

Executive Scrutiny Committee

24 September 2009

Minutes



	<p>Members Present: Councillors David Yarrow (Chairman), Brian Crowe, Edward Lavery and John Riley.</p> <p>Apologies: Tony Little (Roman Catholic Diocesan Representative)</p> <p>Officer Present: Khalid Ahmed.</p> <p>At the start of the meeting Members expressed their regret at the two vacancies which still remained unfilled on the Committee.</p>				
7.	<p>Declarations of Interest:</p> <p>None.</p>				
8.	<p>Minutes of the meeting held on 16 July 2009</p> <p>Agreed as an accurate record.</p>				
9.	<p>Exclusion of the press and public:</p> <p>It was agreed that all items of business were considered in public.</p>				
10.	<table border="1"><thead><tr><th>Decisions of Cabinet – To consider the decisions made at the Cabinet meeting on 24 September 2009</th><th>Action</th></tr></thead><tbody><tr><td><p>Members gave consideration to the Cabinet reports of 24 September 2009 and after careful consideration Members decided not to call-in any decision made by the Cabinet at their meeting.</p><p>However, officers were asked for clarification and the background on the following two issues:</p><p>Item 16 - Council Budget - Month 4 - Asylum Funding</p><p>Question</p><p>From previous Cabinet reports, Members have been aware of the issues the Borough had with the lack of funding the Council</p></td><td></td></tr></tbody></table>	Decisions of Cabinet – To consider the decisions made at the Cabinet meeting on 24 September 2009	Action	<p>Members gave consideration to the Cabinet reports of 24 September 2009 and after careful consideration Members decided not to call-in any decision made by the Cabinet at their meeting.</p> <p>However, officers were asked for clarification and the background on the following two issues:</p> <p>Item 16 - Council Budget - Month 4 - Asylum Funding</p> <p>Question</p> <p>From previous Cabinet reports, Members have been aware of the issues the Borough had with the lack of funding the Council</p>	
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received from central government in relation to asylum seekers. Could Members be provided with a chronology of the sequence of events and any government changes which have led to the Council being in this position, and also what were the chances of the Council getting back the expected £1.6m - £2.8m shortfall in funding?

Subsequent to the meeting Members were provided with the following response from officers:

[Hillingdon a unique case – Unaccompanied Asylum Seeking Children (UASC)]

Hillingdon is home to the world's busiest international airport – Heathrow which presents the local authority with some unique challenges in relation to the provision of support for unaccompanied young people entering the UK seeking political asylum.

At any one time the London Borough of Hillingdon acts as the corporate parent to around 1,000 unaccompanied asylum seeking children under the Children Act 1989 and the Children (Leaving Care) Act 2000. The council provides accommodation, schooling and disability support etc.

The result is that for every 100 indigenous LAC the borough has responsibility for a further 62 UASC and the accompanying additional costs which far exceed the norm for a borough this size. The general Rate Support Grant regime is geared towards funding authorities for the cost of indigenous LAC rather than UASC. As a result authorities such as Hillingdon do not receive funding through the general grant regime but are reliant on a satisfactory specific grant regime being in place for UASC.

This is not a responsibility that Hillingdon resents and the local authority provides crucial support services for many vulnerable people. Professionals providing this support to young asylum seekers are some of the most experienced in the UK.

Funding implications

Problems arise from inadequate funding support from central Government particularly in relation to the 600 eligible young people (greater than 18 but less than 25 years of age) leaving care. The government pays Hillingdon £100 towards the actual support cost of £194 per equivalent client week. The government does not contribute towards the 50 clients who have exhausted all appeals, nor the 30 clients who have become ineligible because they are no longer in full time education, nor the 47 naturalised citizens who may not yet be included in the population statistics and hence not taken into

consideration when calculating the RSG grant.

The shortfall in grant funding for asylum has meant that we had a historic funding deficit of £14.6m up to and including 2007/08 with an additional shortfall of £3.7m in 2008/09 making the total shortfall £18.3m at the end of 2008/09. The change in the funding regime arose late in the 2005/06 financial year and was made worse as the change was introduced retrospectively.

Following significant lobbying the DCSF paid Hillingdon £2.7m in 2008/09 in relation to the 2007/08 financial year through additional Special Circumstances grant for Over 18's Leaving Care leaving an outstanding shortfall of £15.6m at the end of 2008/09. To give you some idea of the magnitude of the numbers in the borough as compared to other authorities the £2.7m represented 10% of the total payout to authorities with Kent receiving 8% and Croydon 21% with the remaining 61% being spread across some 37 authorities averaging 1.6%.

The deficit has placed a considerable burden on the Council which is funding the asylum service shortfall from reserves bringing its reserve strategy below the minimum amount considered necessary for implementing its transformation agenda and mitigating to a certain extent its associated business risks.

In addition to the £15.6m shortfall up to the end of 2008/09 the Council is now facing an additional shortfall in grant funding of £2.108m (£819k for under 18 years of age and £1.29m for over 18 years of age) plus ongoing pressures of both £575k per annum to meet the cost of clients who have "Exhausted All Appeals" and other ineligible clients and £147k for clients who have been naturalised, bringing the total ongoing pressure from 2009/10 onwards to £2.83m per annum of which £1.2m is funded from council reserves.

The main reason for the ever increasing budget pressure is because the central government funding formula for administrative costs is based on a per capita payment for clients under 18 years of age whose numbers are falling. The formula takes no account of movements to the other categories (greater than 18 years of age, naturalised citizens and ineligible clients) and also the government assumes erroneously a direct correlation between reducing numbers and the reduction in administration and fixed premises costs.

This forecast is based on the latest period 4 projections and the Council is undertaking a service review with a view to reducing administrative overheads to a bare minimum. As a worst case scenario however all eligible clients could be naturalised at some time in the future bringing the estimated ongoing budget pressure to around £5m per annum.

The Council has been trying to negotiate special status with regard to reimbursement of costs however with the onset of the recession and cuts in public expenditure we are not too optimistic of this happening. To summarise there is a gap in our funding regime of £15.6m at the end of 2008/09 plus a potential shortfall of £2.83m per annum for 2009/10 and onwards.]

Item 16 - Council Budget - Month 4

Reduction in grant as a result of reclassification of incidents at Harmondsworth and Colnbrook Detention Centres

Question

Members understood that the Borough was losing funding as a reclassification of incidents which were taking place at two detention centres at Harmondsworth and Colnbrook. Did this apply irrespective of the incident not being reported to the police and also irrespective of any harm or physical injuries? Also what was the classification of "wounded", which was a reward grant relevant offence?

Subsequent to the meeting Members were provided with the following response from officers:

[The Council was not losing any current funding due to this issue, but was in danger of not receiving a reward grant from the Government based on a reduction target for wounding offences from 2007 to 2010. The figures governing whether a reward grant would be received or not was very close - the target was a maximum of 7,973 offences from 1/4/07 to 31/3/10. If the number of offences was between 7,973 and 8,006 (a difference of 33) the Council would receive a proportion of the reward grant between 60% and 100% but if the figure was above 8,006 the Council would not receive any reward grant. To the end of August 2009 the figure was 6,563.

It would be most unfortunate if the Council missed out on reward grant due to offences reported from the two detention centres at Harmondsworth and Colnbrook, especially when the difference between receiving 100% grant and no grant at all could be as little as 33 offences over 3 years.

If the incident was not reported to police then it would not appear in these figures. Any crimes reported appeared on Hillingdon Borough's statistics, even though Hillingdon Police and the Council had no ability to prevent them.

The Detention Centres were run by private sector agencies under contract from the UK Borders Agency. The current operator had adopted the policy that when offences occurred

	<p><i>they reported them to the local police. Hillingdon police believed this was adding a small but significant number of offences to the Borough's stats, some of which were reward grant relevant such as wounding.</i></p> <p><i>"Wounding" is a Home Office classification and the main offences are: Grievous bodily harm (serious injury), actual bodily harm (some injury), firearms and dangerous dog's offences. There were also a range of offences where there was an "attempt", that was where there was no actual contact or injury.]</i></p> <p>Resolved –</p> <ol style="list-style-type: none"> 1. That the decisions made by Cabinet at their meeting on 24 September 2009 be noted and no call-in be made of any decision. 2. That officers be asked to provide clarification on the issues outlined above. 	
	<p>Meeting closed at 8.30pm Next meeting: 15 October 2009 at 7.30pm or the rising of Cabinet</p>	

These are the minutes of the above meeting. For more information on any of the resolutions please contact Khalid Ahmed on 01895 250833. Circulation of these minutes are to Councillors, Officers, the Press and Members of the Public.