pressure – contingency item: £25k underspend (No change)**

15. After stabilising during November the bulk diesel purchase price has started to rise again, and has now reached 95p per litre, which compares to the 92p reported in November. The Freight Transport Association trend data continues to indicate a steady increase across the remainder of the financial year and into 2010/11.

16. A forecast call of £60k on the contingency sum is retained this month given that this makes some allowance for the predicted upward trend in prices in the final quarter. The continued rise in prices will be monitored over the final quarter of 2009/10 in conjunction with any variations in usage and therefore volumes. At this time there are no significant issues to report on the prices of oil based/dependent materials.

## Education and Children Services (E&CS)

### **Revenue: Nil variance (No change)**

1. The Group is projecting a nil variance as at Month 9 for the 2009/10 financial year.
2. This excludes the overall pressure on asylum funding and the cost of exhausted all appeals cases which are reported under exceptional items elsewhere in this report.
3. The projected variances at Month 9 are summarised in the following table:

Division of Service	Forecast Variance Month 9 £'000	Forecast Variance Month 8 £'000	Change from Month 8 £'000
Schools	0	0	0
Director & Youth Services	0	0	0
Resources, Policy & Performance	-21	-31	+10
Learning & School Effectiveness Service	-4	0	-4
E&CS Central Budget	-138	-132	-6
Children & Families Service	+163	+163	0
<b>E&amp;CS - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

### **Schools: Nil variance (No change)**

4. The Schools Budget is ring fenced and funded from the DSG. Schools' payroll and non-payroll expenditure is monitored quarterly with any forecast year-end deficits being the subject of detailed discussions with the schools concerned. Schools forecasting deficits are required to supply recovery plans identifying how they intend to eliminate their deficit, but these do not affect the general fund.
5. Any underspend or overspend of the Schools Budget in 2009-10 would be carried forward into 2010-11 and would have no effect on the General Fund.

### **Director & Youth Services: Nil variance (No change)**

6. There has been no major change to the position reported within the service areas.

### **Resources, Policy & Performance: £21k Underspend (£10k adverse movement)**

7. The service is projecting a slight adverse movement of £10k due to additional internal charge for response to asbestos issue and for primary feasibility studies.

### **Learning & School Effectiveness: £4k underspend (£4k improvement)**

8. There has been a slight change to the position reported within the Learning & School Effectiveness service areas.

### **E&CS Central Budget: £138k underspend (£6k improvement)**

9. There has been a slight improvement to the position reported at the end of Month 8.
10. The group has identified savings to meet the pressure arising from active levels within Children & Families areas, through various action plans. This was achieved through reviewing all ECS

grant allocations to apply funding where possible. Also recruitment to new and vacant posts continues to be closely monitored and challenged by senior management.

### **Children and Families: £163k pressure (No change)**

11. There has been no major change to the position reported within the service areas.
12. However, the future Looked After Children projection is dependent on new clients entering and existing clients leaving including unit cost changes and this could mean increase in costs for the remainder of the financial year. Also the SEN transport service is forecasting a pressure in respect of new routes and fuel costs. To date, this pressure has been offset by one off savings in other areas within the service.

### **Exceptional Items: Asylum Service £2,779k pressure (£261k improvement)**

13. The UKBA has agreed to reimburse all the Special Circumstances claims by the Council for 2008/09. This means that the provision made in 2008/09 can be applied to the current year overall pressure, which will reduce it down to £2,779k.
14. There is no change in the previously reported overall underlying budget pressure of £3,040k for the service for 2009/10. This is due to the ongoing demand for the service and the continued under-funding by the Government and in respect of the moderation of the Special Circumstances grant for under 18's.
15. There is a slight change from what was reported at Month 8 for Exhausted All Appeal to £580k which was netted off with a slight changes within the over 18 services.
16. Action has already been undertaken to reduce the shortfall on Asylum funding whilst maintaining service levels. However, the age profile of the clients has led to a decrease in grant income as more asylum seekers turn 18. This has led to the net position being worse than in previous years even though numbers are falling. However, continuing to provide services to asylum seekers over 18 costs the authority less than the provision for general non-asylum Leaving Care clients, so this in effect reduces the overall Council pressure.
17. The Corporate Director (Education & Children's Services) with Senior Council Officers, along with senior representatives from LB Croydon and Kent County Council has met with senior UKBA officials with regard to our ongoing pressures. Various proposals were discussed with the UKBA regarding funding for Gateway authorities and further meetings are planned to progress these proposals. From the last meeting it is expected that the UKBA is aiming to finalise and agree the proposed bespoke contract with gateway authorities by end of March 2010.

## Planning and Community Services (P&CS) Month 9

### Revenue: £25k Pressure (£100k favourable)

1. The Group has a draft outturn position of £25k, this excludes all pressure areas that have identified contingent provisions.

Division of Service	Forecast Variance Month 9 £'000	Forecast Variance Month 8 £'000	Change from Month 8 £'000
Community Safety	-211	-111	-100
Arts Service	+51	+51	0
Libraries	0	0	0
Adult Education	0	0	0
Leisure	+125	+125	0
Planning & Transportation	+60	+60	0
Group Directorate	0	0	0
<b>P&amp;CS - Total</b>	<b>+25</b>	<b>+125</b>	<b>-100</b>

### Contingent Items: £1,671k Gross Pressure (£9k adverse)

2. The Planning income streams were identified as exceptional items last year. This was due to the downturn in the economy which had impacted the housing market severely and has continued to depress these income streams. The Authority's 2009/10 contingent budget contains provision for these affected income streams. The net position after the application of the contingency is shown in the table below.

Contingent Item	Gross Pressure Month 9 £'000	Month 8	Change from Month 8	Contingency £'000	Net Pressure £'000
Development Control	+472	+475	-3	+350	+122
Building Control	+184	+175	+9	+108	+76
Land Charges	+753	+750	+3	+715	+38
Golf	+262	+262	0	+262	0
<b>P&amp;CS - Total</b>	<b>+1,671</b>	<b>+1,662</b>	<b>+9</b>	<b>+1,435</b>	<b>+236</b>

### Development Control Income: £472k Gross Pressure (£3k favourable)

3. The forecast for Development Control income is a gross pressure of £472k which has decreased from month 8 by £3k, the net position after the contingency is £122k.
4. Major applications are now currently forecast to fall by as much as 25% compared to 2008/09. This is a volatile area given the significant scale of fees, and the limited volume of applications, and this area normally accounts for 2/3rds of the Development Control Income. The other areas of income that are for Minor and Other applications continue to be depressed and are down by 28% and 20% respectively from the 3 year average levels.

### Building Control Income: £184k Gross Pressure (£9k adverse)

5. The forecast for Building Control income is a gross pressure of £184k. This has deteriorated by £9k and the net position after the contingency is now forecast to be £76k. Income for April to November is down by 18% from the same period in 2008/09.

#### **Land charges: £753k Gross Pressure (£3k adverse)**

6. Land charge income has moved to a cost recovery basis due to a change in regulations enacted in December 2008. The net pressure currently forecast after the contingent allocation would be £38k.
7. Not reflected in the forecast yet is the potential impact of the guidance issued from the Information Commission Office (ICO). The guidance suggests that the majority of property search data is Environmental Information and that Local Authorities are therefore obliged to allow inspection of this information at no charge. This remains an ongoing issue on which the LGA is leading.

#### **Golf: £262k Gross Pressure (No change)**

8. This position assumes the allocation of £262k from contingency for Golf. The Golf budgets have been set to match the expected income from Mack trading. The fixed contract element is £280k (£210k courses and £70k driving range) with a further £100k for the variable element relating to the driving range, giving £380k in total. However the budget of £262k held in contingency is still required and will need to be allocated to the service.

#### **Community Safety: £211k underspend (£100k favourable)**

9. The position has moved favourably by £100k as a result of the decision to not commit any further expenditure from the community safety fund, this was already forecast to be underspent by £50k so the total underspend against this budget will be £150k. There are also underspends on staffing £41k and £20k on the MPA grant.

#### **Arts Service: £51k Pressure (No change)**

10. As previously reported the service is reporting a pressure on its income streams, this is due to a range of factors related to the general difficulties arising from the current economic conditions, e.g. cancellation of bookings. However action is being taken to mitigate these pressures from within the Arts budgets.

#### **Libraries: Nil variance (No change)**

11. The Library service is currently forecasting a nil variance

#### **Adult Education: Nil variance (No change)**

12. The grant allocation for 2009/10 has now been finalised with the LSC and the forecast has been updated to reflect this. There are currently no budget pressures.
13. The national position regarding Adult Education is under review by government and it is likely that the outcome of this will have an implication on the way the service is funded.

#### **Leisure: £125k Pressure (No change)**

14. The forecast remains as a pressure of £125k due to the revenue impacts from the delay in the practical completion of Botwell. GLL has confirmed that they are prepared to annualise the cost of the delay in the opening of Botwell which is consistent with the treatment that has previously been adopted for the management fee. This will reduce the impact in the current financial year

and has been cautiously estimated to be sufficient to balance out the expectation that the Hayes subsidy saving is now entirely lost for the current financial year. However key to this position will be the date of the satisfactory handover of Botwell and its subsequent opening to the public.

#### **Planning and Transportation: £60k overspend (No change)**

15. The overspend is due to pressure on pre applications income which is linked to the general downturn in the housing market and the subdued activity of developers, see above major applications are down by 55% in 2009/10 compared to 2008/09.

#### **2009/10 In-year Efficiency Target**

16. The Group is currently on target to meet its in-year savings target of £90k by slowing down some of the recruitment to its vacant posts.

## Central Services

### **Revenue: Nil variance (No change)**

1. The forecast position for the central services revenue budget is a breakeven position. The Deputy Chief Executive's Office is still projecting to breakeven position. However, the Finance & Resources Directorate has a pressure totalling £183k, a slight improvement of £16k on last month's projections, for which savings plans are being developed to mitigate them.

Division of Service	Forecast Variance Month 9 £000	Forecast Variance Month 8 £000	Change From Month 8 £000
Deputy Chief Executive's Office	0	0	0
Finance and Resources	+183	+199	-16
Recovery Plan Savings	-183	-199	+16
<b>Central Services - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

### **Finance & Resources: £183k pressure (£16k improvement)**

2. The Finance & Resources Directorate budgets are projecting a pressure of £183k at Month 9, a slight improvement of £16k on last month's projections.
3. This is due to ongoing gross pressures within Corporate Property Services, totalling £302k, as set out below:
  - There is an ongoing pressure on income streams from commercial properties of £172k, due to a number of vacant tenancies in the Warnford Industrial Estate (£104k), 192 High Street, where the premises have remained vacant for a number of months (£29k) and a recent vacant unit that exists in Uxbridge Market (£39k).
  - There is an anticipated shortfall of £56k on income from the Hire of the Middlesex Suite, due to an organisation not renewing its annual hire agreement, and a general slow down in the demand for hiring large sites, especially over the Christmas period.
  - There is an anticipated shortfall of £44k on income from schools buy back of FM services, due to schools opting to procure services directly rather than through the FM Team.
  - There is a pressure of £30k on the cost of maintaining and keeping secure surplus properties prior to their disposal.
4. These pressures are netted down by savings totalling £119k, which relate to the following:
  - Additional income of £47k from leases within the General Corporation Estate
  - A saving of £72k due to a negotiated reduction in the cost and the receipt of one off refunds of a number of Civic Centre Service Contract.

### **Recovery Plan Savings: £183k target (£16k improvement)**

5. Identified recovery savings are now being factored into the relevant services where applicable. The remaining saving targets relates to one off reductions in costs that will occur in this year and other planned activity, yet to be implemented.

## Capital Programme: £4,707k underspend (£21,424k rephased)

1. The overall Capital Programme budget is projecting an underspend £4,707k of as at Month 9 (£23,876k Month 8). £21,424k of underspends were rephased to align to the month 8 outturn figures.
2. Expenditure to Month 9 across the whole capital programme is £49,240k (£40,597k Month 8) which equates to 56% of the revised programme. Further detail is provided below for each individual department.

### Adult Social Care, Health and Housing (ASCH&H)

#### **HRA: £9k overspend (£840k rephased)**

3. A summary of the programme for HRA is shown below :

Capital Schemes 2009/10	Original Budget	Revised Budget	Budget Released	Capital Spend Month 9	Actual % of Revised Budget %	Forecast Outturn	Variance
	£' 000	£' 000	Y/N	£' 000		£' 000	£' 000
Capital Works	10,000	9,762	Y	5,211	53%	9,812	50
Estates Improvements	1,125	495	Y	0	0%	495	0
Cash Incentive Scheme	100	100	Y	100	100%	100	0
New Build – Redevelopment	290	120	N	0	0%	120	0
New Build – Long Lane	0	30	Y	0	0%	31	1
HRA - Pipeline project	0	0	N	0	0%	8	8
Other Projects	230	300	Y	40	13%	250	-50
Townfield Community Centre	0	660	Y	615	93%	660	0
<b>HRA – Total</b>	<b>11,745</b>	<b>11,467</b>		<b>5,966</b>	<b>52%</b>	<b>11,476</b>	<b>9</b>

4. Expenditure to date is £5,966k out of a revised budget of £11,467k, which accounts for 52% of the total programme budget.
5. There has been identified required spend on the HRA Pipeline Project which was previously anticipated to start in 2010/11, which should occur in 2009/10 in order to allow the project to progress. This will be a grant funded project and will require the funds to be drawn forwards. This is allowable under the grant conditions.
6. There is a projected overspend of £50k on the HRA Capital works. This relates to urgent boiler works, which were brought forward from next years programme, due to the inclement weather. This will be offset by a £50k underspend on the other projects, which are now anticipated to be incurred in 2010/11.

## Adult Social Care, Health and Housing: £32k underspend (£1,615k rephased)

7. A summary of the programme for Adult Social Care, Health and Housing is shown below :

Capital Schemes 2009/10	Original Budget £' 000	Revised Budget £' 000	Budget Released Y/N	Capital Spend Month 9 £' 000	Actual % of Revised Budget %	Forecast Outturn £' 000	Variance £' 000
<b>100% Grant Funded</b>							0
PSRSG for WL Empty Property Grant	0	1,150	Part	742	65%	1,150	0
Mental Health – Mead House	114	363	Y	171	47%	363	0
Improving Care Homes Environment for OP	0	3	Y	0	0%	3	0
<b>ASC,H&amp;H (Non HRA – 100% Grant Funded) – Total</b>	<b>114</b>	<b>1,516</b>		<b>913</b>	<b>60%</b>	<b>1,516</b>	<b>0</b>
<b>Non-Grant Funded</b>							0
Disabled Facilities Grants	2,040	2,017	Y	1,881	93%	2,017	0
Private Sector Renewal Grants	390	360	Y	195	54%	360	0
LDA Energy Efficiency Grant	0	125	Y	0	0%	93	-32
Colne Park Caravan Sites	302	78	Part	4	5%	78	0
Purchase of Benefits customer self-service facilities	225	121	Part	0	0%	121	0
Purchase of Supporting People software	83	0	N	0	0%	0	0
Improving Information Management and ESCR	218	735	Part	485	66%	735	0
Enabling Electronic Social Care Record	100	276	Y	180	65%	276	0
Learning Disability Modernisation Programme	243	60	N	0	0%	60	0
Mental Health Phase 2 – Hayes Park House	0	0	N	0	0%	0	0
Mental Health Phase 3 – Group Homes	0	0	N	0	0%	0	0
<b>ASC,H&amp;H (Non HRA – Non Grant Funded) – Total</b>	<b>3,601</b>	<b>3,772</b>		<b>2,745</b>	<b>73%</b>	<b>3,740</b>	<b>-32</b>
<b>ASC,H&amp;H – Total</b>	<b>3,715</b>	<b>5,288</b>		<b>3,658</b>	<b>69%</b>	<b>5,256</b>	<b>-32</b>

- Expenditure to date is £3,658k out of a revised budget of £5,288k, which accounts for 69% of the revised programme budget.
- The projected underspend on the LDA Energy Efficiency Grant reflects that £32k is anticipated to occur in 2010/11.

## Environment and Consumer Protection: £131k Overspend (£764 rephased)

10. A summary of the programme for Environment and Consumer Protection is shown below.

Capital Schemes 2009/10	Original Budget £' 000	Revised Budget £' 000	Budget Released Y/N	Capital Spend Month 9 £' 000	Actual % of Revised Budget %	Forecast Outturn £' 000	Variance £' 000
Highways Improvements	1,358	1,358	Part	342	25%	1,358	0
<b>Cabinet Member Initiatives – Highways</b>							
Road Safety	250	210	Part	13	6%	210	0
Traffic Congestion Mitigation	200	10	N	0	0%	10	0
Street Lighting	300	300	Part	56	19%	300	0
<b>Cabinet Member Initiatives - Parks &amp; Streetscene</b>							
Green Spaces Strategy	250	187	Part	177	95%	187	0
Street Scene	250	250	Part	-35	-14%	93	-157
<b>Cabinet Member Initiatives – Improvement, Partnerships &amp; Community Safety</b>							
Breakspear Crematorium	1,700	1,876	Y	2,196	117%	2,196	320
Car Park Schemes	200	200	Y	13	7%	200	0
Ruislip Lido	0	18	Y	18	100%	18	0
Hillingdon First – Parking Meters	0	192	Y	151	79%	192	0
Purchase of Vehicles	0	0	Y	0	0%	0	0
Other Schemes - Public Conveniences	0	185	Y	193	104%	215	30
<b>E&amp;CP – Sub Total</b>	<b>4,508</b>	<b>4,786</b>		<b>3,124</b>	<b>65%</b>	<b>4,979</b>	<b>193</b>
BSP funded by Transport for London	3,685	3,982	Y	2,291	58%	3,920	-62
<b>TFL (100% Grant Funded) – Sub Total</b>	<b>3,685</b>	<b>3,982</b>		<b>2,291</b>	<b>58%</b>	<b>3,920</b>	<b>-62</b>
<b>E&amp;CP – Total</b>	<b>8,193</b>	<b>8,768</b>		<b>5,415</b>	<b>62%</b>	<b>8,899</b>	<b>131</b>

11. Expenditure to date is £5,415k out of a budget of £8,768k, which accounts for 62% of the revised programme budget. One scheme has yet to be released and five have received partial release.

12. The majority of the expenditure to date has been incurred on Breakspear Crematorium (£2,196k), where the project is completed. A pressure of £320k has been identified, £150k has been provisionally agreed by Harrow and the balance will be managed through the prudential borrowing provisions which are finalised at the year end.

13. A programme for Highways Improvements for £1,358k has been drafted and the schemes are ready to be commissioned using Enterprise-Mouchel, the Highways commissioning contractor. £827k has been released. A further capital release of £531k has yet to be approved.

14. Street Scene project is now projecting an underspend of £157k.

## Education and Children's Services: £1,095k Underspend (£11,544k rephased)

15. A summary of the programme for Education and Children's Services is shown below:

Capital Schemes 2009/10	Original Budget	Revised Budget	Budget Released	Capital Spend Month 7	Actual % of Revised Budget	Forecast Outturn	Variance
	£' 000	£' 000	Y/N	£' 000	%	£' 000	£' 000
<b>100% Grant/Externally Funded</b>							0
Early Years Foundation Stage – Surestart	0	1,020	Part	359	35%	1,020	0
Extended Schools	606	419	Y	207	49%	419	0
Extension of Nursery Care / Education	1,854	24	Part	26	108%	24	0
Formula Capital Devolved to Schools	6,388	4,523	N/A	3,760	83%	4,523	0
Guru Nanak - Expansion 2010	3,000	7,075	Y	3,843	54%	7,075	0
Home Access for Targeted Groups	0	90	Y	62	69%	90	0
Information Systems – Every Child Matters	0	41	Y	41	100%	41	0
ISPP Project (Parents & Providers)	0	24	Y	24	100%	24	0
Pathfinder (Playgrounds)	0	504	Part	0	0%	504	0
Pinkwell	0	30	Y	0	0%	30	0
Primary Capital Programme	3,893	2,975	N	0	0%	2,975	0
Rosedale College S106 – only	26	26	Y	0	0%	26	0
Ruislip High School	0	60	Y	0	0%	60	0
School travel Plans	112	77	Y	34	44%	77	0
Schools Kitchens	594	994	Part	58	6%	736	-258
Specialist Schools	0	293	Y	279	95%	293	0
Surestart - AHDC short breaks	157	105	Y	0	0%	105	0
Vehicle Workshops - West Drayton Young Peoples Centre	0	94	N/A	0	0%	94	0
Investment in Young People's Facilities	0	167	Part	31	19%	167	0
<b>Total 100% Grant/Externally Funded</b>	<b>16,630</b>	<b>18,541</b>		<b>8,724</b>	<b>47%</b>	<b>18,283</b>	<b>-258</b>
<b>Non Grant Funded</b>							0
Douay Martyrs - Drama, 6th form common rooms	0	65	Y	65	100%	65	0
Expansion Haydon	726	930	Y	718	77%	930	0
School Improvement Programme	2,000	1,875	Part	850	45%	1,250	-625
School Places Provision (Basic Needs)	3,757	100	Part	8	8%	20	-80
Schools Access Programme	500	235	Part	77	33%	103	-132
<b>Total 100% Non Grant Funded</b>	<b>6,983</b>	<b>3,205</b>		<b>1,718</b>	<b>54%</b>	<b>2,368</b>	<b>-837</b>
<b>E&amp;CS – Total</b>	<b>23,613</b>	<b>21,746</b>		<b>10,442</b>	<b>48%</b>	<b>20,651</b>	<b>-1,095</b>

16. Expenditure to date is £10,442k out of a budget of £21,746k which accounts for 48% of the revised programme budget.

17. The grant funded Guru Nanak project has progressed and this funding has been rephased to reflect the outturn

18. A number of projects are now reporting underspend, School Improvement Programme £625k, School Places Provision £80k, Schools Access Programme £132k and Schools Kitchens £258k this reflects the quarter 3 school returns forecasts.

### Planning and Community Services: £50k underspend (£450k rephased)

19. A summary of the programme for Planning and Community Services is shown below:

Capital Schemes 2009/10	Original Budget £' 000	Revised Budget £' 000	Budget Released Y/N	Capital Spend Month 9 £' 000	Actual % of Revised Budget %	Forecast Outturn £' 000	Variance £' 000
<b>100% Grant/Externally Funded</b>							<b>0</b>
SSCF	0	100	Y	30	30%	100	0
S106/S278 Schemes	411	307	Y	255	83%	307	0
Botwell Multi Use Games Area		150	Part	6	4%	100	-50
NLDC	0	10	Y	9	90%	10	0
<b>Total 100% Grant/Externally Funded</b>	<b>411</b>	<b>567</b>		<b>300</b>	<b>53%</b>	<b>517</b>	<b>-50</b>
<b>Non Grant Funded</b>							<b>0</b>
Assisted Funding	150	32	N	19	59%	32	0
Libraries Refurbishment	1,500	1,500	Y	979	65%	1,500	0
Voltage Optimisation Equipment	40	40	N	0	0%	40	0
Harmondsworth Dog Free Mini Football Area		70	Y	0	0%	70	0
Ruislip Lido Public Conveniences		100	0	0	0%	100	0
CCTV Programme	250	22	Part	22	100%	22	0
<b>Total Non Grant Funded</b>	<b>1940</b>	<b>1764</b>		<b>1020</b>	<b>58%</b>	<b>1764</b>	<b>0</b>
<b>P&amp;CS – Total</b>	<b>2,351</b>	<b>2,331</b>		<b>1,320</b>	<b>57%</b>	<b>2,281</b>	<b>-50</b>

20. Expenditure to date is £1,320k out of a budget of £2,331k, which accounts for 57% of the total programme budget.

21. The projected underspend of £50k on the Botwell Multi Use Games Area relates to slippage and will be spent in 2010.

## Major Construction Projects: £226k underspend (£5,816k rephased)

22. A summary of the programme for Major Construction Projects is shown below:

Capital Schemes 2009/10	Revised Budget	Budget Released	Capital Spend Month 8	Actual % of Revised Budget	Forecast Outturn 2009/10	Forecast Outturn 2010/11	Forecast Variance 2009/10	Forecast Variance Total Project
	£' 000	Y/N	£' 000	%	£' 000	£' 000	£' 000	£' 000
<b>Planning and Community Services</b>								
Brookfield – Second Floor	256	Y	221	86%	256	6	0	-2
Hillingdon Sports and Leisure Centre	8,372	Y	6,656	79%	8,372	346	-0	+250
Botwell Green (including Gymnastics Centre )	10,391	Y	7,725	74%	10,621	520	+230	+750
Boxing Club	0	N/A	36	No Budget	41	0	+41	+41
Minet Cycle Club	501	Part	22	4%	358	356	-143	-1
Queensmead Fitness Centre Refurbishment	30	Y	1	3%	30	50	0	0
<b>Education and Children's Services – 100% Grant/Externally Funded</b>								
Children's Centres – Phase 2	1,645	Y	1,645	100%	1,864	215	+219	+434
Children's Centres – Phase 3	1,200	Y	187	16%	650	2,736	-550	-434
Longmead	1,250	Y	506	40%	1,150	1,263	-100	-690
Pinkwell New Classrooms	391	Y	381	97%	391	9	0	0
<b>Education and Children's Services – Non Grant Funded</b>								
Harefield School Nursery	1,247	Y	1,080	87%	1,247	0	0	0
Glebe Primary School	229	Y	200	87%	229	6	0	+6
Heathrow Primary	172	Y	145	84%	170	2	-2	-9
Ruislip High School	308	Y	26	8%	308	0	0	0
Targeted Capital - Oak Farm	398	Y	0	0%	398	0	0	0
Targeted Capital - Uxbridge High	1,247	Y	1,220	98%	1,578	111	+331	+442
New Young People's Centre	2,000	Y	577	29%	1,800	1,369	-200	+170
<b>Finance &amp; Resources</b>							0	
Farm Barns	10	N	0	0%	10	0	0	-5
<b>Environment and Consumer Protection</b>							0	
New Years Green Lane Civic Amenity Site	400	Part	162	41%	400	3,800	0	+2,600
Arundel Road Development HIP	30	Y	7	23%	18	12	-12	0
<b>Council Wide</b>								
Project QS support	100	0	0	0%	60	0	-40	-40
<b>Major Construction Projects – Total</b>	<b>30,177</b>		<b>20,797</b>	<b>69%</b>	<b>29,951</b>	<b>10,801</b>	<b>-226</b>	<b>+3,512</b>

23. Expenditure to date is £20,797k out of a budget of £30,177k, which accounts for 69% of the revised programme budget. The budget has increased by £45k which is additional section 106 for the Botwell Green Leisure Development

24. Minet Cycle Club – This project is estimating to spend £356k in 2010/11 this a variance of £143k on month 8.

25. **Children's Centres Phase 3** – This project has reduced the projected spend in 2009/10 and is estimating to spend a further £550k in 2010/11

26. **Longmead School expansion** – This project has reduced the projected spend in 2009/10 and is estimating to spend a further £100k in 2010/11. It is now reporting an overall underspend £690k.

27. **Uxbridge High expansion** – This project has increased the projected overspend by £85k the revised total overspend is now £442k which is expected to be financed by the school.

28. **Young Peoples Centres** – This project has reduced the projected spend in 2009/10 and is estimating to spend a further £200k in 2010/11.

29. **Arundel Road development scheme** – This project has reduced the projected spend in 2009/10 and is estimating to spend £12k in 2010/11.

30. **Project QS Support** – This project is estimating to spend £40k in 2010/11.

**Central Services: £418k overspend (£395k rephased)**

A summary of the programme for Central Services is shown below:

Capital Schemes 2009/10	Original Budget £' 000	Revised Budget £' 000	Budget Released Y/N	Capital Spend Month 6 £' 000	Actual % of Revised Budget %	Forecast Outturn £' 000	Forecast Variance £' 000
Leader's Initiative	200	125	Y	0	0%	125	0
Chrysalis	1,000	1,018	Y	428	42%	1,067	+49
Town Centre Initiative	325	438	N	0	0%	413	-25
HIP Projects	600	370	Part	1	0%	370	0
<b>DCE - Total</b>	<b>2,125</b>	<b>1,951</b>		<b>429</b>	<b>22%</b>	<b>1,975</b>	<b>24</b>
ICT Asset Management Strategy	500	454	Part	31	7%	454	0
ICT Works at the Crematorium	0	97	Y	19	20%	97	0
Victoria Hall	0	53	Y	51	96%	53	0
Manor Farm	0	0	Y	55	No Budget	350	+350
Hillingdon First Card	182	200	Y	200	100%	200	0
Property Enhancement Programme	500	321	Part	108	34%	321	0
Property Enhancement Programme Contingency	0	179	N	19	11%	179	0
YOT Consolidation Link 1A/Cashiers	372	360	Y	278	77%	360	0
Civic Centre Electrical Works	2	55	Y	377	685%	395	+340
Civic Centre Security Improvements	236	127	Part	30	24%	127	0
Civic Centre - Photovoltaic Cells	34	34	Y	35	103%	35	+1
Civic Centre Enhancements	750	648	Part	6	1%	348	-300
Civic Centre Boilers	0	50	Y	4	8%	53	+3
<b>F&amp;R - Total</b>	<b>2,576</b>	<b>2,578</b>		<b>1,213</b>	<b>47%</b>	<b>2,972</b>	<b>394</b>
<b>Central Services - Total</b>	<b>4,701</b>	<b>4,529</b>		<b>1,642</b>	<b>36%</b>	<b>4,947</b>	<b>418</b>

31. Expenditure to date is £1,642k out of a revised budget of £4,529k, which accounts for 36% of the revised programme budget.

32. The pressure identified in the Chrysalis Programme has reduced to £49k.

33. The Town Centre Initiative is now reporting a underspend of £25k, following the additional section 106 funding allocated to the project

## Capital Contingency: £2,258k underspend (£213k adverse)

34. A summary of the programme contingency is shown below:

Capital Schemes 2009/10	Original Budget £' 000	Revised Budget £' 000	Capital Spend Month 8 £' 000	Actual Spend % of Revised Budget %	Forecast Outturn £' 000	Variance £' 000
Programme Contingency	3,196	2,725	0	0%	+1,000	-2,196
Contingency	1,500	1,137	0	0%	+604	-533
<b>Contingency – Total</b>	<b>4,696</b>	<b>3,862</b>	<b>0</b>	<b>0%</b>	<b>1,604</b>	<b>-2,258</b>

35. The forecast outturn of £1,604k (£1,391k, Month 8) assumes that all of the pressures identified below will need to be funded from the contingency.

36. However a proportion of these overspends are schemes that are not fully funded through Council resources e.g. Schools, S106 etc. In addition where possible Council funded scheme overspends will be funded by virement from other parts of the capital programme within the Group concerned. After taking these factors into account the remaining potential pressure on contingency is around £1,256k. Further work continues to be undertaken to refine the pressure and identify options to fund.

Calls on Contingency from existing programme	Funding	Revised Budget £'000	Actual Spend (incl accruals) £'000	Forecast Outturn (Month 9) £'000	Variance 2009-10 £'000	Variance 2010-11 £'000	Variance £'000
<b>Programme contingency</b>							
Hillingdon Sports and Leisure Development	Council	8,372	6,656	8,372	-0	+250	+250
Leisure Development - Botwell Green, Hayes	Council	10,391	7,725	10,621	+230	+520	+750
<b>Sub Total</b>		<b>18,763</b>	<b>14,381</b>	<b>18,993</b>	<b>+230</b>	<b>+770</b>	<b>+1,000</b>
<b>General contingency</b>							
Boxing Club	Council	0	36	41	+41	0	+41
Manor Farm	Council	0	55	350	+350	0	+350
Breakspear Crematorium	Council / Harrow	1,876	2,196	2,196	+213	0	+213
<b>Sub Total</b>		<b>0</b>	<b>91</b>	<b>391</b>	<b>+604</b>	<b>0</b>	<b>+604</b>
<b>Total</b>		<b>18,763</b>	<b>14,472</b>	<b>19,384</b>	<b>+834</b>	<b>+770</b>	<b>+1,604</b>

The Table below details the previous releases from contingency.

<b>Previous releases from contingency</b>	<b>£' 000</b>	<b>£' 000</b>
<b>General Contingency</b>		
<b>Original budget</b>	<b>1500</b>	<b>1500</b>
Approved projects to date		
Harmondsworth Dog Free Mini Football Area	70	
Ruislip Lido Toilets	100	
Project QS support	100	
Douay Martyrs - Drama, 6th form common rooms	65	
Brookfield	28	
total released to date		363
<b>Balance remaining</b>		<b>1,137</b>
<b>Programme contingency</b>		
<b>Original budget</b>	<b>3,196</b>	<b>3196</b>
Approved projects to date		
Purchase of Vehicles		471
<b>Balance remaining</b>		<b>2,725</b>

## APPENDIX B – Treasury Management Report

1. The following information is provided to update you on the activities on the Treasury function for the month of December.
2. As at 31 December 2009 the Council's portfolio of deposits and debt was as follows (deposit balances can move substantially from day to day in line with cash flow requirements).

### Outstanding Deposits - Average Rate of Return on Deposits: 1.75%

	Actual £m	Actual %	Bench- mark %
Up to 1 Month	44.9	53.52	50.00
1-2 Months	18.3	21.81	15.00
2-3 Months	0.0	0.00	25.00
3-6 Months	5.0	5.96	5.00
6-9 Months	0.0	0.00	0.00
9-12 Months	0.0	0.00	0.00
12-18 Months	0.0	0.00	0.00
18-24 Months	0.0	0.00	0.00
<b>Subtotal</b>	<b>68.2</b>	<b>81.29</b>	<b>100</b>
Unpaid Maturities	15.7	18.71	0.00
<b>Total</b>	<b>83.90</b>	<b>100</b>	<b>100</b>

3. With the exception of the unpaid Icelandic investments, our deposits are held with UK institutions and Money Market Funds, which hold AA- or AAA long-term credit ratings.
4. Deposits are currently held with the following institutions; Abbey, Royal Bank of Scotland, Barclays Bank, Lloyds TSB Banking Group, Clydesdale, Nationwide, Goldman Sachs MMF, Henderson MMF, Invesco Aim MMF, Standard Life MMF & Debt Management Office (DMO).
5. During December fixed-term deposits have continued to mature in line with our cash flow requirements, any surplus funds have been placed in instant access accounts or short term fixed deposits with the DMO, in order to meet future cash flow requirements.

### Outstanding Debt - Average Interest Rate on Debt: 3.86%

	Actual £m	Actual %
PWLB	109.6	63.5
Long-Term Market	48.0	27.8
Temporary	15.0	8.7
<b>Total</b>	<b>172.6</b>	<b>100</b>

6. No loans matured during December. However £15m of debt was rescheduled replacing two £7.5m PWLB maturity loans at a rate of 4.50% with one £15m Equal Instalments of Principal PWLB loan at a rate of 2.89%. This action was completed at a premium of £32k for 2009/10, but will save £748k over the life of the rescheduled debt.

### Prudential Indicators

7. There were no breaches of the prudential indicators during December.

## **Ongoing Strategy**

8. Longer-term investments are already in place so the current strategy will be to ensure short-term balances remain high to provide liquid funds for future cash flow commitments.
9. The latest advice on repayment and restructuring of debt is to wait until the PWLB reports on its consultation exercise. It is hoped that a new pricing method will reduce new borrowing and repayment spreads.

# Agenda Item 7

## HOUSING REVENUE ACCOUNT (HRA) RENT SETTING 2010-2011

Cabinet Member	Councillor Philip Corthorne
Cabinet Portfolio	Social Services, Health and Housing
Officer Contact	Maqsood Sheikh, Adult Social Care, Health and Housing
Papers with report	Appendices 1, 2 & 3

### HEADLINE INFORMATION

Purpose of report	This report largely centres on recommended HRA rents and charges as well as the HRA budget for 2010/11.
Contribution to our plans and strategies	HRA resource priorities are aligned with, and enable the Council to deliver, its strategic housing objectives set out in the Housing Strategy, Hillingdon Homes Service Plan and other housing services strategies such as the Homelessness strategy. HRA resources are also combined with other funding streams, such as Supporting People, to deliver additional priorities for the Council's landlord service including tenancy support services.
Financial Cost	The proposals centre on the application of specific, ring-fenced HRA resources, which are contained within the overall HRA Fund. There is no impact on the Council's General Fund.
Relevant Policy Overview Committee	Social Services, Health and Housing
Ward(s) affected	All

### RECOMMENDATIONS

That Cabinet approve for recommendation to Council on 25 February 2010:

1. To use formula rents under the DCLG rent restructure policy to calculate HRA dwelling rents for 2010/2011.
2. To agree the average HRA rents, charges and allowances for 2010/11 as set out in Tables A to D of this report.
3. To agree the HRA Budget for 2010/11 as set out in Appendix 1 of this report.

## INFORMATION

### Reasons for recommendation

1. The purpose of this report is to seek Cabinet approval to the proposed HRA rents, service charges and allowances for 2010/2011. Under current legislation, income from council tenants for rents and service charges must be separately shown in the Housing Revenue Account. Under DCLG general guidelines these charges must be reviewed regularly to ensure that the HRA does not go into deficit.

### Alternative options considered

2. Cabinet could amend or add to the proposals in respect of charges, but such amendments or additions must ensure that service charges levied cover the cost of providing services. Proposals in Table A to D reflect such costs;
3. To set rents higher or lower than those proposed in line with the Government rents restructuring policy. In both cases there would be a detrimental effect to the HRA. Setting rents higher would result in increased negative subsidy payable to the Government, with disproportionate increase in income generated. This effectively means we are charging higher rents to pass on to the Government. Setting rent lower would result in less income with the same amount of negative subsidy payable to the Government. Neither option can be recommended.

### Comments of Policy Overview Committee

4. None at this stage.

### Supporting Information

#### A. Summary

5. The report proposes an average rent increase of £1.29 or 1.35% that will result in an average rent for Hillingdon Council dwellings of £89.89. This average rent has been calculated in line with the rent restructuring formula provided by DCLG. Other charges and allowances are recommended to stay at the same level.
6. Subsidy payable to the government is a key element within the HRA. The impact of the 2010/11 HRA Subsidy Determination issued by DCLG has had a broadly neutral impact on Hillingdon. The main reason for this is that management, maintenance and the major repairs allowances that form part of the subsidy settlement have been relatively favourable for Hillingdon as outlined in section D.
7. Normally the Determination is a key document and a detailed analysis also provides a pointer to future year resources. However the 2010/11 Subsidy Determination has been issued under the background of a joint Treasury/ DCLG two year HRA Review that is currently nearing a conclusion; and which is intending to overhaul the HRA subsidy system. As a result, the resources implied by the 2010 Determination need to be viewed in a short term horizon. The review could have a significant impact on resources available from 2011/12 onwards.
8. On the basis of current information, the HRA Balances are expected to increase by £1.7m in 2010/11. However, from 2011/12 onwards the balances are projected to reduce

marginally on an annual basis. The main reason for this is that the Council will be paying a higher level of subsidy to government. The projected level of balances will need to be looked at but are projected to be at a level that will sustain the HRA for the foreseeable future.

9. As the HRA Review is expected to have a significant impact on the future financing of the council housing operation, the longer term projection of the HRA resources for Hillingdon contained in this report are only indicative. In common with other authorities, a more thorough analysis of future revenue and capital spending requirements will be needed during 2010; and this will need to be set against the resource projections implied by any replacement HRA financing regime.

## B. Background

10. This report sets out the analysis to support the recommended rent increase, the proposals for the increases of the other HRA charges and setting of budgets for expenditure. It also provides further details of the proposals for the 2010/11 HRA Capital Programme that are covered in the General Fund report elsewhere on the Agenda.

11. The purpose of this report is three fold, to:

- (i) provide Cabinet with proposals for HRA rents, fees and charges for 2010/11;
- (ii) update Cabinet with the latest HRA income and expenditure projections for the current financial year 2009/10; and
- (iii) provide Cabinet with the proposed HRA budget for 2010/11 for approval within the context of the budget process for 2010/11.

12. Local housing authorities are required to carry out a periodic review of rents for dwellings and charges for services and facilities provided to council tenants in connection with the provision of dwellings owned by the Council and accounted for within the HRA. The costs of providing accommodation and tenancy services to council tenants are charged to the HRA. These costs are recharged to tenants by levying rents and service charges. There is a general directive from the Department for Communities and Local Government (DCLG) that these charges are reviewed annually.

13. In preparing the HRA budget a local authority is required to estimate as accurately as possible the total level of income needed from rents and charges to fund planned expenditure. Statutory provisions prevent the HRA from planning for an overall account deficit (income less expenditure plus balances and provisions). The total income from rents and charges depends on a number of factors:

- the Government's rent restructure formula and guidelines;
- the size and composition of the HRA stock of dwellings;
- the level of voids;
- income from commercial properties (e.g. shops owned by the HRA, way leaves);
- ground rents;
- provision for bad and doubtful debts from arrears;
- provisions for future liabilities;

14. The legislative provisions for charging rents and levying charges for services and facilities in the HRA are provided by Part 1 of Schedule 4 of the Local Government and Housing Act 1989.

15. Key strategic objectives for the Housing Revenue Account (HRA) are:

- to secure the best use of resources,
- build on increasing tenants satisfaction, and
- support the delivery of the Council's strategic objectives.

16. The HRA is a ring-fenced account. The objective is to get the best service from effective use of the whole HRA resource. In this context the expectation is that savings and efficiency gains would be reinvested HRA stock and services including wider affordable housing. Therefore our main financial objective is to deliver efficiency gains, and use funds released by such gains to improve services, provide additional stock investment and take advantage of wider affordable housing opportunities.

17. The budget proposals for the HRA have been compiled through a process involving:

- a detailed review of the costs of the current level of housing services;
- review of forecasted outturn for 2009/10 to project year-end balances to be carried forward to 2010/11

18. Key areas of interest for Council tenants and HRA service users within this report are:

- HRA dwelling rents for 2010/11, calculated using the Government's rents restructure formula;
- the level of HRA funding available for investment in stock and service provision to tenants;
- percentage increase for non-dwelling rents and charges for 2010/11.

19. As in previous years, precise calculations for HRA rents, fees, charges and budget proposals can only be carried out after release of the relevant HRA subsidy determinations. The DCLG released the HRA subsidy draft determination for 2010/11 on 10<sup>th</sup> December 2009 and the final determination was issued on 3<sup>rd</sup> February 2010.

20. In accordance with requirements under the Housing Act 1985, tenants must be given 28 days notice of changes in their rents once set by Council in February 2010. Notices will be issued at the end of February 2010. This will ensure that tenants have four weeks notice of rent increases to come into force on 5<sup>th</sup> April 2010, which is the first week in the new financial year.

## C. Rents and Charges

### *HRA Rent Setting Framework*

21. The HRA account framework is regulated by the DCLG. In recent years the HRA accounting framework has changed significantly and one of the key changes is how dwelling rents are calculated. Dwelling rents are now calculated using the formula rent in line with the DCLG national rent restructure programme. The rent restructure programme was introduced in 2002/2003.

### *Rent Restructure*

22. In 2010/2011 council dwelling rents are expected to nationally increase by 3.1%. The Hillingdon dwelling rents proposal recommends an average increase of 1.35%. This average is based on property specific calculations using the rent restructuring formula provided by DCLG. The lower percentage increase is due to Hillingdon rents getting close to the nationally determined target rents. It is worth noting that the application of

the formula at individual property level varies around this average according to property size and the market value of each property, as valued in January 1999. In addition, during 2010/11 no individual rents are allowed to increase by more than 3%.

23. The 2010/11 Subsidy Determination assumes an increase of this magnitude.

Consequently, in order to minimise HRA subsidy losses in the HRA, it is recommended that rents be increased by an average of 1.35%. Table A below provides the estimated average rents for HRA dwellings.

Table A: HRA Dwelling Rents

TABLE A: HRA DWELLING RENTS		PREVIOUS YEAR	PREVIOUS YEAR	CURRENT YEAR	NEXT YEAR PROPOSED	
		2007/08 RENT	2008/09 RENT	2009/10 RENT	2010/11 RENT	2010/11 RENT
		ACTUAL RENT pw	ACTUAL RENT pw	RENT RESTRUCTURE pw	RENT RESTRUCTURE pw	% Increase
	<b>HRA COUNCIL DWELLING RENTS (AVERAGE)</b>	<b>£84.14</b>	<b>£86.09</b>	<b>£88.70</b>	<b>£89.89</b>	<b>1.35%</b>
a.	<b>Flats/Maisonettes 1 bed</b>	<b>£70.02</b>	<b>£70.48</b>	<b>£72.69</b>	<b>£74.03</b>	<b>1.85%</b>
b.	<b>Flats/Maisonettes 2 beds</b>	<b>£79.96</b>	<b>£79.75</b>	<b>£82.05</b>	<b>£83.28</b>	<b>1.50%</b>
c.	<b>Flats/Maisonettes 3+ beds</b>	<b>£91.09</b>	<b>£92.59</b>	<b>£95.43</b>	<b>£96.57</b>	<b>1.20%</b>
d.	<b>Houses/Bungalows 1 bed</b>	<b>£76.03</b>	<b>£79.53</b>	<b>£81.96</b>	<b>£83.22</b>	<b>1.54%</b>
e.	<b>Houses/Bungalows 2 beds</b>	<b>£88.85</b>	<b>£92.32</b>	<b>£95.15</b>	<b>£96.29</b>	<b>1.20%</b>
f.	<b>Houses/Bungalows 3 beds</b>	<b>£100.27</b>	<b>£104.81</b>	<b>£108.02</b>	<b>£109.05</b>	<b>0.95%</b>
g.	<b>Houses/Bungalows 4+ beds</b>	<b>£107.95</b>	<b>£112.22</b>	<b>£115.65</b>	<b>£116.61</b>	<b>0.83%</b>
h.	<b>Temporary Accommodation HRA Hostels (Average)*</b>	<b>£57.40</b>	<b>£77.54</b>	<b>£79.95</b>	<b>N/A</b>	<b>N/A</b>

\*All hostels are sold in 2009-10

24. This average level of rent increase will broadly maintain balances at the current level. Without this increase balances would fall by around £510K.

25. Included in the rent restructuring calculation for rents set out in the table is an inflation factor prescribed by the Department for Communities and Local Government (DCLG). The national average increase of 3.1% includes other elements of the rent restructuring formula. This includes an element to convergence of social housing rents. As a result the vast majority of rents within Hillingdon will increase between 1% and 2% with some increasing by the maximum 3%. This will result in an average increase of 1.35% for tenants within the Borough.

#### *Non Dwelling Rents*

26. HRA non-dwelling rents cover garages, hard standings, carports, shops and commercial premises. This report deals with garages, hard standings and carports. Shops and commercial premises are managed as part of the Council's commercial holdings.

27. Garage and carport rents are not covered by rent restructure. These have been increased annually using the percentage inflation rate used for dwelling rents. However,

for 2010/2011, officers are recommending no changes to the existing charges to maintain parity with the Council's overall intention of not increasing charges wherever possible.

Table B: HRA Non-Dwelling Rents

Table B		PREVIOUS YEAR	PREVIOUS YEAR	CURRENT YEAR	NEXT YEAR PROPOSED	
	HRA NON DWELLING RENTS	2007/08 CHARGES	2008/08 CHARGES	2009/10 CHARGES	2010/11 CHARGES	% Increase
a.	Garages	£9.60	£9.71	£9.80	£9.80	No Change
b.	Car Ports	£5.40	£5.60	£5.60	£5.60	No Change
c.	Hard Standings	£3.60	£3.80	£3.80	£3.80	No Change

*Charges and Allowances*

28. In previous years the Council's policy has been to increase existing service charges and allowances by inflation plus a nominal rate to support actual cost of service provision. However, officers are recommending no change for 2010/11 as set out in the following table C. The slight downward adjustment in Careline charges is for the purposes of making the weekly charge being divisible by 7 to arrive at a daily charge. Keeping the same rate of charges as last year also includes maintaining the charges for fuel at last year's level.

29. Due to increased number of tenants in receipt of the service and lower cost of the maintenance contract, the cost per individual for CCTV has lowered and a reduced charge can be levied: £1.57 to 55p per week.

30. Previously the Council has paid £1,250 to tenants who downsized and took a property with 1 less bedroom and a further payment of £1,000 was made per additional bedroom given up. However, research indicates that monetary payments are not the primary element that encourages people to move to more appropriate sized accommodation. Officers are therefore recommending that Home Release allowances are reduced from £1,250 to £750 for one bedroom release and further payment for additional bed room is capped to a total payment of £1,250. This reduction in allowance will bring Hillingdon in line with other neighbouring boroughs.

31. Similarly, a cap on the amount paid for redecoration allowances per bedroom size, is proposed to bring the Council in line with other boroughs. This will result in the following allowances per bedroom size:

- 1 bed - £250
- 2 bed - £275
- 3 bed plus - £325

Table C: Charges and Allowances

		CURRENT YR		ESTIMATE
	TABLE C: CHARGES AND ALLOWANCES	2009/10 CHARGES & ALLOWANCE	PROPOSED CHANGE	2010/11 CHARGES & ALLOWANCE
<b>1</b>	<b>ANCILLARY SERVICE CHARGES</b>			
a.	Careline Council Tenants*	£1.35	-£0.02	£1.33
b.	Heating Schemes	£3.54-£14.43	No Change	£3.54-£14.43
c.	Furniture in Temporary Accommodation**	£10.00	No Change	N/A
d.	Hostels Heating & Hot Water**	£7.10	No Change	N/A
e.	Hostels Electricity**	£5.92	No Change	N/A
f.	Grounds Maintenance	£1.09-£3.26	No Change	£1.09-£3.26
g.	Communal Electricity	£0.94	No Change	£0.94
h.	CCTV	£1.57	-£1.02	£0.55
i.	Door Entry	£0.21	No Change	£0.21
<b>2</b>	<b>REDECORATION ALLOWANCES</b>			
a.	Living Room	£105.00	No Change	£105.00
b.	Dinner/Kitchen	£150.00	No Change	£150.00
c.	Staircase	£105.00	No Change	£105.00
d.	Landing	£50.00	No Change	£50.00
e.	Double Bedroom	£105.00	No Change	£105.00
f.	Single Bedroom	£75.00	No Change	£75.00
g.	Bathroom	£75.00	No Change	£75.00
h.	WC	£30.00	No Change	£30.00
i.	Dining Recess	£25.00	No Change	£25.00
j.	Working Kitchen	£105.00	No Change	£105.00
k.	Sweeping Flue	£5.00	No Change	£5.00
l.	Two Room Allowance	£260.00	No Change	£260.00
<b>3</b>	<b>OTHER ALLOWANCES</b>			
a.	Home Release Reward - Reduction by 1 Bed	£1,250.00	-£500.00	£750.00
b.	Home Release Reward - Reduction by 2 Bed	£2,250.00	-£1,250.00	£1,000.00
c.	Home Release Reward - Reduction by more than 2 Beds	£3,250.00	-£2,000.00	£1,250.00
d.	Home Release Reward - Removal Fees	£300.00	Included in Home Release Reward payment	n/a
e.	Home Release Reward - Carpet/Curtain/Disconnection /Reconnection	£700.00	Included in Home Release Reward payment	n/a
f.	Statutory Home Loss***	£4,700.00	Set by DCLG	£4,700.00
g.	Golden Goodbye			
	Bedsit	£150.00	Scheme no longer in operation	n/a
	1 Bed	£200.00		n/a
	2 Bed	£250.00		n/a
	3+ Bed	£300.00		n/a

\* It is a technical change

\*\* All Hostels are sold in 09-10

\*\*\* Set by DCLG

## D. Service Charge De-pooling Update

### Background

32. In the past, each local authority had some discretion over the level of dwelling rents charged to council tenants. This has largely been removed, and dwelling rents is required to be calculated using a rent formula. The formula takes accounts of property value, location, size of accommodation and relative regional affordability by reference to manual worker earnings. Rents for social housing were planned to move to the formula rent by 2011/2012. At this point rents charged by both the RSL and local government sectors would be identical for similar properties in similar locations.

33. The HRA subsidy arrangements allow a limited category of costs to cover general management and maintenance costs (M&M Allowance) and are included in base dwelling rents. These M&M allowances do not cover certain services provided to tenants such as caretaking, cleaning, grounds maintenance, warden services, estate patrols, CCTV cameras etc. Government expectations are that these costs are identified and de-pooled from the general level of rents and charged for separately. However, local authorities are only allowed to recover the actual cost of the relevant service, and tenants receiving the service individually or as a group within similar types of properties can be charged.

34. In order to fully comply with DCLG rents restructure and service charge de-pooling policies the following de-pooling strategy was adopted in February 2006: -

- In 2006/2007 grounds maintenance costs were de-pooled from rents;
- For 2007/2008 de-pool other miscellaneous charges (e.g. CCTV)
- In 2008/2009 de-pool caretaking and cleaning costs from rent charges.

The strategy has been fully implemented and service charges are now de-pooled.

35. Caretaking charges are set out in Table D below. For 2010/11 officers are again recommending no change in the charges in line with intention of the Council to restrict increases wherever possible.

Table D: Caretaking Charges

TABLE D: CARETAKING CHARGES	PREVIOUS YEAR	PREVIOUS YEAR	CURRENT YEAR	NEXT YEAR PROPOSED	
	2007/08 CHARGES & ALLOWANCE	2008/09 CHARGES & ALLOWANCE		2010/11 CHARGES & ALLOWANCE	% Increase
Caretaking Band					
A	n/a	£10.00	£10.00	£10.00	No change
B	n/a	£6.50	£6.50	£6.50	No change
C	n/a	£4.50	£4.50	£4.50	No change
D	n/a	£3.50	£3.50	£3.50	No change
E	n/a	£2.50	£2.50	£2.50	No change
F	n/a	£1.50	£1.50	£1.50	No change
Sheltered Housing	n/a	£5.00	£5.00	£5.00	No change
Queens Lodge	n/a	£6.30	£6.30	£6.30	No change
Additional Refuse Collection	n/a	£1.75	£1.75	£1.75	No change

## E. Impact of the 2010/2011 HRA Subsidy Determination on Hillingdon

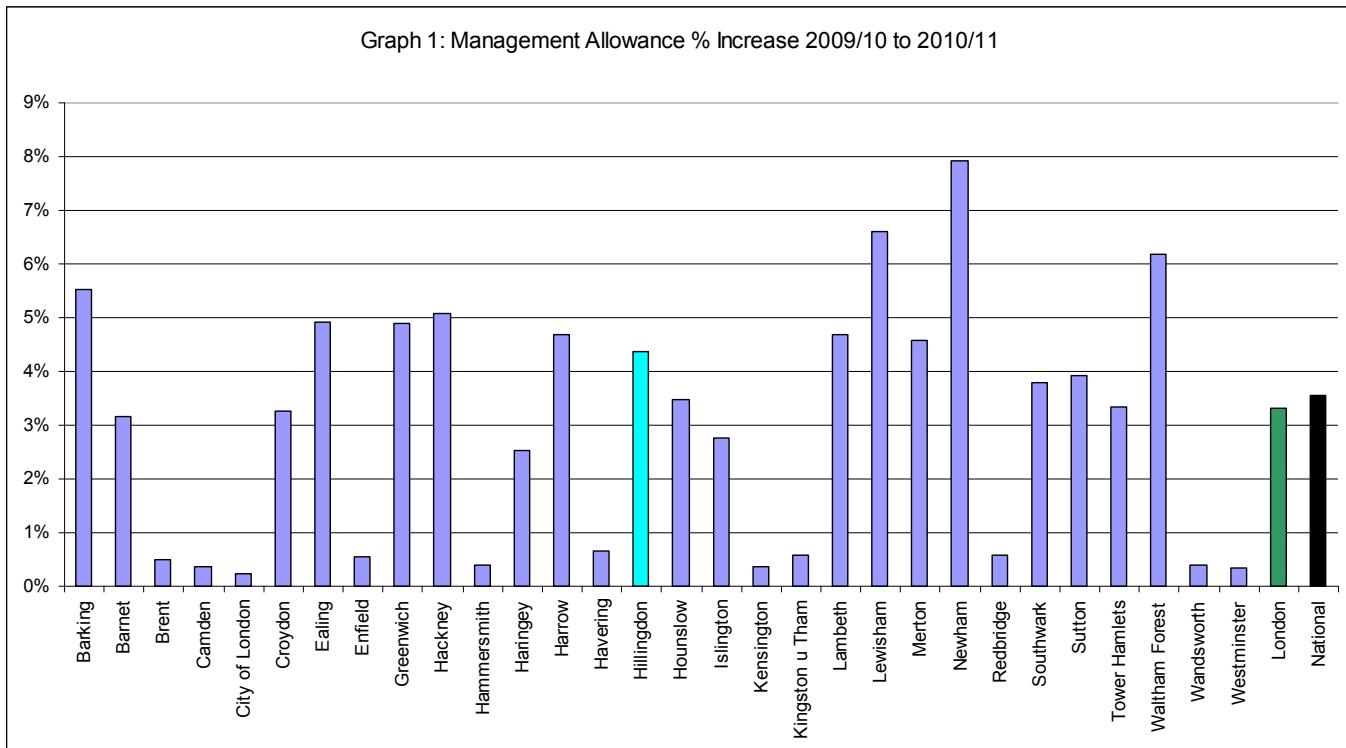
### *National 2010/11 Subsidy Determination Headlines*

36. In common with recent years, the 2010/11 HRA rent setting process is largely dependent upon the HRA Subsidy Determination which is the responsibility of Department for Communities and Local Government (DCLG). Since 2002, when rent restructuring was introduced, the Determination also effectively provides Government direction for individual Council rents.
37. The Government is, however, near to concluding a two year review of the HRA and is intending to move away from the HRA Subsidy system from 2011/12. In taking account of this timetable for the overhaul of the subsidy system, the HRA Subsidy Determination for 2010/11 has been based on the broad parameters set out in the current years 2009/10 Determination. So this is effectively a Determination for year 2 of a two year settlement. Proposals for the future funding of the HRA will change radically and any future resource projections can not be based on the 2010/11 Subsidy Determination.
38. The final subsidy Determination for 2010/11 was issued on the evening of 3<sup>rd</sup> February 2010 and, for Hillingdon, showed negligible changes from the draft determination that was published on 10<sup>th</sup> December 2009. The Determination confirms the DCLG preferred option to restrict rent increases to a national percentage of 3.1% in 2010/11. For Hillingdon, the level of rent increase in line with the Determination (1.35%) will result in a broadly neutral impact on overall resources for Hillingdon in gross terms and represents a small real terms decrease in resources when inflation is taken into account.
39. The subsidy calculation involves working out allowances for expenditure items along with assumed income from rent levels. If the net amount is positive then the authority receives subsidy whereas if the net amount is negative the authority has to pay this net negative sum to the DCLG. Hillingdon has been in a negative position for a number of years largely as a result of having a relative low level of debt. The final subsidy Determination for 2010/11 confirmed that Hillingdon will need to pay over a negative subsidy amount of £11.04m. An increase of £0.63m compared to the £10.4m payable for this current financial year. The main reasons for this increase relates to Government assumptions about a few key income and expenditure items that are used to determine the net subsidy amount and a brief sketch of the impact on Hillingdon is outlined in the following paragraphs.

### *Hillingdon's Relative Position within the London Region*

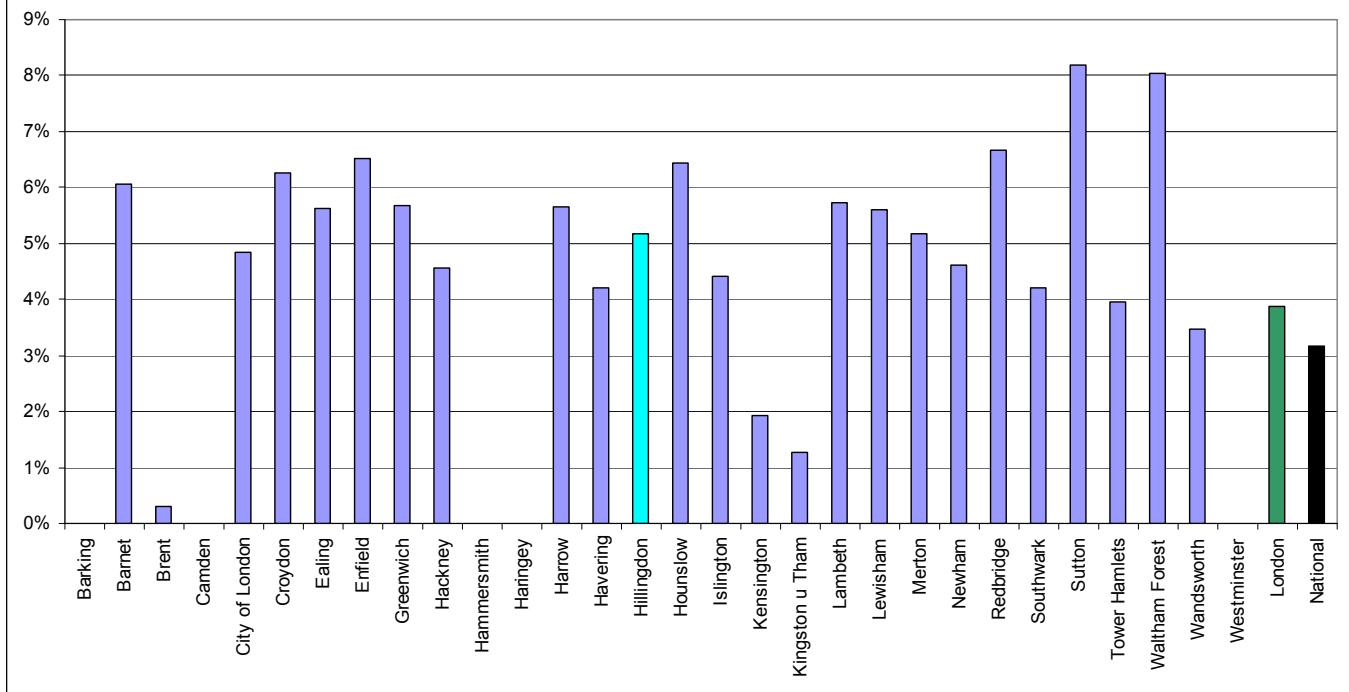
40. Once rent assumptions have been 'determined', the net change in subsidy payable for an authority like Hillingdon depends on the various allowances that are set off against the assumed rent increase. If increases in management, maintenance and major repairs allowances in particular match formula rent increases, then the overall change in subsidy remains neutral. As the Government effectively determines the overall level of these allowances as part of the wider Comprehensive Spending Review, movements in allowances for individual authorities depends on comparative relative position of each council. Within the overall national context, there is a fair degree of variation in these various calculated expenditure allowances inside the London region. Hillingdon's 2010/11 relative position has remained a little better than the median within the 30 London Housing Authorities that have responsibility for Council.
41. Graph 1 below shows the London variation for Management Allowances. The graph shows considerable variation between authorities along with Hillingdon's relative position

within London. The London variation ranges from the City of London with only 0.2% increase compared with Newham with 7.9%. Ten Boroughs will receive a higher rate of increase per dwelling than Hillingdon but nineteen Boroughs will receive a lower rate of increase in Management Allowance for 2010/11. The rate of increase for Hillingdon, 4.4% is higher than the London average increase of 3.3% and the national average of 3.5%.



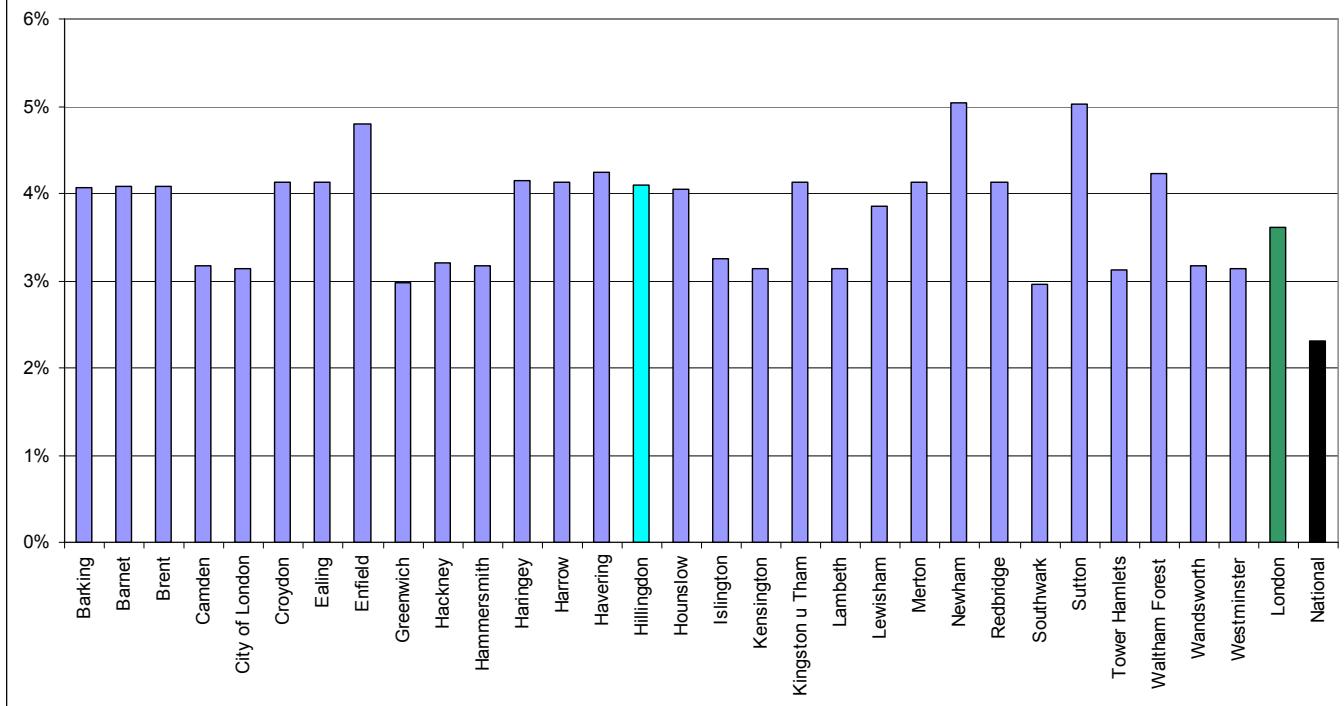
42. Graph 2 below shows the increase for the Maintenance allowance for London authorities. The graph shows that twelve Boroughs will receive a higher rate of increase per dwelling than Hillingdon and that seventeen Boroughs will receive a lower rate of increase in Maintenance Allowance for 2010/11. The 5.2% rate of increase for Hillingdon is higher than the London average. There is a fair degree of variation with Sutton having the highest level of increase of 8.2% while a number of councils having no increase in allowances. The graph also shows that the London average increase of 3.9% is slightly higher than the national average increase of 3.2%.

Graph 2 : Maintenance % Increase 2009-10 to 2010-11



43. Graph 3, below, shows the percentage increase in MRA for the various London Authorities. As a result of the DCLG wish to restrict volatility within the subsidy settlement relatively uniform increases have been set for London ranging between 3.0% for Greenwich and Southwark to 5% for Newham and Sutton. Hillingdon's relative position appears favourable representing an increase of 4.1%. The graph also shows that London authorities have had favourable increases from the Determination with the London average increase of 3.6% for MRA is being higher than the 2.3% national average increase. This reflects an emerging view that costs for major repairs are higher in London.

Graph 3 : MRA % Increase 2009-10 to 2010-11



44. The three graphs show that the management, maintenance and major repairs allowances increases for 2010/ 11 have been relatively favourable for Hillingdon. As a consequence, the overall change in 2010/11 has been broadly neutral.

45. A more detailed analysis of the Subsidy Determination for Hillingdon is shown in Table E below. This also includes the subsidy payments to DCLG for 2008/09 to 2009/10 for comparison. For 2010/11 the increased payment to DCLG amounts to £628k. However, this figure includes £495k for costs relating to the 20 Year Leasing Scheme that will be falling out in 2010/11 as the scheme draws to a close. Taking this into account, the net change in subsidy payable to DCLG amounts to £133k or only 0.26% of the Gross Expenditure of £51.7m.

Table E: Subsidy Payments to DCLG - 2008/09 to 2010/11

	2008/2009 Subsidy	2009/2010 Subsidy Budget	2010/2011 Subsidy Budget	Change between 2009/2010 & 2010/2011 £	% Change between 2009/2010 & 2010/2011	Comments
	£	£	£			
Dwellings Exc Share ownership	10,697	10,537	10,423	-114	-1.08%	
Dwellings Inc Share ownership	10,752	10,591	10,476	-115	-1.09%	
Management Allowance	6,398,937	6,663,203	6,878,011	214,808	3.22%	Management Allowance increased by 4.36% which is reduced to 3.22% due to loss of 115 dwellings
Maintenance Allowance	11,604,854	12,215,657	12,708,243	492,586	4.03%	Maintenance Allowance increased by 5.17% which is reduced to 4.03% due to loss of 115 dwellings
Major Repairs Allowance	7,624,140	7,986,247	8,224,164	237,917	2.98%	MRA allowance increased by 4.11% which is reduced to 2.98% due to loss of 115 dwellings
Charges for Capital	2,128,576	2,013,372	1,836,317	-177,055	-8.79%	Lower Interest rate by 0.31%, leading to lower debt relief
Other Items of Reckonable Expenditure	1,090,997	517,054	22,010	-495,044	-95.74%	Relief on Ealing Family (EFHA) properties is no longer available
Interest on Receipts	(17,294)	(13,814)	(7,573)	6,241	-45.18%	Interest rate fall
<b>Total General Allowances</b>	<b>28,830,210</b>	<b>29,381,719</b>	<b>29,661,172</b>	<b>279,453</b>	<b>0.95%</b>	
Guideline Rent Income	(43,985,463)	(44,537,995)	(45,445,171)	(907,175)	2.04%	Rent increased by 3.16%, which is reduced to 2.04% due to loss of 115 of dwellings
Payment to DCLG before ALMO Allowance	(15,155,253)	(15,156,276)	(15,783,998)	(627,722)	4.14%	
ALMO Allowance	4,744,000	4,744,000	4,744,000	0	0.00%	
Payment to DCLG After ALMO Allowance	(10,411,253)	(10,412,276)	(11,039,998)	(627,722)	6.03%	Increased Payment

46. In summary, the subsidy payable to the government, once the 'reckonable expenditure' relating to 20 Year Leasing Scheme is taken into account, has remained still. However, the government's overall subsidy assumption is that Hillingdon will have greater income through rent increases compared with our need to spend on management and maintenance and major repairs allowances. Whereas the assumed income increase in rents is matched by actual increases in rents, the expenditure assumptions are difficult to relate to actual needs and costs at the local level.

47. Consequently, the review of the current subsidy regime is to be welcomed. This review is being undertaken as part of a wider review of the HRA and its financial operation on a day to day basis. The need for a review is now firmly acknowledged by both central and local government and working groups of the Review have been looking at both technical aspects and the overall resources needs at the national level. Local Government groups and representatives have been lobbying strongly for the Government to stop and perhaps reverse the leakage of funds from the overall national HRA. Currently the national HRA will be contributing around £230m and this figure was projected to rise to £794m by 2022/23.

48. Government proposals for the future HRA regime have been scheduled to be published in late February. This is expected to dismantle the current subsidy system in exchange for a self financing package that could be effective from 2011/2012. Such a fundamental change in the financing of the HRA will have a major impact on future financial planning of the HRA. Details of any such offer along with an assessment of the impact for Hillingdon will be brought to Cabinet in the near future.

## F. LATEST PROJECTED EXPENDITURE AND INCOME FOR 2009/2010 AND 2010/2011

49. An update on the projected expenditure for 2009/2010 and the proposed Original Budget for 2010/2011 is provided in Appendix 1.

50. To summarise the account shows that we are maintaining over £7.0m in balances, as at the end of 2010/11. An increase in balances of £1.7m has largely resulted from savings efficiencies. The level of revenue supported capital investment for next year has been maintained at £11.1m.

### *2009/2010 Latest Projections*

51. In summary, for the current financial year 2009/10, a carried forward balance of £5.334m is projected. This shows a £859k under spend to the revised budget for the year.

52. The key variances for 09/10 are likely to be as follows:

- a.) Hillingdon Homes is expected to achieve a balanced budget.
- b.) The only note of caution for the Hillingdon Homes expenditure is the adverse weather conditions experienced in early January may have a corresponding adverse effect on the repairs budget
- c.) The Council side is projecting a small underspend of £78k. This is, however, the result of various combinations of overspends and underspends.
- d.) There is a favourable underspend of £387k within Other Expenditure. This is largely the result of a favourable variance from the lowering of interest rates on capital charges.
- e.) Income is showing a favorable variance of £394k as a result of improved void management by Hillingdon Homes and a favorable variance on shops' income.

### *2010/2011 Original Budget*

53. The major factors in the preparation of the draft budget for 2010/11 are the rent increase proposals and the subsidy position as set out in sections C and E above. The proposed budget for 2010/11 set out in appendix 1 shows a closing balance of £7m. The balance has improved by £1.7m as a result of the various recommendations to increase savings. This includes Medium Term Financial Forecast (MTFF) savings of £1.4m identified by LBH and Hillingdon Homes which are listed in summary of savings in Appendix 2.

54. Appendix 3 shows a 10 year projection for the HRA. From 2011/12 a higher level of subsidy will be payable to the government. The main reason for this is that the government will reimburse the actual costs on decent homes borrowing support instead of a more favourable allowance. As a consequence, balances are shown to marginally decrease annually from 2011/12 onwards. However, this projection is based on the current subsidy arrangements and, as indicated in paragraphs 47 and 48 above, and these assumptions

will be affected significantly by the HRA Review. This could have a major impact on future funding of the council housing sector and the longer term projection of the HRA resources for Hillingdon contained in this report is only indicative and a more thorough analysis of revenue and capital requirements will be needed during 2010. The implications of future arrangements and their national and local impact for both the short and medium term will be reported to Cabinet when firm proposals for the future are issued by the DCLG in late February / early March 2010.

## G. HRA CAPITAL PROGRAMME 2010/2011

55. Table F below provides a summary of the proposed capital programme for 2010/11.

Table F: Capital Programme

<b><u>Capital Program 2008/09 - 2012/13</u></b>	<b>Outturn 2008/09  (£000s)</b>	<b>Projected Outturn 2009/10  (£000s)</b>	<b>Draft Program 2010/11  (£000s)</b>	<b>Draft Program 2011/12  (£000s)</b>	<b>Draft Program 2012/13  (£000s)</b>
<b>Project</b>					
<b>Capital Expenditure</b>					
Works to Existing Stocks	11,285	9,812	10,000	10,000	10,000
Estates Improvements		495	1,280	0	0
Redevelopment Schemes	120	120	0	0	0
Other HRA Projects	97	250	200	200	200
Cash Incentive Scheme	130	100	150	150	150
Long Lane - Mental Health Units	306	31	0	0	0
Townfields Community Centre		660			
HRA New Build - Pipeline Sites Phase 1 *		8	7,508	193	
HRA New Build - Extra Care Site *			3,430	3,430	176
<b>Program Total</b>	<b>11,938</b>	<b>11,476</b>	<b>22,568</b>	<b>13,973</b>	<b>10,526</b>
<b>Capital Financing : Sources</b>					
Specific Capital Grants - MRA	7,624	7,986	8,224	8,224	8,224
Specific Capital Grants - Challenge Fund		8	6,278	809	
Specific Capital Grants - Estates Improvements		495	1,280		
Capital Receipts	306	31	452		
Supported Borrowing			4,208	2,814	176
Revenue Contribution to Capital - Works to Stock	3,126	1,710	1,776	1,776	1,776
Revenue Contribution to Capital - Other	347	470	350	350	350
Other External Funding	535	776			
<b>Program Total</b>	<b>11,938</b>	<b>11,476</b>	<b>22,568</b>	<b>13,973</b>	<b>10,526</b>

\* Relates to funding from "Challenge Fund"

56. A total budget of £22.568m is proposed for the HRA capital programme for 2010/2011.

The major elements of this programme are Works to Existing Stock of £10.0m and £10.9m of New Build Affordable Housing.

### *Work to Existing Stock*

57. The Council makes use of the Major Repairs Allowance (MRA) for works to existing stock with a top-up from revenue. For 2010/11 the MRA will increase from £7.986m to £8.224m. The addition of a revenue contribution of £1.776m the 2010/11 programme has been maintained at £10.0m, pending a wider long term review of repairs need, on a comparable basis to the 2009/10 works to stock programme projected outturn of £9.81m.

58. The level of spend in the future will also be affected by the amount of available revenue resources. During the 3 years 2010/13 £1.776m has been assumed as capital spends from revenue on works to stock. This compares with £3.126m in 2008/09 and £1.710m projected for 2009/10 as shown in table F above. As indicated in the previous paragraph, longer term review of the HRA Assets is planned. For 2010/11 it may be necessary to review the overall total programme of £10m in light of such a review.

59. This should also tie in HRA Review that is due to culminate in a final proposal to be published in late February / early March of this year. There is an expectation that this will offer a financial regime that will allow longer term resource planning. If this does not happen then there is a danger that a worsening negative subsidy position will continue to take resources away from Hillingdon and the associated adverse impact on balances may reduce and may even prevent revenue support for capital works in the future.

60. The draft programme for works to the existing stock in 2010/11 totals £10m (Table F above). This will be funded as follows:-

(£m)	Description
8.22	Major Repairs Allowance (MRA)
1.78	Revenue Contribution to Capital Outlay (RCCO)
<b>10.00</b>	<b>Total</b>

61. The approach to capital investment in the existing stock is to provide a reasonable balance between investment in decent homes standards, investment in wider renewal, and in environmental schemes to improve the quality of life of residents. The aim therefore is to deliver a mixed programme that reflects the following priorities for investment.

- *Making better use of stock* – supporting the council in increasing high priority housing units through the stock management program.
- *Other maintenance and improvements* – necessary works on estates
- *Adaptations* – to provide greater opportunities for independent living to people with disabilities
- *Security, health and safety* – programs of works that enhance the safety and security of residents - key aspects of quality of life.
- *Energy efficiency* – to support the council's strategic priority of home energy conservation
- *Environmental improvements* – investment in landscaping and other external enhancements that improve the environment, change perceptions of the area and address specific management issues.

#### *New Build Affordable Program*

62. Table G below provides an analysis of the programme since 2000/01. For new build, officers are proposing a programmed cost of £10.938m for 2010/2011. This includes the HRA Pipeline programme which is funded from the DCLG Challenge Fund that the Council bid successfully. The extra funding will take the total spend, since 2000/01, to £14.047m.

Table G: HRA Affordable Programme

Financial Year	Amount £	Total £
2000/2001	397,339	
2001/2002	705,118	
2002/2003	3,009,896	
2003/2004	1,602,547	
2004/2005	1,311,831	
2005/2006	2,713,280	
2006/2007	3,371,000	
2007/2008	359,000	
2008/2009	426,000	
2009/2010*	151,000	
2010/2011*	10,938,000	
<b>Total Spend</b>		<b>14,047,011</b>

\*DENOTES ESTIMATE

### Financial Implications

63. As this report is concerned with the setting of rents for council dwellings and the budget for the HRA as a whole, the financial implications are covered in the body of the report.

### EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

#### What will be the effect of the recommendation?

64. The effect of the recommendation will result in an average increase in rent for those residents who are council tenants by £1.19 with an average rent for 2010/11 of £89.89 a week. There will be no direct impact, however, for over 60% of tenants in receipt of housing benefit.

#### Consultation Carried Out or Required

65. The management agreement with Hillingdon Homes (HH) Ltd requires HH to support the Council in its review of Housing Revenue Accounts (HRA) rents and charges. This is to support the Local Authority's legal obligations in reviewing and levying appropriate charges for rents, services and facilities provided to council tenants in connection with the provision of dwellings owned by the Council and accounted for within the HRA. Hillingdon Homes Ltd consulted with tenants and tenant representatives through the Senate in February 2010.

66. At this meeting the key principles in setting rents and the HRA budget were outlined as: no significant growth in base budget; only unavoidable price increases have been incorporated; efficiency savings to be used to finance service improvements; and there will be no reduction in service.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance Comments**

67. The budget proposals and capital expenditure projections in this report are consistent with the report on the General Fund revenue budget and capital programme for 2010/11 reported elsewhere on this Cabinet agenda.
68. The significant new HRA capital programme development is the inclusion of the new build schemes for general needs and extra care housing as part of the HRA Pipeline Sites Programme. The precise funding packages for the Council's match funding to Homes and Communities Agency funding for this programme has yet to be confirmed, but in line with the tender report approved by Cabinet on 21 January 2010 is expected to be from a mixture of borrowing, HRA balances and HRA capital receipts. This report assumes that the match funding will be in the form of capital receipts and borrowing covered by future rental income in the HRA.
69. The review of the HRA subsidy mechanism described at paragraph 41 above represents a significant forward development for the HRA. In view of the options being discussed within national debate on this issue, the Council's authorised limit for external debt and operational boundary for external debt within the Prudential Indicators considered as part of the General Fund budget report elsewhere on this agenda have been significantly increased, to allow for the possibility of the Council being able to locally manage its historic housing debt. However, this remains a scenario until precise proposals are put forward by the Government, and no recommendations have been made to Cabinet either in favour of or against this scenario.

### **Legal Comments**

70. Part VI of the Local Government & Housing Act 1989 requires the Council to keep and maintain a Housing Revenue Account (HRA) and to comply with statutory provisions concerning what may be charged and debited to the account. The COUNCIL is also required in either January or February of each year to review rent and other charges in connection with housing to ensure that the HRA does not fall into a deficit in the forthcoming financial year.
71. The proposals in this report take account of government guidance and have also been subject to consultation. The proposals comply with the legislation and there are no legal impediments to them being implemented.

## **BACKGROUND PAPERS**

**NIL**

## Appendix 1

HOUSING REVENUE ACCOUNT  <b>Appendix 1</b>  <u>BUDGET FOR 2010-11</u>	2009/2010			2010/2011 changes						2010/11 Original Budget (£000)
	REVISED BUDGET (£000) DEC '09	PO9 YE OUTTURN (£000) DEC '09	VARIANCE (£000) DEC '09	BASE BUDGET	Inflation @ 0.40%	Fees & Charges	Technical Adjustment	Unavoidable Growth / Reduction	Growth	
<b>EXPENDITURE</b>										
<b>HILLINGDON HOMES (HH LTD)</b>										
GENERAL SERVICES	8,460	8,460	(0)	8,460	27					(1,246) 7,241
SPECIAL SERVICES	5,699	5,699	0	5,699	12					5,711
REPAIRS SERVICES	11,775	11,775	0	11,775	12					11,787
SUPPORTING PEOPLE CONTRIBUTION	(1,092)	(1,092)	0	(1,092)						(1,092)
<b>HH LTD NET OPERATIONS</b>	<b>24,842</b>	<b>24,842</b>	<b>0</b>	<b>24,842</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,246) 23,647</b>
<b>LONDON BOROUGH OF HILLINGDON (LBH)</b>										
GENERAL SERVICES	1,327	1,346	19	1,327	5	(102)	25	120	(120)	1,255
SPECIAL SERVICES	1,166	1,017	(149)	1,166	7	102			(77)	1,198
REPAIRS CONTRIBUTION	(266)	(214)	52	(266)			51			(215)
<b>LBH NET OPERATIONS</b>	<b>2,227</b>	<b>2,149</b>	<b>(78)</b>	<b>2,227</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>76</b>	<b>120</b>	<b>(197) 2,238</b>
RENTS PAID	711	470	(241)	711		(495)	(129)			87
SUBSIDY PAYMENT TO GOVERNMENT	10,412	10,606	194	10,412		628				11,040
CHARGES FOR CAPITAL	3,206	2,813	(393)	3,206		(302)				2,904
CAPITAL FUNDED FROM REVENUE (RCCO)	10,851	11,104	253	10,662		238	0	173	0	11,073
INCREASE PROVISION FOR BAD DEBTS	300	300	0	300		0				300
OTHER EXPENSES - PENSIONS ADJUST	0	0	0	0						0
CONTINGENCY	300	100	(200)	300						300
<b>TOTAL EXPENDITURE</b>	<b>52,849</b>	<b>52,384</b>	<b>(465)</b>	<b>52,660</b>	<b>63</b>	<b>0</b>	<b>69</b>	<b>(53)</b>	<b>293</b>	<b>(1,443) 51,589</b>
<b>INCOME</b>										
DWELLINGS	(47,357)	(47,580)	(222)	(47,357)		(510)				(47,867)
NON-DWELLINGS	(1,776)	(1,797)	(21)	(1,776)		6				(1,770)
INTEREST - ON MORTGAGES	(14)	(10)	4	(14)		4				(10)
INTEREST - ON BALANCES	(39)	(44)	(5)	(39)						(39)
OTHER - Supporting People	0	(91)	(91)	0		(92)				(92)
HEATING CHARGES	(367)	(363)	4	(367)		9				(358)
LEASEHOLDER'S CHARGES	(865)	(871)	(6)	(865)		(18)				(883)
OTHER SERVICE CHARGES	(1,994)	(2,027)	(33)	(1,994)		35				(1,959)
WORKS OVER PRECISED LIMIT RECEIPTS	(350)	(373)	(23)	(350)						(350)
<b>TOTAL INCOME</b>	<b>(52,762)</b>	<b>(53,157)</b>	<b>(394)</b>	<b>(52,762)</b>	<b>0</b>	<b>(567)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 (53,329)</b>
<b>BALANCES</b>										
BROUGHT FORWARD	(4,561)	(4,561)	0	(4,561)						(5,334)
IN YEAR (SURPLUS) /DEFICIT	87	(773)	(859)	(102)	63	(567)	69	(53)	293	(1,443) (1,740)
<b>(SURPLUS) /DEFICIT</b>	<b>(4,474)</b>	<b>(5,334)</b>	<b>(859)</b>	<b>(4,663)</b>	<b>63</b>	<b>(567)</b>	<b>69</b>	<b>(53)</b>	<b>293</b>	<b>(1,443) (7,074)</b>

<b>LBH Savings and Unavoidable Growth/Reduction</b>		Changes on Base Budget 10-11
<b>Unavoidable Growth/ Reduction</b>		
Stock valuation for Final Accounts required by LBH Financial Regulation	25	
Repairs income (Recharge to leaseholders) is likely to reduce as a result of lean programmes.	51	
20 year lease with EFHA Ended - no more deficit payments	(129)	<u>(53)</u>
<b>Growth</b>		
ALMO Review	70	
Asset Review	50	
RCCO : Supported Care Home Loss	145	
RCCO : General Development costs to support projects + residual holding costs	28	<u>293</u>
<b>Savings:</b>	£000's	
LBH General :Reduction cost of 20 years leasing arrangements	(120)	
Gas contracts negotiation	(77)	<u>(197)</u>
<b>HH Savings</b>	Est FYE Cost / (Saving)	
Service Review	(668)	
HR	(120)	
Employee	(122)	
Office	(124)	
Services	(578)	
Growth	57	
Recharge	309	<u>(1,246)</u>

## Draft HRA 10 Year Projection

### HOUSING REVENUE ACCOUNT : 10 YEAR PROJECTION

Appendix 3	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Original Budget £(000)	LATEST PRJCTN								
General Services	7,241	7,314	7,387	7,461	7,535	7,611	7,687	7,764	7,841	7,920
Special Services	5,711	5,768	5,825	5,884	5,942	6,002	6,062	6,123	6,184	6,246
Repairs Services	11,787	11,655	11,771	11,889	12,008	12,128	12,249	12,372	12,496	12,621
NEW BUILD (Management and Maintenance cost)	0	50	96	96	97	98	99	100	101	102
Supporting People Contribution	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)
<b>HILLINGDON HOMES OPERATIONS</b>	<b>23,647</b>	<b>23,694</b>	<b>23,987</b>	<b>24,238</b>	<b>24,491</b>	<b>24,747</b>	<b>25,006</b>	<b>25,267</b>	<b>25,530</b>	<b>25,796</b>
General Services	1,255	1,217	1,229	1,242	1,254	1,266	1,279	1,292	1,305	1,318
Special Services	1,198	1,210	1,222	1,234	1,246	1,259	1,272	1,284	1,297	1,310
Repairs Contribution	(215)	(217)	(219)	(222)	(224)	(226)	(228)	(231)	(233)	(235)
<b>LBH OPERATIONS</b>	<b>2,238</b>	<b>2,210</b>	<b>2,232</b>	<b>2,254</b>	<b>2,277</b>	<b>2,299</b>	<b>2,322</b>	<b>2,346</b>	<b>2,369</b>	<b>2,393</b>
Subsidy Payment to Government	11,040	13,691	13,880	14,093	14,298	14,489	14,676	14,832	14,990	15,148
Capital Funded From Revenue (RCCO)	11,073	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750
Other Expenditure	3,291	3,489	3,610	3,576	3,553	3,537	3,522	3,526	3,531	3,511
Contingency	300	300	300	300	300	300	300	300	300	300
<b>TOTAL EXPENDITURE</b>	<b>51,589</b>	<b>54,135</b>	<b>54,758</b>	<b>55,212</b>	<b>55,669</b>	<b>56,123</b>	<b>56,576</b>	<b>57,021</b>	<b>57,470</b>	<b>57,898</b>
Dwelling Income	(47,867)	(48,471)	(49,133)	(49,565)	(49,992)	(50,412)	(50,837)	(51,264)	(51,695)	(52,135)
Other Income	(5,462)	(5,462)	(5,462)	(5,462)	(5,462)	(5,462)	(5,462)	(5,462)	(5,462)	(5,462)
<b>TOTAL INCOME</b>	<b>(53,329)</b>	<b>(53,933)</b>	<b>(54,594)</b>	<b>(55,027)</b>	<b>(55,453)</b>	<b>(55,874)</b>	<b>(56,298)</b>	<b>(56,726)</b>	<b>(57,157)</b>	<b>(57,596)</b>
In-Year (Surplus) / Deficit	(1,740)	202	164	185	216	249	278	295	313	302
Balance Brought Forward	(5,334)	(7,074)	(6,872)	(6,708)	(6,523)	(6,307)	(6,058)	(5,780)	(5,485)	(5,172)
<b>Balance Carried Forward</b>	<b>(7,074)</b>	<b>(6,872)</b>	<b>(6,708)</b>	<b>(6,523)</b>	<b>(6,307)</b>	<b>(6,058)</b>	<b>(5,780)</b>	<b>(5,485)</b>	<b>(5,172)</b>	<b>(4,870)</b>

This page is intentionally left blank

## SCHOOLS BUDGET & FUNDING ARRANGEMENTS FOR 2010-11

<b>Cabinet Member</b>	Councillor David Simmonds
<b>Cabinet Portfolio</b>	Education & Children's Services
<b>Report Author</b>	Amar Barot, Education & Children's Services
<b>Papers with report</b>	<ol style="list-style-type: none"><li>1. Consultation Paper on School Funding Arrangements 2010/11 (16<sup>th</sup> Dec 09)</li><li>2. Summary of responses to Consultation Paper (26<sup>th</sup> Jan 10)</li><li>3. Minutes of School Forum meeting (26<sup>th</sup> Jan 10)</li></ol>

### HEADLINE INFORMATION

<b>Purpose of report</b>	<p>Since 2006-07, expenditure which falls within the Schools Budget is funded by the ring-fenced Dedicated Schools Grant (DSG). No cost falls upon the General Fund and the Council Tax-payer unless the Council chooses to supplement the DSG from local funds. The Schools Budget consists of all budgets devolved to individual maintained schools, plus a number of budgets which are 'centrally retained' but relate directly to the education of children – examples are spending on early years children in independent nurseries, special educational needs (SEN) costs, specialist schooling out of borough, and out-of-school education including pupil referral units (PRU).</p> <p>The 2010-11 financial year is the third year of a three-year funding period. For the most part the method of distribution of funding to Schools for 2010-11 was fixed by the decisions that were taken by Cabinet after extensive consultation in March 2006. The 2008-11 Schools Funding Consultation Paper sought confirmation from schools that the same methodology should apply for 2008-2011, which was agreed, as were variations to the previously agreed arrangements in relation to the distribution of funding in relation to deprivation.</p> <p>The detailed consultation paper was published on Wednesday 16<sup>th</sup> December 2009. Stakeholders have been consulted on the issues in the paper and School Forum has articulated its advice to Cabinet on the issues for consideration. The School Forum also has powers to agree two areas of centrally retained expenditure (CRE), increases in the total of the CRE over the original estimate for 2010-11, and any breach of the Central Expenditure Limit (CEL). This report seeks final decisions on the arrangements for schools funding for 2010-11. The main issues relate to proposed increases in CRE required to finance a number of new initiatives to improve outcomes. Cabinet are requested to approve the Budget proposals as detailed below.</p>
--------------------------	--

<b>Contribution to our plans and strategies</b>	The Schools Budget and capital programme form part of the financial plan for the Council for the 2010-11 financial year, and contain the funding strategy for delivering the Council's objectives as set out in the Council Plan.
<b>Financial Cost</b>	Unless the Council decides to supplement the Dedicated Schools Grant, there is no effect on the General Fund.
<b>Relevant Policy Overview Committee</b>	Education and Children's Services
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

That Cabinet:

- a) note that the final Schools Budget for 2010-11 cannot be determined until the data from the January pupil count becomes available in late-February, but agree that the total Schools Budget for 2010-11 will equate to the total Dedicated Schools Grant provided to the Authority
- b) agree that, apart from matters referred to below, the method of distribution of the Schools Budget for 2010-11 be as agreed in March 2006
- c) agree a budget of £273k within the centrally retained part of the Schools Budget to be held temporarily as unallocated Individual Schools Budget (ISB) and distributed to fund six additional forms of entry within the Primary sector
- d) agree a budget of £87k within the centrally retained part of the Schools Budget to provide additional support for the Local Leaders in Education programme
- e) agree a budget of £40k within the centrally retained part of the Schools Budget to provide for a TYST Senior Practitioner Post
- f) agree a budget of £55k within the centrally retained part of the Schools Budget to provide for a Schools Procurement Officer
- g) note that the School Forum have agreed in principle to allow a breach of the Central Expenditure Limit that results from their support for items c to f above, amounting to £139k. The breach will be less due to the subsequent distribution of the unallocated ISB and the natural growth in the centrally held element of the Schools Budget (the exact amount of the breach cannot be confirmed until the final Dedicated Schools Grant for 2010-11 is received in May 2010);
- h) agree to adjust the KS1 Infant Class Size Factor to reflect the authorities change to a single intake of Reception aged pupils
- i) agree to increase the Special schools sector budget by £700k, which is to be targeted towards the development of a cost effective outreach service
- j) note the School Forum's views as contained in the attached minutes.
- k) note that the implementation of an Early Years Single Funding Formula expected in 2010/11 has been postponed until 2011/12.

## **REASONS FOR OFFICER RECOMMENDATIONS**

Cabinet is the decision making body for school funding issues and decisions are required on the arrangements to allow draft budgets to be provided to schools by early March 2010 and to ensure that indicative and final 2010-11 budgets and indicative budgets for 2011-12 for schools are in place and published as soon as practical and certainly no later than 31<sup>st</sup> March 2010. The Authority is required to consult schools and School Forum on a range of financial matters prior to making decisions on them and this process has been followed.

The proposals are generally consistent with the feedback from both schools and School Forum as detailed in appendixes 2 and 3.

## **OPTIONS AVAILABLE**

School Forum have agreed to increases in centrally retained expenditure and the inclusion of budgets for a number of new initiatives to improve outcomes for children which are detailed within recommendations (c) to (f) above.

An alternative option is to not agree some or all of the proposals for increased centrally retained expenditure, contrary to the School Forum's advice. Cabinet are strongly advised against this option as it would limit the authority's ability to further strengthen key areas of the Hillingdon Children's and Families Plan, in addition it could lead to additional pressure on General Fund budgets.

## **COMMENTS OF POLICY OVERVIEW COMMITTEE**

None at this stage.

## **INFORMATION**

1. Schools were consulted on a range of funding issues which were set out in a consultation paper that was published on Wednesday 16<sup>th</sup> December 2009. The Consultation Paper is included at **Appendix 1**.
2. A consultation information session was held on Thursday 14<sup>th</sup> January 2010. In total, 77 school representatives attended the session. 24 responses to the consultation paper were received by officers, including one from each of the Primary Forum and the Hillingdon Association of Secondary Heads. A summary of these was provided to the School Forum and is included at **Appendix 2**.
3. School Forum met to consider the issues and outcomes from the consultation process on 26<sup>th</sup> January 2010 and the minutes of the meeting are reproduced in **Appendix 3**. The rest of the main text of this paper sets out a consideration of the main issues which were conveyed to School Forum and each section indicates what School Forum's views were on each item.

## **Overall funding**

4. The total amount of funding available for the Schools Budget in 2010-11 is determined by the number of children on the Schools Census and on various other census returns completed on 21<sup>st</sup> January 2010. The authority will be funded for each child FTE (to age 16) through the Dedicated Schools Grant to the value of £4,708.57. The Learning

and Skills Council (LSC) has previously funded children aged 16 and over, however from April 2010 this responsibility will be transferred to the Young People's earning Agency (YPLA).

5. The provisional DSG for Hillingdon for 2010-11 is £180.9m, based on the authority's projection of pupil numbers of 38,414. The actual cleansed census data will not be available until late February, and the local authority will revise the estimated DSG and issue indicative individual school budgets in early March 2010. The final DSG allocation for 2010-11 will be confirmed by the DCSF in May 2010.

### **Distribution of funding**

6. The DCSF have delayed the implementation of the Early Years Single Funding Formula, which was due to be introduced for 2010/11. Following consultation with stakeholders, Hillingdon are not going ahead with the introduction of the new funding formula in April 2010.
7. School Forum has recommended the method of distribution of funding for 2010-11 for many factors remain the same as agreed for the funding period 2009-10. The only change to the formula regarding Primary schools was recommended and was endorsed by School Forum, point (h) above details the change. Full details of the individual proposal are contained within the consultation paper (p.18).
8. Beyond that we consulted upon how certain other funding should be distributed. This included a LA proposal to further increase funding for Special Schools through the funding formula as proposed in the 2009/10 Consultation, to which the Forum agreed. The option favoured by School Forum is detailed in the recommendations at point (i). Full details of the alternative proposals are contained in the consultation paper (p.23).
9. Finally we consulted on a number of items that fall within the centrally retained budget. These are considered in the section below and detailed in recommendations (c) to (f) above.

### **Centrally Retained Expenditure (CRE)**

10. The authority consulted on retaining a contingency of £273k to fund the planned expansion of Primary schools in September 2010, to which School Forum agreed. The Forum also agreed to the breach of the CEL caused by holding this contingency.
11. The authority also consulted on the following three areas that come within the centrally retained schools budget and would not lead to a breach of the CEL:
  - Local leaders in Education
  - TYST
  - Schools Procurement
12. While these items do not breach the CEL, the LA consulted with School Forum on these items and received the endorsement of School Forum to invest in these initiatives.

## **Capital**

13. Schools were updated of the latest developments on the Capital programme for 2010-11 via the consultation paper.

## **Specific Grants**

14. Schools were updated on the latest allocations of Standards Funds for 2010-11 via the consultation paper.

15. The Local Authority consulted on retention of the Harnessing Technology Grant in 2010-11 and the view of School Forum was that the entire grant should be retained to fund central provision of ICT.

## **School Forum issues**

16. The School Forum has the power to endorse any breach of the Central Expenditure Limit, which the LA did request. The Forum has agreed any resultant breach arising as a result of the items agreed in paragraphs 10 to 12 above.

17. The Forum's comments on other issues within the Schools Budget are of an advisory nature.

## **Financial Implications**

18. This is a financial report dealing with funding issues affecting schools. The financial impact is explained throughout the report, but the following areas are highlighted.

19. The Dedicated Schools Grant is only determined once the number of pupils at the count in January 2010 is agreed by the DCSF. This may not be finally agreed in detail until May 2010, but the total number of pupils will, in the vast majority of cases, be known during February 2010, with only disputes over duplicate entries or omissions accounting for any changes to the final figures.

20. If Members were to agree to allocate additional funding for 2010-11 to the Schools Budget from outside the DSG, this would need to be considered in the context of the overall financial position of the authority when setting the General Fund budget for the Council.

## **CORPORATE CONSULTATIONS CARRIED OUT**

### **Corporate Finance Comments**

Since 2006/07, the minimum level of resources for the Schools Budget, including the amount distributed to Individual Schools Budgets, is provided through the ring-fenced Dedicated Schools Grant (DSG) from the Department for Children, Schools & Families (DCSF). The Council may add to the amount of the Schools Budget from resources funded by general Government grant or Council Tax from the General Fund, but may not set the Schools Budget below the level of the DSG.

The funding proposals for the Schools Budget 2010/11 set out in this report are fully consistent with the report on the General Fund revenue budget and capital programme for 2010/11 contained elsewhere on this Cabinet agenda.

### **Legal Implications**

There are no specific legal implementation but the cabinet should be satisfied with the adequacy of the consultation process and, that the school forum have given unequivocal approval where statutory approval is required.

### **EXTERNAL CONSULTATIONS CARRIED OUT**

The original proposals were the subject of consultation with schools between 15<sup>th</sup> December 2009 and 18<sup>th</sup> January 2010. The views of schools are articulated by School Forum and in the summary of responses reproduced in the appendices.

### **BACKGROUND DOCUMENTS**

Guidance and regulations from the DfES on the funding arrangements can be found on Teachernet. ([www.teachernet.gov.uk](http://www.teachernet.gov.uk) )



# HILLINGDON

LONDON

## Education & Children's Services

### Consultation Paper – December 2009

#### Schools, Early Years & 14-16 Funding Arrangements 2010-11

Target audience: Headteachers  
Governing Bodies  
Senior Managers  
Finance Officers  
Teachers Professional Associations  
Early years providers  
14-19 Representatives  
Schools Forum

Deadlines for response: 12pm noon on **Monday 18<sup>th</sup> January 2010** (to allow consideration of responses at Schools Forum on 26<sup>th</sup> January 2010)

---

Queries on this consultation paper should be directed to:

<b>Georgina Ayling</b> Interim Senior Financial Manager Tel: 01895 250 325 Email: <a href="mailto:gayling@hillingdon.gov.uk">gayling@hillingdon.gov.uk</a>	<b>School Finance Team</b> Kamla Jassal Tel: 01895 277 687 <b>Special Educational Needs</b> Pauline Nixon Tel: 01895 254 975 <b>Early Years</b> Alison Booth Tel: 01895 277 348 <b>14-19 Learning</b> Alison Moore Tel: 01895 250 292 <b>School Meals</b> Kristie Scott-Woodham Tel: 01895 277 137 <b>Capital</b> Venetia Rogers Tel: 01895 250 494
---	--

Formal responses on the attached feedback form should be sent to:

Kamla Jassal  
Education & Children's Services  
4E/04 Civic Centre, Uxbridge  
Middlesex UB8 1UW  
Email: [kjassal@hillingdon.gov.uk](mailto:kjassal@hillingdon.gov.uk)  
By: Noon Monday 18<sup>th</sup> January 2010



INVESTOR IN PEOPLE

## Contents

<b>Section</b>	<b>Description</b>	<b>Page</b>
1	Introduction and Background	3
2	Executive Summary (summary of consultation issues)	5
3	Overall financial position	8
4	The funding framework	16
5	Formula factors	18
6	The arrangements for SEN	23
7	The arrangements for Early Years	24
8	The arrangements for Pupils out of School	26
9	The arrangements for 14-19 education	27
10	The arrangements for School Meals	29
11	The arrangements for Insurance	30
12	The arrangements for Capital	31
13	Specific Grants	33
14	Scheme for Financing Schools	35
15	Financial Management Standards in Schools (FMSiS)	38
16	Service Level Agreement Consultation	39
17	Technical note: Data in the illustrative budgets	39
18	Timetable	40
Appendix 1	Tables and diagrams: DSG 2008-11	43
Appendix 2a	Targeted Youth Support Team Practitioner post	45
Appendix 2b	Schools Procurement Officer	49
Appendix 2c	Local Leaders in Education Project 2010/11	53
Appendix 3	SEN / Special Schools arrangements 2010/11	55
Appendix 4	Pupils out of school	62
Appendix 5	14-19 Funding	65
Appendix 6	School Meals	72
Appendix 7	Minimum cover for Insurance	74
Appendix 8	Harnessing Technology Grant 2010/11	76
Appendix 9	Standards Fund Activities 2010/11	78
Appendix 10	BCM – Agreed local process (Nov 07)	81
Appendix 11	2010/11 Cash Advance dates	84
Appendix 12	FMSiS – Hillingdon Schools Schedule	85
Appendix 13	2010/11 Draft SLA Planned changes	86
Appendix 14a	Estimated MFG budget 2010/11: Nursery	89
Appendix 14b	Estimated MFG budgets 2010/11: Primary	90
Appendix 14c	Estimated MFG budgets 2010/11: Secondary	91
Appendix 14d	Estimated MFG budgets 2010/11: Special	92
Attached	Consultation response form (To follow)	i

## 1. Introduction and Background

1.1 This consultation paper sets out the proposed changes to Hillingdon's schools, early years and 14-16 funding arrangements for 2010/11. The proposed changes reflect:

- The changes already consulted on and agreed in the lead up to 2008-11;
- Updates arising from new national policy;
- Limited changes permitted within DCSF regulations;
- Further improvements to support the *Every Child Matters* agenda.

1.2 The Local Authority (LA) is required to consult with the Schools Forum annually on a set of prescribed matters, which are covered in this consultation paper.

1.3 This paper is being circulated more widely to encourage better engagement with schools to assist Schools Forum in how it advises the LA on the shape of future funding and the direction of travel. Final decisions about school budgets are ones for Cabinet / Cabinet members to make, but regulations give the Schools Forum powers to agree or not some specific proposals from the LA.

1.4 The aim of the paper is to set out the main proposals for distributing and administering the available resources and to provide an overall perspective of Hillingdon's financial position and the indicative budgets for all schools for 2010/11.

1.5 The funding arrangements will once again be largely dependent on the January census data. The January census will determine the overall Dedicated Schools Grant (DSG) funding received by the LA. At schools level, the bulk of funding will still be determined by census data however the introduction of the Early Years Single Funding Formula will require nursery funding to be determined by participation (actual hours taken up on the free entitlement).

1.6 This paper is predominantly concerned with the resources affecting schools, early years, 14-16 and 16-19 funding but also recognises the authority's wider responsibilities encompassing education and children's services.

1.7 This paper sets out the distributional approach and will guide the funding principles to be adopted. Final budgets will not be finalised until late March. Confirmed budgets should therefore be viewed as a consequence of the proposals agreed in this consultation.

1.8 As far as possible, the proposals consulted upon prior to the start of the multi-year period should remain throughout 2008-11, unless otherwise specified. However Schools Forum is able to agree amendments to the third year of the multi-year period, provided it is consulted on in advance of the commencement of the third year.

1.9 The multi-year funding period referred to in this paper covers the financial years 2008-11. This paper considers issues affecting 2010/11. The LA is not required to give indicative budgets beyond the final year of the multi-year funding period.

1.10 2010/11 is the final year of the present multi-year funding period before the introduction of a new funding system from 2011/12. The DCSF embarked on a Schools Funding Review in early 2008 with a view to concluding this review in the autumn of 2010. The review is still ongoing and much will be dependent on the outcome of the Government's next spending review. Therefore any decisions made around the 2010/11 settlement must be appropriately considered and balanced against issues of affordability and sustainability in the medium to longer term.

1.11 The overarching framework for 2008-11 was set out in detail in the 2008 Consultation paper published in December 2007. That paper provided the background to some of the issues in this paper and as such this paper should be viewed alongside it.

1.12 Stakeholders are welcome to comment on any aspect of the proposals, or may wish to contribute to a sector specific response co-ordinated by Primary Forum, Hillingdon Association of Secondary Heads and the Special Headteachers group or other representation group.

1.13 The release of the consultation paper in mid-December allows a five-week period ending on 18th January 2010, to focus attention on the overall arrangements. There are opportunities for all stakeholders to attend a consultation information session, which is scheduled for:

- **Thursday 14th January 2009**, 10:00am – 11:30am (All schools)  
(arrival from 9:45am) Committee Room 6, Civic Centre,  
Uxbridge, Middlesex UB8 1UW

1.14 The timetable in **Section 18** sets out how the consultation process will be managed.

## 2. Executive Summary (summary of consultation Issues)

2.1 The LA is consulting Schools Forum and Individual schools on a set of prescribed matters relating to schools, Early Years and 14-16 funding arrangements for 2010/11, which is the third and final year of the multi-year funding period 2008-11.

2.2 The Government's wider reforms to education and children's services over 2008-11 centres on the following key areas:

- Increasing targeted deprivation funding to schools
- Raising attainment in schools
- Meeting *Every Child Matters* outcomes
- Reforming Early Years funding
- Increasing post-16 participation and skills

2.3 To facilitate the delivery of these key areas, Hillingdon is required to consult on proposals for distributing and administering the available resources, much of which will come from the Dedicated Schools Grant (DSG).

2.4 The decisions taken will shape the allocation of funding for schools and the Local authority's centrally retained expenditure for 2010/11.

### Summary of Consultation Proposals

2.5 Stakeholders are invited to comment on the LA's proposals to further strengthen key areas of the Hillingdon Children and Families' Plan. All new proposals are contained within the LA's permitted maximum Central Expenditure Limit. The LA does not expect to breach the CEL in 2010/11 due to these items.

2.6 The LA is proposing to hold a contingent sum of money to support expanding schools where it is expected 6 new forms of entry will be required in Primary schools. The total sum of £0.273m is required to be held centrally until planning and consultation with the named schools have been finalised. This will mean the LA will be temporarily in breach of the CEL by an estimated £0.139m as a result of this contingency. The LA is requesting a 'technical breach' of the CEL in respect of this item.

### Framework for multi-year funding

2.7 The LA is proposing the addition of a new Early Years Single Funding Formula (SFF) sub-block within the Individual Schools Budgets of the DSG. The creation of a new sub-block is to facilitate the introduction of the Single Funding Formula from April 2010. The SFF will be the new funding formula that distributes funding for the free entitlement to both the maintained and PVI sector. **Ministers announced on the 10<sup>th</sup> December 2009, that compulsory implementation of the SFF is being postponed until April 2011. The LA may still have the option of going ahead as planned for April 2010 but it will do so as a pathfinder authority.**

### Formula Factors

2.8 Primary: The LA is proposing to remove nursery elements (pupil led and non pupil led) from the Primary schools funding formula to facilitate the introduction of the

SFF should implementation go ahead as planned for April 2010. The removal of nursery elements also ensures schools are not double funded under both formulae.

2.9 Primary: The LA is proposing to adjust the KS1 Infant Class Size Factor to reflect the authorities change to a single intake of Reception aged pupils that commenced in September 2009.

2.10 Primary: The LA is proposing to modify the Minimum Funding Guarantee (MFG) in the Primary schools funding formula in light of the introduction of the SFF should implementation go ahead as planned for April 2010. The LA will require the approval of Schools Forum on this item.

2.11 Early Years SFF: The LA is proposing that nursery counting for the purposes of participation led funding under a SFF be based on historical termly counts to inform estimates of predicted future take-up for setting indicative budgets prior to the start of the financial year. The indicative budgets will be adjusted during the year to reflect the difference between actual and estimated take-up. Stakeholders are welcome to comment on this arrangement. This arrangement is contingent upon the LA going ahead with implementation in April 2010.

### **The arrangements for Special Educational Needs**

2.12 Stakeholders are asked to recommend the proposed approach in respect of the second tranche of £700,000 in respect of SEN/Special Schools. (6)

### **The arrangements for Early Years**

2.13 Stakeholders are invited to comment on the proposed arrangements for Early Years for 2010/11. These arrangements are contingent upon the LA going ahead with implementation in April 2010. (7)

### **The arrangements for Pupils out of School**

2.14 Stakeholders are invited to comment on the proposed arrangements for Pupils out of School for 2010/11. (8)

### **The arrangement for 14-19 education**

2.15 Stakeholders are invited to comment on the proposed arrangements for 14-19 education for 2010/11. (9)

### **The arrangements for School Meals**

2.16 Stakeholders are invited to comment on the proposed arrangements and use of funding for School Meals for 2010/11. (10)

### **The arrangements for Insurance**

2.17 There are no proposed changes for this in 2010/11, other than updating the prices for schools buying the LA organised insurances. Schools are invited to comment on the arrangements for insurance. (11)

### **The arrangements for Capital**

2.18 Stakeholders are invited to comment on the following key issues: (12)

### **Specific Grants**

2.19 The Standards Funds programme will continue throughout 2010-11. Stakeholders are invited to comment on the arrangements for Standards Funds. (13)

2.20 The LA is proposing further retention of the Harnessing Technology Grant in 2010-11. Stakeholders are invited to comment on the proposals.

### **Changes to the Scheme for Financing Schools**

2.21 Schools are invited to comment on the proposed changes to the Scheme for Financing Schools. (14)

### **Financial Management Standards in Schools**

2.22 Schools are invited to comment on the proposed arrangements for FMSiS for 2010-11. (15)

### **Service Level Agreement**

2.23 Proposed draft SLAs for 2010-11 are attached in **Appendix 13**. Stakeholders' views are sought on these proposals. (16)

### 3. Overall financial position

#### Overview

3.1 In 2007, Ministers announced changes to the way schools will be funded from 2008/09. Local Authorities were given the first three year funding settlement for 2008-09 to 2010-11. Multi-year budgets were designed to enable schools to plan ahead.

3.2 2010/11 is the third and final year of the three year multi-year funding period announced by Ministers in the summer of 2007.

3.3 A summary of the important changes to affect 2008-11 were consulted on and discussed in the Consultation paper for 2008/09. Most of the proposals consulted on prior to the start of the multi-year period will remain throughout the period, unless otherwise specified.

#### Summary of the important changes for 2008-11

- Multi-year budgets for 3 financial years
- Continuation of the spend-plus methodology for DSG distribution
- Continuation of the Minimum Funding Guarantee (MFG) dependent on cost pressures, but with an assumed 1% efficiency gain taken into account.
- From 2009/10, consistent pupil counting between maintained nurseries and PVI sector
- From 2010/11, implementation of a local Early Years Single Funding Formula for funding nursery provision and the extension to 15 hours free entitlement. **(Note: As at 10<sup>th</sup> December 2009, Ministers announced a postponement to the formal implementation of the SFF until April 2011. The LA may still have the option of going ahead as planned in April 2010 as a pathfinder authority. The planned extension to 15 hours remains unchanged).**
- The removal of the “*Proportionality*” test in agreeing to funding from centrally held DSG in pooled budgets which support Every Child Matters (ECM) outcomes. LA must still however meet the “*Educational*” test.
- Simplified method for setting the Central Expenditure Limit (CEL)
- Further measures to broaden the membership of Schools Forum, particularly from Early Years and 14-19 stakeholders.
- Further targeting of deprivation funding
- A fundamental review of DSG distribution post 2010/11.
- Machinery of Government changes in respect to 14-19 education.

3.4 The Department for Children Schools & Families (DCSF) is currently reviewing the School Funding arrangements for 2011/12 onwards. Consultation with local authorities is expected to commence early in the new year. Decisions about the new funding arrangements will not be announced

until the autumn of 2010. This will take place after HM Treasury announces its future spending review.

### **Financial Implications**

3.5 The per pupil increase for 2010/11 will continue to be delivered through the spend plus methodology.

3.6 The spend plus methodology for 2008-11 is based around:

**= MFG + Headroom secured through CSR 07 + Priority Allocations**

3.7 The Ministerial Priority Allocations continues to remain a key feature of the spend plus distribution methodology. These resources are included in the DSG to target Government priorities.

3.8 There is an expectation for Local Authorities to allocate these targeted resources towards the Government's priorities, which include:

- Ensuring children make good progress
- Early intervention to prevent children from falling behind, especially those with SEN
- Support for specific groups at particular risk of poor outcomes, including:
  - Children in Care
  - Ethnic Minorities
  - White working class children

3.9 The key settlement figures and Ministerial Priority Allocations for 2008-11 are provided in **Appendix 1**.

### **Overall Indicative DSG Funding**

3.10 The current method of funding Local Authorities' DSG allocations remains unchanged. All Local Authorities will continue to be funded at their guaranteed unit of funding multiplied by the number of DSG pupils on roll in the January count. DSG pupils will be those recorded on the following:

- Annual Schools Census
- SLASC
- Form 8B / Alternative Provision
- Early Years Census

3.11 The guaranteed units of funding announced for Hillingdon in 2010/11, together with the LA's estimate of Hillingdon pupils and indicative total DSG allocations is shown below in Table 4.

**Table 1: Hillingdon - Guaranteed unit of funding / Pupil number estimate / Revised Total Indicative DSG 2008-11**

<b>Financial Year</b>	Guaranteed per pupil unit of funding	LA estimate of pupil numbers	Indicative Total DSG £(m)
2008-09	£4,361.40	37,907	165.328
2009-10	£4,519.38	38,372	173.418
<b>2010-11</b>	<b>£4,708.57</b>	<b>38,414</b>	<b>180.873</b>

3.12 The overall Dedicated Schools Grant is guaranteed in terms of an amount per pupil. If the January 2010 pupil numbers are higher or lower than the assumptions made, the total DSG at Local Authority level will go up or down.

3.13 The tasks in managing the school funding settlement for 2010/11 are:

- Assess and monitor the overall pupil numbers estimated over the coming months leading up to the January census;
- Assess how much funding should be allocated to each sector;
- Assess the impact of the Minimum Funding Guarantee, natural inflation on retained items, changes in commitments resulting from new business case developments and the expected headroom for each year;
- Assess the impact arising from the introduction of the Early Years Single Funding Formula (should implementation go ahead for April 2010)
- Distribute school funding to individual schools and PVI nurseries.

### **Finalising the DSG Allocation**

3.14 The 2010/11 indicative DSG allocation shown in Table 4 above has been calculated on an estimated pupil projection of **38,414**. The final cash allocation of DSG funding will be based on actual pupil numbers from the January 2010 count.

3.15 Several assumptions have been made in estimating this total. These include:

- Primary KS1 and KS2 pupil numbers from the September 2009 count will remain the same in January 2010;
- Reception class figures remain static as a result of the move to a single intake;
- Secondary KS3 and KS4 pupil numbers from the September 2009 count will remain the same in January 2010;

- Pupil participation from the Early Years Census (EYC) to remain broadly similar to the January 2009 count. The level of participation should remain fairly static from year to year if there are no new providers coming in or existing ones dropping out;
- Special Primary and Secondary pupils numbers have been predicted to remain static from 2009/10 levels;
- Pupils out of schools should remain the same or slightly lower than 2009/10 levels and are not forecasted to reduce much in the next year.

3.16 The current forecast of pupil numbers would suggest Hillingdon's indicative DSG allocation will be in the region of **£180.873m** for 2010/11.

### **Commitments for 2010/11**

3.17 Table 2 summarises what the LA believes to be the expected commitments on the DSG and LSC post-16 funding for 2010/11.

**Table 2: Consideration of Commitments 2010/11**

<b>Schools Budgets</b>	<b>Final 2009/10 Sec 52 £(m)</b>	<b>Est. 2010/11 Sec 52 £(m)</b>	<b>Year-on-year Variance £(m)</b>
Individual Schools Budgets (ISB)	176.005	182.299	6.294
Adjustment for LSC 6th form funding	-16.927	-16.927	0.000
Early Years (PVI)	2.242	2.670	0.428
Early Years	1.578	1.616	0.038
SEN	8.849	9.061	0.212
Adjustment for LSC SEN funding	-1.739	-1.739	0.000
Pupils out of school	1.329	1.358	0.029
PRU - VCG element	0.746	0.763	0.017
14-16 Practical Learning (Retained)	0.398	0.410	0.012
Other Retained items	0.701	0.719	0.018
Other - Contingency (unallocated ISB)	0.235	0.188	-0.047
TYST Senior Practitioner Post		0.040	0.040
Schools Procurement Officer		0.055	0.055
Local Leaders in Education		0.087	0.087
Expanding Schools Factor Contingency (unallocated ISB)		0.273	0.273
<b>TOTAL DSG BUDGET</b>	<b>173.417</b>	<b>180.873</b>	<b>7.456</b>

Note: \* Proposed new centrally retained commitments on the DSG

3.18 For 2010/11, this includes the following assumptions:

- The MFG operating at 2.1% for all, primary, secondary and special schools;
- Post-16 funding remaining static.
- Teachers pay awards expected to increase by 2.3% for (Sept 10) (As announced by Ministers in 2008)
- Pay awards for Local government employees (non-teaching) assumed to be 0% for 10/11.
- Non staffing budgets to rise by 2.4% - 3.0% in line with identified demand on services

3.19 Additional commitments in the retained budget to support:

- Targeted Youth Support Team Practitioner post
- Schools Procurement Officer
- Local Leaders in Education Project
- Expanding Schools Factor Contingency (unallocated ISB)
- An assumption that pupil numbers for 3 – 15 year olds in January 2010 will be 38,414 (including the assumptions in calculating the MFG);

### **Central Expenditure Limit**

3.20 The ‘Schools Budget’ is defined in the *Schools Finance (England) Regulations*.

3.21 Centrally retained funding cannot increase by MORE than the same percentage as the Schools Budget as a whole.

3.22 Local Authorities are still required to seek approval from Schools Forum where it believes it cannot comply with the limit and therefore agree the delegated Individual Schools Budgets (ISB) total should increase by a lower percentage than the Schools Budget as a whole.

3.23 The wording of the CEL calculation in the *Regulations* are in the process of being amended by the DCSF, given that the funding for early year will now all be part of the ISB. The change does not affect the calculation of the CEL because the current *Regulations* add the centrally retained PVI funding to the ISB as part of the calculation, but the revision to where the funding is placed (in the ISB) means this adjustment will no longer be needed.

3.24 The *Regulations* still permit the Local Authority to ask the Secretary of State for a decision where the Forum does not agree the LA’s proposition for a lower increase.

### **Impact on the Central Expenditure Limit**

3.25 In the absence of accurate pupil forecasts for January 2010, it is not possible to estimate at present the precise level of the central expenditure limit.

3.26 An indicative calculation of the CEL, (based on 38,414 pupils) is provided in Table 3.

**Table 3: Estimated central expenditure limit calculation**

<b>INDICATIVE CENTRAL EXPENDITURE LIMIT 2010/11</b>	<b>£</b>
Current 2009/10 DSG	173.417
Estimated 2010/11 DSG	180.873
Predicted % Growth in DSG	4.30%
Central Expenditure 2009/10	13.836
Allowable % growth in Central Expenditure 2010/11	4.30%
Allowable £ growth in Central Expenditure 2010/11 (a)	14.431
Total Requested Central Exp. 2010/11 (incl. new items) (b)	14.570
Requested breach of central expenditure limit 2010/11 (a)-(b)	0.139

3.27 The estimated breach of £0.139m represents a technical breach of the CEL. Table 2 above identified that £0.273m of new Central expenditure items was targeted for expanding schools to recognise the additional forms of entry to accommodate rising pupil numbers. If this item is discounted from the CEL calculation, the LA would be £0.112m under its maximum permitted CEL.

3.28 The six additional forms of entry will be required within the primary sector from September 2010, as the specific schools affected are yet to be identified it will be necessary to retain a contingency to fund the additional costs to be incurred by this additional intake of pupils.

3.29 The Expanding Schools Factor is calculated as 7/12 of the Key Stage 1 Age Weighted Pupil Unit for each additional pupil, for these six forms of entry this will be **£273,074**.

3.30 In the event where the authority is below its CEL limit, the LA may choose to retain the maximum permitted level of CEL without seeking agreement from Schools Forum. It is recommended Forum members approve the technical breach.

3.31 In the event actual January pupil numbers fall substantially below 38,414 pupils, there is a risk the LA will trigger a breach of the CEL. Should this occur the LA will need to seek permission from the Schools Forum to breach the CEL.

### **Summary of proposed new commitments 2010/11**

3.32 The Local Authority is proposing to fund the following key posts from within its allowable year on year growth in Central DSG expenditure. Given these items are expected to be contained within the CEL, the LA is not seeking to breach the CEL in 2010/11 for these items. This assumption is contingent on expected pupil numbers materialising.

3.33 Table 4 summarises the new items which fall within the scope of the DSG. These items are expected to further strengthen key areas of the Hillingdon Children and Families' Plan (HCFP).

**Table 4: Summary of proposed new central expenditure 2010/11**

<b>Proposed 2010/11 Additional Centrally Retained Expenditure</b>	<b>£ (m)</b>
TYST Senior Practitioner Post	0.040
Schools Procurement Officer	0.055
Local Leaders in Education	0.087
<b>Total</b>	<b>0.182</b>

3.34 **Appendices 2a – 2c** provide further details of these new items. Stakeholders are welcome to comment on these proposals.

3.35 The consideration of issues concerning the Central Expenditure Limit detailed in this section will help shape the apportionment of DSG funding between:

- (i) Central Expenditure; and
- (ii) Individual Schools Budgets (ISB).

3.36 The next sections will explore the subsequent stages of funding issues to be considered. Section 4 will focus on the allocation of budgets for each sector – Primary (excl. Nursery), Secondary, Special and Early Years Funding (SFF) (should implementation go ahead for April 2010). Section 5 will examine the local funding formulae and further considers the issues around the distribution methodology of funding within each sector.

### **Forecast of funding from 2011/12**

3.37 Given the Government's impetus to encourage longer term planning and multi-year budgets, it is appropriate to briefly consider the forecast of funding from 2011/12, as the current funding cycle only extends to 2010/11.

3.38 In announcing the continuation of the spend plus method as the basis of distributing the DSG throughout 2008-11, Ministers confirmed that there would be a fundamental review of the formula for distributing schools and early years funding with the aim of developing a single, transparent formula that would be available for use from 2011/12.

3.39 The DCSF will shortly be consulting on the distribution methodology which is not expected to conclude until mid 2010, with a view to announcing the School funding settlement for 2011/12 and beyond in October/November 2010.

3.40 The overarching aim of the review will be to produce a funding system that should support schools and local authorities to raise educational achievement of all children and young people and to narrow the gap in educational achievement between all children, including those from low income and disadvantaged backgrounds.

3.41 Current thinking suggests that the review will start from the premise that the ring-fence on the DSG will remain. The review will also examine the scope for greater flexibility in the use of DSG to support the delivery of *Every Child Matters* outcomes and the implementation of the *Children's Plan*.

3.42 Against this backdrop, the Local Authority will operate in an environment with growing financial pressures, in part resulting from the need to deliver further efficiencies, the impact of demographic changes to the local landscape, and a tightening of fiscal policy (leading to a tighter funding settlement).

#### **Determining the amount of funding available for devolved school budgets**

3.43 In consulting on schools funding arrangement prior to the start of the 2008-11 multi-year period, it was agreed that the same method of allocating funding to each sector would remain for the duration of this cycle.

3.44 Broadly, in the first instance, the method is aligned to the DCSF's mechanism for distributing DSG, but to then guarantee each sector a budget level that recognises that sector's minimum commitments where the pure DCSF methodology was not workable.

3.45 Proposals for growth in funding within any particular sector will then be considered in turn.

## 4. The framework for funding schools using multi-year budgets.

### Overview

4.1 The framework for funding schools for 2010/11 will remain the same as that consulted prior to the commencement of the current funding cycle.

4.2 **Predictability** and **stability** continue to remain at the heart of the funding system.

4.3 Local Authorities are still required to fund their schools using a single count date of the January before the start of each financial year. However, the option to introduce the Single Funding Formula (SFF) in April 2010 means the single January count will only determine the funding for Reception through to Year 6 in the case of Primary schools. Nursery class funding will be through the SFF and will be based on an estimate of take-up across each term in the financial year. Schools will thus know their final school budgets (Reception – Year 6 only for Primary schools) (updated to reflect final pupil numbers) immediately before the start of the financial year, and again these budgets will not be subject to re-determination in-year. Further, Primary schools will also receive an indicative SFF budget for their nursery classes (if applicable), which will be subject to adjustments in-year to reflect the difference between estimated and actual take-up of the free entitlement. The table below presents a summary of the proposed new arrangement for schools should the LA decide to implement the SFF in April 2010.

Table 5: Composition of delegated budgets 2010-11

Sector	Type of school	Budget 1	Budget 2	Total Budget received April 2010
Primary	Infant Schools	Final Budget *	Indicative SFF Budget	= Total Budget
Primary	Junior Schools	Final Budget	n/a	= Total Budget
Primary	Primary Schools	Final Budget *	Indicative SFF Budget	= Total Budget
Secondary	Secondary School	Final Budget	n/a	= Total Budget
Special	Special School	Final Budget	n/a	= Total Budget

Note: \* Excludes nursery classes

4.4 Non-AWPU factors within the formula will continue as they are with data refreshed at the start of the financial year.

### Changes to the Local Funding Formula factors

4.5 The changes proposed for 2008-11 to address the issue of deprivation funding and the wider issues around child poverty are now being implemented.

4.6 Local Authorities are urged to take a greater lead closing the gap in attainment between children from low income and disadvantaged

backgrounds and their peers and ultimately to increase the life chances of children moving into adulthood.

4.7 The local funding strategy to directly target at least 80% of the deprivation funding allocated in the DSG by April 2010 is now in place and any changes to the quantum of funds allocated via social deprivation factors in 2010/11 reflects this managed transition.

4.8 The focus on the deprivation funding review for 2008-11 is not an issue about funding per se. The issue is to support a strategy on attainment that aims to increase the life chance of deprived children.

4.9 Any other proposals consulted upon prior to the start of the current cycle will remain throughout 2008-11, unless otherwise specified.

## 5. Formula Factors

### Overview

5.1 The following changes to the funding formula are proposed for 2010/11:

- Remove Nursery elements of the Primary Funding Formula to reflect the move to a Single Funding Formula should the LA opt to implement in April 2010.
- Adjust the Key Stage 1 Class Size factor to take into account the change to one reception intake per annum
- Changes to the Primary MFG as a result of the introduction of the SFF (contingent upon the option to implement in April 2010)
- Nursery counting for participation led funding under a SFF (contingent upon the option to implement in April 2010).

#### **Removal of Nursery elements from the Primary Funding Formula (This is contingent upon the option to implement in April 2010)**

5.2 As Nursery classes in Primary Schools will be funded via the Single Funding Formula from 2010/11, the following changes to the Primary Funding Formula will be required to facilitate the new arrangements:

- a) Primary School pupil counts to exclude Nursery class pupils, this will affect pupil-led factors including the amounts for former Foundation/Voluntary aided schools additional responsibilities and the Expanding Schools factor.
- b) An adjustment to the thresholds for receipt of the Small Schools Factor in light of the exclusion of Nursery classes from the calculation.
- c) The removal of all other nursery related factors or lump sums to support nursery classes.

5.3 These changes are required to avoid double funding of nursery related elements in both the Primary Funding Formula and the SFF. These changes are provided for information only and the LA is not consulting on these.

### **Key Stage 1 Infant Class Size Factor**

5.4 In 1998, the Government introduced a policy to reduce class sizes for children aged 5, 6 or 7 years old in infant classes.

5.5 Infant classes are those in which the majority of children turn 5, 6 or 7 during the course of the school year i.e. reception and Key Stage 1 classes. Legislation limits the size of an infant class during an **ordinary teaching session** to 30 pupils per **school teacher**.

5.6 In 1997, 29% of infants were taught in classes of more than 30. That figure has dropped to 1.8% for 2008. The number of unlawfully large classes was only 0.4% of the 2008 total.

5.7 An 'ordinary teaching session' is defined by Section 4 of the School Standards and Framework Act 1998 and does not include a school assembly or other school activity usually conducted with large groups of pupils e.g. PE/games, music, singing

5.8 A 'school teacher' is defined by Section 122 of the Education Act 2002 and the Education (School Teachers' Prescribed Qualifications, etc) Order 2003.

5.9 Schools will be aware that the specific Standards Fund Infant Class Size Grant for Key Stage 1 (KS1) ceased to exist from 31 March 2003. From 1 April 2003, resources were added to the Schools Block in the Authority's revenue support funding and an additional factor was introduced for all primary schools with KS1 classes. Funding was then transferred over into the DSG from April 2006.

5.10 The details of this additional factor were detailed in the 2003/04 consultation paper. The factor is based on a calculation of the minimum number of classes required to maintain class sizes within the statutory limit.

5.11 Hillingdon's Key Stage 1 Infant Class Size factor operates on the basis of the number of points. The factor assumes an average class size for a year group of less than 27 will attract 0.5 points and less than 23 will attract 1 point. Each point attracts a unit of funding. The unit of funding in 2009/10 is £13,354.

5.12 In calculating the budgets prior to the start of each financial year, pupil numbers used to determine the number of points are taken as:

- Reception – September pupils preceding the start of the financial year  $\times \frac{1}{3}^{\text{rd}}$
- Reception – January pupils preceding the start of the financial year  $\times \frac{2}{3}^{\text{rd}}$
- Year 1 – January pupils preceding the start of the financial year
- Year 2 – January pupils preceding the start of the financial year

5.13 The Reception pupil numbers used were taken as  $\frac{1}{3}^{\text{rd}}$  September and  $\frac{2}{3}^{\text{rd}}$  January to reflect the local practice of having two admission points for this group of children where the first tranche of pupils admitted represented approximately half the intake with the second half following in January. The Reception children recorded in January would then remain in place for the next 2 terms before progressing to Year 1 in the following September. The following table presents an example of this method in operation:

**Table 6: Current arrangement for KS1 infant class size factor**

<b>Year group</b>	<b>Pupils</b>	<b>Points (a)</b>	<b>Proportion (b)</b>	<b>Eligible Points (a) x (b)</b>
Reception (Sept)	27	0	0.33	0
Reception (Jan)	61	1	0.67	0.67
Year 1 (Jan)	64	1	1.00	1.00
Year 2 (Jan)	41	1	1.00	1.00
<b>Total</b>				<b>2.67</b>

5.14 The school in the example would then be entitled to receive the current year's unit value multiplied by 2.67 points.

5.15 In light of the authority's move to a single intake from September 2009, it is proposed to amend the operation of the KS1 Infant class size factor.

5.16 It is proposed to remove the 1/3<sup>rd</sup> / 2/3<sup>rd</sup> split of counting pupils in Reception class to bring it into line with counting Year 1 and 2 pupils for the purpose of this factor to reflect the single intake.

**5.17 Stakeholders are asked to give views on this arrangement.**

**Changes to Primary MFG as a result of the SFF (This is contingent on the option to implement in April 2010)**

5.18 Ordinarily, the introduction of any new funding formula has the potential to create turbulence in funding. As the SFF aims to converge and reconcile two different funding systems in operation at present, it is likely such a move may generate some turbulence.

5.19 The impact assessment conducted on the indicative SFF budgets suggests that without some form of transitional protection in place, a proportion of maintained settings are likely to experience some loss of funding. The purpose of the SFF is not to close any settings, but to ensure that a diverse and equal market place is in place to meet parental choice and demand. Officers have strongly recommended the implementation of a transitional protection mechanism.

5.20 Historically, adverse impacts arising from national and local funding changes have been protected by the Minimum Funding Guarantee (MFG). The national MFG for 2008-11 has been set at a 2.1% per pupil increase. In the absence of any other transitional protection, the MFG acts as a safety net for schools. The MFG is set out in Regulation and applies to all schools. It does not apply to PVI settings.

5.21 There are obvious advantages and less obvious disadvantages to the MFG. On the one hand the MFG provides a degree of stability and predictability for schools. On the other hand it is very resource intensive. The blanket protection provided by the MFG constrains the distributional properties of not just the Primary formula but also the SFF formula. This

ultimately defeats the purpose of having a targeted formula which is intended to identify and target resources to those with the greatest levels of need. This is analogous to the MFG treating all children/pupils and all settings in the borough as if they were homogenous. Moreover, the current Schools Funding Review is investigating whether to continue with a MFG post-2011. Reliance on the MFG in 2010/11 may jeopardise nursery funding in future years if Ministers decide to abandon the MFG for all schools. The level of protection provided by future MFGs and its continued existence will be influenced by the total level of Government resources made available in the next spending review.

5.22 The purpose of the SFF is not to protect the status quo. It is concerned with creating a level playing field through a redistribution of funding. Given the disproportionate number of schools who would now require MFG protection under the new funding arrangements, this would provide a sound argument to propose a removal of Nursery related (SFF) funding from the MFG. Moreover, the effect of this would bring a greater degree of parity with the PVI sector, given that the MFG does not apply to PVI settings.

5.23 The proposal would be to dis-apply the MFG to the SFF budgets within Primary schools budgets in order to let the SFF do what it was intended to do. In effect, the proposal would apply the MFG for Primary schools to Reception – Year 6 budgets only. The proposal would have the effect of altering the calculation of the MFG by excluding nursery related funding and nursery pupils.

5.24 Under existing Regulations, Schools Forum has the power to decide on changes to the local MFG proposed by the LA where the changes affect less than 50% of pupils. As with the Central Expenditure Limit, the Secretary of State retains the power to adjudicate where Forum does not agree LA proposals.

5.25 The proposal to dis-apply the MFG from the SFF portion of a Primary school's budget forms part of the overall package of recommendations by the Single Funding Formula Technical Group. The group was tasked with developing the local SFF in line with Regulations and local policy objectives, with a view to making firm recommendations to Schools Forum. The majority of the group's recommendations formed the basis of the SFF consultation with schools that concluded in the summer.

**5.26 Stakeholders are asked to give views on this proposal to assist Schools Forum in making the decision to amend the MFG in Primary schools.**

**Nursery Counting for Participation led funding under a SFF (This is contingent upon the option to implement in April 2010)**

5.27 The operation of the SFF requires the LA to fund providers based on actual take up of the free entitlement as opposed to the current practice of

funding schools on headcount from the single January count preceding the start of the financial year.

5.28 The SFF will require the LA to issue indicative nursery budgets to schools prior to the start of the year. The LA is proposing to use historical termly counts to predict the estimated future take up over the financial year. Moreover, where known changes to nursery classes are expected (e.g. nursery expansion), these will be factored into the LA's estimated take up for the purposes of setting the indicative SFF budget.

5.29 Nurseries in both the PVI and maintained sector are required to conduct termly counts, based on a sample from census week or of actual participation. At the end of each term, the LA proposes to adjust indicative budgets to reflect any differences between the estimated take-up used in the indicative budgets and actual participation. The cash advance payment profiles will be adjusted accordingly to reflect this reconciliation.

## **6. The arrangements for Special Education Needs**

6.1 This section considers the funding arrangements for SEN / Special Schools.

6.2 Last year the LA consulted schools on the proposal to increase the Special Schools ISB. The increase was to recognise the relative shortfall of Hillingdon's special schools in comparison with neighbouring peers. Schools Forum agreed to meet the half the £1.4m increase in 2009/10 by top-slicing the Primary and Secondary ISB. It was agreed the second tranche of the shortfall would be contingent on a full and complete review of outcomes during the year.

6.3 The LA is recommending that the second tranche of £0.7m be approved to develop services from special schools to promote the integration of children into mainstream schools and the reduction in out borough placements.

6.4 The agreement to the second tranche of money should not discourage schools and the LA to make **efficiency savings** where that is appropriate.

6.5 The LA is proposing the following options in respect of the second tranche of funding. Stakeholders are asked to comment on the recommended approach:

### **Option 1**

LA would commission services (outreach, inset, transition and re integration) with the ultimate aim of reducing out of borough placements with any related savings being re-invested back into the system through the SLAs. The model would be reviewed again on an annual basis ahead of the new formula funding review for 2011/12.

### **Option 2**

LA would continue with the 09/10 model of distributing the additional funding in 2010/11, which would provide the schools with a greater degree of funding stability and predictability to maintain current programmes that have been developed or earmarked with the 1<sup>st</sup> tranche of funds this year. However, this approach would lead to the council having to put forward a case for retaining a greater central element of DSG for 2011 onwards to fund the ongoing overspend in the SEN Team.

6.6 **Appendix 3** provides further details behind these recommendations.

## 7. The arrangements for Early Years

### Overview

7.1 The Local Authority is required to develop and implement a Single Funding Formula (SFF) as part of the wider reforms to early years. A Single Funding Formula (SFF) for funding early years provision is required to be implemented. Local Authorities were originally required to implement a formula by April 2010. On the 10<sup>th</sup> December 2009, Ministers announced a one year postponement to the formal implementation of the SFF until April 2011. The Minister's statement identified a number of reasons for this decision. The reasons cited include: a significant number of local authorities experiencing difficulty in developing their SFF; considerable variation in terms of readiness; some local authorities experiencing serious difficulties in obtaining accurate data from their providers; others have simply found the task extremely challenging. The decision to postpone is to provide sufficient time to those local authorities facing issues of difficulty or readiness to address concerns before implementation.

7.2 The Minister recognised that there were a number of authorities that were ready to implement. Authorities in this position may still have the option of implementing the formula in April 2010 as planned. Authorities that want to implement can go ahead as planned and will act as a pathfinder.

7.2 The aim of the SFF is to amalgamate the different funding systems currently employed to distribute funding to maintained and PVI nursery providers in order to create a level playing field. Funding for the SFF will be from the Dedicated Schools Grant (DSG) in the main. The SFF is being introduced in part due to the *Childcare Act 2006*, which places a duty on the LA to secure sufficient childcare in response to parental demand and to improve outcomes.

7.3 The Act set out a range of new duties on the LA in relation to childcare and early years provision, including:

- LA has a duty to reduce inequalities and improve outcomes of all the young children in their area through the planning and provision of early childhood services, including the free entitlement.
- LA has a duty to assess childcare provision in their area and to facilitate the market to secure sufficient childcare to enable parents to work or make the transition to work.

7.4 Regulations set out by the DCSF prescribed the framework which guided the development of the SFF. The basic structure of the formula must comprise a base rate(s) to fund participation led funding and a supplement to recognise the additional costs associated with deprivation. The emphasis to have a mandatory supplement for deprivation reflects the desire to close the gap in achievement for children from low income and disadvantaged families and to address the effects of childhood poverty. Any further supplements are for local decision-making. Additional discretionary supplements that Local

Authorities may choose to consider include, but are not limited to: Quality; Special Educational Needs (SEN); Premises; and Flexibility.

7.5 The new Regulations no longer permit the use of place led funding. The base rate(s) will fund **actual** participation of each 3 and 4 year old child in nursery provision who is eligible and accessing the free entitlement. Funding through the base rate is also referred to as '*Participation led*' funding. This type of funding will deliver the bulk of a nursery's funding allocation.

7.6 The SFF Technical Group is the working group set up by Schools Forum to develop the local SFF and make recommendations to Schools Forum. The work of the Technical Group was guided by both the National Regulations and the locally determined Terms of Reference. The recommendations of the Technical Group reflect the consensus of stakeholders emanating from the detailed consultation on the SFF held in the summer of 2009. Moreover, the recommendations have also been updated by the Technical Group in the light of more recent announcements by the DCSF following the publication of their final guidance on the SFF.

7.7 The introduction of the SFF will have implications for the Primary formula. These implications have been carefully considered in detail by the Technical Group over the duration of the project and as such the recommendations reflect the desire to achieve local policy objectives while striking a balance between fairness of distribution and sustainability. It must be noted that the Technical Group reached consensus on issues around the SFF with complete information, accompanied with full and frank dialogue. The Technical Group is composed of equal representation from the PVI and maintained sectors. To this end, this paper is **not** being used by the LA to consult stakeholders again on the SFF.

7.8 The recommendations for the local SFF are to include:

- Two **Base rates** to fund hourly participation:
  - A lower rate for PVI and maintained nursery classes
  - A Higher rate for a maintained nursery school to reflect higher and unavoidable costs
- Two **Deprivation Supplements**:
  - Deprivation supplement measured by IDACI
  - Deprivation supplement measured by IMD
- A **Quality supplement** recognising graduate leaders
- A **SEN supplement** recognising children on Early Years Action Plus
- A **Premises / Fixed costs supplement**
- A **Transitional Protection** Mechanism spanning 2 years
- A **Contingent budget** to facilitate pupil counting adjustments in-year

7.9 Further, it is recommended that the Minimum Funding Guarantee (MFG) be dis-applied to the SFF for maintained nurseries. The rationale for this was outlined in Section 5.

7.10 Additional funding to support the progression of the extended entitlement (from 12.5 hours per week to 15 hours per week) will be delivered through Standards funds in 2010/11. Details of the allocations are set out in Section 13.12 of Specific Grants.

7.11 Primary schools with maintained nursery classes and McMillan Nursery will receive two budgets prior to the start of the financial year. A **final budget** will be calculated and issued in respect of all non nursery related pupils (where applicable). In addition, an **indicative SFF budget** will be calculated and issued in respect to nursery related pupils. The final budgets are not subject to redetermination in-year as these will be based on the single January count preceding the start of each financial year as currently observed.

7.12 The indicative SFF budgets are based on an estimate of take-up over the course of the financial year. During the course of the financial year, termly counts will be conducted to measure actual participation. The indicative SFF budgets will then be adjusted to reflect the difference between the estimated and actual take up of free entitlement.

7.13 Cash advance payments to schools will be adjusted accordingly to reflect actual take up. By the end of the financial year, all nursery providers should receive funding that reconciles to actual participation in that year.

## **8. The arrangements for Pupils Out of School**

8.1 There are no proposed changes to the 2010/11 funding arrangements for Pupils out of schools.

8.2 Services supporting the education of this group of learners are contained within the existing DSG commitments identified in Table 6. There is no proposal to increase the funding available in this area that will lead to or contribute to a further breach of the Central Expenditure Limit.

8.3 **Appendix 4** provides information on current and expected volumes through the service and current funding arrangements.

## 9. The arrangements for 14-19 education

### Background

9.1 As stated in last year's Consultation paper, the principles of the 14-19 Programme of Education have their origins in the *Five Year Strategy for Children and Learners* and the *14-19 White Paper*. The papers set out the Government's aspirations for every young person, which include preparing young people by their education and training to order to equip them for adulthood and making a success of their lives.

9.2 The national policy and the reforms which have emerged from it sit within the wider context of the Government's objective to ensure the UK remains competitive in the global economy. The reforms seek to address the country's skills gap and the underlying reasons for the low levels of post-16 participation and achievement. The strategy aims to link education more closely with the labour market and attempts to align traditional academic education with the vocational.

### The Key Role of 14-19 Partnerships

9.3 14-19 partnerships now have an even greater role in developing plans to meet Students' Entitlement in terms of GCSEs/GCEs, Diplomas, Apprenticeships and Foundation Learning across each local area. In Hillingdon, all the above programmes of learning have now been introduced. The Hillingdon 14-19 Partnership has strengthened and all recommended partners as per DCSF guidelines are members, and include: HASH, Brunel and Buckingham New Universities, Uxbridge College, Job Centre+, Youth Offending Service, Adult and Community Learning, Economic Regeneration, Integrated Youth Service, Hillingdon Voluntary Service, Training Providers, Special Schools, Learning and Skills Council, National Apprenticeship Service and Connexions.

9.4 14-19 Partnerships are tasked with matching demand and supply, identifying gaps in provision and how they may be filled, addressing logistical issues arising from collaboration including transport, and working through how funding will be deployed to support consortia to deliver all the above programmes of learning, and specifically the Diplomas. It is for this reason, in Hillingdon, that all learning institutions are associated with one of the three Consortia that mirror the Parliamentary wards in order to encourage the collaboration necessary for the delivery of the 14-19 Agenda.

**9.5 Ultimately decisions on school funding, including Diplomas at KS4, will be made by local authorities after consulting the Schools Forum for information purposes only, and not for compliance.** From September 08 the 14-19 Partnership has been represented separately on Schools Forum to ensure those decisions are consistent with area plans.

9.6 Responsibility for planning and commissioning 16-19 education will now lie with the LA from April 2010. Student demand and student travel to

learn data are the other two factors to be incorporated into this planning process. The 14-19 Partnership will continue to provide the lead in curriculum delivery through the three Consortia.

### **Funding to Support 14-19 Reform in 2010/11**

9.7 Planning and funding arrangements to support the 14-19 reforms are driven by 3 main principles:

- Funding for Diplomas and practical learning programmes at KS4.
- Common methodologies for funding for all 16-18, eventually for all 14-19, year olds.
- The changing role of 14-19 Partnerships in planning and commissioning.

9.8 Funding of all programmes of learning at Key Stage 4 and the funding of 16-18 learning should be guided by the following principles:

- Learner choices must drive funding allocations
- The quality of the provision is an essential element
- Comparable funding will apply to comparable activity
- Funding should operate through a single system wherever possible

9.9 The scope of activity for 14-19 reform includes the following all of which are underway in Hillingdon:

- Strengthened GCSEs and A Levels
- 17 new employer-led Diplomas (of which 10 are now planned for)
- Foundation Learning,
- Functional Skills
- Further expansion of Apprenticeships
- Revised secondary curriculum [*from KS3*] to ensure students are well prepared for the 14-19 phase.

9.10 The two main sources of funding available for 2008-11 to support 14-19 reform are DCSF allocations to local authorities, local LSC (until April 2010) and the YPLA. The main sources of funding from the DCSF are shown below:

**Table 7: Sources of 14-19 Funding at Hillingdon**

<b>Allocations via Local Authority</b>	<b>2008-09 (£)</b>	<b>2009-10 (£)</b>	<b>2010-11 (£)</b>
Area Based Grant - Flexible 14-19 Partnerships Funding	70,587	71,207	72,679
Dedicated Schools Grant for practical learning opportunities	386,664	397,877	409,416
KS4 Diploma Funding Grant	163,580	TBC	TBC
KS4 Engagement Programme	63,490	70,000*	-
<b>Total</b>	<b>684,321</b>	<b>469,084</b>	

\*Last year of the allocation

9.11 The DCSF expect that funding streams are used to develop a cohesive offer supporting the learning that young people want and need.

9.12 **Appendix 5** provides further details on the authority's plans for spending in connection with 14-19 reform.

## **10. The arrangements for School Meals**

10.1 The Local Authority is required to consult on the arrangements for school meals. The proposed arrangements for 2010/11 are set out below:

### **2010/11 Proposals Food in Schools Programme Funding**

#### **School Lunch Grant: £436,451**

- Devolved element: £315,416

10.2 This will be devolved on the basis of a £3,000 base grant to all schools with a hot meal service and approximately a further £14/per FSME pupil (the final figure will be agreed once the FSM numbers have been set in the new year).

- Retained element: £121,000

10.3 It is proposed this will be divided into the following

- £70,000 for nutritional analysis and the expertise to run the software

10.4 As 43 schools in Hillingdon require this support it is imperative that we have the expertise in place to maintain the system and support schools with nutritional analysis.

- £21,000 School Food

10.5 To enable the team to run further 'take up of schools meal events' to help increase take up through providing funding for food ingredients.

- £30,000 Small pieces of equipment

10.6 To enable the FIS team to continue to procure catering equipment for schools.

#### **Buy Back Request**

10.7 Without minimum buy back the Food in Schools team will be unable to continue as this covers salaries for the remaining team members. Minimum buyback gives school access to specialist services; Tendering, introducing hot meals, transporting meals, food procurement advise, building / refurbishing kitchens, catering management advise etc.

10.8 The other investments on the buy back scheme are optional. Schools should choose these if they wish to access an on site personalised support plan focused on their chosen area: training, cooking clubs or events.

**Table 8: Proposed Food in Schools buy back arrangement 2010/11**

<b>Buy Back Arrangements 2010/2011</b>		
Required: To ensure sustainability of the Food in Schools Team	£ 600.00	Min Investment
	£ 400.00	HE Training
Optional Investments	£ 400.00	Cooking Clubs
	£ 400.00	HE Events

10.9 **Appendix 6** outlines the 2009/10 funding arrangements.

## **11. The arrangements for Insurance**

11.1 The LA delegates all of the funding for insurance premiums to schools.

11.2 The Council offers a comprehensive service structured to meet the school's insurance requirements including claims handling and advice. The basic insurance package covers property, liability, motor and personal accident risks. A supplementary insurance package (Balance of Risks) is also available which provides additional cover for buildings and contents. Details of cover are available in the document '*Insurance & Risk Management Guide to Schools*' which is available from the Schools Finance Team.

11.3 As the Authority retains an interest in each maintained school it is a requirement that if schools obtain insurance externally they provide confirmation of cover from their chosen insurer detailing the cover and limits of indemnity purchased. Confirmation should be sent to Insurance Section 1S/08 at the Civic Centre.

11.4 Detailed below are factors that each school will need to consider if seeking insurance externally.

- Schools must ensure that insurance cover is in place for the 'compulsory' risks and that the insurance arranged provides cover to at least the limits set out in **Appendix 7**.
- Schools must ensure that the interest of the London Borough of Hillingdon is noted on the policies (this applies equally to Voluntary Aided and GM/Foundation schools).

## **12. The Arrangements for Capital**

12.1 The purpose of this section is to update schools on key issues relating to the capital programme.

### **Funding**

12.2 To date, the DCSF has announced details of capital funding up to 2010/11. Some of this funding takes the form of Capital Grant, whereas other funding streams are support for Council borrowing. The process of formulating the Council's capital budget for 2010/11 is underway but final decisions will not be made until the New Year.

### **Key Issues for Capital Investment in Schools**

#### **School Places**

12.3 A key issue is the need for additional primary school places. It is expected that between 2010/11 and 2013/14, there will be a need for around 19 additional forms of entry in primary schools. Nearly all of this will be needed south of the A40. Even in 2009, very little capacity is available in some areas, especially in Reception and Year 2. Additional accommodation is also needed to address existing shortfalls i.e. where schools do not have sufficient classrooms to accommodate their full admission number. Proposals for a first phase of school place projects are being developed. It is expected that a report on school place issues will be made to Cabinet in December 2009.

12.4 The cost of providing additional places is likely to be substantial and will exceed available S106 and Basic Need allocations. This will inevitably have an impact upon the level of funding available for improvements to the existing building stock.

#### **Primary Capital Programme**

12.5 2009/10 was also the first year of Primary Capital Programme funding. Four schools (Longmead, Hillingdon Primary, Yeading Junior and the Glebe) were identified as priorities in the Primary Strategy for Change (PSfC) submission to the DCSF. Of these, Longmead and the Glebe relate to school place needs. A project to expand Longmead Primary commenced in October 2009.

12.6 The original submission was written before information was available on the extent of school place needs. At the present time, it seems likely that meeting school place needs will need to be given much higher priority for funding.

## **Improvement & Updating of Existing Accommodation**

12.7 Given the age (and in some cases form of construction) of many school buildings in Hillingdon, keeping these operational into the future is a challenge. However, given the need for capital investment to provide additional school places, it is also likely that it will be more difficult to finance improvements to existing buildings. It is proposed that priority is given to the most urgent building condition projects i.e.

- Those needed to keep buildings in use (e.g. heating system works, urgent roofing renewals, and essential health & safety related work)  
Proposed priorities for 2010/11 are Cranford Park (heating), Northwood (heating), Rabbsfarm (roofing)
- Replacement of structurally unsound buildings where there is a continuing need for the accommodation.  
Proposed priorities for 2010/11 are replacement accommodation at Harlyn and Rabbsfarm

12.8 The threshold for consideration of projects for central funding has not been raised for some time and the following limits are proposed. These would apply unless exceptional circumstances arose e.g. a large number of such projects being needed at an individual school or where the expenditure is to be funded by a specific capital grant:

- Primary & special schools £50,000 (originally £25,000)
- Secondary schools £100,000 (originally £60,000)

## **Targeted Capital Funding for School Meals Projects**

12.9 £4.416m capital grant has been secured through two separate funding bids, over 2009/10 and 2010/11. Matched funding of 50% is needed. To date, Cabinet members have agreed the release of £1.677m for projects where the matched funding is to be met from schools' own resources and/or VA schools capital grant. Two further such projects are to be considered (total £0.158m). In the light of constraints on the availability of central capital funding to match the grant, proposals for the remainder of the programme are being reviewed. Within this, opportunities for joining up projects (e.g. to provide additional places) are being explored.

### 13. Specific Grants

13.1 There are no planned changes to the allocation of Standards Funds grants devolved to schools this year other than to the Harnessing Technology Grant.

#### **Harnessing Technology Grant 2010/11 – Consultation**

13.2 As in previous years it is likely there will be some flexibility in the Harnessing Technology grant funding arrangements for schools in 2010/11, and that options about how best to utilise this capital should be considered and agreed by the schools community, via the Schools Forum. The HT Grant for 20010/11 is £860,000.

13.3 The amount of financial flexibility is being established in order to allow a genuine dialogue amongst schools about how best to optimise this expenditure, of which schools control 75%, which will be focussed on improving learning outcomes through the use of ICT.

13.4 In the Education & Children's Services Consultation Paper (December 2008 Schools, Early Years & 14-16 Funding Arrangements 2009-11) it was identified that the funding available, after contractual commitments for schools Broadband provision, web & mail administration and filtering, the London Grid for Learning annual charge, and provision for support to the schools MLE (Fronter) will utilise approximately £572,000 of the Grant, leaving approximately £287,000 available for other ICT investment purposes in 20010/11.

13.5 The summary of grant and (estimated, at this stage) committed spend can be seen in the table below:

**Table 9: Harnessing Technology Grant Funding Utilisation – potentially available funds**

<b>Income</b>			
DCSF 2010/11	Approx	860,000	860,000
<b>Committed Expenditure</b>			
School Broadband Circuits		174,600	
Atomwide	Estimated Cost	157,548	
LGfL Content	Estimated Cost	70,000	
LGfL Core Revenue charge	Estimated Cost	90,000	
School MLE	Estimated Cost	80,000	(572,148)
Balance of HT Grant Available for other ICT Investment Purposes			287,852

13.6 It was also noted that schools have many options available, including directly sharing the grant funding for local ICT capital spending, at the discretion of each school. With pressure on school budgets, release of the £287,000 to each school, on a fair basis, would provide approximately £3,270 per school (based on an average for 88 schools), to enable local ICT capital investment. Whilst it is more difficult to identify or judge the benefits of this

local investment, this route might allow particular local ICT issues to be properly addressed, although would not easily provide any benefits from scale or address some of the more critical ICT infrastructure needs.

13.7 Accordingly, the HGfL Board and Resources SAG, representing the broad school community interests from both technical and learning viewpoints, has considered a number of possible options which would appear to optimise the use of this ICT capital funding for all. The Board has made clear recommendations about the priorities for this investment, for consideration and endorsement by Resources SAG and Schools Forum, which have been identified and prioritised as they reduce risks to schools critical ICT provision or add greatest value.

13.8 The current recommendations are set out in **Appendix 8**, and will be expected to change as the consultation process (commenced in November 2009) progresses.

13.9 It is considered important that schools agree the use of this funding prior to the commencement of the new financial year, in April 2010

13.10 The consultation process indicated that Resources SAG would be the appropriate place to discuss, develop and determine the best blend of investment options, which could then be taken to Schools Forum to be agreed in January or March 2010.

### **Standards Fund 2010/11**

13.11 Table 10 below presents an updated summary of Hillingdon's standards fund allocations for 2010/11.

**Table 10: Hillingdon – updated Standards Funds allocations 2009-11**

Grant No.	Standards Fund	2009/10 £	2010/11 (provisional) £
1.2	School Lunch Grant	438,426	438,426
1.3	EMAG	1,774,702	1,895,859
1.4	Targeted Improvement Grant	96,600	TBC
1.5	1-2-1 Tuition (previously Making Good Progress)	713,060	TBC
1.6	Extended Schools - Sustainability	682,077	960,993
1.6a	Extended Schools Subsidy	158,120	TBC
1.7	Targeted Support - Primary strategy	1,220,430	TBC
1.8	Targeted Support - Secondary strategy	539,898	TBC
1.9	City Challenge	74,200	TBC
1.1	Early Years: Extending and increasing flexibility for free entitlement 3-4 y.o.	422,636	1,878,378
1.11	Music - baseline allocation	203,534	203,534
1.11	Music - formula allocation	127,200	127,200
1.14	Key Stage 4 Engagement Programme	71,000	-

A more detailed breakdown of Hillingdon's distribution of funds is included as **Appendix 9** in line with government guidance which can be accessed via the following Link:

<http://www.teachernet.gov.uk/docbank/index.cfm?id=12227>

#### **14. Changes to the Scheme for Financing Schools**

14.1 The Local Authority is proposing changes to the Scheme for Financing Schools to reflect clarification of borrowing by schools and an additional exclusion from the schools balances.

14.2 The proposed changes affect:

- **Section 2.6 Audit: General**
- **Section 3.6 Borrowing by schools**
- **Section 4.2c Reporting on and control of the use of surplus balances**

14.3 Paragraph two of **Section 2.6 Audit: General** of the current scheme states:

*Schools will in addition be required to submit to internal audit scrutiny who have a programme of visits to schools at least once every two years, but this may be more frequent for schools regarded as higher risk (on the basis of previous audits and the financial reports provided to the Authority). Financial regulations requires the governing body to inform the Chief Internal Auditor immediately in any circumstances where a financial irregularity occurs or is suspected. A typical audit programme for a routine school audit is in **Guidance to Schools on Financial Management**.*

14.4 It is proposed that schools be required to submit to internal audit scrutiny **at least once every three years instead of once every two years**, but this may be more frequent for schools regarded as higher risk (on the basis of previous audits and the financial reports provided to the Authority).

14.5 **Section 3.6** of the current Scheme states:

Schools cannot borrow money, unless they have the written permission of the Secretary of State. This does not apply to any loans granted by the LA within the provisions of this scheme.

This provision also extends to the use of credit cards by schools, which are regarded as borrowing. However, this provision should not bar schools from

using debit cards, which can be a useful means of facilitating electronic purchase.

14.6 It is proposed this section be amended to:

Schools cannot borrow money, unless they have the written permission of the Secretary of State. This does not apply to any loans granted by the LA within the provisions of this scheme.

This provision also extends to the use of credit cards by schools, which are regarded as borrowing. However, this provision should not bar schools from using debit cards or the government purchase card, which can be a useful means of facilitating electronic purchase. Schools are required to manage the use of the purchase card and must abide by the repayment criteria. Schools are required to adhere to separate guidance on the use of purchase cards issued in the LA Guidance to Financial Management. The use of purchase cards is not considered to infringe the borrowing restrictions imposed on schools as long as the balance on the account is cleared in full within the month. All costs and charges for cards should be met from the school's budget share.

14.7 **Section 4.2** of the current Scheme governs the reporting on and control of the use of surplus balances. It sets out the national requirements with regards to the Balance Control Mechanism which limits the amount schools can legitimately carry forward at the end of each financial year. Moreover it underlines the LA's power to claw back excessive surplus balances where schools have not sufficiently demonstrated the reasons and evidence for carrying forward large balances to the local Appeals panel.

14.8 To add clarity to the local process for administering the Balance Control Mechanism (BCM), LA officers proposed detailed procedures to Schools Forum in 2007. The detailed procedures would have the effect of clearly stating each step of the BCM process to avoid ambiguity. At the November 2007 meeting of the Schools Forum, members agreed the local process and further agreed for the LA to insert the local process as an additional appendix to the Scheme for Financing Schools. The local process is reproduced in **Appendix 10**.

14.9 The current Scheme sets out the implications for **Revenue vs. Capital** which currently states:

Schools are reminded of the guidance from the DCSF that revenue budgets should not generally be used for capital expenditure as it is provided for the delivery of education and services to pupils currently in the school. Schools receive separate capital funding to support their investment needs- Devolved

Formula Capital which can be invested in buildings and facilities as they and can roll over to support larger projects. Schools should not therefore be transferring revenue funds into capital. Please refer to the guidance at point 2.14 of the Scheme for Financing Schools, which provides advice to schools on the process to follow if utilising revenue funding to support capital expenditure.

14.10 It is proposed this section be amended to the following, to recognise contributions to Building Schools for the 21<sup>st</sup> Century projects:

Schools are reminded of the guidance from the DCSF that revenue budgets should not generally be used for capital expenditure as it is provided for the delivery of education and services to pupils currently in the school. Schools receive separate capital funding to support their investment needs- Devolved Formula Capital which can be invested in buildings and facilities as they and can roll over to support larger projects. Schools should not therefore be transferring revenue funds into capital. Please refer to the guidance at point 2.14 of the Scheme for Financing Schools, which provides advice to schools on the process to follow if utilising revenue funding to support capital expenditure.

Schools will be allowed to make contributions towards expenditure and cost of BS21 projects. Copies of the relevant parts of the School's Development Plan, BS21 School Strategy for Change and school's Asset Plan will be required.

14.11 Schools Forum is asked to note and approve the recommended changes which will be re-issued to schools in February 2010.

14.12 The proposed cash advance dates for 2010/11 are provided in **Appendix 11**.

## 15. Financial Management Standards in Schools (FMSiS)

### Background

15.1 The DCSF introduced the Financial Management Standard and supporting toolkit as a voluntary code in 2004 to help schools evaluate and improve their financial management arrangements. The standard provides a benchmark against which schools compare their practices. The toolkit provides reference materials to assist schools with their financial management and help them achieve the standard.

15.2 The standard and toolkit are accessible at [www.fmsis.info](http://www.fmsis.info)

15.3 Meeting the Financial Management Standard became a statutory obligation upon schools in 2007. Roll out to schools is phased.

15.4 The standard itself is a simple one page statement of the characteristics that would be expected to be in place within a school that is well managed from a financial perspective. These characteristics cover the areas of:

- Leadership and Governance
- People Management
- Policy and Strategy
- Partnerships and Resources
- Processes

### FMSiS Roll Out

15.5 All secondary schools were required to meet the standard by 31<sup>st</sup> March 2007 with all remaining schools to be assessed in phases by March 2010. In line with Government expectations 80% of Primary Schools had achieved accreditation by 31<sup>st</sup> March 2009 with the remaining 12 being assessed this year.

15.6 The schedule of schools to be assessed by March 2010 and reassessments to 31 March 2013 has now been drawn and included in **Appendix 12**. Selection was based on the following criteria.

- Schools in deficit at 31 March 2009.
- Schools placing in the internal audit schedule so that schools will have had their audit prior to their FMSiS assessment falling due.

15.7 Schools are required to undergo reassessment once every three years. All secondary schools are therefore required to undergo reassessment by March 2010.

## **16. Service Level Agreement (SLA) Consultation**

- 16.1 Each year the Local Authority consults on proposed Service Level Agreements affecting schools ahead of the next financial year.
- 16.2 The proposed draft changes to 2010/11 Service Level Agreements are provided in **Appendix 13**.
- 16.3 Stakeholders are invited to comment.

## **17. Technical note on the data in the illustrative budgets**

- 17.1 The illustrations in **Appendices 14a – 14d** are based on the assumption that January 2010 pupil numbers are 38,414 in the borough. The illustrations only show the amount of Minimum Funding Guarantee. No standards funds or other grants are included in the illustrative budgets, however details of these grants were provided to all schools in the final budget notification letter for 2008/09. No headroom has been allocated in these figures. Draft budgets in early March 2010 will have a full set of information.
- 17.2 The extent to which any school's funding is determined by the Minimum Funding Guarantee is heavily influenced by the outcome of the January pupil count. The pupils numbers used in preparing **Appendices 14a – 14d** are based on draft pupil numbers from the October 09 count. These budgets are presented purely for illustrative purposes only. A school's final MFG protection is based on the January count preceding the start of a financial year.

## 18. Timetable

<b>Date</b>	<b>Meeting</b>	<b>Activity &amp; Key Issues</b>
Tuesday 13 <sup>th</sup> October 2009	Schools Forum	<p><b>1<sup>st</sup></b> Schools Forum of the 2009/10 academic year (5:00pm Civic Centre – CR4)</p> <ul style="list-style-type: none"> <li>▪ Update on progress of Special schools and Early Years reform.</li> <li>▪ Overview of 09/10 benchmarking</li> </ul>
Thursday 15th October 2009	Cabinet	
Tuesday 10 <sup>th</sup> November 2009	Resources SAG	Opportunity to review and discuss draft consultation paper before publication.
Friday 13 <sup>th</sup> November 2009	SSPB	Opportunity to review and discuss draft consultation paper before publication.
4 <sup>th</sup> – 6 <sup>th</sup> November 2009	HASH Autumn conference	Opportunity to review and discuss draft consultation paper before publication.
Monday 23 <sup>rd</sup> November 2009	14-19 Strategic Group	(10am – 12:30pm CR3) Discussion of 14-16 funding and costing models and implications for DSG.
Thursday 19th November 2009	Cabinet	Cabinet to review and endorse consultation paper before publication.
1 <sup>st</sup> – 2 <sup>nd</sup> December 2009	Primary Forum / HASH	Brief overview of consultation paper proposals at these meetings.
Wednesday 9 <sup>th</sup> December 2009	Schools Forum	<p><b>2<sup>nd</sup></b> Schools Forum of the 2009/10 academic year (5:00pm Civic Centre – CR4)</p> <ul style="list-style-type: none"> <li>▪ Opportunity for LA officers to reiterate local priorities and measure performance against original forecast.</li> <li>▪ Final Opportunity to comment on the proposals in the draft consultation paper before final publication.</li> <li>▪ Firmer discussion on priorities for money clawed back under BCM.</li> </ul>
Mid-December 2009		Publication of Hillingdon's consultation paper on Schools, Early Years and 14-16 funding proposals for 2009-11. Consultation to run until mid-January 2010.
Thursday 17 <sup>th</sup> December 2009		(10am – 12pm Committee Room 6) Information session for schools to hear presentation of proposals and funding changes for 2010/11.
Monday 4 <sup>th</sup> January 2010		Spring term 2009/10 commences.
Tuesday 12 <sup>th</sup> January 2010	Resources SAG	Final opportunity to discuss resourcing implications before the close of

		consultation.
Thursday 14 <sup>th</sup> January 2009		(10am – 12pm Committee Room 6) Information session for schools to hear presentation of proposals and funding changes for 2010/11.
14 <sup>th</sup> – 16 <sup>th</sup> January 2010	Heads Winter Conference	Brief item to be pick up any areas of immediate concern, satisfaction or confusion to schools.
Monday 18 <sup>th</sup> January 2010		<b>Consultation ends</b> (to allow papers to be prepared for Schools Forum) – comments may still be channelled through to reps on Schools Forum, but only formal responses received by this date can be guaranteed to be taken into account in the information provided to Schools Forum.
Thursday 21st January 2010		<b>Annual Schools Census</b> <i>(Final results of pupil count will determine the Local Authority's overall level of DSG funding for 2010-11 and individual schools' allocations).</i>
Tuesday 26 <sup>th</sup> January 2010	Schools Forum	<b>3<sup>rd</sup></b> Schools Forum of the 2009/10 academic year (5:00pm Civic Centre – Room TBA) <ul style="list-style-type: none"> <li>▪ Summary and presentation of results from consultation feedback</li> <li>▪ Present various illustrations on likely quantum of funding</li> <li>▪ Final comments and agreement from the Forum made about funding proposals for 2009-11.</li> <li>▪ Consider any firmer proposals that the LA may put forward in the light of the responses to the consultation paper.</li> </ul> (Decisions to be communicated to Cabinet – held 18 <sup>th</sup> February 10)
Thursday 18 <sup>th</sup> February 2010	Cabinet	Firm decisions on key issues relating to schools for 2010-11, in the light of the whole consultation process. If further Cabinet decisions are required, the next date would be 18 <sup>th</sup> March 2010.
Early March 2010		Publication of indicative schools and centrally retained budgets for the 1-year period 2010-11. Schools to review budgets and provide feedback to LA on any errors or omissions in data used for funding.
Wednesday 3 <sup>rd</sup> March 2010	Schools Forum	<b>4<sup>th</sup></b> Schools Forum of the 2010/11 academic year (5pm Civic Centre – Room TBA)

		<ul style="list-style-type: none"> <li>▪ Opportunity to review indicative budgets for 2010-11 and comment on any minor amendments.</li> </ul>
Thursday 19th March 2010	Cabinet	Further decisions on key issues if required.
Friday 26 <sup>th</sup> March 2010		<p><b>Final budgets</b> issued - cannot be later than 31<sup>st</sup> March 2010.</p> <ul style="list-style-type: none"> <li>▪ Final submission of Section 52 2010-11 Budget statement.</li> </ul>

## Appendix 1

Tables 11 and 13 below summarises the settlement figures for 2008-11:

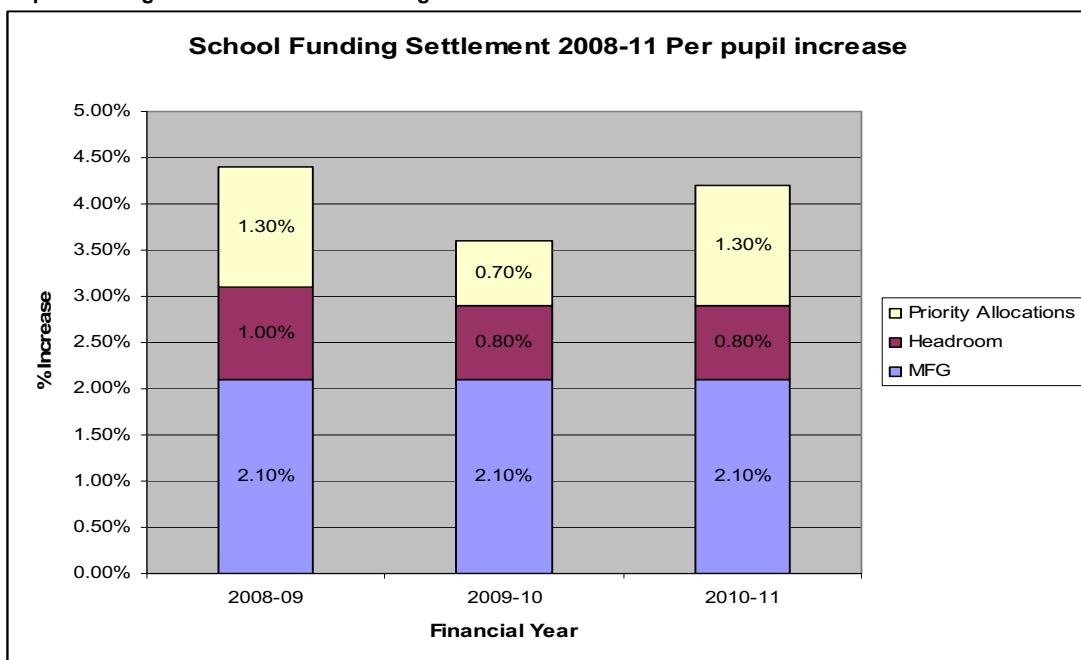
**Table 11: Minimum Funding Guarantee; Headroom; Basic per pupil increase 2008-11**

Financial Year	MFG	Headroom secured through CSR07	Basic per pupil increase
2008-09	2.1%	1.0%	3.1%
2009-10	2.1%	0.8%	2.9%
2010-11	2.1%	0.8%	2.9%

**Table 12: Overall per pupil increase 2008-11**

Financial Year	Basic per pupil increase	Ministerial Priority allocation	Overall Per Pupil Increase
2008-09	3.1%	1.3%	4.4%
2009-10	2.9%	0.7%	3.6%
2010-11	2.9%	1.3%	4.2%

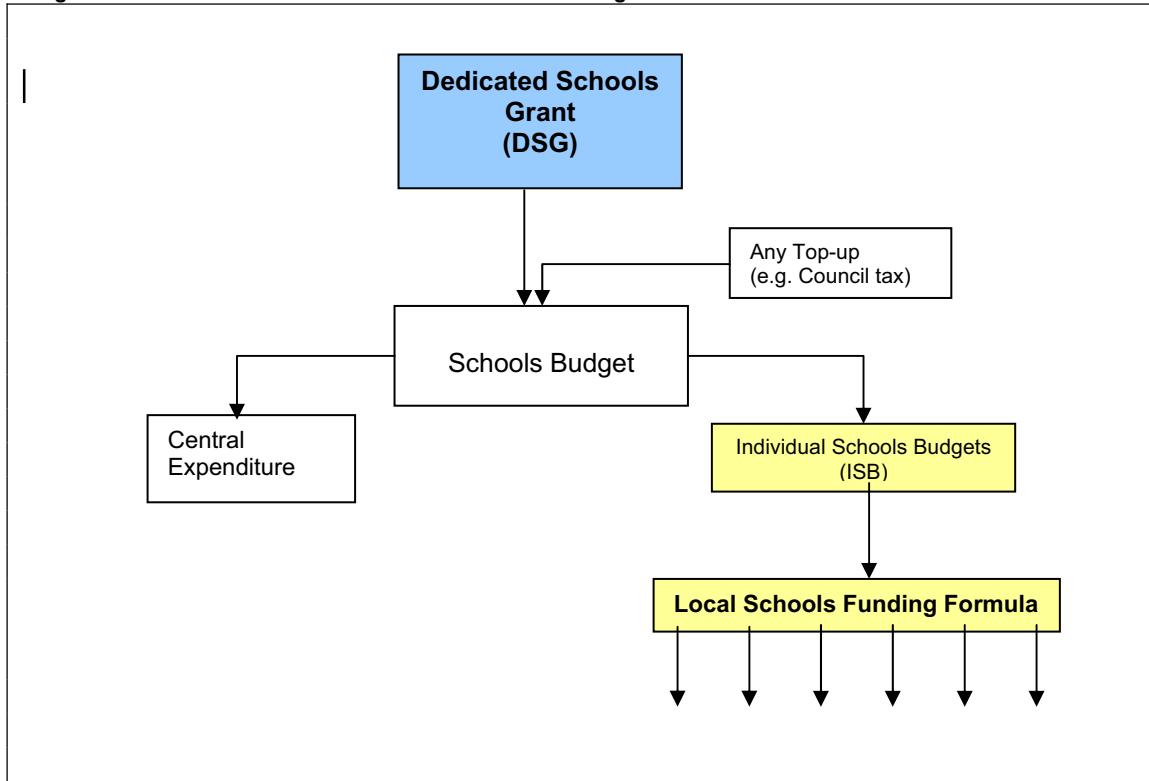
**Graph 1: Hillingdon's DSG School Funding Settlement 2008-11**



**Table 13: Hillingdon Priority Allocations 2008-11**

Priorities	2008-09 £(m)	2009-10 £(m)	2009-10 £(m)	Total £(m)
Personalised Learning & SEN	1.921	1.205	2.244	5.370
Funding Day 6	0.041	0	0	0.041
Pockets of Deprivation	0.042	0	0	0.042
<b>Total Priorities</b>	<b>2.004</b>	<b>1.205</b>	<b>2.244</b>	<b>5.453</b>

Diagram 1: Illustration of the flow of DSG education funding.



**Proposal for Targeted Youth Support, Senior practitioner  
 (£40,000 p.a.)**

**Background**

The Targeted Youth Support Team (TYST) is a partnership project designed to work with young people aged 11+ whom agencies have identified as 'at risk' as a result of their challenging circumstances or because they are beginning to display challenging or harmful behaviours. It is resourced by partner agencies including Health, the Police, Children's Social Care, Education Welfare, Connexions and the Youth Offending Service. Three secondary schools have made a contribution to the service by providing accommodation. The development of TYST has been overseen by a multi-disciplinary management group which has school representation.

**Current Activity**

Following the successful pilot run in the South locality, TYST rolled out across the borough in April 2009 and in the first six months received 166 referrals. Schools, both directly and via the Education Welfare Service, have been a significant source of referrals for the TYST, responsible for 47 (29%) during the first six months. Schools seek support for students exhibiting challenging behaviour, at risk of exclusion or at risk of disengaging from the education system through non school attendance. The TYST is represented at a number of education forums including most of the secondary school attendance panels, the pre-exclusion panel, children missing from education and managed moves. The

**Proposal**

The number of referrals received by the team following borough roll out has exceeded that expected following the local needs analysis undertaken as part of the preparation and planning of the project. The team requires at least one more post to manage the current levels of demand, moreover this post holder needs to be an experienced practitioner capable of working with the more complex cases being referred, whilst providing professional support to other staff within the team. We are requesting **£40k p.a. to fund a Senior Practitioner post within the TYST.**

All other funding avenues have been explored. If this proposal is not approved this post cannot be recruited to. Without this post the Team will have to prioritise the referrals of those services who do make a resource contribution to the project, including the three schools providing accommodation. This will mean that other schools will receive a significantly reduced service and may even lose all access to the service if demand continues to rise.



## LONDON BOROUGH OF HILLINGDON

### JOB DESCRIPTION

**Date:** 17<sup>th</sup> October 2008

<b>1.0</b>	<b>JOB TITLE:</b>	Senior Practitioner
<b>2.0</b>	<b>POST NO:</b>	
<b>3.0</b>	<b>GRADE:</b>	POA
<b>4.0</b>	<b>DEPARTMENT:</b>	Education and Children's Services
	<b>SECTION:</b>	Targeted Youth Support Team
<b>5.0</b>	<b>SUPERVISED BY:</b>	Targeted Youth Support Manager
<b>6.0</b>	<b>SUPERVISION EXERCISED:</b>	Directly: Project workers Indirectly: Nil
<b>7.0</b>	<b>CONTACTS:</b>	Internal: Managers and Practitioners from ECS teams within the department e.g. Referral & Assessment Team Youth & Connexions Service Youth Offending Service Family Placements Residential Services 16+ Team Children with Disabilities Team Staff and Managers within other council departments e.g. Housing Community Safety Team  External: Service Users and their families, Members of the Public, Representatives of the Police, Schools, Health Service providers, Voluntary Sector providers Benefit Agencies

## **8.0 MAIN SCOPE OF JOB:**

- 8.1 To be responsible for line managing a small group of staff providing and co-ordinating prevention programmes for young people identified as at risk of not progressing towards the every Child Matters priority outcomes.
- 8.2 To ensure the maintenance of good standards of practice by supervised staff within the framework provided by Council and Departmental policies and practice guidelines and DCFS guidance and requirements
- 8.3 To manage a small caseload of cases referred to the service.

## **9.0 DUTIES PERSONALLY PERFORMED:**

- 9.1 To take day to day responsibility for the line management of a group of staff within the Targeted Youth Support Team
- 9.2 To ensure that the standards of practice applied by supervisees are professionally sound and competent and take place within the framework provided by local policies, practice guidelines and any relevant legislation
- 9.3 To ensure supervisees deliver timely and effective assessments and interventions
- 9.4 To ensure appropriate risk assessments are undertaken in relation to individual work programmes with young people and that professional standards of care and control are maintained
- 9.5 To ensure client record systems, both manual and IT based , are of a high standard.
- 9.6 To ensure that the needs of young people from different racial, cultural and religious communities are identified and that there is equality of opportunity in the provision of the service
- 9.7 To attend and participate in case conferences, reviews and staff meetings as appropriate.
- 9.8 To take case work responsibility for a small number of cases, ensuring that resources of the department and other statutory and voluntary agencies are mobilised where relevant
- 9.9 To participate in supervision and such training as required in the interests of service delivery and career development.
- 9.10 To promote good professional relations with other sections of the department, other council departments and agencies.

9.11 To promote the furtherance of the Council's Equal Opportunities Policy in all aspects of work practices.

9.12 To undertake all duties in accordance with Council, Departmental and Team policies, procedures and practices including;

- The operation of recruitment, disciplinary, grievance and health and safety procedures
- the identification of the training and development needs of staff
- the operation of financial accounting and control systems
- the standard of security, safety and maintenance of council premises
- 

9.13 To undertake any other duties as may be appropriate to the level and nature of the post as determined by the TYS manager

Prepared By	Lynn Hawes	Date:	2.12.08
Approved By:		Date:	

## **Schools Procurement Officer (£55,000 p.a.)**

### **Background**

One of the outcomes of the devolution of budgets directly to Schools has been a fractured approach to the procurement of goods and services across the Schools community.

With the increasing pressure to reduce expenditure across the entire public sector there will undoubtedly be an impact on Schools and so the requirement for effective procurement will need to grow to mitigate this pressure.

Currently there is no dedicated Procurement resource targeted at Schools external expenditure within the London Borough of Hillingdon. Procurement support and expertise is mainly provided on a case by case, consultative basis through the relationship between the Corporate Procurement unit and the Education and Children Services Directorate.

### **Proposal**

It is recommended that a dedicated and fully funded Schools Procurement post is created to provide specific expertise and delivery of commercial benefit across the School community of Hillingdon.

The key deliverables of this post would be:

- Delivery of commercial benefit and savings for Schools
- Provide expertise and assistance to Schools with tendering, letting and management of external supplier contracts
- Co-ordinate and lead appropriate multi-School procurement activity e.g.:
  - Energy
  - Stationery and office supplies
  - Grounds maintenance
  - Facilities management
  - Catering
  - Manpower and professional services
- Assist Schools with governance and compliance relating to external expenditure e.g. creation and maintenance of contract registers
- Maintain linkages with Local and Central Government agencies to inform the Procurement strategy for Schools

It is difficult to give an estimate of potential savings in advance of carrying out more detailed work with school budgets, but at a very conservative estimate the job would yield savings of at least 3-5 times its cost.



## Job Description

<b>1. JOB TITLE</b>	<b>Procurement Manager - Schools</b>	
<b>2. POST NUMBER</b>		
<b>3. GRADE</b>	<b>POC equivalent</b>	
<b>4. GROUP</b>	<b>Finance and Resources</b>	
<b>5. SERVICE</b>	<b>Procurement</b>	
<b>6. SUPERVISED BY</b>	<b>TBA</b>	
<b>7. SUPERVISION EXERCISED</b>	<b>Directly:</b>	<b>TBA</b>
<b>8. CONTACTS</b>	<b>Internal:</b>	<b>Cabinet Members, Councillors and all levels of staff up to and including the Chief Executive, School Governing bodies and Headteachers.</b>
	<b>External:</b>	<b>Directors and representatives of Contractors and Suppliers. Other External bodies and Organisations representatives, e.g. Public Sector Purchasing Consortia, other Local Authorities, Audit Commission, Hillingdon Homes.</b>

## **9. JOB PURPOSE**

To identify cost reduction opportunities across the School community of London Borough of Hillingdon and lead on complex cross cutting procurement reviews aimed at reducing costs, minimising legal risk whilst retaining service quality.

## **10. MAIN DUTIES AND RESPONSIBILITIES**

- Analyse spend across all Schools comparing actual expenditure by Supplier with a locally held contracts register
- Investigate all suppliers with an expenditure above £XXXk pa to determine contractual coverage & market testing history
- Develop a category strategy agree a rolling programme of Procurement activity covering all £XXXk spend suppliers with full involvement of nominated staff within the Schools community
- Identify and implement Cost Reduction Opportunities leading to cashable savings of a minimum of £XXk in each financial year
- To take personal responsibility for the provision of procurement advice across the School community
- Project Manage Borough wide procurement initiatives
- Tender and negotiate value for money contracts, for common goods and services across the School community
- Assist Head Teachers and Governors to appraise suppliers and implement continuous improvement steps into contract monitoring
- Provide support to Head Teachers and Governors by facilitating improvement initiatives with suppliers whose performance is below acceptable levels
- Contribute to the generation & revision of Procurement policies and procedures manuals for the Schools community
- Develop business cases including Project Initiation Documents for cost reduction projects
- Ensure that the Schools Risk register is regularly reviewed & updated in relation to managed projects & effective systems are put in place to manage any risks that may arise
- Increase collaboration across all Schools in the Borough, leading or

participating in tenders and efficiency improvement initiatives thereby promoting LBH as a centre of excellence for Schools procurement

- Develop excellent communication with suppliers, contractors and customers for the provision of efficient procurement
- Create and maintain an up to date database of supplier, contractor market intelligence
- Promote the procurement function across the Schools community

## Appendix 2c

### **The Local Leaders in Education Project (£87,000 p.a.)** **2010/11 Proposal**

The Local Leaders in Education Project is a project which is by schools for schools. It is the initiative of three Hillingdon Headteachers who are also National Leaders of Education but who wish to support local schools. The project involves seven Hillingdon Headteachers (1 secondary, 1 infant, 1 special and 4 primaries) who have been trained and accredited as London Challenge Local Leaders of Education. This training was funded partly by the Local Authority and partly by London Challenge.

The project has been running for 2 years now and a total of 14 schools have received support during the life of the project. This support is bespoke to the client school and is designed to enable schools to move from satisfactory to good or from good to outstanding, as well as supporting schools that are at risk of falling into an Ofsted category.

The project received £136,000 from the Schools' Budget in 2009-10.

A real strength of the LLE project has been the direct interaction between headteachers and their schools to provide support either on their own or in conjunction with that provided by the School Improvement Service and City Challenge. The scope of support has ranged from very focused, short term involvement to much wider, longer term projects.

Some examples of LLE work either completed or ongoing and its impact are presented below:

*An LLE primary school provided extensive support to another primary school in an adverse Ofsted category. This support included direct involvement of the LLE headteacher who worked in a mentoring/coaching capacity. Further it entailed the use of the LLE school's senior and middle leaders to disseminate good practice and build sustainable systems. LLE support in conjunction with that provided by the Local Authority and City Challenge resulted in the targeted school being removed for its adverse Ofsted category in the required one year.*

*An LLE secondary school supported a primary school which had received a satisfactory Ofsted judgement. Following support on Leadership, working with parents and monitoring the quality of teaching, the school was judged to have made good progress in making improvements and good progress in demonstrating a better capacity for sustained improvement when the HMI monitoring visit took place one year later.*

*This proved to be a very good, groundbreaking example of cross phase working in Hillingdon.*

*Senior leaders from an LLE primary school are working closely with their counterparts in another.*

- *The project has been scoped and priorities established in consultation with senior staff and the LA;*
- *The first phase has involved mentoring and coaching for both the new deputy head and foundation stage leader;*

- *Learning walks and classroom observations have been undertaken and the level of support will be increased in the spring term 2010 as part of the Keys to Success project;*
- *Advanced Skills Teachers from the LLE school will be supporting the development of teaching and learning next term;*
- *There will be a clear focus on developing the leadership skills of phase leaders;*

*This support programme is scheduled to last until the end of the academic year (2009/2010).*

*Links established between an LLE primary school and a local primary school, with focus on deputy headteacher induction.*

*Development of a 'key to success' project involving two local primary schools. Agreement of focus for the project and liaison between headteachers and members of staff in both schools. Action plan and targets developed and regular meetings arranged.*

*A more limited, short term project involved the use of teachers from an LLE school to directly support underperforming teachers in another school.*

The aspiration is to continue to consolidate and expand the LLE Project in 2009/10 by: recruiting 3 additional LLEs and to further develop the work of the project by:

- The recruitment of an additional three LLEs in January 2010;
- Investigate the redevelopment of the *Urban Leaders Project*;
- Provide continued coaching for new Hillingdon headteachers;
- The development of an LLE Project Director from within the LLE group.

The LLE project currently has a balance of £49,000. The imminent recruitment of the additional 3 LLEs will dictate that the available balance at April 2011 will be £31,000 which will be carried forward against future expenditures if the Schools Forum agrees.

In order to fund the planned activity for 2010-11, the following funding is needed

to generate capacity in order to enable the existing LLE schools to support others	7 x £6,000 =	£48,000
to provide bespoke support to 10 schools	10 x £6,000 =	£60,000
to provide LLE Training to the 3 new LLE schools	3 x £2,000 =	£6,000
to develop LLE services in Hillingdon and other boroughs and publicity		£ 4,000
<b>Total</b>		<b>£118,000</b>
Less: balance Brought Forward from 2009-10		£31,000
<b>Total Funds</b>		<b>£87,000</b>

## Appendix 3

<b>Title</b>	<b>Review of Special Schools' Funding</b>
<b>Presented by</b>	<b>Pauline Nixon/Special School Head Teachers Group</b>
<b>Date</b>	<b>9<sup>th</sup> December 2009</b>
<b>Agenda Item</b>	<b>Request for additional special school funding from 2010/11</b>

### 1. Introduction and Background

- 1.1 Last year the consultation included a proposal to redistribute resources within the existing individual schools' budgets (ISB) (after deducting existing and newly approved central expenditure commitments) by top slicing £1.4m from the Primary, Secondary and Nursery Schools budgets and redirecting the resources towards addressing an identified funding shortfall to Special Schools.
- 1.2 The proposal relied on the £1.4m being released in two annual instalments of £700k (uplifted to reflect 2009/10 and 2010/11 funding levels) to be targeted towards the development of a cost effective outreach service. Approval of the proposal was conditional upon fulfilling the following assurances:
  - removal of 1:1 funding
  - improve the quality of Outreach provision
  - assist mainstream schools to develop their in house capacity to better cater the needs of children with SEN
  - minimise the number of placements to Independent and out of borough provisions
  - engage the LA in a broader decision making framework.
- 1.3 The consultation proposal was agreed at the January meeting of the School Forum and the first tranche of funding was made available from 2009/10 with the potential release of the 2<sup>nd</sup> tranche from 2010/11 pending completion of a full review having taken place during the course of 2009/10 to guide the outcome of the decision.

### 2. Review Findings

- 2.1 The £700k was distributed to Special Schools in 2009/10 based on a generic formula and although the additional funding went some way towards addressing the £1.4m funding shortfall previously identified by the Heads of Special Schools the overarching aim of reducing dependency on special schools and getting more children into mainstream schools within the borough was not fully realised.

2.2 Appendix A to this report was presented to the School Forum in July to demonstrate the effective use of the resources over the course of the year, however, as a result of not targeting sufficient resources towards developing an effective model to support the retention of pupils within borough provision the Special Needs Team is projecting an over spend in the region of £265k by the end of the current financial year (a detailed breakdown of the adverse budget variance is provided as Appendix B to this report.) This overspend is being contained within the overall DSG central allocation in the current year however it is not sustainable to contain this budget pressure over the longer term. A £500k overspend is predicted for 2010/11 onwards and unless collaborative action is taken to enable more children with complex needs to be admitted to mainstream schools and to reduce out borough placements with the support of a comprehensive service from special schools, this predicted overspend will have the first call on the following year DSG (2011).

2.3 Where carrying forward an overspend to the next year puts the authority in breach of its Central Expenditure Limit, the authority will need to seek approval from the School Forum to increase the limit. If no preventative action is taken the overspend will continue year on year.

2.4 The Special Heads' Working Group in collaboration with senior LA officers had established that the key factors, which can help maintain children within the borough are:

- support for families to prevent crises
- increased provision for complex healthcare needs
- enhanced equipment and facilities to support complex needs
- increased provision of specialist training and staff capacity special schools
- outreach and INSET work with mainstream schools and other service providers.

### **3 Recent Developments**

3.1 Hillingdon has a higher than average population of children under 5 years of age. The borough's birth rate is increasing at a faster rate than the national average. The rising birth rate and the changing demography of the local population has implications for Hillingdon's special schools which are currently at or near capacity. In addition, there has been and continues to be pressure on centrally held budgets to support placements of Hillingdon children in out of borough or Independent provisions.

3.2 Providing better value for money by requiring schools to work together is a key part of the DCSF's current review of the distribution of the DSG

from 2011. Much of the Schools Funding Review is dependent on the outcome of the next Spending Review.

#### **4      Proposal**

4.1    The LA is recommending that the second tranche of £700,000 be approved to develop services from special schools to promote the integration of children into mainstream schools and the reduction in out borough placements.

##### **Option 1**

4.2    The Council would commission services (outreach, inset, transition and re-integration) with the ultimate aim of reducing out of borough placements with any related savings being re-invested back into the system through the SLAs. The model would be reviewed again on an annual basis ahead of the new formula funding review for 2011/12.

##### **Option 2**

4.3    We could continue with the 09/10 model of distributing the additional funding in 2010/11, which would provide the schools with a greater degree of funding stability and predictability to maintain current programmes that have been developed or earmarked with the 1<sup>st</sup> tranche of funds this year. However, this approach would lead to the council having to put forward a case for retaining a greater central element of DSG for 2011 onwards to fund the ongoing overspend in the SEN Team.

## **Appendix A – Special Schools Funding Review Update**

The Schools Forum agreed that £700,000 additional funding for special schools would be made available from the DSG for 2009/10, with a full review taking place during the course of the year in order to put forward a business case for a continuation of this funding in 2010/11. The rationale for providing this funding was that by investing in special schools the need for expensive out of borough placements could be reduced or at least contained, hence reducing the pressure on the DSG.

### **Review Process**

A group containing all special school head teachers has been set up to progress the funding review with a view to producing a business case for the Schools Forum in October. Sarah Harty is leading on compiling the business case, with assistance from Amar Barot and Pauline Nixon. Interim findings will be discussed at appropriate Resources Strategic Advisory Group meetings.

As part of this process special school head teachers have provided information in relation to the use of the additional funding in 2009/10 (see Table 1).

The business case will:

- identify the factors which can help maintain children within the borough
- set out the additional capacity needed to boost retention
- attempt to model the numbers of out of borough placements which such support could prevent
- translate the reduced/contained number of out of borough placements into financial savings

The working group has already established that the key factors, which can help maintain children with the borough are:

- support for families to prevent crises
- increased provision for complex healthcare needs
- Enhanced equipment and facilities to support complex needs
- Increased provision of specialist training and staff capacity special schools
- Outreach work with mainstream schools

**Table 1 Use of 2009/10 funding**

The following table gives an indication of how the additional funding provided in 2009/10 has been used to date to support special school provision in Hillingdon.

Category	Examples
Support for families	<ul style="list-style-type: none"> <li>• ASD and language co-ordinators given capacity to work with families to avoid crises (Grangewood)</li> <li>• More Positive Parenting courses run by school (Grangewood)</li> <li>• Short breaks provision significantly enhanced (Hedgewood Summer School)</li> <li>• Sunday Play Scheme established to support parents (Hedgewood Play leader appointment)</li> <li>• Pyramid parenting (Hedgewood)</li> <li>• Allocation of a Family Worker to develop parent coping</li> <li>• Saturday football sessions (Hedgewood)</li> <li>• Triple P course for parents struggling with teenagers (Chantry)</li> <li>• Reaching Out co-ordinator/other staff have capacity to support parents (Moorcroft)</li> <li>• Family learning sessions (Moorcroft)</li> <li>• Subsidised short break provision with provision (Moorcroft)</li> <li>• Release staff time to support families through home visits etc (Meadow)</li> <li>• Provision of training for parents and carers, parent support groups, family learning sessions (Meadow)</li> <li>• Six Saturday conferences for SEN/LDD/ASD parents (Hedgewood)</li> </ul>
Healthcare provision	<ul style="list-style-type: none"> <li>• Healthcare worker appointed to support staff with health and care issues</li> <li>• Chiropractor employed one day a week (Chantry)</li> <li>▪ Parent self-help group (Hedgewood)</li> </ul>
Equipment/facilities	<ul style="list-style-type: none"> <li>• Purchase of additional resources for ASD children e.g. IT software and hardware (Grangewood and Moorcroft)</li> <li>• Provision of ICT and other resources</li> <li>• Purchase of additional resources for PMLD population (Grangewood)</li> <li>▪ Purchase of specialised equipment e.g. standing frames, walking aids (Moorcroft and Meadow)</li> </ul>

Category	Examples
Specialist capacity/training	<ul style="list-style-type: none"> <li>• Expensive ASD training for staff (Grangewood)</li> <li>• Music Therapist retained for children with ASD (Grangewood)</li> <li>• Supporting partnership with Sunshine House – 8 pupils to be relocated to there (Grangewood)</li> <li>• Occupational therapy appointment (Hedgewood)</li> <li>• Maintenance of 3 very challenging ASD pupils – would otherwise have gone out of borough (Hedgewood)</li> <li>• Operating at 10% above DCSF designated place factor (Hedgewood)</li> <li>• Staff training e.g. TEACCH training for staff (Hedgewood, Moorcroft and Meadow)</li> <li>• Introduction of SALT (Chantry)</li> <li>• Employed consultant therapist to assess students' needs and train staff (Chantry)</li> <li>• 2 SLAs employed to support integration to mainstream (Chantry)</li> <li>• Full-time counsellor for students and staff (Chantry)</li> <li>• Staffing to support identified pupils e.g. HLTA post to support pupils with PMLD and complex needs from September 2009 (Moorcroft)</li> <li>• 1:1 staffing to support pupils with severe challenging behaviour (5 pupils have additional staff allocated to their classes for September 2009) (Moorcroft)</li> <li>• Level 3 LSA for children with communication needs (Moorcroft)</li> <li>• 1:1 Staffing to support identified individual pupils with severe challenging behaviour (Meadow)</li> <li>• Staffing to support identified individual pupils e.g. learning support officer for children not able to access the classroom for periods of time (Meadow)</li> <li>▪ Additional staffing to match rising numbers (Meadow)</li> </ul>
Outreach	<ul style="list-style-type: none"> <li>• Increased outreach services for schools; 13 children re-integrated in the last 12 months (The Willows)</li> <li>• Greater development of outreach (Chantry and Moorcroft)</li> <li>• Behaviour management training for mainstream staff (Chantry)</li> <li>• Weekly free 'narrowing the gap' Inset on SEN/LDD/ASD at Hedgewood/from Hedgewood</li> <li>• Staffing to provide outreach support to mainstream schools/parents/other special schools etc (Meadow)</li> <li>• Supporting feeder primary schools with resources (Meadow)</li> </ul>

## Appendix B – Budget Monitoring

Hillingdon has a higher than average population of children under 5 years of age and that the borough's birth rate is increasing at a faster rate than the national average. Empirical evidence associates an increase in the birth rate with a proportionate increase in the number of children with complex SEN. Hillingdon continues to be a significantly higher user of out borough provision (independent, non maintained and maintained) than both statistical neighbours and other LAs nationally, placing an undue burden on centrally held budgets. Moreover, value for money and pupil outcomes is not assured.

The main reasons for the projected O/s in the current financial year are as follows:

- Hillingdon numbers of LAC placements in other LAs who place them in independent schools (costs sit with education)
- reduction in recoupment income (Hillingdon special schools have fewer out borough pupils attending who we charge for)
- an increase in Hillingdon pupils placed in other LA schools as ours are full
- the average cost of an independent placement has gone up on average by 4k per pupil Total approx 345k increase
- There has been an increase in statemented pupils moving into Hillingdon compared to those moving out (28 moved in 16 out) (at an average cost in mainstream of approx £10,000 per student = 120k).
- Tribunal ruling last year for 250k placement, full costs incurred this financial year

This trend is set to continue into next year and will definitely have a substantial impact on the budget, which needs to be addressed.

### Detailed expenditure

2008/09 end of year position for SEN showed under spend of	-241,000.00
At present, for 2009/10, SEN is showing an anticipated overspend of	264,000.00
This represents a difference of	505,000.00
Explanations for this:	
<b>Increase in independent special schools and contributions to other services:</b>	
MARP panel resulted in an increased contribution towards LAC placements	25,000.00
New LAC Independent school placements (1 x St Joseph / 1 x Learning Opps / 1 x Hope View / 1 x Continuum)	85,210.00
6 New Independent Special School Placements (other than planned secondary transfers) (1 x Hill Manor / 1 x Meath / 1 x Treehouse / 2 x Insights / 1 x TCS)	250,961.00
Treehouse placement the result of a Tribunal (Insights placements and TCS result from Chantry placements breaking down)	
<b>Additional pressures on budget not included in current forecast:</b>	
Funding for mainstream statements, overall, is currently showing an overspend of £55,000, the likely projected position at the end of the year will be £228,000 (on par with last year)	228,000.00
As our special schools are currently at capacity (apart from Chantry), any move ins or new statements requiring special provision (apart from SRP) will need to be accommodated out borough. If we assume that 25% of new statements issued during the remainder of this financial year are placed either out borough or in independent schools We can assume that approximately 73 new statements will be issued between now and year end. 25% = 18	
Approx cost of 18 out borough placements at £25k each x 1 term =	149,000.00

## Arrangements for Pupils out of School

### **Hillingdon Tuition Centre**

- **Purpose**

To educate pupils permanently excluded from school. Pupils at risk of exclusion to access a dual roll place, for a maximum of 2 terms

- **Volume through the Service**

Permanently excluded pupils	41
<i>(includes pupils excluded from out of Borough schools living in Hillingdon)</i>	
▪ Other pupils not on roll of any school	8
▪ Dual roll pupils	37
TOTAL:	86

- **Expected Volume 2009/10**

The overall decrease in permanently excluded pupils over the past 3 years has meant that HTC has now been dealing more effectively with those at risk of permanent exclusion. The Local Authority is required to teach pupils who have been permanently excluded and should these numbers increase as they did in 08/09 less preventative work will be available. In order to manage this issue and to support behaviour and offer dual places, classes should be maintained.

e.g. 2 x 8 KS3 classes, 25 hours per week  
2 x 8 Year 10 classes, 25 hours per week  
2 x 8 Year 11 classes, 25 hours per week  
1 x 8 KS4 work experience group, 5 hours per week plus support from work experience LSA

- **Funding**

Some funding is available from charges to schools for dual roll pupils but the amount charged does not pay for the cost of the small groups required and staff /pupil ratio needed.

The funding is now supported within the DSG and is reflected in the consideration of commitments.

### **Pupil Support Teachers**

- **Purpose**

To teach sick pupils in hospital and at home (when necessary)  
To teach other pupils out of school for a variety of reasons, e.g. diagnosed phobias, move-ins with no school place available within 4 weeks; and SEN statemented pupils with no school available.

- **Volume through the Service**

III pupils	29
SEN pupils	50
All others	90
<b>TOTAL:</b>	<b>169</b>

- Sick pupils receive up to 10 hours education per week if they are well enough to receive it
- All other pupils receive varying amounts of education depending on need and school requests etc from 3 hours per week to 12/15 hours per week

### **Education Welfare Service**

- **Purpose**

For pupils not attending school, and statutory licensing

- **Volume through service 07/08 (numbers for 06/07)**

1651	Pupil referrals (1140)
812	Referred as being without a school place (81)
128	Prosecutions (110)
214	Fixed penalty notices (115)
605	Fast-track attendance panels in all schools (389)
23	Truancy sweeps (21)
185	Performance licences issued (141)
54	Chaperones licences issued (68)
111	Work permits issued (102)

### **Expected Volume 2008/09**

It is expected that 07/08 figures will remain static or increase as there were large increases in volume in 07/08 from 06/07

### **Funding Arrangements for Excluded Pupils**

- **Purpose**

All permanently excluded pupils who are re-integrated into a new school, have the AWPU allocated to the school, plus additional funding as agreed with the school. This has been on average £2k + age-weighted pupil unit (AWPU) per pupil

The AWPU is removed from the excluding school;

- **Volume through Service/Cost**

14 re-integration @ £2k average = £28k in addition to APWU

- **Expected Volume 2008/09**

To remain static as for 2 years the number of excluded pupils placed in a new school has largely remained the same.

### **Alternative Provision (not HTC etc)**

- **Purpose**

To educate pupils not on roll at HTC or the Pupil Support Teachers. This includes College places, NotSchool, alternative education providers on an ad hoc basis

- **Volume through service**

20 pupils on Notschool @ £3k average = £60K

7 Year 10 and 11 pupils accessing College courses @ £3K average = 21K

Notschool is 25 hours per week

College is minimum 2 days a week, maximum 3 days a week

- **Expected Volume 2009/10**

To remain static unless there is a rise in exclusions.

## **Funding available to support the 14-19 agenda**

### **Area Based Grant (ABG)**

- ABGs were introduced 2008-2009 (2006 Local Government White Paper).
- The ABG replaces the current Local Area Agreement (LAA) Grant and is composed of a number of previously separate grants.
- The ABG is disconnected from the indicators, targets and outcomes in Local Area Agreements, and is paid on an un-ringfenced basis for all local authorities.
- Local authorities are free to spend the ABG as they see fit to support the delivery of local and national priorities in their areas.
- The ABG contains funding for supporting 14-19 partnership working / collaboration (formerly Grant 302: Flexible 14-19 Partnership Funding).
- Funding can be used to support significant administration costs in connection with diploma delivery.

**Total Available: £72,200**

### **Dedicated Schools Grant (DSG)**

- Annual funding for schools is now provided through the Government's new ring-fenced Dedicated Schools Grant (DSG) to each local authority.
- Local authorities will continue to be responsible for the distribution of funding to schools in their area in consultation with their Schools Forum.
- DSG includes the guaranteed per pupil unit of funding for compulsory age education.
- DSG funding is distributed to schools based on a local funding formula, with age weighted pupil unit (AWPU) funding accounting for approx. 75-80% of each school's funding. Also referred to as mainstream funding in the home school.

### **Dedicated Schools Grant (DSG) for practical learning opportunities (PLO)**

- DSG for PLO is allocated for secondary schools to secure high quality practical learning that meets local demand, enhances progression and builds capacity in line with planning the Diploma entitlement - a stronger remit than 2007-8 ('*a broader range of practical and specialist provision at KS4 in preparation for the rollout of Diplomas from 2008*')
- Local authorities should consider, with their Schools forum and in consultation with the local LSC and 14-19 partnerships, how this funding can be aligned with other resources available for the implementation of 14-19 change to secure a coherent range of provision in each area.
- The DSG PLO is held centrally. The Funding sub group of the 14-19 Strategic Group have drawn up detailed criteria so the money is accessible for practical learning opportunities. The 14-19 SG will ensure that this criteria is circulated to HASH. A breakdown of the PLO DSG can be seen in Appendix 5b.

**Total Available: £409,771**

### **Diploma Formula Grant at KS4 (DFG)**

- Local authorities, with 14-19 partnerships, are expected to have planned provision, collaborative delivery, timetables IAG and transport arrangements for all 17 Diplomas and costs until 2013.

- DFG was allocated to local authorities with 14-16 year olds estimated to start on Diplomas in 2008. Hillingdon under-recruited. Therefore the grant will be recovered by deducting from future year's allocations. Any unspent amounts are expected to be rolled over and used in the following years. This is being done.
- DFG provides dedicated funding to support the additional costs of delivery of Diplomas at KS4 which cannot be met from mainstream funding e.g. additional costs for teaching, transport, materials for planning and delivery.
- DFG essentially provides £1K per learner in the first year reflecting additional costs of delivering these qualifications incurred by the practical and applied elements of learning, equivalent to one day/week away from the 'home' school
- The grant takes into account:
  - number of Diploma lines and levels
  - access and take-up
  - overall numbers in the authority
  - cost of provision in high wage areas
  - additional costs in sparsely populated/rural areas
- Some funding may be kept at partnership level to meet Diploma costs; charging for Diplomas should be based on a framework which reflects the LSC 16-18 methodology and different levels of funding across local authorities
- DFG funding is being routed by direct payment to the learning providers.
- The DFG has been secured for 2010/11. However the amount is to ensure delivery of the full entitlement by 2013.
- It is expected that eventually DFG will be mainstreamed into DSG

**Total Available: TBC**

### **Proposed 14-19 Activity 20010/11**

The proposed activities are to support the changes in 14-19 education in schools, for example Diplomas, Foundation Learning, Function Skills. Hillingdon now has 4 Diploma lines of learning that are operating, Society Health and Development, Hospitality, Business Administration and Finance and Engineering, operating at KS4 and KS5. Retail Business and IT are to recruit from September and we are awaiting the results of an early review of Gateway bids for Hair and Beauty and Creative and Media. If these are successful, Hillingdon will be nearer the national target of implementing all 17 Diploma lines of learning by 2013. Support has been planned for both current Diploma lines and those consortia of schools that are planning future delivery.

Foundation Learning will be a focus this year as schools will be expected to ensure that their level 1 and entry level courses are part of the Qualifications Framework. A pilot is underway with Uxbridge College, Hillingdon Training, a special school and two mainstream schools. The programme will be extended to more schools this year.

For the past three years, at post 16 grades students in Hillingdon schools have been awarded a grade which is, on average, half a grade lower than their minimum target grade. In response to this, the 14-19 Budget allocated a sum to running a sixth form network as a forum to improve results.

The LA this year will absorb the responsibilities of the LSC and achievement will be one of the criteria that will be used for commissioning Sixth Form provision. Therefore this criteria will also be used by the 3 Consortia in their curriculum planning. This will ensure that there is a range of education at post 16 to provide courses at entry level, level 1 and level 2 for post 16 students that not only meets the needs and demands of Hillingdon learners, but also ensures the quality of the learning experience at post 16. In addition it will enable schools to provide for some of those students who will be staying on in school as a result of the increased age of participation.

## Appendix 5b

### DSG 2010/11: 14-16 Practical Learning

Item	Total Budget	£410K	Notes on the Budget
1	Diploma Development Gateway 4 Sport and Leisure (Barnhill)	30	Diploma start up money as agreed for Gateways 1, 2 and 3
2	Diploma Development Gateway 3 Retail (lead Haydon)	20	<ul style="list-style-type: none"> <li>Diploma Development money as agreed for Gateway 1,2, 3</li> <li>Diploma successfully through the Gateway with approval to deliver the programme.</li> <li>Funding goes to Lead Institution/School and is to be shared equitably with contributing/delivering institution.</li> <li>Funds to be used for the development of the programme: <ul style="list-style-type: none"> <li>Schemes of work</li> <li>Work with practitioners</li> <li>Training/CPD needed for teachers/instructors to deliver</li> <li>Resources</li> <li>Employer engagement</li> </ul> </li> </ul>
3	Consortia Manager to manage development of Consortia, to encourage sharing of curriculum and vocational opportunities	40	<ul style="list-style-type: none"> <li>To attend all Consortia groups and manage the Consortia. To work with schools to develop their practical and applied learning programmes of study at KS4 and post 16.</li> <li>To develop a consistent approach with clear communication across the three consortia, focusing particularly on curriculum blocks, staffing needs, provision across the group for diplomas, practical learning opportunities and Foundation Learning.</li> <li>Post holder will work with Leader of the Consortia, HEI and other providers. <ul style="list-style-type: none"> <li>Post holder will work with curriculum deputies/senior members of staff responsible for 14-19.</li> <li>Post holder will be accountable to 14-19 Strategic Group</li> </ul> </li> </ul>

4	Employer Engagement	30	Continuation of this year's post. Liaising with employers on behalf of Hillingdon schools for a range of events including Diplomas.
			<ul style="list-style-type: none"> <li>Will develop links with business to get high quality work placements that are sector specific.</li> <li>Working with Schools, HEI and other providers to develop CPD programmes, so colleagues can gain a better understanding and knowledge of vocational pathways.</li> <li>Run a teacher/employer conference</li> </ul>
5	Functional Skills support English, Maths and IT	15	<ul style="list-style-type: none"> <li>Funds to be used for CPD/training for teachers in Mathematics, English and ICT.</li> <li>To be used to fund specialist trainers to visit schools delivering Functional Skills.</li> <li>Resource development workshops</li> <li>To assist with cover when courses applied.</li> <li>Resource bank to be developed for the benefit of all providers</li> </ul>
	Functional Skills Support – Entry and Level 1	20	
6	Publicity for 14-19 developments, including collaborative provision and diploma	15	<ul style="list-style-type: none"> <li>Campaign to target parents, students governors on behalf of all schools. Vocational brochure to ensure that schools are aware of availability of programmes of learning, the place of delivery and the cost. Delivery of information sessions re the above</li> </ul>
7	Choice Update	5	To provide support and training for school administrators to update a school's curriculum offer onto the Pan London 'Choice' website. (Compulsory requirement)
		10	Cost of 'Choice' – charged by LSC

8	<p><b>Foundation Learning Group</b></p> <p>To create a coherent entry level/level 1 programme for students at aged 14+. To provide a more comprehensive programme of learning for students pre- level 2.</p> <p>To provide additional support to those students likely to become NEET.</p> <p>This programme also includes units for those students with LLDD who will need supported employment.</p>	<p>20</p> <ul style="list-style-type: none"> <li>• To extend the pilot started this year to other schools.</li> <li>• Building capacity in schools to develop a coherent programme of Foundation Learning ahead of curriculum and funding changes in 2010</li> <li>• Provide appropriate CPD for staff involved with Foundation Learning, including teaching assistants</li> <li>• Funds to be used to facilitate training for participating schools.</li> <li>• To support collaborative provision</li> </ul>
9	<p><b>Sixth Form Network</b></p>	<p>20</p> <p>Rationale- Downward trend in 6<sup>th</sup> Form results 2 years running. Emphasis on teaching and learning. Share good practice for new A levels, Extended Project etc</p> <p>Support for schools wishing to develop an inclusive curriculum offer at post 16 in Hillingdon schools to include Foundation Learning and Level 2 courses in line with LSC criteria for 6<sup>th</sup> form growth.</p> <p>Encourage participation towards HEI. Provide a platform to encourage Staying On in line with RPA.</p>
10	<p><b>KS4 Engagement programme</b></p>	<p>80</p> <p>Funding from the LSC has now ended. This programme is very successful, in its third year. This money is to supplement LSC shortfall.</p>
	<p><b>Travel</b></p>	<p>20</p> <p>Travel for young people taking part in collaborative learning programmes, in particular diplomas</p>

Administration costs for the Consortia	20	Coordination/administration of progressing collaborating learning programmes allowing schools to show entitlement as per David Smith's recommendations. Will also allow planning towards the raised age of participation.
Specialised instructors	38	Peripatetic tutors to be used for the benefit of young people studying vocational education in Hillingdon. Subject specialism to reflect Borough economic priorities
Raising of the Participation age	27	Working with schools in terms of IAG to prepare young people from year 7 to prepare. Publicity plan with Connexions for parents Planning with Curriculum Deputies and Head of Sixths
<b>Total</b>	<b>410</b>	

## **Report on 2009/2010 Food in Schools Programme Spending**

### **School Lunch Grant**

- Introduction:

**Grant Total: £ 436,451**

The Grant can only be spent in four ways:

- 1) Pay for ingredients for school lunch
- 2) Pay labour costs of catering staff
- 3) Buy small pieces of kitchen equipment, for example, microwaves, steamers etc.
- 4) Pay for nutrient analysis software required to assess whether a menu meets the nutrient based school lunch standards + expertise to operate software.

- Devolved element: £301,451

Base grant £3000/ per school and £14/ per FSME pupil

Only schools with a hot meal service were eligible for this grant

- Retained Element

- £70,000 for Nutritional analysis and the expertise to run the software

The Hillingdon nutritional analysis tool is secured until 2013.

43 schools in Hillingdon require centralised support for nutritional analysis as they operate an in-house catering service of either hot meals or packed lunches

There are three members of staff including a school nutritionist available to support all schools with achieving the food and nutrient based standards and completing nutritional analysis.

- £30,000 School food

Using the take up data collected for 08/09, 27 schools with the lowest meal take up in Hillingdon were identified. Each of these schools will be offered 'increasing school meal take up' activities. These activities may include consultations with pupils and parents, taster events, catering review and re-tendering options.

Funds also cover the Hillingdon Schools Chef of the year award. The first prize is free school meals for all pupils in their school for one week.

- £35,000 Small kitchen equipment purchase

The Food in Schools Team has continued to procure small pieces of kitchen equipment for all schools

### Buy Back Element

Table 16:

Buy Back Arrangements 2009/2010			Qty	Total Value
Required	£ 600.00	Min Investment	57	£ 34,200
	£ -	Non Investment	34	£ -
Optional Investments	£ 400.00	HE Training	9	£ 3,600
	£ 400.00	Cooking Clubs	4	£ 1,600
	£ 400.00	HE Events	2	£ 800
Total Buy Back Investment				£ 40,200

All schools that invested into the team are eligible for on site training as well as having access to all services offered by the Food in Schools Team.

Those schools that have bought into extra services will each be contacted in turn to develop a plan of personalised support from the Food in Schools Team.

## **Minimum Insurance Requirements**

### **Property Insurance**

#### **Buildings and Contents**

Reinstatement insurance for the value of the school and contents for the perils of: Fire, Lightning, Explosion, Storm or Tempest, Flood, Bursting or overflowing of water tanks/pipes, Impact, Aircraft, Riot and Civil commotion and Earthquake.

Business Interruption (for a minimum period of 36mths)

‘All Risks’ Works in Progress to existing structures

Terrorism (incorporating Business Interruption)

N.B where building work for new builds are being considered the contract should provide for the contractor to insure the works.

**Engineering (Plant & Machinery)** – statutory inspection and insurance of items such as pressure vessels, boilers, lifts etc. Limit of Indemnity £100,000 any one occurrence.

### **Liability Insurance**

**Public Liability** – minimum limit of indemnity £30,000,000 per incident

**Employers Liability** – minimum limit of indemnity £30,000,000 per incident

**Officials Indemnity** – minimum limit of indemnity £2,000,000 per period of insurance

**Libel & Slander** – minimum limit of indemnity £1,000,000 per period of insurance

**Third Party Hirers Liability** - minimum limit of indemnity £1,000,000

### **Miscellaneous**

**Fidelity Guarantee** – minimum limit of indemnity £1,000,000

**Money** – Cover for money on school premises in the custody or supervision of an employee, in transit in the custody of an employee, or by registered post or in a Bank night Safe. Plus in the private residence of an employee. In a locked safe/strong room up to an agreed limit.

**Personal Accident Assault (Employees)** - minimum limit of indemnity 5 times annual earnings (subject to a minimum benefit of £25,000)

Temporary total disablement – a weekly benefit of 50% of weekly earnings

**Personal Accident (Governors)** - Capital Benefit payable £50,000  
Weekly benefit of £100 is payable if prevented from continuing in their duties owing to permanent disablement and £50 for less injuries.

**Personal Accident (Pupils on Work Experience)** – minimum Capital Benefit of £10,000.

**Personal Accident (Volunteers)** – minimum Capital Benefit of £10,000

**Personal Accident (Teachers Extra Curricular Activities)** – minimum Capital Benefit of £10,000.

**Personal Accident - Insurance for Educational Visits –**

Cancellation £10,000 per person

Medical Expenses £10,000,000 per person (outside UK)

Personal Accident Capital Benefit £20,000 (death restricted to £7,500 if under 18 years of age)

Personal Property £5,000 per person

Money £3,000 per person

Legal Liability £2,000,000 one event

N.B. Insurance arrangements must be sufficient to cover all planned activities, for example Ski holidays.

## **Motor Insurance**

### **Motor Vehicles**

Where the school is responsible for a motor vehicle it must meet the legal requirement to hold a minimum of Third Party insurance. Lease agreements may require the school to obtain fully comprehensive cover.

Recommended level of cover is fully comprehensive.

## **Harnessing Technology Grant – 2010/11**

### **Recommendation 1 (principal recommendation)**

#### **Replacement of time-expired infrastructure hardware – CachePaq2**

A number of Hillingdon Grid 'cachepaqs' are reaching the end of their usable life, and will begin to fail and warranty support will have ended. Investment here will be inevitable, as these hardware items fail (in an unplanned manner) and will have to be replaced.

CachePaq 2 combines many facilities, including, serving educational content like Espresso and Clipbank, hosting local (intranet) web sites, Caching to accelerate web access, local web filtering through Atomwide webscreen

Risks: failure of current hardware

The estimated cost of this investment is £ 104,500.00

Other Board recommendations, should not all the estimated funding be required for Recommendation 1 (above) are as follows; clearly not all of the options are affordable from the available funding:

### **Recommendations 2, 3 & 4 (secondary recommendations)**

#### **Increase of Bandwidth**

All schools currently have a 10Mbs link to the grid. While this has provided adequate speed for the last seven years, it is no longer enough to support the increased use of web enabled services, E.g. MLE (Fronter) online video content, multiple video conferencing sessions. In addition to this, as demands have increased, the schools run the danger of having issues with IP telephony calls breaking up as the available bandwidth is reduced by demands on other applications. Increasing the speed of the links to 20Mbs will double the amount of bandwidth available and will be highly noticeable by the schools, and put Hillingdon way ahead of other schools connected to the LGfL.

Risks: Slow down in systems due to increased traffic

The estimated cost of this investment is £1500 per site per 10mg increase + additional £479 annual rental.

#### **Remote Backup Solutions**

Secures all important data held on Administration/SIMS and Curriculum servers. Automatic backups reduce workloads of ICT staff and co-ordinators. Doubly secure stores data locally in schools and offsite at a remote data centre. Solves security issues around removing tapes from school sites. Proven storage system technology, encrypted and secure making restoration much quicker.

Risks: Security – tape rotations and being taken off site – potential loss of pupil data. Tapes not as reliable to restore and expensive. BU drives have limited lifetime

The estimated cost of this investment is £100,000

Additional annual fee required which covers administration and remote data centre charges.

#### SIMS Learning Gateway

SIMS Learning Gateway will provide schools with web access to areas of SIMS to allow for remote working for school staff and access to SIMS in the classroom via the web as opposed to changing their current network settings. This will potentially fulfil the government's guidelines on online reporting to parents.

The money will enable HGfL to provide the hardware and infrastructure required for SIMS Learning Gateway, thus making it an affordable option for schools as the only cost to them will be the purchase of SLG licenses from Capita as required by the school.

Currently, several Secondary schools are already thinking of financing this software themselves as they see it as a necessity to meet government requirements. If HGfL could provide assistance with this implementation it would prove a far cheaper solution for the schools.

Risks: Vastly expensive solution for those schools that are desperate to buy if they buy on an individual basis rather than as a co-operative.

The estimated cost of this investment is Approx £50K depending on Capita license charging and any deals we can get. Verbal from Paul McKinnon at Atomwide.

#### Emergency Power Generation

Investigate alternative power supplies in case of failure:

Options: Hydrogen Fuel Cell Solution, Diesel Generators

Risks: Minimal as we currently have 3 phase supply which is more resilient than a single phase, with automatic cut over if needed.

The estimated cost of this investment is £ unknown

Grant	Objectives	Provisional 2010/11 Allocation	Retained Element	Devolved Element	LA discretion in devolution method	Local basis of devolution	Contact:
1.2 School Lunch Grant	To support the improvement of school food and ensure school lunch take-up is increased.	436,451	121,000	315,451	Yes	Basic allocation of £3,000 per school offering a hot meals service and additional funding per FSME pupil	Kristie Scott-Woodham
1.3 Ethnic Minority Achievement (EMAG)	This is intended to support schools by providing access to a core set of extended services, in raising standards of pupil motivation, aspiration, achievement and behaviour and contributing to a wide range of other Government targets including childcare, children's services, community cohesion, neighbourhood renewal, adult learning, combating child poverty, health inequalities and crime reduction.	1,895,859	284,379	1,611,480	Yes	a) 30% to support bilingual pupils based on the outcome of EAL Steps 1 & 2 surveys. b) 70% on minority ethnic achievement	Jean Imrie
1.5 One-to-One Tuition	Aimed at supporting pupil progress in English and mathematics.	1,425,113			Yes	Allocated to Primary Schools on the basis of pupil progress	Annette Szymaniak
1.6 Extended Schools - Sustainability	Funding is to directly support economically disadvantaged children accessing extended schools activities. Activities will be delivered through extended schools programme of activities, with funding used at school level.	960,993	0	960,993	Yes	Allocated in line with the Extended Schools Plan	Carole Tomlinson

Grant	Objectives	Provisional 2010/11 Allocation	Retained Element	Devolved Element	LA discretion in devolution method	Local basis of devolution	Contact:
1.7 Targeted Support for Primary Strategy	An element of the allocation can still be retained centrally to enable coordination and mobilise sources of support. However, local authorities will be expected to devolve a significant proportion of the total allocations directly to schools for specific purposes. Retained funding is for LA administration and salaries.	856,732			Yes	Allocated in line with agreed strategy	Annette Szymaniak
1.8 Targeted Support for Secondary Strategy	Devolved as appropriate to intensive and targeted schools identified through SIS policy or to schools working on pilot or national programmes as appropriate (for EAL pilot, APP/AfL development).	827,612	0	827,612	Yes	Allocated in line with agreed strategy	Jane Guest

Grant	Objectives	Provisional 2010/11 Allocation	Retained Element	Devolved Element	LA discretion in devolution method	Local basis of devolution	Contact:
1.10 Early Years: Extending and increasing the flexibility of the entitlement for 3-4 year olds	Funding to support the commitment to extend the free nursery education entitlement for 3 and 4 year olds from 12.5 to 15 hours per week over 38 weeks of the year, and for it to be delivered flexibly. All 3 and 4 year olds will be entitled to the extended flexible entitlement from Sept 2010. LA will make the offer available to 25% of their most disadvantaged 3 and 4 year olds from Sept 2009.	1,878,378		1,878,378		This funding will be based on participation.	Alison Booth
1.1 Music Services	A grant to maintain and extend the broadest possible access to LA Music Services. Funding for schools to develop new opportunities for KS2 pupils to learn a musical instrument or to receive specialist vocal tuition.	332,573	203,534	129,039	Yes	Based on the number of KS2 pupils in primary and special schools.	Vincent Raven

**Balance Control Mechanism (BCM) – Hillingdon Local Process Scheme for Financing Schools  
(agreed at Nov 07 Schools Forum)**

**Proposed Procedure related to School Balances**

**Calculation**

1. The revenue balance as at 31 3 0X as per school's accounts includes balance brought/forward, all income & expenditure in prior financial year.
2. Less amounts for which the school has prior year commitment which is taken to mean items for which written and authorised purchase orders were placed in the previous financial year and for which the goods/service had not been received by 31 March. Any sums that appear unusually high will require the orders to be submitted.
3. Less unspent Standards Fund grant from previous year as stated by the school. Any sum which appears to be high in respect of amounts of grants allocated without adequate explanation will be subject to verification from the school's accounting records.
4. Less amounts deferred & assigned. These could include expenditure on, for example, premises, vehicles, ICT, furniture, equipment, curriculum developments, environmental areas, security work and expected school growth. Details of amounts deferred and assigned will need to be provided on a statement certified by the Head. The details required will be:
  - Description of project
  - Start and finish dates
  - Reason for deferral
  - Budget for project

Copies of the relevant parts of the school's Improvement Plan and school's Asset Plan will be required.

5. This will give a Net surplus balance.
6. Should the Net Surplus Balance when stated as a percentage of the original budget share (issued in March prior to the financial year in question) exceed the threshold of 8% (for primary, special

and nursery schools) or 5% (for secondary schools), the local authority shall calculate the excess over the threshold.

7. This will then provide the amount to be deducted.

*Note: The budget share is everything that is paid into the account which holds the delegated budget from the local authority, except unspent Standards Fund monies and capital funding. Effectively, this includes the delegated budget share from the local authority, plus SSG, SSG(P) and LSC funding (if applicable) as well as any private and voluntary funds held within this account.*

### **Process**

The proposed process and timetable is as follows -

1. Formal outturn balances are known by 31 May each year. All schools are required to classify balances according to CFR headings and provide a breakdown of committed revenue balances into
  - Prior year's commitments with orders and
  - Prior year's unspent Standards Fundsby mid June.
2. By end of June, request all Secondary schools with over 5% of their current year's Budget Share and all Nursery, Primary and Special schools with over 8% of their current year's Budget Share complete a Statement as set out above to indicate amounts deferred and assigned with copies of SIP and Asset Management Plan as relevant by mid July. If a return has not been received by the due date it will be assumed that there are no items to be considered.
3. The Schools Finance Manager will have responsibility for reviewing and confirming the statements along with the supporting documentation and plans before deciding if the claw-back should proceed.
4. Before the end of the summer term, where relevant, schools (Head & Chair of Governors) to be written to setting out a statement as above showing amount to be clawed-back and giving until 30 September to report any errors or omissions and register any appeal to the Schools Forum Appeals panel. **[Consisting of Chair, Vice Chair and 2 other members; quorum 3 persons including the Chair]**

5. Appeals to be heard within one month by the Schools Forum Appeals panel and schools and the Schools Finance Manager informed accordingly. The Schools Forum Appeals panel to convene outside of Schools Forum. Schools budget shares to be reduced if agreed.
6. Schools Forum will be informed in November on the totality of any sums 'clawed back' and will be consulted on the authority's proposed use of such monies.
7. Any proposed use of such monies must be used within a Local Authority's 'Schools Budgets' in the next funding period and not the financial year in which the deduction takes place. For the purposes of this provision, the 'Schools Budgets' will be that defined in the *Schools Finance (England) Regulations*. The Local Authority will consult Schools Forum over the precise distribution for any money clawed back.

e.g. May 08 – closing year end balance for 2007/08 determined

Nov 08 – claw-back to be made to the school's budget  
2009/10 – Schools Budgets to include clawed back money

## Appendix 11

<b>2010/11 Cash Advance Dates</b>
Wednesday 14 April 2010
Thursday 13 May 2010
Monday 14 June 2010
Wednesday 14 July 2010
Thursday 12 August 2010
Tuesday 14 September 2010
Thursday 14 October 2010
Friday 12 November 2010
Tuesday 14 December 2010
Thursday 13 January 2011
Monday 14 February 2011
Monday 14 March 2011

## Financial Management Standard in Schools (FMSiS) Hillingdon Schools Schedule

Assessment by 31st March 2010				Assessment by 31st March 2011				Assessment by 31st March 2012				Assessment by 31st March 2013			
School	Type	Company	Type	School	Type	Company	Type	School	Type	Company	Type	School	Type	Company	Type
<b>First assessment</b>				Belmore Primary School	Primary	LBH	Primary	Bishop Winnington-Ingram Co/E Primary School	Primary			Bourne	Primary / Secondary re-assessments		Primary
Bourne	Primary	LBH	Primary	Botwell House	Primary	LBH	Primary	Brookside Primary School	Primary			Breakspear Infant	Primary		Primary
Breakspear Infant	Primary	LBH	Primary	Breakspear Junior School	Primary	LBH	Primary	Coleford Junior School	Primary			Colham Manor Primary	Primary		Primary
Colham Manor Primary	Primary	LBH	Primary	Charville Primary School	Primary	LBH	Primary	Frithwood Primary School	Primary			Deanesfield	Primary		Primary
Deanesfield	Primary	LBH	Primary	Cherry Lane Primary School	Primary	LBH	Primary	Grange Park Infant School	Primary			Hammondsworth	Primary		Primary
Hammondsworth	Primary	LBH	Primary	Coteford Infant School	Primary	LBH	Primary	Grange Park Junior School	Primary			Hillside Infant	Primary		Primary
Hillside Infant	Primary	LBH	Primary	Cowley St Laurence C/E Primary School	Primary	LBH	Primary	Guru Nanak Sikh Primary School	Primary			Holy Trinity	Primary		Primary
Holy Trinity	Primary	LBH	Primary	Cranford Park Primary School	Primary	LBH	Primary	Harefield Junior School	Primary			Minet Nursery and Infant School	Primary		Primary
Minet Nursery and Infant School	Primary	LBH	Primary	Dr Tripletts Co/E Primary School	Primary	LBH	Primary	Heathrow Primary School	Primary			Ryefield	Primary		Primary
Ryefield	Primary	LBH	Primary	Field End Infant School	Primary	LBH	Primary	Hermitage Primary School	Primary			St Bernadette's RC	Primary		Primary
St Bernadette's RC	Primary	LBH	Primary	Field End Junior School	Primary	LBH	Primary	Hillingdon Primary School	Primary			St Mary's RC	Primary		Primary
St Mary's RC	Primary	LBH	Primary	Glebe Primary School	Primary	LBH	Primary	Lady Bankes Infant School	Primary			St Swithun Wells RC	Primary		Primary
St Swithun Wells RC	Primary	LBH	Primary	Harefield Infant School	Primary	LBH	Primary	Longmead Primary School	Primary			McMillan (optional)	Primary		Primary
Moortcroft	Special	LBH	Special	Harilyn Primary School	Primary	LBH	Primary	Newnham Infant and Nursery School	Primary			Moortcroft	Primary		Primary
Willows	Special	LBH	Special	Hayes Park School	Primary	LBH	Primary	Newnham Junior School	Primary			Willows	Primary		Primary
<i>McMillan (optional)</i>															
Hillside Primary School	Nursery	N/A		Hillside Junior School	Primary	LBH	Primary	Ruislip Gardens Primary School	Primary			Abbotsfield	Secondary		Secondary
Hillside Junior School	Primary	LBH		Lady Bankes Junior School	Primary	LBH	Primary	Sacred Heart RC Primary School	Primary			Bishop Ramsey	Secondary		Secondary
Lady Bankes Junior School	Primary	LBH		Oak Farm Infant School	Primary	LBH	Primary	St Catherine RC Primary School	Primary			Bishopshalt	Secondary		Secondary
Oak Farm Infant School	Primary	LBH		Pinkwell Primary School	Primary	LBH	Primary	St Matthew's Co/E Primary School	Primary			Douay Martyrs	Secondary		Secondary
Pinkwell Primary School	Primary	LBH		Rabbitham Primary School	Primary	LBH	Primary	Warrender Primary School	Primary			Guru Nanak Secondary	Secondary		Secondary
Rabbitham Primary School	Primary	LBH		St Andrew's Co/E Primary School	Primary	LBH	Primary	William Byrd School	Primary			Harlington	Secondary		Secondary
St Andrew's Co/E Primary School	Primary	LBH		West Drayton Primary School	Primary	LBH	Primary	Whitehall Infant School	Primary			Mellow Lane	Secondary		Secondary
West Drayton Primary School	Primary	LBH		Wood End Park Community School	Primary	LBH	Primary	Whitehall Junior School	Primary			Northwood	Secondary		Secondary
Wood End Park Community School	Primary	LBH		Chantry School	Special	?	Special	Whiteheath Junior School	Primary			Queensmead	Secondary		Secondary
Chantry School	Special	?	Special	Grangewood School	Special	LBH	Special	Yeadling Infant and Nursery School	Primary			Rosedale College	Secondary		Secondary
Grangewood School	Special	LBH	Special	Yeadling Junior School	Primary	LBH	Primary	Yeadling Infant and Nursery School	Primary			Ruislip High	Secondary		Secondary
Yeadling Junior School	Primary	LBH	Primary	Hedgewood	Special	LBH	Special	Hedgewood	Special			Uxbridge High	Secondary		Secondary
Hedgewood	Special	LBH	Special	Meadow High School	Special	LBH	Special	Meadow High School	Special			Vyners	Secondary		Secondary
Meadow High School	Special	LBH	Special	Haydon	Secondary	LBH	Secondary	Haydon	Secondary						

## SLA Planned Changes – November 2009

### Appendix 13

SLA	Key Contact	Proposed Changes
Behaviour Support Team	Jan Sargeant	No planned changes
Service Contract and Repairs	Mike Newell	No planned changes
Finance	Kamla Jassal	5% price increase to accommodate on-going developments
Governor Support	Ron Fowler	General charges to increase by 5%, new specific charges: Additional governing body training after the one session included in SLA - £315, Pay As You Go Governor training - £350
HGfL	Karen Rooke	Any changes will depend on results of consultations and budget projections.
HR Personnel Advice and Guidance	Bob Charlton	Nominal rise to accommodate ongoing development of the service
HR Contracts Administration	Bob Charlton	As part of AMG
HR CRB Admin	Bob Charlton	No change predicted
HR Recruitment	Bob Charlton	Existing service will remain but additional service (DCSF pilot) will be launched with a three tier structure (from self-service to total management). It is hoped that this will produce significant savings to advertising costs.

SLA	Key Contact	Proposed Changes
HR School Absence Insurance -Primary	Bob Charlton	It is hoped that there will be no increases to the insurance SLAs this year, however this can't be confirmed until more accurate projections, closer to the end of the financial year, can be analysed.
HR School Absence Insurance -Secondary	Bob Charlton	It is hoped that there will be no increases to the insurance SLAs this year, however this can't be confirmed until more accurate projections, closer to the end of the financial year, can be analysed.
HR School Absence Insurance -Special	Bob Charlton	It is hoped that there will be no increases to the insurance SLAs this year, however this can't be confirmed until more accurate projections, closer to the end of the financial year, can be analysed.
HR Personnel Advice and Guidance (primary/secondary)	Bob Charlton	Nominal rise to accommodate ongoing development of the service
HR Personnel Advice and Guidance (special)	Bob Charlton	Nominal rise to accommodate ongoing development of the service
HR Certificate and Sponsorship	Bob Charlton	No change predicted
HR Supply Agency	Bob Charlton	Base fee will be removed and an administrative day rate will be introduced to accommodate a new supply pool initiative sponsored by the DCSF, eventually providing access to a wider range supply staff across the whole school workforce.
Insurance	Steve Wilkins	No significant changes to insurance cover or cost of insurance but looking to include the Balance of Risks, motor and other sundry insurances that have previously been administered by the Insurance Team direct with schools into the main SLA as selectable items for those schools buying into the Fair Funding package

SLA	Key Contact	Proposed Changes
Learning and Development	Angela Laws	The costs for the Learning and Development SLA for 2010/11 will be unchanged. The First Aid Voucher system currently gives schools purchasing the SLA 1 place on an Initial First Aid at Work course and 2 places on a First Aid Renewal course over a 3 year period. As we are aware that this is only a token gesture towards meeting your Health & Safety/First Aid Training needs we have replaced this with a 20% discount on ALL First Aid and Health and Safety events offered through Learning and Development, who from 1st April 2010 will have responsibility for Hillingdon's Health and Safety/First Aid Programme
Leadership and Management Support	Mike Merva	No planned changes
Library Service	Beverley Jervis	No planned changes, prices will increase by the same amount that schools are given each year for Schools' Library Service
NQTF Induction and Training	Mike Merva	No planned changes
Payroll	Ken Wood	Hope to keep increases within inflation. Invoices to be paid by direct debit (already done by most schools). Charge for teachers' pensions returns (already included in payroll admin cost).
School Meals	Kristie Scott-Woodham	No major changes to price or structure of SLA but small expanded list of services to be available under buy back offering
Learning and Development Centre	Marion McClelland	No planned changes

**Estimated MFG budget 2010/11: Nursery**

<b>McMillan Nursery</b>	<b>£</b>
2009/10 Budget	418,017
MFG	1.021
<b>Est. 2009/10 Budget</b>	<b><u>426,796</u></b>

DFES No.	School	MFG EXCLUSIONS										PLASC Pupil Data	
		Total Formula Budget 2009/10 (as per S55)	less 2008/09 rates	less individual pupils	less Class Size in KS1 factor	Pledge	less NQTs	[OTHER] proxy funding	[OTHER] less SRP funding (including MFG adj)	Determined Adjusted Budget Share	JAN 09 PLASC FTE pupils	JAN 10 PLASC FTE pupils	Estimated PLASC FTE pupils 2010/11
2000 Baltimore	1,829,363	-43,165	-32,752	-26,708	-7,904	-62,766	0	1,656,068	4,680	477,0	1,716,558	1,716,558	
3401 Battwell House	2,060,351	-12,805	-43,269	-11,084	-15,808	-58,407	0	1,918,978	627,5	646,5	2,006,736	2,006,736	
2068 Bourne	857,983	-11,155	-39,441	0	-3,952	-21,807	0	781,538	216,0	200,0	750,760	750,760	
2068 Breakspear Infant	1,093,306	-15,520	0	-2,270	0	-25,467	0	1,050,048	309,5	311,0	1,076,256	1,076,256	
2004 Breakspear Junior	1,112,461	0	0	0	-7,904	-18,696	0	1,070,341	357,0	350,0	1,075,876	1,075,876	
2062 Brookside	1,505,300	-19,643	-33,798	-6,677	-5,928	-48,319	0	1,380,936	386,5	386,5	1,427,316	1,427,316	
3300 BWI	1,315,068	-3,541	-16,689	-6,677	-11,856	-24,233	0	1,252,073	392,5	386,5	1,280,127	1,280,127	
5206 Charlville Primary	1,567,774	-38,073	-4,407	-4,407	-11,856	-45,301	0	1,460,377	438,5	448,0	1,516,887	1,516,887	
2084 Cherry Lane Primary	1,690,839	-22,553	-94,477	0	-11,856	-57,992	0	1,503,962	423,0	407,0	1,489,080	1,489,080	
2010 Coltham Manor Primary	1,719,539	-28,886	-25,582	-4,407	-19,760	-76,417	0	1,564,516	473,5	473,5	1,597,371	1,597,371	
2012 Coteford Infant	992,652	-14,186	-36,616	-24,438	-3,952	-19,762	0	1,165,750	728,247	730,0	1,183,0	1,183,0	
2011 Coteford Junior	1,031,271	-24,978	-43,622	0	-18,853	-228,836	0	1,183,0	714,982	299,0	204,0	716,025	716,025
3410 Cowley St Laurence	1,389,758	-24,250	-39,397	-24,438	0	-34,250	0	1,277,423	342,0	336,5	1,287,469	1,287,469	
2078 Cranford Park Primary	3,278,101	-35,163	-40,088	-2,270	-19,760	-50,143	0	2,236,676	684,0	691,0	2,296,167	2,296,167	
2016 Deanesfield	1,925,313	-27,645	-52,853	-20,031	-15,808	-42,718	-211,115	1,555,143	482,0	503,5	1,644,461	1,644,461	
3307 Dr. Triplets CE	1,463,692	-7,783	-45,597	0	-7,904	-27,115	0	1,379,293	447,0	444,5	1,401,957	1,401,957	
2019 Field End Infant	1,171,438	-19,521	-23,249	-2,270	0	-18,081	0	1,108,316	324,0	314,0	1,103,650	1,103,650	
2018 Field End Junior	1,207,479	-19,521	-42,122	0	-15,808	-12,944	0	1,117,084	352,0	343,0	1,117,213	1,117,213	
2020 Fritchwood	1,388,031	-33,072	-33,691	-4,407	0	-22,005	0	1,304,916	410,0	397,5	1,309,785	1,309,785	
2016 Glebe	1,336,455	-14,793	-20,101	-11,084	-15,808	-21,198	-136,166	1,117,306	346,0	336,0	1,114,393	1,114,393	
5203 Grange Park Infant	1,255,419	-3,929	-36,265	-24,438	-11,856	-25,452	-103,773	1,049,706	289,0	290,0	1,074,717	1,074,717	
5202 Grange Park Junior	1,153,376	-18,295	-45,479	0	-11,856	-16,892	0	1,072,220	318,0	306,0	1,064,658	1,064,658	
3409 Guru Nanak	1,201,146	-18,295	-17,161	0	0	-13,116	0	1,152,584	335,0	349,0	1,216,132	1,216,132	
2024 Harefield Infant	844,760	-12,004	-7,728	-35,655	-3,952	-22,998	0	762,423	198,5	229,0	881,433	881,433	
2023 Harefield Junior	885,217	-30,798	-8,313	0	-7,904	-17,194	0	821,008	250,0	226,0	771,189	771,189	
2025 Harefield	1,272,689	-53,604	-28,978	-28,978	-7,904	-22,208	0	1,141,565	354,0	346,5	1,145,783	1,145,783	
2026 Harmondsworth	862,462	-16,968	-16,052	-16,052	-3,952	-20,541	0	804,949	222,0	217,0	807,045	807,045	
2,386,404	-8,100	-50,267	-11,084	-11,084	-7,904	-59,555	-178,124	704,358	656,5	656,5	2,061,218	2,061,218	
792,307	-7,734	-10,233	-10,233	0	-11,856	-12,718	0	749,766	208,0	212,0	786,121	786,121	
2029 Heathrow	1,045,427	-10,791	-15,145	-35,655	-11,856	-17,230	0	954,749	293,5	293,0	976,132	976,132	
2061 Hermitage	810,645	-11,276	-6,758	0	-11,856	-3,952	0	766,677	222,0	217,5	770,084	770,084	
2023 Highfield	863,403	-12,731	-14,497	0	0	-26,566	0	809,609	223,0	223,0	834,108	834,108	
2,081 Hillingdon	1,514,375	-21,948	-64,762	-64,762	-15,808	-64,757	0	1,357,102	412,0	418,5	1,403,089	1,403,089	
5204 Hillside Infant	752,403	-2,255	-4,646	-6,677	-3,952	-12,573	0	726,482	192,0	195,0	751,010	751,010	
5205 Hillside Junior	734,163	-2,255	-18,546	0	-3,952	-9,004	0	704,358	212,0	202,0	692,012	692,012	
3302 Holy Trinity	792,307	-7,734	-10,233	-10,233	0	-11,856	-12,718	0	749,766	208,0	215,0	786,121	786,121
2033 Lady Bankes Infant	1,088,828	-15,399	-24,315	-8,947	0	-3,952	-29,013	0	1,017,202	293,0	293,0	1,045,713	1,045,713
2032 Lady Bankes Junior	984,442	-15,399	-11,788	0	-3,952	-18,886	0	944,417	299,0	298,0	961,670	961,670	
2034 Longfield	821,619	-14,005	0	0	-3,952	-30,995	0	776,559	179,5	200,5	867,074	867,074	
2036 Minet Infant	1,584,870	-19,404	-40,407	-4,407	-3,952	-42,982	0	1,514,125	405,0	405,0	1,487,902	1,487,902	
2039 Newham Infant	1,077,762	-19,404	-86,396	0	-3,952	-30,712	0	1,492,514	434,0	443,0	1,549,137	1,549,137	
2038 Newham Junior	1,102,797	-20,128	-20,101	-20,101	0	-19,521	0	1,013,605	297,0	289,5	1,013,984	1,013,984	
2043 Ryefield	1,451,679	-20,128	-11,788	-11,788	0	-15,265	0	1,051,1675	359,0	359,0	1,119,104	1,119,104	
3405 Sacred Heart RC	1,810,526	-3,904	-28,161	-4,407	-3,952	-22,476	0	1,073,352	310,5	313,0	1,102,951	1,102,951	
5201 Oak Farm Junior	1,177,778	-3,904	-17,077	-17,077	-3,952	-16,937	0	1,076,556	353,0	353,0	1,086,883	1,086,883	
2083 Pilkewell Primary	2,975,069	-34,920	-68,888	-11,084	-19,760	-44,051	-185,095	1,514,392	2,610,272	782,5	779,0	2,655,351	2,655,351
2064 Rabbitslam	1,427,250	-13,701	-50,247	0	-7,904	-28,542	0	1,326,856	369,0	369,0	1,316,538	1,316,538	
2084 Ruslip Gardens	2,321,213	-22,310	-17,788	-17,788	-3,952	-29,668	0	1,255,735	382,0	382,0	1,295,709	1,295,709	
2048 Ryefield	1,451,679	-23,208	-35,059	-24,338	-7,904	-34,923	0	1,326,075	404,0	392,0	1,321,500	1,321,500	
3400 St. Swithun Wells RC	817,580	-3,929	-81,373	-11,084	-7,904	-11,442	0	1,073,352	529,0	565,5	1,800,743	1,800,743	
2065 St. Andrew's CE	781,311	-10,913	0	-4,407	-3,952	-16,145	0	755,561	221,5	221,5	735,207	735,207	
3402 St. Barnadie's RC	1,359,062	-9,701	-37,337	0	-11,856	-41,397	0	1,346,931	436,0	433,0	1,367,647	1,367,647	
3403 St. Catherine's RC	896,795	-2,425	-26,933	0	0	-17,979	0	809,458	288,0	288,0	813,407	813,407	
2044 St. Mary's RC	873,079	-13,701	-31,021	-11,788	0	-11,856	-2,270	0	1,052,006	328,0	307,0	1,019,083	1,019,083
3306 St. Matthew's CE	1,442,777	-4,098	-34,967	0	-15,808	-31,151	0	1,396,753	417,5	408,5	281,0	281,0	
3400 St. Swithun Wells RC	817,580	-2,522	-22,021	0	-11,856	-11,442	0	1,037,942	343,0	343,0	1,064,682	1,064,682	
2065 Warehanger	781,868	-10,913	0	0	-3,952	-11,442	0	755,561	221,5	221,5	735,207	735,207	
2051 West Drayton	1,604,062	-24,250	-38,048	-11,084	0	-11,856	-41,397	0	1,489,222	442,0	429,0	1,484,719	1,484,719
2069 Whitehall Infant	1,132,627	-14,671	-18,546	0	0	-11,856	-2,270	0	1,038,705	285,0	328,5	1,190,013	1,190,013
2052 Whitehall Junior	1,109,873	-14,671	-18,546	-18,546	0	-11,856	-2,270	0	1,052,006	328,0	307,0	1,019,083	1,019,083
2074 Whiteheath Infant	1,125,804	-16,005	-46,536	-2,270	0	-11,856	-21,232	0	1,035,809	301,5	301,5	281,0	281,0
2054 Whiteheath Junior	1,113,593	-21,704	-15,252	-4,407	-4,407	-19,760	-47,544	0	1,413,317	420,0	404,0	1,399,024	1,399,024
2055 William Byrd	1,283,400	-34,678	-145,449	-6,677	-6,677	-15,808	-100,699	0	2,579,669	778,0	784,0	2,650,113	2,650,113
2062 Wood End Park Primary	1,510,349	-22,088	-3,464	-4,407	-4,407	-3,952	-44,325	0	1,432,134	407,5	398,5	1,436,373	1,436,373
2060 Yeadling Infant	1,643,083	-22,088	-31,889	0	0	-11,856	-32,631	0	1,544,640	480,0	486,0	1,592,848	1,592,848
2059 Yeadling Junior	0	0	-1,020,076	-2,061,809	-417,847	0	-1,208,679	-78,588,380	-78,588,380	23,395,00	23,395,00	23,395,00	23,395,00

DFES No.	School	Baseline for 2009/11										PLASC Bupl Data									
		Total Formula	Less: Final Budget 2009/10 LSC 2009/10 (as per 6th form funding \$52)	Less Teachers Pay Grant (post-16 only)	less Brand new school via LSC	less Brand new school factor (a)	less Brand new school factor (b)	less Barnhill PFII factor	less rates	less individual pupil amounts	less NQTs	[OTHER] less proxy funding	[OTHER] less SRP	Redetermined PLASC Budget 2008/09	Adjusted Budget Share 2008/09	PLASC FTE 2009/10 (Now Excl. post-16)	JAN 09	Jan 10 FTE pupils	Estimated Funding level (without excl.)	Estimated MFG budget 2009/10	
5409 Abbotfield		2,875,825	-402,494	-8,760	-21,669	-1,014,782	-1,491,637	-37,344	-340,912	0	-59,283	-23,715	-34,142	0	2,297,431	509,000	511,00	2,353,742			
5412 Barnhill Community		6,742,682	-1,014,782	-21,669	-1,491,637	-37,344	-773,985	-38,612	0	-63,484	-35,572	-167,541	0	5,098,722	1,189,00	1,178,00	5,163,664				
4600 Bishop Ramsey		5,552,545	-1,491,637	-37,344	-773,985	-38,612	0	-58,324	0	-58,324	-17,786	-67,360	0	3,880,094	929,00	924,00	3,942,919				
5400 Bishopshalt		6,005,344	-1,491,637	-37,344	-773,985	-38,612	0	-303,537	0	-26,876	-109,207	-303,537	0	3,753,326	920,00	926,00	3,854,014				
5408 Douay Martyrs		5,943,275	-1,491,637	-37,344	-773,985	-38,612	0	-21,323	0	-40,726	-28,853	-129,042	0	4,785,389	1,163,00	1,203,00	5,032,921				
4654 Guru Nanak Sikh		2,963,205	-628,867	-11,411	-20,401	-698,791	-698,791	-0	0	-41,395	-7,905	-14,379	0	2,259,249	492,00	558,00	2,577,448				
5411 Hartington		5,383,063	-628,867	-11,411	-20,401	-698,791	-698,791	-0	0	-89,699	-19,762	-184,138	-89,783	4,289,289	994,00	955,00	4,229,016				
5401 Haydon		9,189,482	-628,867	-11,411	-20,401	-698,791	-698,791	-0	0	-122,411	-71,144	-136,082	0	6,109,716	1,500,00	1,501,00	6,241,659				
5406 Hayes Manor / Rosedale		3,322,244	-628,867	-11,411	-20,401	-997,889	-997,889	-0	0	-31,708	-39,524	-33,180	0	2,149,772	415,00	421,00	2,222,685				
5,372,302	-1,007,453	-20,055	0	-125,694	-11,857	-183,254	-365,842	-0	0	-30,334	-15,810	-40,937	-170,173	3,657,947	848,00	848,00	3,303,152				
3,676,599	-851,208	-22,360	0	-30,334	-15,810	-40,937	-2,525,778	-0	0	-30,334	-15,810	-40,937	-170,173	571,00	480,00	2,219,207					
5,081,103	-1,212,618	-26,049	0	-65,141	-27,667	-32,737	0	0	0	-65,141	-27,667	-32,737	0	3,666,890	892,00	921,00	3,850,399				
2,983,649	-4,621,316	-0	-87,000	-263,900	-91,665	-130,058	-23,715	-0	0	-91,665	-130,058	-136,823	0	2,338,488	450,00	559,00	3,079,356				
-785,529	-900,002	-18,442	-19,479	-0	0	-40,821	-23,715	-0	0	-109,440	-109,440	-109,440	0	3,632,333	888,00	880,00	3,679,377				
4,976,905	-1,149,901	-27,086	5,183,676	-1,149,901	-27,086	0	-63,239	-127,831	0	0	-79,745	-34,386	-94,564	-182,715	3,787,646	869,00	896,00	3,972,322			
5407 Mellow Lane		79,893,195	-16,355,886	-371,484	-87,000	-263,900	-340,912	-91,665	-1,357,817	-471,524	-1,692,658	-808,513	-57,852,037	13,538,00	13,602,00	59,432,069					
Total secondary																					

**Appendix 14d**

**Estimated Special MFG Budgets**

<u>Category</u>	<u>2009/10 Values</u>	<u>Chantry</u>	<u>Grangewood</u>	<u>Hedgewood</u>	<u>Meadow</u>	<u>Moorcroft</u>	<u>Willows</u>
Category I	£19,279.96	0.00	86.00	0.00	0.00	70.00	0.00
Category II	£15,345.21	0.00	0.00	15.00	30.00	0.00	0.00
Category III	£13,832.51	60.00	0.00	32.00	37.00	0.00	38.00
Category IV	£11,563.45	0.00	0.00	0.00	75.00	0.00	0.00
Category V	£9,294.39	0.00	0.00	46.00	37.00	0.00	0.00
1:1 Support	£21,640.10						
Total Places	60.00	86.00	93.00	179.00	70.00	38.00	526.00
MFG	1.021	1.021	1.021	1.021	1.021	1.021	1.021
<b>MFG Protected Place Led Funding for 2009/10</b>							
	<b>847,380</b>	<b>1,602,896</b>	<b>1,123,468</b>	<b>2,229,160</b>	<b>1,377,939</b>	<b>536,674</b>	<b>7,807,516</b>
Non Place Factor 2009/10	298,528	347,735	290,640	360,665	313,473	319,359	£1,930,401
<b>MFG Protected Non-place led funding 2009/10</b>	<b>304,798</b>	<b>355,037</b>	<b>296,744</b>	<b>368,239</b>	<b>320,056</b>	<b>326,066</b>	<b>£1,970,939</b>
<b>MFG 2009/10</b>	<b>£1,152,177</b>	<b>£2,047,934</b>	<b>£1,420,212</b>	<b>£2,597,399</b>	<b>£1,697,995</b>	<b>£862,740</b>	<b>£9,778,455</b>

# Summary of Schools Funding 2010/11 Consultation Responses

## Responses to Consultation Items:

The Local Authority received 24 responses in total; 1 PVI, 12 Primaries, 5 Secondaries, 3 Specials, Primary Forum, HASH and HIP.

The following summary details the responses from the consultation exercise:

Item	% Support	% Do not Support	Individual Responses	Primary Forum	HASH
Strengthening Children and Families' Plan	83%	17%	12	Support	Support
Additional Retained Expenditure – Schools Procurement Manager	20%	80%	10	Do not Support	Support
Additional Retained Expenditure – TYST Practitioner	100%	0%	4		Support
Additional Retained Expenditure – Local Leaders in Education	100%	0%	8	Support	Support
Expanding Schools Factor Contingency	100%	0%	15	Support	Support
Introduction of Early Years Single Funding Formula Block*	7%	93%	15	Do not Support	Do not Support
Removal of Nursery Elements from Primary Formula*	0%	100%	7		
Adjustment to KS1 Class size Factor	100%	0%	15	Support	Support
Adjustment to Primary MFG*	17%	83%	7		
Introduction of termly counts for Nursery funding*	0%	100%	5		
Additional SEN/Special Schools Funding – Overall	71%	29%	7	Support	Support
Additional SEN/Special Schools Funding – Option 1	100%	0%	1	Do not Support	Do not Support
Additional SEN/Special Schools Funding – Option 2	100%	0%	10	Support	Support

\*The marked items were related to the introduction of the Early Years Single Funding Formula in 2010/11, the DCSF policy change means these items are no longer relevant for the 2010/11 Schools Budget.

This page is intentionally left blank

## HILLINGDON SCHOOLS FORUM MINUTES

### Civic Centre, Committee Room 6

#### Present

Headteacher Members	Mr. Andrew Wilcock, Bishop Ramsey (Chair) (AW) Dr. Philip Rutter (Breakspear Junior) (PR) Ms. Sue Pryor, Swakeleys School, (SP) Ms. Tricia Black, Chantry (TB) Mr. Robert Lobatto, Barnill (RL) Mrs. Ann Breslin-Bowen, Hillingdon Primary (ABB)
Governor Members	Mr. Phil Haigh, Cherry Lane Primary and Grangewood Special (PH) Mr. Peter Ryerson, Guru Nanak Secondary (Vice Chair) (PRy) Mr. Tony Eginton, Minet Nursery and Infant and Hillside Junior (TE) Mr. Jim Edgecombe, Rosedale College and Willows Special (JRE) Ms. Jo Palmer, Newnham Infant School and Hillside Infant and Junior Schools (JP) Mrs. Barbara Glen, Breakspear Junior (BG) Ms. Leonora Smith, Barnhill Community High (LS) Mr. Richard Burton, Meadow (RB) ( <i>arrived at 5.25 pm</i> )
Other Representatives	Ms. Elaine Caffary, CEYS (EC) Ms. Alison Booth CEYS (A.Bo)
Observers	Mr. Chris Spencer, Director of Education and Childrens' Services, LA (CS) ( <i>left at 6.00 pm</i> )
Also Present	Ms. Kamla Jassal, Schools Finance Manager, LA, (KJ) Mr. I. Watters, Schools Finance LA (IW) Mr. Bradley Soo, Consultant Advisor to Early Years/ Schools Finance Team (for consultation paper only) LA, (BS) ( <i>arrived at 5.30 p.m.</i> ) Ms. G. Ayling, ECS Finance, LA, (GA) Ms. Alison Moore, Senior School Improvement Officer LA (AM) ( <i>arrived at 5.15 p.m.</i> ) Ms. Pauline Nixon, For DSG Funding Proposals, LA (PN) Ms. Sarah Durner, Food in Schools Team (SD) ( <i>left at 5.55 pm</i> ) Mr. D. Kidner, Hillingdon Grid for Learning (DK) Mr. D. Stevens, Hillingdon Grid for Learning (DS) Mr. D. Thorpe, ECS Extended Services LA, (DT) ( <i>left at 6.45 p.m.</i> )
Apologies	Mrs. Patsy Crowley (PC) Belmore Primary Ms. Ludmila Morris, McMillan (LM) Mr. Peter Sale, Hillingdon Training (PS) Ms. Sarah Harty, Head of Resources, Policy and Performance, LA (SH) Mr. Amar Barot, Senior Finance Manager, LA (ABa)

**The meeting was quorate**

Mr. Wilcock opened the meeting and gave a special welcome to Mr. D. Kidner and Mr. D. Stevens (representing Hillingdon Grid for Learning), Mr. D. Thorpe (representing ECS Extended Services) and Ms. S. Durner (representing Food in Schools Team).

## **1. APOLOGIES**

Apologies for absence had been received from Mr. Peter Sale, Mrs. Patsy Crowley, Mrs. Ludmila Morris, Ms. Sarah Harty and Mr. Amar Barot.

As Mr. Peter Sale had not attended a Schools Forum since March 2009, CS would check, on behalf of Schools Forum, whether in view of his changed role he would be attending future meetings.

**CS to contact PS**

## **2. MINUTES OF LAST MEETING (Paper 1)**

The Minutes of the last meeting, held on 9 December 2009 had been circulated. These were accepted and signed as a true record of the meeting.

## **3. MATTERS ARISING FROM THE MINUTES OF 9 DECEMBER 2009**

*Item 6 – Key Issues for the Budget Consultation* – Full details of the SLA Planned Changes November 2009 formed part of the final Consultation Document which had been distributed.

- *TYST* – The data requested had been circulated
- *Single Funding Formula Termly Count* – This had only been a suggested inclusion. It was also noted that Code of Conduct should read Code of Practice (top of p.4 Minutes of 9 December 2009).
- *Details of Funds Awarded via the Extended Schools Initiative* – A paper on Extended Schools would be tabled at a future meeting. **Future Agenda Item**

*Item 7 – Budget Consultation Paper* – AW had written to DCSF regarding FMSiS. A response was still awaited. **AW to advise when reply received**

## **4. DECLARATION OF ANY OTHER BUSINESS (For Future Meetings)**

No declarations made.

## **5. DECLARATION OF INTEREST**

No declarations made.

## **6. SCHOOL FUNDING 2010 – 2011 (DECISIONS FOR CABINET, CEL, CONSULTATION REPONSES) (Paper 2)**

AW outlined the way he proposed taking the meeting through the various decisions required in the Consultation Document. Additional papers were tabled at the meeting and it was requested that if further questions arose from these papers, an e-mail should be sent to the Finance Team and the Chair should be copied in. Any outstanding matters would then be covered at the March meeting and if further information is requested then KJ would e-mail all members of SF with any additional information .

In the first instance members were asked to consider the proposal that LA hold a contingent sum of money to support expanding schools. This would mean LA would be temporarily in breach of the CEL by an estimated £0.139m as a result of this contingency. LA were requesting a “technical breach” of the CEL in respect of this item.

From the 15 responses received from individual schools and the responses from Primary Forum and HASH, 100% were in favour of the proposal.

**It was proposed by Mr. Peter Ryerson and seconded by Mr. Phil Haigh that Schools Forum also approve this request. On a show of hands, 14 members were in favour of the proposal, there was no opposition and no abstentions.**

**Schools Forum agreed to support the request of LA for a “technical breach” of the CEL by an estimated £0.139m.**

In view of the above decision, Schools Forum would now only act in an advisory capacity regarding the Schools Procurement Manager, the TYST Practitioner and Local Leaders in Education project as there would be no breach of the CEL.

In total, 24 responses had been received (1 from PVI, 12 Primary, 5 Secondary, 3 Specials, Primary Forum, HASH and HIP)

*Schools Procurement Manager:* The suggestion for this appointment came from presentation made at a Heads' Termly Meeting when it was considered efficiencies could be achieved through collective purchasing. Utilities had been identified as one area where, if purchased centrally, significant savings might be achieved. Some members of Forum thought this was already in place. LA would retain resources to finance this appointment.

*TYST Practitioner:* There had been very little response regarding this post, although the service was being used by many secondary schools. One member felt there would be benefits from expanding the facility. LA would retain resources to finance this appointment.

*Local Leaders in Education:* LLE complements the work of Schools Improvement Service and Additional Skills Teachers. It provides additional resources and capacity in assisting schools to move from satisfactory to good/good to outstanding. LA would retain resources to finance this project.

	Result from Responses				Voting at Schools Forum			Action
	Total Support	Total Not Support	Primary Forum	HASH	Total Support	Total Not Support	Abstentions	
Schools Procurement Manager	2	8	Do not Support	Support	10	2	2	SF gave support
TYST Practitioner	4	0		Support	13	0	1	SF gave support
Local Leaders in Education	8	0	Support	Support	12	0	2	SF gave support

(RB joined the meeting at this point, increasing the number of voting members from 14 to 15)

*Introduction of Early Years Single Funding Formula (SFF).* The final decision regarding the introduction of SFF would be taken by the Director of Children's Services, but the views of Schools Forum would be taken into consideration.

Primary Forum was opposed to the introduction this year as it felt there were too many issues still to be resolved. ABo, a member of the SFF Technical Group pointed out the rationale for SFF being introduced in 2010 rather than 2011 was that

- the LA had been working with Heads on SFF since 2007
- in the light of unknown funding in future years, it was better to work within a known environment
- the formula had been based on last year's figure
- there was a transition mechanism which would give some schools a measure of phased reduction in funding
- some PVIs were working on a shoestring budget

EC also pointed out that within the PVI sector, costs incurred for CRB checks were high due to the increased numbers of staff employed. She also commented that if SFF was not adopted at this point, some PVI nurseries would face closure which would be to the detriment of children, particularly those in areas of deprivation, and schools as the children would not have experienced the pre-school environment.

**Schools Forum was asked to show their support, or otherwise, for the introduction of Early Years Single Funding Formula from April 2010.**

	Result from Responses				Voting at Schools Forum			Action
	Total Support	Total Not Support	Primary Forum	HASH	Total Support	Total Not Support	Abstentions	
Introduction of Early Years Single Funding Formula Block	1	14	Do not support	Do not support	1	14	0	No support from SF

It was noted there were a number of issues that would need to be addressed over the next 12 months and the possible change in Government may alter the situation.

CS thanked SF for the time they had taken to discuss SFF and their decision would be taken into consideration but he would be minded to delay implementation until next year CS indicated that, in the light of the representations he had received and the view of SF, he did not intend to put Hillingdon forward as a pathfinder LA in respect of the introduction of the SFF. The Chair thanked CS for this decision, which would be widely welcomed.

In response to the comment regarding costs involved in obtaining CRB checks, AW agreed to lobby DCSF for a reduction. **AW to write to DCSF**

**In view of the decision of Schools Forum on the above item, it was not necessary to take any action on :**

- The Removal of Nursery Elements from Primary Formula
- Adjustment to Primary MFG
- The Introduction of Termly counts for Nursery Funding

*Adjustment to KS1 Class Size Factor.* LA proposed adjusting the KS1 Infant Class Size Factor to reflect the authority's change to a single intake of Reception aged pupils that commenced in September 2009.

	Result from Responses				Voting at Schools Forum			Action
	Total Support	Total Not Support	Primary Forum	HASH	Total Support	Total Not Support	Abstentions	
Adjustment to KS1 Class Size Factor	15	0	Support	Support	15	0	0	Supported by SF

*Additional Funding for SEN/Special Schools.* Concerns were expressed that although £700,000 had been granted last year, there still seemed to be an increase in the number of

children placed out of Borough. The aim for securing the funding was to equip mainstream schools to deal more effectively with SEN, which would create more capacity in Special Schools for the more complex cases, therefore saving out of borough placement. When benchmarked against other authorities, Hillingdon was not a very inclusive borough.

**Schools Forum was asked to show their support, or otherwise, of the second tranche of £700,000 in respect of SEN/Special Schools**

	Result from Responses				Voting at Schools Forum			Action
	Total Support	Total Not Support	Primary Forum	HASH	Total Support	Total Not Support	Abstentions	
Additional SEN/Special Schools Funding - Overall	5	2	Support	Support	14	1	0	<b>Supported by SF</b>

As a number of issues were raised regarding out of borough placement, availability of funds and accountability, SEN/Special Schools Funding would be an agenda item for further discussion at a later Schools Forum.

**Future Agenda Item**

LA also put forward two options in respect of the second tranche of funding.

- Option 1 – LA would commission services (outreach, inset, transition and re-integration) with the ultimate aim of reducing out of borough placements with any related savings being re-invested back into the system through the SLAs. The model would be reviewed again on an annual basis ahead of the new formula funding review for 2011/12
- Option 2 – LA would continue with the 09/10 model of distributing the additional funding in 2010/11, which would provide the schools with a greater degree of funding stability and predictability to maintain current programmes that have been developed or earmarked with the first tranche of funds this year. However, this approach would lead to the council having to put forward a case for retaining a greater central element of DSG for 2011 onwards to fund the ongoing overspend in the SEN Team.

Various points for and against each option were put forward after which members were asked to show their support for one of the suggested options.

	Result from Responses				Voting at Schools Forum			Action
	Total Support	Total Not Support	Primary Forum	HASH	Total Support	Total Not Support	Abstentions	
Additional SEN/Special Schools Funding – Option 1	1		Do not support	Do not support	0	15	0	<b>No support from SF</b>

Additional SEN/Special Schools Funding – Option 2	10		Support	Support	14	0	1	Supported by SF
---	----	--	---------	---------	----	---	---	-----------------

*Harnessing Technology Grant:* DK presented the revised proposals outlined in the Harnessing Technology Grant paper that had been distributed prior to the meeting. He referred in particular to Appendix 1 to the paper which showed the key differences between the proposals in the Consultation Paper and the final Harnessing Technology (HT) document, the main one being the suggestion to create a permanent School MLE Support Officer, rather than using a Consultant for a fixed period of time. The DCSF grant for 2010/11 was approximately £860,000, of which there was a committed expenditure of £537,918. The suggested spend for the balance of the HT Grant included Cashe Paq replacement (£105,000), increase in bandwidth (£114,278), remote access (£4,000) and remote back up (£99,104).

**Schools Forum was asked to show their support, or otherwise, to the committed expenditure as outlined in Appendix 1 of the Harnessing Technology Grant – Revised Proposals**

**On a show of hands, 14 members were in favour of the proposal, 0 members opposed and 1 member abstained from voting.**

**Schools Forum were then asked to show their support, or otherwise, for the additional expenditure as itemised above.**

**On a show of hands, 11 members were in favour, 2 opposed the proposal and 2 members abstained from voting.**

*Changes to the Scheme for Financing Schools.* LA proposed changes to audit, borrowing by schools and reporting on and control of the use of surplus balances.

- LA proposed that schools be required to submit to internal audit scrutiny at least once every three years instead of once every two years, but this may be more frequent for schools regarded as higher risk (on the basis of previous audits and the financial reports provided to the Authority).
- LA proposed the following amendment regarding the use of purchase cards. Schools cannot borrow money, unless they have the written permission of the Secretary of State. This does not apply to any loans granted by the LA within the provisions of this scheme. This provision also extends to the use of credit cards by schools, which are regarded as borrowing. This provision should not bar schools from using debit cards or the government purchase card, which can be a useful means of facilitating electronic purchase. Schools are required to manage the use of the purchase card and must abide by the repayment criteria. Schools are required to adhere to separate guidance on the use of purchase cards issued by the LA Guidance to Financial Management. The use of purchase cards is not considered to infringe the borrowing restrictions imposed on schools as long as the balance on the account is cleared in full within the month. All costs and charges for cards should be met from the school's budget share.
- LA proposed changes for the implications of revenue v capital to recognise contributions to Building Schools for the 21<sup>st</sup> Century projects. Schools are reminded of the guidance from the DCSF that revenue budgets should not generally be used for capital expenditure as it is provided for the delivery of education and services to pupils currently in the school. Schools receive separate capital funding to support their investment needs. Devolved Formula Capital can be invested in buildings and facilities and can be rolled over to support larger projects. Schools should not therefore be transferring

revenue funds into capital. Please refer to the guidance at 2.14 of the Scheme for Financing Schools, which provides advice to schools on the process to follow if utilising revenue funding to support capital expenditure. Schools will be allowed to make contributions towards expenditure and costs of BS21 projects. Copies of the relevant parts of the School's Development Plan, BS21 School Strategy for Change and school's Asset Plan will be required.

**Schools Forum was asked to show their support, or otherwise, to the above changes to the Scheme for Financing Schools.**

**On a show of hands, 14 members were in favour of the proposals, 0 members opposed and 1 member abstained from voting.**

*Arrangements for School Meals* The Schools Lunch Grant amounted to £436,451 of which £315,416 was the devolved element. Schools Forum were requested to consider a retained element of £121,000 which would be divided as £70,000 for nutritional analysis and the expertise to run the software, £21,000 for school food and £30,000 for small pieces of equipment.

**On a show of hands, 14 members were in favour, 0 members opposed and 1 member abstained from voting. Schools Forum agreed the retention of £121,000 of the grant as set out in the proposals.**

*Funding to Support 14-19 Reform.* Deep concerns were expressed as to how this initiative could be taken forward. It was agreed to defer the matter to the March meeting.

**March agenda item**

*Arrangements for Capital.* A number of health and safety issues were raised within the arrangements for capital including the size of the contingency and what criteria would be adopted. This matter would be addressed further at the March meeting. **March agenda item**

## **7. EXTENDED SCHOOLS FUNDING 2010/11 (Paper 3)**

The Extended Services and Children's Centre Steering Group (comprising 4 headteachers representing all sectors including Children Centres plus two Governors) had set up a sub-group to consider funding for 2010/11. The sub-group representation was a Headteacher, a Governor, an Extended Schools Co-ordinator, the Extended Schools Manager and the Extended Schools Delivery Advisor. In previous years funding had been allocated evenly across the 9 collaboratives in the Borough, although this was felt to disadvantage some of the larger ones (largest collaborative has 15 schools and smallest 6). The Steering Group had agreed:

- There should be a fixed sum for each collaborative to recognise co-ordination costs and Parent Support Advisor costs
- The model should be based on number of schools rather than the number of pupils in recognition of the additional transaction costs in providing services from more locations
- There should be differential allocations for schools, with the highest allocation of funding recognising the additional costs of providing services in Special Schools, the second level of funding being allocated to Secondary Schools and the lowest level to Primary and Nursery Schools.
- Collaboratives would be expected to draw up an agreed and signed service delivery plan based on need.

Members of Schools Forum considered there should be more accountability and transparency in the use of the funds. It was agreed to carry this item forward to the next meeting and requested additional information including how the Steering Group was drawn

up and confirmation as to whether representatives were elected through professional groups. **March agenda item**

## **8. DISTRIBUTION OF DSG RESERVES FOR EQUAL PAY (Paper 4)**

Schools Forum were asked to act in an advisory capacity regarding the options available for the distribution of £376k from the 2008/09 retained DSG under spend to fund schools' payment of the equal pay settlement.

As the total settlement amounted to £725k, which exceeded the retained DSG available, four options were tabled for consideration.

- Option 1 – the funding be distributed proportionally in line with the size of settlement available
- Option 2 – those schools who provided for the equal pay settlement in order to prevent balances being clawed back under BCM for 2008/09 be excluded from the distribution
- Option 3 – funding for Special Schools and those schools in deficit would be covered by 100% of their settlement, with the remainder being allocated to all affected schools
- Option 4 – a combination of Options 2 and 3, with schools holding a provision excluded while remaining Special Schools and those in deficit are funded at 100%.

Comment was made that Schools Forum had not been informed that a settlement had been reached and at what level. There were also concerns around the accuracy of the information provided insofar as voluntary aided and foundation schools appeared on the settlement list and the numbers of staff within each school was incorrect. Members were informed that the £725k was an initial estimated liability cost which the forum had been advised of at the July meeting however since January schools have been liaising with Personnel and HR to validate individual personnel data, this has caused the total liability figure to change and as at 26.1.10 stood at £507k. The final liability will only be known when settlement is reached. A revised spreadsheet of reimbursement scenario excluding VA and Foundation schools based on a revised liability of £507k (figure estimated as at 26.1.10) was tabled at the meeting.

**On a show of hands 12 members were in favour of using Option 1 as above as the form of mechanism for distribution of the funds.**

## **9. DSG FUNDING 2011 – 2014 REVIEW GROUP (Paper 5)**

LA proposed setting up a Schools Forum Working Group to review DSG funding for the next three year funding period, 2011-14. The Group would work with LA officers to consider :

- The review and co-ordination of the consultation by DCSF of proposals for schools funding for the period 2011-14
- The development of a strategic review of the local funding methodologies, formula and related funding agreements.

It was recommended there be a minimum of 5 members consisting of Heads and Governors representing the different sectors (Primary, Secondary, Special and Nursery). It was anticipated there would be 5 or 6 meetings which would take place after hours plus the possible attendance at the DCSF Conference.

The following members offered to form part of the Schools Forum Working Group – Mrs. T. Black (Special Schools), Mr. R. Lobatto and Mr. A. Wilcock (Secondary Schools), Dr. P. Rutter (Primary Schools), Mr. Jim Edgecombe, Mr. Peter Ryerson and Mr. Phil Haigh (Governors). It was agreed Ms. Alison Booth could attend as an observer to represent CEYS.

#### **10. SCHOOL DEFICITS (Agenda item 9)**

The Schools Deficits – Status Report had been circulated prior to the meeting. Four schools report a year end deficit.

*Abbotsfield* – The deficit was projected to increase but with the reimbursement of £25k from previous year's BCM funds together with a repayment of deficit of £110k, a deficit licence had been granted for £846,200. Schools Forum was keen to see a continuing reduction in the deficit.

*Northwood* - The projected school deficit had increased since last year by 45%, but the federated school is committed to reducing this deficit. The deficit projected in 2009/10 was £602,676 and a licence had been granted for that amount. Various cost cutting strategies were now in place which should reduce the school's deficit going forward. This is evidenced in their recovery plan. Schools Forum would welcome more detail as to what measures were being put in place and the situation regarding the £750k promised from the DCSF. Close monitoring of the school's finances would continue.

*Ruislip High* – The latest deficit recovery plan showed an increase compared to the initial budget plan. The reasons for the increase were set out in a letter from the Headteacher (copy to be circulated to members of Schools Forum). The budget plan showed a reduced deficit in 2010/11 and a credit balance the following year. **KJ to circulate copy of letter**

In addition to the status report presented at each meeting, the Schools Finance Team was also asked to provide a graph showing trends. **Schools Finance Team to produce graph**

#### **11. DATE OF NEXT MEETING**

The next Schools Forum is scheduled to take place on Wednesday 3 March 2010 commencing at 5.00 p.m.

The meeting closed at 7.00 p.m.

If you have any issues to refer to the Schools Forum you should contact one of the representatives. You may contact the Chair and Vice-Chair as follows :

**Chair** : Andrew Wilcock

Headteacher

Bishop Ramsey C of E School

Hume Way

Ruislip

Middlesex HA4 8EE

**Vice-Chair** : Peter Ryerson

Rosa

Benbow Bridge

Cowley

Middlesex

UB8 2HD

Telephone : 01895 639227

E-mail: awilcock@hillingdongrid.org

Telephone : 01895 255409

E-mail : pryerson@hotmail.co.uk

This page is intentionally left blank

# Agenda Item 9

## FUTURE OF HILLINGDON HOMES

<b>Cabinet Member</b>	Councillor Phillip Corthorne
<b>Cabinet Portfolio</b>	Social Services, Health and Housing
<b>Officer Contact</b>	Neil Stubbings, Adult Social Care, Health and Housing
<b>Papers with report</b>	Appendix One – Management Summary from test of opinion report.

### HEADLINE INFORMATION

<b>Purpose of report</b>	To consider a recommendation for the return of Housing Management Services to the Council, having regard to the results of the tenants test of opinion as agreed by Cabinet at its September 2009 meeting and other factors.
<b>Contribution to our plans and strategies</b>	This proposal contributes to the council's principles to ensure the services provided to residents continue to improve. In addition, VFM and efficiency principles will be met.
<b>Financial Cost</b>	As set out in the previous report to Cabinet in September 2009 there are limited costs related to the consultation process and consultancy costs of project management. These are expected to be no more than £75k. In addition, and subject to the final decision by Cabinet to bring services back to the council and TUPE requirements, there are expected to be one off staffing costs (redundancy) from staff realignment. Such changes and other efficiencies will create year on year savings made within the HRA that will exceed the cost of this proposal.
<b>Relevant Policy Overview Committee</b>	Social Services, Health and Housing
<b>Ward(s) affected</b>	All

### RECOMMENDATION

That the Cabinet:

1. **Notes the outcome of the tenant and leaseholder ' test of opinion '.**
2. **Resolves that, having taken account of the outcome of the tenant and leaseholder ' test of opinion ' together with those other considerations set out in the earlier Cabinet report dated 24th September 2009, it instructs officers to either:**

- [a] terminate the Management Agreement between the Council and Hillingdon Homes on 30 April 2011 by invoking the break clause within it, or**
- [b] negotiate an earlier return date with Hillingdon Homes subject to the agreement of its Board.**

**So that those functions delegated to Hillingdon Homes, as identified in the said Agreement, are returned back to the Council.**

- 3. Authorises officers to work with Hillingdon Homes board members and staff to wind up or dissolve Hillingdon Homes and to take all other necessary steps to return those functions delegated to it back to the Council.**
- 4. Subject to recommendation 3 above, authorise officers to consult with Hillingdon Homes' staff and to take all other steps to comply with the Transfer of Undertakings [Protection of Employment] Regulations 2006.**

## **INFORMATION**

### **Reasons for recommendation**

1. At its meeting on the 24th September 2009, Cabinet considered a comprehensive report entitled "Future of Hillingdon Homes" setting out the background and rationale for returning Housing Management Services to the Council. The reasons set out in that report for the recommendation are reproduced below for ease of reference:
  2. "The Council's Arms Length Management Company (ALMO), Hillingdon Homes, was set up in April 2003 following a positive outcome to a tenant and leaseholder test of opinion. This enabled the council and residents to receive around £60m towards the cost of achieving the decent homes standard. Hillingdon Homes has been successful in the delivery of that goal, two years ahead of the Government target. In addition services have continuously improved and tenant and leaseholder satisfaction have increased. However, now these targets have been achieved, the future of the ALMO needs to be reviewed along with how best to continue to improve the services provided to tenants and leaseholders. In doing so the following needs to be recognised:-
    - Nationally improving performance of all social housing providers,
    - Changes in flexibilities and freedoms promised by the government for ALMOs have not materialised,
    - At the same time freedoms around borrowing and new build that were given to ALMOs have been extended to local authorities,
    - The scale of the impact of the economic recession on the national public finances and the requirement for reduced future public spending has become apparent in the national Budget published in April 2009. There is an economic recession and the council needs to plan carefully for severely restricted budgets in the foreseeable future.
  3. In the light of the above it is considered to be in the council's and customers' best interests (subject to the consultation process with tenants and leaseholders) to take the service back into the council. This will enable savings to be made by eliminating the cost of governance of the ALMO and further improvements to services by closer alignment to the delivery of services and improvement programmes within the council.

4. To bring the council housing services back in-house there first needs to be a Cabinet decision to carry out a test of tenant and leaseholder opinion. The outcome of that will inform a final decision that then needs to be agreed formally by Cabinet."

5. The recommendations agreed by Cabinet on the 24<sup>th</sup> September 2009 were:

**To instruct officers to carry out a tenant and leaseholder test of opinion on dissolving Hillingdon Homes and bringing the council housing services back in-house.**

**To instruct officers to report back to Cabinet for a final decision on the future of Hillingdon Homes as soon as possible once the test of opinion has been completed.**

6. The test of opinion has now been completed and this report is providing Cabinet with the results obtained and is seeking instruction on the next steps in the future of Hillingdon Homes.

### **Alternative options considered**

7. The alternative option of continuing with the existing contract with Hillingdon Homes were considered as part of the September 2009 report.

### **Comments of Policy Overview Committee(s)**

8. The Social Services, Health and Housing Policy Overview Committee will be considering this report at it's meeting on the 16<sup>th</sup> February 2010 and may provide comments direct to Cabinet.

## **SUPPORTING INFORMATION**

### **Test of Opinion**

9. In accordance with Section 105, of the Housing Act 1985, the Council is required to consult with and have regard to the views of tenants before taking a final decision on a matter of housing management. This proposal falls within that requirement and therefore the Council commissioned a 'test of opinion'. As far as possible, the process replicated that which was undertaken prior to the ALMO being formed and services undertaken by it in 2003. Although it was not under any legal obligation to do so, the Council also decided to consult with its leaseholders as a matter of good practice.

10. The test of opinion was completed during November and December 2009.

Prior to the 'test of opinion' the following process was followed:-

- 1 A letter from the Deputy Director of ASCHH to inform tenants and leaseholders about the Council's intention
2. Two newsletters issued to all tenants and leaseholders giving them further details about the proposal, including questions and answers. The second newsletter included the tear-off ballot for the postal 'test of opinion'.
3. The appointment of an independent tenant advisor who was available throughout the process to answer any question from tenants or leaseholders about the proposal.
4. The establishment of a Council website / email contact for any tenant enquiry about the proposal.
5. There were a series of ten meetings held around the borough with council tenants and leaseholders to inform them of the proposals and give the opportunity for discussions and to ask questions.

11. After the first newsletter, the Council employed agency staff to undertake a random survey after the first newsletter to ascertain tenants views at that time. The results were as follows:-

- 284 completed – 90% aware of proposal – 74% understood details and of those 75% were in favour of returning to the Council.

12. This was carried out so that officers could gauge whether the information being given out was understandable or whether tenants and leaseholders wanted more detail.

13. Prior to the second letter and postal survey the Council again undertook a trial by phoning approximately 30 tenants. This was to be satisfied that the questions in the 'test of opinion' were clear and would not cause difficulties. From the feedback obtained from tenants, the staff reported that there were no difficulties at all.

14. Officers within the council tendered the contract for the test of opinion to an external company in order for an impartial third party control of the process. The independent company that won the tender, Quadrant Consultants finalised the actual test of opinion wording and layout to be satisfied that it was fair and clear.

The results are as follows:-

	<b>Randomly selected telephone survey</b>	<b>Postal survey</b>
Total respondents	1,300	1,249
In favour of returning to the Council	610	942
Did not mind either way	582	251
Opposed to return to the Council	57	44
Not stated	-	12
Unaware of the issues	51	-

15. The management summary taken from the Quadrant report is attached as Appendix One.

*Other Factors to take into account:*

16. The key points and rationale for considering the return of council housing services to the council were considered by Cabinet at its September 2009 meeting in the report entitled Future of Hillingdon Homes and are therefore not repeated here.

17. Officers are able to report that there have been no changes in government policy relating to the future of ALMOs to warrant a change in the advice given to Cabinet previously.

18. It is also pertinent to advise Cabinet that even though there has been an overwhelming result to the test of opinion, Cabinet could decide to continue with the existing arrangements. However, for the reasons previously discussed in the September 2009 Cabinet report, officers are not recommending that course of action.

19. By returning the landlord service to direct control the council will be pursuing its objective of increasing the speed of improvement to the landlord services by pursuing efficiency savings which can then be used to improve services to tenants and leaseholders.

## **Other Local Authorities**

20. Cabinet will be interested to note what is happening nationally to ALMOs operating in other local authority areas. Officers have identified that many other local authorities are currently considering the future of their ALMO, where they have them. There are a range of outcomes expected. Some local authorities are likely to be pursuing the dissolution of their ALMO and bringing the services back in house or outsourcing the services. Other local authorities are intending to allow their ALMOs to become a Register Social Landlord (Housing Associations) and then ballot tenants on a large scale voluntary transfer (LSVT). Other local authorities are expected to continue with their ALMO.

## **The Housing Revenue Account (HRA) Review.**

21. The government has for some time now been carrying out a review of HRA financing and looking at the possibility of local authorities being able to buy out of the subsidy system. Officers are expecting further proposals from government on this during February this year. Whilst the detail of the offer from government are still awaited, from the information officers currently have, it is clear that retaining an ALMO does not provide a better alternative to in-house delivered services to take advantage of the proposal.

## **The way forward – timing of any return.**

22. Should Cabinet decide to progress with bringing back the council housing services back to the council, it will be necessary to embark upon a series of processes:

23. To agree the return date, either in line with the termination clause in the contract i.e. by giving notice to the board of Hillingdon Homes no later than the 31<sup>st</sup> October 2010 that the contract will be terminated on the 30<sup>th</sup> April 2011, or to agree an earlier date with the board of Hillingdon Homes. Under the terms of the contract, any date earlier than the termination clause cannot be imposed and must be by agreement.

24. There must be a legal and financial process completed to properly wind up the affairs of Hillingdon Homes Limited. This must be carried out in compliance with legislation and good practice whilst protecting the company and the council interests.

25. At the point of return of the services, staff will return to the council under the terms of TUPE legislation.

26. Of over-riding concern is that the services to tenants and leaseholders are not impacted negatively by the return process. This means that all efforts must be made to achieve a smooth return of services, providing residents and staff with timely and effective communications throughout the process. This will be a major part of the project.

There are of course, pros and cons to be considered in timing of any return.

## **In Favour of Early Return**

### **Momentum**

27. Having achieved a positive result from consulting tenants, it would be wise to maintain the momentum and proceed with return of the service by continuing this project, thereby keeping a natural progression and avoiding any hiatus. Allowing for all of the practicalities including dissolution of the company, TUPE requirements and other ancillary business would anyway need six months.

## **Staffing**

28. Inevitably, staff will be worried about their future until the council can bring certainty. Even though there will be no significant implication for the vast majority of staff everyone will require confirmation that their employment is secure and that their conditions are protected. The sooner that can be done by returning to the council the better. In the absence of that certainty, staff morale may suffer and good quality staff may leave, thus impacting on the levels of service provided.

## **Service**

29. Whilst the current quality of service is generally very good (subject to detailed audit) it relies upon committed and well managed staff. The risk in terms of staff (see above) could severely impact on service standards. Furthermore, if it is known that the service is returning to the Council, decisions on service progress could be hindered. How would Hillingdon Homes take strategic/medium term decisions knowing that responsibility will cease in 2011?

## **Hillingdon Homes Board**

30. The Board comprises independent members together with councillors and tenants representatives (one third each). For the independent members there will not be the prospect of longer term involvement with the service when it returns. Therefore, it may be difficult to maintain the commitment to serving on this board (especially under the circumstances of the company being dissolved and the service returned to the council). It is perhaps unreasonable to expect a continuing commitment for another fifteen months.

## **Service Review**

31. It has been agreed to undertake a service review in line with an established programme which has been completed for all council services. This is a rigorous examination of both service quality and cost which is challenging for all parties involved. The sooner the service is returned the quicker this exercise can be completed.

## **Council Impact**

32. One of the primary benefits of returning to the council will be greater integration with other council services. This will be mutually advantageous for housing management and other council services in terms of efficiencies. This cannot be completed until return. Furthermore, change is underway within the council structures and it may be advantageous to include the support services within Hillingdon Homes in the council programme.

## **Cost Reductions**

33. It is known that return of the service will assist in reducing costs (primarily support services) The sooner this can be achieved the earlier the financial benefits can be secured and applied for service improvement. Any additional savings/efficiencies within the HRA identified through the service review process can be achieved earlier.

## **Against Early Return**

### **Risks**

34. By trying to expedite the return there is a risk that we may not be sufficiently informed of all the facts in a timely manner. There should be sufficient time for TUPE but clearly there would be less time to fully review the service and financial details prior to return.

## **Staffing**

35. Staff have been advised that the contract return date is April 2011. It is possible that by returning early, staff who would have remained and become more settled would decide to leave now. The primary area for staff reduction will be in support services. It may be possible to secure some integration with council support services in advance of a formal return (Hillingdon Homes buying the services from the Council) and therefore the savings could be secured anyway and the council's reorganisation incorporate the Hillingdon Homes implication.

## **Hillingdon Homes Board**

36. It would be reasonable to assume that there may be some members of the board unhappy with the council decision and under these circumstances it could be more difficult to maintain a constructive relationship during the return period. By trying to bring forward the return date it is possible that the council could aggravate the position and make matters even more difficult.

## **Service Review**

37. It would be possible to undertake a service review whilst the service was managed by Hillingdon Homes so long as we have their full cooperation. The same objectives could be set as usually applies and the completion of the review would act as reassurance for both Hillingdon Homes and the council.

## **Council Change**

38. The Council is in the process of appointing a new Director for ASCH&H and also going through a major change programme through the Business Improvement Delivery project. There will also be elections in May and a new Council. By keeping to the April 2011 date, the Council would be more settled in its other business before having to handle this project.

39. There are pros and cons on this option but overall, for service and staffing reasons, officers believe it would be in the tenants' interest to secure an earlier return if Hillingdon Homes Board supports that option.

On current information, officers believe a reasonable target to achieve an early return could be October 2010.

## **Financial Implications**

40. The financial implications are similar to those stated in the Cabinet report of 24<sup>th</sup> September 2009. In summary, the council will incur one-off costs of disbanding the ALMO including legal and project management costs as well redundancy costs. These are expected to be offset by on-going savings and over a relatively short period of time should result in overall net savings. Immediate savings should arise from governance and obvious duplications in support service functions. Further savings are also expected to arise from a more in depth service review which will aim to take advantage of opportunities that would be available to a single entity, including reduction in duplicated control mechanisms and general economies of scale. Any initial costs will be met from HRA balances.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

### **What will be the effect of the recommendation?**

There will be a number of effects resulting from the recommendations:

41. The governance and management structures and support services within ASCH&H, the council and Hillingdon Homes will be integrated and rationalised where appropriate.

42. There will be opportunities for greater linkages to services provided across the council and other partners. This will include improvements to processes, delivery of shared services and partnering arrangements. These in turn will lead to improved outcomes for service users, improved customer engagement and improved satisfaction levels.

43. There will also be opportunities to pursue efficiency savings within the HRA which can then be used to improve services to tenants and leaseholders.

### **Consultation Carried Out or Required**

Information on this is contained within the body of the report.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance Comments**

44. The proposal to wind-up Hillingdon Homes Ltd as the provider body for housing management services, terminate the management agreement, and bring these services in-house, represents a significant financial decision for the Council. The process of implementing the recommendations to terminate the management agreement will incur costs which will be met from accumulated Housing Revenue Account reserves.

45. The expected financial benefits, costs and risks are summarised in the report and cover a broad range of issues including governance, tenant involvement, access to external finance and issues of operational efficiency and effectiveness, and staff recruitment and retention. The opportunities arising from the return of housing management functions to the Council will be explored and assessed through the project on this topic included in workstream 2 of the Business Improvement Delivery programme.

### **Legal Comments**

#### The decision to return Hillingdon Homes back to the Council.

46. Cabinet Members will be familiar with the common law principles of 'wednesbury reasonableness' which govern all aspects of decision making by the Council. It is therefore important that any decision which Cabinet makes in relation to the return of those housing functions, currently delegated to Hillingdon Homes [HH], back to the Council is legally defensible.

47. Clearly, the 'test of opinion' from the Council's tenants and leaseholders is an important component of any decision but Cabinet is also entitled to have regard to all those other considerations which were set out in the earlier Cabinet report dated 24<sup>th</sup> September 2009.

48. Cabinet can also have full regard to the Council's fiduciary duty towards Council Tax payers in the Borough. If it is satisfied that by returning to the Council those services which HH operates on its behalf will generate efficiencies for the Council, and ultimately reduce costs, this is a very important consideration for Cabinet to take into account.

#### The Management Agreement.

49. The Agreement, which commenced on 1<sup>st</sup> May 2003, was originally due to expire on 30<sup>th</sup> April 2008 but it was extended by the Council for a further period of five years subject to a break

clause. This clause gives the Council the right to give six month's notice to HH, by no later than 31<sup>st</sup> October 2010, that the Agreement will end on 30<sup>th</sup> April 2011.

50. The Agreement is recognised in law as a contract and like any other contract, its terms can be varied with the agreement of both parties to it. The Council cannot unilaterally bring the Agreement to an end earlier than 30<sup>th</sup> April 2011 but there is nothing to prevent it from negotiating an earlier termination date with HH. As HH is set up as a Company Limited by Guarantee, an earlier termination date can only be effective if agreed by its Board.

#### The Transfer of Undertakings [Protection of Employment] Regulations 2006 [TUPE].

51. Cabinet Members may recall that when HH was set up back in 2003, the vast majority of those Council staff who became its employees, were transferred to it under TUPE.

The same considerations will apply when HH staff transfer back to the Council. TUPE applies to and protects all employees who are "wholly or substantially employed" in the undertaking which is transferring and therefore it is anticipated that most HH employees will transfer back to the Council under the protection which these Regulations provide.

52. It is important to note that TUPE imposes obligations on both the Council and HH to provide certain information to and consult with those employees who are likely to be affected by the transfer. A dialogue will also need to be set up with the Trade Unions who have the right to be informed of the following issues under TUPE:

- The fact of the transfer and when it is likely to take place;
- The reason for it;
- The legal, economic and social implications of it for affected employees;
- The measures which both the Council and Hillingdon Homes will be taking in relation to these employees.

#### The liquidation or dissolution of the Company Limited by Guarantee.

53. There will be no benefit to the Council in retaining Hillingdon Homes as a dormant company so steps will have to be taken to dissolve it. There are two main legal mechanisms for achieving this. Firstly, Hillingdon Homes could resolve to go into voluntary liquidation which is a process recognised by the Insolvency Act 1986. A number of statutory steps would need to be followed and it is fair to say that this is a convoluted procedure and it involves the appointment of a liquidator which seems to be pointless given that the Council is the sole member of the Company and it will be the recipient of its assets.

54. Voluntary dissolution of the Company would appear to be a more straightforward process. The Board would once again be required to pass a resolution agreeing to this and the Directors would have to make an application to Companies House to have the Company struck off the register. Companies House will advertise the proposed striking off in the London Gazette so that interested parties will have an opportunity to object. If no objections are received within a period of three months, the Company will be struck off and publication of this fact will appear again in the London Gazette.

#### **BACKGROUND PAPERS**

Quadrant consultants report – 19<sup>th</sup> January 2010 – Housing Management Services Survey Report

## **MANAGEMENT SUMMARY**

### **Introduction**

This consultation exercise on the proposed return to Hillingdon Council of Housing Management Services comprised a postal survey within a newsletter delivered to tenants and leaseholders in early December 2009 and a telephone survey conducted shortly afterwards. 1249 people responded to the postal survey while 1300 people were interviewed by telephone.

### **Key finding**

The great majority of both tenants and leaseholders either support the proposal or do not object. Only a very small proportion expressed any opposition to it.

### **Results**

- ⊕ In both postal and telephone surveys, around nine out of ten of both tenants and leaseholders either supported the proposal or did not mind either way.\*
- ⊕ In the postal survey, around three-quarters of both groups were in favour of the proposal with a further one in five who didn't mind either way.
- ⊕ In the telephone survey around half of both groups were in favour of the proposal while around four in ten did not mind either way. \*\*
- ⊕ The difference between the results of the two surveys may be because some of those who did not mind either way decided not to respond to the postal survey.
- ⊕ The proportions of respondents who said that they understood the proposals was around nine in ten in the postal survey where they had the newsletter in front of them and three in four of those responding to the telephone survey.
- ⊕ The postal survey also asked about consultation with tenants and residents associations about spending the savings and nine in ten were in favour of this.

\*Telephone results with random sample are statistically significant within +/- 3% points

\*\*Telephone results with random sample are statistically significant within +/- 2% points

### **Quality Assurance**

The surveys were carried out in line with market research industry best practice. In particular, they followed the code of conduct of the Market Research Society, the professional body representing market research in the UK. Our Fieldwork and Recruitment Quality Administration Systems are certified and registered under BS EN ISO 9001:2000. Our certificate was issued and registered by CQS (Certified Quality Systems) Limited, certificate number GB2000681. CQS are registered with IAB (International Accreditation Board), registration number 0044/1.

# Agenda Item 10

## CONNEXIONS INTENSIVE SERVICE REVIEW

<b>Cabinet Member</b>	Councillor David Simmonds
<b>Cabinet Portfolio</b>	Education and Children's Services
<b>Officer Contact</b>	Tom Murphy, Education and Children's Services
<b>Papers with report</b>	Appendix one: Connexions Intensive Service model options Appendix two: Revised resource deployment proposals

### HEADLINE INFORMATION

<b>Purpose of report</b>	To report the outcomes of a review of the Connexions Intensive Service
<b>Contribution to our plans and strategies</b>	The provision of Connexions services contributes to priorities and outcomes as detailed in: The Council Plan; The Sustainable Communities Strategy 208 – 2018; and The Children and Families Trust Plan.
<b>Financial Cost</b>	There are no additional costs associated with implementing the outcomes of this review other than those being met through the existing budget for this service area. If enacted the review will generate an efficiency saving of £101,000 in accordance with MTFF savings requirements placed upon the Connexions Service.
<b>Relevant Policy Overview Committee</b>	Education and Children's Service Policy Overview Committee
<b>Ward(s) affected</b>	All

### RECOMMENDATIONS

#### That Cabinet:

1. Note the outcomes of the review and the associated conclusions contained within the main body of the report; and
2. Agree the proposal to re-organise the existing service and create a new service delivery model described as options two in appendix one. The associated resource deployment proposals are presented in appendix two; and
3. Agree to further consideration of the Connexions Intensive Service as part of a wider review of services for young people within the Business Improvement Delivery (BID) Project.

## INFORMATION

### Reasons for recommendation

The recommendations have been arrived at following a detailed review of the Connexions Intensive Service. They are offered in order to address the findings of the review and secure improved service effectiveness and efficiency. The options have been considered within the context of the Business Improvement Development (BID) project although the review was initiated and completed prior to BID. The changes proposed sit within the integrated service delivery model of the Youth and Connexions Service. This model can be seen on page two of appendix one. The review of the Connexions Intensive Service is part of an ongoing youth service transformation process, which has seen significant development and service improvement over the past five years.

### Alternative options considered / risk management

Three service re-configuration options were considered during the review process. Options one and three were viewed as the least favourable by the Connexions (IAG) Steering Group and the Integrated Youth Support Service Steering Group, the two primary bodies overseeing the work of Connexions in Hillingdon, as they were felt to present the highest level of risk and least amount of business benefits of the three given the context in which the service is being developed. Option three, re-specifying and tendering for the service externally, is an option that may be considered as part of the process of re-tendering for the main Universal Connexions Service contract which is due to expire on 31<sup>st</sup> March 2011.

### Comments of Policy Overview Committee(s)

None at this stage.

## SUPPORTING INFORMATION

### Service Background

#### **The Connexions Service: Its Purpose and History**

1. The Connexions Service was established in 2001 in response to the vision set out in the Social Exclusion Unit's report *Bridging the Gap* and the White Paper *Learning to Succeed*. These documents proposed the creation of a more co-ordinated youth support service to address problems and issues faced by young people, and in particular those not in education, employment or training (NEET) or at risk of becoming so.
2. Reducing the proportion of 16-18 year olds NEET is therefore, the primary focus for the Service. This has been addressed in the main by the impartial information, advice, guidance, support, brokerage and advocacy role of the personal adviser (PA) as a single point of contact for the individual young person. The service brief is to provide support to all young people encompassing the careers advice and guidance function, whilst also providing more intensive and targeted support to those most at risk of disaffection and thereby becoming NEET.

3. Arrangements for the operational delivery of Connexions services have historically been facilitated through regional partnerships. National policy has not been prescriptive in terms of the exact nature of partnership arrangements, with a variety of models developed and applied. Hillingdon's Connexions Service has been coordinated through a partnership of six West London boroughs with the sub-regional accountability for the securing of Connexions services resting with Connexions London West (CXLW), a Company Limited by Guarantee. CXLW discharged this responsibility through a contract delivery model, commissioning a range of providers including local authority services to offer the service.

4. Responsibility for the securing of Connexions services was transferred to Hillingdon Council following a review of partnership arrangements initiated as a consequence of major budgetary pressures, which could be offset through transfer of responsibility to local authorities. Cabinet approved this transfer in October 2004. National policy has followed the course of direction taken in West London, and as a consequence the responsibility for securing Connexions services is now a statutory requirement placed upon all local authorities. The full terms of reference for the securing of Connexions services by local authorities are set out in 'The Specification for services', available as '*Background Document One*' to this report..

5. The then Youth and Community Service took direct responsibility for the delivery of Connexions services on behalf of the Council. A minor level of organisation change was initiated with the Youth and Community Service to accommodate the change in accountabilities.

6. Revised arrangements have enabled services to be maintained between 2004 and 2008 with the Service largely remaining the same as under previous management arrangements described below.

6.1 The Hillingdon Connexions service is delivered through a range of contracts and Service Level Agreements, primarily:

- 6.1.1 A core contract with a specialist guidance company to deliver more universally available services to young people, with a significant focus on information, advice and guidance;
- 6.1.2 Service Level Agreements (SLAs) with other Council departments and functions to provide more intensive support to specialised groups such as young offenders, looked after young people and those with behaviour/attendance issues at school; and
- 6.1.3 Contracts with community and voluntary groups to provide more intensive support to specialised groups such as refugees and asylum seekers and teenage mothers.

7. The majority of these contracts and Service Level Agreements have been in place since the start of Connexions in 2002. In general terms the overall performance of the service has been good. The number of young people not in education, employment or training (NEET) has been significantly reduced and a valued level of support has been provided to young people in Hillingdon.

8. Although the Service has been effectively maintained it has been clear for some time that current arrangements for the management and delivery of services would benefit from review. Change in national policy as articulated in a range of documents including the amended Education and Skills Act 2006, Youth Matters, Youth Matters: Next Steps, 14 – 19 policy reform and the more recent Aiming High for Young People Strategy added further impetus to the need to assess arrangements for the provision of Connexions services within the context of a national drive to strengthen the integration of support services for young people. Local developments including the creation of the Education and Children's Directorate and a Children and Families Trust provided the local context for review and reform. The current economic climate and the associated impact on employment opportunities for young people is another contextual issue informing the review and its outcomes.

9. This report is concerned with the outcomes of a review of the Connexions Service in Hillingdon. The review comprised two component parts, a review of the Universal Service, providing the majority of Connexions services primarily through schools and a review of the Intensive Service, providing support for young people with significant and multiple barriers to progression. The review of the Universal Service was completed in September 2008. The overall process should be seen within the context of a move to more closely align services to discreet levels of needs. Further details on the segmentation of services in response to need is available as '*Background Document Two*'. This report centres on the outcomes of the review of the Intensive Service.

10. The Intensive Service Review was initiated in 2007. A great deal of work was undertaken during the initial stages however changes in personnel and resultant loss in capacity hindered its completion. This deficiency was addressed and the review has now been completed. The recommendations offered have been informed by the consolidated outcomes of current and previous work undertaken over the past 2 years.

## **Review Purpose**

11. To assess the effectiveness of current arrangements for the provision of Intensive Connexions Support Services and enable service improvement.

## **Aims**

12. To review existing arrangements for the provision of Intensive Connexions services;
13. To assess the relative merits and constraints of current arrangements; and
14. To offer options and recommendations for the improvement of services offered.

## **Review Methodology**

The review process has included:

15. Desktop analysis of national research and interrogation of performance data;
16. A detailed and independently evaluated assessment of contract performance and resource deployment;
17. Analysis of organisational management arrangements and systems;

18. An assessment of stakeholder views through a series of structured workshops and meetings with key local partners including current contractors and practitioners, young people, schools and representatives of local young people services and interest groups; and

19. Analysis of national research concerned with the provision of effective intensive support services.

## **Review Stages**

20. The review was undertaken using the following staged process:

20.1 Stage one: Consideration of national research and best practice;

20.2 Stage two: Consideration of local research and data analysis relating to the Intensive Service client group and their outcomes;

20.3 Stage three: An assessment of the current Intensive Service configuration and deployment, and an evaluation of its effectiveness in meeting the needs of the target client group; and

20.4 Stage four: An assessment of existing organisational management arrangements and systems and their effectiveness in enabling and ensuring effective service delivery.

## **Conclusions**

21. Stage One: Consideration of National Research and Best Practice. High performance in the following theme areas are recognised as the key characteristics of an effective Intensive Connexions Service:

21.1 Comprehensive data mapping and needs assessment;

21.2 Early intervention and preventative action;

21.3 Effective targeting of resources;

21.4 Good practice in the role and deployment of the personal adviser for the provision of advocacy, brokerage and information, advice and guidance;

21.5 Robust and effective referral and data sharing among partners; and

21.6 Building capacity of Personal Advisors to provide quality data.

22. Summary findings arising from stage one of the review:

22.1 Client need is identified and understood in general terms although the quality and analysis of local data is not sufficiently strong to enable consistently effective forensic use;

22.2 The majority of existing Intensive Service contractors appear, and perceive themselves as providers of 'preventative services' although the nature and quality is more anecdotal than evidence based;

22.3 Resources are loosely targeted in response to a perceived need although the apportionment appears to be primarily historically based;

22.4 PA practise and deployment is inconsistent and variable; and

- 23.5 Referral, tracking, information sharing and data inputting is inconsistent.
- 24.6 In many instances the Intensive Service is providing valued support to young people with a variety of needs, in a range of appropriate settings. The Service is not however providing a consistent service to the intended client group in a manner that leads to clear and evidenced outcomes. The above listed areas for development require focused attention in order strengthen the Service's capacity to improve outcomes for the young people it seeks to serve.

23. Stage Two: Consideration of local research and data analysis. This stage of the process was concerned with understanding the local service context in relation to 'the NEET position' in Hillingdon. Supporting data for this stage of the process can be found in '*Background Document Three*' to this report..

24. Summary findings arising from stage two of the review:

- 24.1 A significant level of NEET reduction has been achieved over the past three years although this has reached a plateau;
- 24.2 There is little evidence to suggest the current Intensive Service has made a significant contribution to this reduction other than an anecdotal impact on NEET levels through preventative work;
- 24.3 A disproportionate amount of NEET to EET success has been achieved by the Universal Service as opposed to the Intensive Service;
- 24.4 There is a clear correlation between poor attainment and NEET risk;
- 24.5 There is a clear correlation between sustained EET and employment without training;
- 24.6 NEET 'churn rate' is relatively high;
- 24.7 There is a clear correlation between given localities, certain schools and NEET 'hot-spots';
- 24.8 There is evidence to suggest that young people with learning, difficulties and disabilities amongst other vulnerable groups and white young people would benefit from more effective support to enable their progression as they feature disproportionately in the NEET group;
- 24.9 There is evidence to suggest that the outcomes for some client groups are being positively impacted upon through PA interventions secured through current arrangements.

25. Analysis of findings relating to this stage of the process suggests that:

- 25.1 Greater focus on NEET to EET outcomes is required in order to achieve a further and sustained impact in NEET reduction;
- 25.2 A more detailed understanding of NEET patterns, trends and underlying causes should be developed to inform future deployment of resources;

- 25.3 In some instances deployment of PA resource through internal and external partner agencies has had evidenced impact on NEET reduction. Successful practice should be built upon and replicated; and
- 25.4 An appropriate balance needs to be achieved between resources deployed to meet the needs of a specific target group and more generic preventative services.

26. Stage Three: An assessment of the current Intensive Service and its effectiveness in meeting the needs of the target client group. This aspect of the process relates to a detailed analysis of contract monitoring activity the outline of which can be found in '*Background Document Four*' to this report.

27. Summary findings arising from stage three of the review:

- 27.1 There appears to be 'added value' in external contractual arrangements although this is not consistently translating to evidenced outcomes in most cases;
- 27.2 Contractor performance is good in places although in general it is inconsistent and does not coherently and cohesively deliver against the core Connexions Service performance target of reducing the number of young people NEET;
- 27.3 Contractor focus on core Connexions business is deficient;
- 27.4 Contractor NEET to EET performance, a part from a few notable exceptions, is deficient and represents questionable value for money;
- 27.5 Resource deployment against need appears imbalanced; and
- 27.6 Data inputting by contractors is inconsistent and results in associated weaknesses in forensic analysis of management information.

28. Analysis of findings relating to this stage of the process suggests that:

- 28.1 A 'mixed economy' of service providers can add value to the service if the 'host' service is effectively managed and the personal adviser resource remains focused on Connexions core business;
- 28.2 The contracting process requires strengthening including the specification of services required together with clear determination of outcomes the contractual arrangement seeks to secure;
- 28.3 The Service needs to consider how best to deploy its resource to maximise on the potential added value secured through external contracts whilst minimising the risk of dilution of focus on Connexions core business;
- 28.4 The Service needs to strengthen its enabling and ensuring function in order to achieve the required level of NEET to EET outcomes; and
- 28.5 The Service needs to redress the apparent imbalance in resource deployment and focus on commonly agreed priority areas of need.

29. Stage four: An assessment of existing organisational management arrangements and their effectiveness in delivering the best possible service. This stage of the process considered the efficacy of management arrangements for the strategic leadership and organisational management of the Intensive Service.

30. Summary findings arising from stage four of the review:

- 30.1 The Connexions Service was successfully transferred to Hillingdon Council in 2004. Despite the swiftness of change and limited opportunity to plan for the transfer, the service has largely been well maintained with performance improving post transition.
- 30.2 Limited managerial capacity post transition has impacted on service development 2005 – 2008;
- 30.3 Insufficient capacity has been afforded to the contract management and quality assurance function of the service whole;
- 30.4 Although contractual arrangements have been strengthened, contract compliance has been inconsistently achieved and ensured;
- 30.5 Contractual arrangements are not sufficiently focused on:
  - Preventative work pre-16 which will clearly demonstrates a reduction in potential NEETs post-16;
  - Moving young people from NEET to EET; and
  - Ensuring young people who are EET and who are at significant risk of becoming NEET are supported to remain in EET.
- 30.6 Operational leadership and co-ordination of the Intensive Service requires development;
- 30.7 Management information systems have been strengthened although processes are not consistently applied; and
- 30.8 Specification of intensive service requires strengthening including enhancing the focus on NEET to EET outcomes and differentiating between pre-16 preventative and post 16 targeted work.

31. Analysis of findings arising from this stage of the process suggests that:

- 31.1 Connexions Service management capacity and function has largely remained unaltered since the Service became the responsibility of the Local Authority. The increase in responsibility has not been matched with sufficient managerial capacity to develop the Service in order to sustain recent success in NEET reduction. This situation has been compounded by periodic gaps in managerial capacity over the past three years;
- 31.2 The capacity to initiate change at a managerial level has been limited. This has resulted in historic and in part ineffective arrangements for service delivery remaining in place. As a consequence the Service has largely been maintained as opposed to developed;

- 31.3 Recent added capacity has led to the strengthening of the Service both in terms of leadership and organisational management. A full service review, improved contracts, a strengthening of data collection and analysis and enhancement of contract monitoring has led to service improvement. This direction of travel needs to be maintained through further improvement in managerial capacity coupled with a needs led process of service specification and resource deployment;
- 31.4 The disparate nature of contractual arrangements has not engendered a 'team approach' to the existing 'virtual' Intensive Service Team. This has to some degree compromised its performance. The absence of capacity to provide strong operational leadership of the Service has also contributed to areas of underachievement highlighted in this report. The uncertainty of annual contracting arrangements has also influenced the difficulties experienced within the Intensive Service;
- 31.5 The location of the Intensive Service within the Youth and Connexions Service and the wider family of integrated youth support service providers has supported the securing of good outcomes. This should be built upon by fostering a collegiate Intensive Service approach shaped by a common team purpose as part of developing integrated youth support service arrangements; and
- 31.6 Referral and tracking systems are in place for the universal service but are not consistently applied across the Intensive Service. This situation needs to be rectified in order to ensure young people are receiving swift and effective support.

32. The findings and associated summary analysis as detailed have informed the recommendations offered in this report. It should be noted that many of the areas for development discussed related to wider strategic activity in relation to NEET reduction that are currently being progressed by the 14 – 19 Strategy Group and the Connexions (IAG) Steering Group through the development of a NEET Reduction Strategy. The provision of effective Intensive Connexions services is an integral component of a collaborative, multi-agency approach to NEET reduction. This report advocates that the recommendations presented are acted upon in order to maintain the momentum of recently achieved service improvement.

### **Financial Implications**

33. The proposed organisational changes are needed to generate an efficiency saving of £101,000 in accordance with MTFF savings requirements within the Connexions Service.

34. The proposal is to achieve the saving in intensive service costs by transferring the function and absorbing the cost of personal adviser support to young people with learning difficulties and disabilities within the universal service and guidance company contract and by re-organising the support currently provided to young people under existing arrangements.

35. There are no additional costs associated with implementing the outcomes of this review other than those being met through the existing budget for this service area.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

### **What will be the effect of the recommendation?**

36. Acting upon the recommendations proposed will lead to an improvement in services provided to young people who require additional support to secure the best possible outcomes. The actions proposed will lead to increased value for money by ensuring that resources deployed generate specific and clearly defined outcomes and address service priorities. The review has shown that the Council is not securing value for money under current arrangements with the investment being made through many partners not translating into satisfactory performance outcomes.

37. The recommendations propose the reduction or withdrawal of resources from some voluntary groups. Approval of the recommendations offered in this report will lead to significant changes to the current delivery model. These include the re-deployment of some resources currently located in voluntary services and partner agencies and the transfer of staff to direct Council management through the Youth and Connexions Service. All relevant groups have been engaged in order to determine the potential impact of implementing the recommendations arising from the review. Consultation is also taking place between Council Officers to determine the impact that withdrawal of support may have on organisations who are dependant on a range of support from different Council departments. An impact assessment and risk analysis has been carried out and is detailed in appendix three. An Equalities Impact Assessment has also been carried out and is attached as '*Background Document Five*' to this report..

38. Local business will also benefit from the strengthening of the Connexions Intensive Service. Revised arrangements will ensure that young people are effectively supported to access local employment and training and receive the level of support they need to sustain their engagement.

### **Consultation Carried Out or Required**

39. The contents of this report, and the recommendations made, have been informed by a wide-ranging consultation exercise. The process has obtained the views of young people, contractors, partners and other stakeholders. A secondary process of consultation has also been undertaken to assess the impact of implementing the proposals arising from the review. Details are attached as '*Background Document Six*' to this report..

## **CORPORATE IMPLICATIONS**

### **Corporate Finance Comments**

40. The review of the Connexions Intensive Service has been a detailed review that is effectively an extension of the Service Review for the whole of Education and Children's Services reported to Cabinet in June 2008. The review has largely taken place within the service and department and its direct partners with limited support required from corporate review functions and resources.

41. The saving of £101k referred to in the financial implications are delivered initially through the transfer of functions to the universal advice and guidance contract already approved by Cabinet in July 2008 and are consistent with the revenue budget proposals for 2010/11 presented to elsewhere on this Cabinet agenda.

42. The subsequent realignment of posts within the department to better support identified areas of need is due for implementation in September 2010, and the full year effect of this reorganisation may result in a further savings for 2011/12 beyond those identified in the financial table in Appendix 2. This will be monitored as part of the Business Improvement Delivery project for Education & Children's Services.

### **Corporate Procurement**

43. The comments and recommendations made in this report are noted and supported by Corporate Procurement. Enablement of the recommended organisational and supplier changes advised by this review will need to be made in accordance with the appropriate terms and conditions of the relevant supplier contracts, for example notice periods and relevant TUPE conditions.

Where appropriate, revised scope and specification of services to be provided will need to be incorporated into revised supplier contracts to ensure that the outcomes of these recommendations are successfully monitored and delivered.

### **Legal Comments**

44. Under the Education and Skills Act 2008 as amended the Council is under a statutory duty to provide Connexions support services to young people aged 13 – 19 and young people with learning difficulties and disabilities up to the age of 25 within the borough; there are approximately 23,000 young people within this age banding who may receive support from the Service, either in School or through intensive support provided through a number of agencies.

45. This report is proposing a re-organisation of the intensive aspect of the service which will involve a significant change in the way in which it is delivered but will also yield significant savings. Under the Council's Constitution it is Cabinet that has the appropriate authority to agree this recommendation.

### **Relevant Service Groups**

46. All relevant service groups have been engaged in the consultation process and continue to be involved through the stakeholder groups overseeing the provision of Connexions services.

### **BACKGROUND PAPERS**

Available upon request:

Background document one: Connexions Service specification

Background document two: Connexions Service segmentation proposal

Background document three: NEET patterns and trends

Background document four: Contract monitoring report

Background document five: Equalities Impact Assessment

Background document six: Consultation summary

This page is intentionally left blank

## **Connexions Intensive Service Review**

### **Appendix One**

#### **Connexions Intensive Service Delivery Model Options**

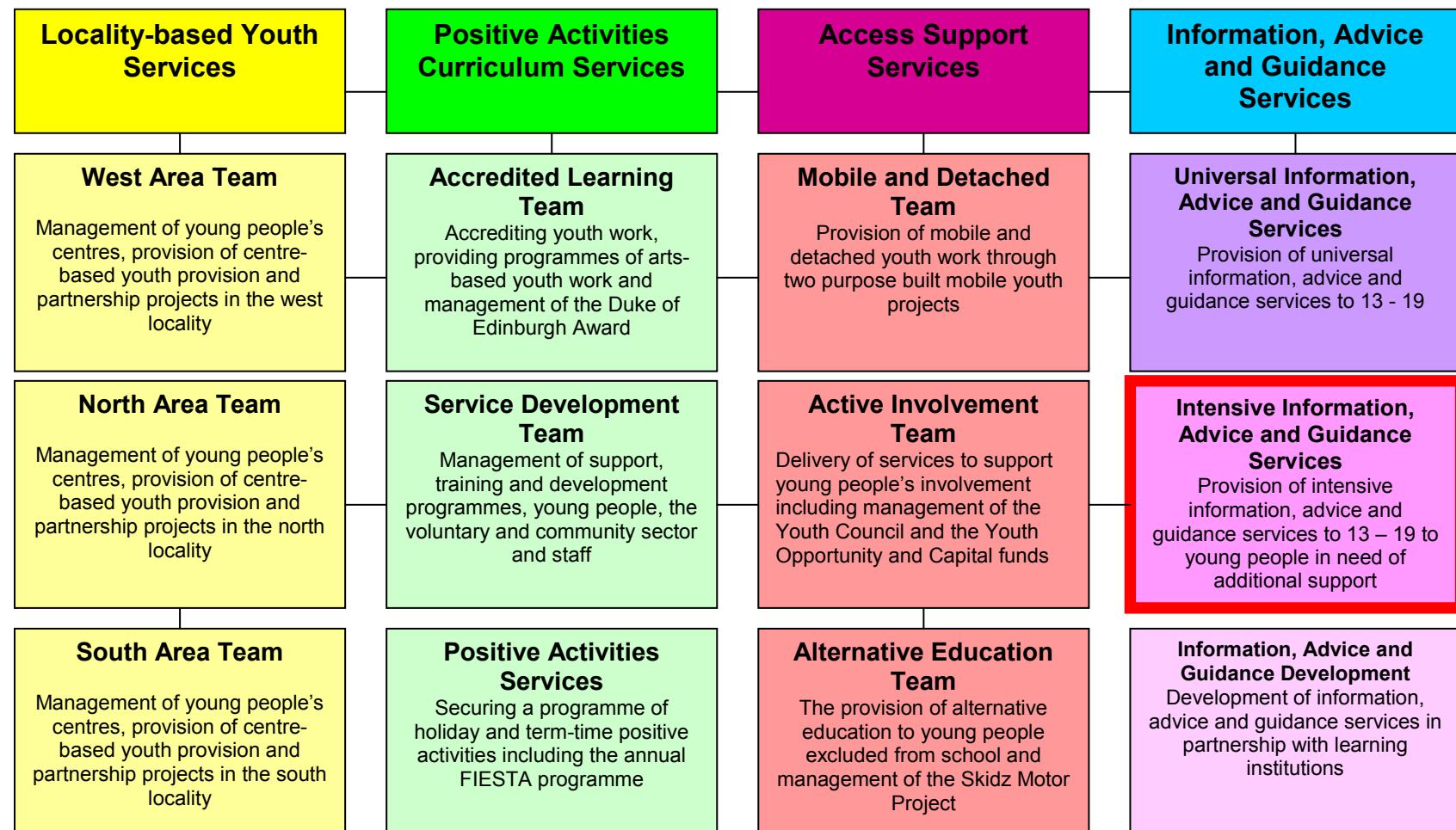
##### **1. Introduction**

1.1 Appendix one describes three organisational models determined and considered during the review process. The options were designed in order to give stakeholders and senior managers involved in the range of associated Connexions Service steering groups governing the Service, the opportunity to consider the best arrangements to put in place to resolve the deficiencies identified during the review process. The information in this appendix sets out the detail of the three models considered, summarising the benefits and risks concerned with each. The models pay colour coded reference to the service segmentation model described in background paper two with the diagrams illustrating the location of each of the four operational delivery areas within the overall service structure. Further details regarding the partner organisations referenced may be found in background paper four.

1.2 Revision of organisational arrangements seeks to ensure the following key areas are addressed:

- Capacity to ensure the service is strategically led in an effective manner through a Senior Service Manager within the overall managerial structure of the Youth and Connexions Service;
- Capacity to ensure the service is operationally managed in an effective manner through practitioners with the remit to lead and organise the Connexions Intensive Service; and
- Capacity to ensure the performance of the service provided is effectively performance managed and quality assured.

## 2. Location of Connexions Intensive Service within the organisational structure of the Youth and Connexions Service



The model illustrates an integrated range of services for teenagers in Hillingdon. The Service is strategically led by the Head of the Youth and Connexions Service through a team of four operational managers with responsibility for the divisions of service as shown. The red bolded box is the aspect of service that has been subject to review within the wider context of Youth and Connexions services.

## **2. Option one description**

2.1 The model illustrated on page four describes a 'contracted out' approach to securing Connexions services. This would require the specification of services in accordance with the bandings of need described in background document two and putting all services out to competitive tender.

2.2 Whilst there may be cost benefits in pursuing this model in the short-term, partners involved in the governing of existing services expressed the view that this approach would not mitigate primary risks and deficiencies identified during the review process. It would also hinder the opportunity to build on emerging and successful models of integrated practice such as targeted youth support and could compromise the identified need to foster a cohesive team approach to provision of services. This option has however been noted as worthy of reconsideration at the point at which the main Connexions contract is due for renewal in March 2011.

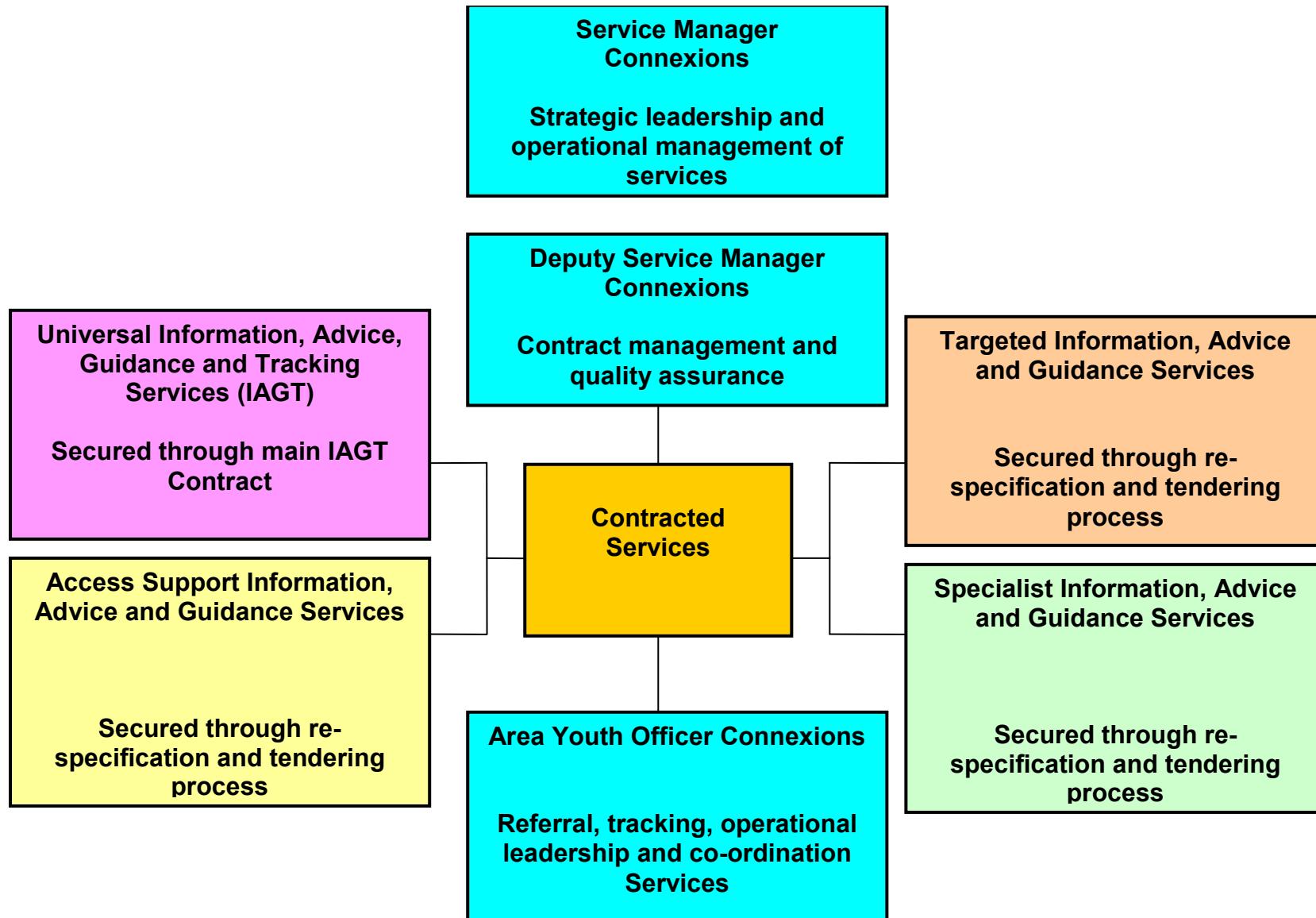
## **3. Option two description**

3.1 The model illustrated on page six describes a 'mixed economy' approach to the securing of Connexions services. This sees a development of current arrangements whereby the approach of securing services through partner agencies is maintained but modified by bringing the personal advisers deployed in partner services under the direct management of the Youth and Connexions Service. Personnel would be seconded to host agencies under these revised arrangements. The model also seeks to build upon and strengthen new developments such as targeted youth support. It also increases the capacity of service directly managed by the Youth and Connexions Service to lead and co-ordinate provision.

## **4. Option three description**

4.1 The model illustrated on page eight describes a unified personal adviser team located within, and directly managed by the Youth and Connexions Service. This model would result in the withdrawal of all personal adviser resources from partner agencies and see the creation of one directly intensive personal adviser team managed and deployed within the Youth and Connexions Service. This is a model favoured by other local authority areas some of which have seen improved outcomes as a consequence.

## Option One: 'Contracting Out' Model



## **6. Option One: Main benefits and risks**

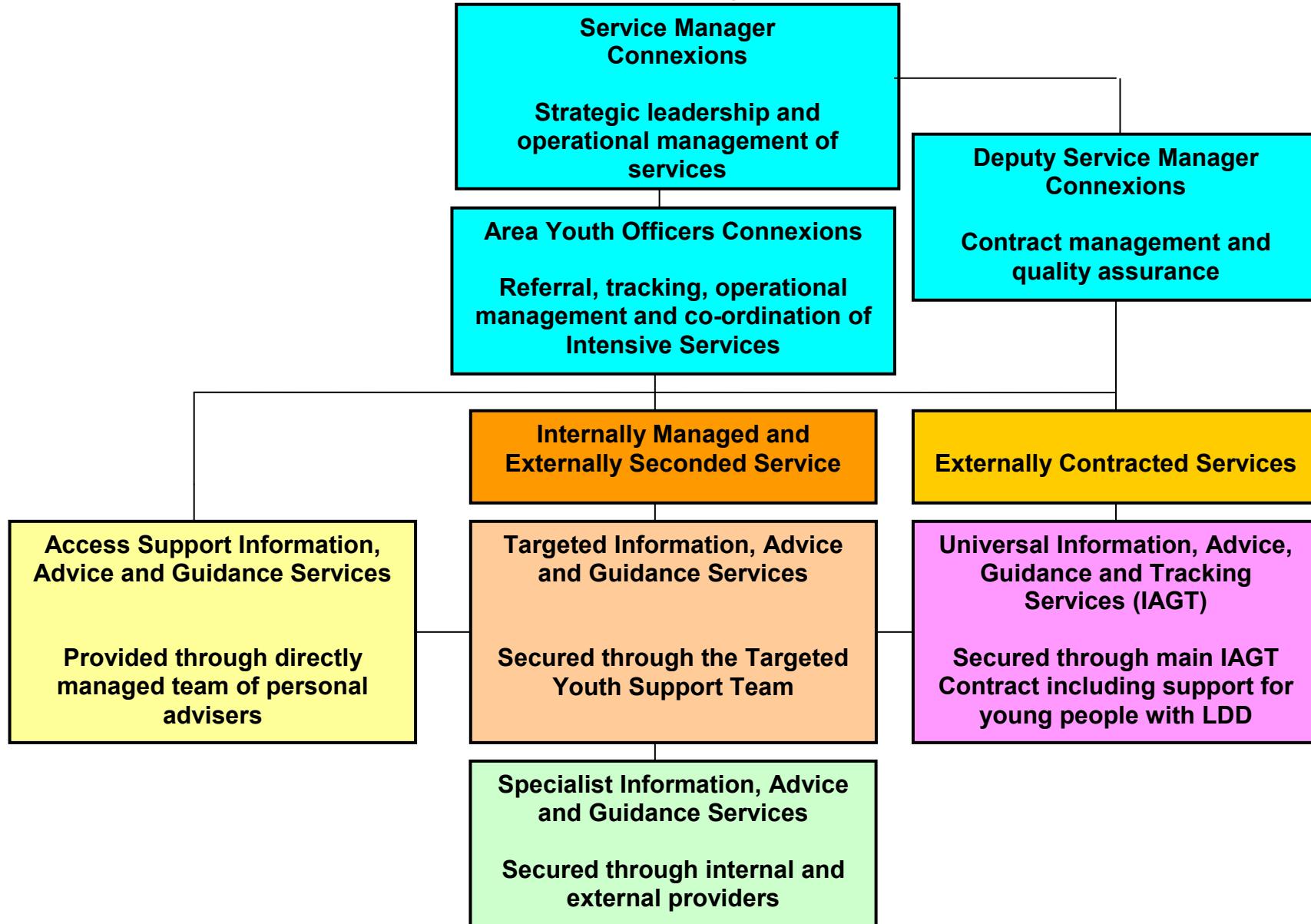
### **6.1 Benefits**

- Market testing and securing services through a competitive tendering process.

### **6.2 Risks**

- Potential loss of opportunity to strategically align Connexions Intensive Services with local integrated youth support service developments;
- Potential perpetuation of deficiencies identified in the review concerning service fragmentation and lack of cohesion; and
- Potential loss of efficiencies by duplicating managerial and operational functions already provided with the Council.

## Option Two: The Hybrid Model



## **7. Option Two: Main benefits and risks**

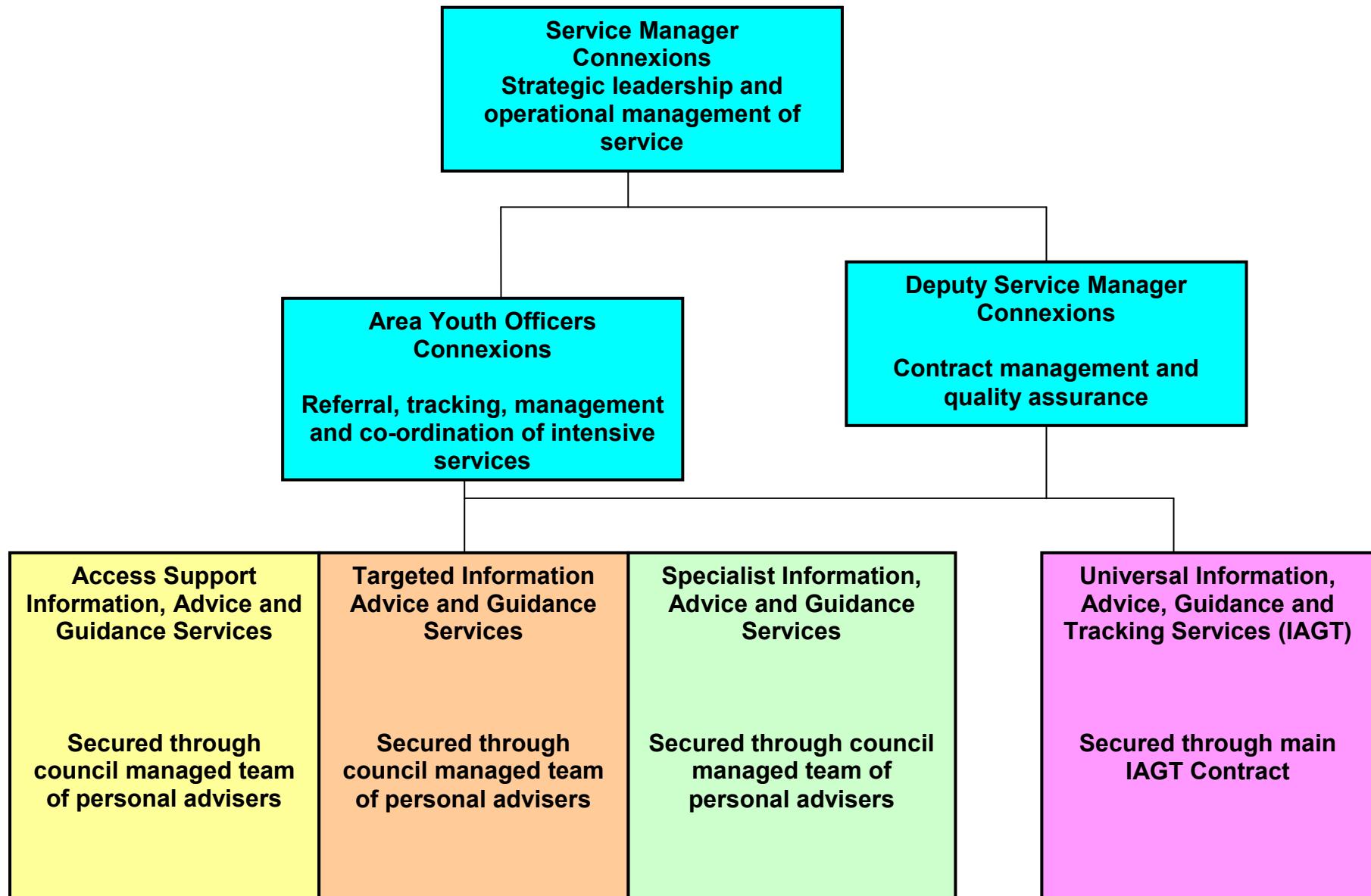
### **7.1 Benefits**

- Makes best use of existing and emerging Integrated Youth Support Service structures;
- Uses a mixed economy of service providers drawing on the strengths and capacity already in existence;
- Strengthens management and leadership by putting direct line-management arrangements in place and seconding staff to host organisations;
- A co-ordinated approach to training, development and performance management of workforce;
- Increase in capacity and focus of services in response to the needs of young people who are over-represented in the NEET cohort; and
- Reduces disparate nature of service.

### **7.2 Risks**

- Option would reduce some existing services provided through voluntary sector partners and re-location of others which may be problematic for current providers.

### Option Three: The 'In-House' Model



## **8. Option Three: Main benefits and risks**

### **8.1 Benefits:**

- Cohesive and stream-lined management arrangements;
- The creation of one Intensive Support Team with the capacity and flexibility to respond effectively to the four categories of need;
- The creation of a common and consistently pursued team purpose; and
- Unified focus on Connexions core business.

### **8.2 Risks**

- Potential loss of added value derived from deployment of staff in partner agencies;
- Contrary to emerging multi-agency / locality-based models of practice; and
- Accommodation.

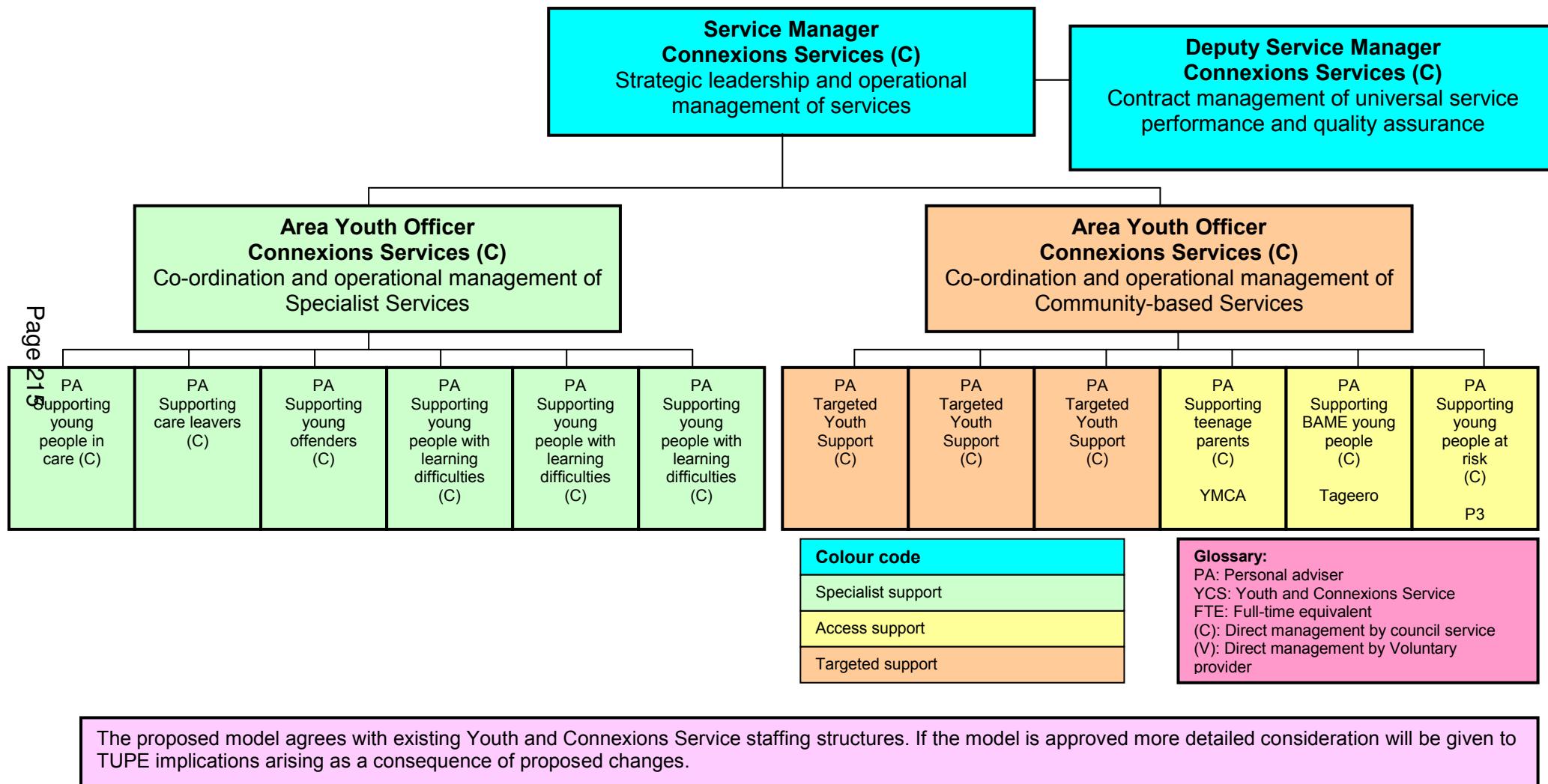
## 9. Option two in more detail: Current Intensive Service Operational Delivery Arrangements

1. 16 + Team (C) 1 FTE PA Supporting care leavers	Service Manager, Deputy Service Manager and Area Youth Officer Connexions Services (C)			2. Looked After Children Education (LAC) Team (C) 1 FTE PA supporting young people in care				
3. Youth Offending Service (YOS) (C) 1 FTE PA supporting young offenders	4. Targeted Youth Support Team (TYST) (C) 3 FTE PAs supporting young people at risk	5. P3 (V) 2.5 FTE PAs supporting a range of needs groups	6. Tageero (V) 1 FTE PAs supporting young people from black and minority ethnic communities	7. Hillingdon Youth Awareness Programme (V) 1 FTE PAs supporting young people at risk				
8. YMCA (V) 1 FTE PA supporting teenage parents	9. Behaviour Support Team (C) 1 FTE PA supporting young people moving between schools	10. Rosedale College 1 FTE PA supporting vulnerable young people	11. RAAD (V) 0.5 FTE PA supporting young people from black and ethnic minority communities	12. CfBT 3.8 FTE PA supporting young people with LDD in Special Schools				
<p><b>Glossary:</b></p> <p>PA: Personal adviser YCS: Youth and Connexions Service FTE: Full-time equivalent (C): Direct management by council service (V): Direct management by Voluntary provider</p>								
<p><b>Colour code</b></p> <table border="1"> <tbody> <tr><td>Management and co-ordination</td></tr> <tr><td>Access support</td></tr> <tr><td>Specialist support</td></tr> <tr><td>Targeted support</td></tr> </tbody> </table>					Management and co-ordination	Access support	Specialist support	Targeted support
Management and co-ordination								
Access support								
Specialist support								
Targeted support								

### Proposed changes to current arrangements

1. Post maintained in team but directly managed by YCS and seconded to 16+ Team	2. Post maintained in team but directly managed by YCS and seconded to LAC Team	3. Post maintained in team but directly managed by YCS and seconded to YOS	4. Posts maintained in team but directly managed by YCS and seconded to TYST	5. Resource reduced to 1 FTE directly managed by YCS and seconded to P3
6. Resource maintained at 1 FTE with post directly managed by YCS and seconded to Tageero	7. Resource withdrawn and redeployed under revised arrangements	8. 6. Resource maintained at 1 FTE with post directly managed by YCS and seconded to YMCA	9. Resource withdrawn and redeployed with function supported under revised arrangements	10. Resource withdrawn and redeployed under revised arrangements
11. Resource withdrawn and redeployed under revised arrangements	12. Function transferred to universal service through main guidance company under revised contract	The proposed changes would result in discontinuation of existing contracts and service level agreements. New secondment arrangements would be confirmed through revised service level agreements. Personnel matters including the management of any TUPE issues would be addressed as part of the review implementation plan subject to approval of recommendations.		

## 9. Option two: Proposed re-structured Intensive Service Operational Delivery Arrangements



9.1 Option two was initially identified by governing and consultative groups as the preferred vehicle to further the work of the Connexions Intensive Service. This model has been further developed to its current configuration in light of feedback received through implementation consultation.

If approved an implementation plan will be required to progress the model to the point of operational reality. The plan will include the following actions:

- Notification to existing providers of proposed changes and discontinuation of current service level agreement / contractual arrangements of services in order to introduce new model on 1<sup>st</sup> September 2010;
- Negotiation of revised SLAs and staffing arrangements including the management of any TUPE requirements;
- Confirmation of revised management arrangements; and
- Progressing specification of all intensive services.

## 10. Financial implications

10.1 The following information describes the summary costs of the proposed intensive service operations model in comparison to existing arrangements. The figures relate to changes that will have a half year effect in some cases given that the proposed changes will be implemented by 1st September 2010.

<b>Current Arrangement: Personal Advisers</b>	<b>No. of PAs</b>	<b>Previous Full Year budget 2009-10</b>
Area Youth Officer (Community-based Services)	1.0	48,830
CFBT-LDD	3.8	151,170
Tageero Ltd	1.0	34,680
RAAD Ltd	0.5	18,870
HYAP	1.0	37,740
West London YMCA	1.0	37,740
Rosedale College	1.0	39,780
P3-Asylum Team	0.5	18,870
P3-Social Exclusion	1.0	37,740
P3-Intensive	1.0	37,740
Behaviour Support Team (BST)	1.0	34,680
LACE	1.0	34,680
LCT 16+	1.0	37,740
YOS	1.0	37,740
TYST	3.0	107,080
Add: Area Youth Officer (Specialist Services)	0	0
Add: Peripatetic LDD PA	0	0
<b>FY Total expenditure</b>	<b>18.8</b>	<b>715,080</b>

<b>Proposed model: Personal Advisers</b>	<b>No. of PAs</b>	<b>Estimated Full Year budget 2010-11</b>	<b>Variance (+/-)</b>
Area Youth Officer (Community-based Services)	1.0	49,950	1,120
CFBT-LDD	0.0	0	-151,170
Tageero Ltd	1.0	39,460	4,780
RAAD Ltd	0.0	7,860	-11,010
HYAP	0.0	15,730	-22,010
West London YMCA	1.0	40,740	3,000
Rosedale College	0.0	16,580	-23,200
P3-Asylum Team	0.0	7,860	-11,010
P3-Social Exclusion	0.0	15,730	-22,010
P3-Intensive	1.0	40,740	3,000
Behaviour Support Team (BST)	0.0	14,450	-20,230
LACE	1.0	39,460	4,780
LCT 16+	1.0	40,740	3,000
YOS	1.0	40,740	3,000
TYST	3.0	118,460	11,380
Add: Area Youth Officer (Specialist Services)	1.0	34,490	34,490
Add: LDD PAs	3.0	91,090	91,090
<b>Est. FY Total expenditure</b>	<b>14.0</b>	<b>614,080</b>	<b>-101,000</b>

10.2 Figures above illustrate the costs associated with the proposed revision in arrangements and reflect the change in staffing levels and deployment locations.

This page is intentionally left blank

## **Connexions Intensive Service Review**

### **Appendix Two**

#### **Revised Resource Deployment Proposals**

1. The information contained within this appendix describes current personal adviser resource deployment and summarises the proposed changes detailed in appendix one as they relate to each agency. The information provided has been informed by:
  - 1.1 Consideration of the nature of service provided and its effectiveness in meeting the needs of young people within the context of the segmented approach to service described in background paper two. Consideration has also been given to the needs of young people who disproportionately feature in the NEET group;
  - 1.2 Evaluation of existing contracted services; and
  - 1.3 The intention to strengthen the service through the alignment of personal adviser resources with emerging integrated youth support service structures including the development of targeted youth support services.
2. The analysis provided in this appendix has been tested with the relevant partners in order to fully understand the implications of enacting the proposed changes. All of the Intensive Service Review documentation was shared with all partners and stakeholders. Consultation meetings were held with all parties to gain and confirm background information about the service they provide and the impact the Personal Adviser has had within the organisation delivering Connexions business.
3. A key outcome of the process is, where required, reapportionment of resources so that they may address the needs of young people who are over-represented in the NEET cohort and be best used within revised operational arrangements for service delivery. The final analysis has been developed after considerable consultation with stakeholders, including all relevant partners.

Organisation and current PA Resource location	Role of Intensive Personal Adviser
Looked After Children Education Team (LACE) (1 FTE - Council)	<p><b>NEET prevention for young people in care aged 13-16 yrs.</b></p> <p><b>Proposed action:</b> Maintain resource under revised management arrangements.</p> <p><b>Impact Assessment and Risk Analysis:</b> Required support for vulnerable group maintained. Performance strengthened through improved SLA and enhanced leadership and co-ordination of service. No risk identified. Direct line management of PA resource to be assumed by the Youth and Connexions Service. Revise arrangements will also lead to improved collaborative practice under new intensive service team arrangements.</p>
Behaviour Support Team: Managed Moves (1 FTE - Council)	<p><b>To co-ordinate the Managed Move Panel. To accept referrals from the panel and to give support to the young people referred from school to school. To give advice regarding behaviour policy to the schools part of the Managed Move Agreement.</b></p> <p><b>Proposed action:</b> Re-deployment of resource within new model.</p> <p><b>Impact Assessment and Risk Analysis:</b> Function to be secured through revised arrangements in Education Welfare Service. Personal Adviser support to be afforded to the process under revised arrangements but not in the dedicated manner currently provided which includes resource being assigned to fulfil a dedicated function full-year round when the need only presents during term-time.</p>
HYAP (1 FTE – Voluntary Organisation)	<p><b>Generic intensive personal adviser supporting young people referred to a voluntary sector provider of specialist support to vulnerable young people with a focus on substance misuse education.</b></p> <p><b>Proposed action:</b> Re-deployment of resource within new model.</p> <p><b>Impact Assessment and Risk Analysis:</b> Resource re-deployed under revised arrangements. Relationship with provider will be maintained through partnership work. No resultant loss of support to young people anticipated. Risks associated with decommissioning relate to potential impact of loss of capacity in a voluntary sector provider. This risk includes potential implications where there may be dependencies between funding streams or the post supports other functions within the organisation. Risk to be managed through consultation and support provided to organisation, which may include capacity building resources provided by alternative sources. TUPE may apply to the personal adviser currently employed by HYAP.</p>

<b>Leaving Care 16+ (1 FTE - Council)</b>	<p><b>To provide intensive support to young people in need aged 16-19, and care leavers who are either NEET or at risk of becoming NEET due to other issues of instability in their lives.</b></p> <p><b>Proposed action: Maintain resource within new model.</b></p> <p><b>Impact Assessment and Risk Analysis:</b> Required support for vulnerable group maintained. Performance strengthened through improved SLA and enhanced leadership and co-ordination of service. No risk identified. Direct line management of PA resource to be assumed by the Youth and Connexions Service. Revise arrangements will also lead to improved collaborative practice under new intensive service team arrangements.</p>
<b>P3 Generic (1 FTE - Voluntary Organisation)</b>	<p><b>To provide intensive support to young people aged 13 – 19 who are NEET, at risk of becoming NEET or struggling to maintain their EET.</b></p> <p><b>Proposed action: Maintain resource within new model.</b></p> <p><b>Impact Assessment and Risk Analysis:</b> Required support for vulnerable group maintained. Performance strengthened through improved SLA and enhanced leadership and co-ordination of service. Direct line management of PA resource to be assumed by the Youth and Connexions Service. TUPE may apply to the personal adviser currently employed by P3.</p>
<b>P6 Refugee Support (0.5 FTE – Voluntary Organisation)</b>	<p><b>To provide intensive support and guidance to young people 13 – 19 aiming to support those who are refugees and asylum seekers.</b></p> <p><b>Proposed action: Re-deployment of resource within new model.</b></p> <p><b>Impact Assessment and Risk Analysis:</b> Support of this nature can be provided by other agencies. Service output clearly indicates limited impact on clients. Risks associated with de-commissioning relate to potential impact of loss of capacity in a voluntary sector provider. This risk includes potential implications where there may be dependencies between funding streams or the post supports other functions within the organisation. Risk to be managed through consultation and support provided to organisation, which may include capacity building resources provided by alternative sources. TUP may apply to the personal adviser currently employed by P3.</p>

<b>P3 Social Exclusion (1 FTE - Voluntary Organisation)</b>	<p><b>To provide intensive support and guidance to young people 13 – 19 aiming to support those who are socially excluded.</b></p> <p><b>Proposed action: Re-deployment of resource within new model.</b></p> <p><b>Impact Assessment and Risk Analysis:</b> Current support given to client group can be provided by other agencies under revised model. Service output indicates limited impact on clients. Risks associated with de-commissioning relate to potential impact of loss of capacity in a voluntary sector provider. This risk includes potential implications where there may be dependencies between funding streams or the post supports other functions within the organisation. Risk to be managed through consultation and support provided to organisation, which may include capacity building resources provided by alternative sources. TUPE may apply to the personal adviser currently employed by P3.</p>
<b>RAAD (0.5 FTE - Voluntary Organisation)</b>	<p><b>To support the young people (mainly 13 to 19 years of age) in achieving their full potential. The PA is the main means by which young people access and make use of the Connexions Service and move from NEET to EET.</b></p> <p><b>Proposed action: Re-deployment of resource within new model.</b></p> <p><b>Impact Assessment and Risk Analysis:</b> Current support secured through RAAD for the client group in question can be provided by other agencies under the proposed new model. Risks associated with de-commissioning relate to potential impact of loss of capacity in a voluntary sector provider. This risk includes potential implications where there may be dependencies between funding streams or the post supports other functions within the organisation. Risk to be managed through consultation and support provided to organisation, which may include capacity building resources provided by alternative sources. TUPE may apply to the personal adviser currently employed by RAAD.</p>
<b>Rosedale College (1 FTE - Independent Organisation)</b>	<p><b>Preventative support and guidance for young people in Education. Provide one to one sessions in confidence and self-esteem. To go to all meetings and appointments to represent the young person and provide intensive support in conjunction with partner agencies.</b></p> <p><b>Proposed action: Re-deployment of resource within new model.</b></p> <p><b>Impact Assessment and Risk Analysis:</b> Support will be provided for client group under new model in addition to the service available to all schools through main Universal Contract. Rosedale College are the only secondary school institution in receipt of additional Connexions resource over and above that provided through the Universal Service. Risks associated with de-commissioning relate to loss of dedicated function to an institution that has made nationally recognised levels of improvement in student attainment. Risk to be managed through consultation and support provided to organisation to ensure personal adviser service provided under revised arrangements deliver additional support required by Rosedale students. TUPE may apply to the personal adviser currently employed by Rosedale College.</p>

<b>Tageero</b> (1 FTE – Voluntary Organisation)	<p><b>To work with young people on a one- to-one basis with 16-18 years old, primarily from black and minority ethnic communities with multiple barriers to entering learning and employment and help them both to enter and remain in learning and employment and achieve their potential. The PA also helps young people with barriers to housing/accommodation, substance misuse, a history of offending, basic literacy needs, health and mental health needs.</b></p> <p><b>Proposed action:</b> Maintain resource under revised arrangements.</p> <p><b>Impact Assessment and Risk Analysis:</b> Required support for vulnerable group maintained. Performance strengthened through improved SLA and enhanced leadership and co-ordination of service. No risk identified. Direct line management of PA resource to be assumed by the Youth and Connexions Service. TUPE may apply to the personal adviser currently employed by Tageero.</p>
<b>YMCA</b> (1 FTE – Voluntary Organisation)  Page 223	<p><b>To implement a project which will provide support to teenage mothers, working with them to encourage a move out of the NEET group into EET and with young people to prevent teenage pregnancy through the delivery of advice sessions and a peer education scheme.</b></p> <p><b>Proposed action:</b> Maintain resource within new model.</p> <p><b>Impact Assessment and Risk Analysis:</b> Required support for vulnerable group maintained. Performance strengthened through improved SLA and enhanced leadership and co-ordination of service. No risk identified. Direct line management of PA resource to be assumed by the Youth and Connexions Service. Direct line management of PA resource to be assumed by the Youth and Connexions Service. TUPE may apply to the personal adviser currently employed by the YMCA.</p>
<b>Youth Offending Service</b> (1 FTE – Council)	<p><b>To provide advice and guidance to all young people engaged with the youth offending team both in custody and the community</b></p> <p><b>Proposed action:</b> Maintain resource within new model.</p> <p><b>Impact Assessment and Risk Analysis:</b> Required support for vulnerable group maintained. Performance strengthened through improved SLA and enhanced leadership and co-ordination of service. No risk identified. Direct line management of PA resource to be assumed by the Youth and Connexions Service.</p>

<b>Targeted Youth Support Team (3 x FTE – Council)</b>	<p><b>To provide intensive support to 13-19 year olds and assist them to remove barriers to EET</b></p>
	<p><b>Proposed action:</b> Maintain resource within new model.</p> <p><b>Impact Assessment and Risk Analysis:</b> Required support for vulnerable group maintained. Performance strengthened through improved SLA and enhanced leadership and co-ordination of service. No risk identified. Direct line management of PA resource to be assumed by the Youth and Connexions Service.</p>
<b>CfBT LDD (3.8 x FTE)</b>	<p><b>To provide specialist support to 13-19-year-olds with LDD within SEN schools. Give support and advice to universal PAs within mainstream schools on LDD issues.</b></p>
	<p><b>Proposed action:</b> To transfer function and cost to universal service under revised contractual arrangements.</p> <p><b>Impact Assessment and Risk Analysis:</b> Required support for young people with learning difficulties and disabilities in special schools maintained and strengthened through guidance company.</p>

4. Enacting the proposed changes as described will facilitate the creation of the structure illustrated in appendix one. This will lead to a strengthening of service leadership and co-ordination in addition to establishing three dedicated personal adviser positions to provide focussed preventative services to young people whose progress is being hindered as a consequence of emotional and behavioural difficulties. This particular needs group have been identified as requiring additional support through the review process. They also continually feature disproportionately in the 16 – 18 NEET cohort.

# Agenda Item 11

## THE DRIVE, ICKENHAM - APPLICATION TO MODIFY THE DEFINITIVE MAP AND STATEMENT TO ADD A FOOTPATH

Cabinet Member	Councillor Keith Burrows
Cabinet Portfolio	Planning and Transportation
Officer Contact	John Fern, Environment and Consumer Protection
Papers with report	Appendix 1- Application form & Local Map

### HEADLINE INFORMATION

Purpose of report	To present Cabinet with a description of the legal framework and relevant considerations to be taken into account when determining an application submitted pursuant to Section 53 of the Wildlife and Countryside Act 1981.
Contribution to our plans and strategies	A safer borough
Financial Cost	The estimated costs of making the order are £800 to advertise the order before confirmation, plus some officer time. If the order is contested by the owners there would be further costs, which are estimated to be in the region of £5,000.
Relevant Policy Overview Committee	Residents & Environmental Services
Ward(s) affected	Hillingdon East

### RECOMMENDATION

#### That Cabinet:

Agrees that on the balance of probability, the evidence, when considered with all other relevant evidence available, shows that a right of way which is not shown in the Definitive Map and Statement subsists or is reasonably alleged to subsist over land in the area to which the map relates. As such the right of way should be added to the Definitive Map and Statement.

### INFORMATION

#### Reasons for recommendation

1. The purpose of this report is to ask Cabinet to make a decision in relation to an application which it has received to add a route to the definitive map and statement.

## Alternative options considered

2. That Cabinet does not agree that on the balance of probability the evidence, when considered with all other relevant evidence available to them, shows that a right of which is not shown in the definitive map and statement subsists or is reasonably alleged to subsist over the land in the area to which the map relates and that the right of way should be added to the Definitive Map and Statement.
3. There are no alternatives to considering the application to add the right of way to the Definitive Map and Statement. If the Council fail to determine the application within a period of 12 months from the date of the application, the applicant has the right to appeal to the Secretary of State.

## Comments of Policy Overview Committee(s)

4. None sought at this stage.

## Supporting Information

### A. The legal framework

5. This matter concerns an application dated 16<sup>th</sup> March 2009 made by Mr John Davies (the applicant) requesting the Council to consider adding a way to the definitive map and statement.
6. The definitive map and statement for an area is kept by the local highway authority and records existing public footpaths, bridleways and byways open to all traffic and roads used as a public path.
7. Section 53 of the Wildlife and Countryside Act 1981 (the Act) allows updates to the definitive map and statement by:
  - a. Adding any of these types of right of way which have not been included;
  - b. Changing the recorded status of a right of way already shown;
  - c. Deleting any way that can be proved not to be a right of way; and
  - d. Changing other details of the map and statement.
8. Cabinet, in this report, is therefore being asked to make a decision as to whether to add a right of way to the definitive map and statement and in doing so should have regard to the statutory and case-law.
9. The legal test for making a decision to add a path to the Definitive Map and Statement is contained in Section 53 of the Act and is made on the balance of probabilities.
10. The leading cases in this area are *R v Secretary of State for the Environment, ex parte Bagshaw and Norton* (1994), as confirmed in *R v Secretary of State for Wales, ex parte Gordon Emery* (1997).
11. In the Court's judgement in Bagshaw, it was stated that a two stage test had to be applied by local highway authorities which is:

- a. whether all the evidence available either shows that a right of way subsisted (test "A"); or
  - b. that it was reasonable to allege that a right of way subsisted (test "B").
12. In this case, Owen J held that to answer either test A or test B should involve evaluation of the evidence and a judgement upon that evidence; and
  - in order to satisfy test A, it is necessary for the Council to show that, on the balance of probability, the right of way does exist; and
  - in order to satisfy test B, it is necessary for the Council to show that, a reasonable person having considered all of the evidence could reasonably allege that a right of way subsisted.
13. In making a decision, Cabinet must only consider the facts of the route based on the evidence presented. Cabinet should not consider what the Council, or anyone else, would like the situation to be.

**B. Relevant history**

14. An area of land known locally as 'The Spinney' which borders number 10 The Drive and 7 Pine Trees Drive, Ickenham was purchased in 1952 by the London Borough of Hillingdon and was allocated to Leisure Services as amenity land. The land comprised of an unfenced grassed area with a number of mature planted pine trees.
15. On 18<sup>th</sup> January 1993 the former Community Services Sub-Committee resolved that the land was surplus to the Council's requirements.
16. On 2<sup>nd</sup> February 1993 the same committee resolved that the parcel of land should be sold.
17. On 17<sup>th</sup> November 1994 The Finance and Property Sub-Committee gave consideration to the representations received from local residents regarding the Notice of Disposal of Public Open Spaces, which the above parcel of land was and resolved to pursue the sale of the land.
18. In 1996 the land was sold to a gentleman from Gerrards Cross complete with a number of conditions of sale in the form of covenants. These covenants included permitting the land to be fenced, but prevented any form of building or development on this piece of land. Not to use the property or allow it to be used for any other purpose other than amenity land and for no other purpose including that of a private garden. The covenants also ensured that the land was maintained to an acceptable standard. There are also a number of trees on the land which are protected by a "Woodland" Tree Preservation Order (No. 533 made in 1993).
19. Since 2004 Mr Davies has made two applications to modify the Definitive Map and Statement under Section 53 of the Act on behalf of 'The Association of the Residents of The Drive' stating that a footpath had been established across the land for a number of years and as such the residents requested the Council to modify the Definitive Map and Statement to include this route.

20. However, the initial application received did not comply with the guidelines as set out in the Act and as a result the Council corresponded with Mr Davies in order to ensure that the correct procedure was followed and the problems with the invalid application rectified.
21. In June 2005 the owner of the land erected a wire fence around the boundary of the land. This fence prevents local residents from gaining access to the land. The fencing does contain a gate; however this is always kept locked.
22. In November 2007 the owner sold the land on to an adjacent home owner, whose property is directly beside the land, sharing a boundary.

#### **C. The Application**

23. In March 2009, the Council received a valid application made under Section 53 of the Act from Mr John Davies of The Drive, Ickenham. Mr Davies once again requested the Council to add the path to the definitive map and statement due to its uninterrupted use for in excess of 20 years prior to the erection of the fence in 2005. His application was supported by 12 User Evidence Forms from other residents in the area. The application shows the path to run from a point in Pine Trees Drive near the junction with The Drive Northwards along the Spinney to a point near the boundary of number 10 The Drive. He believes the path to have been some 60cm to 1 metre wide at its narrowest.

#### **D. User Evidence.**

24. The 12 User Evidence Forms show the following use of the path.

Number of years Route used	Number of Witnesses
1 – 19 years	4
20 – 29 years	3
30 – 39 years	4
40 – 49 years	1

25. Eight of the supporters state that they have used the route uninterrupted for a period of 20 years or more, with four stating that they have used the route for a period in excess of 30 years and one claiming to have used it for in excess of 40 years.
26. In terms of frequency, two of the supporters state that they have used the route on a frequent basis.
27. In terms of the route, nine of the supporters show the path to start and end at the same points and follow a similar route across the Spinney. Two of the supporters show the path to start and end at the same points but to follow a slightly different route between the points. One supporter shows the route to start further along The Drive and follow a different route but ending at the same point near number 10.
28. None of the supporters state that they have had to seek permission to use the route and

none have mentioned having been stopped or prevented from using it prior to the fence being erected in June 2005.

29. On 8 March 2009 the new owner of the land was served with the requisite notice under the provisions of the Act informing him that an application had been lodged. The Council have since undertaken a site meeting with the owner and his legal representative in order to confirm the line of the application route and to explain the investigation process.

#### **E. Documentary evidence**

As part of the Council's investigation the Council have considered the following documentary evidence:

30. The Hillingdon Enclosure Awards dated 1812 identifies the road 'The Drive' as private and illustrates the road in virtually the same location as it is sited today. There are no public footpaths shown on the land in question or within the vicinity.
31. Setting out of Public Footpaths Schedule dated 1816 taken from the Hillingdon Enclosure Awards lists no footpaths on the land or in the vicinity.
32. Hillingdon Enclosure Award Map dated 1825 identifies no public footpath at this location.
33. O/S Map Historical County Series Epoch 4 1888 to 1915 identifies no public footpath at this location.
34. O/S Map Historical County Series Epoch 4 1922 to 1969 identifies no public footpath at this location.
35. Reproduction of a photograph taken in June 2005 illustrates a worn footpath established across the land.

#### **F. Consideration of the application.**

36. The basis of the applicant's case is that the route should be added to the definitive map and statement due to it uninterrupted use for in excess of 20 years prior to the erection of the fence in 2005. The period of use before Cabinet for consideration is therefore June 1985- June 2005.
37. A copy of the application dated 16<sup>th</sup> March 2009 is attached at Appendix 1.

#### **Test A- does a right of way subsist?**

38. The application has been made on the basis of user evidence with 8 of the 12 supporters stating that they have used the path for a period of 20 years or more.
39. The supporters do not report any obstructions or challenges to their use prior to the erection of the fence in June 2005. The evidence of use regarding this application dates back as far as 1953 with one supporter stating that they have used the footpath from this time onwards.

40. One photograph of the route has been submitted. The photograph has been reproduced from an original. The photograph is not dated, except for a written date provided by Mr Davies. The photograph does not identify the site by way of road signs etc, although it does show the large trees either side of a clearly identifiable route.
41. The Owner has considered the application submitted and makes the following observations:
  - One of the statements from a resident appears to indicate that there may have been a notice displayed prohibiting use of the footpath and that the footpath may have been obstructed.
  - Many of the statements refer to the same straight line across the property but this is slightly different to the plan attached to the later application and in the later application many of the plans provided are different. Residents do not appear certain as to the exact route.
  - The photograph of the right of way in question was, unfortunately, unclear. It appeared to be over exposed and the route of the right of way cannot be ascertained from this.
  - Some of the dates on the statements are unclear.
  - The statement of John Davis indicates that the route of the path has "more or less" been the same throughout the twenty year period.

42. Based on the evidence presented, it is officer's view that, on the balance of probability, the right of way does exist across the land.

#### Test B- Is it reasonable to allege that a right of way subsists?

43. The dimensions of the pathway can be identified in the photograph and appear to be approximately 1 metre in width and approximately 64 metres in length running diagonally across the parcel of land between the large trees.
44. All of the supporter who submitted User Evidence Forms have agreed to attend a public inquiry to give evidence if required.
45. A review of Aerial photographs of the land have failed to either support or deny the existence of the route due to the canopy of the trees on the land obscuring any overhead view.
46. None of the documentary evidence (as mentioned above) considered by the Council as part of the investigation identify the route.
47. Based on the evidence evaluated, it is accepted by Officers that a reasonable person having considered all of the evidence could reasonably allege that a right of way subsisted across the land.

#### **G. Procedure for adding a route to the definitive map and statement under section 53 of the Wildlife and Countryside Act 1981.**

48. If Cabinet agree with the recommendation, a Notice of Order is drafted in accordance with the Wildlife and Countryside (Definitive Map) Regulations 1993 Statutory

Instruments 1993 no 12 (as amended). The notice will be placed in the local newspaper, and displayed on the site and by the Council. Every landowner affected by the Order must also be notified. Notice of the Order must be advertised for 42 days, excluding bank holidays. Objections received during this period must be properly and carefully considered by the Council.

49. If all objections are withdrawn the Order can be confirmed by the Council. If objections are not withdrawn, the Order must be submitted to the Secretary of State for confirmation. The matter will then be dealt with either by written representations, public hearing or public inquiry following which the Planning Inspectorate will issue the Inspector's decision letter. The Inspector will either confirm the Order or will not confirm the Order.
50. If the Order is confirmed and the right of way is obstructed, action can be taken by the Council to deal with the obstruction.

## **Financial Implications**

51. If Cabinet agrees with the recommendation the resulting costs would have to be met by the Council, as it has a legal duty to investigate these applications. The estimated costs of making the order are £800 to advertise the order before confirmation, plus some officer time. If the order is contested and resulted in a public inquiry there would be further costs, which are estimated to be in the region of £5,000. These costs would need to be met from the Highways Maintenance revenue budget for the Public Rights of Way.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

### **What will be the effect of the recommendation?**

52. Should the route be added to the Definitive Map and Statement then local residents would be able to use and enjoy the route across the land as a short cut across this corner of The Drive where there is no footpath adjoining the carriageway.

## **Consultation Carried Out or Required**

53. If Cabinet agree with the recommendation in this report, the Council will proceed to comply with the publication requirements laid down in Schedule 15 of the Wildlife and Countryside Act 1981.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance**

54. A Corporate Finance officer has reviewed this report and is satisfied that if Cabinet agree with the recommendation, that the costs would be met from the Highways Maintenance budget for Public Rights of Way. The costs have to be met by the Council, as it has a legal duty to investigate these applications.

## **Legal**

55. The legal implications are contained in the body of the report.

## **Corporate Property**

56. The owner of the land has recently approached the Council with a view to providing a footpath over the land in return for an amendment to the covenants to allow all or part of the land to be used as garden land in conjunction with his adjoining property. No discussions have yet taken place with the owner, and should it be considered appropriate to enter into such discussions it is most unlikely that an outcome would be reached before the date of the Cabinet meeting.

## **Relevant Service Groups**

## **BACKGROUND PAPERS**

Supporting Evidence Forms from 12 local residents.

O/S Map Historical County Series Epoch 4 1888 to 1915.

O/S Map Historical County Series Epoch 4 1922 to 1969.

Reproduction of photograph taken June 2005.

Site visit photographs.

List of Covenants.

## **Appendix 1**

Application form to modify the Definitive Map and Statement.

Local Map

APPLICATION FORM FOR A MODIFICATION  
TO THE DEFINITIVE MAP AND STATEMENT

Wildlife and Countryside Act 1981



HILLINGDON  
LONDON

To: The Highway Authority, Environment & Consumer Protection  
at: 4W/07, Civic Centre, Uxbridge UB8 1UW

We, J.R. DAVIS on behalf of the Residents Association,  
14 THE DRIVE, UXBRIDGE, UB8 8AF.

hereby apply for an Order under section 53(2) of the Wildlife and Countryside Act 1981  
modifying the Definitive Map and Statement for the area by :-

- a) Deleting the footpath/bridleway/byway open to all traffic\* which runs  
from: .....  
to: .....
- b) Adding the footpath/bridleway/byway open to all traffic\* which runs  
from: Point A on the attached sketch  
to: Point B in a .....
- c) Upgrading/downgrading the footpath/bridleway/byway open to all traffic\*  
from: .....  
to: .....
- d) Varying/adding to the particulars relating to the footpath/bridleway/byway  
open to all traffic\*  
from: .....  
to: .....  
by providing that .....

and shown on the map attached - please ensure map is certified as correct.

We attach copies of the following documentary evidence (including statements of  
witnesses) in support of this application:

7 claims of use of 'footpath' for over 20 years.  
5 claims of use of 'footpath' for less than  
20 years plus photo taken June 2005.

Signed ..... Dated 29.7.08. (See app. to L.B.A.)  
J.R.D.

\* footpath - right of way on foot only, bridleway - right of way on foot, horseback and with a cycle,  
BOAT - right of way for vehicular traffic but used mainly for the purposes for which footpaths &  
bridleways are used.



APPLICATION FORM FOR A  
MODIFICATION TO THE DEFINITIVE  
MAP AND STATEMENT

Wildlife and Countryside Act 1981



HILLINGDON  
LONDON

To: Mr plus Seany  
of COPSEWOOD HOUSE, 7 WINE TREES DRIVE, UXBRIDGE UB10 8AE  
Notice is hereby given that on 1<sup>st</sup> MARCH 2009.

lWe..... Mr J. R. DAVIS  
of..... 14 THE DRIVE UXBRIDGE UB10 8TF

have made an application to the London Borough of Hillingdon that the Definitive Map and Statement for the area be modified by:

- a) **Deleting the footpath/bridleway/byway open to all traffic\*** which runs from: ..... to: ..... *(Handwritten)*
- b) **Adding the footpath/bridleway/byway open to all traffic\*** which runs from: ..... *POINT A on attached map* to: ..... *POINT B on attached map*
- c) **Upgrading/downgrading the footpath/bridleway/byway open to all traffic\*** from: ..... to: ..... *(Handwritten)*
- d) **Varying/adding to the particulars relating to the footpath/bridleway/byway open to all traffic\*** from: ..... to: .....  
by providing that ..... *(Handwritten)*

as shown on the map attached.

Signed: *KD*

Dated: *08-03-09*

*JRD.*

**NOTE TO LANDOWNER**  
**IMPORTANT - THIS AFFECTS YOUR PROPERTY**  
You will be contacted in due course about this application by  
the London Borough of Hillingdon

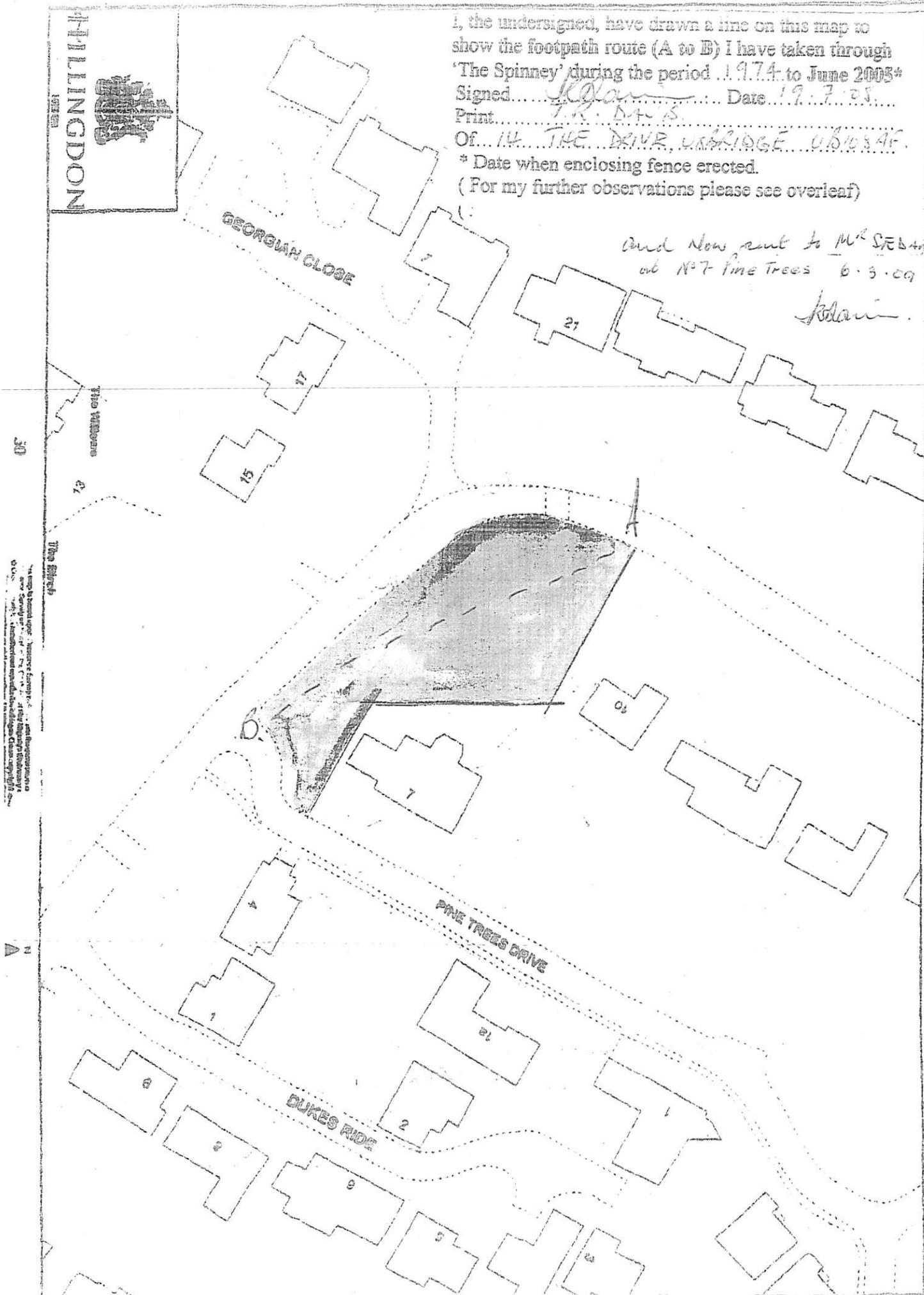
\* *footpath* - right of way on foot only, *bridleway* - right of way on foot, horseback and with a cycle, *BOAT* - right of way for vehicular traffic but used mainly for the purposes for which footpaths & bridleways are used.

## HILLINGDON



and now sent to Mr. S. E. B. & N.  
all N<sup>o</sup> 7 Pine Trees 6.3.09

*John*



1) The file held by the L.B.C.C. in their ~~original~~  
will show photographs confirming <sup>10/10/</sup> your  
allegation that a well trodden footpath  
passed through "The Spiney" on the  
route as shown.

2). A pleasure to the Taxpaying  
residents of the neighbourhood, in  
addition to the park, have had ~~the~~ these  
leisure amenities denied by this act  
of first selling(LB of H) and then  
fencing off this green Space.

③ The fence is abutting the Road,  
so there is no footpath on a  
blind bend. It is therefore only a  
matter of time before someone is  
injured. Having regard to the role  
the LB of H played in selling this green  
space/amenity and the environmental  
vandalism of fencing it off, as well  
as total disregard for the safety of the  
pedestrians — a large compensation  
claim, in the event, would be forthcoming  
fairly, largely at the expense of  
the Taxpayers.

1  
- 13 -

**CERTIFICATE OF SERVICE OF NOTICE OF  
APPLICATION FOR MODIFICATION ORDER**

Wildlife and Countryside Act 1981



**HILLINGDON**  
LONDON

This certificate should only be completed when notice of the application has been served on all owners and occupiers affected by the proposal. A list of the names and addresses of all individuals notified should be provided below. Please indicate if you have been unable to identify all owners and occupiers affected by the proposal, and complete Form 4.

To: The London Borough of Hillingdon, Highway Services

at: Civic Centre 4W/07, Uxbridge UB8 1UW

I/we (applicant) *J.R.Davis* as a Committee Member of THE ASSOCIATION OF THE RESIDENTS OF THE DRIVE  
of (applicant) *10/14 THE DRIVE, UXBRIDGE, M10 8X, UB10 8AF.*

hereby certify that the requirements of paragraph 2 of schedule 14 to the Wildlife and Countryside Act 1981 have been complied with in relation to the attached application.

Signed *J.R.Davis* : Dated *06-03-09* .

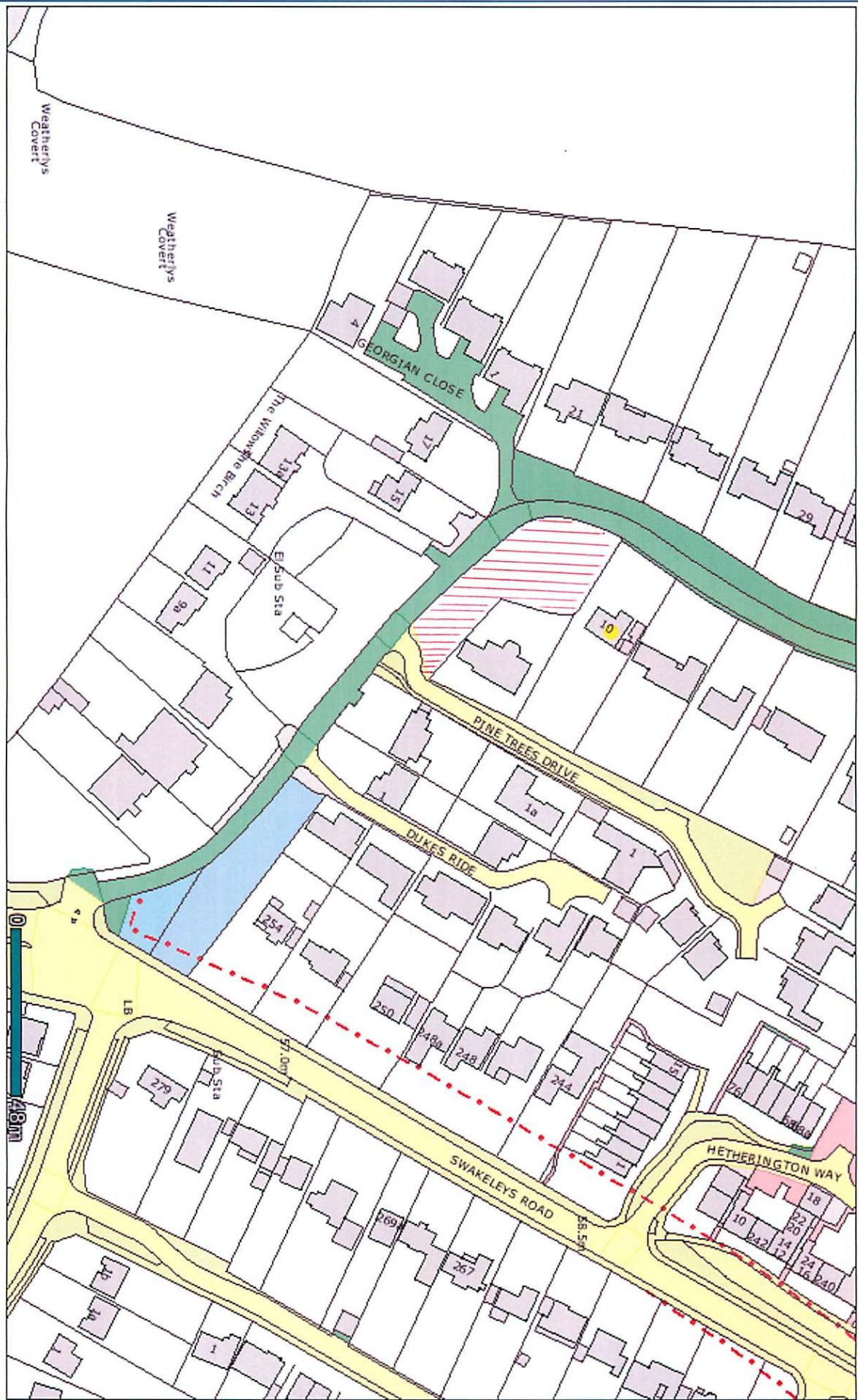
**Notice of Application for Modification Order (Form 2) has been:** (delete the following as appropriate)

- a) served by affixing the Notice to some conspicuous object or objects on the land in the case of unknown ownership, and/or
- b) served on the following Owner(s) and/or Occupier(s)

Name

Address

1. *Mr Pius Sean*, *No 7, Fine Trees Drive, Uxbridge, UB10 8AF.*
2. .....
3. .....
4. .....
5. .....
6. .....



This map is based on Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. London Borough of Hillingdon 100019283 2010

This page is intentionally left blank

# Agenda Item 12

## POST 16 EDUCATION TRANSITION PLAN - TRANSFER OF RESPONSIBILITIES FROM THE LEARNING AND SKILLS COUNCIL

<b>Cabinet Member</b>	Councillor David Simmonds
<b>Cabinet Portfolio</b>	Education and Children's Services
<b>Officer Contact</b>	Alison Moore, Education and Children's Services
<b>Papers with report</b>	<p><b>At the end of the covering report there is a useful glossary of all the educational acronyms used.</b></p> <p>Annexes attached:</p> <ol style="list-style-type: none"><li>1. Hillingdon 16-19 Transition Plan</li><li>2. 14-19 Strategic Plan</li></ol>

### HEADLINE INFORMATION

<b>Purpose of report</b>	<p>This report seeks Cabinet approval of the attached plan to embed the post 16 educational changes within Education and Children's Services.</p> <p>The report provides information on arrangements being put in place by Education and Children's Services in respect of the Apprenticeship, Skills, Children and Learning Bill, given assent November 2009. Plans are in place to ensure both a smooth transition of services and to show how the enlarged role and responsibilities of the Local Authority are to be incorporated.</p> <p>Cabinet are asked to note the anticipated staff changes, where 2 staff that are to be TUPEed from the Learning and Skills Council (LSC). The exact nature of these arrangements is to be confirmed. Currently there has been some uncertainty and this has been noted by the Cabinet Member. Further details concerning the TUPE status of the proposed transferees are included in the Legal Section of this report.</p>
<b>Contribution to our plans and strategies</b>	<p>This plan will support the delivery of post 16 education and training in the Borough as part of enlarged responsibilities which now include:</p> <ul style="list-style-type: none"><li>- Young people aged 16-19;</li><li>- Those aged 19-25 for whom a learning difficulty assessment is in place;</li><li>- Education and training for young people in youth custody.</li><li>- Additional employer engagement responsibilities.</li></ul>

	<ol style="list-style-type: none"> <li>1. The plan will ensure smooth transfer of responsibilities to the Local Authority, enabling learning providers to offer uninterrupted learning needed for young people to study in Hillingdon, whether school sixth forms, Uxbridge College or work based learning providers, thereby supporting progress towards being “a borough of learning and culture” (Community Strategy)</li> <li>2. Supports the Council’s vision to provide “excellent and value for money services by ensuring a robust and accurate assessment of existing strengths within the team and identify possible realisable efficiencies in the planning process of post16 education.</li> <li>3. Substantially supports the outcomes in the Children’s and Families Plan 2008-2011</li> </ol>
--	--

<b>Financial Cost</b>	There is no financial cost to the Local Authority for three years (April 2010 to March 2013) as LSC transfer money has been assured until that time to pay for the cost of these new responsibilities.
<b>Relevant Policy Overview Committee</b>	Education & Children’s Services
<b>Ward(s) affected</b>	All wards.

## RECOMMENDATION

**That Cabinet note the report and approve the attached 16 – 19 transition plan in Annex 1.**

### Reasons for recommendation

The 16-19 transition plan has three initial objectives:

- Implement a smooth transfer in the borough;
- Ensure accurate transmission of funding thereafter;
- Establishment of an effective post-16 commissioning model going forward.

The plan details how the Council will ensure readiness to undertake the responsibilities of the LSC, and ensure that learning for post 16 students, both resident and those travelling into Hillingdon to study, is uninterrupted.

The plan will ensure stability and continuity for institutions in Hillingdon providing that learning. It also incorporates a method of improving quality, accessibility and variety of that provision which will lead to improved achievement for young people post 16 studying in Hillingdon.

It will give the LA greater opportunity to plan provision for the greater number of Young People in Hillingdon who will be participating in education or training from 2013, and contribute to lowering of the NEET agenda.

### **Alternative options considered / risk management.**

Key risks:

- Funding stability through the handover.
- Funding instability impacting on learner programmes.
- Late submission of data by providers to new organisations resulting in incorrect payments and therefore impact on learning institutions.
- Local capacity, capability and expertise.
- Wider public funding cuts.
- The NAS commissions Apprentices directly – this may lead to a weakening of links between employers and LA in respect to training.

## **INFORMATION**

### **Background and context**

From April 2010, Local Authorities will commission learning provision for all young people 16-18 year olds and for young people with LLDD up to age 25. This will lay the foundations for Raising Participation Age to 18 in 2015, by providing greater focus on the needs of local learners and employers. This is detailed in the National Commissioning Framework, part of Statutory Guidance for Local Authorities. LAs will commission provision from school sixth forms, sixth form and FE colleges, and all other providers, except ISPs.

Local Authorities will be expected to determine the education and training needs of young people in each area, to ensure that provision is available for all young people to progress in learning. This provision should be planned to ensure Learner Entitlement, quality of provision and its affordability.

The National Commissioning Framework, which details how this process will work, was developed and tested in 2009 and is currently in consultation (November 2009 – February 2010), to be published by the YPLA with the Consultation response in April 2010. Although the guidance applies to planning process for provision to be delivered in 2011 /12 Academic Year, some aspects, including funding flows, apply from April 2010.

The following principles underlie the system:

- To operate in the interests of the learner, addressing learner choice and diversity, and to ensure access to learner entitlements and curriculum pathways.
- To take into account the needs of employers and employability, and to seek the involvement of providers as key strategic partners.
- Commissioning/planning should be sustainable, impartial and provider neutral, securing high quality provision from the most appropriate quality assured providers.
- Funding will be based upon the national funding formula and applied at the level of the provider, and that funding will follow the learners.
- The process will provide and encourage flexibility for Local Authorities and other partners to respond to needs.

- The system will ensure consistency in key features such as the timing of stakeholder involvement, timing of allocations, outcomes (including the offer to learners), data submissions and flows, and the funding formula/rates.
- The system must be transparent and equitable, and compliant with the principles in the Third Sector Compact.
- The system must deliver value for money.
- Accountability will be secured with the minimum bureaucracy between partners.
- It is expected that there will be collaborative planning between Local Authorities, and that the provision that is commissioned is of an appropriate quality.

**The key players and their roles** in this process are as follows:

- **Local Authorities** - as joint commissioners and champions of young people in their area, focusing on achieving better outcomes for them.
- **Children's Trusts** - to develop the local strategy for improving children's lives by delivering better services and helping them achieve the five Every Child Matters outcomes.
- **14-19 Partnerships** – to provide area-wide strategic assessment, owned and driven by key stakeholders and delivery partners.
- **RPG Sub Regional Groups** – to provide the essential coherence across the travel to learn areas of young people where these cross LA borders, bringing together regional education and skills.
- **The National Apprenticeship Service (NAS)** – to work with Local Authorities in their SRGs to identify the likely demand from young people for Apprenticeships.
- **Learning providers** – to encompass the full range of organisations that deliver education and training to young people, including Academies,
- **Government Offices** - to play a key role in supporting and challenging local authority performance, and in offering a strategic perspective through the Regional Planning Group.
- **Regional Development Agencies** - to be involved in the RPG and will help inform and challenge 16-19 Commissioning strategies and decisions collectively endorsed by the RPGs in relation to alignment with regional skills and economic regeneration and development policies.
- **Young People's Learning Agency (YPLA)** - to support Local Authorities in their new duties and have powers to intervene if they feel that the LA is not able to fulfil its responsibilities.
- **Department for Children, Schools and Families** - to set the overall national policy and priorities for 16-19 learning, agree national funding allocation through the Comprehensive Spending Reviews, set national targets, and review and agree YPLA performance.
- **OFSTED** - Inspection by Ofsted of both schools and FE provision will continue and will trigger support and intervention as now.

## **The New Responsibilities**

The first stage of the Commissioning cycle is with the publication of National Commissioning Priorities, determined by Ministers and set out in the DSCF's and YPLA's Statement of Priorities. This will fashion the response from the RPG Sub Regional Groups (SRGs) which will receive the individual Commissioning Plans from each area, and which will aggregate demand for places. In some parts of the country the Regional Planning Group may undertake the role of the SRG RPG. The SRG will consider the aggregated needs across the travel to learning area when approving Borough Commissioning Plans.

Local Authorities will establish funding agreements with either their local providers to deliver the learning provision in their agreed Commissioning Plans, or with other providers out of Borough through other Local Authorities. Where payment is a direct arrangement, eg contract, grant, or grant in aid will be dependent upon the nature of the provider and the legal status of the body issuing the instrument.

LAs will pay back to YPLA any provider underperformance. Provider over performance may be funded if affordable. There will be extensive assurance from statutory financial statements, auditors and requirements for internal audit. It is expected that LAs will be able to build capacity from existing sources of assurance. It should be noted that the special funding rules of the funding formula for post 16 education and training require expert funding audit beyond existing audit remits.

YPLA and Local Authorities will use basic payment and reconciliation processes depending upon the type of provision and the circumstances of the provider. There is a clear framework for provider quality assurance, focussed on assessing provider quality, performance and supporting improvements in standards.

The YPLA will be a funding and enabling body and therefore will not be involved in the commissioning of provision normally funded by LAs. However, the YPLA will procure provision with Academies and Independent Specialist Providers (ISP). It will provide an indicative budget to Regional Planning Groups for LLDD learning and assessment. LAs will draw up proposals on placement decisions for learners. These proposals will be aggregated and considered for the extent to which learner entitlement can be met, the extent to which LAs' duty can be met and best value for money. These proposals will be endorsed by the Regional Planning Group.

The YPLA have a power of intervention where they are satisfied that a local authority is failing or is likely to fail in its duties under section 15ZA(1) and 18A(1) of the Education Act 1996.

National Apprenticeship Service (NAS) and Skills Funding Agency (SFA) will have a duty to secure sufficient and appropriate Apprenticeship places to fulfil the entitlement for each suitably qualified young person who wants one. Schools will be required to provide advice about Apprenticeships so that young people are properly informed about Apprenticeships as a career choice.

Local Authorities will identify the mix and balance of Foundation Learning provision that is required as part of their overall Commissioning Plan and will be able and expected to include private, public, or third sector work based learning providers delivering Foundation Learning where appropriate.

Commissioning for all specialist providers, other than LLDD in Independent Specialist Providers (ISPs), will normally be the same as for other college provision - undertaken by the 14-19 Team in the local authority, usually the host local authority.

LAs with a juvenile custodial establishment in their area (the 'host LA') will have a duty to secure suitable education and training for the children and young people detained there.

Schools, colleges and providers will be required to submit data within agreed time frames to meet the requirements of the commissioning cycle. The arrangements and systems for data collections will be managed by the FE Data Services, housed within the SFA. For Schools, the relevant Data Service is with the DCSF. YPLA will then model and present the data in a nationally consistent format on a regional and local basis to inform local authority commissioning. Failure to submit accurate data within deadlines for returns will mean that the

LA and Regional Planning Group (RPG) will be unable to guarantee that allocations will be made within the agreed times.

There will be nationally controlled, locally and regionally applied planning and allocations spreadsheets to enable LAs to apply the national funding methodology. Allocations will be aggregated and modelled at SRG and RPG level, who will control and moderate unit costs and allow the YPLA to sign off regional plans within the cash limit of the 16 – 18 budget . Payment profiles to will be set against agreed volumes and allocations

Providers have primary responsibility for managing their own performance as they do now. Rigorous self-assessment is central and Local Authorities will hold providers that they fund to account for their performance, and make judgements about their comparative performance with other providers to inform commissioning decisions. All post 16 providers will be assessed annually against a clear set of national measures, Framework for Excellence, the provider's own self-assessment and inspection outcomes.

The Secretary of State supported by Government Offices' Performance has the role of performance management of Local Authorities and Local Authorities will be held to account through Local Area Agreements and new Local Performance Framework. At local level, GOs will support and challenge Local Authorities to improve their performance, through monitoring the development of 14-19 plans and by drawing on the Comprehensive Area Assessment.

The YPLA will provide Local Authorities with specialist knowledge in relation to assessing the quality of 16-19 provision they commission. It aims to ensure consistent approaches are adopted between all authorities and will expect Local Authorities to annually evaluate and assess the performance of all providers they fund, operating within national parameters to ensure consistent and fair decisions which are provider neutral.

**The YPLA will have powers to intervene and arbitrate in the event that Local Authorities cannot fulfil their new duties to secure sufficient and sustainable provision for young people.**

In addition to their role in intervention, the YPLA have a role in complaints procedures, either for LAs or for providers that are unhappy with Commissioning decisions.

## **Proposal**

The Local Authority has duties and responsibilities for securing suitable education and training provision to meet the reasonable needs of 16-19 year olds in their area, including young people with LLDD, up to 25. This will be voiced through the Commissioning Statement.

The plan (Appendix 1) allows the LA to be responsive to the quality of the provisions being commissioned, the demand of Young People and the need to maintain stability for providers including School Sixth Forms, Uxbridge College and Work Based Learning Providers.

The commissioning group is seen to be a discrete area of the 14-19 Partnership to ensure that all plans and commissioning are transparent and fair, but also sensitive and able to incorporate improvement plans resulting from self evaluations, GOL and Ofsted comments.

It is also important that the proposed allocations and awarded contracts take account of student demand in and out of the Borough and the requirements of other LAs with significant learner inflows into Hillingdon. The 14-19 Strategic Plan shows the link between the Integrated Youth

Service, the School Improvement Service and the 14-19 Team, to provide a holistic learner offer for learners at post 16. (Appendix 2)

The annually submitted 14-19 Commissioning Plan, will give planned volumes and investment for each provider overall and for each element of the entitlement. Hillingdon's 16-19 Transition Plan (Appendix A) shows how this can be delivered and seeks approval from the committee.

### **Comments of Policy Overview Committee(s)**

None at this stage

### **Supporting Information**

1. The LSC is due to end March 31<sup>st</sup> 2010. This brings considerable responsibility to the LA, for contracting and performance measuring post 16 providers in Hillingdon, not only in schools, but with Uxbridge College and work based learning providers. Other responsibilities are part of this, for example in the provision of enterprise education and employer engagement.
2. The attached plan will ensure borough readiness.
3. The attached plan will provide on-site support during the transition period and for the first year of change. This will include providing strategic advice, training, 14-19 planning and 16-19 commissioning support, and the integration of LSC functions.
4. Sean McMahon, the consultant working with the 14-19 Coordinator, is a recognised expert within the LSC and has been approved by this Cabinet to work with the 14-19 Team in Education and Children's Services. He will provide expertise and support in respect to regional and central government operational requirements, 2010/11 business cycle, liaison on queries with regard to: LSC/YPLA; NAS; SFA; GOL/RPG and operational sub-groups on commissioning; funding; data and quality issues.

### **Financial Implications**

Approximately £37 million is to be passported through the LA to schools, Uxbridge College and work based learning providers in Hillingdon. This needs to be dealt with promptly to ensure the stability of schools sixth forms, Uxbridge College and work based learning providers.

The plan attached is robust, efficient and in the spirit of BID to provide a lean but thorough commissioning model that will make the money and expertise go further.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

### **What will be the effect of the recommendation?**

- Smooth transfer of the responsibilities of the LSC to the LA.
- Accurate transmission of funding.
- Effective customer service to local 16-19 providers before, during and after the allocations process.
- A fresh focus on getting the best out of providers and ensuring better outcomes for participating learners.

- Development of the Learner Voice, the tracking of learners and the evidence base for more focused commissioning.
- Contribution towards our GOL targets of achievement at Level 2 and Level 3 by 19.
- Contribution to the lowering of our NEET targets as more young people are provided with education or training that mirrors their need and their wishes.
- The education of all our residents from the age of 16, including those with learning difficulties up to 25, are to be catered for in this plan. Therefore Equalities are key features of the work being done.
- A fresher, sharper commissioning approach that will underpin 100% participation and be more sensitive to local needs

In the writing of the attached Transition Plan concerning commissioning post 16 education and training in Hillingdon, every effort has been made to achieve efficiencies, supporting the Borough's pledge of being a 'well managed borough providing excellent services.'

### **Consultation Carried Out or Required**

Not applicable

### **CORPORATE IMPLICATIONS**

#### **Corporate Finance**

The key financial implication of the report is the transfer of responsibility for commissioning and funding post-16 local education for young people in the borough from the Learning and Skills Council to the Council with effect from April 2010. Out of the £37 million annual commissioning budget that will transfer, around £17 million already passes through the Council to school sixth forms in the borough as part of the schools budget. The remainder is passed on to other local providers including Uxbridge College. This represents a significant change to the nature of the Council's business and its ability to influence outcomes for local young people in partnership with providers and other stakeholders.

The administration of this responsibility being placed on the Council represents a new burden and as such the Government is required to provide additional funding to the Council to cover the cost of these responsibilities. Accordingly it is expected that around £0.25 million of revenue funding will be provided through the Area Based Grant for the 2010/11 financial year. This funding has not been included in the provisional Area Based Grant announcement for 2010/11 made in November 2009, however, there is funding held back nationally for additional Area Based Grant commitments. It is expected that the Government's next announcement on Area Based Grant allocations will be in March 2010 and that this funding will be included at that time. In line with the Council's normal approach to pass funding for new burdens on to the relevant service area, it is anticipated that this additional funding will be used to fund required new posts transferring into the School Improvement Service as well as additional finance support.

#### **Legal Comments**

The report to Cabinet follows the guidance to local authorities on the implementation of the devolution of the responsibility for post 16 Education, which is set out in the National Commissioning Framework (16.11.2009).

Under the said Framework local authorities are expected to establish a financial monitoring and audit framework that will minimise the burden on providers whilst providing full assurance on National Commissioning Framework and delivering value for money.

Part H of the Council's Constitution will apply to the commissioning elements of the transfer of responsibility from the LSC to the Council.

The Education Act 1996 (amended) and the Apprenticeships Skills Children and Learning Act 2009 are the main pieces of legislation applicable to this report. Schedule 7 of the 2009 Act makes it clear that the TUPE Regulations will apply to the transfer of designated employees of the LSC to a permitted transferee, namely a local education authority, and in this case, the London Borough of Hillingdon.

The power to agree service specific strategies, action plans and to agree proposals for enhancements and alterations to service provision is delegated under the Constitution to the appropriate Cabinet Member. It is then a matter for the Cabinet Member to determine which proposals for alterations to service provision should be reported to Cabinet for a decision. In this report it has been decided that, because of the significance of these changes, the matter should be referred to Cabinet which has the necessary authority to approve the recommendation.

## **BACKGROUND PAPERS**

NIL

## Glossary of acronyms used in the report

<b>DCSF</b>	Department for Children, Schools and Families
<b>FE</b>	Further Education, usually at a Further Education College
<b>GO</b>	Government Office for London, or GOL.
<b>ISPs</b>	Independent Specialist Provider. They are often the organisations providing learning to Young People with specific or severe learning difficulties or disabilities
<b>LLDD</b>	Learners with Learning Difficulties and Disabilities
<b>LSC</b>	Learning and Skills Council is to cease on March 31 2010. For over 10 years the LSC has been funding amongst other things, all sixth form education, including school sixth forms, FE and organisations providing work based learning, that is, almost all learning for young people over the age of 16 and for adults.
<b>NAS</b>	National Apprenticeship Service - further explanation within the report
<b>NEET</b>	Young People Not in Education, Employment or Training. Originally a Government classification for young adults aged between 16 and 19. Includes those who are long term sick or who might be looking after families
<b>RPG</b>	Regional Planning Group. In some areas this is a Sub Regional Group – depending on the size of the region. This is not relevant for London, where the 32 London Boroughs have formed the RPG.
<b>TUPE</b>	TUPE is an acronym for 'Transfer of Undertakings (Protection of Employment) Regulations 1981'. The purpose is to preserve the employees' terms and conditions when a business or undertaking, or part of one, is transferred to a new employer.
<b>SFA</b>	Skills Funding Agency - further explanation within the report
<b>YPLA</b>	Young Peoples Learning Agency - further explanation within the report

## Annex 1

London Borough of Hillingdon

16-19 Transition Plan

January 2010 - August 2011

Draft



## Table of contents

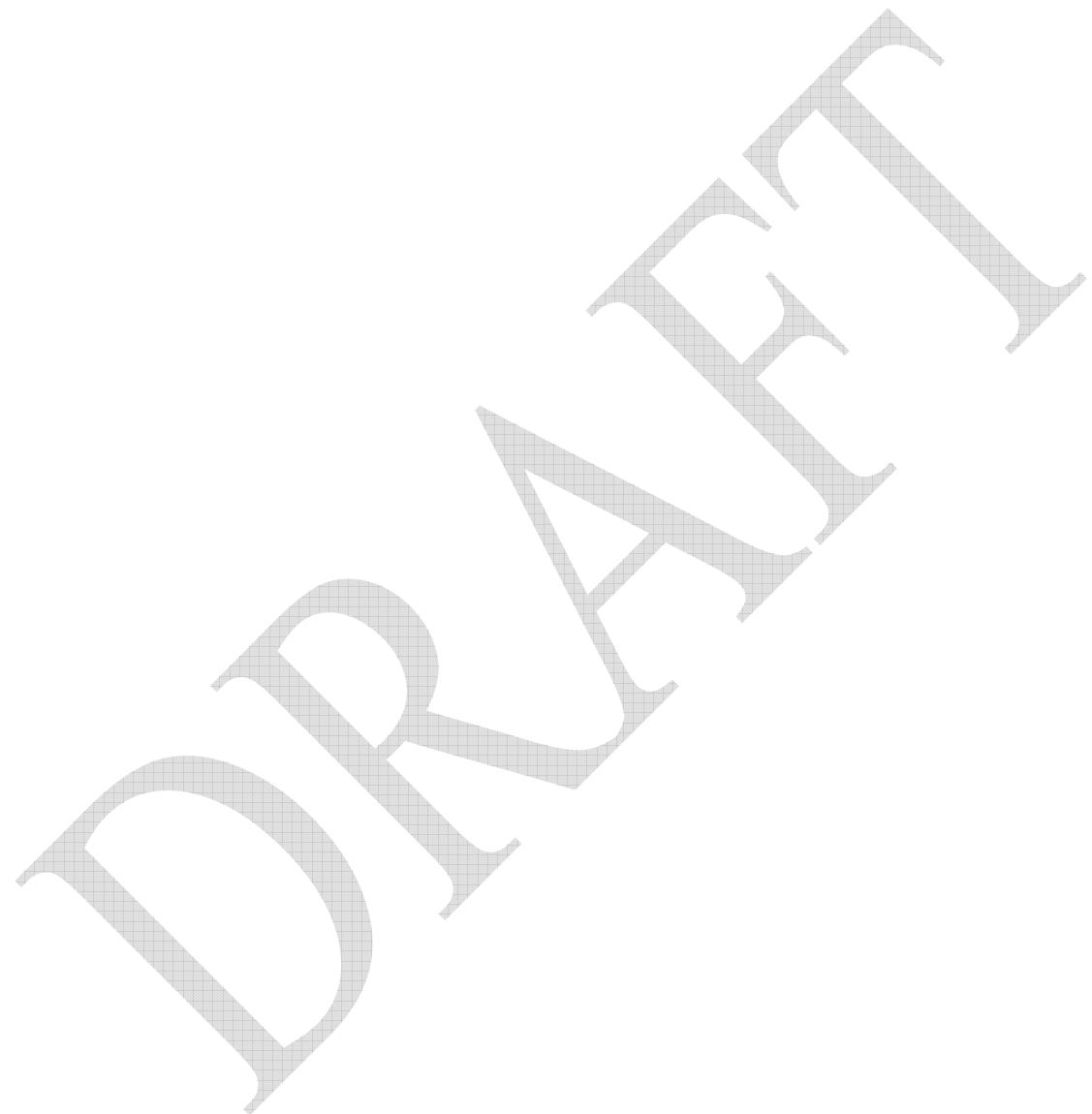
**Phase 1: Preparation for transfer - January 2010 to March 2010**

**Phase 2: April to August 2010**

**Phase 3: September to December 2010**

**Phase 4: January 2010 to March 2011**

**Annexes:**



## Hillingdon 16-19 transfer delivery plan

- From April 1 2010, LBH is inheriting new planning, commissioning, funding and quality assurance roles for the education and training of:
- Young people aged 16-19;
- Those aged 19-25 for whom a learning difficulty assessment is in place;
- Education and training for young people in youth custody.

### This plan seeks to:

- help ensure the stable transfer of the 16-19 responsibilities to LBH;
- aid the establishment of a post-16 commissioning model going forward.

### Criteria for success

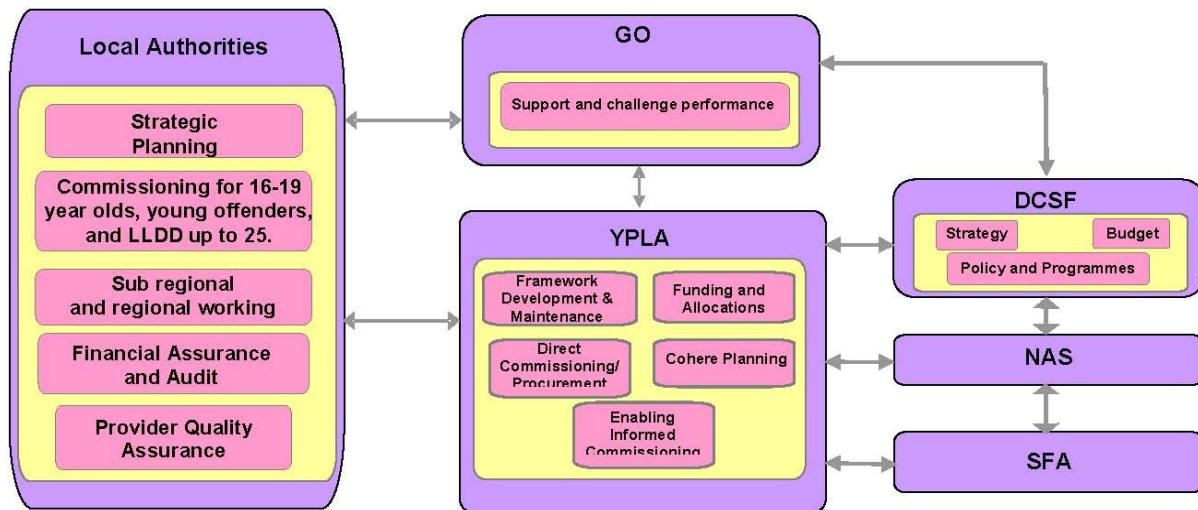
- A lean but thorough local commissioning model that will make the money and expertise go further;
- A fresh, sharper commissioning approach that will underpin 100% participation and be more sensitive to local needs;
- A non-bureaucratic, enabling approach that gets the best out of the local provider base.

### Audience

- The plan is primarily for use by LBH officers and LSC transferees.

**Note:** the delivery plan is a working document which will be regularly updated to take account of new policy developments, changes arising from the 2010/11 business cycle and the current National Commissioning Framework consultation.

# National Commissioning Framework (NCF) governance model



## Strategic preparation

The new business cycle and the establishment of borough control formally begins with a refresh of the local 14-19 plan in April 2010.

By that stage, LBH will need to be ready with a model that ensures provision, from that point forward, is strategically planned and designed, with the involvement of learners, employers and current and potential providers.

**Key strategic milestones in the preparation period will be:**

- A refreshed 14-19 plan, underpinned by an authoritative local intelligence review and a route map to 100% participation;
- During the strategic preparation phase, the evidence and rationale for the autumn 16-19 commissioning priorities are already apparent in the refreshed 14-19 plan;
- There is an early articulation of any major changes envisaged (mix and balance or structural) in 2010-11, and the rationale;

The new 14-19 strategy, local 16-19 commissioning model; borough structure, and ways of working are ready to be communicated to stakeholders.

## Strategic preparation actions

### Key strategic actions

#### Internally

An underpinning architecture for building and maintaining an authoritative intelligence picture is specified and under development - key features of which will include:

- **Customer insight:** robust process for capturing and understanding learner voice in LBH.
- **Provider insight:** clear mechanism for understanding the local provider portfolio, with a particular focus on what is effective and delivers value for money.
- **Understanding of the environment:** clear mechanism for drawing together and updating data that promotes understanding of the broader local context and intelligence picture.
- **Environmental scan:** as part of workforce development, officers have a clear understanding of the local and wider environment within which the new model will operate. (see annex 1)

#### Based on the intelligence picture and feeding into the 14-19 plan:

- An appropriate needs analysis has been established.
- Provision gaps have been identified.
- 100% participation has been modeled and costed.
- Provider weaknesses have been pinpointed.
- In response - an enabling service offer to post-16 providers has been designed.
- A framework is under development for provider quality assurance and support for improvement - that at least meets minimum standards (e.g. of accreditation or MLPs).
- **Market making/partnership development:** A review of existing 14-19 borough wide delivery infrastructure is ongoing, drawing on the intelligence - including consortia arrangements and the existing provider base.

A new internal LBH delivery structure with appropriate external links is in place.

## External links

Nominated LBH officers are formally engaged with the new London 14-19 governance arrangements:

- Regional Planning Group (RPG).
- RPG Operational Sub-group (OSG).
- Regional Allocations Group (RAG).
- Engagement with surrounding boroughs who will feature in formal inter-borough dialogue (an early understanding of their intentions is established).
- Relationship formed with link officers in YPLA; NAS and SFA.

## Key outcomes

- Internal and external stakeholders are clear on the strategy, structure and operational model taking effect from April 2010.

Preparatory work has established the unpinning infrastructure for the new delivery model.

## Operational preparation (funding and finance)

### Staff preparation

Consideration should be given to a skills audit and training plan to address gaps (to include staff from: finance, contracts, data, LLDD and quality)

Staff work plans/objectives in place by March latest (commissioning team: including finance, data, LLDD and quality)

Set up an internal 16-19 transition working-group: to include representatives from data, Connexions, youth offending team, finance, quality, provider performance management (e.g. LSC transferees), LLDD and teen parents. Meet to agree actions and outcomes for individual teams up to end of August 2010.

### Operational preparations

The key operational imperatives will be: a smooth transfer in April 2010; the accurate transmission of funding thereafter; and the establishment of a data model to underpin the new system.

The funding part will require a clear understanding of what the LSC is handing over and why - and the establishment of local systems to make and monitor payments, reconciliations and provide financial assurance and control from April 1 2010.

A key difference between pre and post-16 funding is the latter's explicit, and sometimes complex links between funding and curriculum/quality/national policy.

The demarcation between commissioning and finance are more blurred post-16 making close engagement between commissioner and finance functions essential.

It will be important therefore for both finance officers and commissioners to have a basic understand of what they are inheriting and why.

## Operational preparation (funding and finance) cont

### Key actions

#### Internally

##### 1. LSC 2009-10 business cycle - minimum knowledge transfer:

- Clear understanding of what LSC is allocating to local providers for 2010-11 and why.
- Thorough grasp of the funding methodology, data issues<sup>1</sup>, policy changes in the formula - and any transitional protection being applied locally.
- Clear understanding of provider concerns and ambitions as recorded in LSC communications and dialogues (e.g. business cases, meeting minutes, recent letters of complaint).

Transfer to LBH of records of any LSC prior agreements relating to capital; expansion; extraordinary financial support or contract termination.

<sup>1</sup> Completion of the ILR for YPLA funded learners will be a condition of Grant for LAs who will in turn make it a condition of funding for all colleges and other applicable providers

## Operational preparation (funding and finance) cont

### 2. Subsequent follow up actions (after knowledge transfer)

- A joint commissioner/finance review of the incoming portfolio will need to occur: part commissioner led - part finance led.

#### 2.1 Commissioner led actions

##### Internally

- A review of three year provider trends including incidence of under/over delivery.
- A review of the last three years of funding to providers: main allocations, transitional protection, ALS, teachers pension, capital, other.
- An appraisal of local SSF/FE providers to identify: 1. Data issues for example leading to a school being on national success rate 2. Quality issues. 3. Capacity issues. 4. Funding issues (e.g. outliers; high SLN ratio).
- An appraisal of Independent Private Providers (including voluntary) to identify the above and assess last full year contracting performance. (Incorporate review of readiness to move from E2E contracted delivery to FLT in 2010.)
- Identification and registration of all current or potential provider risks (with focus on viability, quality and capacity issues).

##### Key outcomes

- Officers should have a thorough, evidence led understanding of their provider portfolio.
- In place should be an easily accessible provider intelligence picture; appropriate corporate records from LSC; and a simple provider risk register.

## Operational preparation (funding and finance) cont

### 3. Key commissioner led actions

#### Externally

The lead commissioners will need to establish effective operational links to:

- YPLA with reference to local Academies funding and quality.
- NAS with regard to Apprentices commissioning and quality.
- SFA who will have key responsibility for FE quality and Apprenticeships contracting.

## Operational preparation (funding and finance) cont

The YPLA will provide LBH with a 2010-11 funding position, based upon an historic allocation and dialogue from the current business cycle. This will aggregate the funds, learner numbers, and Standard Learner Numbers (SLNs) allocated to institutions to establish an overall funding position for LBH.

### 4. Finance led actions

#### Internally

- Workforce development: training/briefing for finance staff on new model/methodology and their roles & responsibilities.
- Categorise the LBH portfolio by provider type. The payment instrument: contract, grant, or grant in aid will be dependent upon the provider and their legal status. (see annex 2)
- Categorisation will inform which of three basic payment and reconciliation processes will apply to each provider.
- Break-down the LA allocation and establish funding agreements with LA funded providers to deliver the learning provision agreed in the local commissioning plan.
- Notify all relevant providers with whom LBH will be acting as the lead commissioner.

## Operational preparation (funding and finance) cont

There will be three initial payment periods to consider:

### (April 1 2010 - July 31 2010)

- This is the initial carryover period and will mean liaising with LSC so that existing funding agreements and contracts can be novated to LBH to provide stability. However, as has been noted by the Lead Member, the preference is to set up new contracts and this point is being investigated by the Legal Department.

### (August 1 2010 - March 31 2011)

- The part of the new academic year falling into the 2010-11 financial year. LBH will need to draft its own funding agreements to cover this period.

### (April 1 2011 - July 31 2011)

- The funding agreements, payments and profiles may need to be revised re: inflation, etc, for the last quarter, which occurs in a new financial year.

## 5. A payment system will need to be established - basic features of which will be:

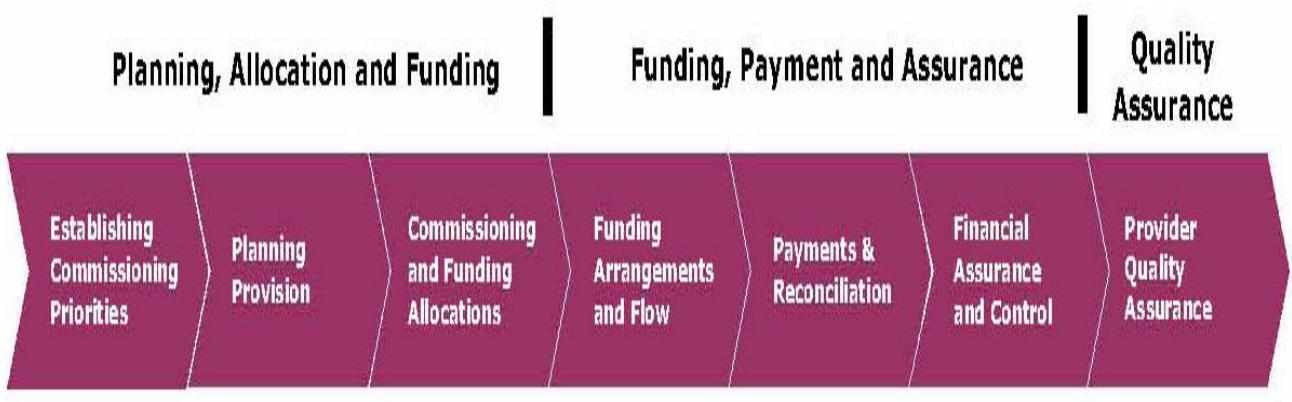
- Predictability, simplicity and stability for providers.
- Timely (within seven days of receipt from YPLA) and accurate transmission of funding.
- Able to respond to changes in the rates and other variables within the national formula.
- An LBH financial monitoring and audit framework will be required that minimises the burden on providers whilst providing full assurance.
- A review of LSC audits in the last three years will need to occur as this will identify any audits required or scheduled in 2010-11

## 6. Externally

- The payment and financial assurance processes for LA funded providers will be interlinked with YPLA and SFA processes.
- A lead finance officer will need to review the finance guidance issued by YPLA in April 2010 and develop a local process that is aligned with that.
- Engagement will need to be established with finance teams in SFA/YPLA who have responsibility for procuring on behalf LBH some types of provision, such as Apprenticeships, Academies and ISPs providing learning.

## Key outcome

In place should be an effective payment, monitoring and financial assurance system for post-16 providers in LBH - compatible with YPLA/SFA guidance.



#### Operational preparation (data & Intelligence)

For convenience, data in post-16 model can be broken into macro and micro; or strategic and operational.

Macro/strategic is data relating to the whole area-wide picture that underpins the commissioning. Good examples are: needs analysis; learner voice; curriculum mix and balance; or borough performance against LAA targets.

Micro/operational data on the other hand relates to individual provider data and actual allocations. This type of data will be of particular interest to both commissioners and finance officers, examples include the census and ILR.

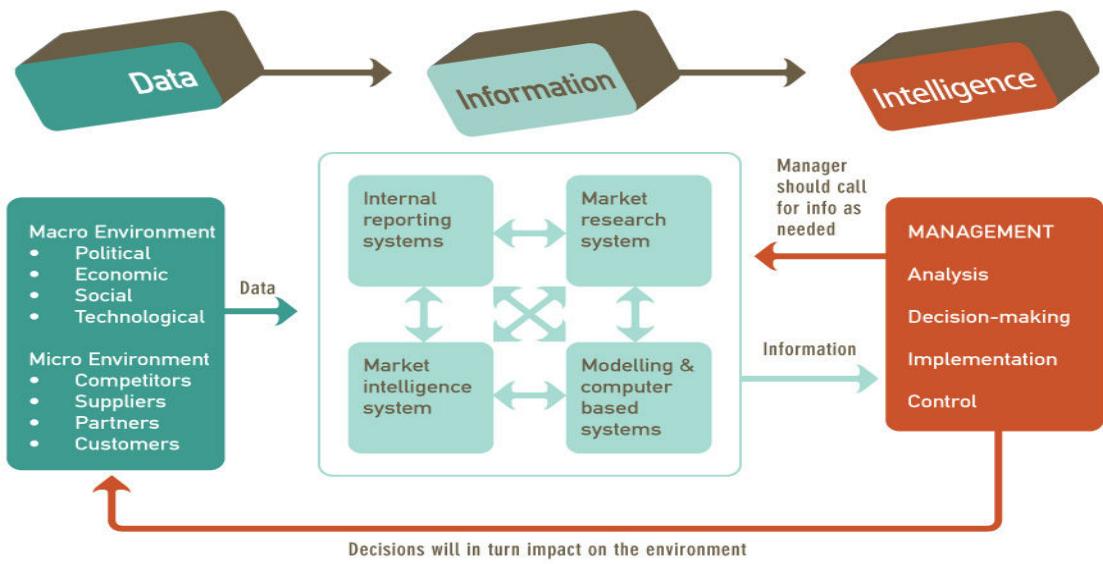
Macro data examples			Micro data examples
Local 14-19 Plan updating	Regional strategic analysis	Local 16-19 commissioning priorities published	Business cycle/allocations
April - May	August -September	October	October Census/ LO5 onward

## Operational preparation (data & Intelligence)

### 7. Key data actions

#### Internally

- Workforce development: training/briefing for LA Data/Connexions staff on new model/methodology and their role in it.
- Commissioners specify what the new post-16/14-19 intelligence picture needs to incorporate at micro and macro levels.
- Review of what LBH's data team currently hold (pre and post-16) against three areas: responsiveness data; effectiveness data; finance data. Factor in the post-16 data they will inherit from LSC.
- Review what will be available from other sources e.g. Connexions; YPLA; NAS and DMAG.
- Identify what is broadly missing - specify what needs to be commissioned internally or externally.
- Identify and correct any current data quality, access or flow restrictions at borough wide level.
- Identify a simple support system to underpin the new model.
- Create a 'Hillingdon Front Door' landing page on the LBH intranet to organise and host links to the data.



## Operational preparation (data & Intelligence)

### Externally

- Develop a data sharing protocols between LBH and local partners in advance of MIAP requirements.
- Create an explicit section of LBH 14-19 plan relating to data and analysis.
- Identify providers with weak data and plan the timing and type of training required to resolve.<sup>2</sup>

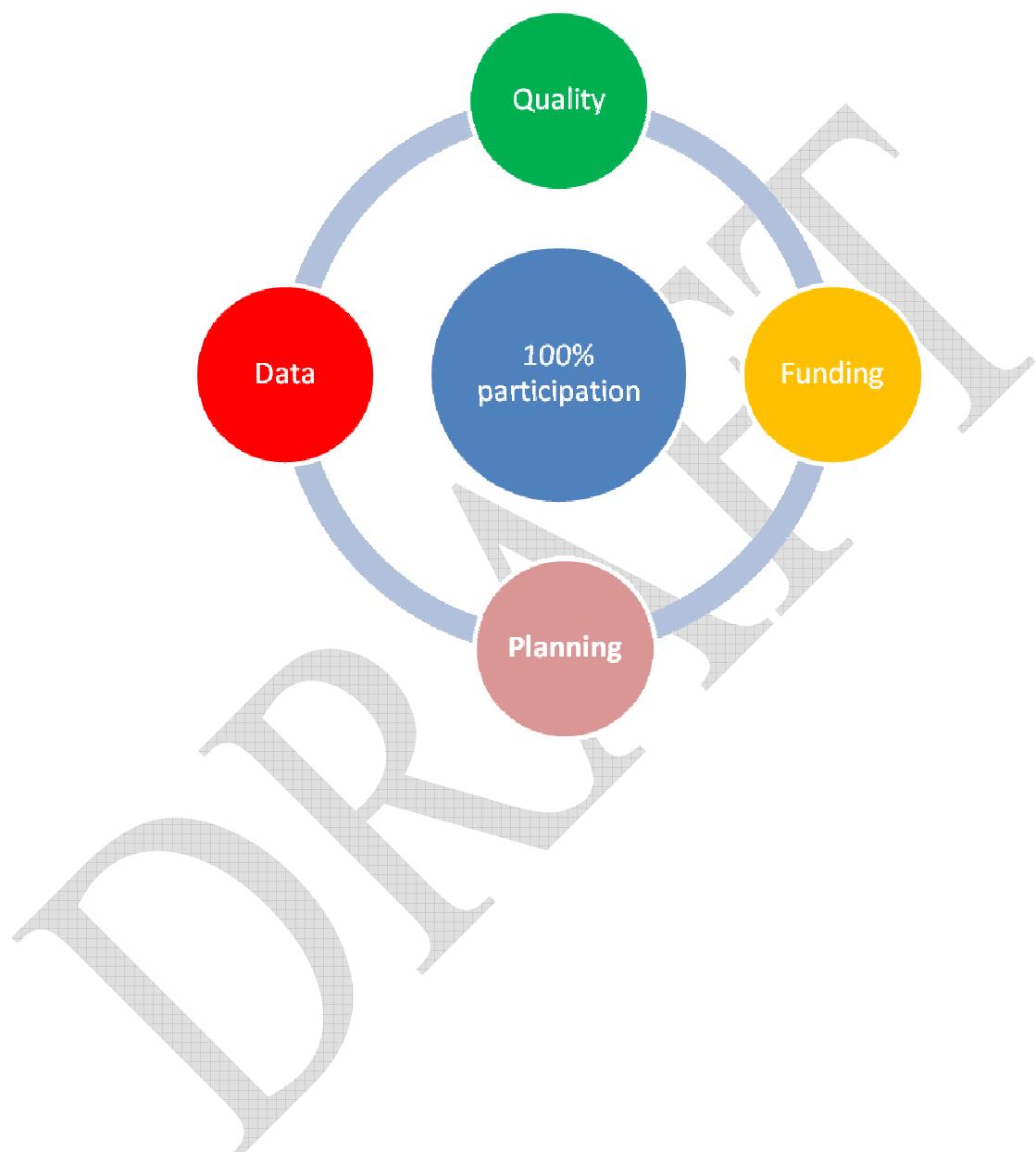
### Key outcomes

1. A 360 degree intelligence picture of Hillingdon 14-19 with a plan to maintain ongoing freshness and validity.
2. A clear relationship with providers to ensure data accuracy and validity.

<sup>2</sup> Completion of the ILR for YPLA funded learners will be a condition of Grant for local authorities who will in turn make it a condition of funding for all colleges and providers

## Phase 2

April - August 2010



## April 2010

### Key strategic actions

- Analysis of updated 16-19 intelligence and 14-19 strategic review completed.
- A refreshed 14-19 plan based on the intelligence and incorporating any pertinent CYPP updates completed.
- 14-19 plan issued to stakeholders for consultation.
- Communication of any major changes being considered as part of (2011-12) commissioning cycle.
- Presentation of new 16-19 model and LA support structure, including enabling offer.

### Key operational actions

- Internal 16-19 transition sub-group meets.
- Novation of provider contracts and funding agreement from LSC to LBH is to be considered in the first instance to provide stability. Investigations to take place with Legal to move to local contracting as soon as possible.
- Ensure payments processes (including payment profile) for April-July 2009/10 are in place.
- Payments to providers and monitoring (payments normally by second week of month).
- Ongoing: provider management and customer service: e.g. responding to provider queries: learner eligibility, policy, funding, curriculum changes, ILR and census, data requests and EDIMS (Equality and Diversity Impact Measures).
- Continue provider dialogues on 2010/11 planning volumes: curriculum mix and balance (incorporating final changes).
- Review of 2008-09 validated data/Challenge & Support preparation (school sixth forms). Review of validated data on quality with FE and E2E providers (including MLPs).
- LSC quarterly review of WBL becomes LBH's first review of FLT (E2E)/Apprenticeship performance locally.
- Set out September Guarantee responsibilities for local post-16 providers (including Apprenticeship providers) for 2010/11. Share data on September Guarantee and Destinations Data with providers to inform provider planning and recruitment for 2010/11.

### Key enabling tasks

- Based on your intelligence review, identify and target providers for data or funding

training. Plan training e.g. for sixth-forms on School Census.

- Based on your intelligence review, identify provider capability for moving E2E and other provision onto FLT.
- Diplomas: any agreed actions on Diploma development e.g. collaborative delivery, employer engagement, marketing and staff training.

## May 2010

### Key strategic actions

- Consultation complete on refreshed 14-19 plan.
- Final 14-19 plan published.
- Planning and dialogue begins for major changes being considered as part of (2011-12) commissioning cycle.

### Key operational actions

- Internal 16-19 transition sub-group meets.
- Ensure payment profiles for May-July 2009/10 are in place.
- Payments to providers and monitoring (payments normally by second week of month).
- Ongoing: provider management and customer service: e.g. responding to provider queries: learner eligibility, policy, funding, curriculum changes, ILR and census, data requests and EDIMS (Equality and Diversity Impact Measures).
- Challenge & Support (school sixth forms) implementation approach agreed. Approach agreed for review of quality with FE and E2E providers (including MLP).
- Finalise providers' 2010/11 planning volumes: curriculum mix and balance.
- Sept Guarantee: focused analysis and review of over-represented groups who are potential NEETs and at-risk and vulnerable groups (e.g. LLDD, YOT, teen parents and BME).
- Dialogue with NAS/FLT(E2E) providers concerning September Guarantee and intended destination data for September 2010.
- Analyse finalised performance management data, for providers, for 2008/09, within the context of the local 14-19 plan and commissioning plan.

### Key enabling tasks

- Delivery of provider data & funding training - e.g. on School Census.

- Launch of 2010-11 post-16 improvement programme.
- FLT development: any agreed actions on FLT development e.g. collaborative delivery, curriculum design, employer engagement, marketing and staff training.
- Diploma: any agreed actions on Diploma development e.g. collaborative delivery, employer engagement, marketing and staff training.
- CAP options review completed and shared with stakeholders and providers.

## June 2010

### Key strategic actions

- Draft 16-19 commissioning priorities formulated and submitted to internal 16-19 transition sub-group for review.
- Ongoing planning and dialogue for major changes being considered as part of (2011-12) commissioning cycle.
- Identify data requirements and issues for the first 2011/12 inter-borough dialogue to be held in early autumn 2010.

### Key operational actions

- Internal 16-19 transition sub-group meets.
- Payments to providers and monitoring (payments normally by second week of month), for 2010/11.
- Develop LBH provider funding agreements and payment profiles for FE and IPP providers to take effect from August 1 2010 (including legal checks). For SSF, payments and profiles will probably take place as in 2009/10)
- Ongoing: provider management and customer service: e.g. responding to provider queries: learner eligibility, policy, funding, curriculum changes, ILR and census, data requests and EDIMS (Equality and Diversity Impact Measures).
- Review and possible reconciliation of Independent Private Provider contracts (IPP);
- Challenge & Support (school sixth forms) implemented. Review of quality with FE and E2E providers (including MLP) completed.
- Sign off agreed Sept Guarantee August/September implementation campaign.
- Sept Guarantee dialogue with providers to ensure a full range of options for all young people in August/September e.g. roll-on roll-off, LLDD provision.
- Dialogue with NAS/FLT (E2E) providers concerning September Guarantee places for

September 2010.

- Share finalised performance management data, on providers, for 2008/09, with 14-19 partners. Place this within the context of the local 14-19 plan and commissioning plan.
- Review May School Census data with focus on in-year post-16 drop out.

#### **Key enabling tasks**

- Delivery of provider data & funding training - e.g. on funding methodology.
- First delivery of post-16 improvement programme.
- Development of Hillingdon wide August/September recruitment push as part of Sept Guarantee/meeting commissioning targets.
- FLT development: any agreed actions on FLT development e.g. collaborative delivery, curriculum design, employer engagement, marketing and staff training.
- Diploma: any agreed actions on Diploma development e.g. collaborative delivery, employer engagement, marketing and staff training.

July 2010

#### **Key strategic actions**

- Draft 16-19 commissioning priorities agreed internally.
- Planning and dialogue with affected providers continues for major changes being considered as part of (2011-12) commissioning cycle.
- Mock the first inter-borough dialogue for 2011/12: to include e.g mix and balance of provision for 2010/11, draft 2011/12 local commissioning priorities, travel to study patterns, infrastructure developments, geographic profile of providers, Diploma Gateway status and other data to inform the discussion.

#### **Key operational actions**

- Internal 16-19 transition sub-group meets.
- Payments to providers and monitoring (final payment of novated agreements).
- Completed LBH funding agreements and payment profiles finalised and sent to providers (to take effect from August 1 2010)
- Ongoing: provider management and customer services: e.g. responding to provider queries: learner eligibility, policy, funding, curriculum changes, ILR and census, data requests and EDIMS (Equality and Diversity Impact Measures).

- Any necessary reconciliation of IPP provider contracts prior to LBH funding agreements taking effect.
- Identify key next steps to address quality issues from June's Challenge & Support process (school sixth forms) and review of quality with FE and E2E providers (including MLPs).
- Continued monitoring and review of Connexions data (Sept Guarantee intended and recent destinations data)
- Continued dialogue with 16-19 providers and NAS/FLT(E2E) providers concerning September Guarantee Intended destination data for September 2010.

#### **Key enabling tasks**

- Ongoing delivery of post-16 improvement programme.
- Signoff of Hillingdon wide August/September recruitment push as part of Sept Guarantee/meeting commissioning targets.
- FLT development: any agreed actions on FLT development e.g. collaborative delivery, curriculum design, employer engagement, marketing and staff training.
- Diploma: any agreed actions on Diploma development e.g. collaborative delivery, employer engagement, marketing and staff training.

#### **August 2010**

##### **Key strategic actions**

- Draft 16-19 commissioning priorities refined internally.
- Initial draft of 2011/12 commissioning plan completed.
- Final preparation for the first inter-borough dialogue for 2011/12 including specification and commissioning of any additional data requirements.

##### **Key operational actions**

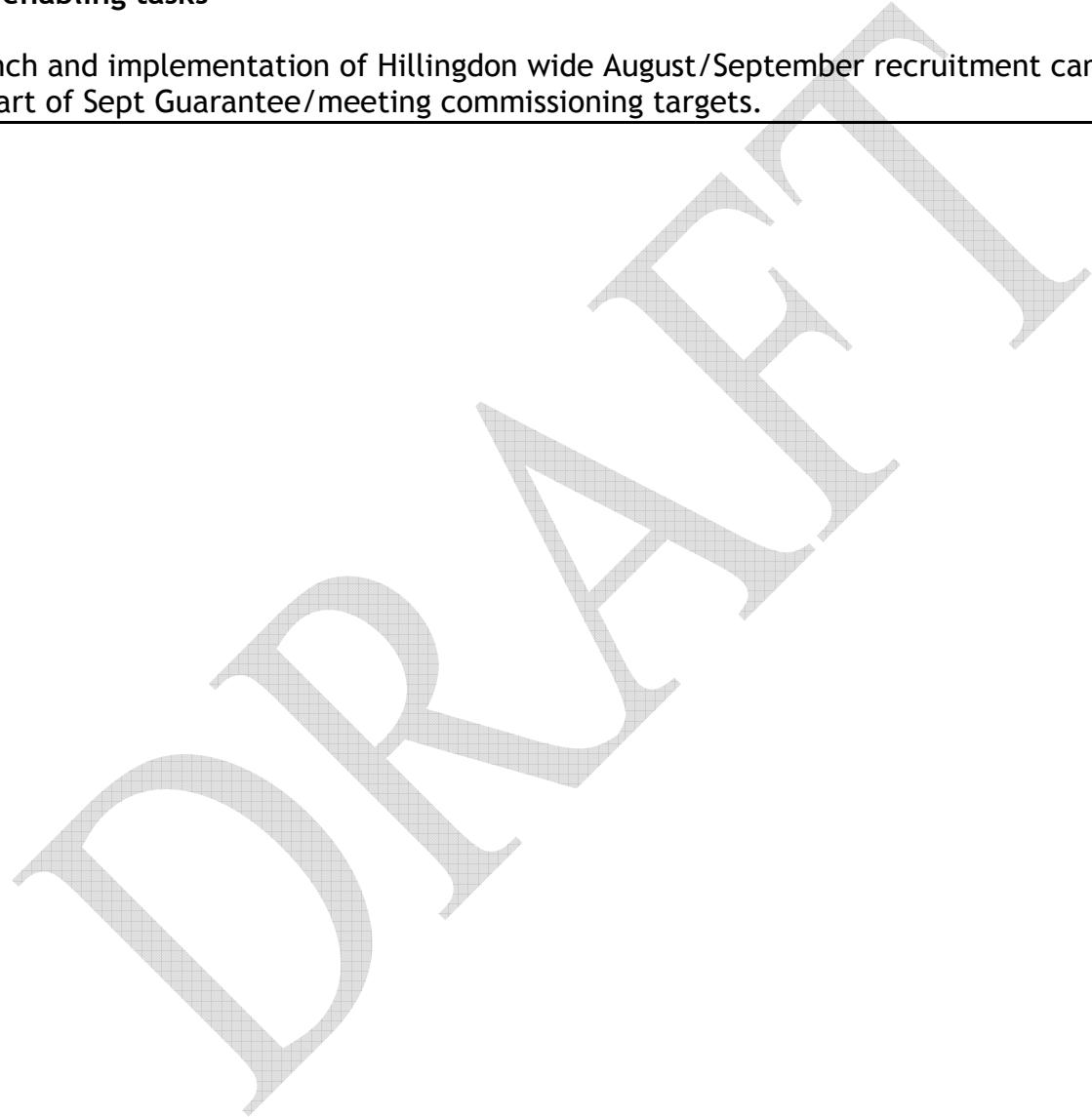
- Internal 16-19 transition sub-group meets.
- New LBH payments and monitoring system takes effect under auspices of LBH funding agreements.
- Ongoing provider management and customer service to providers: (Responding to provider queries: learner eligibility, policy, funding, curriculum changes, etc).
- Brief report produced to record Summer 2010 Challenge & Support process (school

sixth forms) and actions arising from review of quality with FE and E2E providers (including MLP). Feeds into autumn commissioning and enabling processes.

- Continued monitoring and review of Connexions data (Sept Guarantee intended and recent destinations data).
- Focused targeting of 16-19 providers and NAS/FLT (E2E) providers concerning unmet demand for places in September.

#### **Key enabling tasks**

Launch and implementation of Hillingdon wide August/September recruitment campaign as part of Sept Guarantee/meeting commissioning targets.



## Annex 1

Hillingdon 'PESTLE' example for <u>illustrative purposes</u>	Opportunity H M L	Threat H M L	Impact H M L
Political	Diplomas, 14-19 agenda (H)	Non acceptance by HE / Employers / parents (M) Inadequate funding to deliver (M)	No progression (M)
Legal	Legal requirement to stay on in education (H)	Legal requirement to stay on in education (H)	+ Recruitment potential (H) More dissatisfied students, inadequate funding (M) More challenging targets Need for curriculum that's fit for purpose
Economic	Recession (H)	Recession (H)	Reduced interest from employers in Apprenticeships (H)
Socio cultural			
Technology	CAP (H)	Cost Buy-in/ownership In date information	No underpinning process to achieve 100% participation
Environment	Greater focus on carbon footprint (L)	People unwilling to travel from afar	Students increasingly buy 'local' (L)
Customers	More post-16 learners encouraged to stay on	Higher proportion leave borough due to limited offer	Viability issues in some providers

<b>Stakeholders</b>	Schools (with sixth forms (H))	Increasing autonomy/ less collaboration (H)	Re-organisation/curriculum development stalled Links with other schools diminished
<b>Competitors</b>	Surrounding boroughs with growing cohorts	'Poaching of 'Hillingdon' learners	Reduced learner numbers and funding (H)

## Annex 2

A provider is any organisation delivering learning. For the purposes of funding flows and assurance, providers are defined to be in the following categories:

- A general FE college corporation.
- A sixth form college corporation.
- A local authority operating division (local authority maintained school with sixth form, adult education college, specialist school for SEN or other local authority controlled training organisation e.g. Connexions service).
- A Third Sector organisation (e.g. including social enterprises, community sector and charities) or an independent specialist college (ISP - who may be charitable or commercial providers) for learners with learning difficulties and/or disabilities (LLDD) or specialist school for SEN.
- A higher education institution.
- A private company e.g. Apprenticeship providers or some providers of learner for offenders in custody.
- Academies

**Note:** FE colleges and schools are currently funded through grant-in-aid and under a financial memorandum.

Voluntary organisations and other independent businesses are funded under a contract for services with LSC payments adjusted to reflect actual performance up to the maximum contract value. (A tolerance level applies)

This page is intentionally left blank

## ANNEX 2

# Hillingdon 14-19 Strategic Plan

The Implementation of the 14-19  
Entitlement  
September 2009 September 2013

DRAFT

Draft 7 - 04/02/10



## Content

1. Executive summary
2. Vision and priorities
3. 14-19 learner entitlement statement
4. Roles and responsibilities
5. Context
6. Current performance
7. Strategy for change
8. Measuring success
9. 14-19 strategic priorities 2009-2013

DRAFT

# 1 Executive summary

This document expresses Hillingdon's vision and response to national changes in the education of Young People 14-19. It is consistent with the Borough's Children and Young People's Plan, the London Plan and the overarching Every Child Matters Agenda by placing the needs of the Learner at the centre, and bringing together the resources and expertise of key stakeholders to improve the educational outcomes for Young People. The main aims of the 14-19 reforms which are to be implemented by 2013 are:

- To raise the participation of young people in education by increasing the relevance of learning so that all are motivated to attend and learn and to stay in education beyond 16.
- To raise the educational attainment of young people as a vital strand of efforts to improve the nation's skills.

Key to this, is the development of good partnership working arrangements across sectors; Schools, Further Education, Higher Education, Voluntary Sector and Youth Services. The Strategy and the Action Plan in this paper will strengthen 14-19 partnership arrangements, enabling the 14-19 Strategic Group to ensure delivery against identified key targets. In addition, this document defines the status and functions which the 14-19 Partnership carry out. The plan sets out our mission, vision and values. It identifies a set of themes or Strategic Priorities that provide a framework for the development of our aims and objectives. The document is in two sections; firstly, a strategy setting out the local, regional and national contexts and the resulting key priorities. These are:

- Strategic Priority 1 Collaboration and Partnership
- Strategic Priority 2 Participation and Engagement
- Strategic Priority 3 Progression
- Strategic Priority 4 Attainment
- Strategic Priority 5 Quality Assurance

Secondly, an implementation plan for delivery, that will enable the 14-19 Strategic Group to monitor policy and strategy.

The reforms entail ambitious changes in the curriculum offered to young people aged 14-19 and to the way that learning will be delivered. All young people and their families need to be confident about the value of education to their future lives and prospects and, in particular, convinced that continuing in education beyond the age of 16 will be worthwhile. Linked with this challenge, and drawing on lessons from other countries, options from age 14 need to include high-quality education with clear application to real life and work that will be valued by young people and employers.

With the cessation of the LSC in March 2010, this plan is not only a driver for collaboration, but will set out how local providers and partners will work together to develop collective ownership of the 14-19 agenda to build upon improvements and deliver the 14-19 entitlement.

The 14-19 Strategic Plan will shape commissioning of education provision for young people setting out the contribution of all local providers. It will set out the direction of travel for institutions and be of relevance to the many that work tirelessly to improve the offer available for all young people.

*Chris Spencer*  
Director Education & Children's Services

DRAFT

## 2 Vision and priorities

Our aim is to enable all young people learning in Hillingdon to develop their talents and fulfil their potential in order to support their progression to further education, skilled employment or higher education. Our strategic priorities are to raise participation, improve progression and improve standards. We believe that collaboration between learning providers will lead to an improvement in the quality of education for young people 14-19 learning in Hillingdon, and Learners with Learning Difficulties and Disabilities (LLDD) up to the age of 25.

Transforming learning is at the heart of Hillingdon's Sustainable Community Strategy (2008/2018), key to the council's vision of 'a borough of learning and culture', (Council Plan 2007/2010) with targets to 'improve and enhance our school facilities' and provide 'learning institutions at the heart of our communities' with 'high quality learning and skills training...for adults and families'.

This view is also reflected in the priorities within the Children and Families Trust Plan 2009/10 (CFTP), the LAA and CYPP, which focus on raising aspiration, health, well-being and achievement of children & young people.

The above plans, which commit to raising educational achievement, are echoed by BS21 and are what we recognise to be the most effective way to improve outcomes, particularly for the most deprived. This is expressed in the education vision for the borough below:

### *Modern learning at the heart of our communities*

*To create an innovative learning community which motivates and inspires everyone to maximise their individual talents and develop their personal qualities so they can lead a fulfilling life and make a valuable contribution to society in our rapidly changing world.*

### **3 Learner entitlement for young people in Hillingdon**

We will ensure the effective implementation of our learners' entitlement through providing personalisation based on learning needs, active engagement and quality assuring the learner experience.

#### **Personalisation based on learning needs**

- Learning and support that responds to the needs of all young people
- Appropriate individualised opportunities
- Learning that is continuously evolving
- An exciting and inclusive curriculum
- Access to a flexible and responsive curriculum providing a broad, relevant and coherent range of programmes that overcome the barriers to success
- Access to an enriching and stimulating programme of work-related learning opportunity and experience which develops employability and enterprise skills and feeds into young people's overall performance
- Includes a high quality impartial IAG programme
- Recognises and supports the development needed for LLDD up to the age of 25

#### **Active engagement**

- Of all young people in the development and provision of their learning and support
- Of parents, carers and peers
- Collaboration between and with providers, employers, funders and IAG service
- Access to learning that develops individual skills and personal effectiveness and provides the personal challenge to become active citizens and successful members of the community

#### **Quality assuring the learner experience in terms of:**

- Teaching and learning
- Value for money
- IAG
- Access to a high quality and inspiring learning environment that is fit for purpose
- Access to excellent, co-ordinated and impartial information, advice and guidance that will build on prior attainment and provide access to appropriate progression routes
- Effective monitoring and evaluation of learning and progress so that learners' views and needs will be taken into account when provision is developed

We believe that this will ensure our young learners will progress through education to be able to take a full role in the workplace and our community, present and future.

## 4 Roles and responsibilities

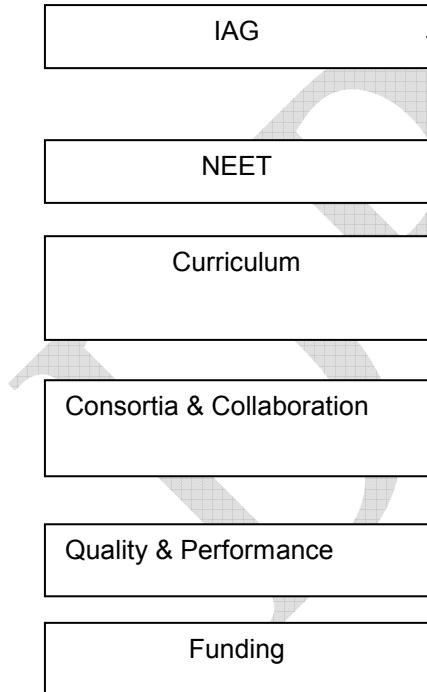
The purpose of the 14-19 Strategic Group is to improve outcomes of children and young people in Hillingdon. The group will drive 14-19 strategy and planning across the borough to meet the demands of the national 14-19 reform agenda, and ensure that all young people can access the national and local learner entitlement. The priorities for action are outlined in Section 9 of this document.

The 14-19 Strategic Group is responsible for developing and managing the 14-19 strategy for young people, to promote the development of partnerships and collaboration between all learning institutions, enhance the range of learning opportunities available and so improve outcomes and opportunities for children and young people in Hillingdon. The accountable body for the 14-19 Strategic Group will be the Local Authority. The 14-19 Strategic Group will carry out the actions within the plan and monitor the plan.

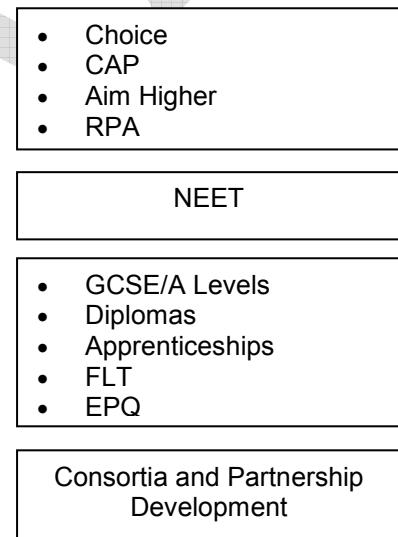
The 14-19 Strategic Group will meet at least 6 times per year. Progress will be reported to the Children's and Young People's Partnership Executive on a regular basis. The group will appoint sub-groups as required which will report back regularly to the 14-19 Strategic Group.

### Partnership structure

#### Workstreams Led By Strategic Groups



#### Operational Groups



## Membership

Membership of the 14-19 Strategic Group is made up of the following:

Local Authority, Director Education & Children's Services, School Improvement Service, Hillingdon Association of Secondary Headteachers, Special Schools Headteachers, Learning & Skills Council, Education Business Partnership ,Work Based Learning Representatives, Uxbridge College, Brunel University, Buckingham New University, Youth Offending Team, Integrated Youth Service, Youth & Connexions Services, Adult & Community Learning, Pupil Referral Unit, HAVS.

## Underpinning strategies

The 14-19 Strategy and Action Plan has been developed to incorporate and support the aims of the following Hillingdon Strategies:

- Children and Young Peoples Plan
- Children and Family Trust Plan
- Sustainable Community Strategy
- BS21

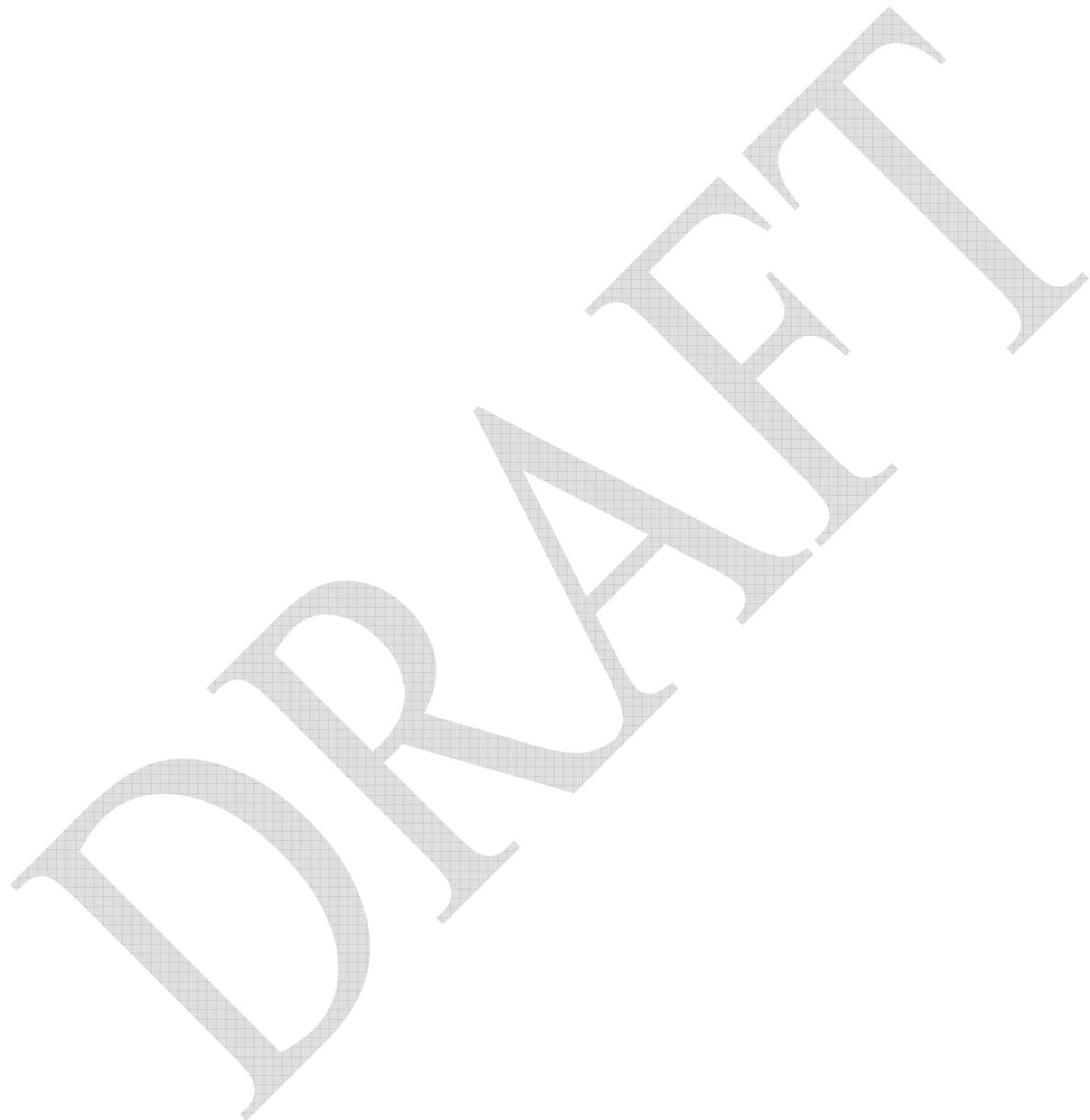
## 5 Context

The 14-19 Plan has been developed in consultation with schools, college, providers and stakeholder organisations. It addresses the governments National policy objectives, including the 14-19 reform agenda, performance and analysis of local demand and the Machinery of Government changes(MoG) relating to the transfer of commissioning responsibilities from the LSC to the Local Authority.

Hillingdon is a borough of contrasts: despite good transport links, the main arterial roads are a perceived division between north and south. The north is semi-rural, the south much more densely populated, urban and far more deprived on almost all indicators including income deprivation affecting children, although there are pockets of real deprivation in the north. The most recent UK census shows 6 wards in the south in the most deprived quartile for social deprivation nationally. The IMD 2007 map for poor health, early mortality and disability in Hillingdon shows much of the south-east of the borough in the range of 21-40% most deprived. 8.3% of secondary pupils are eligible for free school meals... The number of crimes per 1000 decreased in the last 2 years but is higher than in Metropolitan Police Authorities similar to Hillingdon. Youth Offending Service data 06/07 shows most youth offenders are resident in the south of the borough. The population of the borough is relatively young: 26% aged 0-19

The economic downturn has had severe consequences within Hillingdon. The Jobseekers Allowance (JSA) claimant rate has effectively doubled from 3,149 claimants (2% of the working age population) in Oct 2008 to 6,233 claimants (3.9%) in Oct 2009. Over 70% (4,425) of JSA claimants within Hillingdon are new claims, made within the last 6-months (NOMS data Oct 09) and 1,645 JSA claimants (26.6%) are aged 18-24, this is below the current U.K. average of 30.3% but above the London average of 25.9%. There is a considerable gap between the skills level of Hillingdon residents (just 24.4% qualified to NVQ4 or above, compared to London average 38.6%) and the skill requirements of the Knowledge/ICT Sector prominent within Uxbridge and Stockley Park.

Heathrow Airport has a significant impact and is entry point for high numbers of refugees and asylum seekers entering local education with little/no English. In January 2008, more than twice as many children from “any other White background” were in Year 1 as Year 11, reflecting the impact of the arrival of Eastern European migrants. Immigration increases casual admissions, particularly affecting schools serving the southeast of the borough. The population is becoming more ethnically diverse: 43.3% of secondary school pupils are of ethnic origin other than White British (PLASC 2008); 27.2% of secondary school pupils speak English as an additional language, 35.5% in secondary schools in the south.



## 6 Current performance

A shared sense of partnership and collaboration has contributed to the development of our vision for 14-19 learning in Hillingdon. Standards have improved in Hillingdon secondary schools in the past four years, a trend of sustained improvement, especially at Key Stage 4 (KS4), with 7.2% increase in 5 A\*-C including English and Maths for Hillingdon from 2006 to 2009 against the national average increase of 3%. Among the cohort of young people in Hillingdon who turned 19 during the 2007/08 academic year, 47% achieved L3 compared to 49.8% nationally; 72% achieved L2 compared to 76.7% nationally. The average point score achieved by students at the end of two years of A level study, including at Uxbridge College, was 688 in 2008, compared to 679 in 2007 and a national average of 739, although attainment was well below national measures the contextual value added measure published in the 2007/8 performance tables 1006.0 was above the national average. The 'drop-out' rate between Yrs 12 and 13 in 2007 was 25%, 4% higher than the previous year.

In November 2007, 1.1% of 16 year olds were in full time training and 4.2% in full time employment with training. 16-18 year olds not in education employment or training (NEET) in Hillingdon reduced from 8.6% in 2004 to 6.1% in March 2008 (480 young people), lower than the Hillingdon target of 7%, the national figure of 7.1% and the London average of 6.6%. Vulnerable groups include young people with LDD and those young people supervised by YOT. The Connexions contract was reviewed to focus more on vulnerable groups.

### Analysis of performance and future demand

1. Student population for the annual year 11 cohort was 3146 in 2008/9, a rise of 2.2% from the previous year. In 2008/9, the projected volume is 3082. Hillingdon is a net importer of students. 2008 saw 1757 students travel to study in Hillingdon, as opposed to 876 who chose to study elsewhere.
2. In 2008, compared to 2007, the proportion of young people staying in full-time education dropped from 86.6% to 86.1%. The proportion of NEET remained the same in 2007 at 4.2%. For 2009, the proportion of young people staying in full-time education is 89.8%, the proportion of those who are NEET is 4.1%.
3. 89.2% of school leavers who achieved level 2 entered full time education. In 2008, 63% of school leavers had achieved level 2 compared to 58% the previous year. This was regardless of ethnic background.
4. Among pupils who did not achieve level 2 by the end of KS4, white pupils were the least likely to go into FT education. White and mixed white/black Caribbean school leavers without L2 were the most likely to enter the NEET group.
5. 69.7% of school leavers who did not achieve level 2 stayed in full-time education compared to 73.5% in 2007, and 69% in 2006. 9.8% were NEET compared to 9.3% among the 2007 cohort.
6. Of these 1106 young people, 239 (21%) had not achieved level 1 by the time they left school. 22.6% were NEET, 49.8% were in full time education compared to 17.5% and 54.4% from the previous cohort.

7. In 2008, 75.7% of pupils with special educational needs (SEN) continued into full-time education, meeting the interim target in our LAA. In 2009, this figure increased to 82.6%
8. In 2009 local authority average point score per student was 670.9 compared to England average of 731.1. Average point score per examination entry was 201.7 slightly higher than in 2008 but still below the national figure of 211.2. Provisional Contextual Value Added figure is above the national average at 1004.3 and ALPS 'A' Level analysis places performance between the 60<sup>th</sup> and 74<sup>th</sup> percentile.
9. The majority of L3 qualifications achieved in schools with sixth forms were still GCE 'A' and 'AS' levels but the number of entries in BTEC continues to increase. Evidence from FFT and ALPS analysis suggests that 'A' Level attainment was lower than expected in General Studies and English and above that of similar pupils in Law, Applied ICT and Economics
11. Attainment in Applied A levels was in line with 2007 national averages.
12. Some L3 is offered in small inefficient classes in some Hillingdon schools.
13. Demand for Entry, level 1 and level 2 is mostly unmet in Hillingdon schools but dealt with effectively by Uxbridge College.
14. LSC data for 2007/08 shows that 49% of 16-18 learners studying in Hillingdon attended Uxbridge College, with approximately 16% of these UC students studying GCSEs, AS or A level courses. The remaining 84%, representing over 2700 learners, were enrolled on mainly vocational programmes such as BTEC and City and Guilds at Foundation Level, Level 2 and Level 3. The vocational offer includes provision drawn from the following sector subject areas: engineering, motor vehicle, electrical installation, computing, business, creative studies, sport, leisure, public services, health and social care, early years, hair and beauty, and hospitality.
15. There is provision for over 700 FL 16-18 learners at UC, academic and vocational pathways available to learners at this level. Within this offer there are also options for learners for whom English is a second language as well as tailored provision for learners at risk of joining the NEET category and also LLDD learners.
16. Uxbridge College attracted over 72% of the 'imported' 16-18 learners to Hillingdon in 2007/08, representing more than 1630 learners.
17. LBH statistics indicate that 13.8% of 07/08 Year 11 school leavers joined provision at UC in September 08. However the total volume of LBH resident 16-18 year olds who attend UC year-on-year represents a much higher proportion with 36% of the total, or 1398 of the resident 16-18 learners, attending the College in 2007/08.
18. The Hillingdon GOL progress check rating autumn 2009 was amber/green

## 7 Strategy for change

The key elements of our transformational strategy for 14-19 are as follows:

- Collaboration will be fostered through groupings of schools and institutions, including Uxbridge College, employers, Connexions and universities. An annual audit will identify gaps and allow provision, including vocational requirements and practical learning opportunities and diplomas, to be mapped.
- We will work with partners to create an innovative, flexible curriculum to engage learners, delivered through a range of providers enabling learning to take a more personalised approach. We will encourage providers to align timetables allowing young people the opportunity of personalising their learning at other institutions as well as their own.
- The Partnership will reduce significantly the number of young people who are NEET and will continue to work with other partners, including the voluntary sector, to improve the co-ordination of work-based learning
- We will reflect local demand for skills and provide training to close the skills gap, including increasing apprenticeships. We will implement the full range of 14-19 practical learning opportunities that enable target groups to follow the relevant pathways and learning opportunities embraced by 14-19 and the specialised diplomas
- We will support cross-borough timetabling, collaboration and agreed protocols for delivery of the diplomas, A levels, other post 16 provision and the full range of vocational training, enabling students to move between establishments. This will allow multi-centre learning with systems and protocols that capture relevant attainment data and track attendance and progress that has been quality assured. A borough wide MLE/VLE will be the vehicle for this including Information, Advice and Guidance (IAG) materials and access to an on-line application system
- The use of the Hillingdon card (residents' card) will ensure that if students need to travel to another establishment they will be able to register at their place of learning, purchase meals and use facilities
- We will encourage a change leadership programme for all schools and the LA to implement new policies, protocols and systems that will enable new learning and teaching strategies to work
- We will ensure access to all progression pathways, underpinned by high quality and impartial Information, Advice and Guidance Services support young people to make appropriate decisions
- We will support schools and the College in delivering all 17 diploma lines through a clear diploma development action plan
- We will ensure the 'learner entitlement' includes Key Stage 4 Engagement Programme and other FLT programmes

## 8 Measuring success

The Local Authorities performance in implementing and managing 14-19 reform is assessed against a broad range of external indicators and standards. The Performance Framework includes all the measures that are currently being applied by the DCSF, DIUS and GOSE.

- The Hillingdon Action Plan 2007/8
- Local Area Agreement (LAA) targets
- National Indicators (NI)
- Public Service Agreement (PSA) targets
- 14-19 Progress Check measures (PC1-15)
- The authorities performance targets reflected in the Children and Young People's Plan and the Directorates Service Plan

### Key targets identified for 2009-2013

Target	Responsibility
1. Increase the proportion of young people participating in Education and Work Based Learning up to age 19, and for those with LLDD, up to the age of 25.	Connexions
2. The reduction of the proportion of 16-18 year olds who are NEET.	Connexions
3. Improve the percentage of young people achieving level 2 and level 3 by 19 by 2013 from 71.7% to 80% and from 46.6% to 55%.	Curriculum Group
4. To increase access to provision at L1 and L2 for post 16 students by ensuring that there are places to meet demand, to include E2E, GCSE retakes, Diplomas, FLT and provision for LLDD.	Consortia and Curriculum Group
5. To improve access to diplomas by ensuring that there is provision for each Line of Learning represented either in each consortia or in a neighbouring consortia. This should include inter-borough access if more appropriate.	DSG
6. To support and encourage the rollout of the Diploma and Functional Skills programme.	Curriculum Group
7. To improve level 3 achievements to National Benchmark from 688.2 average points score per student to National average of 739.8, 196.4 per average point score per exam entry to 209.4 by focusing on the commissioning of quality provision as per LSC guidelines to include achievement, retention, success and value added.	Quality & Performance Group
8. To improve the achievement and retention of SEN and white working class in line with National Indicators (inequality gap in L2/L3 achievements by 19) by reducing the gap in L2 qualifications from 22% to 15% and the gap in L3 qualifications from 23% to 18%	Curriculum Group
9. To increase the number and range of 16-19 Apprenticeships in line with Government 1:5 target and to meet Pan London targets for Local Authority recruitment from 266 to 369	Curriculum Group
10. LSC MLPs (Minimum Level of Performance) to be encouraged for all providers	Quality & Performance

## 9 14-19 Strategic Priorities 2009-2013

From the above targets the following five strategic priorities have been identified

1. Collaboration and partnership
2. Participation and engagement
3. Progression
4. Attainment
5. Quality assurance

### STRATEGIC PRIORITY 1: Collaboration and partnership

To embed collaboration as the means of delivering 14-19 reform

#### Specific outcomes

- Improve the impact of the 14-19 Strategy by ensuring good communication links with partners within and outside of the Partnership
- Ensure that there is a sufficiently wide range of learning opportunities to meet local needs and meet the entitlement across the Borough
- Support the Consortium to develop an effective Diploma delivery model to provide suitable access for all young people learning in Hillingdon
- Support Consortium arrangements to ensure a sufficiently wide range of learning opportunities to meet local needs and meet the entitlement across the Borough

#### Key objectives to secure the aim

- 1.1 For the 14-19 Strategic board to provide a coherent and effective working directive between outcome groups and operational groups
- 1.2 Support all operational groups to undertake annual self-evaluations and quality assurance reviews.
- 1.3 Ensure that the 14-19 Strategic board provides appropriate monitoring and support for collaboration
- 1.4 Ensure that the 14-19 Area Prospectus and on-line common progression system is updated and reviewed on a regular basis
- 1.5 Provide data to review targets and measure progress
- 1.6 Allocate funding and resources for consortia arrangements
- 1.7 Sustain and implement an action plan for improving employer engagement and support
- 1.8 Ensure that all staff/colleagues working with young people recognise their responsibility in giving high quality and impartial IAG
- 1.9 Provide training opportunities for staff/colleagues working with young people so that they are enabled to provide high quality and impartial IAG
- 1.10 Monitor the quality of impartial IAG available to 14-19 year old learners on an annual basis and provide additional support where required
- 1.11 Ensure above arrangements are in place to meet the requirements of the RPA

Measures of success: See Appendix 1

## **14-19 Progress check indicators**

1. *Does the area have effective collaborative arrangements in place?*
2. *Is the area making progress in developing a local prospectus, and is there good quality IAG to support young people in their choices?*
3. *Are there effective links with employers to involve them in sufficient high quality delivery?*

## **STRATEGIC PRIORITY 2: Participation and engagement**

Raise the participation of all young people in Hillingdon, including the reduction of young people who are NEET

### **Specific outcomes**

*Maintain an increasing percentage of young people in the authority (14-19) in structured learning through:*

- *Develop and ensure access to appropriate education and training pathways*
- *Capture and respond to learner views about the provision*
- *Reduce the proportion of 16-18 year olds who are NEET*

### **Key objectives to secure the aim**

- 2.1 Map existing vocational and applied learning across Hillingdon schools, Uxbridge College and training providers and ensure that there is access to appropriate provision in line with any 'gaps' that are identified.
- 2.2 Ensure full range of Diplomas are established to support the 14-19 curriculum entitlement by 2013
- 2.3 Provide additional targeted support provided for young people at risk of becoming NEET
- 2.4 Support a systematic approach to capturing learner voice
- 2.5 Support and develop strategies to improve participation for young people from vulnerable groups including Children in Care, those with specific needs and those on FSM & bottom 20% attainment
- 2.6 Augmented range of employer-led activities and experiences so as to extend and improve learning & employability skills
- 2.7 Monitor the quality of impartial IAG available to 14-19 year old learners on an annual basis and provide additional support where required
- 2.8 Ensure above arrangements are in place to meet the requirements of the RPA

**Measures of success:** See Appendix 1

## **14-19 Progress check indicators**

4. *Increase % of 17 year olds participating in education and work-based learning*
5. *Reduce the proportion of 16-18 year olds who are NEET*

## **STRATEGIC PRIORITY 3: Progression**

To improve the proportion of Year 11 learners who progress (L1, L2 and L3) by the age of 19

## Specific Outcomes

- Develop clear learning pathways for learners
- Provide opportunities for all young people to progress in education or training until they are 18
- Secure high quality, coordinated and impartial information, advice and guidance that will build on prior attainment and provide access to appropriate progression routes

## Key objectives to secure the aim

- 3.1 Systematically track and analyse learner destinations at 16,17 and 18 and provide appropriate provision to enable the September Guarantee and requirement of RPA to be met
- 3.2 Develop on line Local Area Prospectus choice to help inform all young people of the range of 14-19 programmes on offer by schools, colleges and work-based learning providers, including collaborative provision
- 3.3 Pilot and develop the Common Application Process which will, when implemented fully, give year 11 access to a strengthened IAG system
- 3.4 Support the Aim Higher programme to increase the percentage of learners progressing to higher education
- 3.5 To review and develop progression pathways for 14-19 for young people with LDD
- 3.6 Extend the Foundation Learning Tier pilot to allow the full range of this provision to be available to learners
- 3.7 To seek and respond to student voice to ensure that programmes of learning provided meet students' needs and preferences
- 3.8 Monitor the quality of impartial IAG available to 14-19 year old learners on an annual basis and provide additional support where required
- 3.9 Improve basic skills in literacy, numeracy and IT

## Measures of success: See Appendix 1

## 14-19 Progress check indicators

6. *To improve the proportion of Year 11 learners who progress through the qualifications framework (i.e. L1, L2 and L3) by the age of 19.*

## STRATEGIC PRIORITY 4: Attainment

To improve standards throughout the 14-19 phase so Hillingdon is in line with or above National Average and represents good value for money.

## Specific outcome

- All young people (14-19) have the opportunity to achieve their full potential

## Key objectives to secure the aim

- 4.1 Monitor attainment at Key Stage 4 and provide support and challenge where there is underachievement
- 4.2 Monitor attainment post 16 in schools, colleges and work-based learning providers and challenge and support where there is underachievement

- 4.3 Increase the proportion of young people entering Diplomas and Apprenticeships and promote the opportunities within the borough
- 4.4 Monitor the quality of impartial IAG available to 14-19 year old learners on an annual basis and provide additional support where required

**Measures of success:** See Appendix 1

### **14-19 Progress check indicators**

7. *Increase in the % of 5 A\*-Cs at GCSE or equivalent (including English and Maths)*
- 8a. *% of young people achieving Level 2 by 19*
- 8b. *The % of young people who were in the receipt of FSM at academic age 15 who attain Level 2 qualification by the age of 19*
- 9a. *% of young people achieving Level 3 by 19*
- 9b. *The gap in attainment of L3 at age 19 between those young people who were in receipt of free school meals at academic age 15 and those who were not*
10. *Increase in the % of young people completing an Apprenticeship*

### **STRATEGIC PRIORITY 5: Quality assurance**

To improve the quality of provision for young people 14-19 in Hillingdon, as expressed in our Learner Entitlement and contribute to raising standards

#### **Specific outcomes**

- Extend the range and quality of learning opportunities and learning pathways available to young people
- Ensure that young people are supported in making informed choices based on impartial IAG
- Ensure that best practice is shared and joint practice is developed between providers
- Ensure that facilities meet the needs of learners

#### **Key objectives to secure the aim**

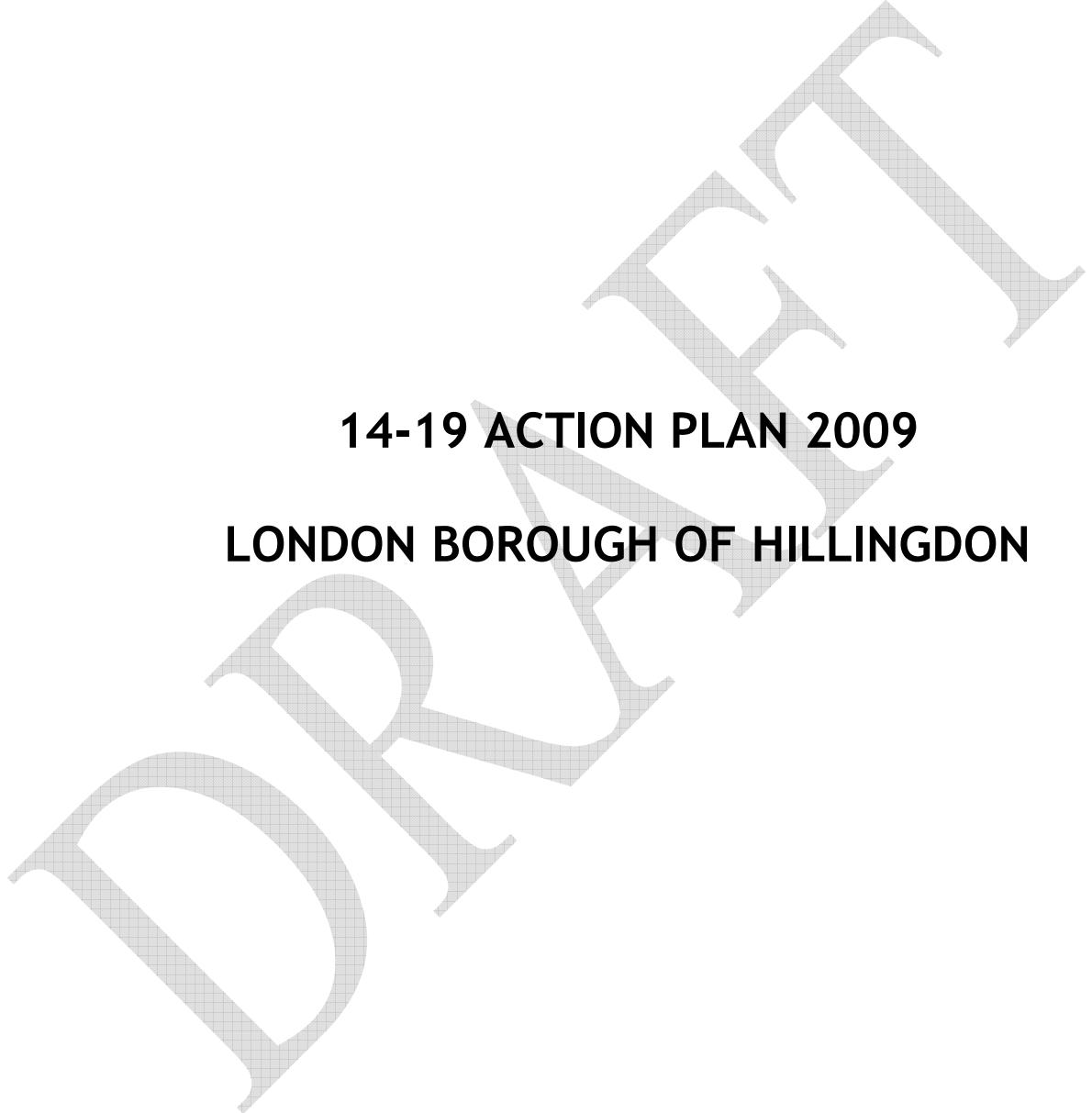
- 5.1 Monitor the quality of impartial IAG available to 14-19 year old learners on an annual basis and provide additional support where required
- 5.2 Improve the support available to young people who leave Year 11 & 12 so they all receive an offer of a suitable place in learning in accordance with the September Guarantee and RPA
- 5.3 Expand and strengthen the quality of opportunities for vocational and work-related learning in Hillingdon, including for Diplomas and Apprenticeships
- 5.4 Provide sufficient training and CPD opportunities to prepare the workforce to deliver planned provision
- 5.5 Ensure facilities are provided locally to deliver the broad range of high quality applied and vocational learning being delivered
- 5.6 Increase opportunities for young people to take responsibility for developing career awareness, experience and opportunities, supported by employer advice x
- 5.7 To develop cross consortia QA systems where appropriate to ensure quality of collaborative learning programmes

**Measures of success:** See Appendix 1

#### **14-19 Progress check indicators**

11. *A sufficiently broad range of quality 14-19 provision, including vocational options*
12. *An effective targeted provision, including the capacity to deliver the September Guarantee and RPA*
13. *Sufficient facilities across the area to deliver a broad range of high quality provision*
14. *The workforce across the area is prepared to deliver a broad range of high quality provision*
15. *Capacity to improve 5 A\*-C at GCSE or equivalent (including English and mathematics)*





**14-19 ACTION PLAN 2009**

**LONDON BOROUGH OF HILLINGDON**

## Background

The 14-19 Action and Work Plan follow on from the 14-19 Strategic Plan. The selected measures of success (Appendix 1) bring together national frameworks (i.e. National Indicator Set and 14-19 Progress Checks) to capture both national 14-19 reforms and local priorities (eg narrowing the gap in outcomes for vulnerable young people). Measuring against these targets will allow the 14-19 Strategic Board to monitor and manage the success of the 14-19 Strategy. The five strategic priorities are reflected in Appendix 1.

This framework currently focuses on the first three strategic priorities, whilst the fourth and fifth strategic priorities are monitored through regular qualitative updates and the national 14-19 Progress Check qualitative indicators.

### Key targets for Hillingdon

A wide range of indicators are tracked, but the following indicators in particular are identified as being critical to success and are 2013 targets:

- Percentage of young people who achieve Level 2 and Level 3 qualifications by age 19
- Percentage of young people who follow vocational and alternative programmes of study
- Percentage of young people who participate post 16 (full-time, part-time and work-based learning)
- Percentage of young people who are not in education, employment or training (NEET)
- Percentage of young people who progress to Higher Education
- Percentage of children in care achieving 5 or more A\* - C GCSEs (or equivalent) at Key Stage 4

**14 -19 Action Plan  
for the London Borough of Hillingdon**

**Key to Group Responsibilities:**

1. Collaboration Group (PS/TM/AM)	2. Performance Group (AM)
3. Employer Engagement (JK/AM)	4. SIS
5. Diploma Steering Group	6. IAG Group (TM)
7. Consortia (Led by PS)	8. NEET Strategy Group (Led by TM)
9. RPA (Led by AM/TM)	

\* For sub-groups of Curriculum Group see page 7

CYPP	Strategic Priorities	Key objectives and actions	Lead	Group	Time Frame	RAG Status	Outcomes	
							R	A
Core Theme One: Increasing aspiration & achievement of children & young people. Priority 3: Improving the transition of children & young people through childhood and adolescence.	SP 1 <b>Collaboration and Partnership</b>	1.1 Ensure that vocational and applied learning and minority and highly specialised subjects are mapped across Hillingdon Schools, the College and training providers and ensure that there is access to appropriate provision in line with any gaps that are identified.	PS/ JP	7	Sept 2010	R	A	Partnership vision can be seen in the policies of all participating organisation, reflecting their involvement with Hillingdon's Strategic Priorities as expressed in the above document
		1.2 Provide a coherent and effective working directive between outcome groups and operations groups						Pan-London arrangements for curriculum planning are supported and implemented for all young people 14-19 and for those with LLDD up to age 25 in terms of learning opportunities in Hillingdon and in surrounding areas
		1.3 Support all operations groups to undertake annual self-evaluations and quality assurance reviews						Procedures for capturing Learner Voice and demand are supported and implemented for all young people 14-19 and for those with LDD up to age 25
		1.4 Ensure that the 14-19 Strategic Board provides appropriate monitoring, support and funding for collaboration via the Consortia	AM	2	Sept 2010	R	A	Consortia Manager appointed to work with all groups of institutions facilitating communication between the consortia and between the consortia and the 14-19 SG
		1.5 Ensure that the 14-19 Area Prospectus and on-line common progression system is updated and reviewed on a regular basis						Consortia Manager appointed to work with all groups of institutions facilitating communication between the consortia and between the consortia and the 14-19 SG
		1.6 Provide data to review targets and measure progress						Consortia Manager appointed to work with all groups of institutions facilitating communication between the consortia and between the consortia and the 14-19 SG
Core Theme Three: Delivering excellence & efficiency:		Priority: Improving the way we work						

			1.7 Sustain and implement an action plan for improving employer engagement and support.	AM	3	On-going	G		
			1.8 Ensure that all staff/colleagues working with young people recognise their responsibility in giving high quality and impartial IAG and are given the appropriate training to provide this.	TM/AM	1	On-going	R	A	
			1.9 Address current under- provision of skills against expressed local priorities: ie. Priorities, IT, Transport and Logistics, Health and Social Care, Hospitality and Leisure, Media, Business, Retail and Engineering	AM	2	Sept 2010	R	A	

CYPP	Strategic Priorities	Key objectives and actions	Lead	Time Frame	RAG Status	Outcomes	
Core Theme One: Increasing aspiration & achievement of children & young people. Priority 1: Improving educational attainment and achievements. ECM Outcome - Enjoy & Achieve	SP2 Participation and Engagement	2.1 Increase range and availability of vocational and applied learning qualification 14-19 and take-up of vocational programmes	PS/ JP	7	On-going	R A	Audit, including 6 <sup>th</sup> Form audit, results in courses that ensure availability of appropriate provision to meet Hillingdon Learner Entitlement
		2.2 Full range of Diplomas established to support the 14-19 curriculum entitlement by 2013	JP	4	On-going	A	Provide an earlier and stronger focus on employment and on learning that leads to work at Entry and Level 1 for learners with SEN/LDD
		2.3 Additional targeted support provided for young people at risk of becoming NEET	TM	8	On-going	tbc	Develop programmes at Foundation Learning to provide educational alternatives and flexible programmes of learning below Level 1 to improve low level attainment at KS5
		2.4 Support a systematic approach to capturing learner voice	TM	6	On-going	tbc	Social and Emotional skills are taught across the curriculum at KS4 and 5.
		2.5 Support and develop strategies to improve participation for young people from vulnerable groups including Children in Care, those with specific needs and those on FSM and bottom 20% attainment	AM	9	On-going	A	Achievement and success rates for students improve through the availability of greater choice of learning at Levels 1, 2 and 3
		2.6 Social and Emotional Aspects of Learning Approaches (SEAL) in programmes of study	CA	4	On-going	R	NEET reduction target achieved, September Guarantee implemented and extended to Yr 12 and new IAG standards introduced and applied by all
		2.7 Augmented range of Employer-led activities and experiences so as to extend and improve learning and employability skills	JK	3	On-going	A G	
		2.8 Monitor the quality of impartial IAG available to 14-19 year old learners on an annual basis and provide additional support where required.	TM	6	On-going	tbc	
		Core Theme Three: Delivering excellence and efficiency. Priority: Personalisation & Choice.					

		2.9 Promote apprenticeships as an alternative pathway learners and others	PS/JP	6	On-going	A	
		2.10 Organise promotional events and materials to market Vocational Courses, Apprenticeships, Diplomas and Foundation Learning	PS/JP/	7	On-going	R	
		2.11 Improve the support available to young people who leave Year 11 and 12 so they all received an offer of a suitable place in learning	TM	6	On-going	A	

CYPP	Strategic Priorities	Key objectives and actions	Lead	Time Frame	RAG Status	Outcomes	
	SP3 Progression  Core Theme Three: Delivering excellence and efficiency Priority: Bringing services closer to the user.	3.1 Systematically track and analyse learner destinations at 16, 17 and 18 and provide appropriate provision to enable the September Guarantee and RPA to be met	AT	6	On-going	G	Hillingdon young learners, including those with SEN/LDD, have IAG and information about Hillingdon offer

		3.7 Seek and respond to student voice to ensure that programmes of learning meet students' needs and preferences	TM	6	On-going	tbc	
		3.8 Monitor the quality of impartial IAG available to 14-19 year old learners on an annual basis and provide additional support where required	TM	6	On-going	tbc	

CYPP	Strategic Priorities	Key objectives and actions	Lead	Time Frame	RAG Status	Outcomes	
Core Theme One: Increasing aspiration & achievement of children & young people. Priority 1: Improving Core Theme Three: Delivering excellence and efficiency Priority: Bringing services closer to the user.	SP4 Attainment	4.1 Monitor attainment at KS4 to provide an in-depth understanding of curriculum needs post 16	AM	2	On-going	R	Functional Skills and Literacy and Numeracy programmes of learning supported
		4.1 Monitor attainment post 16 in schools, colleges and work-based learning providers and challenge and support where there is underachievement	AM	2	On-going	A R	NEET reduction target achieved, September Guarantee implemented and extended to Yr 12 and new IAG standards introduced and applied by all IAG providers
		4.2 Increase the proportion of young people entering Diplomas, Apprenticeships and FL and promote the opportunities within the Borough	PS/J P	7	On-going	A G	Annual curriculum audit provides a basis for understanding breadth and quality of local provision
		4.3 Ensure the availability of IAG available to 14-19 year old learners on an annual basis and provide additional support where required	TM	6	On-going	A G	Appropriate and varied programmes of learning are available to meet the Borough's requirements in terms of the RPA
		4.4 Support improvement in basic skills in literacy and numeracy and IT skills	CA	4	On-going	A	Greater choice is available for student through curriculum sharing and consortia arrangement
		4.5 Ensure the implementation of the Borough's RPA strategy to enable full participation of all young people in education or training by considering the challenges, the barriers and implement solutions	TM/ AM	9	Sept 2010	R	

			4.6 Ensure that there is an annual curriculum audit/mapping exercise to update information on current provision with the aim of ensuring that there is a sufficient and broad range of high quality provision, including vocational, practical and applied options	AM	2	Sept 2010	A	
--	--	--	--	----	---	-----------	---	--

CYPP	Strategic Priorities	Key objectives and actions	Lead	Time Frame	RAG Status	Outcomes	
			Group				
Core Theme One: Increasing aspiration & achievement of children & young people. Priority 3: Improving the transition of children & young people through childhood and beyond. ECM Outcome -	SP5 Quality Assurance	5.1 Monitor the quality of impartial IAG available to 14-19 year old learners on an annual basis and provide additional support where required.	TM	6	On-going	tbc	All staff to have a programme of CPD into which they can refer
		5.2 Expand and strengthen the quality of opportunities for vocational and work-related learning in Hillingdon, including Diplomas and Apprenticeships	JK/ LM/ PS	7	On-going	A	Develop links with employers and HEIs to support the work-related learning agenda
		5.3 Provide sufficient training and CPD opportunities to prepare the workforce to deliver planned provision. Include awareness of the need to develop social and emotional skills	JK	3	On-going	A	Obtain employer and HEI involvement in steering, supporting and delivering Diplomas
		5.4 Ensure there are sufficient facilities to deliver a broad range of high quality applied and vocational learning	DH	7	On-going	A	Greater success and retention result from improved IAG
		5.5 Increase opportunities for young people to take responsibility for developing career awareness, experience and opportunities, supported by employer advice	JK	3	On-going	A	Greater movement of students for all or part of their programme of learning
		5.6 Arrangements are made for employer champions and practitioners to discuss programmes of learning	JK	3	On-going	A G	Greater success and retention from programmes of learning in which employers have actively contributed to the design and deliver of the learning
		5.7 Develop cross consortia QA systems where appropriate to ensure quality of collaborative learning programmes	CA	7	Sept 2011	R	
Core Theme Three: Delivering excellence and efficiency. Priority:		Working with partners.					

Appendix 1: London Borough of Hillingdon - 14-19 Strategic Plan - Measures of Success

PARTICIPATION & ENGAGEMENT	PMF Ref	Performance Measure	Key Targets	National 14-19 Progress Check	LAA Target	PSA Target	DCSF DSO	National Indicator Set	
A	Young people 14-19 following vocational and alternative programmes of study		✓	✓					
B	Young people post-16 following vocational and alternative programmes of study (inc. apprenticeships)		✓	✓					
C	Young people age 17 participating in education or training <sup>1</sup>		✓	✓	✓			NI 91	
D	16-18 year olds who are not in education, training or employment (NEET) <sup>2</sup>		✓	✓	✓	PSA14		NI 11	
E	Young people at particular risk of becoming NEET who are EET								
F	Post-16 participation in physical sciences (A Level Physics, Chemistry and Maths) NEW						✓	NI 85	
G	Take-up of 14-19 Learning Diplomas NEW						✓	NI 90	
H	Retention rate of young people in post-16 education or training NEW								
I	Rate of permanent exclusions from school (14-19 pupils only) Number of pupils with multiple exclusions (3 or more)		✓				✓	NI 114	
J	Secondary school persistent absence rate (14-19 pupils only)						✓	NI 187	

<sup>1</sup>Participation of 16 year olds and both 16 and 17 year olds also monitored

<sup>2</sup>16-18 year olds who are not in education or training (EET) also monitored

<sup>3</sup>Includes teenage mothers, young people with learning

difficulties/ disabilities, young people leaving care and young offenders

ATTAINMENT	PMF Ref	Performance Measure	Key Targets	National 14-19 Progress Check	LAA Target	PSA Target	DCSF DSO	National Indicator Set
	K	Young people achieving 5+ A* - C grades at GCSE or equivalent including English and Maths		✓	✓	PSA 10		NI 75*
	L	Children in care achieving 5+ A* - C grades at GCSE or equivalent including English and Maths			✓	PSA 11		NI 101*
	M	Young people achieving Level 2 qualification by age 19	✓	✓	✓	PSA 10		NI 79
	N	Young people achieving Level 3 qualification by age 19	✓	✓	✓	PSA 10		NI 80
	O	Inequality gap in the achievement of a Level 3 qualification by age 19 NEW		✓	✓		✓	NI 81
	P	Inequality gap in the achievement of a Level 2 qualification by age 19 NEW		✓			✓	NI 182
	Q	Young people completing an apprenticeship		✓				
	R	Young people completing Entry to Employment (check with LSC)						
	S	Vulnerable young people achieving level 2 by age 19 <sup>1</sup> NEW						

<sup>1</sup>Vulnerable young people to include those with LDD and looked after children

\*Statutory education target

PROGRESSION	PMF Ref	Performance Measure	Key Targets	National 14-19 Progress Check	LAA Target	PSA Target	DCSF DSO	National Indicator Set
	T	Year 11 learners who progress through the qualifications framework (i.e. L1, L2, L3) <i>NEW</i>		✓				
	U	Vulnerable young people progressing through the qualification framework <sup>1</sup> <i>NEW</i>						
	V	Young people age 18 and 19 progressing onto higher education	✓					
	W	Young people from low income backgrounds progressing to higher education <i>NEW</i>				PSA 11		NI 106
	X	Young people completing year 11 and 12 offered a place in learning (September guarantee)		✓				
	Y	Number of significant interventions by personal advisers (check with CNX)		✓				

<sup>1</sup>Vulnerable young people to include those with LDD and looked after children

This page is intentionally left blank

## TRANSPORT FOR LONDON FUNDED PROGRAMMES 2010/11

<b>Cabinet Member</b>	Councillor Keith Burrows
<b>Cabinet Portfolio</b>	Planning and Transportation
<b>Officer Contact</b>	Jales Tippell, Planning and Community Services
<b>Papers with report</b>	None

### HEADLINE INFORMATION

<b>Purpose of report</b>	This report requests approval for expenditure where projects are funded by Transport for London (TfL). Announcement of the Local Implementation Plan Funding allocation was made on 11th December 2009. This report seeks authority to spend the settlement funding for 2010/11. These schemes will form part of the Council's Capital Programme.
<b>Contribution to our plans and strategies</b>	<ul style="list-style-type: none"><li>• Hillingdon Partners Sustainable Community Strategy</li><li>• Local Implementation Plan</li><li>• Air Quality Action Plan</li><li>• Emerging Local Development Framework</li></ul>
<b>Financial Cost</b>	<p>The report is seeking authorisation of expenditure for schemes that are funded by Transport for London (TfL). The Council has no discretion about whether funds from this source can be redirected to other service areas.</p> <p>Cabinet should be aware that TfL has set in place a rigorous monitoring programme on the delivery of schemes to time and cost. Past performance is critical to awarding future funding to boroughs. Clearly, any undue delay in implementation, or failure to meet agreed performance measures, could adversely influence future funding opportunities for the Council. Therefore it is in the Council's best interests to progress these schemes as soon as possible, and to avoid potential financial difficulties later on. The authorisation of funding for 2010/11 will allow the design of the schemes to commence at an early stage and be ready for delivery in the next financial year. This will ensure completion of the programmed schemes as appropriate by March 2011 and ensure maximisation of the grant funding available for 2010/11.</p>
<b>Relevant Policy Overview Committee</b>	Residents' and Environmental Services
<b>Ward(s) affected</b>	All

## **RECOMMENDATIONS**

### **That Cabinet:**

- 1. notes the outcome of the Local Implementation Plan funding announcement for 2010/11 received from Transport for London;**
- 2. whilst normal rules for the authorisation of council capital expenditure still apply, gives approval for expenditure to be committed on all projects wholly funded by Transport for London, as part of the annual Local Implementation Plan Funding allocation 2010/11;**
- 3. notes that any Council capital contribution associated with the Transport for London funded projects will be determined by a formal capital release decision by the Leader and the Cabinet Member for Finance and Business Services in the usual way; and**
- 4. delegates authority to the Corporate Directors of Environment and Consumer Protection and Planning and Community Services in consultation with the Cabinet Member for Planning and Transportation to allocate the £100k for transport priorities of the borough's choice, in accordance with the settlement details from Transport for London**

### **Reasons for recommendations**

Notification of Hillingdon's 2010/11 Local Implementation Plan Settlement (LIP) was received on 11th December 2009. It is essential that preparatory work can begin now on such matters as design of the schemes. Over the last 5 years, TfL have been making the announcement of LIP settlements early in order to ensure that the boroughs are in a position to commence their programmes from the start of the financial year and that the works can be completed within the year of allocation of funding.

The Mayor has begun to introduce more flexibility in the allocation of funds and for the second year running has allocated £100k to each borough to spend on the transport priorities of their choice. Officers in P&CS and E&CP are recommending that a list of suitable schemes be prepared for consideration and delegated approval by the Cabinet Member for Planning and Transportation.

### **Alternative options considered**

To delay authorisation of the capital expenditure funding would result in a delay in starting the programme for which funding has been given. Such a delay is likely to impact on the programme's delivery and as such future funding may be affected.

### **Comments of Policy Overview Committee(s)**

None at this stage.

## INFORMATION

- At the Cabinet meeting on 24<sup>th</sup> September 2009, Cabinet approved Hillingdon's LIP funding submission for 2010/11 to TfL as attached in the agenda report at that time. In accordance with TfL guidelines, the LIP funding submission was broken down into bids for Corridors, Neighbourhoods and Smarter Travel. Maintenance funding (Bridge Strengthening and Principal Road Renewal) continues to be allocated on the basis of condition survey information as previously. The LIP submission was subsequently made to TfL on 25<sup>th</sup> September 2009 in line with its deadlines.
- On the 11th December 2009, the Mayor announced the LIP funding for 2010/11, totalling £155m for London boroughs. The allocation for Hillingdon is as follows:

<b>Programme</b>	<b>Allocation across London (£m)</b>	<b>Allocation for Hillingdon (£000)</b>
Maintenance	22.3	635
Corridors	50.0	1,687
Neighbourhoods	35.1	1,096
Smarter Travel	12.5	499
Area Based Schemes	24.0	200
Local transport funding	3.3	100
<b>Total</b>	<b>155.0</b>	<b>4,217</b>

- The table below compares Hillingdon's LIP allocation with previous allocations, and also includes the relevant figures across London.

	<b>2008-09</b>	<b>2009-10</b>	<b>Proposed allocation 2010-11</b>	<b>Confirmed * Allocation 2010-11</b>	<b>Change (2009-10 to 2010-11)</b>
Hillingdon's settlement	£3.7m	£3.6m	£3.4m	£4.217m	Increased by £617k
Total London funding pool	£161m	£169m	£155m	£155m	Reduced by £14m

\* includes maintenance and Area Based Scheme allocations

- Despite the reduction in 2010/11 TfL funding for London, Hillingdon has managed to secure a large increase in funding for Hillingdon. This reflects Hillingdon's high degree of credibility based on its past performance of being able to deliver projects and also the constructive working relationship that has developed between Hillingdon and TfL. This is the highest ever allocation settlement for Hillingdon and represents an increase of £617k from the 2009/10 settlement.

- The borough allocation for 2010/11 includes a total of £110k for the WestTrans partnership. Most of this (£93k) is contained within the Corridor allocation, for specific works such as the South Ruislip Station bridge signage improvements; HGV routing; West London Freight Quality Partnership; and the West Drayton/Yiewsley town centre freight study. A further £17k is contained within the Smarter Travel allocation for travel planning including business travel plans.

6. The LIP funding allocation includes £100k for the borough to allocate to transport priorities of its choice, compared to the pre-designated TfL categories. Officers in P&CS and E&CP are recommending that a list of suitable schemes be prepared for consideration and delegated approval by the Cabinet Member for Planning and Transportation.

7. TfL has encouraged further submissions for Area Based Schemes (ABS), using its so called 'step approach' focussing on new shared space projects. The ABS schemes provide an important opportunity to increase Hillingdon's funding allocation over and above the allocations granted through the Corridor, Neighbourhood and Smarter Travel allocations. Members should note that proposals for ABS schemes are dealt with outside the annual funding submissions and an application can be submitted at any time. In January 2010, officers submitted initial submissions (i.e. Step 1 applications) under the ABS Scheme for Hayes Town Centre and Ruislip Manor Shopping Centre. These are substantial bids amounting to £4.5m and £2.2m, which if successful would be phased over a period of 2-3 years. The decisions on these schemes are due to be announced in February and the early indications from TfL suggest that the applications are likely to be looked at favourably.

8. Once approval has been given for the capital expenditure, officers will begin work on developing the schemes for implementation. Where appropriate, Ward Members and the Cabinet Member for Planning and Transportation will be consulted during design stages and also prior to implementation. Some of the proposals require approval from the Cabinet Member for Planning and Transportation and this will be sought as schemes are progressed.

### **Financial Implications**

The report seeks authorisation of the capital expenditure for schemes that are funded by Transport for London (TfL). The Council has no discretion about whether funds from this source can be redirected to other service areas. However the settlement now includes £100k that can be allocated to transport priorities of the Council's choice.

The use of external funding to finance capital expenditure does not affect the position of the Council's own capital resources unless such funding is not utilised within the timescale and the Council is required to complete schemes at its own cost. Funding is provided by TfL in the expectation that the boroughs will undertake such works in a timely manner. Delays in delivering schemes within the programme have a high risk of affecting TfL's assessment of the Council's capability to implement such programmes and is likely to affect future funding settlements.

It should be noted that there is an increasing trend of external bodies, such as TfL, towards awarding funding to boroughs on the basis of past performance. Clearly, any undue delay in implementation, or failure to meet promised performance measures, could adversely influence future funding opportunities for the Council. Therefore, it is in the Council's best interests to progress these schemes as soon as possible, and thereby avoid potential financial difficulties later on, in terms of the grant claim process and future settlements.

### **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

The funding will enable implementation of key schemes and transport projects, which will lead to improved transport provision in the Borough.

## **What will be the effect of the recommendation?**

Officers will be able to undertake the essential preparatory work for all the schemes identified for funding in 2010/11 and be ready for implementation at April 2010.

## **Consultation Carried Out or Required**

Not applicable at this stage, although relevant consultations will be carried out with regard to specific schemes.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance Comments**

The funding confirmed through the Local Implementation Plan allocations from Transport for London for 2010/11 has been included in capital programme for 2010/11 and beyond contained elsewhere on this agenda.

Although the release of expenditure from the capital programme moratorium is normally a joint decision for the Leader of the Council and the Cabinet Member for Finance and Business Services, this process can also of course be satisfied by a decision of Cabinet collectively.

### **Legal Comments**

Legal does not have any additional comments to make on the report. As indicated in the body of the report this report, is merely seeking authority to spend money allocated from TfL.

### **Corporate Property Services**

The Head of Corporate Property Services advises that there are no direct property implications arising from this report.

## **BACKGROUND PAPERS**

1. Cabinet report for 24<sup>th</sup> September 2009 meeting on Local Implementation Plan Funding Submission to TfL
2. TfL letter dated 11th December 2009 to the Leader of the Council regarding 'Local Implementation Plan Funding – 2010/11.

This page is intentionally left blank

## REVISIONS TO THE PLANNING OBLIGATIONS SUPPLEMENTARY PLANNING DOCUMENT FOR EDUCATIONAL FACILITIES

<b>Cabinet Members</b>	Councillor Keith Burrows Councillor David Simmonds
<b>Cabinet Portfolios</b>	Planning and Transportation Education and Children's Services
<b>Officer Contact</b>	Jales Tippell / Terry Brennan, Planning and Community Services & Education and Children's Services
<b>Papers with report</b>	Appendix 1: Draft Revised Planning Obligations Supplementary Planning Document for Educational Facilities

### HEADLINE INFORMATION

<b>Purpose of report</b>	This report seeks approval for the publication of draft revisions to the Planning Obligations Supplementary Planning Document (SPD) for Educational Facilities to support the process of seeking planning obligations from new residential developments.
<b>Contribution to our plans and strategies</b>	<ul style="list-style-type: none"><li>- Sustainable Community Strategy</li><li>- Council Plan</li><li>- Development and improvement of education in our schools</li></ul>
<b>Financial Cost</b>	The consultation process will be contained within existing planning budgets. However this draft revision of the SPD on planning obligations for Educational Facilities does propose a change in the Child Yield formulae that on the weighted average would result in an increase of 7% on a planning obligation in the area south of the A40 and a decrease of 4% from developments in the area north of the A40. The current trend in development for the Borough would indicate that new developments are more likely in the south and this change would therefore lead to a probable net increase in the value of the planning obligations available for the provision of educational facilities for the Authority.
<b>Relevant Policy Overview Committee</b>	Residents and Environmental Services Education & Children's Services
<b>Ward(s) affected</b>	All

## **RECOMMENDATIONS**

**That Cabinet:**

- 1. approves draft revisions to the council's Supplementary Planning Document for Education Facilities as a basis for public consultation and interim guidance in respect of development management, in order to support the process of seeking planning obligations from new residential developments;**
- 2. instructs officers to undertake a 6 week consultation exercise with interested groups, residents and statutory bodies, and requests the Corporate Directors of Planning and Community Services and Education and Children's Services to report back on the responses to the consultation to a future meeting of the Cabinet.**
- 3. grants delegated authority to the Corporate Directors of Planning and Community Services and Education and Children's Services, in consultation with the Cabinet Members for Planning and Transportation and Education and Children's Services, to make any further draft revisions to the council's Supplementary Planning Document for Education Facilities, if required as a result of any relevant revisions to GLA or Hillingdon population projections affecting child yields; or any other corrections of a factual or minor nature before it is placed on public consultation;**

## **INFORMATION**

### **Reasons for recommendation**

The current Planning Obligations Supplementary Planning Document (SPD) for Education Facilities (July 2008) contains child-yield statistics based on 2001 Census data. It is now apparent that, with increased fertility rates and a significant upturn in births, there are more children on average in each dwelling than there were in 2001. The draft revisions to the SPD takes account of this increase in child yields, to ensure that the scale of contributions sought from planning obligations for educational facilities from new development is appropriate.

### **Alternative options considered / risk management**

The alternative options to be considered are:

1. To make any revisions to the draft SPD.
2. Reject the recommended changes and retain the current Education Facilities SPD. This however, risks underestimating the number of children likely to be generated by new housing developments, thus underestimating the future impact on educational facilities.

### **Comments of Policy Overview Committee(s)**

None at this stage.

## **Supporting Information**

1. The current child-yields contained in the Education Facilities SPD used 2001 Census data to estimate the average number of children contained in various property types, sizes and tenures. At the time of adoption this data analysis represented the most up to date and comprehensive estimate of its kind.
2. However since 2001, and particularly since 2007, fertility rates and births have been increasing across London including Hillingdon. The number of children born in Hillingdon has increased by over 27% since 2001, whilst the housing stock has increased by only 4%. This suggests that, on average, the number of children per unit of housing has increased, with the consequence that new dwellings are likely to have a greater impact on educational facilities than previously indicated.
3. A more detailed analysis using a population estimate derived from official GLA and ONS sources, and estimates of local housing stock from the Local Authority's planning records show that the overwhelming majority of increased child-yield is south of the A40, where the majority of new housing and increased births have occurred. South of the A40, estimated child yields for 0-2 year olds have increased by 26.4% in the period 2001 to 2010. At the same time, the estimated child yields for 0-2 year olds north of the A40 remained more or less the same (+0.8%).
4. This significant demographic shift has not yet affected age groups older than ages 0-2, but the average child yield rates for older age groups will increase over the coming years as cohorts grow older, and this can be statistically demonstrated.
5. Paragraph 4.19 of the current SPD allows the council to use population projections 10 years ahead, in order to fully assess the impact of housing developments upon the council's education services. In undertaking such a projection, it can be demonstrated that the child-yields for all age groups affecting school services (nursery, primary, secondary, and post-16) will change, with child-yields south of the A40 increasing disproportionately to the expected growth in housing stock.
6. In formulating population projections to 2020, the council has used official population estimates and birth statistics from the GLA and ONS, together with the council's records on approved and anticipated housing development. The analysis shows that by 2020, there will be a small drop in average child-yields for the north of the borough, compared with a large increase for estimated child-yields in the south of the borough.

## **Applying the changes**

7. The available data demonstrates that by 2020 Hillingdon dwellings in the south of the borough will, on average, contain more children than they did at the time of the 2001 Census. It can also be demonstrated that average child-yields per dwelling have already increased for the 0-2 age band. This significant demographic shift will undoubtedly affect child-yields for the 3-4 (nursery), 5-11 (primary), 12-16 (secondary) and 17-19 (post-16) age bands, incrementally. These results form the basis of the revisions to the child-yields contained set out in the SPD.
8. The available data, however, does not demonstrate that the population increase can be wholly attributed to new housing only. Nor does it allow any presumption that any particular

size of dwelling, or tenure type, is more responsible for the population increase than another type. The available data only demonstrates that there is, and will continue to be, changes to the average child-yields, and that these vary distinctly between the north and south of the borough.

9. Taking into consideration the fundamental principles that planning obligations must be fair and reasonable, it would be appropriate to take the position that the demographic changes should be attributable to all sizes of dwelling and types of tenure. The subsequent changes to be applied to the current SPD child-yields will therefore be as specified in the table below:

Proposed changes to child-yield formulae	Changes to be applied to developments North of A40	Changes to be applied to developments South of A40
Ages 0-2 (not sought)	n/a	n/a
Ages 3-4 Nursery sector	-3.8%	+12.6%
Ages 5-11 Primary school sector	+2.6%	+11.1%
Ages 12-16 Secondary school sector	-4.7%	+0.7%
Ages 17-19 Post-16 sector	-15.1%	+6.2%

10. The changes required to the existing Planning Obligations SPD for Educational Facilities as a result of the new child yield figures are set out below. It should be noted that the principles and methodology for calculating these contributions remain as before. The revised draft SPD incorporating these changes is included as Appendix 1.

- para 4.26 is amended to refer to the 2010 data
- para 4.29 is amended to refer to the new tables 4.2a and 4.2b , which replace previous Table 4.2.
- Tables 4.2a (child occupancy rates by tenure for south of the A40) and 4.2b (child occupancy rates by tenure for north of the A40) are included to replace previous Table 4.2
- Para 4.37 is amended to include build costs for 2009/10
- Table 4.3 is amended to include new build costs for 2009/10
- Tables 4.4a (child yield by school sector and dwelling type for south of the A40) and 4.4b (child yield by school sector and dwelling type for north of the A40) are included to replace previous Table 4.4
- The worked examples in paras 4.42-4.46 are amended to reflect the new child yield figures.

11. The implications for housing developers making planning applications are that there will be changes to the amounts sought as planning obligations for education facilities. Whilst several other factors are considered at the time such assessments are made (such as surplus school capacity), the current circumstances indicate that the proposed changes will have the following overall effect on planning obligations sought from housing developers:

- Developments south of the A40: +7% increase in maximum S106 amounts sought
- Developments north of the A40: -4% decrease in maximum S106 amounts sought

12. Para 4.19 in Hillingdon's existing Planning Obligations SPD for Educational Facilities (July 2008) acknowledges that the need for additional school facilities will be determined by the council, with reference to the most recent pupil forecasts looking forward over a 10 year period, plus consideration of the likely impact of all local housing developments. The

proposed revisions to the SPD merely set out the changes to the formula, given the new 2010 forecasts. There are no changes being proposed with regard to the principles or methodology to be used. Nevertheless, the SPD is a statutory document, and must be produced in accordance with the Town and Country Planning (Local Development) (England) Regulations 2004. These Regulations require that the draft SPD is published and open to consultation and that the consultation responses and representations are considered by the local planning authority prior to adoption by the local planning authority.

13. The GLA are likely to publish revised population projections in the coming months. These figures, which were due out in 2009, may have further implications on the changes to Hillingdon's Planning Obligations SPD. If so, it is these further changes will be incorporated into the draft SPD as appropriate, and agreed under delegated powers following consultation with the Directors of Planning and Community Services and Education and Children's Services, in consultation with the Cabinet Members for Planning and Transportation and Education and Children's Services.

## **Financial Implications**

The consultation process will be contained within existing planning budgets. However there will be financial implications for the amounts generated for the council through planning obligations for education facilities resulting from new development.

Whilst several factors are considered at the time S106 assessments are made, the present revisions to the Child yield formulae as outlined in the table above when applied would on a weighted average basis generate 7% more from developments south of the A40, and 4% less from developments north of the A40 (although the amounts sought for the primary school phase will actually increase).

The amount of funding generated by the proposed changes will ultimately depend upon which new developments are actually proposed and built, but on historical evidence the future expectation is that there will be more development in the south of the borough, bringing a probable net gain to the council to help pay for necessary educational facilities.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

### **What will be the effect of the recommendation?**

The recommendations will support the council in meeting its statutory duty of providing sufficient school places for children and young people, thus benefiting local residents and communities. Additionally, a potential increase in Section 106 revenues could provide increased value for money in providing additional school infrastructure to cope with the anticipated population increase over the next 10 years.

The recommendations also ensure continued public involvement in the planning process through the consultation stage, resulting in further refinement and improvements to the SPD as necessary. The adoption of the SPD will enhance the weight that can be attached to it as a material consideration in decision-making on any planning application.

### **Consultation Carried Out or Required**

In accordance with Planning Policy Statement 12 and the Council's adopted Statement of

Community Involvement, the draft SPD will be publicised and local groups, residents and other key stakeholders will be invited to comment. It is proposed that the consultation period will be for 6 weeks, and seek to ensure that local residents, groups, statutory bodies and all other interested parties are involved and listened to by the Council.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance**

Corporate Finance is satisfied that the financial implications properly reflect the direct resource implications for the Planning and Community Services Group. However, the draft SPD will have financial implications for the Council in terms of the amounts generated through planning obligations for education facilities resulting from new developments. The draft revision to the SPD takes into account the increase in child yields. Although other factors are considered at the time that the S106 assessments are made, the present revisions could generate a 7% increase in the maximum S106 amounts sought from developments south of the A40 and 4% less from developments north of the A40. Although the amount of funding generated will depend on new developments actually built, any potential net gain will be available to the Council for the provision of necessary educational facilities.

### **Legal Comments**

#### The relationship between the Development Plan and Material Considerations

Local planning authorities must determine planning applications in accordance with the statutory Development Plan, unless material considerations indicate otherwise.

If the Development Plan contains material policies or proposals and there are no other material considerations, the application should be determined in accordance with the Development Plan. Where there are other material considerations, the Development Plan should be the starting point, and other material considerations should be taken into account in reaching a decision. One such consideration will be whether the plan policies are relevant and up to date.

Subject to the exceptional circumstances explained below, planning applications should continue to be considered in the light of currently adopted development plan policies, and not draft policies. However, with the publication of draft revisions to an SPD, officers are able to introduce into the public domain the factual basis on which they are seeking increased education contributions and argue that these new facts need to be applied to the adopted SPD methodologies.

Of course, until embarking on a consultation process for the draft SPD, and moving towards adoption, it will be easier for planning applicants to dispute the source or appropriateness of the new data because it will not have been publicly commented upon or tested.

#### Supplementary Planning Documents (SPD) in the policy hierarchy

SPDs may expand policy or provide further detail to policies in a development plan document. In terms of policy hierarchy an SPD is not a Development Plan Document. It does not form part of the Development Plan. However, it does form part of a Local Development Framework only when it is adopted, and only at that time will it be given its greatest possible appropriate

weight. Until an amendment to an SPD is adopted by the local planning authority, as a matter of law it does not form part of the SPD and is instead a proposed revision amounting to a material consideration.

### Issuing Draft Revisions to the SPD on Planning Obligations

There are two forms of local development documents: - supplementary planning documents and development plan documents. A SPD is a statutory document, and the legal requirements in relation to its preparation and adoption as a local development document are prescribed by the Town and Country Planning (Local Development) (England) Regulations 2004 (the 2004 Regulations). An SPD must be produced in accordance with the 2004 Regulations.

This report deals with the approval by the Cabinet to take the first step of the three main steps in the SPD procedure. The 2004 Regulations require that:

- a SPD (or revisions to an SPD) is published and open to consultation for a period of not less than 4 weeks and not more than 6 weeks (regulation 17);
- the consultation responses and representations are considered by the local planning authority (regulation 18);
- the SPD is adopted by the local planning authority (regulation 19).

The council's Constitution requires the Cabinet to collectively take key decisions to amend its policy framework, and the publication of proposed revisions to the SPD fall within this category.

Publications in draft form can be treated as a material consideration. The local planning authority officers are entitled to argue that since the underlying assumptions are unchanged by the proposed revisions in the draft SPD, the new factual data introduced in the revised document ought to be applied when considering the tables in the pre-existing adopted SPD.

### Exceptional Circumstances

Where relevant to a particular development proposal supplementary guidance will be taken into account as a material consideration in making decisions. The weight accorded to it will increase where it has been prepared following public consultation. Emerging policies, in the form of draft policy statements and guidance, can be regarded as material considerations, depending on the context. Their existence may indicate that a relevant policy is under review; and the circumstances which have led to that review may need to be taken into account. Ultimately, the weight to be given to any particular material consideration is a matter for the decision maker.

### **Corporate Property**

The Head of Corporate Property Services advises that there are no direct property implications arising from this report.

### **BACKGROUND PAPERS**

Hillingdon's Education Planning Obligations Supplementary Planning Document for Educational Facilities (July 2008)

This page is intentionally left blank

## 4 Educational Facilities

### Introduction

**4.1** The London Borough of Hillingdon as the Local Authority is responsible for education planning and provision to ensure the adequacy of school places in the Borough from nursery to post-16. In many parts of the borough, the present school capacity in both the primary and secondary sectors is just sufficient to meet current needs but would not be sufficient to accommodate the impact of further new development. Increasing school rolls, regardless of whether schools have spare capacity, can also subsequently place increased pressure upon existing school facilities, such as buildings, playgrounds, security and safety, access and ancillary facilities such as toilets and kitchens.

**4.2** By 2016, London's school age population is projected to increase by almost eight percent. Just over half of the total growth of 140,000 is expected to be in outer London (London Plan para 3.113). The London Plan para 3.115 identifies that "where appropriate boroughs should use planning obligations to address shortfalls in school capacity arising from planned new housing development. Developers may be required to contribute to funding one-off capital costs of providing new permanent and temporary classroom space in order to meet rising school rolls." The Audit Commission's management handbook on the supply and allocation of school places, 'Trading Places', supports seeking contributions towards the costs of school infrastructure where an increase in demand for school places is as a result of housing development.

**4.3** The Council, where it has an obligation to provide adult education places, in appropriate circumstances, may seek contributions towards adult education. Developers are encouraged to acknowledge the role of adult education and contribute to the community enrichment that it helps to foster.

**4.4** The following guidance provides implementation support to the LDF Core Strategy Objectives SO3, Preferred Options CP5B, CP7A, DC33, DC34 and DC35 and UDP (saved 2007) policies Pt 1.39 and R17.

### Government and London Policy Context

**4.5** Planning Policy Statement 1 states that planning should facilitate and promote sustainable and inclusive patterns of development, ensuring that development supports existing communities and contributes to the creation of safe, sustainable, liveable and mixed communities with good access to jobs and key services for all members of the community. Education has a key role to play in this.

**4.6** Circular 05/2005 (Planning Obligations) establishes guidance for seeking planning obligations as part of the development process. Where the combined impact of a number of developments creates the need for infrastructure, Circular 05/2005 states it may be reasonable for the associated developers contributions to be pooled in order to allow infrastructure to be secured in a fair and equitable way.

**4.7** In ascertaining school capacity, consideration will be given to the provision of paragraph B22 of Circular 05/05. This states “In some cases, individual developments will have some impact but not sufficient to justify the need for a discrete piece of infrastructure. In these instances, local planning authorities may wish to consider whether it is appropriate to seek contributions to a specific future provision (in line with requirements for demonstrating need). In these cases spare capacity in existing infrastructure provision should not be credited to earlier developers.”

**4.8** In Hillingdon there may be some cases where it may be necessary to bring forward school infrastructure and require contributions from relevant developments later. Paragraph B23 of Circular 05/05 states that - In cases where an item of infrastructure necessitated by the cumulative impact of a series of developments is provided by a local authority or other body before all the developments have come forward, the later developers may still be required to contribute to the relevant proportion of the costs. This practice can still meet the requirements of the Secretary of State’s policy tests if the need for the infrastructure and the proportionate contributions to be sought is set out in advance”. In these cases, the rationale for the infrastructure and the basis for contributions will be made available by the Council.

**4.9** London Plan policy 3A.24 states that planning policies should reflect the demands for learning facilities and ensure adequate provision. It sets out that boroughs should provide a criteria based approach to the provision of different types of education facilities and their expansion. Paragraph 3.115 states that planning obligations should be used to address shortfalls in capacity from planned new housing development.

### Local Policy Context

**4.10** The Community Strategy includes the following two themes to achieve an overall vision of a diverse, attractive and successful borough:

- A borough of learning and culture: which encourages the development of skills and creates new opportunities for learning and training for all ages
- A borough where children and young people are healthy, safe and supported: which recognises the need for education to be at the highest standard and offers each of them the best start in life.

**4.11** Planning obligations can ensure that the impacts from new developments on education facilities are managed to ensure that Community Strategy goals are met by providing a high quality and supported educational environment.

**4.12** UDP saved policy Pt 1.39 seeks “to seek, where appropriate, planning obligations to achieve benefits to the community related to the scale and type of development proposed”. In addition, UDP saved policy R17 states that “The Local Planning Authority will, where appropriate, seek to supplement the provision of recreation open space, facilities to support arts, cultural and entertainment activities, and other community, social and education facilities through planning obligations in conjunction with other development proposals”.

**4.13** The following objective and policies in the Core Strategy Preferred Options (February 2007) are relevant for seeking contributions for educational facilities:

- Spatial objective S03 – To promote safe healthy and inclusive communities and respect the needs of the Borough's diverse and multicultural communities
- Cross-cutting theme – Community Cohesion (SO3)
- Preferred Option CP5B – Infrastructure to support development
- Preferred Option CP7A – Education Facilities
- Preferred Option DC33 – Maintaining adequate health and education facility provision
- Preferred Option DC34 – Health and education services and facilities
- Preferred Option DC35 – Loss of buildings for health, education and community purposes

### **Qualifying Developments**

**4.14** The Local Planning Authority will, where appropriate, seek to secure contributions from all new residential development (houses and flats), apart from non-family units. In cases such as sheltered housing, where it can be adequately demonstrated to the Council that that there would be no child yield, the education contribution may be waived or deferred until the residence reverts back to family housing.

**4.15** The threshold at which the local authority may seek contributions for extra school facilities will be any qualifying residential development (houses and flats) resulting in a total net increase of 6 or more rooms (as defined in paragraph 6.3) for units which contain three or more rooms. In addition, the Council may, at its discretion, consider rooms in excess of 20 sqm as potentially 2 separate rooms for the purpose of this assessment. The policy will be applied to all forms of residential development apart from non-family units with no child yield as may be adequately demonstrated to the Council.

**4.16** In determining whether a planning obligation is appropriate, an assessment will be undertaken of demand from the development on the borough's education system, in accordance with the requirements in this SPD.

### **Type and Level of Contribution**

**4.17** The Local Authority is the principal provider of early years, primary and secondary education in Hillingdon. Whilst education is compulsory only for 5 - 16 years, there has been a significant growth in sixth formers from 1,820 in 1992 to 3,191 in 2006. Post 16 provision is currently offered by all Local Authority maintained secondary schools and the special school in Hillingdon.

**4.18** The Local Planning Authority will, where appropriate, seek to secure contributions towards education facilities for the range of Local Authority education services expected by residents, i.e. nursery, primary, secondary, and post-16 school sectors. Contributions will not be applied to privately run facilities. The Council will ensure that contributions are applied towards the following education facilities to the extent that they accommodate extra children generated by the development:

- New school facilities, including ancillary facilities such as toilets, catering and kitchen facilities in order to accommodate extra children
- Improvements, adaptations or enhancements to existing school facilities in order to accommodate extra children.
- Improvements and expansion of playground and external leisure spaces, including equipment and maintenance contributions, in order to accommodate extra children.

**4.19** The need for additional school facilities will be determined in Hillingdon by reference to the most recent pupil forecasts published annually by the Local Authority, plus consideration of the likely impact of all local housing developments. Pupil forecasts will look to a period of 10 years from the likely commencement date of any development being assessed.

**4.20** ‘Trading Places’ confirms the legitimacy of local authorities maintaining surplus school capacity and seeking contributions even when spare capacity is available in schools. Spare capacity is needed to accommodate casual admissions, provide a buffer against erroneous forecasts, provide a degree of school choice for parents, and in some areas may be needed to accommodate expected population growth. For these reasons, “Trading Places” recommends that local authorities plan to keep 5% - 10% spare capacity in schools. Due to the unpredictable number of unplaced children coming through Heathrow Airport, and the fluctuating number of MOD families in the borough, Hillingdon Borough Council aims to keep 5% spare capacity in each school sector.

**4.21** Where there is likely to be low levels of surplus in the secondary and primary school sector (that is less than 5% spare capacity), it will mean that any new residential development will exert pressure on the ability of local schools to cope with the likely influx of additional families into the area.

**4.22** Generally, the approach will be that obligations are addressed on a per child basis, by way of monetary contributions. These contributions will be pooled towards the provision of the appropriate facility in accordance with the provisions in this SPD. However, in exceptional cases, such as large strategic sites, it may be appropriate for the relevant education facility to be provided in-kind and on-site. Usually, these will be negotiated on an individual basis and will form part of pre-application discussions.

**4.23** When assessing future school capacity, consideration will be given to planning obligations secured from other relevant local housing developments in the catchment areas. Where the likely impact of this local housing development is included in pupil

forecasts, any planning obligation previously secured to provide additional school infrastructure (but not yet built) will also be included in the assessment of future capacity.

### **Calculating the education contribution**

**4.24** The Local Planning Authority will consider the impact on education by determining child occupancy (yield) from the proposed development and assessing this against the predicted capacity in primary and secondary schools within catchments areas. If the capacity falls below 5%, a contribution towards or provision of school places for nursery, primary, secondary and/or post 16 is likely to be required.

**4.25** The formula for calculating the education contribution is set out later in this chapter.

#### **A) Child yield from new development**

**4.26** The 'child yield' will be calculated with specific reference to Hillingdon borough data collected during the 2001 Census and re-evaluated in January 2010. The child yield rates, presented at Table 4.2a and Table 4.2b, result from analysing commissioned Census tables available from the Office for National Statistics and have been compared with a sample survey of new affordable home allocations in Hillingdon. The GLA's "Child Yield" report (2005) was reviewed but it was considered that the sample studies (LB Wandsworth and Oxfordshire CC) were not sufficiently comparable to Hillingdon to adopt this approach. In comparison, the Census data has the added benefits of being specifically relevant to Hillingdon borough and showing occupancy rates by tenure.

##### *Definition of "rooms" and "habitable rooms"*

**4.27** Child occupancy figures have been developed from the 2001 Census which defines 'rooms' as living rooms, bedrooms, kitchens (regardless of size), study rooms, and utility rooms but excludes bathrooms, toilets, halls, landings, or rooms that can only be used for storage. In addition, the Council may consider rooms in excess of 20 sq.m as potentially two rooms.

**4.28** It should be clearly noted that the 2001 Census definition of 'rooms' differs from the definition of 'habitable rooms' used in other LDF documents.

**4.29** Child-occupancy rates are significantly different between the north and south of the borough (divided by the A40 highway) because of different demographic characteristics. Therefore Table 4.2a shows child-yields for developments south of the A40 whilst Table 4.2b shows child-yield rates for developments north of the A40.. Both tables shows child yield relative to dwelling type from dwellings with a minimum of three rooms and above. Dwellings containing three rooms (typically a two bedroom flat with combined kitchen-dining-living room) will be the minimum dwelling size from which planning obligations will be sought. As a general guide, the numbers of rooms per dwelling have been cross-referenced to typical number of bedrooms for each

dwelling . However, it should be clearly noted that it will be the number of rooms, not the number of bedrooms, which will be assessed.

*Affordable housing (social rented) child-yield adjustment*

**4.30** Where the Council is granted 100% nomination rights to low cost rented accommodation (social rented), a reduction in the child yield will be applied to low cost rented accommodation that is provided and managed by Registered Social Landlords (RSLs). The reduction in child yield will not apply to 'intermediate' housing. This reduction is allowable because when the Council has nomination rights it is likely that the proportion of children new to Hillingdon's education system will be reduced because many families and children will already reside in the borough. However, when the Council does not have nomination rights, it is likely that tenants may be new to the borough, and therefore no reduction would apply.

**4.31** The Council's 2005 "Housing Needs Survey Update" determined that 43.57% of the borough's affordable housing requirements would be from families new to the borough, with the remaining demand coming from within the borough (from new household formations or existing households requiring a move). Therefore, if the Council is granted 100% nomination rights, the child-occupancy rates from affordable housing will be adjusted down to 43.57% of the original figures. Any nomination rights less than 100% will result in pro-rata adjustments, down to zero nomination rights resulting in zero discount. The 2005 'Housing Needs Survey' is summarised in Table 4.1 below:

Table 4.1 Summary of Hillingdon's Housing Needs Survey Update (2005)

**Table 4.1: Summary of Hillingdon's Housing Needs Survey Update (2005)**

Backlog need per annum	Newly arising need per annum			Total annual housing need		<b>Inward Migration % as proportion of total need</b>
	Household formation	Existing households	Inward Migration			
344	533	1,489	1,827	4,193		43.57%
a	b	c	d	<b>a+b+c+d</b>		<b>d / (a+b+c+d)</b>

Table 4.2 Child Occupancy Rates by Tenure

TABLE 4.2a CHILD OCCUPANCY RATES BY TENURE SOUTH OF A40 HIGHWAY	Housing Developments in the South of Hillingdon Borough (south of A40 highway)					TOTAL	TOTAL
	Children Per Rooms, By Ages Of Children						
Private Flats: 'Rooms' as defined for Census 2001	0-2	3-4	5-11	12-16	17-19	0-16	0-19
	3 rooms (typically 2 bedrooms)	0.064	0.020	0.034	0.017	0.032	0.134
4 rooms (typically 2-3 bedrooms)	0.130	0.059	0.117	0.050	0.037	0.356	0.393
5 rooms (typically 3-4 bedrooms)	0.082	0.053	0.205	0.137	0.128	0.477	0.605
6+ rooms (typically 4+ bedrooms)	0.138	0.072	0.135	0.152	0.292	0.497	0.789
Private Houses: 'Rooms' as defined for Census 2001	0-2	3-4	5-11	12-16	17-19	0-16	0-19
	3 rooms (typically 2 bedrooms)	0.167	0.084	0.256	0.155	0.090	0.662
4 rooms (typically 2-3 bedrooms)	0.166	0.088	0.212	0.093	0.053	0.558	0.611
5 rooms (typically 3-4 bedrooms)	0.178	0.123	0.414	0.241	0.120	0.956	1.077
6+ rooms (typically 4+ bedrooms)	0.170	0.127	0.481	0.314	0.168	1.092	1.259
Social Rent Flats: 'Rooms' as defined for Census 2001	0-2	3-4	5-11	12-16	17-19	0-16	0-19
	3 rooms (typically 2 bedrooms)	0.169	0.039	0.041	0.012	0.085	0.260
4 rooms (typically 2-3 bedrooms)	0.545	0.191	0.180	0.101	0.148	1.017	1.165
5 rooms (typically 3-4 bedrooms)	0.272	0.282	0.718	0.357	0.177	1.628	1.804
6+ rooms (typically 4+ bedrooms)	1.401	0.282	1.212	0.357	0.579	3.251	3.830
Social Rent Houses: 'Rooms' as defined for Census 2001	0-2	3-4	5-11	12-16	17-19	0-16	0-19
	3 rooms (typically 2 bedrooms)	0.302	0.177	0.294	0.099	0.031	0.872
4 rooms (typically 2-3 bedrooms)	0.424	0.225	0.417	0.128	0.077	1.195	1.272
5 rooms (typically 3-4 bedrooms)	0.453	0.329	0.833	0.413	0.103	2.027	2.130
6+ rooms (typically 4+ bedrooms)	0.467	0.348	1.076	0.471	0.147	2.361	2.508

Sources:

Census Commissioned Tables CO371, CO515, CO511 and Local Authority re-evaluation January 2010

TABLE 4.2b CHILD OCCUPANCY RATES BY TENURE NORTH OF A40 HIGHWAY	Housing Developments in the North of Hillingdon Borough (north of A40 highway)					TOTAL	TOTAL		
	Children Per Rooms, By Ages Of Children								
	0-2	3-4	5-11	12-16	17-19				
<b>Private Flats:</b> 'Rooms' as defined for Census 2001	0.052	0.017	0.031	0.016	0.026	0.116	0.142		
3 rooms (typically 2 bedrooms)	0.106	0.050	0.108	0.048	0.030	0.312	0.341		
4 rooms (typically 2-3 bedrooms)	0.067	0.045	0.189	0.130	0.103	0.431	0.533		
5 rooms (typically 3-4 bedrooms)	0.113	0.061	0.125	0.144	0.234	0.442	0.676		
<b>Private Houses:</b> 'Rooms' as defined for Census 2001	0.136	0.072	0.236	0.147	0.072	0.591	0.663		
3 rooms (typically 2 bedrooms)	0.136	0.075	0.196	0.088	0.042	0.494	0.536		
4 rooms (typically 2-3 bedrooms)	0.146	0.105	0.382	0.228	0.096	0.861	0.957		
5 rooms (typically 3-4 bedrooms)	0.138	0.108	0.444	0.298	0.134	0.988	1.122		
<b>Social Rent Flats:</b> 'Rooms' as defined for Census 2001	0.138	0.033	0.038	0.011	0.068	0.219	0.287		
3 rooms (typically 2 bedrooms)	0.445	0.163	0.166	0.096	0.118	0.870	0.988		
4 rooms (typically 2-3 bedrooms)	0.222	0.240	0.662	0.338	0.141	1.462	1.604		
6+ rooms (typically 4+ bedrooms)	1.144	0.240	1.119	0.338	0.463	2.841	3.304		
<b>Social Rent Houses:</b> 'Rooms' as defined for Census 2001	0.247	0.151	0.272	0.093	0.025	0.762	0.787		
3 rooms (typically 2 bedrooms)	0.346	0.192	0.385	0.121	0.062	1.045	1.107		
4 rooms (typically 2-3 bedrooms)	0.370	0.280	0.769	0.391	0.083	1.810	1.893		
6+ rooms (typically 4+ bedrooms)	0.381	0.297	0.993	0.446	0.117	2.117	2.234		
Sources: Census Commissioned Tables CO371, CO515, CO511 and Local Authority re-evaluation January 2010									

## B) The capacity of education facilities

**4.32** The 'relevant areas' for assessing the supply of, and demand for, education facilities will be as follows:

- For the Nursery school sector, the ward that the potential development falls within.
- For the Primary school sector, the 'Primary Education Planning Area' that the potential development falls within.
- For the Secondary and Post-16 school sectors, the areas either north or south of the A40/M40 highway that the potential development falls within, with specific regard to schools within a reasonable travelling distance of 3 miles within those areas.

The capacity of local education facilities will be assessed as follows:

- For nursery places in each 'relevant area', the available capacity will be based on the combined total of local maintained nursery places plus those provided by the private sector.

- For the Primary, Secondary, and Post-16 sectors in each 'relevant area', the available capacity will be based on the latest Net Capacity/Sufficiency calculations for schools. This is the standard method formulated by the Department for Children, Schools and Families (DCFS) for measuring schools' physical capacity.

Additionally, further school infrastructure secured through planning obligations from other local developments will be taken into account when assessing future school capacity (and the expected child yield from these developments will be added to pupil forecasts).

**4.33** The demand for facilities in each 'relevant area' will be determined with reference to the basic pupil forecasts published annually by the Local Authority, to which the expected child yield from other local housing developments will be added. The Local Authority will annually update the demand for school facilities in each 'relevant area'

**4.34** Pupil forecasts will look to a period of 10 years from the likely commencement date of the development being assessed. Children from any potential new housing development will be included in any assessment under the following conditions:

- For the Nursery school sector, the typical take-up rate of local nursery places in the relevant area is defined by the Local Authority. The take-up rate will be determined with specific regard to the latest population projections provided to the Council by the GLA.
- For the Primary school sector, the Local Authority has a statutory duty to provide education for every child of primary school age. Therefore, in negotiating planning obligations for primary school facilities, it would be assumed that that 100% of primary aged children from a new development would typically use primary school facilities in the 'relevant area'.
- For the Secondary school sector, the Local Authority has a statutory duty to provide education for every child of secondary school age. Therefore, in negotiating planning obligations for secondary school facilities, it would be assumed that 100% of secondary aged children from a new development would typically use secondary school facilities in the 'relevant area'.
- For the Post-16 school sector, the typical retention rate from statutory education to post-16 education in the 'relevant area', is defined by the Local Authority. For example, in an area where there are typically 1,600 children in Year 11 of statutory education every year, and where typically 1,200 children enter post-16 education at the schools in that area, the typical retention rate would be  $1,200 / 1,600 = 75\%$ .

**4.35** The local capacity of, and demand for, education facilities in each 'relevant area' will be updated annually by the School Organisation & Resources Department of the Local Authority.

**4.36** In any 'relevant area', where the total expected demand for school facilities per school sector results in less than 5% spare capacity, planning obligations will be sought to provide additional facilities to accommodate children from the new development.

### C) The build costs

**4.37** The build costs associated with providing new school facilities change every year with inflation and revisions to school building guidelines. In making any assessment for planning obligations, the Local Authority will have specific regard to the latest costs published by the Government (DCFS). The build costs for 2010 are set out in Table 4.3 and will be updated annually.

Table 4.3 2009/10 Build costs per child

National costs 2009 / 2010			
Nursery £12,257	Primary £12,257	Secondary £18,469	Post 16 £20,030
Hillingdon regional factor 2009/2010 = 112%			
National costs x regional factor =			
Nursery Total cost per child <b>£13,728</b>	Primary Total cost per child <b>£13,728</b>	Secondary Total cost per child <b>£20,685</b>	Post 16 Total cost per child <b>£22,434</b>

Note: The Council will use the most recent estimated build costs for educational facilities available from Central Government, so the figures presented here will be updated every year.

### **The Formula**

**4.38** The contribution will be ascertained in accordance with the following formula and with reference to the appropriate definitions and values in the tables above.

1

#### **Contributions Required Per School Sector**

$$C = (\text{Child Yield} \times \text{Take Up Rate}) \times \text{£}$$

Where :

C = Contributions required

Child Yield = gross child yield as defined in paragraphs 4.26 to 4.31 and detailed in Step 1 below

Take Up Rate = percentage of pupil take up rate for each school sector for each relevant area as defined in paragraphs 4.43 and 4.44 and Step 2 below

£ = Build costs as referred to in para. 4.37 and Step 3 below

### **Step1**

**4.39** The number of dwellings (by number of rooms) X Child Yield (by school sector including social rented adjustment) = Gross Child Yield per School Sector (ascertained from Table underneath).

Tables 4.4 Child yield (including social rent adjustment) by school sector vs dwellings by type

4.4a SOUTH OF A40		NURSERY		PRIMARY		SECONDARY		POST-16	
	A	B	C	D	E				
ROOMS (inc. kitchens) IN PRIVATE & INTERMEDIATE FLATS	NET No. of units	Age 3-4 Child Yield per unit	Age 5-11 Child Yield per unit	Age 12-16 Child Yield per unit	Age 17-19 Child Yield per unit				
3		0.020	0.034	0.017	0.032				
4		0.059	0.117	0.050	0.037				
5		0.053	0.205	0.137	0.128				
6+		0.072	0.135	0.152	0.292				
ROOMS (inc. kitchens) IN SOCIAL RENTED FLATS	NET No. of units	Age 3-4 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 5-11 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 12-16 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)				
		100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%				
3		0.039 0.017	0.041 0.018	0.012 0.005	0.085 0.037				
4		0.191 0.083	0.180 0.078	0.101 0.044	0.148 0.064				
5		0.282 0.123	0.718 0.313	0.357 0.155	0.177 0.077				
6+		0.282 0.123	1.212 0.528	0.357 0.155	0.579 0.252				
ROOMS (inc. kitchens) IN PRIVATE & INTERMEDIATE HOUSES	NET No. of units	Age 3-4 Child Yield per unit	Age 5-11 Child Yield per unit	Age 12-16 Child Yield per unit	Age 17-19 Child Yield per unit				
3		0.084	0.256	0.155	0.090				
4		0.088	0.212	0.093	0.053				
5		0.123	0.414	0.241	0.120				
6+		0.127	0.481	0.314	0.168				
ROOMS (inc. kitchens) IN SOCIAL RENTED HOUSES	NET No. of units	Age 3-4 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 5-11 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 12-16 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)				
		100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%				
3		0.177 0.077	0.294 0.128	0.099 0.043	0.031 0.014				
4		0.225 0.098	0.417 0.182	0.128 0.056	0.077 0.034				
5		0.329 0.143	0.833 0.363	0.413 0.180	0.103 0.045				
6+		0.348 0.151	1.076 0.469	0.471 0.205	0.147 0.064				
<b>GROSS CHILD-YIELD</b>		Total of A values x B values	Total of A values x C values	Total of A values x D values	Total of A values x E values				
		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>				
(or discounted Child Yield for full council Nomination Rights)		0.000	0.000	0.000	0.000				

4.4b NORTH OF A40		NURSERY		PRIMARY		SECONDARY		POST-16	
	A	B	C	D	E				
ROOMS (inc. kitchens) IN PRIVATE & INTERMEDIATE FLATS	NET No. of units	Age 3-4 Child Yield per unit	Age 5-11 Child Yield per unit	Age 12-16 Child Yield per unit	Age 17-19 Child Yield per unit				
3		0.017	0.031	0.016	0.026				
4		0.050	0.108	0.048	0.030				
5		0.045	0.189	0.130	0.103				
6+		0.061	0.125	0.144	0.234				
ROOMS (inc. kitchens) IN SOCIAL RENTED FLATS	NET No. of units	Age 3-4 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 5-11 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 12-16 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)				
		100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%				
3		0.033 0.014	0.038 0.016	0.011 0.005	0.068 0.030				
4		0.163 0.071	0.166 0.072	0.096 0.042	0.118 0.051				
5		0.240 0.105	0.662 0.289	0.338 0.147	0.141 0.062				
6+		0.240 0.105	1.119 0.488	0.338 0.147	0.463 0.202				
ROOMS (inc. kitchens) IN PRIVATE & INTERMEDIATE HOUSES	NET No. of units	Age 3-4 Child Yield per unit	Age 5-11 Child Yield per unit	Age 12-16 Child Yield per unit	Age 17-19 Child Yield per unit				
3		0.072	0.236	0.147	0.072				
4		0.075	0.196	0.088	0.042				
5		0.105	0.382	0.228	0.096				
6+		0.108	0.444	0.298	0.134				
ROOMS (inc. kitchens) IN SOCIAL RENTED HOUSES	NET No. of units	Age 3-4 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 5-11 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 12-16 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)				
		100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%				
3		0.151 0.066	0.272 0.118	0.093 0.041	0.025 0.011				
4		0.192 0.084	0.385 0.168	0.121 0.053	0.062 0.027				
5		0.280 0.122	0.769 0.335	0.391 0.170	0.083 0.036				
6+		0.297 0.129	0.993 0.433	0.446 0.194	0.117 0.051				
GROSS CHILD-YIELD		Total of A values x B values	Total of A values x C values	Total of A values x D values	Total of A values x E values				
		0.000	0.000	0.000	0.000				
(or discounted Child Yield for full council Nomination Rights)		0.000	0.000	0.000	0.000				

**Step2**

**4.40** The Local Authority will determine any projected deficit in education facilities in the vicinity of the development, with regard to the typical take up rates at local schools.

**Step3**

**4.41** The net child yield for each school sector X £ build costs per School Sector = contributions per school sector.

	NURSERY	PRIMARY	SECONDARY	POST-16
<b>BUILDING COSTS</b>	<b>£13,728</b>	<b>£13,728</b>	<b>£20,685</b>	<b>£22,434</b>

(Values at 2009 - the values will change annually and are determined by central government (DCSF)

**4.42** An example has been provided as follows:

2

**WORKED EXAMPLE:**

26 flats (including 10 social rented) in Uxbridge, which is south of the A40 highway.

A development is proposed in Uxbridge, involving the demolition of 2 x three-bedroom private houses that each contains 5 rooms, plus the demolition of 1x four-bedroom house that contains 6 rooms. In their place are proposed 26 new flats, of which 10 will be for social rent. The proposed flats are:

- 6 studios (with 2 rooms each). 3 of these flats will be for social rent.
- 3 one-bed flats (with 3 rooms each). 1 of these flats will be social rent.
- 3 two-bed flats (with 3 rooms each). 2 of these flats will be social rent.
- 6 two-bed flats (with 4 rooms each). 3 of these flats will be social rent.
- 8 three-bed flats (with 5 rooms each). 1 of these flats will be social rent.

**No child-yield will be calculated for the 6 studios, but child-yield will be calculated for the remaining 20 flats as outlined in Table 4.5.**

Table 4.5 Worked example: 26 flats (including social rented) in Uxbridge

SOUTH OF A40		NURSERY		PRIMARY		SECONDARY		POST-16	
ROOMS (inc. kitchens) IN PRIVATE & INTERMEDIATE FLATS		NET No. of units	Age 3-4 Child Yield per unit	Age 5-11 Child Yield per unit	Age 12-16 Child Yield per unit	Age 17-19 Child Yield per unit			
3 ROOMS (typically 1/2 bed)		3	0.020	0.034	0.017	0.032			
4 ROOMS (typically 2/3 bed)		3	0.059	0.117	0.050	0.037			
5 ROOMS (typically 3/4 bed)		7	0.053	0.205	0.137	0.128			
6 ROOMS (typically 4/5 bed)			0.072	0.135	0.152	0.292			
ROOMS (inc. kitchens) IN SOCIAL RENTED FLATS		NET No. of units	Age 3-4 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 5-11 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 12-16 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)
			100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%
3 ROOMS (typically 1/2 bed)		3	0.039 0.017	0.041 0.018	0.012 0.005	0.085 0.037			
4 ROOMS (typically 2/3 bed)		3	0.191 0.083	0.180 0.078	0.101 0.044	0.148 0.064			
5 ROOMS (typically 3/4 bed)		1	0.282 0.123	0.718 0.313	0.357 0.155	0.177 0.077			
6 ROOMS (typically 4/5 bed)			0.282 0.123	1.212 0.528	0.357 0.155	0.579 0.252			
ROOMS (inc. kitchens) IN PRIVATE & INTERMEDIATE HOUSES		NET No. of units	Age 3-4 Child Yield per unit	Age 5-11 Child Yield per unit	Age 12-16 Child Yield per unit	Age 17-19 Child Yield per unit			
			100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 0.090	100.00% 0.090	100.00% 0.090	100.00% 0.090
3 ROOMS (typically 1/2 bed)			0.084	0.256	0.155	0.090			
4 ROOMS (typically 2/3 bed)			0.088	0.212	0.093	0.053			
5 ROOMS (typically 3/4 bed)		-2	0.123	0.414	0.241	0.120			
6 ROOMS (typically 4/5 bed)		-1	0.127	0.481	0.314	0.168			
ROOMS (inc. kitchens) IN SOCIAL RENTED HOUSES		NET No. of units	Age 3-4 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 5-11 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 12-16 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)	Age 17-19 Child Yield per unit (or discounted Child Yield for full council Nomination Rights)
			100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%	100.00% 43.57%
3 ROOMS (typically 1/2 bed)			0.177 0.077	0.294 0.128	0.099 0.043	0.031 0.014			
4 ROOMS (typically 2/3 bed)			0.225 0.098	0.417 0.182	0.128 0.056	0.077 0.034			
5 ROOMS (typically 3/4 bed)			0.329 0.143	0.833 0.363	0.413 0.180	0.103 0.045			
6 ROOMS (typically 4/5 bed)			0.348 0.151	1.076 0.469	0.471 0.205	0.147 0.064			
GROSS CHILD-YIELD			Total of A values x B values	Total of A values x C values	Total of A values x D values	Total of A values x E values			
Full			1.204	1.957	1.063	1.572			
Discounted for full council Nomination Rights			0.655	1.179	0.671	1.078			

**4.43** Based on the assessment of child yield (in this example), the Local Authority determines that there are sufficient nursery school facilities in vicinity of the development, but that there will be pressure placed on other school sectors. It is therefore expected that the typical take up rates for local school facilities will be as follows:

EXAMPLE TAKE-UP RATES	NURSERY	PRIMARY	SECONDARY	POST-16
EXPECTED TAKE-UP RATE AT LOCAL SCHOOLS	00.00%	100.00%	100.00%	60.00%

(Example values - the actual values will depend upon the area of the borough, will be determined by the Local Authority and will be updated annually)

**4.44** This then produces a Net Child Yield for each school sector as follows (the figures in the second row apply if the Council is granted 100% Nomination Rights for the social rent units):

NET CHILD-YIELD	NURSERY	PRIMARY	SECONDARY	POST-16
Full		1.96	1.06	0.94
<i>Discounted for full council Nomination Rights</i>		1.18	0.67	0.65

**4.45** The latest build-costs per pupil, published by the DCSF are as follows:

BUILDING COSTS	NURSERY	PRIMARY	SECONDARY	POST-16
		£13,728	£20,685	£22,434

(Values at 2009 - the values will change annually and are determined by central Government (DCSF)

**4.46** The final assessment is the Net Child Yield multiplied by the build-costs per pupil. In this example, the contribution required for education facilities will be as follows (the figures in the second row apply if the Council is granted 100% nomination rights for the social rent units):

FINAL ASSESSMENT	NURSERY	PRIMARY	SECONDARY	POST-16
Full		£26,872	£21,986	£21,154
<i>Discounted for full council Nomination Rights</i>		£16,179	£13,878	£14,505

## Adult Education

**4.47** Hillingdon adult education offers a wide range of courses available throughout the day, evening and weekends. There are centres throughout the borough with help available to the community to choose the right course.

Courses take place within a supportive environment where learning and personal achievement are valued. These courses also enable access to higher education and can foster social cohesion and community enrichment. The Council may therefore in appropriate circumstances seek contributions towards adult education.

**4.48** Contributions may be sought from very large development (for example residential schemes over 100 units) or where there may be a need for compensation for the loss of an adult education facility on-site. In considering whether a contribution would be appropriate and the level of contribution to be sought, an assessment on a case by case basis will be made taking into account accessibility to existing courses in the area, any standards for provision that could be calculated per head of population and whether there are any community facilities that are proposed on-site and/or supported by other contributions offered by the applicant that could accommodate adult education courses.

# Agenda Item 15

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government (Access to Information) Act 1985 as amended.

Document is Restricted

This page is intentionally left blank

# Agenda Item 16

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government (Access to Information) Act 1985 as amended.

Document is Restricted

This page is intentionally left blank

# Agenda Item 17

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government (Access to Information) Act 1985 as amended.

Document is Restricted

This page is intentionally left blank

# Agenda Item 18

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government (Access to Information) Act 1985 as amended.

Document is Restricted

This page is intentionally left blank

# Agenda Item 19

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government (Access to Information) Act 1985 as amended.

Document is Restricted

This page is intentionally left blank

# Agenda Item 20

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government (Access to Information) Act 1985 as amended.

Document is Restricted

This page is intentionally left blank