

## MINUTES

### BOARD OF DIRECTORS

Thursday 09 September 2020 10:00pm until 12:30pm

Via Microsoft Teams

#### Attendance:

**Directors** - Ian Comfort (Chair), Nick Ireland, Jenny Sims, Dean Clark

**Apologies** – None

**In attendance** – Fiona Phelps, Bob Harrison, Inigo Churchill, Joanna Cassey

**Minutes** – Julie-Anne Walter

#### 1. Apologies for absence

1.1 It was noted that there were no apologies received and that this meeting was quorate.

#### 2. Declarations of Interest

2.1 It was noted that there were no new declarations of interest and acknowledged that there were the standard declarations from Nick Ireland and Fiona Phelps with their connection to the Local Authority and Dean Clark with his connection to the Leo Academy Trust.

#### 3. Minutes of the meeting held on 23 July 2020

3.1 It was noted that the minutes were an accurate reflection of the meeting.

#### 4. Action tracker

4.1 It was noted that there were no results for KS2, so do we want to remove this from the tracker or add the 2019 figures?

4.2 It was AGREED that Julie-Anne would chase the B shareholders for their signed forms B Representative forms.

#### 5. Chair's Update

5.1 It was noted that Nick Ireland and Fiona Phelps had also presented to the Leadership at the Local Authority, where they went through the decisions regarding the recommendations to B Shareholders and the pros and cons on pursuing this route.

5.2 Nick Ireland provided a verbal update to the Board on the Local Authority presentation to B Shareholders that took place yesterday. It was acknowledged that 15 of the B Shareholders had attended and they discussed points from the Board and the Local Authority leadership. It was noted that a number of questions related to governance, some commercial around our traded elements. It was noted that there was some feedback around support for the motion, whilst some didn't commit one way or another. It was AGREED that it was a useful discussion.

5.3 It was noted that there has been some informal canvassing with the B Shareholders over the last few weeks and that the intention is that Local Authority officers will call around to some of the B Shareholders today and tomorrow, to try and get a sense of how yesterday went.

5.4 It was noted that Nick Ireland reconfirmed the Local Authorities position to carry on with the process to hold a B Shareholders meeting.

5.5 It was noted that by those Directors who had been in attendance, that they felt the meeting went rather well and that the slides presented why schools would want to convert their share, with the chance of greater representation on the Board and more of an understanding of Governance. It was noted that there was some lack of understanding of how things work re. the structure and that

most seemed to be worried about “business as usual” and losing their discounts. It was noted that the guaranteed discount for 3 years is a sweetener. It was acknowledged that the B Shareholders have had the chance to recruit another Director, but we’ve not been able to draft one in.

5.6 There was a discussion around the timeline and when is the decision going to be taken formally to ask us to put to the B shareholders. It was noted that Nick Ireland would contact the Chair tomorrow, but we should assume that we need to move forward. It was noted that the Local Authority wants to touch base with some of the B Shareholders to see if there are any questions and then we would be looking for a 2-week window.

5.7 It was AGREED that the Chair would copy in the new law about holding meetings virtually and then we would look at sending a notification on Monday to give 14 days’ notice. It was acknowledged that the publication of reports to People Committee is 30 September, which allows Local Authority Officers a short window to update the report to go to People Committee. It was AGREED that we should standby send out the documents on Friday, 11 September, with timings of 6.00pm for a B Shareholders meeting and then a General Meeting, to include the A Shareholders at 6.30pm. It was noted that Nick Ireland should get a proxy form signed by Kieran Holliday in case of emergency. It was AGREED that all proxy forms would be sent to the Chair.

5.8 It was noted that the report going to People Committee will have the recommendation to renew the contract with Cognus. It was acknowledged that the narrative will be about service quality. It was noted that depending on the vote, there is plenty of evidence of improvement, meeting requirements within the contract.

## **6. Managing Director Report**

6.1 It was acknowledged that Cognus has been featuring in various airspace, and that this has ramped up over the last few weeks. It was noted that we had been mentioned in PMQ’s and in the Sutton Guardian today, with local MP’s saying how terribly things are going, but we are managing and dealing with things. It was noted that we have got to make sure services are as good as they can be and are constantly improving.

6.2 It was noted that the Board would like to extend a welcome to Joanna Cassey, who has joined us as Interim Managing Director, starting full time from 1 October 2020, but who will be working part time around her capacity between her two roles.

6.3 It was noted that Fiona Phelps felt that it has been a privilege, working with both Cognus and the Local Authority, to keep information flowing between the two organisations. It was acknowledged that Fiona is hoping that her and Jo will continue working very closely together.

6.4 It was noted that our teams have taken a positive, proactive approach about getting back to normal, with schools all open and attendance above the national average, but there have been a couple of transport issues.

6.5 There was a discussion on why the number of EHCP’s continues to increase. It was noted that there needs to be a process in schools, so they can learn from one another. It was acknowledged that putting funding into mainstream schools to plan for predictable needs and that schools can buy in advance, rather than wait until things are really bad. It was noted that there are now 7 Lead SENCO’s in place and schools will be getting some funding in October and they will have access to provision mapping software, to ensure that all schools are recording interventions and progress in the same way. It was acknowledged that this will help parents to understand the process, as currently different schools are saying different things. It was acknowledged that there needs to be an understanding of what are predictable needs and what is SEN Support. It was noted that whilst there have been increases in the numbers of EHCP’s, the SEN team have not been ceasing plans and there are a number of families who have left the area, or young people who have left education, so we need to be on top of the plans that we can cease.

6.6 It was noted that the ELG is doing an important piece of work with communication to schools. It was

acknowledged that there is some customer care work to be done, as the service does deliver and there has been a lot of improvement, but we need to think more about how we articulate this. It was acknowledged that there is always going to be a focus on what is going wrong.

6.7 The Board asked if the capacity problem within Paving the Way was a concern. It was noted that this is one of the challenges with setting up an initiative that works and it becomes popular. It was acknowledged that there is a high rate of ASD diagnosis, and this is a predictable need, so schools should be equipped to deal with it. It was acknowledged that Paving the Way should be considered as additional support and schools should be able to support the needs of the child straight away. It was noted that Paving the Way should be for early intervention and it was acknowledged that this year, the plan is to coach and build capacity within education, with the team then taking on the high level needs, but the team are resistant to this approach. It was noted that that the team think they should work directly with children and families, but this is the future for them, and we will see how this goes over the next 6 to 9 months.

6.8 The Board asked if we are being stopped from using our office space by the Local Authority. It was noted that at the moment, this is our call and that we are limiting the use of desk space to the second floor, with access to the 1<sup>st</sup> floor for resources and lockers only. It was acknowledged that we will review this over the next 8 weeks, and we will need to look into whether our lease has a break clause. It was noted that the break clause contains a 6 months' notice period, which would be 30<sup>th</sup> September if we were working to the end of this financial year.

6.9 It was noted that there has been some increase in requests for Elective Home Education and due to this, we have a capacity issue. It was acknowledged that if this is a Covid-related pressure we are clear with our Commissioners and we need to know what we're doing with reference to this in order to take it back to our commissioning discussions. It was noted that this needs to be aligned with the budget build process that is taking place.

6.10 The Board would like to extend a big thank you to Fiona Phelps. It was AGREED that we do not underestimate the challenge of doing the two roles, which included keeping objective and independent.

6.11 It was noted that we need to give the issue of office space a quick thought and the Board would like a separate paper written, to come to Board no later than 23<sup>rd</sup> September. It was noted that storage space would be an issue and possibly the loss of disk space, but we are cloud based, so it is not a problem for people to work remotely. It was acknowledged that Nick Ireland would need to consider this in his report going to SSB and the Board need to meet to discuss that too.

**ACTION:** We need to convene a meeting for a 2-item agenda, to include office space, with an analysis of savings and our Covid response to accommodation and the annual business plan on 23 September for 2 hours.

## **7. Business Plan review, year to date**

7.1 It was noted that we need to clarify a few points, so we will talk about this at a later meeting before 28 September.

## **8. People Report**

8.1 It was noted that our headcount has reduced slightly, and there was a redundancy situation [REDACTED], but we secured alternative employment for them. It was noted that we have had some leavers and some new starters and have a couple of vacancies that are being recruited to. It was noted that we have a slightly different recruitment market at the moment, with remote working.

[REDACTED] It was noted that the [REDACTED] were placed on notice of redundancy yesterday, under a 30-day consultation [REDACTED]

8.3 It was noted that our sickness numbers are down and there is a reduction in long term sickness as the work life balance has improved with home working.

8.4 It was noted that [REDACTED] but are all now back in work.

8.5 It was noted that the Return to Work questionnaire had been interesting, there are a few staff who don't want to return to the office, but also a few that do want to return to the office, as they are missing the social interaction. It was noted that the most missed things are access to resources and equipment, and it was acknowledged that staff were given an allowance of £60 to purchase equipment to make them more comfortable. It was noted that a lot of staff were not missing the noise, temperature, or the open plan environment, the commute or the parking issues.

8.6 It was noted that some teams have been doing social virtual activities and as a Company, we have been doing virtual team talks with Fiona Phelps or Bob Harrison. It was noted that we have a staff newsletter fortnightly, which contains good news stories, information about new starters and leavers and other relevant information.

8.7 It was noted that staff have been claiming the Working from Home allowance since 31 March, which has been paid through payroll. It was AGREED by the Board, that this would be withdrawn from October, due to staff having access to desk space at either the Civic offices, or Denmark Road, but that staff will still be able to claim this allowance directly from the HMRC website.

8.8 It was noted that the annual cost of living increase has been agreed by the Local Authority and they will be implementing this from 1 October, at 2.75%. It was noted that we would like to do this from September, as that is what Soulbury is doing. This was AGREED by the Board for those on LBS and Cognus contracts.

8.9 It was noted that this was a very useful report. It was acknowledged that working from home has been a positive for most staff and we should look at the Company's terms and conditions around flexible working. It was AGREED that whilst we want to remain as flexible as we can be under the circumstances, we want to stay away from purely home working contracts. It was noted that we need to review our policy, as we want it to be discretionary and not contractual.

## **9. Services Director Report**

9.1 It was noted that the SEN outputs are really strong and performance against our KPI's is good. It was acknowledged that August has been busier than normal, with families pushing for more support. It was noted that we have received some positive feedback regarding the team about how well they feel supported. It was noted that the Annual Reviews are not an isolated incident, and this has got political and there are very clear operational issues with the number of plans increasing and we need to address resourcing and need to cease or adapt plans.

9.2 It was noted that the headlines for the Virtual School are stunning, as there have been some very positive destinations. It was acknowledged that these will be reviewed again in January. It was noted that the results and attainment are not within a normal year, but we need to recognise what great work the team have done.

9.3 It was noted that Travel Assistance has gone really well, and the team have worked very hard during the Summer. It was noted that [REDACTED] [REDACTED] It was noted that the performance of the team has been really good, with very few issues.

9.4 It was noted that the Therapies team are working on their budget, as there has been a spike on number of hours but we are working with our Commissioners to how we can work or adapt what needs to be delivered on EHCP's.

9.5 It was noted that we are working with our Commissioners, looking at costs incurred and small increases, as well as the outcomes we want to deliver, as we need to have a really good look at how we deal with our Commissioners.

9.6 It was noted that we have one safeguarding issue that is being investigated, as the school has only just reported it to us, but it happened last term.

9.7 It was noted that we have received some nice feedback, alongside the complaints and members enquiries.

9.8 It was noted that we now have the signed agreement for admissions agreement, and this needs to be sent to two Directors for signing, so will be sent to Dean and Jenny.

9.9 It was noted that Bob Harrison has been asking the Local Authority about current demand and how we draw money down for Therapy. It was noted that we are not spending over £2.2million but how do we do that legally if an EHCP requires therapy. It was acknowledged that the Therapy Review will look at the practice model and the funding model. It was noted that we will look at ceasing or reducing therapy at annual reviews and we will look at different models. It was acknowledged that we need to look at historic one-to-one sessions and we need to look at “language rich” and “communication rich” environments.

9.10 It was AGREED that we need to reign spending in, and we need to look at how quickly reviews can be undertaken, and funding brought in line with plans. It was acknowledged that Bob has been talking to Commissioners for 18 months and has been trying to overcome this issue. It was noted that Bob needs an answer, as if the Commissioners are going to cap the sum of money, we will need to change how we deliver therapy. It was noted that this is not within the DSG or General Fund, as there is a separate contract for hourly delivery which is charged to the High Needs Block.

9.11 It was noted that part of the issue is billing by hours, and this does mean it is difficult to contain costs. There was a discussion about reviewing plans and changing the number of hours, but this will not be done quickly. It was acknowledged that from a Commissioner perspective, there is some work to be done around the delivery model and there needs to be an improvement plan with EHCP reviews. It was AGREED that this is not something that will be resolved with Caroline and maybe there needs to be a wider meeting, as the Company is not going to be able to afford this. It was noted that the Council reporting needs to reflect the same as Cognus. It was acknowledged that we need to change the model we're working with, as we've been talking about this for 2 years now.

**ACTION:** It was AGREED that we need an Options Appraisal with risks associated with it and a budget we can understand.

**ACTION:** Nick Ireland to convene a meeting as soon as possible with Fiona, Bob, Ian, and Jo where we need to acknowledge what is in an EHCP and what we have to deliver. It was noted that there needs to be a review of EHCP's and we need to find a bridging arrangement that is clear for Cognus, that EHCP's are honoured, the financial situation is managed and that the Council adheres to its responsibility. We need to look at a short-term fix and the long-term situation.

9.12 There was a discussion about the capacity to hold reviews of the EHCP's and whether we require extra resource. It was noted that we are working on the team working in smarter ways to become more efficient. It was acknowledged that there are about 200 plans that could be ceased. It was acknowledged that the team have been working on their caseloads and not the unknown and they are clear that they want to do this. It was noted that a reasonable timescale for this to be actioned, would be December 2021 and that it would be sooner if we would had some additional support.

9.13 It was acknowledged that Nick Ireland has started to see an increase in emails sent to LBS inboxes, with letters coming through from parents in, using the same language and patterns, stating the law. It was noted that there has been some pre-emptive communication with some families about slight delays. It was noted that one variable is whether the information arrives from schools on time, as some schools are sending in paperwork months after reviews take place. It was AGREED that our practice needs to be exemplary so that we have evidence that we have done the work. It was noted

that we need to communicate better with parents about changes to plans. It was acknowledged that we need to track as a KPI, whether review dates are met within timescales.

9.14 It was noted that some of the criticism coming into the SEN Service, is causing wider issues. It was acknowledged that there needs to be some perspective on the system and that the ELG need to know, so that they can help. It was noted that the Board need to know how many reviews are due on a monthly basis and a report needs to be done regarding delays, so we can address the issue if these delays are caused by others.

9.15 It was noted that for last 2 years, the Local Government pay awards have been 2% and an increase of 2.75% has been agreed for this year. It was acknowledged that the Local Authority does not provide inflation for DSG funded services and any increases have to be contained within the grant funding provided.

## 10. Finance Report

10.1 It was noted that the audited accounts show a reported loss of £717k, against a previous figure of £242k. There was discussion about how this has crept up since the last meeting.

10.2 It was noted that £300K of Therapies income is due to a large proportion of very late billing from agencies and £300K that we did not bill the Local Authority for and this figure is significantly higher than what was reported at the last meeting.

10.3 It was noted that there are £173K of actuarial adjustments for Pensions service charges from last year, which was raised with Williams Giles and this is not something we could have accounted for.

10.4 It was acknowledged that all figures should have been known by the Board. It was AGREED that the Board needs accurate data, and there is concern that this has been going on for a while. It was noted that this would become a liquidation issue if it carries on and next year, there would be a question as to whether the Company would be a going concern.

10.5 It was noted that Nick Ireland feels that an accurate figure piece is critical. It was acknowledged that after the last SSB, the Executive made a decision on £300k in June and we are still working through the final budget position in September.

10.6 It was noted that we have put a narrative together on what we've done well and how we've invested in SEN to turn our services around. It was AGREED that this needs to be positive and constructive, showing that we need to put significant investment into improving services, with an achieved set of outcomes and goals.

10.7 It was noted that our In-year position is that we are forecasting a £200k year-end deficit position.

10.8 It was noted in the Management accounts, we are showing a £437k deficit and if this continues, we cannot match to use our reserves. It was acknowledged that there are concerns regarding the YTD figures in July and how they will look by March and what else is out there that we don't know about. It was noted that we need weekly reconciliation of agency costs. It was acknowledged that the Board cannot see how they can agree a deficit budget when our reserves have been depleted.

10.9 It was noted that the budget needs to be completely reforecast and brought back to a meeting on 23<sup>rd</sup> September.

10.10 It was noted that we need to report on what our Covid-related pressures are and if we are incurring financial pressures, the Local Authority should know about it, so that they can see what they are able to help with.

## 11. AOB

11.1 It was noted that Fiona had added the need to update the welcome pack for new Directors to the agenda. It was AGREED that we would email what we feel should be in a Welcome and Induction pack to the Chair, who will tidy up and send back for updating and it should include a Director's Code of Conduct.

## **12. Date of next meetings**

Thursday 12<sup>th</sup> November 2020, 10:00-12:30

Thursday 14<sup>th</sup> January 2021, 10:00-12:30

Thursday 25<sup>th</sup> March 2021, 10:00-12:30