

## Cabinet

A meeting of Cabinet was held on Thursday, 19th January, 2017.

**Present:** Cllr Robert Cook(Chair), Cllr Jim Beall, Cllr Nigel Cooke, Cllr Mrs Ann McCoy, Cllr Steve Nelson, Cllr Michael Smith and Cllr Norma Wilburn.

**Officers:** Neil Schneider (CE), Julie Danks, Margaret Waggott, Peter Mennear, Graham Birtle, Judy Trainer, Peter Bell (DCE), Beccy Brown, Ged Morton (HR&L), Garry Cummings (F&BS), Martin Gray, Diane McConnell, Rhona Bollands(CHS), Reuben Kench (CL&E), Jamie McCann (CS), Liz Hanley (AH) Julie Nixon (TT).

**Also in attendance:** Councillor Jean O'Donnell (Chair of People Select Committee), Councillor David Wilburn (Chair of Crime and Disorder Select Committee), Councillor Derrick Brown (Chair of Place Select Committee), Councillor Carol Clark (Chair of Children and Young People Select Committee), Councillor Lynn Hall, Mark Kirkham (Mazars), Ian Wardle (Thirteen Housing Group), Darren Gunn (The Friends of Early Support Group).

**Apologies:** None.

### **CAB 109/16 Welcome, Evacuation Procedure and the Recording of the Meeting**

The evacuation procedure was noted.

### **CAB 110/16 Declarations of Interest**

Councillor Steve Nelson declared a personal non prejudicial interest in respect of agenda item 7 - Scrutiny Review of Disadvantage in Early Years and School as he was a member of Catalyst and on the board of Governors at Frederick Nattrass School.

Councillor Jim Beall declared a personal non prejudicial interest in respect of agenda item 8 - Scrutiny Review of Stockton Local Safeguarding Children Board (SLSCB) as he his wife was the Business Manager for the Stockton Local Safeguard Children's Board.

Councillor Steve Nelson declared a personal non prejudicial interest in respect of agenda item 9 - Commissioning of Short Term Housing Related Support Services for Vulnerable People as he was a member of Tristar Board.

Councillor Steve Nelson declared a personal and prejudicial interest in respect of agenda item 10 - Consolidation of the Thirteen Housing Group as he was a member of Tristar Board. Councillor Steve Nelson did not vote on the item.

Councillor Ann McCoy declared a personal non prejudicial interest in respect of agenda item 11 - ECO External Wall Insulation and Health Evaluation Update as she was a member of SDAIS.

Councillor Steve Nelson declared a personal non prejudicial interest in respect of agenda item 12 – MTFP Update as he was a member of Tristar Board.

Councillor Norma Wilburn declared a personal non prejudicial interest in respect of agenda item 16 - Special Educational Needs and Disabilities (SEND) Update for Stockton as her grandson used the special needs provision.

Councillor Bob Cook declared a personal non prejudicial interest in respect of agenda item 16 - Special Educational Needs and Disabilities (SEND) Update for Stockton as he was the Chair of Billingham South Primary School Board of Governors.

Councillor Jim Beall declared a personal non prejudicial interest in respect of agenda item 16 - Special Educational Needs and Disabilities (SEND) Update for Stockton as he was the Chair of Rosebrook Primary School Board of Governors.

**CAB Minutes**  
**111/16**

Consideration was given to the minutes of the meeting held on 1 December 2016.

RESOLVED that the minutes of the meeting held on 1 December 2016 be confirmed and signed as a correct record.

**CAB Scrutiny Review of Dog Fouling Enforcement**  
**112/16**

Consideration was given to a report that presented the Crime and Disorder Select Committee findings following the Scrutiny Review of Dog Fouling Enforcement.

The Committee's report made recommendations to assist the Council in providing an appropriate response to the level of dog fouling incidents that were a regular concern to residents reported to Members.

The review was undertaken at the request of the Lead Cabinet Member initially to examine the use of dog DNA to identify dogs and subsequently their owners failing to dispose of the faeces responsibly. The review also scrutinised other aspects of enforcement.

RESOLVED that:-

1. SBC continue to use all means possible to counteract the problem of dog fouling subject to resource availability.
2. SBC review its dog fouling education support materials to encourage the public to provide more detail of offending dog owners, where possible, to more effectively target enforcement activity
3. Consideration be given to introducing a borough-wide Public Space Protection Order (PSPO) covering dog fouling related issues, taking account of pilot schemes elsewhere in the Country and resource constraints.
4. Consideration be given to the provision of permanent signage required in the borough if a PSPO is introduced.
5. SBC continue to monitor the use of dog DNA profiling and consider introduction if found to provide a cost effective dog fouling reduction measure.

6. SBC give support to the introduction of a national licensing scheme in order to support the effective use of DNA profiling.

7. SBC continue to work in partnership to support campaigns to get dogs micro chipped.

**CAB 113/16 Scrutiny Review of Flooding Resilience**

Consideration was given to a report that presented the Place Select Committee findings following the Scrutiny Review of Flooding Resilience.

The Committee's report made recommendations to assist the Council and partner agencies respond to the number and level of flooding incidents that were of increased concern to residents.

RESOLVED that:-

1. SBC expand the annual report currently produced on flooding to ensure all flooding activities are formally recorded.
2. SBC further develop the expertise of the operatives currently engaged in dealing with flooding issues.
3. SBC produce a formal programme of replacement for older style gullies within the Borough in line with the principals of asset management and routine maintenance.
4. SBC evaluate the available bespoke software systems which can assist with future cleansing and maintenance programmes in addition to providing an asset management based replacement programme of gullies to ascertain if they would be suitable to use in this area moving forward in terms of resources, equipment and potential costs.

**CAB 114/16 Scrutiny Review of Disadvantage in Early Years and School**

Consideration was given to a report that presented the outcomes of the People Select Committee's review of Disadvantage in Early Years and School. The main focus of the review was tackling disadvantage in the early years, including school readiness. The impact of disadvantage on a child's development and education was widely recognised, as was the crucial importance of the first five years of a child's life.

Some children in the Borough needed to be supported to catch up significantly on a range of factors such as socialisation. The review also intended to follow on from the review of Child Poverty and examine how Pupil Premium was being used in the Borough, and consider the role of the new Early Years Pupil Premium.

RESOLVED that:-

1. Ensure that there is a clear focus on what is meant by disadvantage and this is reflected in relevant strategies.

2. Maintain the focus on identifying children eligible for funded Early Years education, and ensuring a comprehensive level of take-up.
3. i) Roll out the 'Moving Forward Foundation Stage 0 to 5 Years' Transition Guarantee approach;
  - ii) Embed the 0-5 Years Transition Guarantee and additional work (e.g. local Partnership meetings) to track the impact of children's progress through different settings to inform targeted interventions and quality assurance.
4. Ensure the improvement in number of 2½ year olds receiving health development reviews be sustained and coverage approaches 100%.
5. Work towards an integrated 2 year old check with health and education professionals.
6. Ensure the Committee receives a full update on the work of local Early Years' services, including the role of both the Children's Centre Teams and the health visiting service as part of the 0-19 Workforce, following the reviews of these service areas.
7. Consider a renewed focus on sensory, physical, and communication activity for Under 5s in Early Years Settings.
8. Ensure that use of Early Years Pupil Premium be reviewed and audited to ensure local good practice (in line with the approach taken with School Pupil Premium).
9. Explore the feasibility of developing a system to secure Pupil Premium funding for the whole journey of the child through their education to reduce the number of eligibility checks required.

**CAB Scrutiny Review of Stockton Local Safeguarding Children Board (SLSCB)**

**115/16**

Consideration was given to a report that presented the Children & Young People Select Committee findings following the Scrutiny Review of Stockton Local Safeguarding Children Board (SLSCB).

RESOLVED that Stockton LSCB be recommended to:-

1. Participate and initiate discussion where necessary with other Tees Boards about the response to the Wood review and the opportunities to collaborate further and ensure a streamlined and efficient approach with partners.
2. Continue to develop a self-assessment and review format of Board and sub group meetings to focus discussion on key issues and strengthen the co-ordination, challenge and change functions including the potential role of an Executive.
3. Continue to identify ways to encourage all partner agencies to play a more active role in discussions, including varying the format of meetings.

4. Provide training for SLSCB members to ensure that they have the skills to fulfil their roles, especially around assurance roles.
5. Assure it-self that it has responded to the Ofsted recommendations.

**CAB 116/16 Commissioning of Short Term Housing Related Support Services for Vulnerable People**

Consideration was given to a report that presented the details of the re-commissioning of short term housing related support for vulnerable people including families and young people.

Stockton Borough Council takes a proactive approach to reducing and preventing homelessness. This included setting aside over half a million pounds to fund a dedicated team who work with residents of the borough to meet their housing needs, available resources to help struggling home owners and a rent deposit scheme. In addition a budget of £494k was available for discretionary housing payments and £167k from the 'Back on Track' scheme which offered emergency assistance for qualifying people who need essential household items. The Council also provided help to those who were not yet ready for independent living and may be facing problems such as homelessness, multiple debts, mental or physical health problems and substance misuse which can make landlords reluctant to offer them a tenancy. Housing related support was designed to identify and overcome the barriers a person / family had by making key interventions over a short period to time. Transition to independent living would then be facilitated and the person / family supported should be in a position to sustain their tenancy ensuring rent and household bills were paid and they fulfil their obligations as a tenant not to cause nuisance, to keep the property in reasonable order. The Council's approach to providing short term housing related support meant street homelessness could be kept to an absolute minimum.

The Council had commissioned housing related support services for a number of years and paid for 134 places. These services were for single adults, families and young people aged 16 to 18 years. The support was accommodation based, but the support provider and housing provider did not have to be the same organisation as long as partnership arrangements were in place. The Council objective was to provide good quality accommodation. Rent for the accommodation was usually charged at an enhanced supported accommodation rate which was negotiated with the Council's Housing Benefit Team, and support costs were charged separately. It was the support service that the Council needed to re-commission.

A review had been undertaken in relation to what support was being provided. Over time support providers had developed their own individual approach to support, with some providing a range of services directly. There was a strong culture of partnership working between agencies in the borough and it was clear that many of the barriers that needed overcoming to enable people to live independently could be lifted by brokering and co-ordinating services rather than direct provision. Stockton Council had, despite Government's decision not to provide a ring fenced Supporting People resource, always chosen to put money into providing these types of support services. However the approach needed to be refreshed to ensure smarter working and improved more focused

outcomes for the service users.

At the heart of developing the new model had been operational and commissioning staff from adult and children's services, plus housing, procurement, legal and finance staff. This was to ensure any new approach would be practical and effective on the ground.

As part of the Council's Homelessness Service there was a gateway approach. This service ensured that people with more complex needs who sought rehousing were given additional support. The service continued to develop and was at the heart of ensuring people access the right housing with support. The intention was for this service to have a strengthened role in initial support planning ensuring consistency across all the commissioned places. The service would determine the level of support provided with an allocation of the appropriate number of hours per week for a defined period of time. An hourly rate for support would be set at a level comparable with other similar services. This approach was different to the arrangements where there was a prior agreed weekly fee set aside for providers (the amount differs from scheme to scheme). The service would work closely with providers to ensure timely outcomes were achieved and people could move onto independent living, thereby releasing a place for another service user.

An analysis of need, based on ongoing demand for housing related support, had shown that the Council required additional capacity. The Council was looking to increase the number of places to 168, an increase of 34. The new places would be funded by smarter commissioning, producing a tighter specification around the role of support providers, identifying outcomes the Council were looking for and providing indicative timescales for move on (depending on the complexity of the service user/users). Enhanced partnership working would be the key to success.

The proposal was to outline the Council approach to re-commissioning short term housing related support via the Council's procurement portal (this would involve both existing and potential providers) followed by the issuing of tender documentation and selection criteria in February 2017. It was anticipated that new contracts would be in place for July 2017 and this would allow time for smooth service transition to the new contracts.

RESOLVED that the intended approach to commissioning in this area be noted.

**CAB**      **Consolidation of the Thirteen Housing Group**  
**117/16**

Consideration was given to a report on the consolidation of the Thirteen Housing Group.

The Thirteen Group was created in April 2014 following the merger of two locally based housing groups (Vela and Fabrick). Within the existing Thirteen Group structure there were four subsidiary registered provider landlords including Tristar Homes Limited.

Since the establishment of Vela and more recently Thirteen, £50m had been investment into the borough through property improvement / investment and the delivery of much need new affordable homes. However over recent years the

operating environment for all Registered Housing Providers had changed significantly, in order to deliver savings and greater efficiencies Thirteen proposed to consolidate the group structure to create one landlord. The new landlord would retain the name Thirteen and would own and manage the Groups services and 34,000 properties. In order to progress with group consolidation Thirteen sought the Council's consent to change Tristar Homes Limited (THL) Articles of Association this would then enable THL to transfer its engagements (assets and liabilities) to Thirteen and for THL to then be dissolved.

Mr Ian Wardle (Thirteen Housing Group) was in attendance at the meeting and outlined the plans and significant forward investment programme which included:

- This financial year a further £14.4m
- Between 2017/18 to 2021/22 £41m to be investment in properties and neighbourhoods improvements.
- Over the next 3 years the delivery of 145 new homes in the borough (95 affordable rent and 50 for intermediate homeownership).

In addition active discussions would commence with the Council to develop a Strategic Plan which would align Thirteen's investment ambitions with the Council's priorities to maximise impact and to explore joint venture opportunities.

RESOLVED that:-

1. The necessary changes to the THL Articles of Association which would enable the Thirteen Group consolidation to take place (as detailed in paragraph 5 of the report) be agreed.
2. The Chief Executive be authorised to nominate a representative to exercise the Council's vote at any General Meeting of THL and for this representative to vote in favour of:
  - (i) THL converting to become a community benefit society.
  - (ii) THL transferring its engagements (assets and liabilities) to the Thirteen Group.
3. A referral be made to Scrutiny Liaison Forum / Executive Scrutiny Committee proposing that a scrutiny review of the new arrangements takes place after a period of 12 months.
4. Cabinet's report and decisions be submitted to Council, in order to update all Members regarding the proposals for Tristar Homes Limited and the arrangements for giving the Council's consent to the restructuring plans.

**CAB 118/16 ECO External Wall Insulation and Health Evaluation Update**

Consideration was given to a report on ECO External Wall Insulation and Health Evaluation.

Levels of fuel poverty in Stockton-on-Tees had reduced from 11.1% in 2013 to 10.7% in 2014, in the 2016 sub-regional national data by the Department of Business Energy and Industrial Strategy (BEIS), the second lowest level amongst the North East authorities<sup>1</sup>.

The Council approach had been to work in partnership and offer a wide range of preventative and reactive measures such as Warmer Homes Healthy People programmes and encourage large scale, area wide insulation measures funded through the Energy Company Obligation (ECO). 4999 households had been improved since 2012 in the 4 wards and 11 Lower Super Output Area's (LSOA's) with the highest prevalence of fuel poverty.

This had resulted in measurable reductions in fuel poverty levels in these areas, however government funding was scaled back from 2013 resulting in ECO scheme delivery in Stockton-on-Tees being concluded in February 2016. The challenge still remained to tackle in excess of 1000 solid wall properties in the aforementioned LSOA's and provide wider assistance to the 8,585 households that required affordable warmth.

The Council had secured external funding and commissioned Newcastle University to independently evaluate the health and economic benefits of area based energy efficiency measures, and provide a Return on Investment (ROI) analysis, which would be used to inform national policy debates on the future of such schemes.

The report demonstrated such schemes significantly reduced energy consumption and cost for householders, by up to 32% in some cases, and had realised energy cost savings to Stockton-on-Tees householders of up to £6.2m since 2012. The longer cladding was prevalent, the fewer practice nurse appointments and outpatient hospital clinic appointments people required and the report estimated health related quality of life savings of £2.6m since 2012. The government had consulted on a future ECO programme from 2017 – 22 via the 'Help to Heat' proposal, and having responded the Council awaited the outcomes on the potential for future direct support from obligated energy suppliers.

RESOLVED that:-

1. The positive findings from the evaluation of previous energy efficiency measures of health related savings of £2.6m and lowering fuel costs of £6.2m be noted.
2. The reduction in fuel poverty levels in Stockton-on-Tees and the significant performance in delivering large scale energy efficiency measures under CESP and ECO be noted.
3. The challenges and opportunities faced by SBC as a result of the review of ECO nationally be noted.
4. A future report detailing the outcomes from the Government's consultation on the future of ECO and its significance for future insulation schemes in Stockton-on-Tees be supported.



**CAB**     **Medium Term Financial Plan**  
**119/16**

Consideration was given to a report that focussed on the financial performance and position at the end of the second quarter of the 2016/17 financial year and updated the Medium Term Financial Plan accordingly.

A table within the report detailed the projected budget outturn position for each directorate in 2016/17, based on information to 30th September 2016. The reasons for any significant variances (In excess of £100,000) were set out for each directorate. Officers would continue to manage budgets carefully and explore opportunities to reduce the projected pressure. This pressure would require to be funded from revenue balances.

As part of the Council's managed approach to delivery savings, a range of savings and reviews were agreed by Cabinet and Council in September 2015. Excellent progress was being made against the reviews and updates would be provided within the MTFP report.

As part of the programme, there were a number of reviews where it was agreed that further reports would be provided to Cabinet. A number of updates had been provided in respect of reviews completed and ongoing including:

- Care for Your Area
- Housing
- VCSE Support
- Community Transport
- Libraries
- Youth Services
- Children's Centres

A review was also underway within Community Safety Services. This would re-organise the service to target resources on areas of the Borough in most need and deliver savings and resolve the budget pressure outlined within the report.

Additional savings were expected from re-commissioning a range of services and reviewing how a number of time limited schemes are funded. This saving would be included in the budget report.

The Capital Programme was attached to the report and summarised within the report.

The main revisions to the programme (those exceeding £100,000) were:-

1. A Section 106 footpath/cycleway Ingleby Barwick Manor Free School has been added to the capital programme.
2. Works to install a new synthetic bowling green in John Whitehead Park is being managed by the Council (£122,000), with external funding secured by the Bowling Club.

With regard to the New Homes Bonus, DCLG had announced their long awaited response to the consultation on the New Homes Bonus, together with 2017/18

allocations. The number of years that the scheme would be based upon (currently 6 years' in 2016/17) would reduce to 5 years in 2017/18 and 4 years from 2018/19 onwards. Crucially, the scheme would now also only reward growth in homes above 0.4% per annum. The impact on Stockton was a significant reduction in NHB income across the MTFP. The government was also considering options to further reduce NHB for homes built after appeal and where a council was deemed not to have a robust local plan.

RESOLVED that:-

1. The Medium Term Financial Plan (MTFP) and the current level of General Fund balances be noted.
2. The key issues from the Provisional Local Government Finance Settlement and the emerging issues for the MTFP be noted.
3. The revised Capital Programme attached at Appendix A be noted.

**CAB  
120/16**      **Annual Audit Letter 2015/16**

Consideration was given to a report that presented the Annual Audit Letter for 2015/16.

In 2012 the Audit Commission appointed Mazars LLP to act as external auditors to the Council. Following the abolition of the Audit Commission, audit appointments were made by Public Sector Audit Appointments Limited.

A formal stage in the annual audit process was the production of the "Annual Audit Letter". The Annual Audit Letter for 2015/16 had been received and was attached to the report.

The Annual Audit Letter summarised the auditor's findings from the 2015/16 audit. In line with previous practice, a copy of the Annual Audit Letter would be sent to all Members of the Council. Mazars LLP were required to submit the Annual Audit Letter to Public Sector Audit Appointments Limited and it would appear on their website in due course.

Mazars LLP had issued an unqualified audit opinion on the Council's financial statements for 2015/16 and no material amendments were required.

Mazars LLP had issued an unqualified value for money conclusion stating that it was satisfied that "the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year".

The report recognised that the Council faced future challenges but went on to say that "the Council continues to have a strong approach in considering a range of options, regularly updating and agreeing its plans. As we have seen in recent years, the Council is exploring different service models to preserve service delivery along with financial stability."

Mazars LLP were required to report on the "Whole of Government Accounts" return completed by the Council. Their report stated that the return "was consistent with the audited statement of accounts".

Mr Mark Kirkham (Mazars) was in attendance at the meeting and outlined the contents of the Annual Audit Letter for 2015/16.

RESOLVED that the Annual Audit Letter be noted.

**CAB  
121/16**      **Electoral Registration Update**

Consideration was given to a report that provided an update on electoral registration following publication of the Revised Register on 1 December 2011 and the impact of the 2016 polls and on-going registration and engagement activity. The report also highlighted future requirements.

The Electoral Registration System had undergone significant changes over the past three years with the move to Individual Electoral Registration (IER) from the household system of registration. This was the biggest change to electoral registration in the last 100 years and the transition programme had resulted in a complete overhaul of all aspects of registration activity.

This change to registration had to be delivered in parallel with the increasingly complex programme of elections and referenda.

The next steps were:-

January 2017 – Postal Vote Identifier refresh

February 2017 – Local Democracy Week and Household Notification Letter sent

January – May 2017 – Registration activity in the run up to the Tees Valley Combined Authority Mayoral Elections

Summer 2017 – Annual Canvass

Polling District and Places Review – Commencing 1 October 2018

RESOLVED that the report be noted.

**CAB  
122/16**      **Minutes of Various Bodies**

In accordance with the Council's Constitution or previous practice the minutes of the meeting of the bodies indicated below were submitted for consideration:-

SLSCB – 13 October 2016

SLSCB – 17 November 2016

SSP – 22 November 2016 2016

RESOLVED that the minutes of the meetings detailed in the appendices be approved / received, as appropriate.

**CAB  
123/16**      **Special Educational Needs and Disabilities (SEND) Update for Stockton**

Consideration was given to a report on Special Educational Needs and Disabilities (SEND).

In October 2016, a report was made to Cabinet regarding a proposal to reshape services for children in Stockton with special educational needs.

This proposal involved rationalising the provision available in mainstream schools to allow earlier support and intervention for children when they first present with special needs. This was with the aim of reducing demand for specialist placements and addressing needs earlier. The provision commissioned from schools, presently in Additionally Resourced Provisions (ARPs), would be remodelled into hubs in localities which could provide cross phase provision for special needs across the Borough and allow more children to attend a school near to where they live. This would also reduce the need for transport across the Borough. The proposal would not mean that children already in placements would be moved.

Cabinet agreed to proceed further with the consultation by engaging with parents. A programme of consultation with parents took place in November 2016 and the report set out the outcomes of the consultation and sought a decision by members on the proposal.

The report also included the outcomes of additional consultation with children.

An update on the application for a new Free School across the Tees Valley was also included.

Mr Gunn (Chair of the Friends of Early Support Nursery) was in attendance at the meeting and was given the opportunity to speak. Constructive discussions had been held with 'Friends of Early Support Nursery' who were a group of parents who had fund raised for and support the nursery. Across the years they had provided substantial funds to the nursery for additional equipment and support for parents. This group advocated strongly to retain the provision. As part of the consultation the group delivered a petition to the Council in support of maintaining the nursery with 2,500 signatures. The Chair had also provided a summary of their views which had been included in full as an attachment to the report.

RESOLVED that:-

1. The responses from the consultation be noted.
2. Further work to progress commissioning of the revised provision be authorised.
3. Further work to secure specialist nursery provision using the centre at Thornaby be authorised.
4. The progress of the process to invite a new specialist Free School for the Tees Valley be noted.

**CAB 124/16 Options for the council in responding to the loss of the Educational Services Grant from September 2017**

Consideration was given to a report on the options for the Council in responding to the loss of the Educational Services Grant from September 2017.

The general duties rate of the Education Services Grant (ESG) would be removed from Local Authorities in September 2017. As more schools convert to academies there was also a loss of funding to the Local Authority that supports services such as School Improvement, Human Resources, Finance and Legal.

The report set out a range of options for Members to consider to inform future planning around the role of the Council in education in light of this loss of grant funding and reductions in central funding as schools convert to academies.

The White Paper Educational Excellence Everywhere, March 2016, proposed that all schools should be forced to become academies by 2022 and envisaged that most would become part of a Multi-Academy Trust (MAT). The Paper also proposed that the statutory role of councils in school improvement be removed and the general duties rate of Education Support Grant (ESG) to councils be removed from September 2017.

ESG in 2016/17 had two elements; a general duties (£77 per pupil) rate to fund services for maintained schools and a retained duties rate to fund services for all schools (£15 per pupil). From September 2017 the general duties rate of ESG paid to councils would be removed.

Subsequently, in the Bill 'Education for All' May 2016, it was announced that whilst the ESG and local authority's school improvement powers would be removed, the Secretary of State would have new powers to force all schools in a council area to become academies only if she considers that the council was underperforming or unviable in its support for local schools. The proposal for mandatory conversion of all schools to become academies was removed.

Since changes in Government leadership including a new Secretary of State for Education there had been no further direction given by the DfE regarding the involvement of local authorities in Multi-Academy Trusts beyond an announcement that the DfE would 'prioritise converting schools whose attainment levels need to be raised whilst maintaining its ambition for all schools to convert to academies'. However, the cutting of the ESG remains, and had been highlighted as a potential funding pressure in recent update reports to Cabinet.

Government announced two new funding sources for school improvement on 30 November 2016:

- a. £50 million per year to local authorities as a transitional arrangement covering their statutory intervention functions and services such as monitoring and commissioning of school improvement support only. This grant would be allocated to local authorities on the basis of the number of maintained schools, an area cost adjustment and top-up to ensure each local authority receives a minimum allocation of £50,000. This would be part year in 2017/18 from September 2017 (7/12ths). Indications were that this may be for two years only.
- b. £140m per year "Strategic School Improvement Fund" for academies and maintained schools to support school improvement and help to build school-led capacity in parts of the country where it was needed. Further information on this fund, including how to access the support, would be available shortly, initial

indications were that this may be via a bidding process.

A number of other funding sources had also been announced, though the Council's expected share of such resources was likely to be minimal.

The general duties rate of Education Services Grant would end in September 2017. This was worth £1.4m in Stockton, and supported a wider range of services including:

- a. School improvement advisers;
- b. Attendance and Exclusion Service;
- c. School admissions and other aspects of Schools and SEN Service;
- d. Central Support Services including HR, finance, redundancy and premature retirement costs and asset management.

The Council would receive the retained duties rate of ESG (to support statutory services for all schools), though this would be transferred into the Schools Block of the Dedicated Schools Grant, and would require the Schools Forum to agree to de-delegate it back to the Council. This would be worth £15 per pupil, a total of £438,000 in 2017/18. Schools Forum approved the transfer of the retained element to the Council on 13 December 2016.

In addition there would be transitional funding of the general duties rate between April 2017 and August 2017. This would result in additional funding of £417,000.

The Council would also receive an estimated total of £75,000 from the £50m transitional school improvement grant.

Work was required to develop a long term solution and approach, which was based on a fundamental review of the Council's ongoing role in education.

The loss of the ESG proves an opportunity for the council to consider what its business is. There was the possibility of reducing and / or removing services to schools.

Some services provided to schools fall within LA statutory duties and therefore did not attract a charge; other services, whilst non-statutory, were also provided without charge due to the proven impact upon school improvement. A third group of services, brokered to school, were provided for a cost, though schools were free to secure them from the market.

In terms of the statutory duties of the Council, these were defined in the White Paper and were detailed within the report.

The residual amount of ESG – estimated to be £438k – would be spread thinly across a range of services. This would bring risks to the outcomes of children and young people in schools and settings, the ability to retain standards and the ability to deliver challenge and support to school admissions, attainment, and attendance and exclusions. The loss of services funded by the ESG was the first model for consideration. Given the scale of the impact of the loss of ESG, such a review would need to be based on a fundamental review of all services.

There had been consensus from schools that, given services offered for schools from Stockton Borough Council were largely valued, they would like them to be retained. This presented the opportunity for a second model which would rely on income generated from selling services. A piece of work could be carried out which would look to increase charges to schools to pay for services and cut back on services that were not viable. This was a second model for consideration.

A third option was to create a legal entity which would host services to schools and would require schools to become members, thereby raising a levy on schools. Elsewhere regionally, Local Authorities were exploring setting up 'Learning Trusts'. For example, North Yorkshire County Council was setting up a Learning Trust which all schools and academies would be invited to join at one of four levels of membership. Full members, pre-dominantly maintained schools, would receive a comprehensive package of services for an X% budget levy, whilst at the lowest level of membership schools would purchase from a range of services commissioned by the LA. Kent County Council had established 'Kent Education Partnership', a non-legal entity which commissions statutory services from the 'Kent Core Education Services' whilst commissioning non-statutory services from an Education Services company (not for profit charitable company) and was setting up a Trading Arm, co-owned by the council and schools (for profit company) which would be able to act as sponsor of a Multi-Academy Trust.

A fourth option had also been examined: to consider the Local Authority facilitating a Multi-Academy Trust (MAT). This would mean the local Authority would cease some of its services and support an academy trust which would run the schools, drawing a levy from them, and providing services to them. The White Paper stated however that a MAT cannot have any direct association with a local authority. Academy Trusts would remain free to commission services from the open market, including from Local Authorities, where this provided value for money. Members and Trustees could also be connected to Local Authorities, however membership of the Trust Board by Local Authority officers must be less than 20% (Local Government Housing Act 1989). Whilst the National Schools Commissioner had spoken favourably of the involvement of 'strong LA officer involvement in MATs' there was no legal provision for an LA to lead a MAT.

A survey was conducted in October 2016 that sought information from Stockton maintained schools about their plans to convert to academy and their views of the school services they buy from the LA. The key findings were detailed within the report.

Cabinet considered the above options. The proposed strategy was to consider aspects of options 1, 2 and 3 at this stage.

A more detailed report on option for 2018/19 and beyond would be brought back to Cabinet in April 2017.

The ESG was £1.8m and the Council had received indicative funding allocations of £900k for 2017/18. Although the outcomes of the review would not be in place for 2017/18, the Council was considering options to address the gap and

were confident that this would be achieved in year through vacant posts, use of DSG and one-off monies available. In addition to this there was potential to deliver some savings in year. Together these were expected to cover the funding gap in 2017/18.

RESOLVED that:-

1. For 2017/18 transitional funding be maximised, to explore efficiencies and potential rationalisation of services.
2. For 2018/19 further efficiencies and rationalisation be explored, and longer term options be explored, including the scope for a different model of delivery.

**CAB**    **LA Nomination**  
**125/16**

In accordance with the procedure for the appointment of school / academy governors, approved as Minute CAB 27/13 of the Cabinet (13 June 2013), Cabinet was invited to consider the nominations to school / academy Governing Bodies listed in the attachment to the report.

RESOLVED that the following appointment be made to the vacant Governorships subject to successful List 99 check and Personal Disclosure:-

Mehnaz Rashid - school nomination - St. Francis of Assisi CE Primary School