

ANGUS COUNCIL

ITEM No. 9

SOCIAL WORK COMMITTEE 18 APRIL 2000
 EDUCATION COMMITTEE..... 25 APRIL 2000

FEES FOR INDEPENDENT SPECIAL SCHOOLS

REPORT BY THE DIRECTOR OF SOCIAL WORK AND THE DIRECTOR OF EDUCATION

ABSTRACT

This report proposes that Angus Council follows the advice issued by COSLA that Councils should not generally agree increases in fees for independent special schools in 2000-2001 which are more than 2.5% above the equivalent rate set for 1999-2000.

1 RECOMMENDATIONS

It is recommended that the Education and Social Work Committees:-

- I. agree to implement the COSLA advice relating to fees for independent special schools for financial year 2000-2001;
- II. instruct the Directors of Social Work and Education to advise the relevant independent special schools of this decision and to undertake any necessary negotiations concerning current or future placements;
- III. instruct the Director of Social Work to advise the Chair of the Children's Panel and Area Reporter of this decision;
- IV. instruct the Directors of Social Work and Education to report back on the continuing negotiations between COSLA and the Scottish Independent Special Schools Group (SISSG) and any issues which arise from the implementation of the COSLA guidance by Angus Council.

2 INTRODUCTION

Reference is made to report no 249/00 wherein the Director of Social Work advised the Social Work Committee of continuing cost pressures on the social work department revenue budget and proposals for addressing these cost pressures. One of the cost pressures referred to was a budget jointly managed between education and social work departments for residential schools. There has been growing concern about the increases in fees being set by independent special schools which have in many cases been significantly above wage and non-wage inflation levels in recent years. The range of increases notified to Councils by independent special schools for finance year 2000-2001 is 2% to 26%.

3 PROPOSAL

Discussions have been taking place among COSLA, representatives of Councils and SISSG to discuss ways to improve transparency and dialogue over fee setting and special provision by the schools. As outlined in the attached letter from COSLA there is continuing difficulty in persuading SISSG that their fee levels should be influenced by Councils.

A recent meeting of COSLA social work chairs network agreed that COSLA should issue advice that councils should not generally agree increases which are above the anticipated rate of increase in salary costs of 2.5%. The Head of Policy Development has issued advice (attached to this report) to this effect and has notified the Chair of SISSG and the Principal Reporter at the Scottish Children's Reporter Administration of this position. He has also asked

the Principal Reporter to inform Children's Panel members of the advice which has been issued.

The Education and Social Work Committees are asked to agree to the implementation of the COSLA advice attached as an appendix to this report and to agree the specific recommendations set out above.

4 FINANCIAL IMPLICATIONS

Due to fluctuations in placements in special independent schools, it is not possible to give an exact account of the savings which would result from implementing the COSLA advice. The overall impact would be to reduce pressure on a budget which is currently overspending to the level of £132,000 within the social work department and £108,000 within education department in financial year 1999-2000.

5 CONSULTATION

The Chief Executive, the Director of Law and Administration and the Director of Finance have been consulted in the preparation of the report.

W B Robertson
Director of Social Work

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

30 March 2000

Your Ref:

To Chief Executives

Our Ref:

Copy to: Chief Education Officers
Chief Social Work Officers

Dear Chief Executive

FEES FOR INDEPENDENT SPECIAL SCHOOLS

The purpose of this letter is to advise councils that they should not generally agree increases in fees for independent special schools in 2000-01 which are more than 2.5% above the equivalent rate set for 1999-2000.

Since the end of last year, COSLA has been meeting with representatives of councils and the Scottish Independent Special Schools Group (SISSG) to discuss ways to improve transparency and dialogue over fee setting and service provision by the schools. A particular concern of councils in those discussions has been the very high year on year levels of increases being set by a number of the schools. At an early meeting, the joint group agreed to work on a draft protocol which would provide a baseline model for joint working at the local level on the provision of education and care and also fee setting.

However, a continuing area of difficulty is that the schools are not prepared to concede that their fee levels should be influenced by councils. Their representatives are clear that it is for each school to set its own fees and we have not detected any real movement from that position to reflect a purchaser-provider context to fee setting such as councils have put in place for community care.

A few days after our most recent meeting with SISSG, councils were notified by independent special schools of increases ranging from 2% to 26%. These had been set without consultation with councils and had not been mentioned in our group. Against this background, the issue was raised earlier this week in the regular network meeting of councils' social work chairs. Members of the network viewed these increases with deep concern given the difficult financial climate in which all councils are now operating, given the impact on councils' capacity to develop community alternatives and given that other social services providers are settling for more reasonable increases.

The network agreed that COSLA should advise councils that, pending progress on the draft protocol, every endeavour should be made to exert downward pressure on fee increases and that,

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for 2000-01, councils should not generally agree increases which are above the anticipated rate of increase in salary costs of 2.5%.

I am writing to the chair of the SISSG group to inform him of this position. COSLA would still hope to continue the discussions in the joint group and to emerge with a protocol which would more usefully inform discussions between councils and schools.

I recognise that this advice may impact on the ability of councils to fund placements at independent special schools. Where such placements are made as a result of a Children's Hearing, councils should make every effort to engage with Panel members to ask them to consider alternatives. In the meantime, I am writing to the Principal Reporter at the Scottish Children's Reporter Administration to advise him of the position and ask that he inform Children's Panel members.

COSLA will continue to press for the protocol referred to above to be finalised so that there is maximum transparency in funding regimes. If, meantime, councils are unable to place individual children on cost grounds, they may wish first to consider possible alternatives. Where there is a funding gap between the rates which can be afforded by councils and the rates set by schools, the only other way we can see to bridge such a gap would be if the Executive were also to contribute. That would certainly seem appropriate where the Executive is making recommendations which have spending implications. I am therefore writing also to the Executive to inform them of the position set out above and to ask them to consider meeting any additional funding needs of the schools for major capital expenditure projects or to respond to recommendations in HMI reports.

I hope this is helpful. I will be in touch again about any further developments.

Yours faithfully

David Henderson

David Henderson
Head of Policy Development