

# Worcestershire Schools Forum (WSF) Agenda 23 November 2022

2.30 pm to 4.30 pm

Remote Meeting

Via MS Teams invite

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## **Date of next programmed WSF meeting**

Thursday 19 January 2023 at 2.30 pm remote meeting via MS Teams

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## **MINUTES OF THE MEETING OF THE WORCESTERSHIRE SCHOOLS FORUM (WSF)**

**Thursday 29 September 2022**  
**Remote Meeting Held Via MS Teams**

**The meeting started at 2.30 pm**

### **IN ATTENDANCE:**

#### WSF Members

Malcolm Richards (Chair) [MR]	- Governor, Bromsgrove
Bryn Thomas (Vice Chair) [BT]	- HT Wolverley CE Secondary School
Marie Pearse [MP]	- HT Evesham Nursery School
Paul Essenhigh [PE]	- Executive HT Catshill Middle, Catshill First and Nursery Schools
Jeff Robinson [JR]	- Governor, Malvern Hills
Jay Hart [JH]	- HT Kingfisher School
Ed Francis [EF]	- HT Fort Royal Primary School
David McIntosh [DM]	- Governor, Wyre Forest
Lorraine Petersen [LP]	- Governor, Bromsgrove
Vivek Shah [VS]	- Nursery Owner
Adrian Ward [AW]	- CEO/Exec Head of Bordesley MAT
Annette Summers [AS]	- Nursery Owner
John Bateman [JB]	- Governor, Aspire Alternative Provision (AP)

#### Local Authority (LA)

Councillor Tracey Onslow [TO]	- Cabinet Member with Responsibility for Education and Skills Worcestershire County Council
Phil Rook [PR]	- Director of Resources - Worcestershire Children First
Sarah Wilkins [SW]	- Director of Education and Early Help - Worcestershire Children First
Melanie Barnett [MB]	- Director of All Age Disability Services - Worcestershire Children First
Caroline Brand [CB]	- Schools Finance Manager - Worcestershire Children First
Rob Phillips [RP]	- Finance Business Partner - Worcestershire Children First
Ruth Bessant [RB]	- Finance Business Partner - Worcestershire Children First

## **WELCOME**

MR welcomed members, and the two new members joined WSF taking up positions for the Early Years Sector, AS and VS.

RP confirmed the meeting would be recording to aid note taking purposes only, the recording would then be deleted.

### **1. Apologies**

Phil Hanson [PH]	- HT Pershore High School
Lizzie Dixon [LD]	- HT Franche Primary School
Chris King [CK]	- CEO Severn Academies Educational Trust
Tim Reid	- Church of England Board of Education
Lorraine Petersen	- Governor, Bromsgrove

### **2. DECLARATION OF INTERESTS**

None.

### **3. DECLARATION OF POTENTIAL CONFLICT OF INTERESTS WITH ITEMS ON THE AGENDA**

None.

### **4. MINUTES OF THE LAST MEETING (30 June 2022)**

Minutes agreed.

### **5. MATTERS ARISING FROM THE MINUTES**

- Item 12 – Discuss disapplication for exceptional premises. This was agreed by WSF members.

### **6. ANY OTHER BUSINESS**

#### **a. Do WSF wish any consultation on School Block Funding? (RP)**

WCC asked the WSF for either agreement to or not to go out to consultation, they agreed that this was not necessary for financial year 2023/24.

#### **b. Transfer of DSG blocks to HLN Block (RP)**

The WSF discussed if 0.5% of the school block should be transferred to the HLN budget. Mainstream schools felt that it was not the right time to consider this.

Special schools felt that it was proper, as this would help support the HLN budget.

The overall decision of the WSF was to not support this transfer at the present time, but to further discuss at a later meeting.

## **7. Cabinet Report Financial Update (PR)**

Provided for reference and brief discussion on the local authority's position. PR to write a synopsis going forward and include full report with supporting information going forward.

## **8. High Needs Update – DBV in Send (PR)**

PR gave an update on the budget position and forecast deficit. This is expected to be in the region of £15.4m by end of 2022/23.

One main concern being the removal of the statutory instrument for the accounting of this deficit which could cause major issue and impact on the local authority.

We are part of the DBV in tranche 2, which was our request, so we could also see the benefits from the first tranche.

The continuing deficit within in local authorities Designated School Grant (DSG) has the potential of causing local authorities into a Section 114 notice, meaning they are unable to balance their budgets.

## **9. SEND Accelerated Progress Plan (APP) (SW/MB)**

MB and SW gave an update on the current position moving forward with the APP.

A Parent Stakeholder Group has been setup and an open invitation to parent this takes place once a month led by MB. MB has also agreed to attend any parent groups if invited.

One of the main tasks going forward will be giving parents appropriate expectation and clarity our reasonable duty.

MB clarified they are auditing Education and Health Care Plans (EHCP) to set a high-quality standard and reviewed on time. The plan is to clear the backlog by the end of December 2022. TO thanked MB for her work on this area and that she had received a number of positive feedbacks from parents on MB work.

WCF are waiting for health to supply wording to go to parents and schools about the delays in health's around assessments. MB to feedback to forum on this.

Within mainstream we are still well below the country average of pupils within EHCP in mainstream schools. Still work to do in this area but starting to see slight change.

Special school provision, needing the right schools with the right children attending, we are submitting a bid for a new special school, and looking at what is needs to adapt all schools, not just for physical disabilities.

## **10. Budget Planning and pressures for 2023/24 impact of cost of living, pay rises and WSF action (BT)**

The WSF discussed this in a lot of detail, it was made clear that school needed to be mindful of setting a deficit budget for next year. Especially with the unfunded pay awards.

It was also felt that this, was the most uncertain time in the stability of schools finance's in a generation.

It was felt that the Government was risking the education of pupils due to not being able to purchase resources, and the premises, or schools needing to make significant cuts to staffing to keep within budget. With members stating this could push their schools into deficit.

It was agreed that MR or BT were to draft and send a letter to appropriate bodies, sharing this with the forum.

#### **11. Early Years Surplus distribution (RP)**

This was agreed by the WSF to distribute this as an additional supplementary funding to the early years' providers with 3- and 4-Year olds.

WSF also agreed for the local authority to set up a fund to support sufficiency from its early years central pot.

#### **12. Early Years Consultations (RP)**

This was agreed that the local authority to send out a consultation to early years providers.

#### **Meeting ended**

The meeting closed at 4.25 PM

#### **Date of next meeting**

The date of the next WSF meeting: - Wednesday 23 November 2022 at 2.30 PM  
(Remote Meeting - MS Teams)

## Report to the Worcestershire Schools Forum (WSF) Recommended Policy

### **1. Purpose**

1.1 To update WSF on recommended policy for 2023/24 financial year school block funding.

### **2. Background**

2.1 As per the discussion on 29 September if we needed to consult with schools. The WSF was happy to progress with the current financial model for another year without consultation.

2.2 We have not consulted with schools on the 2023/24 funding model as the direction is largely unchanged. For the 5-year period 2018-19 to 2022-23, the Government introduced their National Funding Formula (NFF) arrangements for the DSG. Within this period Local Authorities (LA's) were still able to set a local LSFF or consider moving to the NFF parameters.

2.3 It was anticipated that a fully DfE prescribed NFF i.e. a 'hard' formula for schools would be in place for 2023-24. However, the DfE has stated that 2023-24 will be the first year of transition to the NFF with the end point being a system in which, to ensure full fairness and consistency in funding, every mainstream school in England is funded through the same national formula without adjustment through local funding formulae.

2.4 The government announced that the provisional funding allocations for 2023-24 through the schools, high needs and central school services national funding formulae (NFF). Overall, core schools funding (including funding for mainstream schools and high needs) is increasing by £1.5bn in 2023-24 compared to the previous year, on top of the £4bn increase in 2022-23.

2.5 High needs funding is increasing by a further £570m, or 6.3%, in 2023-24 – following the £2.6 billion increase over the last three years. This brings the total high needs budget to over £9.7bn. All local authorities will receive at least a 5% increase per head of their 2-18 population, compared to their 2022-23 allocations, with some authorities seeing gains of up to 7%.

2.6 Funding for mainstream schools through the schools NFF is increasing by 1.9% per pupil compared to 2022-23. Taken together with the funding increases seen in 2022-23, this means that funding through the schools NFF will be 7.9% higher per pupil in 2023-24, compared to 2021-22.

2.7 The 2022-23 schools supplementary grant (£11.2M) has been rolled into the schools NFF. Adding the grant funding to the NFF ensures that this additional funding forms part of schools' core budgets and will continue to be provided.

2.8 Previously we have been able within the current Designated School Grant (DSG) to fund the mainstream school allocation to the NFF which we have in our formula.

2.9 Mobility has been added as a compulsory factor for financial year 2023/24.

2.10 All local authorities should be working to come into line with the NFF or within 10% of these figures.

### **3. Current Position**

3.1 We are seeking agreement from WSF that we continue this course of mirroring the NFF as closely as possible. This is to bring schools as closely as possible to matching the NFF so when the NFF comes into in force it will reduce turbulence in their funding.

3.2 We need to also keep the cavate in this that, we need to make sure that this is affordable so will only alter the NFFs if it is unaffordable.

3.3 The final decision on this matter is with full Council, but we would like your support on this as we implement our Local Funding Formula. They do take into consideration the feeling of WSF when making their decision.

#### **4. Recommendation**

4.1 The WSF are requested to: -

- Agree that the current position should continue.

**Robert Phillips**  
Finance Business Partner  
Worcestershire Children First  
November 2022



**DfE CONFIRMED FUNDING ARRANGEMENTS FOR 2023-24 – SUMMARY OF ISSUES**

**1. DfE CONSULTATION 7<sup>th</sup> JUNE 2022**

**IMPLEMENTING THE DIRECT NATIONAL FUNDING FORMULA – SUMMARY**

**Consultation closed 9<sup>th</sup> September 2022**

The Department for Education have published this consultation on the implementation of the National Funding Formula (NFF) following the consultation over the summer of 2021 entitled “Fair school funding for all: completing our reforms to the NFF”, which focused on the principles of moving to a direct formula.

A direct NFF will mean that the Department determines funding allocations for individual schools, without substantial local adjustment. The DfE, in the Schools White Paper, have also expressed their aim that that by 2030, all children will benefit from being taught in a family of schools, with their school in a strong multi academy trust or with plans to join or form one. Currently multi-academy trusts’ individual academies can be funded on a different basis if they are spread over more than one local authority area. The direct NFF will ensure that all academies, and all schools, are funded on a consistent basis, wherever they are in the country.

This change requires legislative changes and is included within the schools Bill, presented to Parliament this May. This consultation tackles the interaction between the NFF and SEN/AP provision, the issue of rapidly rising/falling rolls, the Minimum Funding Guarantee and the Funding Cycle. The consultation does not include a definitive final “end date” at which the direct NFF will be implemented. The DfE will be guided by the impact of the initial transition towards the direct NFF, before deciding on the further pace of change. However, they expect to have moved to the direct NFF within the next five years – that is, by the **2027-28 funding year**.

**Funding Cycle**

The DfE want to support schools’ budget planning, by giving them early indication of future funding levels. This section of the consultation asks questions on the proposed high-level timeline for the annual funding cycle under the direct NFF. Under the current arrangements, DfE typically publish NFF factor values and any structural changes to the NFF for the subsequent year’s NFF, in July. LAs then prepare their local formulae during the autumn, with final allocations confirmed – at the latest – by the end of February for maintained schools and end of March for academies. Under a direct NFF, LAs will no longer prepare local funding formulae, but DfE propose to keep other features of the cycle unchanged.

## 2. PROVISIONAL DSG ALLOCATIONS 2023-24

2.1 **Table 1** confirms the DSG Current 2022-23 compared to the DSG Provisional Allocations for 2023-24 for 3 of the DSG Blocks – Schools, Central School Services and High Needs. This is the **gross** DSG prior to academy and high needs places recoupment.

**Table 1:**  
**DSG Current 2022-23 compared to the DSG Provisional Allocation 2023-24**

<b>Detail</b>	<b>DSG Current 2022-23 March 2022 £'m</b>	<b>DSG Initial 2023-24 September 2022 £'m</b>	<b>Notes</b>
<b>SCHOOLS BLOCK</b>			
Schools	381.380	380.128	A.
Pupil Growth Fund (PGF)	1.976	TBC	B.
<b>TOTAL SCHOOLS BLOCK</b>	<b>383.256</b>	<b>400.515</b>	
<b>CENTRALLY SERVICES SCHOOLS BLOCK (CSSB)</b>			
Central School Services	2.556	2.700	C.
Historic Commitments	0.768	0.614	D.
<b>TOTAL CSSB</b>	<b>3.325</b>	<b>3.319</b>	
<b>HIGH NEEDS (HN) BLOCK</b>			
Formulaic	78.205	82.535	E.
<b>TOTAL</b>	<b>78.205</b>	<b>74.746</b>	
<b>TOTAL DSG SCHOOLS AND HIGH NEEDS</b>	<b>464.886</b>	<b>486.364</b>	
Schools Block Guaranteed Units of Funding £			
Primary (PUF)	£4,534.65	£4,751.58	F.
Secondary (SUF)	£5,803.59	£6,107.94	F.

### Notes on 2022-23 Provisional Allocations

A. This reflects the share of the NFF Year 6 on the parameters set out by the DfE (see below).

B. The PGF for 2023-24, to support basic need revenue costs, has yet to be confirmed as it requires the final October 2021 pupil census data.

C. Central School Services £2.7m for ongoing functions for Co-ordinated Admissions, Servicing of the Schools Forum, Retained Duties Former ESG and National Licenses and Subscriptions.

D. Ongoing Historic Commitments £0.614m for Early Intervention Family Support Service (EIFS). The DfE have started to unwind this funding for all LAs and have reduced all LAs allocations by a further 20% in 2023-24.

E. Reflects the share of the additional funding for High Needs.

F. The new Primary and Secondary Units of Resource (PUF) and (SUF) reflecting the DfE NFF Year 6. These will be applied to the October 2022 pupil census to calculate the Schools Block DSG for 2022-23, to be notified as part of the School Funding Settlement 2023-24 later in December 2022.

## **Report to the Worcestershire Schools Forum (WSF) WSF Decisions Needed**

### **1. Purpose**

1.1 To seek agreement from maintained school member on the de-delegated services for financial year 2023/24.

1.2 To seek agreement from all members that the central block should continue for financial year 2023/24 in its current form.

### **2. Background**

2.1 As in previous years the local authority need agreement to de-delegate services from maintained mainstream schools, and WSF fully for central block services.

2.2 The factors are the following:

- Schools Specific Contingency
- Support for Minority Ethnic Pupils / Underachieving Groups
- Free School Meal (FSM) Eligibility
- Staff Cost / Duties Supply Cover

2.3 Central block services include items like:

- Copyright licences which is taken from the Designated Schools Grant (DSG)
- Family support
- School Forum
- Services to all schools.

### **3. Current Position**

3.1 We are seeking agreement from WSF that we continue these services going forward for financial year 2023/24. Academy schools can buy into FSM, Support for Minority Ethnic Pupils/Underachieving Groups and Staff Cost/Duties Supply Cover.

3.2 We are seeking agreement from WSF that we continue the Central DSG block as per the current funding model, and services.

### **4. Recommendation**

4.1 The WSF are requesting: -

- Agree that the current de-delegated services should continue.
- Agree to continue the Central DSG block continues in current form.

### **Robert Phillips**

Finance Business Partner  
Worcestershire Children First  
November 2022

**EXISTING ARRANGEMENTS FOR LOCAL SCHOOL FUNDING POLICY**

1. For 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 schools and the WSF have supported the following: -

- The LSFF being based upon the DfE NFF parameters as far as is practicable and affordable subject to the Schools Block DSG available.
- No transfer of Schools Block DSG to the High Needs Block DSG to support cost pressures.
- Support the arrangements for delegation and de-delegation as detailed in **Table 1** approved by WSF maintained school members: -

**Table 1: Delegation/De-Delegation Decisions for Maintained Mainstream Schools**

<b>Phase/Service [Formula Factor for De-delegation indicated]</b>	<b>Primary Delegation</b>	<b>Primary De-delegation</b>	<b>Secondary Delegation</b>	<b>Secondary De-delegation</b>
School Specific Contingency (SSC) <b>[Per Pupil (AWPU)]</b>	No	Yes	No	Yes
Support for Schools in Financial Difficulty <b>[Per Pupil (AWPU)]</b>	Yes	No	Yes	No
Behaviour Support Services <b>[Low Prior Attainment]</b>	N/A	N/A	Yes	No
14-16 Practical Learning Options <b>[Per Pupil (AWPU)]</b>	N/A	N/A	Yes	No
Support for Minority Ethnic Pupils/ Underachieving Groups –	No	Yes	No	Yes
English as an Additional Language <b>[EAL 3 Years]</b> Traveller Children <b>[Low Prior Attainment]</b>	No	Yes	No	Yes
Free School Meal (FSM) Eligibility <b>[FSM Annual]</b>	No	Yes	No	Yes
Schools Insurance <b>[Per Pupil (AWPU)]</b>	Yes	No	Yes	No

Staff Costs/Duties Supply Cover –				
Civic	No	Yes	No	Yes
Trade Union	No	Yes	No	Yes
HR Related	No	Yes	No	Yes
<b>[Per Pupil (AWPU)]</b>				
Additional School Improvement Services	No	No	No	No
Former General Duties Previously Funded by the Former Education Services Grant (ESG)	N/A	No	N/A	No

- Support the arrangements for centrally retained services as detailed in **Table 2** approved by the WSF: -

**Table 2: Centrally Retained Services Decisions for All Maintained Schools and Academies**

For the LA to decide  <b>WSF approval is not required</b>	<ul style="list-style-type: none"> <li>• High Needs Block provision</li> <li>• Central Licences negotiated by the Secretary of State</li> </ul>
CSSB  <b>WSF approval is required on a line by line basis NOT LIMITED by previous budget provision</b>	<ul style="list-style-type: none"> <li>• School Admissions</li> <li>• Servicing of Schools Forum</li> <li>• Services previously funded by the ESG retained duties that LAs hold for all schools</li> </ul>
Other Services  <b>WSF approval is required</b>	<ul style="list-style-type: none"> <li>• Central early years block provision</li> <li>• Any movement of funding out of the schools' block</li> <li>• Any deficit from the previous funding period that reduces the amount of the school's budget</li> <li>• Any brought forward deficit on de-delegated services which is to be met by the overall school's budget</li> </ul>
CSSB services	<ul style="list-style-type: none"> <li>• Contribution to Combined Budgets Historic Commitments (Early</li> </ul>

<p><b>WSF approval is required on a line by line basis LIMITED by previous budget provision</b></p>	<p>Intervention Family Support Service)</p>
<p>Approved to be centrally retained before allocating formula</p> <p><b>Subject to WSF approval including criteria where appropriate</b></p>	<ul style="list-style-type: none"> <li>Funding for significant pre-16 <b>pupil growth to meet basic need</b> and to enable all schools to meet the infant class size requirement</li> </ul>
<p>No current provision made as no historic budget commitment or this has now time expired</p> <p><b>WSF approval is required on a line by line basis LIMITED by previous budget provision where NO NEW COMMITMENTS can be now entered into</b></p>	<ul style="list-style-type: none"> <li>Back-pay for equal pay claims</li> <li>Remission of boarding fees at maintained schools/academies</li> <li>Places in independent schools for non-SEN pupils</li> <li>Prudential borrowing costs</li> <li>SEN transport costs</li> <li>Funding to support falling rolls to prepare for future population growth meeting specific criteria for good or outstanding schools where growth in pupil numbers is expected within 3 years</li> <li>Capital Expenditure Funded from Revenue (CERA)</li> <li>Existing Termination of Employment/ Redundancy Costs</li> </ul> <p><b>[Note – there is no central budget provision for any of these areas]</b></p>

2. These have then been reported to the WCC Cabinet with all the consultation feedback for formal decision as required.

**3. Given there is no significant change proposed by the DfE for 2023-24 and that previously there has been local support detailed above, it is proposed that the above current arrangements continue for 2023-24.**

4. The timeline for implementation is detailed in **Table 3**.

**Table 3: Timeline**

<b>DETAIL</b>	<b>DATE</b>
Meeting of the WSF to discuss and agree continuing with the current arrangements in 2022-23 into 2023-24	23 November 2022
Meeting of the WSF to consider their decisions for de-delegated and centrally retained services	23 November 2022
Report to Cabinet making recommendations for the Local Schools Funding Formula (LSFF), de-delegated and centrally retained budgets for 2023-24	8 December 2022
Confirmation by the DfE/ESFA of: - <ul style="list-style-type: none"> <li>• October 2022 census data and other 2022 data sets</li> <li>• Final LSFF Authority Proforma Tool (APT) for 2023-24</li> <li>• DSG Allocations for 2023-24</li> </ul>	) Late ) December ) 2022
LA to consider impact of the new October 2022 data sets for LSFF APT submission for 2023-24	Late December 2022/Early January 2023
Meeting of the WSF to: - <ul style="list-style-type: none"> <li>• Consider impact of the new October 2022 data sets</li> <li>• Agree submission for the final LSFF APT 2023-24 to the ESFA</li> </ul>	) 20 ) January 2023
LA to submit final data for Schools Budget DSG LSFF APT for 2022-23	21 January 2023
LA to confirm School Budget Shares 2023-24 for their maintained mainstream schools	By 28 February 2023
LA to confirm initial School Budget Shares 2023-24 for their maintained specialist providers	By 28 February 2023
ESFA to confirm General Annual Grant (GAG) 2023-23 to academies	By 31 March 2023



## **Report to the Worcestershire Schools Forum (WSF) Exceptional Premises**

### **1. Purpose**

1.1 To advise the WSF the outcome of evaluation of schools receiving Exceptional Premises funding

### **2. Background**

2.1 This funding requires that 1% of the school's budget would be needed to fund this with a maximum of 5% of schools being eligible for the funding.

2.2 Last year we had 9 schools eligible for this funding, with a total value of £418,236.

2.3 The funding is to cover additional cost like the cost of hiring or shared agreement for the cost of additional facilities that the school does not have control of.

### **3. Current Position**

3.1 We have requested a disapplication for this for next financial year, the number of schools will reduce to 5 with a potential cost of £221,340.

3.2 We are communicating with these schools as we need to provide proof of expenditure to the ESFA.

3.3 We will be writing to the schools that we don't think will be able to receive this funding to notify them, so that they can budget for this funding reduction.

3.4 The schools do have protection from the full loss of this funding via the Minimum Funding Guarantee.

### **4. Recommendation**

4.1 The WSF are requested to: -

- Note action that are taking place.

### **Robert Phillips**

Finance Business Partner  
Worcestershire Children First  
November 2022

## **Report to the Worcestershire Schools Forum (WSF) Split Site Funding**

### **1. Purpose**

1.1 To update WSF on Split Site Funding.

### **2. Background**

2.1 Split site funding has been within our Local Funding Formula since 2013/14.

### **3. Current Position**

3.1 We are planning to continue with the same funding model for the coming financial year 2023/24

3.2 The reason for no change this year is that the Department for Education (DfE) have announced they are planning to formulate this funding from financial 2024/25.

3.3 The local authority is working to pull the information together on all Worcestershire schools that is required by the DfE.

3.4 Once this is done and submitted, we will do an exercise to compare this funding with the current funding model and share this with WSF and the individual schools concerned.

3.5 We would expect that if this is less, that protection would be in place via the Minimum Funding Guarantee and if greater this would not be an issue.

### **4. Recommendation**

4.1 The WSF are requested to: -

- Note action that are being taken

### **Robert Phillips**

Finance Business Partner  
Worcestershire Children First  
November 2022

**REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM (WSF)**  
**HIGH NEEDS UPDATE**

**1. Purpose**

1.1 To advise the WSF on the High Needs position at the end of October 2022 including the implications for the DSG in future years and an update on the DfE Delivering Better Value in SEND.

**2. DSG and High Needs Forecast 2022-23**

2.1 The DSG is currently allocated by the DfE to LAs using their National Funding Formula (NFF) in four blocks – Schools, Central School Services, High Needs and Early Years.

2.2 The majority of the Schools Block DSG is delegated to schools with any variation to the budgets allocated forming individual school carry forward balances. There are also payments to high needs providers from the High Needs Block DSG and early years' providers for 2, 3 and 4 year olds from the Early Years Block DSG.

2.3 Both schools carry forward balances and variations on the other elements of the DSG are required to be carried forward. Both carry forward positions are reported as part of the County Council's year end accounts and for the non-schools DSG represents the accumulated carry forward position since the introduction of the DSG from 2006/07.

2.4 The forecast at the end of October is as a forecast £4.3m overspend in 2022/23 detailed as follows:

		<b><u>Overspends/ Underspends (-)</u></b>		
		<b>R</b>	<b>Over 5%</b>	
		<b>A</b>	<b>1% to 5%</b>	
		<b>G</b>	<b>0 to 1%</b>	
<b>2022/23 Budget Monitoring Period 7 - October 2022</b>	Current Budget	Forecast Outturn	Variance	Variance
<b>DSG Blocks</b>	£000	£000	£000	%
Schools	128,077	127,737	(340)	-0.3%
High Needs	69,060	74,210	5,150	7.5%
Early Years	35,418	34,914	(504)	-1.4%
Central	3,325	3,326	1	0.0%
<b>DSG</b>	<b>235,880</b>	<b>240,187</b>	<b>4,307</b>	

2.5 The starting point for the DSG reserve is a deficit balance of £11.3m, built up from previous years overspends. With the in-year projections and known catch-up commitments from money received in 2021/22, the forecast position at year-end is a £15.6m deficit balance, however given the timing in the financial year this is a forecast and will change during the year.

<b>Summary Position for Dedicated Schools Grant</b>	
	£m
Accumulated Deficit 1 April 2022	11.3
High Needs Deficit 2022/23	5.2
Savings on Other Blocks	-0.8
<b>Accumulated Deficit 31 March 2023</b>	<b>15.6</b>
Projected Early Years and Schools Block	-0.5
Projected High Needs Shortfall 2022/23	5.0
<b>Projected Accumulated Deficit 31 March 2024</b>	<b>20.1</b>

### **A reminder on the current treatment on DSG Deficits**

2.6 Whilst DSG allocations are generally forecast to continue to rise but not at the rate of the last few years, the provisional 2023/24 DSG budgets have been announced and is to increase by around 5%. DSG spend is forecast to rise at a faster rate for Worcestershire and the deficit will increase to around £16 million by the end of 2022/23.

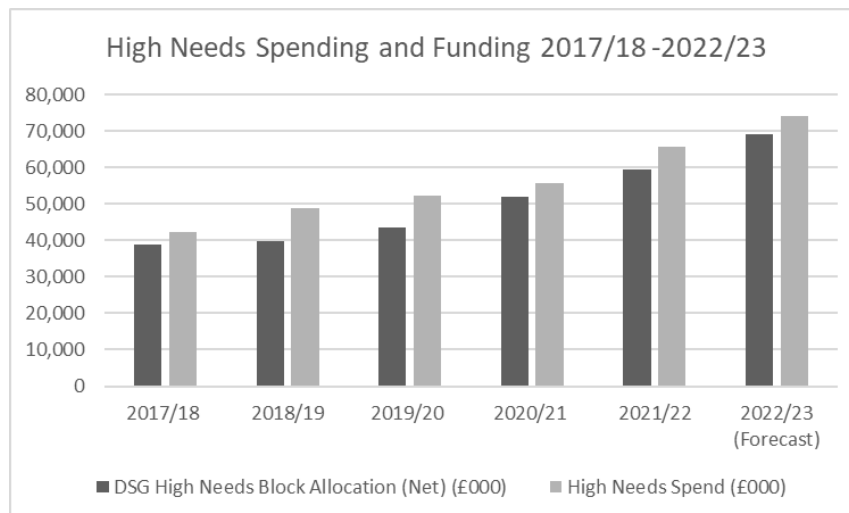
2.7 The High Needs deficit does impact on the council's financial sustainability, as the deficit sits as a negative unusable reserve on the balance sheet permitted via a statutory instrument. Currently, there is a temporary statutory override to ringfence DSG deficits from councils' wider financial position in their statutory accounts. The Council has not set aside any of its own resources at this point, for example as an earmarked reserve, to specifically offset this accumulating deficit.

2.8 As it stands, this ringfence is due to end after the accounts for the financial year 2022/23, at which point authorities will need to demonstrate their ability to cover DSG deficits from their available reserves (the deficit is forecast to be c £15 million at the end of 2022/23) which could directly impact the Council's financial position, increasing funding pressures alongside pressure in Adults and Childrens Social Care. It is worth noting that this is not a Worcestershire County Council issue in isolation and is a major concern amongst local authorities nationally.

2.9 We have been pressing this issue and have recently reached out to other CFOs nationally and the Society of County Treasurers to encourage them to provide evidence to DLUHC of the necessity to extend these regulations. This has now led to a formal data collection exercise by DLUHC. It is hoped that the government will extend these regulations, but that is by no means certain and could not be guaranteed and does not fix the underlying structural deficit.

2.10 The implementation of the statutory override is a failure on the part of the DfE to address an issue of its own making dating back over seven years when it failed to fully fund new burdens. We welcome that the Government has in fact recognised this with additional funding being made available in recent years. However, that amount is completely insufficient and there is a significant problem left from the previous years of significant underfunding. The problem is getting, and will continue to get, harder to fix, the longer the Government delays.

The chart below shows the disparity between funding and spend.



Financial Year	DSG High Needs Block Allocation (Net) (£000)	High Needs Spend (£000)	Variance Overspend (£000)	Variance (%)
2017/18	38,988	42,361	3,373	8.65%
2018/19	39,909	48,880	8,971	22.48%
2019/20	43,592	52,314	8,722	20.01%
2020/21	51,863	55,828	3,965	7.65%
2021/22	59,353	65,649	6,296	10.61%
2022/23 (Forecast)	69,060	74,210	5,150	7.46%

### National Position and Delivering Better Value in SEND

2.11 High Needs funding and the impact of the deficit is a national issue and to address the future sustainability the DfE is investing a one off £85 million (c£60m for LA's) in the Delivering Better Value in SEND (DBV) programme. This will support the 55 local authorities with deficits to reform their high needs systems, addressing the underlying issues that lead to increased pressure, and putting them on a more sustainable footing. Worcestershire is one of the 55 Local Authorities and is participating in the programme which is being supported by Newton Europe and CIPFA who we have previously worked aside in Social Care and through the Society of County Treasurers. Worcestershire is confirmed in Phase 1 - tranche 2, which starts in January to June 2023. The list of participating 55 Authorities is at appendix 1

2.12 For information Authorities with the highest deficits participate in the safety valve intervention programme.

2.13 Worcestershire is confirmed in Tranche 2, which starts in January to June 2023, and we met with the DfE on 11 August 2022 and continually receive updates from the Programme. We have already started to collect the last 5 years data which needs to be sent to the DfE by 9 December 2022 to support the diagnostic, below is the diagram of the programme. It has now been confirmed that we will receive one off grant funding of **£1M** for Worcestershire (**this is not to be used to pay off the deficit**).

2.14 In Tranche 2 there are 20 Local Authorities, which are split into 3 waves geographically. Each wave will be going through the diagnostic concurrently, allowing Local Authorities to learn from and support each other. We are in a group with Gloucestershire, Wiltshire, West Sussex, Rutland and Swindon.

**DBV Programme Objective**

Delivering Better Value (DBV) is a programme working to **identify and implement** local and national opportunities to **improve the outcomes** for children and young people with SEND

In order to achieve this we know;



The child or young person must remain at the centre of everything we do.



We must listen to the challenges from the perspective of those receiving support from the system.

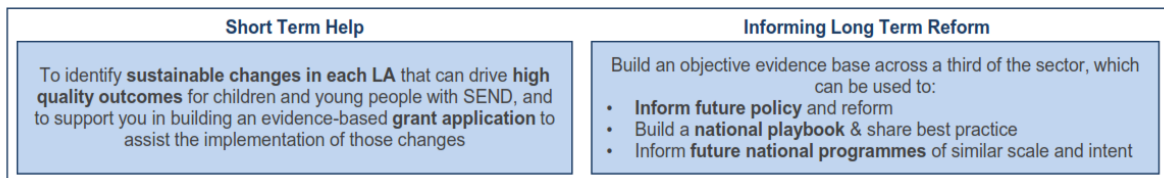


Collaboration is key, with your neighbours, partners and the children and families you support.

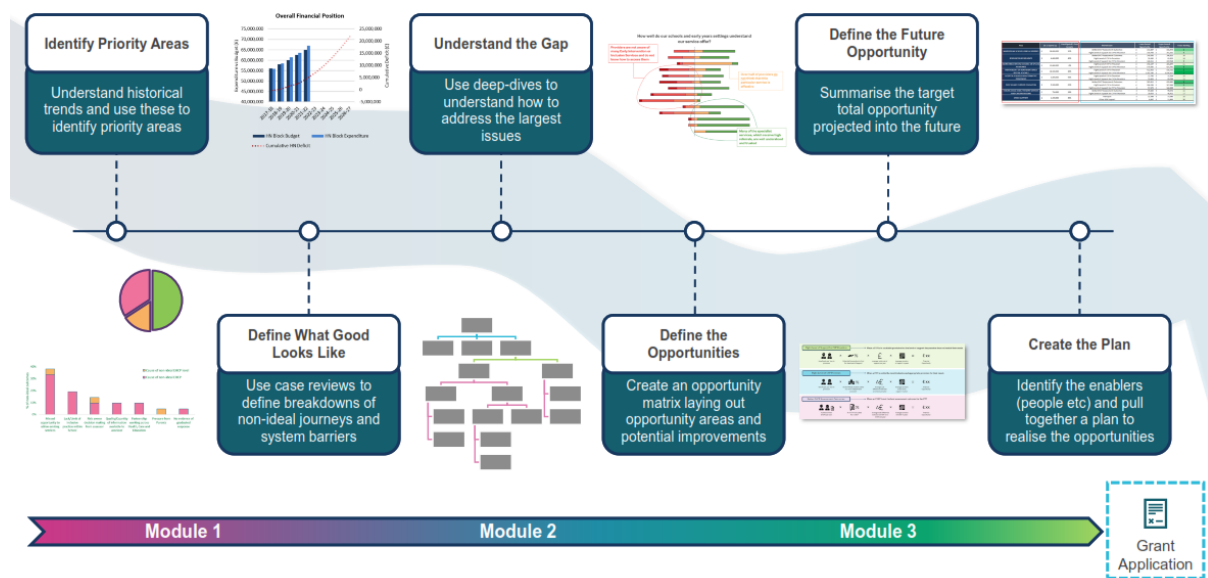


Funding is a challenge and key source of frustration that should be considered throughout the planning.

Therefore the DBV programme is designing its support through 2 key approaches;



● **DBV Diagnostic: Illustrative Local Authority Experience**



2.15 To illustrate the scale of the issue, the latest estimate for DSG reserves for the whole SCT is:

Date	SCT-Wide DSG Reserves
31 March 2022	-£913m
31 March 2023	-£1,339m
31 March 2024	-£1,712m
31 March 2025	-£2,116m

2.16 By law Section 151 officers are required to report on the adequacy of the proposed financial reserves. Without intervention the view is that many SCT members will be forced to state that due to their High Needs Deficits, their reserves levels are inadequate. This will lead to multiple section 114 notices and effectively the end of a functional local government in large parts of the country if left this situation remains unaddressed.

2.17 The Council continues to work with schools to optimise pressures within funding, whilst lobbying Central Government through all available forums including our MPs for the issue to be addressed nationally.

**3. Recommendations**

- 3.1 The WSF are requested to: -
- Note the contents set out in the report.

Phil Rook  
 Director of Resources  
 Worcestershire Children First  
 November 2022

Participating Authorities

<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>
Kensington and Chelsea	Newham	Tower Hamlets
Southampton	Sefton	Warwickshire
Solihull	East Riding of Yorkshire	Durham
Dudley	Wiltshire	Thurrock
Somerset	Gloucestershire	West Berkshire
Hampshire	Enfield	Halton
Stockton-On-Tees	Redcar and Cleveland	Lewisham
Doncaster	Middlesbrough	Sunderland
Oxfordshire	Hackney	Wirral
Brent	Reading	Birmingham
Bournemouth, Christchurch and Poole Council	West Sussex	St. Helens
Cheshire East	Worcestershire	North Yorkshire
Bracknell Forest	Windsor and Maidenhead	Buckinghamshire
South Tyneside	Oldham	Cornwall
Cumbria	Rochdale	Central Bedfordshire
Suffolk	Hull, Kingston Upon	
Stockport	Rutland	
North East Lincolnshire	Havering	
Bristol	Tameside	
Leicestershire	Swindon	

Note: For authorities participating in the Safety Valve programme, agreements reached with the department as part of the programme will be published on GOV.UK.

## **Report to the Worcestershire Schools Forum (WSF) Nurture Group Funding**

### **1. Purpose**

1.1 To advise the WSF that WCF is looking into the funding of Nurture Group (NG) to schools.

### **2. Background**

2.1 This funding was originally put in place pre 2013 funding changes, for schools that were in areas of high deprivation. The funding was to allow schools to give the nurturing that may not have been able to be given to the pupils.

2.2 Since the funding of mainstream schools changed in 2013, this funding stream has been funded from HLN budget. This funding was only given to 16 schools at that time.

2.3 In the last 2 of years we have had 2 schools say that they do not have a Nurture Group, so funding has ceased.

2.4 Nurture Group schools at present have no type of monitoring to check that they are meeting the needs of the pupils and achieving the goals of the funding. The list of schools has also not changed since it started.

### **3. Current Position**

3.1 We have 14 schools (9 academy and 5 maintained schools) receiving funding. We have a number of schools that provide nurture groups without any funding. The exact number of schools at present who self-fund this is unclear.

3.2 The cost at present of this funding to the HLN budget is £450,100 per annum. This is based on 5 places at £6,430 per school. The school has no monitoring in place by WCF. The funding runs for a financial year rather than an academic year.

3.3 The 14 schools that receive this funding are being written to notifying them that this funding will cease from 1 April 2023.

### **4. Final Position**

4.1 This has been discussed and evaluated and a decision made to cease the current nurture group funding model from April 2023. When the current funding allocation for this funding comes to an end.

### **5. Recommendation**

5.1 The WSF are requested to: -

- Note action that has been taken.

#### **Mel Barnett**

Director of All Age Disability  
Worcestershire Children First  
November 2022



## **Report to the Worcestershire Schools Forum (WSF) New Secondary School for Worcester City**

### **1. Purpose**

1.1 To advise the WSF on latest position on the new secondary school in Worcester City.

### **2. Latest Position**

2.1 The Academy Sponsor Competition to determine which Academy Trust will run the new school has closed.

2.2 Applications have been evaluated in accordance with Worcestershire County Council's procurement procedures and a recommendation has been made to the Department for Education.

2.3 The successful candidate has been approved by the Department of Education as Oasis Community Learning.

### **3. Recommendation**

4.1 To note the current position.

#### **Sarah Wilkins**

Director for Education, Early Years, Inclusion and Education Place Planning  
Worcestershire Children First  
November 2022