

# Worcestershire Schools Forum (WSF) Agenda 20<sup>th</sup> January 2022

10 am

Remote Meeting

Via MS Teams

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Date of Next Programmed WSF Meeting

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# worcestershire county council

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

Thursday 18<sup>th</sup> November 2021  
Remote Meeting Held Via MS Teams

The meeting started at 10am

### IN ATTENDANCE:

#### WSF Members

Malcolm Richards (Chair)	-	Governor, Bromsgrove
Bryn Thomas (Vice Chair)	-	HT Wolverley CE Secondary School
Marie Pearse	-	HT Evesham Nursery School
Paul Essenhigh	-	Executive HT Catshill Middle, Catshill First and Nursery Schools
Lizzie Dixon	-	HT Franche Primary School
Ed Francis	-	HT Fort Royal Primary School
Tim Reid	-	Church of England Board of Education
Tom Jenkins	-	PVI Sector
Jeff Robinson	-	Governor, Malvern Hills
Phil Hanson	-	HT Pershore High School
Chris King	-	CEO Severn Academies Educational Trust
Lorraine Peterson	-	Governor, Bromsgrove
Adrian Ward	-	HT Trinity High School

#### Local Authority (LA)

Phil Rook	-	Director of Resources Worcestershire Children First
Chris Bird	-	Senior Finance Business Partner Worcestershire Children First
Caroline Brand	-	Schools Finance Manager Worcestershire Children First
Rob Phillips	-	Schools Finance Team Worcestershire Children First
Richard Taylor	-	Assistant Director for HR OD & Engagement Worcestershire County Council
Mark Price	-	Regional Contract Director Liberata
Ian Fitzgerald	-	HR & Payroll Service Delivery Director Liberata
Gabrielle Stacey	-	Assistant Director SEND and Vulnerable Learners

## **1. APOLOGIES**

Sarah Wilkins	-	Director of Education and Early Help Worcestershire Children First
Councillor Marcus Hart	-	Cabinet Member with Responsibility for Education
Emma Pritchard	-	Principal The Black Pear Trust
John Bateman	-	Governor, Aspire Alternative Provision (AP) Free School
Greg McClarey	-	Archdiocese of Birmingham
Edward Senior	-	16-19 Providers
Nathan Jones	-	HT Meadow Green Primary School
David McIntosh	-	Governor, Wyre Forest
John Bateman	-	Governor, Aspire Alternative Provision (AP) Free School

## **2. DECLARATION OF INTERESTS**

None.

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

Chris Bird declared an interest as a foundation trustee of the Our Lady of the Magnificat MAT.

## **4. MINUTES OF THE LAST MEETING (23<sup>rd</sup> September 2021)**

Tim Reid highlighted a spelling mistake in his surname and apologies were to be added for the meeting from Lorraine Peterson.

Following these minor amendments, the minutes were agreed.

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

None as all picked up within the agenda.

## **6. ANY OTHER BUSINESS**

None.

## **7. SCHOOL PAYROLL ISSUES IN SEPTEMBER - LIBERATA**

7.1 Phil introduced that given the significant issues for schools resulting in no payment of some staff that Richard Taylor Assistant Director for HR OD & Engagement, Mark Price, Regional Contract Director Liberata and Ian Fitzgerald, HR & Payroll Service Delivery Director were in attendance to highlight what had gone wrong and how this would be addressed so this situation did not occur again.

7.2 Richard Taylor highlighted that from September 2021 the HR service has transferred back to the County Council and his team are there to support schools with a wide range of HR and OD matters. The contract for payroll was through the County Council and this was provided by Liberata. Richard also mentioned September Payroll issue had been raised at the Section 8 meeting with the trade unions.

7.3 Mark Price spoke to the forum and sincerely apologised for the problems caused to individuals, schools and academy trusts in September and stated that the service provided was not good enough and they were taking steps to ensure this does not happen again.

7.4 Ian Fitzgerald ran through a detailed presentation which highlighted statistics and volumes for September and how additional resources as well as transforming how the services were delivered to ensure service and process improvements would be made. One area Ian highlighted was the Helpdesk and communications with customers and how this needed to be improved as it was and unacceptable level of service.

The WSF members asked various questions around how the September volume was not anticipated, ensuring timely and effective communication to schools and how schools and individuals would receive refunds for any bank charges / costs incurred. Following a discussion it was agreed that Ian would liaise with schools impacted as there was a list of staff and establishments where staff had received emergency payments. The Forum thanked Mark and Ian for their attendance.

## **8. SCHOOL FUNDING 2022-23 LOCAL ISSUES**

### **8.1 Recommended Policy**

(a) Phil advised the WSF recommended policy for 2022-23 had been communicated to schools following the WSF meeting on 23<sup>rd</sup> September 2021 and that no contra indications had been received.

(b) The WSF noted the position.

### **8.2 WSF Required Decisions**

(a) The WSF were requested to consider their required decisions for 2022-23. These would then form part of the WCC Cabinet report to inform the decisions required by the Cabinet.

(b) The WSF were reminded that, decisions on the potential to transfer schools block funding, delegation and de-delegation matters and centrally retained items are for designated members of the WSF, whereas the final decision on the LSFF was for the WCC Cabinet. The WSF were requested to consider and either endorse, approve or otherwise the recommended actions.

(c) Phil advised that the voting arrangements were as follows: -

- Schools Members and PVI Members only – LSFF for endorsement or not.
- Maintained Mainstream School Members only – approval or not for the delegation and de-delegation for central services for their phase only.
- All WSF Members – approval or not for schools' block transfer and centrally retained services for all schools.

(d) LSFF for 2022-23

- Although not a WSF decision, the WSF were requested to consider endorsement of the proposal.
- On a show of hands, the **WSF RESOLVED TO ENDORSE** (For 11 votes; Against 0 votes; Abstentions 0 votes) the LSFF in 2022-23 to continue as far is affordable and practicable to be based using the DfE Year 4 NFF parameters using the DfE required data sets and formula factors as in the NFF, with the estimated factors to be detailed in the WCC Cabinet report.

(e) Potential to Transfer 0.5% of the Schools Block DSG in 2022-23 to the High Needs Block

- The WSF considered its statutory responsibility in making a decision on the transfer of Schools Block Funding. In line with the Schools Forum (England) Regulations 2012, the WSF considered the issue.
- On a show of hands, the **WSF RESOLVED NOT TO APPROVE** (For 0 votes; Against 12 votes; Abstentions 0 votes) the transfer in 2022-23 of 0.5% of the Schools Block funding to support High Needs budget pressures.

(f) Delegation and De-delegation of Centrally Retained DSG Services for Maintained Mainstream Schools

- The WSF considered its statutory responsibilities in making decisions on the delegation or de-delegation of services currently centrally retained in the DSG. In line with the Schools Forum (England) Regulations 2012, the WSF maintained school members by phase considered these areas.
- On a show of hands, the **WSF MAINTAINED SCHOOL MEMBERS BY PHASE UNANIMOUSLY RESOLVED TO APPROVE** (Primary: For 3 votes; Against 0 votes; Abstentions 0 votes; and Secondary: For 2 votes; Against 0 votes; Abstentions 0 votes): -
  - The continued initial delegation and transfer of the following centrally retained services for 2022-22 as in 2021-22 as follows: -

<b>FORMULA FACTOR</b>	<b>SERVICE</b>
Basic Per Pupil	School Specific Contingencies (not early years) Support for Schools in Financial Difficulties 14-16 Practical Learning Options Schools Insurance Staff Costs Supply Cover Licences and Subscriptions
Deprivation	FSM Eligibility
EAL	Support for Minority Ethnic Pupils
Low-Cost High Incidence SEN Prior Attainment	Support for Underachieving Groups Behaviour Support Services

- The delegation or de-delegation of these areas by reducing the formula amounts for maintained mainstream schools as follows in **Table 1**: -

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

<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 – English as an Additional Language <b>[EAL 3 Years]</b>	No	Yes	No	Yes
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

**(g) Centrally Retained DSG Services**

- The WSF also considered its statutory responsibilities in making decisions on other centrally retained DSG services. In line with the Schools Forum (England) Regulations 2012, the WSF considered these areas.

- On a show of hands, the **WSF MEMBERS UNANIMOUSLY RESOLVED TO APPROVE** (For 11 votes; Against 0 votes; Abstention 0 votes) the continued central retention in 2022-23 of the centrally retained services as detailed, limited to the 2017-18 budget level or as prescribed by the DfE (indicative budgets are shown either limited to previous year levels or **estimated** funding subject to final clarification and change) for: -
  - Copyright Licensing Agency (CLA) and Music Publishers Association (MPA) licenses (subject to DfE prescription) – £0.41m **estimated**.
  - Contributions to Combined Services – the Early Intervention Family Support (EIFS) service budget – £0.77m **actual** (reflecting the 2021-22 amount will be reduced by a further 20% because of the DfE change to the Central Services Schools Block DSG).
  - Co-ordinated admissions scheme – £0.60m **estimated**.
  - Servicing of the Schools Forum – £0.06m **estimated**.
  - Services previously funded by the retained rate of the ESG – £1.26m **estimated**.

(h) The WSF considered the need to exercise its responsibilities to inform the County Council Cabinet of the issues discussed and decisions for the 2021-22 LSFF and its decisions on transfer from the Schools Block, delegation/de-delegation for maintained mainstream schools and other centrally retained services for all schools. Phil advised the WSF he would feedback to Cabinet accordingly on the above issues.

#### **RESOLVED –**

**The WSF unanimously agreed that all these above decisions be communicated to the Worcestershire County Council Cabinet as required.**

### **9. DfE CONSULTATION ON REFORMING ON LOCAL AUTHORITY SCHOOL IMPROVEMENT FUCTIONS ARE FUNDED**

9.1 Phil advised on the recent consultation on views to remove the School Improvement Monitoring and Brokering Grant ('the Grant'), which is currently allocated to local authorities to support school improvement activities. Subject to the outcome of this consultation, the proposal is that the Grant would therefore be ended with effect from the start of FY 2023-24, phased so that it would be reduced to 50% of the current amount on a per school basis in FY 2022-23 to give councils and maintained schools time to adjust to these new arrangements. For Worcestershire the Grant is £413k per annum and this does not support the core school improvement team within WCF.

9.2 The WSF had a detailed discussion on the grant and the disappointment of this proposal, Tim Reid stated that this provided a valuable support to a number of schools and he would be responding to this consultation separately and will also forward his response to Phil. The chair also stated that WAG would also be making a submission.

9.3 Phil will also liaise with Nicky Jones to produce a response on behalf of the County Council. A number of Headteachers agreed that they would respond with their phases as the removal of the grant could impact on school improvement and effectiveness.

### **10. HIGH NEEDS UPDATE**

10.1 Phil introduced the item and Chris ran through the update in terms of the financial information and detailed areas of spend in the high needs budget and detailed the reasons



behind the challenges faced in the service. Chris also highlighted the average unit costs and numbers of children supported. Chris also mentioned that the unit cost will change due to the updating of special schools data. Phil also reminded the forum of the national context predicting a deficit of £1.3bn by the end of 2022-23 for member LAs and given the change to the accounting treatment is only for a 2-year period this represents a significant financial 'cliff edge' when the deficit reverts back to local authorities which was a significant risk to the County Council.

10.2 Gabrielle ran through in detail the approach to management of the High Needs deficit within the SEND service and updated the forum on the aspects of the plan the developments in place.

10.3 The WSF asked questions and commented as follows: -

- Concerns raised by the Vice Chair at the last meeting had been addressed and he welcomed the detailed report.
- Members did acknowledge that this was a difficult area to 'turn the tanker' around but wanted to be kept apprised of the progress given the size of the deficit.
- Members also had concerns that this level of transformation needed capital investment and we collectively needed to continue to highlight and lobby all we can to highlight this significant issue.
- Member asked how this would be funded, Phil responded that any capital funding would have to compete against other council pressures and priorities and that Simon Geraghty and Marcus Hart are meeting with Robin Walker MP very soon and will be highlighting the need for Capital Funding and the pressure on the High Needs Budget.
- Ed raised that he was meeting with Robin Walker on Friday and will also be raising the issue of Worcestershire low funding and access to capital.

10.4 In closing the item, the Vice Chair thanked the LA and the WSF for considering the matter and the transparency in the report, debate and decision making.

## **11. F40 GROUP UPDATE – MINUTES OF THE EXECUTIVE COMMITTEE 20<sup>th</sup> SEPTEMBER 2021**

11.1 Noted.

**The meeting closed at 11.55am**

The date of the next WSF meeting is: -

Thursday 20<sup>th</sup> January 2022 at 2pm Via Remote Meeting MS Teams

## **CABINET**

### **9 DECEMBER 2021**

# **FAIR FUNDING FOR SCHOOLS 2022-23 – NATIONAL AND LOCAL FUNDING ARRANGEMENTS FOR SCHOOLS**

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#### **Relevant Cabinet Members**

Councillor M J Hart

#### **Relevant Chief Officer**

Director of Children's Services

#### **Recommendation**

**1. The Cabinet Member with Responsibility for Education recommends that Cabinet:**

- (a) has regard to the information provided to schools on 29 September 2021;**
- (b) notes the Department for Education policy for school and Local Authority funding for 2022-23 detailed in Appendix 1;**
- (c) notes the involvement of the Worcestershire Schools Forum members and schools during the engagement process;**
- (d) notes the views of the Worcestershire Schools Forum on the Local Schools Funding Formula issues for 2022-23 and other matters which are outlined in Appendix 2;**
- (e) approves the Local Schools Funding Formula for Worcestershire mainstream schools from April 2022 to apply for 2022-23 and other matters as detailed in paragraphs 32 to 42, to include the DfE Minimum Funding Levels (MFL's) for Primary £4,265; Key Stage 3 £5,321; Key Stage 4 £5,831; Secondary £5,525 having regard to feedback from schools and the views of the Worcestershire Schools Forum in Appendix 2, to be based as far as is practicable and affordable upon the Department for Education (DfE) National Funding Formula (NFF) parameters; and**
- (f) authorises the Director of Children's Services in consultation with the Cabinet Member with Responsibility for Education to make the required submission to the national executive body, the Education and Skills Funding Agency (ESFA) by 21 January 2022 for the approved Local Schools Funding Formula for 2022-23 taking account of any impact and change on the**

**approved units of resource, Minimum Funding Guarantee and capping arrangements in paragraph 33 as a consequence of the October 2021 census and other 2021 data changes and the final 2022-23 Dedicated School Grant (DSG).**

## **Background**

2. The Council receives funding for schools and designated central services through the Dedicated School Grant (DSG). This is a ring-fenced grant and is allocated by the Department for Education (DfE) in 4 blocks – Schools, Central School Services, High Needs and Early Years. This is based on the DfE’s National Funding Formula (NFF) arrangements.
3. The majority of the Schools Block DSG is delegated to mainstream schools – Local Authority (LA) maintained and Education and Skills Funding Agency (ESFA) academies – through Worcestershire's Local Schools Funding Formula (LSFF). The amount remaining not delegated is centrally retained to provide a Pupil Growth Fund to support the revenue costs of the County Council’s basic needs requirements.
4. The Government made significant changes to the funding formula factors for schools from April 2013. The changes have had an impact both for the schools and designated central services. Cabinet has resolved each year between 2012 and 2020 to introduce a Local Schools Funding Formula (LSFF) for mainstream schools for 2013-14 through to 2021-22.
5. The Council is required to consult the Worcestershire Schools Forum (WSF) on any changes to the LSFF to comply with the national requirements for school and LA funding with the need to inform Governing Bodies of the consultation. However, the Council has always chosen to expand this requirement to consult with all schools, governing bodies and other interested parties to inform Cabinet's ultimate decision in recognition that changes could potentially impact upon the quality of education provision in schools.
6. From 2018-19 for the 4-year period 2018-19 to 2021-22, 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. Following a detailed consultation and correspondence with schools in the Autumn Terms 2017, 2019 and 2020, Cabinet on 14 December 2017, 20 December 2019 and 10 December 2020, approved the LSFF for this to be based as far as practicable and affordable upon the DfE NFF parameters.
7. It was anticipated that a fully DfE prescribed NFF i.e. a ‘hard’ formula for schools would be in place for 2022-23. However, the DfE confirmed that LA’s would continue to be able to set a LSFF for 2022-23 within their policy parameters. Given the previous approvals, the WSF at its meeting on 23 September 2021, endorsed and approved the continuation of the current funding arrangements for 2021-22 into 2022-23. Consequently, a further local consultation was not required for the LSFF and other matters. On 29 September 2021, schools were provided with the details of the DfE’s policy for 2022-23 and that it was proposed to continue with the current arrangements for 2021-22 into 2022-23. As part of this schools were given the opportunity to comment on the proposals and there have been no contra indications received from schools on the continuation of the existing arrangements for a further year.

8. The Spending Review 2021 confirmed at a high level an additional £4.1bn by 2024-25 for the schools core budget, this includes public sector compensation for employer costs of Health and Social Care Levy (NICs).

### **DfE Policy Decisions for School Funding 2022-23**

9. On 8 July 2021, the Department for Education (DfE) issued a consultation detailing the next stages for implementing their National Funding Formula (NFF). The details are contained in the attached link: -

[https://consult.education.gov.uk/funding-policy-unit/completing-our-reforms-to-the-nff/supporting\\_documents/Fair%20Funding%20For%20All%20Consultation.pdf](https://consult.education.gov.uk/funding-policy-unit/completing-our-reforms-to-the-nff/supporting_documents/Fair%20Funding%20For%20All%20Consultation.pdf)

10. Details of the arrangements are summarised at **Appendix 1** and confirm that although the DfE have issued a stage 1 consultation document regarding their move to a 'hard' NFF, there is no significant change proposed by the DfE for 2022-23.

11. Also, the previous policy announcement made in October 2019 detailing the provisional 3-year Dedicated Schools Grant (DSG) for 2020-21 to 2022-23, would continue. That announcement confirmed year 3 of that settlement and funding will continue to be distributed to LAs using the DfE's Schools and High Needs National Funding Formulae (NFF). Also, both the DfE and ESFA have published several operational guidance and technical documents to support the national policy. These confirmed the national policy direction for the DSG and other funding matters for 2022-23.

12. In September 2021 schools, , were provided with details of the key headline issues confirmed in the ESFA statements. The School Funding Settlement 2022-23 will be announced later in December 2021 using the October 2021 and other 2021 data sets.

13. Beyond 2022-23, the DfE have indicated they will consult further at stage 2 on their NFF policy from 2023-24, as they move towards a 'hard' NFF for schools.

14. The Council in conjunction with all its key partners, particularly the F40 Group representing the lowest funded LA's, and the Society of County Treasurers, continues to lobby central Government for a fairer allocation of the total national allocation of funding as part of the continuing NFF process.

### **Consideration of Issues for 2022-23**

15. In respect of proposed formula development for 2022-23, there was a balance of considerations between the need for stability given the number and scale of changes since 2012-13, the desire for a LSFF that can appropriately serve all schools in Worcestershire and the impact of the DfE NFF proposals.

16. Stability continues to provide a period of no change for individual schools, apart from the impact of changes in mix and number of pupils per school, other data changes and the continuing impact of the Minimum Funding Guarantee (MFG) and capping together with any other DfE prescribed policy changes.

17. LA's are required to consult on their LSFF and proposals for centrally retained services but given there is no local change proposed for 2022-23, it was agreed through the WSF to notify schools of this intention to continue with the existing arrangements.

18. As part of the provisional 2022-23 announcement, the DfE has continued its policy of making a significant change to the funding of the Central Services Schools Block (CSSB). Consequently, all LA's have seen a further reduction of 20% in their allocations for Historic Commitments. For Worcestershire this element provides funding for the Early Intervention Family Support Service (EIFS) and this funding has reduced from £1.5m in 2019-20 to £1.2m in 2020-21 to £0.96m in 2021-22 and to £0.768m in 2022-23. This will continue to result in significant operational and service delivery issues due to changes to the funding support arrangements given by the EIFS to schools. This will continue to be addressed through the budget process in 2022-23 to ensure any impact on services are fully understood and a longer-term sustainable solution is implemented.

### Local Engagement with Schools for 2022-23

19. At its meeting on 23 September 2021, the Worcestershire Schools Forum (WSF) discussed in detail the DfE policy for 2022-23, LSFF issues including any potential for change together with decisions required on de-delegated and centrally retained services. The WSF concluded that stability was in the best interest of schools, so the current LSFF based upon the NFF should continue together with the current arrangements for de-delegated and centrally retained services. By doing this the Council and schools will be able to move more readily into the DfE's 'hard' NFF when it is fully implemented in the future.

20. As part of the national policy for 2022-23, the ESFA have confirmed that their NFF unit of resource rates will increase with the Average Weighted Pupil Unit (AWPU) rates Primary £3,217, Key Stage 3 £4,536 and Key Stage 4 £5,112.

21. Also, the DfE have confirmed that although in 2022-23 LA's are still able to continue to set their own LSFF, their parameters for the sector Minimum Funding Levels (MFL's) for Primary £4,265, Key Stage 3 £5,321, Key Stage 4 £5,831 and Secondary £5,525 will continue to be compulsory in LA's LSFF. The following table shows the required MFL's since the introduction of the DfE's NFF together with the amount of Schools Block DSG allocated:

**Table: DfE MFL's and Schools Block Funding**

<b>MFL Rate Per Pupil</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22 Note 2</b>	<b>2022-23</b>	<b>% Increase on 2021-22</b>
Primary £	£3,300	£3,500	£3,750	£4,180	£4,265	2%
KS3 £	£3,950 <b>Note 1</b>	£4,600	£4,800	£5,215	£5,321	2%
KS4 £	N/A	£5,100	£5,300	£5,715	£5,831	2%
Secondary £	£4,600	£4,800	£5,000	£5,415	£5,525	2%
Schools Block DSG Allocated <b>Note 4</b>	£314.6m	£321.6m	£339.7m	£369.5m	£380.1m <b>Note 3</b>	2.86%

## Notes

1. KS3 in Middle Schools; no separate rate for KS4.
  2. Includes effect of the mainstreaming of the former pay and pension grants – primary £180 per pupil; secondary £265 per pupil.
  3. Final allocation to be confirmed late December 2021.
  4. Excludes Pupil Growth Fund.
22. For the LSFF key considerations include:
- The potential impact and affordability of the DfE NFF in terms of DSG and individual school allocations for LA's and schools.
  - The current policy of LSFF stability apart from annual data changes.
  - The Minimum Funding Guarantee (MFG) having to be set between +0.5% per pupil and +2.0% per pupil to be determined locally.
  - The continuing impact of budget and funding pressures for all schools.
  - The NFF policy from 2023-24 not yet being confirmed and how the NFF policy might or could change is unclear at this stage.
  - Although the NFF provides an increase in funding for the High Needs Block this area continues to be under significant pressure in terms of commissioned places, top up funding, post 16, post 19 and out County/Independent provision. To support this, the High Needs Block DSG will increase further in 2022-23 as part of the DfE's 3-year settlement and the DfE are continuing to allow LA's to consider transferring up to 0.5% of the Schools Block to High Needs (for the County Council approximately £1.9m). A transfer of up to 0.5% requires WSF approval but if the WSF do not approve the transfer LA's can apply for a disapplication to Secretary of State for Education. This also applies if LA's want to transfer more than 0.5%.
23. Given all the above DfE requirements and issues and in line with the previous policy of LSFF stability, the Council, the WSF and schools are all supportive to continue for a further year with the NFF as far as is practicable and affordable as the Council LSFF in 2022-23, together with the existing arrangements for no transfer of Schools Block DSG, de-delegated and centrally retained services.
24. The final allocations for schools in 2022-23 for individual schools will be affected and differ from the existing 2021-22 allocations and the DfE 2022-23 exemplifications due to:
- Data not yet available from the October 2021 data sets that must be used for the 2022-23 formula allocations.
  - Any MFG per pupil and associated capping calculation for 2022-23 having to be based upon this revised data.
  - For some academies the ESFA will use a different 2021-22 baseline for the calculation of the MFG and capping.
  - The final Schools Block DSG for 2022-23 will be based upon the October 2021 pupil numbers and NFF arrangements.
  - The final Schools Block DSG quantum for 2022-23 which will not be notified by the DfE until late December 2021.
25. A communication detailing the proposal to retain the continuing arrangements for 2021-22 into 2022-23 was circulated on 29 September 2021 to all schools and other key

stakeholders. There have been no contra indications received to this proposed policy direction.

### **Recommendations for the Worcestershire Local Schools Funding Formula (LSFF) for Mainstream Schools and Other Statutory Matters for 2022-23**

26. The County Council recognises the diverse range of schools in the county and Cabinet has previously discussed the issues in endeavouring to have a LSFF that is appropriate for all schools. Having considered the issues, the views of the WSF in **Appendix 2** and Cabinet's strategic view, it is recommended that approval be given to continue as far as is practicable and affordable to use the DfE NFF parameters as the LSFF for 2022-23.

27. This approach will also continue to support the DfE intention to move to a prescribed 'hard' NFF in the future. The LSFF will then continue to be based as far as is practicable and affordable on the NFF parameters. In doing this it is recognised that applying all the NFF parameters will depend upon the amount of Schools Block DSG available in 2022-23, which will impact on how the NFF can be applied in the LSFF. The affordability or otherwise of the NFF will depend upon the impact of:

- The DfE mandatory sector mandatory Minimum Funding Levels (MFLs).
- The requirements for a minimum per pupil increase of up to 2%.
- The potential need to set a cap for gaining schools for affordability purposes.

28. Implementation of the NFF parameters as the LSFF may require a funding cap if the DSG quantum is not be able to fund the full NFF in 2022-23. Consequently, the DfE have indicated LA's can apply a cap, not part of their NFF, which can continue to be higher than the cash amount required for the MFG for the LSFF to be contained within the Schools Block DSG available.

29. On the potential to transfer Schools Block funding to support High Needs, Cabinet is conscious of the previous significant feedback from schools on this extremely important issue. Notwithstanding the significant budgetary pressures for High Needs the issues previously raised by schools are key to Cabinet in making its decision on a potential Schools Block transfer. It is imperative that the County Council and schools are united in continuing to make the case for increased high needs funding as well as developing changes in practise and collaborative working as part of the high needs' recovery programme over the next 3-5 years.

### **The Role of the Worcestershire Schools Forum (WSF)**

30. As required, the WSF continues to fulfil its statutory role as the principal consultation body for matters relating to school funding. There is a statutory requirement to consult them on these funding proposals.

31. The WSF has met on 23 September 2021 and 18 November 2021. These meetings formally endorsed the formal recommendation for the LSFF for 2022-23 together with their approvals for the required statutory decisions on no transfer of Schools Block DSG, de-delegated and centrally retained services.

32. Details of these discussions and outcomes at the meetings are attached at **Appendix 2**.

## Cabinet's Detailed Approvals

33. Approve for 2022-23 the LSFF as supported by the WSF to continue to be based as far as is practicable and affordable on the DfE NFF parameters, with the **estimated** units of resource detailed below.

34. Approve the following as the factors for inclusion in the LSFF for Council mainstream schools – LA maintained and ESFA academies – to be based upon required DfE data sets from the October 2021 and other 2021 DfE data sources, including any in year or prior year changes and the final DSG for 2022-23 when this is confirmed.

35. Approve the model to contain from April 2022, the following formula factors and **estimated** units of resource using the prescribed DfE data sets from the October 2021 and other DfE 2021 data sources, including any in year or prior year data changes, and estimated data as required for schools changing their age range from September 2022:

Age Weighted Pupil Unit (AWPU): [The same per pupil amount for the following age groups]

Primary £3,217; Key Stage 3 £4,536; Key Stage 4 £5,112

Sector Minimum Funding Levels (MFL's)

Primary £4,265; Key Stage 3 £5,321; Key Stage 4 £5,831; Secondary £5,525

Deprivation:

Free School Meals (FSM) Annual: Primary £470; Secondary £470

Free School Meals (FSM) Ever 6: Primary £590; Secondary £865

Income Deprivation Affecting Children Index (IDACI) [6 bands A to F]:

Primary £640; £490; £460; £420; £270; £220

Secondary £890; £700; £650; £595; £425; £320

Low Cost/High Incidence Special Educational Need (SEN) – Low Prior Attainment:

Primary £1,130

[Combination of Early Years Foundation Stage Profile – New Profile % to be determined; Old Profile 78 Points];

Secondary £1,710

[Not achieving level 4 Key Stage 2 English or Maths]

English as an Additional Language (EAL) – maximum of 3 years:

Primary £565; Secondary £1,530

[Pupils with a first language other than English]

Lump Sum for Every School:

All School Phases £121,300

Sparsity based on a NFF or tapered approach:

Primary £55,000; Secondary £80,000

Split Site:

An individual school cash sum allocated via the approved 2022-23 formula with schools having to meet the qualifying criteria

Rates:

Actual Costs individual to each school to be directly funded by the ESFA direct to the relevant rating authority

Private Finance Initiative (PFI):

Agreed Costs for those schools in the PFI contract



Exceptional Premises Costs:

An individual school cash sum for those qualifying schools as approved by the ESFA

Minimum Funding Guarantee (MFG):

+2% per pupil in each year on a formula as prescribed by the ESFA

Capping:

At the required % level, if required, to scale back gains for some schools to fund the LSFF using the NFF parameters prescribed by the ESFA

[The final % rate, if required, is to be determined following the School Block DSG settlement for 2022-23 using a scaling factor of 100%].

36. Approve that the current **estimated** LSFF units of resource as detailed above and **estimated** MFG and capping % can be adjusted in January 2022, as required, to take account of the impact of the:

- October 2021 census and requirements including use of estimated data for changes in school age ranges if required.
- Other DfE prescribed 2021 data and changes including those from prior years.
- Final Schools Block DSG for 2022-23.
- Statutory requirements relating to the MFG/Capping and/or the School and Early Years Finance (England) Regulations.

37. Approve not to transfer Schools Block Funding to support High Needs.

38. Approve the initial delegation of the following centrally retained services for all mainstream schools in 2022-23 as in 2021-22:

<b>FACTOR</b>	<b>SERVICE</b>
Basic Per Pupil	School Specific Contingencies (not Early Years) Staff Costs Supply Cover
Deprivation (Free School Meals)	FSM Eligibility
EAL	Support for Minority Ethnic Pupils
Low Prior Attainment	Support for Underachieving Groups

39. Approve the decision of the WSF maintained mainstream school members to continue in 2022-23 the delegation and de-delegation (centrally retained) of the above services for LA maintained mainstream schools only by phase:

<b>Phase/Service</b>	<b>Primary Delegation</b>	<b>Primary De-delegation</b>
School Specific Contingency	No	Yes
Support for Schools in Financial Difficulty	Yes	No
14-16 Practical Learning Options	N/A	N/A
Behaviour Support Services	N/A	N/A
Schools Insurance	Yes	No

Support for Minority Ethnic Pupils or Underachieving Groups – EAL	No	Yes
Support for Minority Ethnic Pupils or Underachieving Groups – Travellers Children	No	Yes
Free School Meal Eligibility	No	Yes
Staff Costs Supply Cover – Civic Duties	No	Yes
Staff Costs Supply Cover – Trade Union Duties	No	Yes
Staff Costs Supply Cover – HR Related Duties	No	Yes
School Improvement	No	No
Former General Duties ESG	N/A	No
<b>Phase/Service</b>	<b>Secondary Delegation</b>	<b>Secondary De-delegation</b>
School Specific Contingency	No	Yes
Support for Schools in Financial Difficulty	Yes	No
14-16 Practical Learning Options	Yes	No
Behaviour Support Services	Yes	No
Schools Insurance	Yes	No
Support for Minority Ethnic Pupils or Underachieving Groups – EAL	No	Yes
Support for Minority Ethnic Pupils or Underachieving Groups – Travellers Children	No	Yes
Free School Meal Eligibility	No	Yes
Staff Costs Supply Cover – Civic Duties	No	Yes
Staff Costs Supply Cover – Trade Union Duties	No	Yes
Staff Costs Supply Cover – HR Related Duties	No	Yes
School Improvement	No	No
Former General Duties ESG	N/A	No

40. Approve for those services subject to de-delegation using the formula factors by reducing the formula amounts in 2022-23 for LA maintained mainstream schools only on the basis detailed above.

41. Approve the decision of the WSF to the continued central retention in 2022-23 of the centrally retained services as detailed below either limited to the 2017-18 budget level or as prescribed by the DfE (indicative budgets are shown either limited to previous year levels or **estimated** with final funding subject to clarification and change) for:

- Copyright Licensing Agency (CLA) and Music Publishers Association (MPA) licences (subject to DfE prescription) – £0.41m **estimated**.
- Contributions to Combined Services – the Early Intervention Family Support (EIFS) service budget – £0.768m **actual** (reflecting the 2021-22 amount being reduced by a further 20% because of the DfE reduction to all LA's Central Services Schools Block DSG).
- Co-ordinated admissions scheme – £0.60m **estimated**.
- Servicing of the Schools Forum – £0.06m **estimated**.
- Services previously funded by the retained rate of the Education Services Grant – £1.26m **estimated**.

42. The final LSFF units of resource and capping for 2022-23 are subject to final confirmation with the ESFA and may change when the impact of the October 2021 and other 2021 DfE data and prior year data changes and the final Schools Block DSG for 2022-23 are confirmed.

43. As in previous years the LSFF for 2022-23 will **not** include factors for:
- Pupil Mobility – although part of the DfE NFF this is not deemed to be a significant issue.
  - Looked After Children (LAC) – not part of the DfE NFF and previous funded reflected in the previous increase in the separate LAC Pupil Premium Grant.
  - Higher Teacher Costs – only applies to London fringe LA's.

### **Legal, Financial and HR Implications**

44. The Council is required to adhere to the DfE prescribed arrangements for school and LA funding in 2022-23. These will be contained within the yet to be published School and Early Years Finance (England) Regulations 2022. It is anticipated these will be laid before Parliament in early 2022.

### **Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments**

45. Not applicable in this case.

### **Risk Implications**

46. Given the recommendations in 2022-23 for the LSFF, Schools Block DSG and the arrangements for de-delegated and centrally retained services are made based upon the existing approved local policy for 2021-22 there are no such implications.

### **Equality and Diversity Implications**

47. Given the recommendations in 2022-23 for the LSFF, Schools Block DSG and the arrangements for de-delegated and centrally retained services are made based upon the existing approved local policy for 2021-22 there are no such implications.

### **Supporting Information (available electronically)**

- **Appendix 1** – DfE confirmed funding arrangements for 2022-23 – summary of Issues (electronic only)

- **Appendix 2** – Fair Funding Discussions 2022-23 Worcestershire Schools Forum Issues, Decisions and Recommendations 23 September and 18 November 2021 (electronic only).

## **Contact Points**

### County Council Contact Points

County Council: 01905 763763

### Specific Contact Points for this report

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(01905) 846082

Email: [swilkins@worcschildrenfirst.org.uk](mailto:swilkins@worcschildrenfirst.org.uk)

## **Background Papers**

In the opinion of the proper officer (in this case the Director of Children's Services) the following are the background papers relating to the subject matter of this report:

Fair Funding Communication Document to Schools – September 2021

Agenda and background papers for the meetings of the Cabinet held on 18 October 2012, 7 November 2013, 16 October 2014, 15 October 2015, 17 November 2016, 14 December 2017, 20 December 2019 and 10 December 2020 [Browse meetings - Cabinet - Worcestershire County Council \(moderngov.co.uk\)](#)

## **CABINET**

### **6 January 2022**

## **2022/23 DRAFT BUDGET**

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### **Relevant Cabinet Member**

Councillor S E Geraghty – Leader of the Council and Cabinet Member with Responsibility for Finance

### **Relevant Officer**

Chief Financial Officer

### **Recommendations**

**The Cabinet Member with Responsibility for Finance (who is also the Leader of the Council) recommends that Cabinet:**

- (a) approves for consultation the draft budget set out at Appendix 1A of £373.199 million;**
- (b) approves for consultation the new 2022-24 total capital programme of £113.8 million as noted in Appendix 1B;**
- (c) approves for consultation an earmarked reserves schedule as set out at Appendix 2; and**
- (d) agrees that it is minded to recommend to Council in February 2022 an increase in Council Tax Precept of 0.94%, plus a 1% Adult Social Care Levy and 2% Adult Social Care Levy that was carried forward from 2021/22.**

### **1. Executive Summary**

- 1.1. This draft Budget Report provides a first assessment of the 2022/23 precept need and the Council's budget for 2022/23 to be considered at Full Council on 17 February 2022. The assessment takes into account 2021/22 Period 7 financial monitoring, the impact on Council Tax, the capital investment programme, schools' overall budgets, as well as the Council's reserves.
- 1.2. Despite another extraordinary year dealing and responding to the COVID pandemic, the Council's strong financial management and controls have ensured that we will not carry any undue financial pressures in to 2022/23. Officers are currently taking action to address the small overspend (approximately £1 million that is 0.3% of the net budget) arising from delayed corporate savings deferred due to responding and recovering from the pandemic. It is projected that with these actions the Council will achieve a balanced position by 31 March 2022 placing the Council in a strong position going into 2022/23.

1.3. Funding in 2021/22 has included an additional £52 million of COVID grants above the net budget of £355.5 million, which the Council is spending on response and recovery with its key stakeholders to ensure that our residents and business remain safe and able to continue about their daily lives as best as possible. Spend includes:

- £21 million for the most vulnerable in our communities
- £9 million on testing, tracing, and support for outbreak control
- £6 million supporting the NHS with hospital discharges
- £6 million supporting the Adults and Children's Social Care providers care for individuals
- £3 million on support for free school meals
- £2 million hardship support through our District Councils
- £2 million supporting transport, including home to school transport
- £3 million support to businesses

- **Provisional Settlement and Council Tax / Adult Social Care Levy**

1.4. The Chancellor's Spending Round 2021 (SR21) announcement on 27 October 2021 indicated overall levels of funding available to Councils. Further details of the Provisional Settlement were published 16 December 2021. This included setting a Council Tax referendum limit of 2% for general purpose, 1% for social care and any carried forward percentage relating to Adult Social Care Levy not applied in 2021/22, when a levy was announced and could be spread across 2021-23 capped at 3%. As Worcestershire County Council implemented a 1% Adult Social Care Levy in 2021/22 that enables up to 2% of the 2021-23 levy available to be applied in 2022/23. Therefore, Cabinet proposes 3% (1% plus 2%) to be directed to supporting Adult Social Care to reflect the additional costs and demand on care arising from COVID and ensure the most vulnerable in society are protected.

1.5. However, the Cabinet recognise the impact COVID and the current rise in inflation is having on residents and the local economy. As such Cabinet is proposing only a 0.94% increase in general Council Tax to continue to fund investments in those areas that the public have consistently highlighted as important, such as highways and footpaths, as well as measures to support the economy and environment.

1.6. In total that will give rise to an additional £11.338 million Council Tax income in 2022/23. In addition, the Council will secure an additional £2.666 million from Council Tax from new properties. However, there is still a small deficit carried forward to address on the collection fund due to the fall in income collected over the last 12 months as an impact of the pandemic. This is still £0.9m better than the previous year forecast. Therefore, the overall forecast additional income from Council Tax will give rise to an increase of £14.915 million in the Council's income.

1.7. It is noted that the Provisional Settlement only announces a one-year budget settlement for local government due to a planned Fairer Funding Review to be carried out in 2022 and applied for 2023/24. The Provisional Settlement also does not cover any capital announcements, and these are not expected until March 2022. In addition to this, the Provisional Settlement announced on 16 December has identified further grant funding of £12.6 million predominantly for care services, made up as follows:

- a further £6.1 million for Social Care Grant (Adults and Children),
- a further £0.5 million for Adult Care from the Improved Better Care Fund (iBCF),
- a new grant of £1.6 million for Market Sustainability and Fair Cost of Care,
- a new one-off gross £4.4 million Services Grant – note this grant needs to be discounted by £1.4 million to reflect that this grant in part is to fund the Council’s liability as an employer in relation to the new National Insurance levy giving a net one-off increase of £3 million.

1.8. Overall, that means the Council’s income from Council Tax and Government grants gives rise to a total forecast increase in its net income of £30 million as per table below:

**Table 1: Movement in Council Tax and Grant Income 2021/22 to 2022/23**

Source of Funding	£m
Council Tax increase	11.3
Council Tax buoyancy	2.7
Collection Fund Improvement	0.9
Settlement Funding Assessment	2.5
Social Care Grant	6.1
Market Sustainability and Fair Cost of Care	1.6
Improved Better Care Fund	0.5
Services Grant	4.4
<b>Total</b>	<b>30.0</b>

- **Revenue investment and pressures**

1.9. However, whilst income is growing, it is not increasing fast enough to keep pace with the complexity and demand of all our services, response to COVID and the long-term impact of the virus on our services, as well as the rising cost of inflation (7.1% RPI / 5.1% CPI as at December 2021). In 2022/23 we need to invest a further gross £25 million in adult and children’s care (£17.1 million in Adults and £7.9 million in Children's). This reflects a continuing increase in the volume, complexity and cost of care that were already growing prior to the global pandemic. We continue to make the case that this needs to be reflected in our on-going funding or in changes to national policy.

- 1.10. In addition to pressures in care we also need to maintain and in certain cases invest in other services, especially to deliver our Corporate Plan targets around the economy, highways and the environment. We are also seeing significant increases in the cost of the provision in these services through inflation, particularly street lighting; and other external factors including the impact of adverse weather on our roads, footways and other infrastructure and the transport provider market. At the same time more homes mean more waste disposal costs and the need to support the provision of adequate infrastructure.
- 1.11. The Cabinet is keen to ensure that the feedback from Viewpoint resident surveys, continually highlighting the importance of roads, pavements, tackling congestion and transport are invested in. As a result, the Cabinet are proposing to Council to:
- Invest £0.350 million to:
    - increase the number of Highway Liaison Officers,
    - ensure there are more Local Highways Response Teams
    - uplift the funding for the Parish Lengthsman
    - extending the Highways and Transport Control Response contact hours to 07:00 to 19:00 hours weekdays
  - invest £0.1 million to increase the Economic Development Team to ensure that the County's recovery post pandemic ensures we can continue to support measures to grow our economy
  - maintain the £0.6 million invested in Public Transport in 2020/21 to ensure services and connectivity is maintained across the County as we recover from the pandemic.
  - Invest £2 million to finance capital investment in over £20 million of capital schemes to maintain and improve our highways and footpaths across the County. More capital investment is set out paragraphs 1.18 and 1.19 as well as Appendix 1b, this is funded from within the existing revenue programme.
- 1.12. Altogether we are forecasting a further £44.205 million of pressure and investment in other services. This is made up of:



**Table 2 – Total 2022/23 £44.2 million pressures:**

<b>Assumed Pressures 2022/23</b> <i>Further explain at Section 7 of this report</i>	<b>Latest Estimate £m</b>
Pay Inflation – <i>see Table 12 later in this report</i>	6.2
Contract Inflation	4.0
Net Service Demand and growth – <i>see Tables 8 to 10 later in this report</i>	28.2
Addressing use of reserves for 2021/22 for COVID – <i>see Table 7</i>	5.8
<b>Total</b>	<b>44.2</b>

- **Other Funding**

- 1.13 The Cabinet agreed in December Item 6 ([Agenda Document for Cabinet 9th December 2021](#)) to extend the Waste disposal contract, as part of that arrangement the Council will continue for one more year to use the Waste reserve (£1.5 million) to cover the increased demand on this service. In addition, there is £1.2 million of COVID general grant that is forecast to be carried forward and spent in 2022/23.
- 1.14 Whilst the funding for Social Care from the provisional settlement grants and Adult Social Care Levy raises £13.7 million, the pressures faced in ASC forecast for 2022/23 are £17.1 million. That leaves funding to be bridged of £3.4 million. The majority of the pressures faced are around managing the provider workforce retention and recruitment. To ensure a long-term sustainable care market, meet the demand in order to enable hospital discharge and to support improvements in individual's health through reablement and rehabilitation we are currently discussing with NHS Herefordshire and Worcestershire Clinical Commissioning Group (H&WCCG) how local NHS funding might support this. The focus will be to look to fund continual improvements in discharge and care through even stronger partnership and integrated forward-thinking approaches. This will involve continuing to work together on pathways of care to support both our local hospitals' discharge as well as social care. As such we are looking at the potential for joint funding options to address some or all of the gap, albeit that may in part be non-recurrent. However, at the stage of uploading this budget, the NHS funding provisional settlement has not been released and therefore we will update members on progress early in the new year. This joint working will continue to be developed alongside national transformation plans under the Government's Build Back Better initiative.
- 1.15 After accounting for the pressures faced by the Council and the investment to be made offset by additional income this means the Council is seeking to make £8.1 million of efficiencies as set out in Section 9 of this report (£3.1 million within services and £5.1 million in Corporate targets).
- 1.16 Table 3 therefore sets out how the £44.2 million gap is to be addressed in setting the 2022/23 budget:

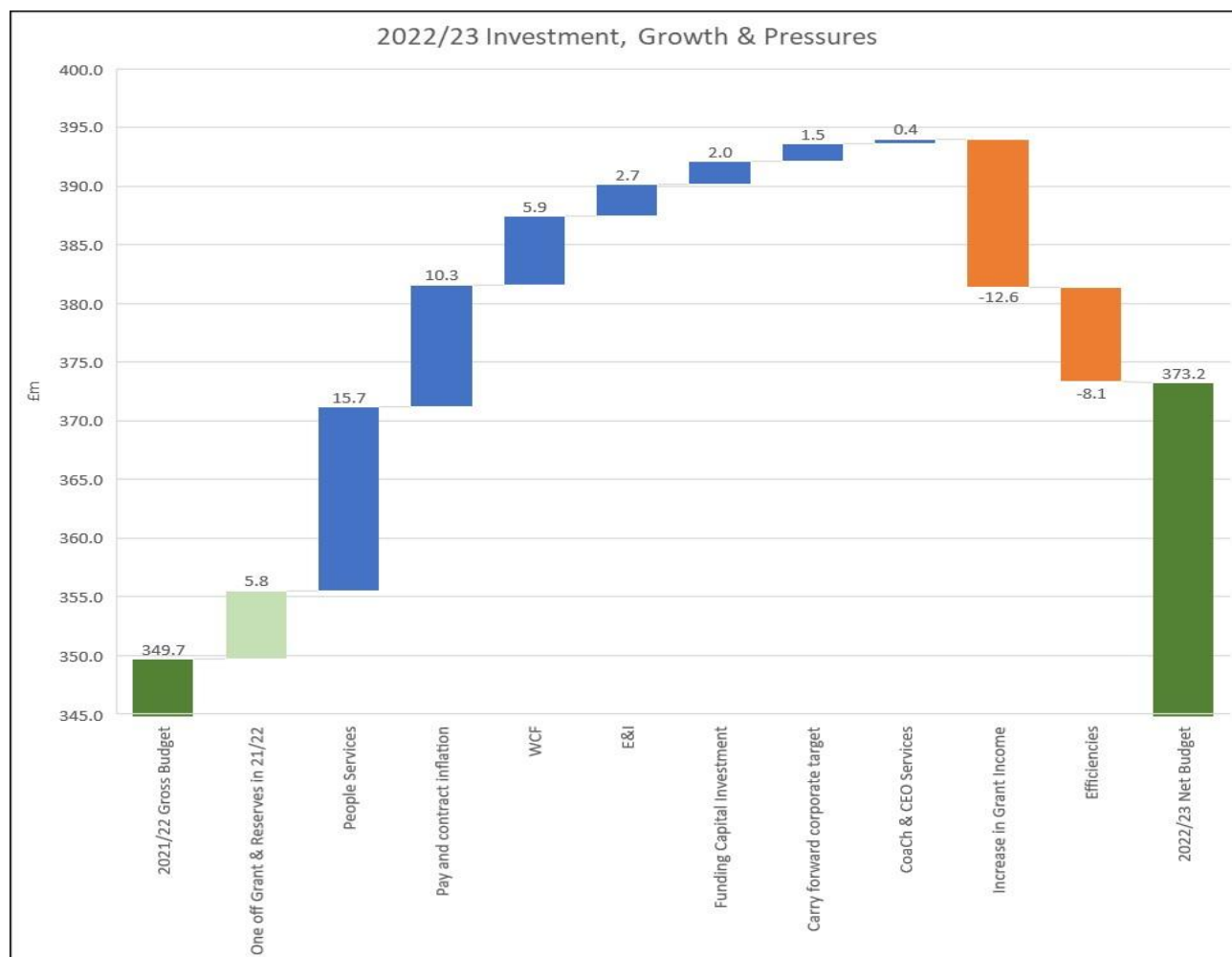
**Table 3 – Funding the £44.2 million pressures to balance the 2022/23 budget:**

	<b>£m</b>
Council Tax / Adult Social Care Levy – (Section 10)	14.9
Settlement Funding Assessment (Section 6)	2.5
Provisional Settlement Grant announcements (Section 6)	12.6
Use of waste (£1.5m) and Covid (£1.2m) reserves (Section 11)	2.7
Directorate Specific Efficiencies (Section 9)	3.0
Corporate changes in service income and efficiencies (Section 9)	5.1
ASC external funding (Section 6)	3.4
<b>Total</b>	<b>44.2</b>

1.15 The result is that the overall net revenue total budget for 2022/23 is £373.199 million as shown by Chart 1 below:

**Chart 1 – Summary movement 2021/22 to 2022/23 Net Budget**

**T**



- **Capital**

1.16 Turning to the Capital Programme, the Council has continued to significantly invest in the County's infrastructure and economy. Across the four years (2020 to 2024) this will have amounted to £438.8 million. That investment has already delivered:

- the opening of Worcester Six Business Park phase 1;
- further phases of Worcester Southern Road Link;
- Worcestershire Parkway;
- Kidderminster Rail Station;
- the expansion of Malvern Hills Science Park;
- £4.5 million of grant to local businesses to help them deal with and support recovery from the pandemic;
- increased Superfast Broadband and overall broadband coverage;
- improvements to roads, walking & cycling projects, pavements, drainage and streetlighting; and
- traffic relieving measures and town centre improvements in Worcester, Kidderminster, Pershore, Evesham, Stourport and Redditch.

1.17 In addition, the County Council has a number of ongoing projects continuing the investment in growing the economy and improving infrastructure, including:

- Cutting congestion projects across the County;
- Worcester Shrub Hill and Redditch Stations;
- Pershore infrastructure improvement programme
- Worcester Southern Link Road further phases;
- Securing flood relief at Tenbury Wells and Bewdley;
- Worcester Six Business Park phase 2;
- Building a new secondary school in Worcester, as well as increasing places and improving condition in key places across the County's schools;
- Kepax and Hampton Bridges
- A38 Bromsgrove Route Enhancement Programme; and
- continued improvements to roads, walking & cycling, pavements, flood mitigation, highway drainage, streetlighting and road markings.

- 1.18 The Council will continue to support measures to grow our local economy, and therefore our income base, through our Open for Business, Infrastructure and Investment Programmes for which we continue to set aside £13.7 million in earmarked reserves and £355.7 million in the Capital Programme 2020 to 2024 for investment in the economy, infrastructure (£329.8 million) and transformation (£25.9 million) of the County.
- 1.19 Looking further into the medium and longer-term future is complicated by the fact that the Provisional Settlement only sets out a one-year funding allocation. Government have announced plans to revisit the funding for local authorities and how allocations are made in 2022 to hopefully be introduced in 2023/24 allocations. There are also a number of significant national changes in policy, particularly around adult care as well as how we forecast the impact of the pandemic and the increase in inflation. As a result, there is less certainty over funding and demand after 2022/23.
- 1.20 The Council's reserves are adequate and an increase in the Financial Risk Reserve is proposed to reflect the uncertainty over future years funding and potential changes in Adult Care arising from the White Paper. Improvements in budget monitoring and control continue to be made, and there will be regular monitoring of the delivery of the 2022/23 budget throughout the year.

## **2 Purpose of Report**

- 2.1 This is a covering report that starts a process working towards an assessment to Full Council to set a budget for 2022/23, that considers the impact on Council Tax, the capital investment programme, schools' overall budgets, as well as Council reserves. This first stage seeks to set out proposals for them to be considered before the final budget settling in February 2022.
- 2.2 Cabinet will commence the engagement after its meeting on 6 January 2022 to consider this report and will then take into consideration any proposals by Scrutiny or other stakeholders such as Trade Unions, with any feedback being presented back to Cabinet for consideration on 3 February 2022. Cabinet and Council will also be asked to consider any comments alongside any other feedback received including those from the Schools Forum, and any other stakeholders.
- 2.3 Council will then be asked on 17 February to debate and approve the budget, Council Tax, capital programme, schools' overall budget as well as the level of reserves.

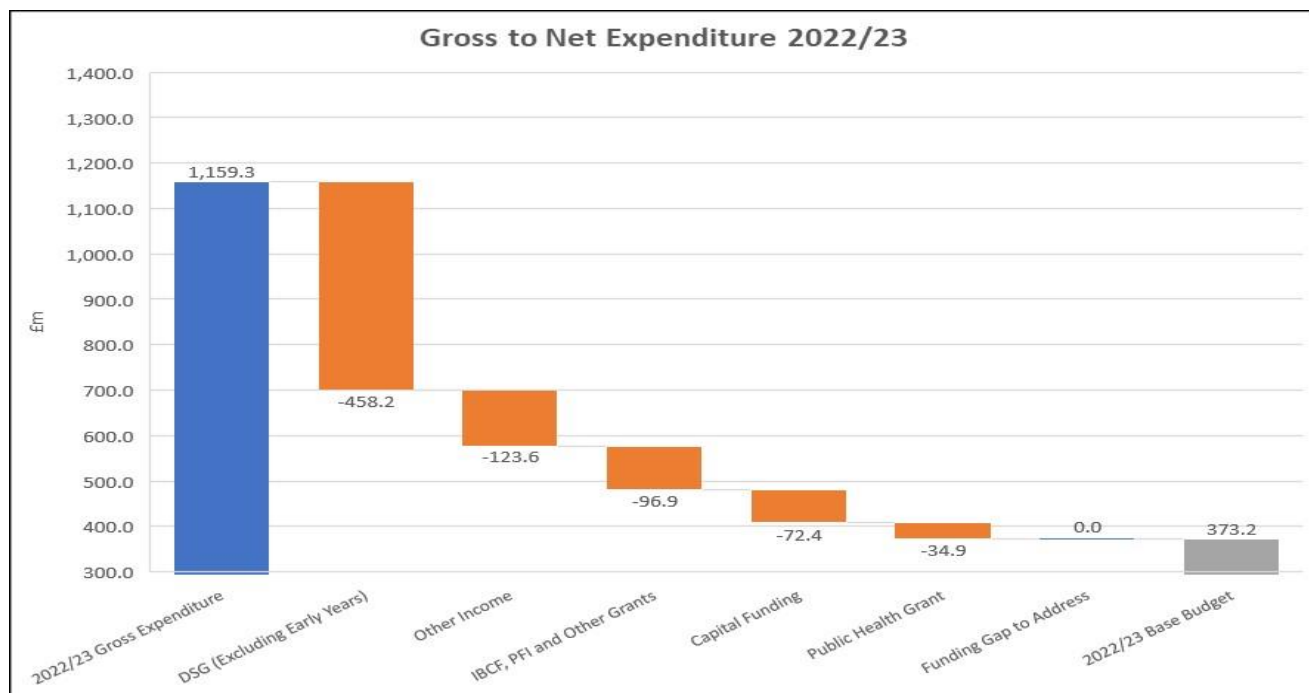
## **3 Background**

- 3.1 The Council's Corporate Plan 2017-22 can be found here ([Shaping Worcestershire's Future](#)). This report sets out a draft budget for 2022/23 to deliver the priorities set out in the Corporate Plan. The Council is obliged by legislation to set a balanced budget. As a result, Cabinet Members and the Strategic Leadership Team have been revising the financial forecasts and budget proposals to present to Council to set its element of the 2022/23 Council Tax precept.

3.2 The approach to preparing the budget is in accordance with the Budget and Policy Framework Rules and reflects the County Council's Corporate Plan, 'Shaping Worcestershire's Future' and the MTFP.

3.3 The current total gross expenditure budget for the Council, including DSG, is circa £1.2 billion as shown in Chart 2:

**Chart 2: The Gross expenditure incurred annually by the County Council**



3.4 This report is an assessment to inform Council of the decision-making process and the adequacy and ability to deliver the proposals made by Cabinet, and the impact that this will have on the Council's financial standing. This report therefore considers:

- Delivering the Corporate objectives and funding its priorities, – **Section 4**
- The current financial position of the Council for 2021/22 – **Section 5**
- The level of funding available for 2022/23 – **Section 6**
- The level of investment required for delivering the Corporate Plan in 2022/23 – **Section 7**
- The consequences of capital investment and school's proposals – **Section 8**
- The level of savings, reforms and income required – **Section 9**
- The resultant Council Tax precept calculation – **Section 10**
- The Council's Medium-Term Financial Plan – **Section 11**
- An assessment of reserves – **Section 12 and Appendix 2**
- Engagement on the proposals – **Section 13**
- Consideration of other factors and professional advice – **Sections 14 to 19**

## **4 Delivering the Council's Corporate objectives and funding its priorities**

- 4.1 The current Medium-Term Financial Plan takes account of the Corporate Plan set alongside the uncertainty of Government funding. As such this report sets out an updated budget that covers the remaining year of the Corporate Plan. It also reflects the latest Government funding announcements.
- 4.2 In relation to the Council's priorities in the Corporate Plan 2017-22, the financial plan confirms the commitment to continue to resource these:

### **Open for Business**

- 4.3 The Council is committing spending of over £130.4 million next year on supporting our local economy. That is a mixture of new and continued investment (revenue and capital), making a total of £160 million 2017-2024, which has supported significant growth and improved our connectivity. The deliverables under the Plan that have been invested and continue to be invested in the local economy include:
- Continuing investment into the capital programme for schemes including A4440 Worcester Southern Link Phase 4, A38 Bromsgrove, Pershore Infrastructure Improvements, Cutting Congestion projects, upgrades and parking at railway stations, broadband connectivity, economic game changer sites and public realm improvements
  - In conjunction with Worcestershire LEP and Partners, the Council has been successful in securing ongoing funding to support 5G initiatives which support productivity improvements in manufacturing. This will run alongside the existing broadband programme
  - The Council is also working with the LEP under the 'Getting Building Fund'. The LEP was awarded £12 million to deliver jobs, skills and infrastructure across the County. As part of that we are seeking to fund the development of economic growth around our transport hubs, including Worcester Shrub Hill and Redditch
  - £0.4 million continues to be invested in the skills agenda through the Open for Business funding to support Inspiring Worcestershire that has focused on embedding a tailored Worcestershire careers planning programme, supporting young people and educational establishments to understand the needs of our economy and the employment opportunities within it
  - £0.7 million continues to be invested in promoting and enabling One Worcestershire and Visit Worcestershire, aimed at promoting the business and cultural opportunities of the County to attract more businesses and visitors to Worcestershire
  - £5.5 million has been invested through the Open for Business and Revolving Investment Fund Reserves on progressing development opportunities around key town centre and railway sites

- £0.3 million one-off revenue expenditure has been provided to further progress the North Cotswold Line rail development proposals
- We launched Here2Help Business in 2021 designed to assist in the wake of COVID Worcestershire Businesses to recover, adapt, develop and support their future resilience. ([Here2Help Business | Worcestershire County Council](#))
- We continue our investment into the Midlands Engine.

4.4 Going forward the Council recognises the significant impact COVID has had globally, nationally, and locally. As part of the immediate response the Council is going to continue:

- its focus of developing economic and growth sites around main transport hubs, including significant investment at Worcester Shrub Hill and Redditch stations
- investing in support alongside local businesses through grants via the Open for Business Board, including for investment in skills
- supporting businesses through the continued impact of the pandemic in partnership with our District Council colleagues and Worcestershire Regulatory Services (£1 million)
- working with the Worcestershire LEP as it moves forward delivery of our Economic Plan and support for key sectors.

### **Health and Wellbeing**

4.5 The draft budget proposes a substantial increase in the resources available for Adult Social Care. There is a commitment to invest a gross £17.1 million to meet the demand led Adult Social Care pressures including £2.1 million baselining of funding used in 2021/22 from grants to support the resourcing of the pandemic (Section 7 provides further detail). In 2022/23, therefore there will be over £250 million spent on the health and well-being of our residents, young and old. This budget includes the following specific increases:

- £15 million to reflect the rising demand, complexity and cost of adult care, this includes significant pressures faced within the market to retain and recruit workforce and the rising cost of care. A forward looking strategy ([Item 5 Cabinet Report Forward Look Adult Social Care](#)) as presented to Cabinet in November 2018 which set out how going forward the Council is continuing its focus on helping people live longer and in better health through prevention, reablement and support to live in their own homes including the development of assistive technology. In 2022 as part of that improvement journey a new domiciliary care contract will begin. Section 6 of this report also sets out some of the future pressures and how the Council is looking to manage within that forward strategy, and an update was provided to Cabinet in September 2021 of progress over the last 12 months ([Item 8 September Cabinet Report Adult Social Care - Annual Local Account](#)).

- Around an additional £1 million more will be spent on Public Health in 2022/23 through the Public Health Ringfenced Grant (PHRG), focused on preventative actions to improve the health of County residents, including early years and reablement of adults. In total we expect to spend around £34 million on Worcestershire's Public Health in 2022/23, including plans to spend £2.7 million of PHRG reserves not used due to the pandemic funding, the use of the reserves will be spread over 3 years and focus further on how we can support our local communities to respond in the best way and recover from the pandemic to reduce socio-economic gaps and improve the well-being across the whole County. The grant and reserve will continue to spend within budget and in line with grant conditions, that will include responding and dealing with the ongoing COVID situation. This supports a broad, population-based programme of preventive work to improve health and well-being and narrow health inequalities, with a focus on evidence-based prevention. This year as in previous years, an investment from the Grant is made in areas of the Council outside the Public Health service to help support our ongoing work in areas such as preventative mental health or physical health through services such as libraries and countryside.
  - Supporting residents during COVID through the Council's Covid Grant, Winter Support Grant, Household Support Grant, Hospital Discharge Grant, and Contain Outbreak Management Fund (COMF) totalling in excess of £30 million, of which a significant proportion was in partnership with our District Councils and Worcestershire Regulatory Services colleagues.
  - £2 million continues to be funded from the Transformation programme to change the way we work with our communities and voluntary partners to reshape our services to improve efficiency and digital access. In 2021 we launched our Here2Help service that is changing the way we work with our partners and communities. The service is to support people of all ages and is available for both residents and organisations to access information, advice, tools, guidance and local support available to them or others in the local community based on their needs ([Here2Help website link](#)). At the same time, we are revising the way we engage with our partners through more innovative and effective contracts to secure savings and improve quality.
  - We are investing £4.3 million in capital, as well as transformational funding, to ensure technology can improve care.
  - From 2022 we are bringing the pathways, structures and processes together around all age disabilities.
- **Children and Families**
    - 4.6 Our focus is to ensure children and young people in Worcestershire receive a good quality and "inclusive" approach to education for children with additional needs enabling all to achieve their potential. We are committed to support vulnerable children and their parents through early help and targeted family support, keeping families together and building on their strengths and resilience in response to problems they face in their lives. We safeguard children from significant harm and support our children in care to have good outcomes and a supported transition as care leavers to adulthood.



- 4.7 In November the Will Quince MP, Parliamentary Under Secretary of State for Children and Families confirmed that the Statutory Direction placed on Worcestershire County Council has been lifted and we have formally moved to the “support and supervision” period. This is a key milestone in our improvement journey and demonstrates the significant progress made in safeguarding and the services for vulnerable children in the County.
- 4.8 Our Children’s services are delivered by our wholly owned company Worcestershire Children First (WCF) and we continue to be delighted with the progress made in delivering Children’s Services across Worcestershire. WCF has been in operation for almost 3 years and there continues to be strong relationships and collective ownership between the council and the company in improving outcomes for children and young people.
- 4.9 Given the pressure on Children’s services nationally and locally there is a commitment to invest into the base budget to cover pay increases and to fund some increased placement pressures. Cabinet proposes using £2.6 million of the additional £6.1 million Social Care Grant plus £3 million of the one-off Services Grant in 2022/23 to fund Children’s Services.
- 4.10 A further £1.9 million of one-off funding has already been set aside as an earmarked reserve for potential placement pressures that could arise following recovery from the pandemic to mitigate an increase in demand. Our focus remains to improve outcomes for children and young people (up to the age of 25) in Worcestershire, by addressing their needs holistically through early help and prevention, education provision and social care.
- 4.11 A draw down has not been required in the last three financial years due to the strong leadership, good practice in the service and careful financial management. However, during the past year, the associated impact of the pandemic has resulted in increased demand and costs for support, protection, and care services, including for children with special education needs which has risen locally in line with the national picture. Therefore, the financial risk has increased.
- 4.12 The investment outlined above also includes £0.3 million into Special Educational Needs Transport.
- 4.13 The budget in 2022/23 includes new investment for providing £3 million in capital to improve schools across the County, noting a further net £50 million on building and extending schools across 2022-27.

## **The Environment**

- 4.14 There is a commitment to stay on track to deliver over £196.4 million of revenue and capital investment to improve the local environment and highway network. These plans include:

### **Highways:**

- 4.15 Over the last year the Council has continued to investment in the capital programme for highways and connectivity schemes including the A4440 Worcester Southern Link Phase 4, A38 Bromsgrove, Pershore Infrastructure Improvements and Cutting Congestion projects. Going forward this remains a key priority and capital investment will be invested for two years in:

- A further £12 million per annum on resurfacing roads to continue with funding previously allocated from the Highways Infrastructure Investment Fund (£6 million p.a.) along with additional funding to ensure the meeting of top quartile performance in the condition of the highway network (£6 million p.a.).
- £4 million each year extra on pavements in addition to the expected Department for Transport grant to continue to improve the condition of footways.
- £0.5 million a year for the next two years for small scale schemes to create new pedestrian crossings and tackle congestion.

- 4.16 There is also investment in:

- An additional £1 million to bring forward early pipeline schemes and ensuring funding available for highways assessments for local plans.
- A new £0.350 million revenue recurring commitment to invest in operations with increases to:
  - i. local Highway's liaison officers
  - ii. an uplift in the budget for Parish Lengthsman
  - iii. Local Highway's Response Teams, as well as
  - iv. extending the contact hours within the Highways and Transport Control Centre to 07:00 to 19:00 weekdays.

- 4.17 In addition, to note Cabinet in June also committed:

- £2 million for a new reserve for Infrastructure Project Support to enable the Council to move forward with highways and transport / connectivity.
- £2.5 million to extend for a further two years (2022-24) the Local Member's Capital Highways Fund to enable local level improvement schemes.

### **Environment:**

- 4.18 A further £1 million investment into drainage schemes including support for flood alleviation.
- 4.19 £6 million on streetlighting (£3 million p.a. 2022/23 and 2023/24) to complete the roll out of LED street lighting. That is on top of the monies committed across 2020/21 and 2021/22.
- 4.20 The Council is also committed to improving the environment through the delivery of its Corporate Plan. As such in 2022/23 the Cabinet is committing the following:
- We will maintain the enhanced public transport revenue budget commitment made in 2021/22 for 2022/23 (£0.6 million) to continue to support the Worcestershire Public Transport Strategy and recovery from the pandemic.
  - We are purchasing green energy for all our electricity supplies.
  - £1 million towards our vehicle replacement strategy.
  - £1.1 million to extend for a further two years (2022-24) the Councillors Divisional Funds Scheme
  - Continuing the programme planting 150,000 new trees on council owned land to create new Worcestershire woodlands.
  - Working with the Environment Agency to progress the planned flood defences for Tenbury Wells and Bewdley.

### **Efficient and effective organisation**

- 4.21 Delivering on our plans to ensure that the County Council is operating efficiently, prepared for the future including more digitally enabled operations and closer working with our key partners. This includes investing:
- £2.0 million in digital and technological improvements
  - £2.0 million in our buildings and working environment to ensure we work smarter.
- 4.22 The Council will continue to secure efficiencies from challenging the way it works, including standardising our processes and using technology to avoid delays and speed up access to our varied services. The Council has invested in developing its in-house capacity to undertake system thinking reviews and is in the next phase of developing its digital strategy. This continued focus to reduce unnecessary costs will form the bedrock of future saving plans.

## 5 2021/22 Forecast Outturn

- 5.1. The Council has received regular updates on its financial performance throughout 2021. In addition to the £355.5 million budget the Council has managed around £52 million of one-off funding to support our response to COVID. Various management actions and elected member decisions throughout the year have been taken to deliver an improved financial position. The latest position at Period 7 (October 2021) forecasts an overspend (£1.198 million, or 0.3% of the annual net spend) on its budget by the end of 2021/22. Officers are taking action to address this shortfall to return to a balanced position by year end and reducing any call on the Council's reserves. An update will be provided to the February 2022 meeting of Cabinet. The following table summarises the variances as at Period 7.

**Table 4: Summary Outturn forecast for Services as at Period 7 2021/22**

Service area	Budget £m	Forecast £m	Variance £m
People – Adults	133.887	133.859	-0.028
People – Communities	20.131	20.134	0.003
People – Public Health	-2.389	-2.394	-0.005
Children's Services/WCF	106.791	106.791	0.000
Economy & Infrastructure	55.350	55.540	0.190
Commercial & Change	7.466	7.507	0.041
Chief Executive	1.097	1.038	-0.059
<b>Total: Service excl DSG</b>	<b>322.333</b>	<b>322.475</b>	<b>0.142</b>
Finance/Corporate Items	34.701	34.257	-0.444
Non-assigned items	-1.500	0.000	1.500
<b>TOTAL</b>	<b>355.534</b>	<b>356.732</b>	<b>1.198</b>

- 5.2 In total the Council has received / allocated over £126 million of income from Government to respond to the pandemic since March 2020. Of that £52 million relates to spending in 2021/22. The 2021/22 grants have been used to fund a wide range of activities to respond and drive recovery from the pandemic, including:

- £21 million for the most vulnerable in our communities
- £9 million on testing, tracing, and support for outbreak control
- £6 million supporting the NHS with hospital discharges
- £6 million supporting the Adults and Children's Social Care providers care for individuals
- £3 million on support for free school meals
- £2 million hardship support through our District Councils
- £2 million supporting transport, including home to school transport
- £3 million support to businesses

- 5.3 The main variances at P7 are as follows:
- -£0.4 million underspend on corporate items relating to the release of contingency provision.
  - £1.5 million forecast overspend on corporate saving targets which were deferred due to the need to respond to the pandemic. However, it is worth noting that the procurement team did identify c£1 million of savings on non-revenue budgets.
- 5.4 The current Dedicated Schools Grant forecast, due in the main to shortfall in High Needs funding, is an overspend of £6.1 million and rising which is consistent with other County Council's. This remains an ongoing area of both lobbying and work with schools to consider next steps.
- 5.5 The schools' balances forecast position for 2021/22 reported at period 6, is a net deficit position of £3.6 million. The schools' balances position brought forward at 1 April 2021 was a net £1.4 million surplus. This change is reflective of the pressure on schools from High Needs funding shortfalls, the cost of responding to COVID and clearly supports the changes needed to schools funding. We continue to lobby for all of these areas to be addressed and are working with our schools for a national funding solution.
- 5.6 There are £13.2 million of longer term (greater than 30 days) debts outstanding. Nearly all of this is with public sector partners or construction firms. A decision has been taken to centralise income management and action has started to address this position and further reporting is being taken to the Audit and Governance Committee on a regular basis.
- 5.7 Monitoring of the capital budgets shows schemes are broadly on target to be within the re-programmed spend profile at year end. It is expected that planned expenditure will be carried forward to next financial year.

## 6. **2022/23 Level of Funding**

- 6.1 The Council draws its funding from two main sources – Council Tax and Business Rates. The Council’s Government funding allocated for 2022/23 comprises of three elements; the first two make up what is referred to as Worcestershire’s Settlement Funding Assessment (SFA), which is the DLUCH calculation of what the Council’s spending should be compared with other councils across the country. SFA consists of:
- Revenue Support Grant (RSG) – now nil.
  - Baseline Funding - Business Rates Retention Scheme (BRRS).
- 6.2 A third element of Government funding is from additional ring-fenced grants, such as Public Health.
- 6.3 This funding and the impact for Worcestershire are set out in more detail in the following paragraphs. Section 10 of this report sets out the calculation of the proposed Council Tax precept, and Section 8 assesses assumptions on the funding for capital programmes including schools.

### **Government Grant - Settlement Funding Allocation (SFA)**

- 6.4 In 2010, the Government simplified the funding for local authorities to one main funding stream – the SFA, and nine separate core grants. At the same time, it announced a review of the funding formula and system with the aim of introducing a more transparent and simplified scheme that also supports the localism agenda. These changes took effect from 2013/14. In 2016 the Government offered, and the County Council accepted, a four-year funding offer that ended in 2020/21. For 2021/22 in response to the pandemic Government only announced a one-year settlement, it has in effect repeated this for 2022/23 with the 16 December Provisional Settlement discussed in more detail in this section.
- 6.5 The SFA is split into two parts: The Revenue Support Grant (RSG) and the Baseline Funding, or as it is sometimes known, the Business Rates Retention Scheme (BRRS). The BRRS is meant to reflect our needs-based assessment.
- 6.6 Worcestershire’s 2022/23 allocation from the Provisional Settlement was announced on 16 December 2021. The overall increase is 2.8%, however it is noted that this now includes allocations for the Financial Transparency of Local Authority Maintained Schools grant previously reported outside of the SFA. As such the uplift is as follows.

**Table 5: Provisional Settlement SFA movement 2021/22 to 2022/23**

	2021/22 £m	2022/23 £m	2021/22 to 2022/23 Change £m	2021/22 to 2022/23 Change %
SFA	63.5	63.5	0	0
Business Rates	2.7	5.2	2.5	48%
Total SFA	66.2	68.7	2.5	3.7%

6.7 The Secretary of State for DLUCH confirmed on 16 December that in 2022 the local government funding will be overhauled with a review of Fairer Funding to be in effect for 2023/24. We will update further on any announcements aligned to the finalisation of the Provisional Settlement at the February Cabinet.

### **Government Ring Fenced Grants**

6.8 The Government issues a number of specific grants including for Public Health, Dedicated Schools Grant (DSG), and Extended Rights for Free Travel. Section 8 discusses DSG in more detail. At this stage the following grants and DSG are the only grants announced, with further announcements due in January 2022.

6.9 Government however have issued both growth in existing grants and a new Grant to reflect the investment noted by the Chancellor in his October Statement to Build Back Better in relation to NHS and Adult Social Care. To begin to deliver on that the Provisional Settlement released on 16 December thus identifies further funding for the Council in terms of:

- Social Care grants were first announced in 2019/20 and 2020/21 including Winter Pressures and NHS Care Act as one-off but were then rolled into a single grant – the Social Services Grant for 2021/22. For 2022/23 this grant has continued, and Worcestershire will receive £21.6 million, that is £6.1 million more than in 2021/22. This grant is for both adult and children’s social care and is to meet both increases in demand and complexity of care, as well as increasing pressures on costs of providing care.

- In September this year the Government announced they would be supporting local authorities towards paying a fair rate of care. The Provisional Settlement confirmed a new grant has therefore been introduced - Market Sustainability and Fair Cost of Care (MSFCC) Fund, with Worcestershire getting £1.6 million. The Government published the purpose and conditions of the MSFCC Fund. There will be further information and a grant determination letter in early 2022. This is funded from the National Insurance Health and Care Levy and in 2022/23 nationally is £162m which increases to £600m in both 2023-24 and 2024-25. The funding will be spent on:
  - Conducting a cost of care exercise to determine the sustainable rates
  - Engaging with local providers on the costs and numbers of self-funders
  - Strengthening capacity to plan for greater market oversight.
  - To increase fee rates as appropriate to local circumstances – together with the increases in the Social Care Grant and the iBCF.
- £0.5 million increase in the Improved Better Care Fund (iBCF) to aid the pathways of care and joint working with the NHS.
- The Provisional Settlement also announced a new one-off un-ringfenced Services Grant to fund general responsibilities. Worcestershire County Council's gross allocation is £4.4 million. At the time of uploading this report further detail on what has been included in this grant is still awaited, however we do understand that the allocation includes funding for local government costs for the increase in employer National Insurance Contributions to fund the NHS and Social Care Levy. The pay cost pressures discussed in section 7 of this report includes this cost estimated to be £1.4 million, as such the net additional one-off income is £3 million of new one-off grant.

6.10 The Dedicated Schools Grant (DSG) and Improved Better Care Fund (iBCF) have both been increased in line with Government commitments above inflation. The Public Health Grant is expected to increase in line with inflation but will not be released until January 2022, and remains ring fenced. It is also likely to be a three-year Public Health announcement and outside of any funding review.

6.11 Government has announced a number of other new grants, including:

- £200m for the “cross-government Supporting Families programme”,
- £37.8m for cyber security.

At the time of uploading this report the Council is still awaiting announcements on any allocation to Worcestershire, but we assume this will come with new spending requirements, and as such will be cost neutral in overall budget terms.



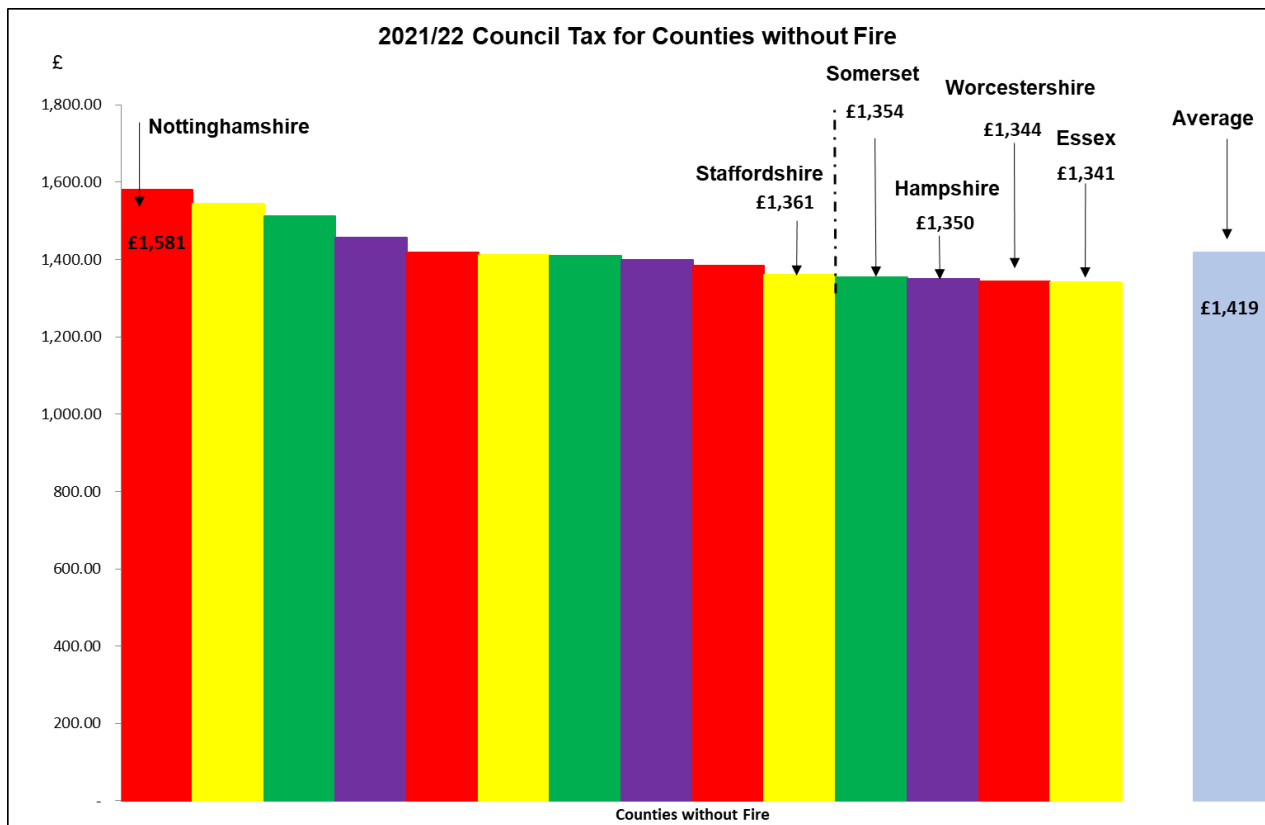
## **Adult Social Care Precept / Levy**

- 6.12 Given the continued demand pressures, the increasing cost of care for older people and the likely impact of the National Living Wage, the 2015 Autumn Statement (25th November 2015) set out a new local freedom for upper tier councils for four years 2016-2020 to raise a separate ring-fenced Social Care Precept of up to 2% on every household to support social care services.
- 6.13 In the 2017/18 Provisional Settlement announcement the Secretary of State for the then MHCLG set out a new flexibility confirming the remaining 6% across the residual years (i.e., 2% each year 2017/18 to 2020/21). Across these three years Worcestershire applied 6%. It was assumed 2020/21 was the final year, however a further two years of up to 3% spread across 2021/22 and 2022/23 for the precept was announced by the Chancellor in November 2020. In setting the 2021/22 budget Council applied 1% of the 3%, thus carrying forward 2% to be applied in 2022/23.
- 6.14 On 16 December the Secretary of State for DLUCH set out a Council Tax and social care levy position allowing for any unapplied social care levy applied over 2021-23 to be carried forward. For Worcestershire County Council that is up to 2% unapplied in 2021/22. The Secretary of State also stipulated that of the 3% capable of being added in 2022/23 1% is for adult social care as discussed later in this report.
- 6.15 The total forecast gross £17.1 million service pressures facing Adult Social Care (ASC) including replacement of spend funded by COVID grants in 2022/23 is set out in more detail at section 7.
- 6.16 Whilst the funding for Social Care from the provisional settlement grants and Adult Social Care Levy raises £13.7 million, the pressures faced in ASC forecast for 2022/23 are £17.1 million. That leaves funding to be bridged of £3.4 million. The majority of the pressures faced are around managing the provider workforce retention and recruitment. To ensure a long-term sustainable care market, meet the demand to enable hospital discharge and to support improvements in individual's health through reablement and rehabilitation we are currently discussing with NHS Herefordshire and Worcestershire Clinical Commissioning Group (H&WCCG) how local NHS funding might support this. The focus will be to look to fund continual improvements in discharge and care through even stronger partnership and integrated forward-thinking approaches. This will involve continuing to work together on pathways of care to support both our local hospitals' discharge as well as social care. As such we are looking at the potential for joint funding options to address some or all of the gap, albeit that may in part be non-recurrent. However, at the stage of uploading this budget, the NHS funding provisional settlement has not been released and therefore we will update members on progress early in the new year. This joint working will continue to be developed alongside national transformation plans under the Government's Build Back Better initiative.

## Council Tax

- 6.17 The Provisional Settlement as made clear by the Secretary of State for DLUCH, sets out that the Council will be able to increase the rate of Council Tax by 2% without having to hold a referendum, with an additional 1% allowed for Social Care plus any element of the previous 3% Adult Social Care precept spread over 2021-23, which for Worcestershire is 2%. This gives a maximum capable of being precepted of 5% (2% on general services and 3% on Adult Social Care).
- 6.18 The level of Council Tax collected in 2021/22 and forecast for 2022/23 continues to be impacted by COVID, however we are forecasting a very small increase in properties and improvements in collection. The County Council is still working with district councils on the precise changes but for this report it is assumed that the level of Council Tax income that could increase due to these changes will give rise to a further £2.7 million in 2022/23. This will be confirmed at the 3rd February Cabinet meeting.
- 6.19 After applying the overall forecast change in the tax base, adjustment for Government support, any continued impact of COVID on collection, and application of the Council's draft proposals to apply a 3.94% increase (0.94% Council Tax plus, 1% 2022/23 Social Care precept, and 2% Adult Social Care 2021-23 Levy) this gives rise to additional net £14.915 million more Council Tax income expected to be collected in 2022/23, as shown in Section 10 of this report.
- 6.20 Overall, as Chart 3 shows, the County Council's level of Council Tax remains one of the lowest when compared to comparative councils, and remains in the bottom quartile:

**Chart 3: 2021/22 Council Tax Band D County Council comparator**



## **Government Funding – Fair Funding**

- 6.21 The Government was due in 2020 to open consultation on revisions to local government funding and the localisation of NNDR (Business Rates). This review and consultation was delayed due to the effect and capacity following the COVID outbreak. DLUCH has now announced that the review will happen during 2022 for 2023/24. As such the Provisional Settlement for 2022/23 is a one-year settlement. Further updates will be provided after the timeline for the 2022 Fair Funding review is announced.

## **Overall funding levels**

- 6.22 After adjusting for movements in Government grants, the proposed levels of Council Tax and Business Rates income, and other income the net impact is that the Council projects it will have an increase in its cash before accounting for need to invest £33.4 million as shown in the following table:

**Table 6: Movement in Council Tax, Grant and Other Income 2021/22 to 2022/23**

<b>Source of Funding</b>	<b>£m</b>
Council Tax increase	11.3
Council Tax buoyancy	2.7
Collection Fund Improvement	0.9
Settlement Funding Assessment	2.5
Social Care Grant	6.1
Market Sustainability and Fair Cost of Care	1.6
Improved Better Care Fund	0.5
Services Grant	4.4
ASC external funding	3.4
<b>Total</b>	<b>33.4</b>

- 6.23 However, as the next section identifies the level of demand exceeds this amount and thus efficiencies as set out in section 8 are also required.

## 7. Level of investment and changes to the original plan

- 7.1 Changes to assumptions on both income and spend have occurred largely due to the ongoing response to COVID and Government announcements since the MTFP was reported to Council in February 2021. The level of certainty of course was also heavily caveated at the time due to both of those factors with a level of prudence assumed therefore at that time gave rise to an assumed gap at that point in time of £44.2 million in 2022/23.

**Table 7: Pressures faced in 2022/23**

<b>Assumed Pressures 2022/23</b>	<b>Latest Estimate £m</b>	<b>Comments</b>
Pay Inflation	6.2	Government announced an end to the public sector pay freeze giving rise to a higher than anticipated pay rise settled nationally in 2021/22 and expected again around 2% in 2022/23, plus a higher than forecast increase in the National Living Wage and ongoing increases in pension liabilities giving rise to higher assumption than assumed in the MTFP.
Contract Inflation	4.0	Our assumption is broadly in line with the original MTFP forecast
Net Service Demand and growth	28.2	Initial forecasts on an increase in care services from demand has been reduced, although pressures remain in certain areas as noted later in this report. Note the gross pressure is £36.3 million before £8.1 million of service efficiencies – see further analysis in Table 8
<b>Services Total</b>	<b>38.4</b>	<b>As per Appendix 1A</b>
Plus, the need to address spend funded in 2021/22 from reserves and grant	5.8	In 2021/22 the net budget was set applying £3 million from reserves and £2.8 million from COVID grants. This spending is now assessed as recurring and thus as the funding is one-off these costs need to be added to the base funding in 2022/23.
<b>Total net budget change</b>	<b>44.2</b>	

7.2 The Net Service demand and growth of £28.2 million, excluding contract and pay inflation, is shown in the following table and discussed in the following paragraphs:

**Table 8: Net Service Pressures, excluding pay and contract inflation, faced by Directorate area in 2022/23**

Net Service Demand and Growth 2022/23	Latest Net Estimate £m
People Services – See Table 10 (£15.3m plus £0.4m)	15.7
WCF – See Table 11	5.9
Economy and Infrastructure – See Table 12	2.7
Coach and Chief Executive Services	0.4
Corporate	3.5
<b>Total</b>	<b>28.2</b>

**People Services - £18.5 million gross, Adult Social Care is £17.1 million gross pressure**

7.3 Overall, there is a gross forecast pressure of £18.5 million across all of People Services with the majority relating to Adult Social Care - £17.1 million. The main reasons for the pressure relate to the increased cost of care services for all client groups (£6.4 million) which is already being seen due to the overall increase in costs of service provision in particular the cost of older people and learning disabilities. Specific issues are being seen with our provision for domiciliary care due to workforce and other inflationary pressures, resulting in the need to review and consult with providers on any uplifts. Details of this and general inflation across People Services is detailed as follows:

**Table 9: 2022/23 People Services cost pressures**

Description of pressure	2022/23 £m
Additional demand and price increases along with complexity / acuity for older people	6.0
Growth in number, price and complexity of care packages for Adults with a Learning Disability	5.5
Increase in number and cost of mental health packages of care	0.7
Growth in cost, number and complexity of care packages for Adults with a Physical Disability including those transitioning from Children’s Services	1.0
<b>Subtotal (1) Demand and Growth Increase in Adult Care</b>	<b>13.2</b>
Add back Specific Grant funding for Adults in 2021/22 for COVID	2.1
<b>Subtotal (2) Demand and Growth Increase in Adult Care</b>	<b>15.3</b>
Pay Inflation across Adult Care Services	1.6
General Inflation across Adult Care Services	0.2
<b>Subtotal (3) Demand and Growth Increase in Adult Care</b>	<b>17.1</b>
Add back Specific Grant funding for Communities in 2021/22 for COVID	0.4
Pay Inflation across People Services	0.4
General Inflation across People Services	0.6
<b>Total People Services</b>	<b>18.5</b>

- 7.4 As set out in the last table, the cost pressure on adults continues to increase with pressures arising from increasing demand of those cared for, as well as increases in the cost of both transport and care. These pressures are forecast to increase following the COVID position further in the MTFP without further action or change in national policy given the impact that is projected to have on demand, complexity and the provider market.

### **Children's Services / Worcestershire Children First (WCF) - £7.9 million gross increase**

- 7.5 On 1 October 2019 our wholly owned company Worcestershire Children First (WCF) was launched with over 800 staff transferring. A further 130 staff have transferred into WCF following the insourcing of the Learning and Achievement Service from Babcock Prime in the Summer of 2020, and a further 6 in September 2021 from Liberata and the Council's Finance Team. March 2021 agreed the company's Business Plan - [Item 4 Cabinet 18 March 2021 WCF Annual Business Plan 2021-22](#). The company's vision which is summarised in the following diagram.



- 7.6 The Business Plan sets out the continuation of the Council's improvement journey to good, and the financial plan around key areas such as safeguarding, schools and early years.
- 7.7 WCF's [2021 annual report](#) presented by the Board at the Annual General Meeting in October 2021 identified continued improvement in services with good performance across the piece and the trajectory of improvement remaining upward even during the COVID pandemic. WCF have consistently sustained, invested and innovated over the last four years to enable social care service improvements. This is reflected in the Statutory Direction being removed by the Department of Education.

7.8 The proposed investment in 2022/23 will focus on:

**Table 10: 2022/23 Gross and Net Investment proposed to improve Children's Services**

	2022/23 £m	Comments
Funding ongoing children's social care placement pressures	5.9	Reflects gross increases in potential demand for numbers of cases and inflation for cost placements
Pay inflation	1.3	Staff inflation 3% across 2021/22 and 2022/23 noting the pay award for 2021/22 offer has been made but not agreed.
Prices Inflation	0.7	Contract inflation, including SEND and Home to School Transport costs
<b>Total Gross</b>	<b>7.9</b>	
<i>New Funding</i>		
WCF will in part be funded for 2022/23 by use of Social Care Grant plus the one-off Services Grant	<b>(5.6)</b>	The 2022/23 budget funds the agreed potential costs faced by WCF for the coming year. The in-year budget will be monitored carefully to assess any recurrent pressure. The net budget will be uplifted in 2023/24 if the one-off grant is removed and the demand remains. This is expected to be revised base budget starting position of at least £4.1 million.
<b>Net base budget change</b>	<b>2.3</b>	

7.9 As a result, the gross WCF contract budget will be approved in January 2022 alongside related income budgets that will be retained by the Council. As part of this process the WCF Board will have to approve the company budget as part of the governance arrangements. The net position is estimated to be £109.1 million as indicated in Appendix 1A.

## **Economy & Infrastructure - £2.9 million net increase**

7.10 The Economy and Infrastructure Directorate manages a wide range of revenue and capital funded services, including major infrastructure covered in more detail in Section 8 of this report. Overall, the net base budget is recommended to increase by £2.9 million as detailed below.

**Table 11: 2022/23 Investment in Economy & Infrastructure**

<b>Description of pressure</b>	<b>2022/23 £m</b>
Increase in Highways Liaison Officers	0.100
Uplift budget for Parish Lengthsmen	0.075
More Local Highways Response Team resource	0.100
Investment in Economy, Regeneration and Skills	0.100
Extension of contact hours in Highways & Transport control centre	0.075
Investment in Economy and Sustainability	0.250
Passenger Transport	0.600
Street Lighting energy	0.700
Increase in cost of staffing within Highways Operations and PROW	0.700
<b>Subtotal Demand and Growth Increase</b>	<b>2.700</b>
Pay Inflation	0.626
Contract Inflation and waste growth	2.009
<b>Total Investments and Inflation</b>	<b>5.335</b>
Savings and efficiencies	(0.853)
One-off funding from waste reserve	(1.545)
<b>Net Investment</b>	<b>2.937</b>

7.11 The investment of £0.6 million will be allocated to fund the reduced demand and lost income still being felt in Passenger Transport as numbers remain low as we face recovery and confidence from the pandemic.

7.12 The cost of energy is expected to give rise to a £0.7 million pressure on the energy cost for street lighting in 2022/23. A full-scale review and business case is underway to complete the transition to LED lights across the whole of the County.



- 7.13 Ongoing capacity issues are faced in Highways due to the scale of work and ability to retain / recruit staff. As such a £0.7 million fund is being created to enable an increase in temporary workers if needed to meet the level of works required. This should also assist in enabling more to be completed early to stem future inflation pressures.
- 7.14 As the number of households in the County increase it is estimated that there will be an inflationary increase in the cost of disposal of waste of £0.8 million and a further £0.8 million increase in the volume of waste disposal, both of which will be funded from the Waste PFI reserve. This has been included within the contract growth / inflation figure of £2.009 million in the table above. The non-inflationary demand increase relates to growth in households of approximately 1% equating to c.3,000 tonnes of extra waste.
- 7.15 The contract for waste disposal was agreed to be extended by Cabinet in December 2021.

### **Other pressures**

- 7.16 Increased demand has an impact on 'back office' services through increased costs, for example IT support for new services. In addition, we are starting to see increases in inflation projections. At this stage whilst these pressures have been recognised no provision has been made for the majority of these items and as such these areas will have to meet these pressures as well as the overall savings target. Budget monitoring in 2022/23 will maintain a review of this position and any in-year action needed.
- 7.17 Two specific areas of funding requirements have been identified within ICT (£0.2 million) and HR (£0.1 million). The ICT investment is to continue the funding of key systems affecting adults and children's social care with the HR investment funding the social work academy.
- 7.18 In addition, there is a need to identify ways to meet the £1.5 million of Corporate saving targets not achieved in 2021/22. As identified in the budget monitoring report these have not been achieved due to the need to respond to the pandemic and as such have been rolled forward into the £5 million target discussed in section 9 of this report.

### **Pay and related costs at £6.2 million cost pressure on the 2022/23 base budget**

- 7.19 The Chancellor announced on 27 October 2021 a lifting of the national pay freeze for the public sector in 2022. Negotiations around 2021/22 are still ongoing and it is now forecast that across 2021/22 and 2022/23 the Council will face a further increase above that previously assumed (1%). That includes a potential pay increase of circa 1.75% plus other pay costs such as increments, the Council's liability for the new National Insurance Health and Care Levy (1.25% - funded from Services Grant discussed within this report) and pensions. As such there is a cost pressure to be addressed:

**Table 12: Pay inflation 2022/23**

Description	2022/23 Pressure £m
This includes an uplift in the base budget to reflect the late pay awards for 2021/22 that were funded from reserves due to the late timing of the final announcement, plus forecast increase in costs arising from a national pay uplift of circa 1.75% plus increases. There are also uplifts in pay for increment rewards and to recognise the increase in annual pension liability.	6.246

7.20 Following consultation and ballot Mandatory Unpaid Leave (MUL), which was due to end on 31 March 2021, was continued for a further two years. As such a further approach to 2023/24 and beyond will need to be determined and agreed during 2022.

7.21 At this stage it is proposed that the Government’s announced process for dealing with pay awards in 2022/23 as well as incremental and pension increases will be funded in the main as part of the budget.

## 8. Capital and Schools

8.1 The following paragraphs summarise the headline proposed changes to the capital programme and the Dedicated Schools Grant (DSG).

### Capital

8.2 Cabinet’s proposed capital programme for 2022/23 and 2023/24 is recognised in the following paragraphs along with the indicative sources of funding available. The programme proposes a continuation of many of the previous commitments and investments in the County. A total value of £116.3 million of works is identified as needing to be driven to maintain and improve connectivity, life chances and the economy in the coming years. This maintains a capital programme in the region of £73.4 million for 2022/23. Of that, £52.3 million relates to extended and new commitments as detailed in Table 13 below. It is noted that a large number of externally funded grants have yet to be identified and as such a full capital programme will evolve and an update provided to Cabinet and Council in February 2022. Therefore, grant allocations, particularly for education have been based on estimates which will need to be adjusted once grant levels are announced. Additionally, other sums may become available during the year from a variety of sources which can be added to the programme during the quarterly reporting of the capital programme in 2022/23.

8.3 In addition to Government grants, additional sums in the form of capital receipts from sales of assets and borrowing are able to be added to the programme. Capital receipts assume a total of £3.6 million in 2022/23 received to fund part of the planned expenditure. This has assumed that all known receipts are achieved and applied to the current capital programme.

8.4 The focus of investment over the coming year is summarised in the following table:

**Table 13: Extended / New Capital Investment Commitments Proposed 2022/23**

Scheme	Description	2022/23
Highways Strategic Investment Fund	Bring forward early pipeline highway schemes; A456/450/491 corridor, A44 corridor study, A435, West of Worcester proposals including Crown East, plus smaller local schemes and Highway's assessments for local plans	2,500,000
Rail Investment * <i>Note further spending proposed in 2023/24 below</i>	The development of Redditch Rail Quarter Programme; and bring forward car park and rail investment.	2,000,000
Highways Asset Maintenance *  <i>Note further spending proposed in 2023/24 below</i>	Continuation of annual programme of Highways Maintenance Funding	6,000,000
Highways Asset Condition to maintain top quartile performance *  <i>Note further spending proposed in 2023/24 below</i>	Assuming DfT funding (Maintenance Funding and Pothole Action Fund) remain as per 2021/22 this additional funding is required to ensure highways asset conditions achieve Top Quartile performance.	6,000,000
Footways *  <i>Note further spending proposed in 2023/24 below</i>	Additional funding over and above the forecast DfT grant to improve the condition of footways.	4,000,000
Highway Drainage for flood alleviation*  <i>Note further spending proposed in 2023/24 below</i>	Investment into drainage schemes including support for flood alleviation	1,000,000
Street Lighting *  <i>Note further spending proposed in 2023/24 below</i>	Continued investment in LED roll out and replacement of concrete lighting columns.	3,000,000

<b>Scheme</b>	<b>Description</b>	<b>2022/23</b>
Vehicle Replacement Budget	An increase in the capital allocation to fleet replacement.	1,000,000
Potential pressures within existing capital programme	Financial risk provision for inflation pressures impacting projects within the existing E&I capital programme	5,000,000
Structural maintenance - staffing capitalisation	Continuation of the existing capitalisation of staff working on capital projects	2,500,000
Further small infrastructure developments * <i>Note further spending proposed in 2023/24 below</i>	To fund smaller local cutting congestion projects and pedestrian crossings	500,000
Specific School Expansion activity	Specific activity including the Pershore Pyramid, maintenance of Wolverley High School, fencing at North Bromsgrove High School	3,000,000
Other School Expansion activity * <i>Note further spending proposed in 2023/24 below</i>	To work with maintained schools in general to secure and attribute funding to key school expansion and changes	1,000,000
New Secondary School * <i>Note further spending proposed in 2023/24 below</i>	Requirement for investment relating to the need to build a new secondary school in Worcester to meet our statutory provision	11,000,000
Property	Non-Schools property - repair and maintenance	1,970,000
Continuation of Minor works	Addition to the existing capital programme for Property, libraries, Adult services.	300,000
IT	Addition to the existing capital programme for various Digital IT Capital requirements	315,000
Local Members Highways Fund	Extension of the funding provided to all councillors	1,250
	<b>TOTAL - 2022/23</b>	<b>52,335,000</b>

8.5 In addition, Cabinet is proposing that several of these investments (£41.8 million) will run in 2023/24 as well. Further additions to future years will be updated following further clarification of the Governments Fairer Funding Review and capital grants announcements. The following table sets out the programmes extended within 2022/23 funding:

**Table 14: Extended / New Capital Investment Commitments Proposed 2023/24**

Scheme, continuation of current schemes	2023/24
Highways Asset Condition to maintain top quartile performance	6,000,000
Footways	4,000,000
Highways Asset funded from capital	6,000,000
Rail Investment	9,000,000
Further small infrastructure developments	500,000
Highway Drainage for flood alleviation	1,000,000
Local Members Highways Fund	1,250,000
Street Lighting	3,000,000
New Secondary School	11,000,000
<b>Overall Commitment 2023/24</b>	<b>41,750,000</b>

- **Highways and Footways**

8.6 The county highways network is a key asset of the Council and our aim is to maintain the condition of our roads, footways and pavements to strive to achieve national top quartile performance. The ability to attract inward investment for a thriving economy and to ensure residents benefit from well-maintained transport networks is vital to the Council's Corporate Plan. Over the last few years, the Council has used specific grants, capital and one-off funding such as s106 to support the provision of these services. The services continue to face demand and cost increases due to contract and sector inflation. This budget proposes to continue for a further two years the £6 million investment into highways which was previously agreed for 2021/22 along with a further £6 million of capital funds into improving the condition of local highways. The Cabinet are also proposing continuing to invest £4 million for a further two years to improve footways, as well as £1 million to support flood alleviation for a further two years.

8.7 Cabinet also recognises that sometimes the most efficient way to maintain our highways is to ensure greater local empowerment. Over the last few years, we have set aside £1.250 million each year for local members to meet highway improvements in their areas. That fund was extended for two further years by Cabinet in June 2021.

- **LED Street Lighting**
- 8.8 £6 million has been set aside (£3 million per annum for 2022/23 and 2023/24) to continue the £5 million investment across 2020/21 and 2021/22 into the LED Street Lights to continue the roll out of the programme along with acceleration of the replacement of key concrete columns. Our analysis has shown that greater funding is needed to maintain excellent performance and shift to more efficient bulbs, which in the medium term will reduce the cost and level of energy consumption.
- **Rail Investment**
- 8.9 £11 million has been set aside from 2022/23 onwards to support and progress the Redditch Rail Quarter Programme and bring forward further car parking and rail investments.
- **New Secondary School, expanding school places and improving condition**
- 8.10 A separate report was presented to November Cabinet ([Cabinet Papers 19th November 2021 - Item 4](#)) that set out the need to build a new secondary school in Worcester to meet our statutory provision. This will increase the capital programme over the coming years by approximately £44 million.
- 8.11 In addition, the Council is working with maintained schools to secure and attribute funding to key expansion and changes throughout the County, including the Pershore Pyramid, maintenance of Wolverley High School, fencing at North Bromsgrove High School and expansion of schools in general. As such £3 million has been set aside in the capital programme for these works where grant cannot be secured.
- **Structural Maintenance – Capitalisation and Inflationary Issues**
- 8.12 The Council needs to continue funding existing capitalisation of staff working on capital projects (£2.5 million) along with ensuring that there is sufficient within the Capital Programme to fund inflationary pressures within the existing E&I Capital Programme (£5 million) and fund small infrastructure developments.
- **Vehicle Replacement Programme**
- 8.13 An additional £1 million is proposed for the vehicle replacement strategy.

## **Overall Programme and funding**

- 8.14 The total programme for 2022/23 as it currently stands requires £72.1 million of funding which includes £56.3 million from borrowing need before assessment of grants. At this stage no capital grants have been announced, as such this in all likelihood will reduce the ask and will be the first call for financing the programme alongside other funding such as section 106. Based on these assumptions and the current internal financing the borrowing assumption in 2022/23 is that there could be a net need to borrow around £10 million. For 2023/24 a further £28 million of borrowing will be needed to deliver the continuation of commitments. The borrowing need for both years will be funded from a mixture of base funding set aside in Strategic Initiatives and from capital receipts. Looking forward a key task is to secure additional funding such as grants and capital receipts to reduce the need to borrow as far as possible.
- 8.15 The other major driver of borrowing increases is the investment in economy and infrastructure through the Growth Deal support and schemes designed to boost the local economy. At this stage the focus is to develop proposals utilising the Open for Business reserve as appropriate, as well as external grants such as Levelling Up and borrowing that can be funded from the programme through income sources such as rent or future disposal. As such the Council is exploring opportunities for further extensions to its economic game changer programme.
- 8.16 By maintaining a prudent and low borrowing forecast for 2022/23 and 2023/24 it has a positive knock-on impact to the general fund expenditure as regards the cost of repaying borrowing.
- 8.17 At the same time as continually challenging the programme, finance officers have been carrying out treasury management reviews to take opportunities to reprioritise, re-profile and better manage cash over borrowing to fund schemes. The focus is to ensure capital financing costs are squeezed downwards wherever possible. The effect of reprogramming the capital programme has the impact of pushing the costs into later years, and an estimate of this has been made within the budgeting. This will prevent the Council from borrowing money too early and having to pay unnecessary interest repayments. Work was undertaken to assess the ability to apply more capital receipts from disposal of assets. In addition, officers continue to explore proposals to manage its Minimum Revenue Provision (MRP). As a result of all of this work the Council anticipates that this will mean the capital programme can be funded within the current budget for 2022/23.

## Dedicated Schools Grant

- 8.18 The Education and Schools Funding Agency announced the Provisional Settlement on 16 December 2021. The provisional DSG allocations for Worcestershire are broken down as follows:

**Table 15: Gross DSG Blocks, (prior to Academy Recoupment)**

<b>Blocks</b>	<b>£m (Provisional allocations)</b>
Schools Block	383.356
Central Schools Services Block	3.325
High Needs Block – provisional allocation based on the national funding formula for High Needs	75.548
Early Years Block	33.613
<b>Total</b>	<b>495.842</b>

- 8.19 The Schools Block DSG is comprised of the Primary and Secondary Sector National Funding Formula (NFF) units of funding for Worcestershire set by the DfE as confirmed in July 2021, applied to the October 2021 pupil census plus a historic allocation for the funding of premises costs. This is then delegated to all mainstream schools both maintained and academies through Worcestershire's Local Schools Funding Formula (LSFF). The Schools Block also includes an allocation from the national Pupil Growth Fund, based upon the new national DfE formula, for designated and approved pupil growth to support basic need revenue cost requirements. Beyond 2022/23, the DfE have indicated they will consult further on their NFF policy from 2023-24, including the potential for a 'hard' NFF for schools.
- 8.20 The Central Schools Services Block comprises a NFF formulaic element for ongoing responsibilities for statutory services provided by the County Council on behalf of all maintained schools and academies and a sum for continuing historic commitments. However, current DfE policy has reduced the historic commitments element of the allocation by another 20% for all LAs.
- 8.21 The High Needs Block is based on the DfE NFF and includes an additional allocation of £7.1 million gross in 2022/23, which is Worcestershire's share of the national £780 million announced in the Spending Review in October 2021 and a further £325 million announced in the settlement to support High Needs placement and top up pressures being experienced in all local authorities. This will support the future expected ongoing significant cost pressures in the High Needs DSG, however this will not eliminate the deficit from 2021/22 of around £16 million which will need to be carried forward into 2022/23. The Council continues to lobby and assess actions to address this area of spend.



- 8.22 The Early Years Block providing funding for 2-year-olds targeted support, 3 & 4 year-olds for the universal and extended entitlement and other early years funding is provisionally allocated at £33.613 million being based upon the January 2021 census which was impacted by Covid-19. This provides for minor increases to the DfE's NFF hourly rates. Subsequently it will be updated for the effect of the January 2022 census.
- 8.23 Following a consultation with the Worcestershire Schools Forum (WSF) and notification to all schools in the Autumn Term 2021, Cabinet on 9 December 2021 approved the LSFF for Worcestershire mainstream schools, both maintained and academies, for 2022/23 to continue, as in previous financial years, to be based as far as is practicable and affordable on the DfE NFF parameters. The DfE's parameters include a Minimum Funding Guarantee (MFG) of up to +2.00% per pupil, no gains cap and mandatory national Minimum Funding Levels (MFLs) for the primary and secondary sectors.
- 8.24 The Worcestershire Schools Forum (WSF) met on 23 September 2021 and on 18 November 2021. The WSF endorsed the proposals for the LSFF for 2022/23 and approved as required for 2021/22, under their responsibilities in the School Forum (England) Regulations 2021, the service de-delegations for maintained mainstream schools and centrally retained services for all schools. The WSF will meet again on 20 January 2022 to consider the School Funding Settlement 2022/23, the LSFF for mainstream schools and the required submission of the LSFF to the Education and Skills Funding Agency (ESFA) during January 2022.

#### **Dedicated Schools Grant (High Needs Block Funding)**

- 8.25 A key consideration in assessing the council's overall financial health is the risk associated with the deficits on its Dedicated Schools Grant (DSG) with specific reference to the high needs budget.
- 8.26 These growing deficits are considered a direct consequence of the 2014 Children and Families Act, which increased the age range of children and young people with Special Educational Needs and Disabilities (SEND) that councils are required to support as well as significantly raising the expectations of parents across all age ranges without providing the necessary financial support.
- 8.27 Currently the council is not required to set aside any of its own resources, for example as an earmarked reserve, to specifically offset this accumulating deficit. This position is based on the CIPFA bulletin for the closure of the 2019/20 financial statements which stipulated that the reserve did not need to be in place from the 1 April 2020 onwards. This position was reinforced by a Department for Education statutory instrument which became law at the end of November 2020.
- 8.28 This means that the council cannot now contribute to the deficit, cannot hold a reserve to act as a counterweight and has been required to move the deficit to an unusable reserve where it will sit as though it did not exist. It does though mean that the council is required to cash flow the deficit and continue to prioritise the work needed to reduce the deficit as the statutory instrument was silent on what the position will be from 1 April 2023 onwards.

- 8.29 Currently there is a key risk associated with the expectations of government once the period of the statutory instrument comes to an end, namely the position for the 2023/24 financial year that will therefore be appraised in the reserves position reported for the 2022/23 accounts. The crystallisation of this risk will continue therefore to be monitored alongside the Chief Finance Officer's (CFO's) assessment of the adequacy of the Council's reserves, in particular the Financial Risk Reserve.
- 8.30 The council continues to work with the Local Government Association and other local authorities to seek clarification on both the position once the statutory instrument expires and a sustainable funding strategy for the High Needs budget.

## **9 Efficiencies, reform and income proposals**

- 9.1 The Council's proposed budget for 2022/23 includes the need for £8.1 million of proposals to balance the budget.
- 9.2 As part of the process of setting the budget, managers have been assessing their expenditure and income forecasts. The savings have then been split between those where officers have authority to take actions within the existing Council Policy Framework and service decisions (this includes consultation where appropriate with the public and / or Trade Unions and staff); and those where decisions require a change in policy and approval by elected members. Where Cabinet took decisions in 2021/22 or are in the process of consultation then any related savings have been assumed within the base already and the updates will be through separate Cabinet papers. The efficiency proposals for 2022/23 are broken down by directorate as follows:

**Table 16: Breakdown of Proposed efficiencies 2022/23**

<b>Service Area</b>	<b>£m</b>	<b>Detail</b>
People	0.9	Additional income generation plus the continuation of libraries strategy.
Economy & Infrastructure	0.9	Capitalisation of inflationary increases for staff already capitalised, plus increased income relating to driver training and concessionary fares.
Commercial and Change	0.7	Contract savings and staffing efficiencies within ICT services including mobile phones and broadband.  A good house-keeping exercise to review and challenge non-essential spend within all areas. This includes spend on categories such as printing, paper, postage, phones, furniture, etc...
Finance & HR	0.5	Automation of payments and income collection alongside a review of structures, management layers and non-essential spend.
Corporate	5.1	This is a continuation of the Organisational Design target set in 2020/21 to change the way we work and review structures and posts. This includes the £1.5 million target carried forward from 2021/22. This will also overlap with the good-housekeeping exercise being run through CoaCh and will be led by the Chief Officers Group (COG).
<b>Total</b>	<b>8.1</b>	

- 9.3 These savings have been assessed and considered realisable, although there may be some further movement in some as work progresses which means a small element could need to be found from other areas or reserves.
- 9.4 The proposals are coming from two main sources; pay and non-pay. Of the pay savings, every effort will be made to first remove vacant posts and assess the ability to redeploy staff. This both supports employment and reduces any costs of redundancies.
- 9.5 The Council remains prudent and an element of provision for non-delivery of savings has been provided for in the General Fund Reserves discussed in more detail at Section 12 of this report.

## 10 Council Tax calculation

10.1 The overall position for 2022/23 reflected in this report is therefore:

**Table 17: 2022/23 Council tax provision required**

	£m	£m
2021/22 Base Funded Budget		355.532
<i>Plus</i>		
Net Demand and Inflation (Section 7)		38.388
Spending requirement before funding		393.920
<i>Less</i>		
Changes in Specific Grants	(12.600)	
Net efficiencies, reforms and income (Section 9)	(8.121)	
Sub Total		(20.721)
<b>Net Budget Requirement</b>		<b>373.199</b>
<i>Financed by:</i>		
Settlement Funding Assessment (Section 6)	68.686	
Use of reserves – Waste (£1.5m) plus COVID (£1.189m)	2.689	
ASC external funding	3.400	
Council Tax Collection deficit	(0.782)	
Sub Total		73.993
Amount to be funded from the Collection Fund via Council Tax and ASC Levy		299.206
<b>Total financing</b>		<b>373.199</b>

10.2 The Local Government Finance Act 1992 (as amended by the 2003 Act) sets out the powers and duties of the Council in setting the annual Council Tax. The key requirements under Part IV of the 1972 Act are that:

- 6 Council Tax is set at Full Council – Section 33.
- 7 Council Tax is set at a sufficient level to meet its proposed budget requirements for the ensuing year – Sections 32 and 33.
- 8 The level of Council Tax is set before 11th March to enable circulation of Council Tax bills to enable people to pay on and after 1st April- Section 30(6).
- 9 The Chief Finance Officer must report on the robustness of estimates and the proposed adequacy of reserves – Section 25.
- 10.3 The Government has indicated that the level of Council Tax rise before it triggers a referendum is likely to be 3%, plus the use of any of the Adult Social Care Levy 3% carried over from 2021/22 which was allowed to be spread over the 2021/22 and 2022/23 or all taken in 2021/22. For Worcestershire that would mean a cap of 5% in 2022/23.
- 10.4 At this stage being mindful of the impact of COVID on employment, household incomes and inflation, the Financial Plan has been updated and reflects a Council Tax / Adult Social Care Levy to 3.94% to limit the impact on households.
- 10.5 Overall, this still means that Worcestershire is likely to remain in the lowest quartile for Council Tax for comparative county councils without fire responsibility.
- 10.6 The Council is required to set a Council Tax sufficient to balance the Collection Fund account. Due to the impact of COVID projections at December 2020 suggested that Worcestershire County Council's Collection Fund was forecast to be in deficit. Regulations were amended to enable this deficit to be recovered over 3 years from 2021/22 as opposed to the previous guidelines of 1 year. Based on the latest information from districts that is likely to mean for 2022/23 the County will need to pay an extra £0.9 million into the Collection Fund less any one-off support from Central Government under the Local Tax Income Guarantee Scheme where the Council could receive reimbursement for 75% of irrecoverable Council Tax.
- 10.7 The latest estimates from District Councils of the average Band D tax base are 214,211 for 2022/23. The County Council's Council Tax Requirement has been identified as £299.206 million (this is inclusive of the social care precept); The Band D Council Tax proposed for 2022/23 is estimated at £1,396.78 (£1,343.83 in 2021/22). That represents a change of £52.95, or an average of £1 per week.

10.8 Across the bandings that equates to the following:

**Table 18: Banding analysis for 2022/23 County Council precept**

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
931.19	1,086.38	1,241.58	<b>1,396.78</b>	1,707.18	2,017.57	2,327.97	2,793.56

## 11. Medium Term Financial Plan

- 11.1 As part of our good financial management, the Council has an MTFP that is updated annually as part of the process of setting the Budget and Council Tax levels. The Plan sets out both the process and assumptions in aligning the Council's financial resources with its Corporate Plan. This will be the fifth year of five of the Corporate Plan and as such the focus of the MTFP remains unchanged. However, a number of factors locally and nationally have changed since the MTFP was last considered by Full Council in February 2021. Factors such as the impact and legacy of COVID, as well as national changes most notably Build Back Better mean that there is significant uncertainty around the future service need in key care services. The Government's Provisional Settlement released on 16 December 2021 was only a one-year settlement as a fair funding review is due to be undertaken in 2022 for 2023/24 onwards. As such there is also uncertainty over funding and how certain services will be funded.
- 11.2 Therefore, the MTFP scenarios are being updated for February Cabinet and Council following full assessment of the Secretary of State's announcement relating to Fairer Funding Review, as well as other factors including assumptions around inflation and potential Government changes in policy. The following paragraphs summarise some of the key challenges and risks in determining a future MTFP.
- 11.3 The MTFP assesses both the funding Worcestershire County Council expects to receive and the cost of doing tomorrow, what it does today, to identify what if any, gap exists. The latest forecast is based on certain assumptions that could change (the longer the forecast the greater the risk of change). Factors on both sides of the equation mean that the gap may change significantly, most notably the Government's grant funding is still to be announced for later years, so we do not have clear forecasts beyond 2022/23; and we are still unclear of other external factors.

- 11.4 The Government issued the Provisional Settlement for consultation on 16 December 2021. The key factors from those announcements affecting the MTFP are:
- Previously assumed one-off adult and children's social care grants are to be built into the Government baseline grant funding.
  - Circa £2.7 million of tax raising power through the extension of the Social Care Precept for a further year, and up to 3% in total, i.e., 2% for general services. For Worcestershire this would mean a further c£8.1 million extra in 2022/23 for Adult Social Care.
  - Whilst there will be new grants, particularly to help adult care providers and general fund responsibilities these are one-off grants.
- 11.5 The key risk to monitor is the funding and any cost consequence arising from the Government's Build Back Better. This will see the introduction of an £86,000 cap on care, as well as greater access to the local government market for self-funders. The detail and analysis of financial support likely to be provided to local authorities has not been provided. The majority of the changes are due to be implemented from October 2023, and as such will impact on six twelfths of the 2023/24 financial year. However, changes proposed around transparency of prices will be implemented from October 2022, and as such will potentially give rise to additional. This could see a significant impact on the Council's costs in 2022/23 and as such this is recognised in the risk and reserves assessment.
- 11.6 As such the main sources of the Council's income will be collected and spent locally. The local taxation (Council Tax and Adult Social Care Precept) will account in 2022/23 for 81% of all funding income, with 19% coming from our share of the Business Rates.
- 11.7 Forecasts continues to suggest that the Council will experience a positive cash flow for the following years, subject to the outcome of the Fairer Funding Review. 2022/23 will see a net £14.915 million increase in Council Tax from returning assumed growth in our tax base to reflect new homes across Worcestershire, and a 0.94% increase in Council Tax and further 3% increase in Social Care Levy (2% relating to the element able to be spread across 2021-23 not taken last year).
- 11.8 Future year increases in the number of new properties range between 1% and 2% at this stage due to prudence in the projection of future growth by district councils. There is a risk to increases in council tax base with regard to the number of Council Tax Support scheme claimants and this will continue to be monitored.
- 11.9 If all things were equal the Council would be able to use any additional funding income for new service provision and to fund growth. However, the scale of cost pressures facing the Council is more than the projected increase in income. The potential increase in the base budget is as follows:
- **Investment decisions** – this is policy decisions to invest monies from another service area, or from external funding into a new service or area that will deliver a change; and that supports the Corporate Plan delivery.

- **Growth in demand** – this is recognition that some demand cannot always be prevented, and as such we have to allocate funding – see next steps below regarding how we fund some of this.
- **Cost Pressure** – this is the recognition that inflation cannot always be avoided. It could also be recognition of a prior year base budget ‘issue’ that needs to be addressed, an example that could include an over statement of income target not achieved – see next steps regarding how we plan to fund some of this.

11.10 Examples of each of the above areas over the last 12 months and for 2022/23 are:

- **Investment** – increase in the revenue borrowing budget to fund highways, flood mitigation and cutting congestion capital investment (detailed in Section 8)
- **Growth** – increase in care services required for older people and Children's Social Care
- **Pressures** – inflationary uplifts in contracts and utility costs

11.11 The reason we recognise investment, growth and pressures is so that we understand the scale of the task. If we simply gave a service the same cash budget as the previous year, that service would still have to make savings to standstill as pay costs or contract prices may have risen. The next step is to assess what is a ‘priority’ and needs to be funded and what is ‘not a priority’ and will not be funded and each service must make changes to stay within its current (prior year) base budget.

11.12 The focus of the £44.2 million spending challenges faced in 2022/23 are coming from:

- **Continued rise in demand and growth pressure** of which £24.6 million is driven by social care, but also £2.0 million in passenger transport, highways and operations and street lighting energy costs.
- **Investment** - £0.7 million investment in Economy and Infrastructure to fund increases in operations and extending contact hours; plus £0.3 million within COACH and Chief Executive for ICT and HR support for social care.
- **Corporate items** – the ability to deliver £1.5 million of savings in year has been hampered by the capacity needed to respond to the pandemic. There is also a need to add back £5.8 million of funding for the use of reserves and COVID grants in 2021/22.
- **Strategic Initiatives** - £2.0m to support the Capital Strategy.
- **Pay and Contract inflation** - £10.3 million

11.13 This results in a gross funding requirement in 2022/23 to meet all of these challenges of £44.2 million.



- 11.14 Looking ahead the growth and pressures on spend will continue at similar levels; however, as set out below the adult and children's reform programmes are expected on an escalating scale to cover annual pressures, and prevent costs rising as fast. Other programmes around enabling communities, digital and commercial will also help address pressures.
- 11.15 The Council has a number of transformation and change programmes focused on the Corporate Plan priorities and addressing the projected budget gap. The key programmes are:
- **Children's Services** - The Company's Business Plan for the period was presented to Cabinet in March 2021. This identified a continuation of the improvement programme that has been in place for a number of years.
  - **People** – The Council is developing an Integrated Well-Being strategy that will seek to transform the way we work with our voluntary bodies and communities. It seeks to build on areas such as the success of Here2Help in response to COVID as well as the change to a reablement focussed domiciliary care service and helping people live in their own homes well for longer. Alongside a clear digital shift to support communities find the right services.
  - **Commercial, procurement and efficiency** – The Council is progressing a Commercial Strategy which will set out an overall approach to delivering greater commercial challenge of costs including procurement. With the anticipated changes to procurement legislation and the new flexibility to be introduced, we will have a significant opportunity to deliver improved commercial and qualitative outcomes, whilst potentially channelling more spend to local providers, including SMEs.
  - **Corporate Change Initiatives** – The Council is progressing a number of localised reorganisation and service optimisation reviews designed to enable a more centralised, efficient and effective operating model, and that have been engineered to best leverage our new ways of working, both during and post pandemic.
- 11.16 More detail on the 2022/23 proposed savings is set out at Section 9 of this report.
- 11.17 We will annually update the forecasts and assumptions to revise the goals and compare those against the corporate change programmes, as well as any changes in the Government's funding proposals.
- 11.18 The Council's General Fund reserves are currently at £12.2 million (3.3% of net spend). This has resulted in a real focus on savings as the Council cannot allow overspends or underachievement of income to occur on a recurring basis.
- 11.19 As part of setting the process the CFO appraised the earmarked reserves (EMRs) and challenged the future need as well as fit with the Corporate Plan. These reserves include a number of items that are not available to the Council such as schools and PFI are fully committed. The proposed EMRs is presented to Cabinet and Council that supports both the Corporate Plan and the change programme in Appendix 2.
- 11.20 More detail on the Council's reserves is set out at Section 12 of this report.

## 12. Assessment of reserves

12.1 The Council has had a Strategic Risk Register for many years and developed a Risk Framework to identify and monitor risks going forward. This register has continued to be updated during 2021/22 and has formed the platform in preparing the Section 151 Officer's assessment of risk.

12.2 The total potential reserves required from this assessment is as follows:

**Table 19: General fund risk assessment summary**

<b>Year ended 31st March</b>	<b>2020 £ million</b>	<b>2021 £ million</b>	<b>2022 £ million</b>	<b>2023 £ million</b>
<b>General Fund Reserve risk assessment</b>	12.217	12.217	12.217	12.217
<b>Current Projections (see Para 12.6)</b>	12.217	12.217	12.217	12.217
<b>General Fund Reserves sufficient</b>	✓	✓	✓	✓

12.3 The Council's General Fund estimated reserve at 31 March 2022 based on the forecast outturn, at Section 5 of this report from the current forecast outturn is circa £12.2 million. This means the General Fund Reserve is in line with the revised recommended level, and future use of these funds is a matter of last recourse given the levels. The reserves are for use where other actions cannot deliver savings or urgent one of needs arise unexpectedly. The Council will seek to manage within resources by proposing alternative savings first rather than drawing on reserves which are only available as a one off and do not address recurring saving needs. The following key assumption have been made in considering the level of reserves:

- Service savings – the risk assessment continues to provide for non-delivery of savings. The risk remains around corporate target risks and this has in part been covered in this allocation against the General Fund as a last resort, but principally would be sought from other savings or earmarked reserves.
- The lack of certainty over funding beyond 2022/23, means that an element of risk has still been included to provide for a shortfall in Government funding in the coming and future years. In addition, the funding risk needs to increase for the possible consequences of the outcome of changes from Building Back Better. There is no timetable for the release of further information relating to this national policy change.
- Provision has also been made for unexpected demand due to unforeseen events around care or weather.

12.4 Based on an assessment there is no opportunity for a further call on General Fund reserves in 2022/23 or earmarked reserves. Further information will be provided to Cabinet and Council in February 2022.

- 12.5 The key risks identified as noted above are related to the ongoing response to the COVID pandemic, the transformation programmes in progress, inflation, the uncertainties over future funding streams to deal with the Government White Paper on Adult Social Care – People at the Heart of Care, potential changes in High Needs deficit status and the increasing volatility in demand beyond 2022/23 arising post COVID.
- 12.6 It is proposed that to allow for greater consideration of the impact of the Government's planned changes to Adult Social Care being proposed by the White Paper that the Council's earmarked reserves need to set aside funding for potential costs incurred due to unforeseen circumstances. At this stage there is significant risk that the funding will not meet all of the costs in the following years. In addition, the Fairer Funding outline is not known, and uncertainty remains around the DfE's position related to historic High Need deficit treatment. Therefore, as part of the budget setting it is proposed to vire £10 million from the Business Rates Risk Reserve the Financial Risk Reserve to meet potential unfunded changes. Further updates will be provided in February to Cabinet and Council.
- 12.7 One of the reasons to support the General Fund Reserve assumed resilience is the existence of the Financial Risk Reserve that was set up to anticipate and allow for any gradual management of any significant change in the Councils baseline funding from Government Grants arising from an expected Fair Funding Review or other policy changes. The fair funding review is now expected to take place throughout 2022 in readiness for a new formula 2023/24 as such it is suggested that at this time the level of the FRR is maintained.
- 12.8 Any movements in assumptions in the General Fund Reserve position in 2022/23 will be kept under continual review as part of the budget monitoring process.
- 12.9 The Council has also set aside significant amounts within its Earmarked Reserves (EMRs). The forecast movement and balances in these reserves (subject to additions to the Financial Risk Reserve as set out in paragraph 12.6) is summarised below and shown in more detail at Appendix 2.

**Table 20: Analysis of earmarked reserves 2020-24**

Earmarked Reserves	Balance at 31 March 2020 £m	2020/21 Movement £m	Balance at 31 March 2021 £m	2021/22 Movement £m	Forecast at 31 March 2022 £m	2022/23 Movement £m	Forecast at 31 March 2023 £m	2023/24 Movement £m	Forecast at 31 March 2024 £m
Open for Business	13.6	4.0	17.6	-1.1	16.5	-1.3	15.2	0.0	15.2
Children & Families	4.8	6.3	11.1	0.3	11.4	-0.8	10.6	-0.8	9.8
The Environment	1.0	2.9	4.0	-0.8	3.2	-0.3	2.9	0.0	2.9
Health & Well-Being	6.7	4.4	11.1	1.4	12.5	-7.1	5.4	-3.2	2.2
Efficient Council	45.4	7.7	53.2	-2.8	50.4	-0.6	49.8	-0.3	49.4
<b>Total</b>	<b>71.6</b>	<b>25.4</b>	<b>97.0</b>	<b>-3.0</b>	<b>94.0</b>	<b>-10.2</b>	<b>83.9</b>	<b>-4.4</b>	<b>79.5</b>

12.10 There are also a number of reserves that are not able to be redistributed for County Council purposes. These include the Dedicated Schools Grant and the forecasts below for use of these funds take account of government funding allocated to date which at this time is less than forecast expenditure due to the deficit held by schools overall. It is anticipated that the government's intention is to review DSG allocations in light of forecast pressures with the aim of increasing funding for DSG.

**Table 21: Analysis of ring-fenced reserves 2020-24**

	Balance at 31 March 2020 £m	2020/21 Movement £m	Balance at 31 March 2021 £m	2021/22 Movement £m	Forecast at 31 March 2022 £m	2022/23 Movement £m	Forecast at 31 March 2023 £m	2023/24 Movement £m	Forecast at 31 March 2024 £m
<b>Other</b>									
Schools Balances	1.4	2.6	4.0	0.0	4.0	0.0	4.0	0.0	4.0
Schools ICT-PFI Reserve Bromsgrove High	0.2	0.0	0.2	-0.1	0.1	-0.1	0.0	0.0	0.0
School PFI Adv	1.6	0.1	1.7	0.0	1.7	0.0	1.7	0.0	1.7
Dedicated Schools Grant	-6.2	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Waste Contract PFI Grant	7.7	4.2	11.9	-6.9	5.0	-5.0	0.0	0.0	0.0
<b>Total Other</b>	<b>4.7</b>	<b>13.1</b>	<b>17.8</b>	<b>-7.0</b>	<b>10.8</b>	<b>-5.1</b>	<b>5.7</b>	<b>0.0</b>	<b>5.7</b>
<b>Total Earmarked Reserves</b>	<b>76.3</b>	<b>38.4</b>	<b>114.7</b>	<b>-10.0</b>	<b>104.8</b>	<b>-15.3</b>	<b>89.5</b>	<b>-4.4</b>	<b>85.2</b>

12.11 The level of general and earmarked reserves overall is considered to be sufficient to meet potential risks and demonstrate a prudent level.

### 13. Engagement on proposals

13.1 The Council has clear policies to consult on issues such as specific changes of policy and restructures. At this stage, the Council is reviewing all areas and will ensure that appropriate processes are followed. All savings arising from decisions taken in previous years relating to 2022/23 have followed these processes, for example changes in Libraries.

13.2 The proposals will also be subject to review and scrutiny by a range of stakeholders, including elected members through the scrutiny process, Trade Unions through meetings with them; and Schools Forum consideration of the Dedicated Schools Grant changes.

#### **14. Legal Advice**

14.1 The Monitoring Officer considers that the proposals fulfil the statutory requirements set out below with regard to setting the amount of Council Tax for the forthcoming year and to set a balanced budget: -

- S30 (6) Local Government Finance Act 1992 (the 1992 Act). This section requires that Council Tax must be set before 11 March, in the financial year preceding that for which it is set.
- S32 the 1992 Act. This section sets out the calculations to be made in determining the budget requirements, including contingencies and financial reserves.
- S33 the 1992 Act. This section requires the Council to set a balanced budget.
- S25 (1) Local Governance Act 2003 (the 2003 Act). The Chief Finance Officer of the Authority must report to it on the following matters: - (a) the robustness of the estimates made for the purposes of the calculations; and (b) the adequacy of the proposed financial reserves.
- S25 (2) the 2003 Act. When the Council is considering calculations under S32, it must have regard to a report of the Chief Finance Officer concerning the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

14.2 These Regulations set out what are to be the respective functions of Council and of the Cabinet. With regard to the setting of the budget and Council Tax for the forthcoming year, Regulations provide that the Leader formulates the plan or strategy (in relation to the control of the Council's borrowing or capital expenditure) and the preparation of estimates of the amounts to be aggregated in making the calculations under S32 of the 1992 Act. However, the adoption of any such plan or strategy/calculations is the responsibility of (full) Council.

14.3 This report meets those requirements.

14.4 The legislation that governs local government will continue to be reviewed across this parliamentary term and the business plan will be kept under review to see if changes are needed as the changes in legislation are made available and clarified.

## **15. HR advice**

- 15.1 The Head of Human Resources & Organisational Development has been involved in the process surrounding savings in the service areas and with human resource implications arising from the proposals. This has included / will include consultations with the recognised trade unions and relevant employees in relation to the restructuring of services to deliver savings. Where restructuring of services proposes more than 20 redundancies at an establishment a HR1 form for each relevant review has been / will be completed and sent to both the recognised trade unions and the Department for Business, Energy and Industrial Strategy (BEIS) formerly the Department for Business, Innovation and Skills (BIS). In addition, a section 188 is issued to the recognised Trade Unions. Savings from service reviews are realised once consultation on each review is completed. There are processes in place to carry out further consistent consultations arising from other service saving proposals over the next 12 months where there are human resource implications.
- 15.2 The Council has had good negotiation and consultation relationships with the trade unions and has continually negotiated revised terms and conditions, including in 2021. The pay increment will be lifted as part of those negotiated terms. As the national negotiations remain to be concluded, for now an estimate in line with those negotiations has been built into the base budget, as well as other associated costs such as increments, in line with the national pay negotiations and agreement. The report also contains the proposals to continue with Mandatory Unpaid Leave (MUL) for 2022/23 as agreed last year.

## **16. Equalities assessment**

- 16.1 The Corporate Plan sets out Worcestershire's approach to strengthening the county and how it will interact with its customers and improve access to services and information. It contains specific investment to support vulnerable adults and children in Worcestershire. The equalities implications of the long-term strategies already approved were considered as part of the development of those strategies.
- 16.2 In order for the Council to fulfil its legal requirements under the Public-Sector Equality Duty, individual Equality Impact Assessments will be done on the delivery plans for the respective budget decisions at the stage when plans for implementation are drawn up. These will be made available to all elected members during the decision-making process so that the full equality implications of proposals are understood, inform final decisions and due regard is paid to the Equality Duty.

## **17. Risk assessment**

- 17.1 Services have considered risk in developing the proposals for investment and savings shown in the financial plan and these will be reflected in their usual risk management arrangements.

- 17.2 The changes that have been made by the Government since May 2010 are significant, and further changes to the public sector are expected over the next few years. During 2022/23, we will need to consider whether further changes are needed to our structures and arrangements once the full details of legislative changes have been disclosed by the Government.

## **18. Financial Implications**

- 18.1 In accordance with Section 25 of the Local Government Act 2003 and CIPFA Code of Practice Members are required under the 2003 Act to have regard to the Chief Financial Officer's report when making decisions about the budget calculations.
- 18.2 The financial assumptions are set out in detail in sections 7 to 10. These take account of key factors such as demographic and inflation rates of change. In assessing the assumptions in the setting of the 2022/23 Council Tax, chief officers have provided details of their service responsibilities and aims, together with explanations of current pressures and other issues. These narratives were set alongside each Director and Assistant Director's base budget calculations to put the figures in context and to help inform the formulation of this budget and the Council Corporate Plan.
- 18.3 Section 25 of the Act also covers budget monitoring, and this is a procedure which also helps to confirm the robustness of budgets. Current financial performance is taken into account in assessing the possible impact of existing pressures on the new year budgets. It also provides early indications of potential problems in managing the current year budget so that appropriate action may be taken. Members are asked to note therefore that the balanced budget forecast, has been included in our risk-based assessment for balances. Budget monitoring is reinforced through close financial support to managers and services. These processes and controls will continue to be built upon for 2022/23, to maintain tight financial control.
- 18.4 At this stage the budget proposals are out for engagement and this report sets out the process the budget has been put together to achieve a balanced position. In addition, the settlement is only a provisional one and further details are awaited on a number of significant grants, as well as the process for future years funding. Therefore, the full CFO financial appraisal and risk assessment will be set out in the February reports to Cabinet and Council to reflect more information known at that time.

## **19. Conclusions**

- 19.1 The Council's Corporate Plan, supported by its Financial Plan and the budget for 2022/23 sets a clear direction for the coming year, and the budget proposals within that set a balanced position for engagement before feedback to Cabinet and recommendation to Full Council.

## Supporting Information

### Appendices:

**Appendix 1A – Service Revenue Budget summary**

**Appendix 1B – Proposed Capital Programme**

**Appendix 2 - Earmarked Reserves**

**Appendix 3 - Glossary of terms**

### Contact Points

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### Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) the following are the background papers relating to the subject matter of this report:

- Previous Cabinet Resources Reports



**Service Budget summary (page 1 of 5)**
**Appendix 1A**

Service	Changes in Specific Grants and Other								
	Revised Budget 2021/22 £'000	Funding 2022/23 £'000	Pay Inflation 2022/23 £'000	Contract Inflation 2022/23 £'000	Growth (Investment) 2022/23 £'000	Growth (Pressure) 2022/23 £'000	New Savings 2022/23 £'000	Rebase Budgets 2022/23 £'000	Net Budget 2022/23 £'000
<b>PEOPLE SERVICES</b>									
Older People	63,999	0	717	105	410	5,546	0	0	<b>70,777</b>
Learning Disabilities	59,269	0	114	33	288	5,165	0	0	<b>64,868</b>
Mental Health	17,768	0	161	4	64	782	0	0	<b>18,779</b>
Physical Disabilities	15,221	0	0	1	38	951	0	0	<b>16,211</b>
Adults Commissioning Unit	2,304	0	85	9	0	0	0	0	<b>2,398</b>
IBCF	-18,025	-500	58	4	0	0	0	0	<b>-18,463</b>
Social Care Grant	-10,853	-3,500	0	26	0	0	0	0	<b>-14,327</b>
Adult Provider Services	7,277	-1,600	386	56	0	0	0	0	<b>6,119</b>
Strategic Libraries	3,045	0	121	173	0	0	-255	0	<b>3,084</b>
Museum Services	574	0	7	10	0	0	-17	0	<b>574</b>
Archives and Archaeology	1,283	0	53	35	0	0	-88	0	<b>1,283</b>
Greenspace & Gypsy Services	110	0	28	18	0	0	-46	0	<b>110</b>
Community Services Leadership Team	187	0	4	1	0	0	-5	0	<b>187</b>
Skills & Inv incAdult learning	135	0	62	69	0	0	-132	0	<b>135</b>
Severn Arts Music	0	0	0	0	0	0	0	0	<b>0</b>
SENDIASS	26	0	5	0	0	0	0	0	<b>31</b>
Chs Comm & Ptnership	354	0	9	1	0	0	0	0	<b>365</b>
Buildings & Pensions (Chs)	407	0	22	222	0	0	-244	0	<b>407</b>
Registration & Coroner	565	0	34	18	0	0	-52	0	<b>565</b>
Public Analyst	2	0	1	0	0	0	-1	0	<b>2</b>
Trading Standards	50	0	18	0	0	0	-18	0	<b>51</b>
Childrens S75	1,954	0	0	0	0	0	0	0	<b>1,954</b>
Public Health Grant Funded Services	-2,513	0	70	0	0	2,513	-70	0	<b>0</b>
<b>Total People Services</b>	<b>143,139</b>	<b>-5,600</b>	<b>1,956</b>	<b>786</b>	<b>800</b>	<b>14,957</b>	<b>-927</b>	<b>0</b>	<b>155,110</b>

Service Budget summary (page 2 of 5)

Appendix 1A

Service	Changes in Specific Grants and Other								
	Revised Budget	Funding	Pay Inflation	Contract Inflation	Growth (Investment)	Growth (Pressure)	New Savings	Rebase Budgets	Net Budget
	2021/22	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>WCF Contract</b>	<b>106,843</b>	<b>-5,600</b>	<b>1,327</b>	<b>723</b>	<b>0</b>	<b>5,850</b>	<b>0</b>	<b>0</b>	<b>109,143</b>

Service	Changes in Specific Grants and Other								
	Revised Budget	Funding	Pay Inflation	Contract Inflation	Growth (Investment)	Growth (Pressure)	New Savings	Rebase Budgets	Net Budget
	2020/21	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>E&amp;I</b>									
Business Management	975	0	27	2	0	0	-29	0	<b>975</b>
Economy & Sustainability	374	0	95	52	350	0	-126	0	<b>745</b>
Waste Management	27,864	0	20	1,545	0	0	-20	0	<b>29,408</b>
Major Projects	6,461	0	104	4	0	700	-28	0	<b>7,242</b>
Infrastructure Asset Mgmt	0	0	0	0	0	0	0	0	<b>0</b>
Operations, Highways and PROW	6,111	0	41	115	975	0	-156	0	<b>7,087</b>
Passenger Transport Operations	9,968	0	239	255	675	0	-358	0	<b>10,779</b>
Planning & Regulation	258	0	22	5	0	0	-27	0	<b>258</b>
Development Management	29	0	16	5	0	0	-21	0	<b>29</b>
Network Management	322	0	63	25	0	0	-88	0	<b>321</b>
<b>Total E&amp;I</b>	<b>52,360</b>	<b>0</b>	<b>626</b>	<b>2,009</b>	<b>2,000</b>	<b>700</b>	<b>-853</b>	<b>0</b>	<b>56,843</b>

Service Budget summary (page 3 of 5)

Appendix 1A

Service	Changes in Specific Grants and Other								
	Revised Budget 2020/21 £'000	Funding 2022/23 £'000	Pay Inflation 2022/23 £'000	Contract Inflation 2022/23 £'000	Growth (Investment) 2022/23 £'000	Growth (Pressure) 2022/23 £'000	New Savings 2022/23 £'000	Rebase Budgets 2022/23 £'000	Net Budget 2022/23 £'000
<b>COACH</b>									
COACH - Management	337	0	7	4	0	0	-11	0	336
Legal and Democratic Services	2,418	0	70	85	0	0	-124	0	2,449
Commercial, Management Information & I	2,410	0	69	37	0	0	-91	0	2,425
Property Services	4,724	0	69	197	0	0	-188	0	4,802
Digital, IT and Customer Services	5,114	0	222	123	200	0	-236	0	5,423
Programme Office	-34	0	8	1	0	0	-8	0	-34
<b>Total Coach</b>	<b>14,969</b>	<b>0</b>	<b>444</b>	<b>447</b>	<b>200</b>	<b>0</b>	<b>-658</b>	<b>0</b>	<b>15,402</b>
Service	Changes in Specific Grants and Other								
	Revised Budget 2020/21 £'000	Funding 2022/23 £'000	Pay Inflation 2022/23 £'000	Contract Inflation 2022/23 £'000	Growth (Investment) 2022/23 £'000	Growth (Pressure) 2022/23 £'000	New Savings 2022/23 £'000	Rebase Budgets 2022/23 £'000	Net Budget 2022/23 £'000
<b>CHIEF EXECUTIVE</b>									
Engagement & Communications	453	0	25	3	0	0	-28	0	453
Health & Safety	116	0	7	3	0	0	-10	0	116
HR - Core	2,058	0	121	4	100	0	-112	0	2,171
HR - Old	0	0	0	0	0	0	0	0	0
Chief Executive	269	0	25	0	0	0	-8	0	286
<b>Total Chief Executive</b>	<b>2,897</b>	<b>0</b>	<b>178</b>	<b>11</b>	<b>100</b>	<b>0</b>	<b>-158</b>	<b>0</b>	<b>3,027</b>

Service Budget summary (page 4 of 5)

Appendix 1A

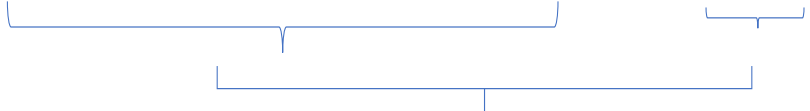
Service	Revised Budget 2020/21 £'000	Changes in Specific Grants and Other Funding		Pay Inflation 2022/23 £'000	Contract Inflation 2022/23 £'000	Growth (Investment) 2022/23 £'000	Growth (Pressure) 2022/23 £'000	New Savings 2022/23 £'000	Rebase Budgets 2022/23 £'000	Net Budget 2022/23 £'000
		2022/23 £'000	2022/23 £'000							
<b>FINANCE &amp; CORPORATE</b>										
Financial Services	3,718	0	180	21	0	0	0	-201	0	3,718
Financing Transactions (Borrowing and In	17,678	0	0	0	0	0	0	0	0	17,678
MRP	11,098	0	0	0	0	0	0	0	0	11,098
Contributions and Precepts	267	0	0	6	0	0	0	-6	0	267
Pension Fund Backfunding Liabilities	4,464	0	134	0	0	0	0	-134	0	4,464
Miscellaneous Whole Organisation Servic	668	0	0	22	0	0	0	-22	0	668
New Homes Bonus Grant Income	-1,513	0	0	0	0	0	0	0	0	-1,513
COVID-19	0	0	0	0	0	0	0	0	0	0
Whole Organisation - Contingency	444	-1,400	1,400	11	0	0	0	-11	0	444
<b>Total Finance &amp; Corporate</b>	<b>36,825</b>	<b>-1,400</b>	<b>1,715</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-375</b>	<b>0</b>	<b>36,825</b>

Service Budget summary (page 5 of 5)

Appendix 1A

Service	Revised Budget 2020/21 £'000	Changes in Specific Grants and Other Funding 2022/23 £'000	Pay Inflation 2022/23 £'000	Contract Inflation 2022/23 £'000	Growth (Investment) 2022/23 £'000	Growth (Pressure) 2022/23 £'000	New Savings 2022/23 £'000	Rebase Budgets 2022/23 £'000	Net Budget 2022/23 £'000
<b>NON ASSIGNED</b>									
Organisation Review	-1,500	0	0	0	0	1,500	-5,150	0	-5,150
Strategic Initiatives	0	0	0	0	2,000	0	0	0	2,000
<b>Total Non Assigned</b>	<b>-1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>1,500</b>	<b>-5,150</b>	<b>0</b>	<b>-3,150</b>

<b>TOTAL</b>	<b>355,532</b>	<b>-12,600</b>	<b>6,246</b>	<b>4,036</b>	<b>5,100</b>	<b>23,007</b>	<b>-8,121</b>	<b>0</b>	<b>373,199</b>
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**38,388**  
**Net Budget Growth**

**Proposed Capital Programme**

	YEAR-END OUTTURN 2020/21	REVISED FORECAST 2021/22	REVISED FORECAST 2022/23	REVISED FORECAST 2023/24 and Beyond	REVISED TOTAL FORECAST (incl. outturn 20-21)
<b>TOTAL EXPENDITURE</b>	£000	£000	£000	£000	£000
CHILDREN AND FAMILIES	13,734	30,125	23,970	11,000	78,829
OPEN FOR BUSINESS	55,358	72,275	4,600	9,200	141,433
THE ENVIRONMENT	51,076	77,378	37,153	22,750	188,357
HEALTH & WELL-BEING	314	3,689	300		4,303
EFFICIENCY & TRANSFORMATION	2,752	15,821	7,341		25,914
<b>TOTAL</b>	<b>123,234</b>	<b>199,287</b>	<b>73,364</b>	<b>42,950</b>	<b>438,835</b>

	YEAR-END OUTTURN 2020/21	REVISED FORECAST 2021/22	REVISED FORECAST 2022/23	REVISED FORECAST 2023/24 and Beyond	REVISED TOTAL FORECAST (incl. outturn 20-21)
<b>TOTAL FUNDING</b>	£000	£000	£000	£000	£000
TEMPORARY AND LONG TERM BORROWING	35,987	92,493	57,561	32,950	218,991
CAPITAL RECEIPTS	3,387	11,121	3,550	10,000	28,059
GOVERNMENT GRANTS	76,878	82,260	7,593		166,731
CAPITAL RESERVE	399	604			1,003
THIRD PARTY CONTRIBUTIONS	6,583	12,809	4,660		24,052
<b>TOTAL</b>	<b>123,234</b>	<b>199,287</b>	<b>73,364</b>	<b>42,950</b>	<b>438,835</b>

	YEAR-END OUTTURN 2020/21	REVISED FORECAST 2021/22	REVISED FORECAST 2022/23	REVISED FORECAST 2023/24 and Beyond	REVISED TOTAL FORECAST (incl. outturn 20-21)
<b>Children and Families</b>	£000	£000	£000	£000	£000
- The Chantry High School Expansion	22				22
- Nunnery Wood High School Expansion	206	1,402			1,608
- Christopher Whitehead High School Expansion	15				15
- Rushwick Primary School Expansion	62	68			130
- Bengeworth 1st	28	111			139
- Social Care Projects		37			37
- Social Care Projects 17/18		3,323			3,323
- Evesham St Andrews	7	122			129
- Leigh and Bransford		165			165
- Holyoaks Field 1st School	3,304	1,662			4,966
- Specific School Expansion Activity			3,000		3,000
- Other School Expansion Activity			1,000		1,000
- New Secondary School			11,000	11,000	22,000
- Flexible use of Capital Receipts		133			133
- Major Schemes - Residual		54			54
- Capital Maintenance		13,360	1,400		14,760
- Basic Need	10,090	6,295	7,570		23,956
- EFA Extension of Provision (Early Years)		259			259
- Higher Level Need Grant 21-22		1,539			1,539
- Special Provision		1,452			1,452
- Composite Sums - Residual		142			142
<b>TOTAL</b>	<b>13,734</b>	<b>30,125</b>	<b>23,970</b>	<b>11,000</b>	<b>78,829</b>

	YEAR-END OUTTURN 2020/21	REVISED FORECAST 2021/22	REVISED FORECAST 2022/23	REVISED FORECAST 2023/24 and Beyond	REVISED TOTAL FORECAST (incl. outturn 20-21)
Open for Business	£000	£000	£000	£000	£000
- Open for Business (including Economic Game Changer Sites).	41	6,509	450		7,000
- QinetiQ Land Purchase	101	1,899			2,000
- Worcester Technology Park		18			18
- Malvern Hills Science Park Scheme	121	0			121
- Local Broadband Plan Phase 1	1	3,809			3,810
- Local Broadband Plan Phase 3	1,788	1,598			3,386
- A4440 WSLR Phase 4	17,784	20,631			38,415
- A38 Bromsgrove	6,121	6,188			12,309
- Kidderminster Churchfields	2,430	55			2,485
- Pershore Northern Infrastructure (including up to £6.4m from HIIF)	3,277	5,991	2,000		11,268
- Capital Skills Programme	222	0			222
- Southern Link Dualling Phase 3	1,147	1,968			3,115
- Southern Link Dualling Phase 3 - Broomhall Way Footbridge	4,853	486			5,339
- Getting Building Fund - Vale Business Park	600				600
- Getting Building Fund - Low Carbon Housing		610			610
- Getting Building Fund - Construction & Automotive Skills (Kidderminster College)		550			550
- Getting Building Fund - Health, Wellbeing & Inclusive Sport (University of Worcester)	993	2,008			3,000
- Getting Building Fund - Flood Resilience Tenbury - (Environment Agency)	144	356			500
- Getting Building Fund - Malvern Technology Park	445	1,405			1,850
- Getting Building Fund - Redditch Transport Interchange	231	769			1,000
- Worcestershire Parkway Regional Interchange	2,182	1,387			3,569
- Kidderminster Rail Station Enhancement	1,199	0			1,199
- Railway Stations Upgrades / Extra Parking	204	3,917	2,000	9,000	15,121
- Worcester Shrub Hill Industrial Estate	9,672	7,163			16,835
- Next Generation Economic Game Changer Sites	156	555	150	200	1,061
- Town Centre Improvements:					
- Evesham	85	605			690
- Redditch	239	234			473
- Stourport	17	69			86
- Worcester	397	763			1,160
- Kidderminster Town Centre Phase 2	17	0			17
- Worcester City Centre	31	-0			30
- Malvern Public Realm		39			39
- ERDF Capital Projects	861	2,691			3,552
<b>TOTAL</b>	<b>55,358</b>	<b>72,275</b>	<b>4,600</b>	<b>9,200</b>	<b>141,433</b>



	OUTTURN 2020/21	FORECAST 2021/22	FORECAST 2022/23	FORECAST 2023/24 and Beyond	TOTAL FORECAST (incl. outturn 20-21)
The Environment	£000	£000	£000	£000	£000
<b>Local Transport Plan:</b>					
- Structural Carriageway/Bridgeworks	33,349	30,691	12,000	12,000	88,040
- Integrated Transport	135	3,914			4,049
- Potential pressures within existing capital programme			5,000		5,000
- Further small infrastructure developments			500	500	1,000
<b>Major Schemes: Infrastructure</b>					
- Cutting Congestion:					
- A38 / A4104 Staggered Junction Upton	768	5,696			6,464
- Evesham Town Centre	48	126			174
- Bromsgrove Town Centre	36	731			767
- Hoobrook Roundabout, Kidderminster	1,535	2,190			3,726
- Walking and Cycling Bridges:					
- River Severn - Keepax to Gheluvelt Park	908	3,802			4,709
- River Severn - Sabrina Bridge refurbishment	2,144	56			2,200
- Local Members Highways Fund	1,345	1,895	1,250	1,250	5,740
- Road Safety Improvements		553			553
- Traffic Signals Grant		500			500
- Public Sector Decarbonisation	7	879			886
- South Littleton to Blackminster Cycleway		101			101
- Hampton Bridge	61	1,000	3,260		4,321
- Walk Cycle Route to Worc Parkway	77	13			90
- Green Deal Communities		3			3
- Investment Initiatives to Support Business and /or Green Technology		1,323			1,323
- Energy Efficiency - Spend to Save		462			462
- Warm Homes Fund	51	379	23		453
- Eastham Bridge		18			18
- Pavement Improvement Programme	2,232	5,815	4,000	4,000	16,047
- Cutting Congestion Programme	3,095	3,567			6,662
- Highway Flood Mitigation Measures	90	2,994	1,000	1,000	5,084
- Bewdley Flood Mitigation Measures		500			500
- Worcester Transport Strategy	6	437			443
- Hoobrook Link Road - Pinch Points	2	25			27
- Public Rights of Way	283	1,167			1,450
- Worcester Woods Paths Project	31				31
- Zebra Crossings Package	396	183			579
- Covid 19 Emergency Active Travel Fund	64	552			616
- Highways Capital Maintenance Costs		2,000	3,500	1,000	6,500
- Highways Strategic Investment Fund	993	334	2,620		3,947
- Completion of Residual Schemes	-202	224			22
- Vehicle Replacement Programme	1,391	313	1,000		2,704
- Street Lightig LED and Concrete Replacement Programme	2,232	4,935	3,000	3,000	13,168
<b>TOTAL</b>	<b>51,076</b>	<b>77,378</b>	<b>37,153</b>	<b>22,750</b>	<b>188,357</b>

	YEAR-END OUTTURN 2020/21	REVISED FORECAST 2021/22	REVISED FORECAST 2022/23	REVISED FORECAST 2023/24 and Beyond	REVISED TOTAL FORECAST (incl. outturn 20-21)
Health and Well-Being	£000	£000	£000	£000	£000

**Major Schemes:**

- Capital Investment in Community Capacity/ Specialised Housing	-182	2,283			2,101
- IT Personalisation	447				447
- A&CS Minor Works	5	266			271
- Social Care Performance IT Enhancement		593			593
- Worcester Library and History Centre (Non - PFI capital costs)	25	122			147
- Redditch Library		119			119
- Libraries Minor Works	19	228	300		547
- Kidderminster Library		78			78
<b>TOTAL</b>	<b>314</b>	<b>3,689</b>	<b>300</b>		<b>4,303</b>

	YEAR-END OUTTURN 2020/21	REVISED FORECAST 2021/22	REVISED FORECAST 2022/23	REVISED FORECAST 2023/24 and Beyond	REVISED TOTAL FORECAST (incl. outturn 20-21)
Efficiency and Transformation	£000	£000	£000	£000	£000

**Major Schemes:**

- Digital Strategy	1,812	5,513	1,821		9,146
- Brownfield Land Release Grant - Kidderminster		400			400
- Property Repair and Maintenance	939	1,938	1,970		4,847
- Stourport Library/ Coroners Relocation to Civic Centre		18			18
- Capitalised Transformation Costs		7,953	3,550		11,503
<b>TOTAL</b>	<b>2,752</b>	<b>15,821</b>	<b>7,341</b>		<b>25,914</b>

**Earmarked Reserves**

Earmarked Reserves	Balance at 31 March 2020	Movement	Balance at 31 March 2021	Movement	Forecast at 31 March 2022	Movement	Forecast at 31 March 2023	Movement	Forecast at 31 March 2024
<b>Open for Business</b>									
Revolving Investment Fund	8.2	1.5	9.7	-2.1	7.6	-3.0	4.6	0.0	4.6
Open for Business	0.6	2.9	3.5	0.5	4.0	3.0	7.0	0.0	7.0
Local Authority Business Growth Initiative	0.6	0.0	0.6	0.0	0.6	0.0	0.6	0.0	0.6
Sub regional mineral plan	0.6	0.0	0.6	-0.3	0.3	-0.3	0.0	0.0	0.0
Growing Places reserve	2.9	-0.9	2.1	0.8	2.9	-0.6	2.3	0.0	2.3
Regional Improvement and Efficiency Reserve	0.0	0.3	0.3	0.0	0.3	0.0	0.3	0.0	0.3
Other	0.7	0.2	0.9	0.0	0.9	-0.4	0.5	0.0	0.5
<b>Children &amp; Families</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Safeguarding	1.1	0.8	1.9	0.0	1.9	0.0	1.9	0.0	1.9
Revenue grants unapplied	3.7	5.5	9.2	0.3	9.5	-0.8	8.7	-0.8	7.9
<b>The Environment</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Regeneration and Infrastructure	0.6	3.0	3.6	-0.9	2.7	-0.3	2.4	0.0	2.4
Revenue grants unapplied	0.5	0.0	0.4	0.1	0.5	0.0	0.5	0.0	0.5
<b>Health and Wellbeing</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Health	6.4	0.0	6.4	2.7	9.1	-4.0	5.1	-3.2	1.9
Revenue grants unapplied	0.3	4.4	4.7	-1.3	3.4	-3.1	0.3	0.0	0.3
<b>Efficient Council</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transformation / Change Reserve	3.9	1.8	5.7	-1.9	3.8	0.0	3.8	0.0	3.8
Digital Reserve	3.3	-0.3	3.0	-0.2	2.8	-0.1	2.7	-0.1	2.6
Elections	0.4	0.1	0.5	0.2	0.7	0.2	0.9	0.2	1.1
Property Management	0.6	0.0	0.6	0.1	0.7	0.1	0.7	0.1	0.8
Insurance	9.2	0.1	9.3	0.0	9.3	0.0	9.3	0.0	9.3
Business Rates Pool	16.8	-2.6	14.3	0.0	14.3	0.0	14.3	0.0	14.3
Coroners Major Inquests	0.4	0.0	0.4	0.0	0.4	0.0	0.4	0.0	0.4
Councillors Divisional Fund	1.2	0.6	1.7	-0.6	1.1	-0.6	0.5	-0.5	0.0
Fleet Surplus Reserve	0.1	0.0	0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Future Capital Investment	1.5	6.4	7.9	0.0	7.9	0.0	7.9	0.0	7.9
Financial Services Reserve	1.6	0.0	1.6	0.0	1.6	0.0	1.6	0.0	1.6
Financial Risk Reserve	6.6	1.6	8.2	-0.2	8.0	-0.2	7.8	0.0	7.8
<b>Other reserves (not available for core spend)</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Schools balances held under delegation	1.4	2.6	4.0	0.0	4.0	0.0	4.0	0.0	4.0
Schools ICT PFI Reserve	0.2	0.0	0.2	-0.1	0.1	-0.1	0.0	0.0	0.0
Bromsgrove High School PFI Advance	1.6	0.1	1.7	0.0	1.7	0.0	1.7	0.0	1.7
Dedicated Schools Grant	-6.2	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Waste Contract PFI Grant	7.7	4.2	11.9	-5.9	6.0	-4.4	1.6	-1.6	0.0
<b>Total</b>	<b>76.3</b>	<b>38.4</b>	<b>114.7</b>	<b>-9.0</b>	<b>105.7</b>	<b>-14.7</b>	<b>91.1</b>	<b>-6.0</b>	<b>85.1</b>

**Glossary of terms**

<b>SFA</b>	<b>Settlement Funding Assessment</b>	The Settlement Funding Assessment consists of the local share of business rates, and Revenue Support Grant and is part of the Council's funding.
<b>RSG</b>	<b>Revenue Support Grant</b>	Revenue Support Grant is a central government grant given to local authorities which can be used to finance revenue expenditure on any service. For Worcestershire County Council this grant was reduced to zero from 2022/23.
<b>DSG</b>	<b>Dedicated Schools Grant</b>	<p>The grant is paid in support of the local authority's school's budget. It is the main source of income for the school's budget.</p> <p>Local authorities are responsible for determining the split of the grant between central expenditure and the individual schools' budget (ISB) in conjunction with local schools' forums. Local authorities are responsible for allocating the ISB to individual schools in accordance with the local schools' funding formula.</p>
<b>NNDR</b>	<b>National Non-Domestic Rates</b>	Also referred to as business rates. In Worcestershire, NNDR is collected by District Councils and 50% of this money is retained by the County Council, District Councils and the Hereford and Worcester Fire and Rescue Authority as part of their funding. The remaining 50% is returned to Central Government for redistribution elsewhere across local government.
<b>MTFS</b>	<b>Medium Term Financial Strategy</b>	The Strategy that sets out the future ways in which the Council will manage its finances, considering pressures, funding and available resources.
<b>MTFP</b>	<b>Medium Term Financial Plan</b>	The Financial Model covering the next three years based on assumptions within the MTFS

## Glossary of terms, continued

<b>GFR</b>	<b>General Fund Reserve</b>	Reserves held for non-specific purposes, to manage risks as / if they arise during the year.
<b>EMR</b>	<b>Earmarked Reserve</b>	Reserves held for specific purposes.
<b>CPI</b>	<b>Consumer Price Index</b>	Measures changes in the price level of market basket of consumer goods and services purchased by households.
<b>RPI</b>	<b>Retail Price Index</b>	A measure of inflation published monthly by the Office for National Statistics. It measures the changes in the cost of a representative sample of retail goods and services.
<b>SEND</b>	<b>Special Educational Needs &amp; Disabilities</b>	A focused service on helping a child or young person in learning where that individual has a disability or special educational needs, for example dyslexia or physical ability, that requires additional support.
<b>DAS</b>	<b>Directorate of Adult Services</b>	Directorate of the Council providing services such as care for the elderly, adults with disabilities, mental health and integration with health partners
<b>CFC</b>	<b>Children, Families and Communities Directorate</b>	Directorate of the Council providing services such as care placements, education, SEND, libraries and arts.
<b>E&amp;I</b>	<b>Economy and Infrastructure Directorate</b>	Directorate of the Council providing services such as highways, waste and transport.
<b>COACH</b>	<b>Commercial and Change Directorate</b>	Directorate of the Council providing services such as human resources, legal and procurement.
<b>LEP</b>	<b>Local Enterprise Partnership</b>	Partnership between local authorities and businesses set up by the then Department for Business, Innovation and Skills in 2011 to help determine local economic priorities and lead economic growth and job creation in the County.
<b>LGF</b>	<b>Local Growth Fund</b>	Growth deals provide funds to LEPs for projects that benefit the local area and economy.
<b>BCF and iBCF</b>	<b>Better Care Fund and Improved Better Care Fund</b>	A programme spanning both the NHS and local government which seeks to join up health and care services, so that people can manage their own health and well-being and live independently in their communities for as long as possible and avoid delayed transfers of care (DTOCs).
<b>PFI</b>	<b>Private Finance Initiative</b>	A way of creating 'public – private partnerships where private firms are contracted to fund, complete and manage public projects, predominantly building related.

**REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM (WSF)**  
**PROVISIONAL SCHOOL FUNDING SETTLEMENT 2022-23**

**1. PURPOSE**

1.1 To advise the WSF on the provisional School Funding Settlement for 2022-23.

**2. PROVISIONAL SCHOOL FUNDING SETTLEMENT 2022-23**

2.1 On 16<sup>th</sup> December 2021, the Department for Education (DfE) published details of the provisional School Funding Settlement 2021-22 for the Dedicated Schools Grant (DSG). Summary details can be found on the following link: -

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2022-to-2023>

**3. DEDICATED SCHOOLS GRANT (DSG) 2022-23**

3.1 The DSG settlement includes: -

- The DSG schools block allocated based on the new National Funding Formula (NFF) schools block primary and secondary units of funding 2022-23 announced in July 2021.
- The Central Services Schools (CSS) Block allocated on the DfE NFF.
- The High Needs (HN) Block allocated based on the DfE NFF announced in September 2017.
- The Early Years (EY) Block allocated on the DfE NFF arrangements introduced in 2017-18.

3.2 The 2022-23 provisional allocation is detailed in **Table 1** under the notional DSG blocks. **This is prior to the recoupment deduction for Academies and non-LA maintained specialist providers.** It also compares the provisional allocations to the 2022-23 DSG latest settlement.

**Table 1: Provisional DSG Gross Settlement 2022-23**

DSG Block	2021-22 Budget £'000	2022-23 Indicative July 2021 £'000	2022-23 Updated January 2022 £'000	Variance 2020-21 to 2021-22 £'000
Schools	369,495	380,128	381,381	+11,886
Pupil Growth Fund	1,908	Not Advised	1,976	+68
<b>S-T Schools</b>	<b>371,403</b>	<b>380,128</b>	<b>383,357</b>	<b>+11,954</b>
Central Services	3,377	3,319	3,325	-52
High Needs (Updated 12 January 2022)	68,401	74,749	78,325	+9,924
Early Years	36,476	Not Advised	33,613	-2,863
<b>TOTAL</b>	<b>479,657</b>	<b>458,196</b>	<b>498,620</b>	<b>+18,963</b>

## Notes

**1A.** Schools Block 2022-23 set by DfE as part of NFF policy September 2017 for Year 5 based upon: -

- The October 2021 pupil census against the Primary and Secondary Units of Funding (PUF) and (SUF) confirmed in July 2021.
- Provides for NFF year 5 parameters including mandatory sector Minimum Funding Levels (MFLs), additional October 2021 pupil numbers and historic premises related factors allocation £7.444m.
- Reflects the change in pupil numbers October 2020 to October 2021 of +174 (Primary -246; Secondary +420).

**1B.** Pupil Growth Fund £1.976m now on DfE formulaic basis in its fifth year. Reflects change in pupil numbers between October 2020 and October 2021.

**1C.** Central School Services Block (CSSB) 2022-23 NFF formulaic allocation for centrally retained statutory services £2.557m plus historic commitments £0.768m (**reduced by a further 20% by the DfE from 2021-22 allocation by £0.192m as part of their national policy**).

**1D.** High Needs Block 2022-23 reflecting share of national additional £780m announced in the Spending Review in October 2021 and a further £325m announced in the settlement revised in January 2022 to support High Needs placement and top up pressures being experienced in all local authorities: -

- HN DSG increases £9.6m.
- Share of £325m includes funding in respect of the Health and Social Care Levy.

**1E.** Early Years Block 2022-23 provisional based upon Schools, Early Years and Alternative Provision census data for 2, 3 & 4-year olds from January 2021. The final allocations will be updated based on January 2021 and January 2022 census data. Reflects an increase to the allocated hourly rates for 2-year-olds +21p and 3- & 4-year-olds +17p. Early Years Pupil Premium has increased by 7p and Disability Access Fund has increased by £185 per year.

3.3 An analysis of the difference between the NFF 2022-23 for the **Schools, CSSB and High Needs Blocks only** between the **initial allocations in July 2021 and the revised allocations in December 2021** is detailed in **Appendix 1**.

3.4 The main aspects of **each block** are as follows: -

### **3.4.1 Schools Block**

- There is an overall increase in pupil numbers of +174 between October 2020 and October 2021, which shows a decrease in primary (-264) and an increase in secondary (+420). This is detailed in **Table 2**.
- The budgetary impact for each school will depend on: -
  - How their individual pupil numbers and other data varies between October 2020 and October 2021.
  - The impact across all schools and the MFG and any capping that might have to be applied.

- The amount of Schools Block Funding to be allocated in the Local Schools Funding Formula (LSFF) – this is discussed further under **Agenda Item 9**.

**Table 2: Pupil Number Variation 2021-22 and 2022-23**

Phase	2021-22 October 2020 Census	%	2022-23 October 2021 Census	%	Note
Primary	44,108.5	59.7	43,890.9	59.3	<b>2A</b>
Secondary	29,752.0	40.3	30,175.0	40.7	<b>2A</b>
<b>Total</b>	<b>73,860.5</b>	<b>100.0</b>	<b>74,065.9</b>	<b>100.0</b>	

**Note**

**2A.** There is no longer a reduction adjustment made for pupils in Specialist Provision in mainstream schools. For each LA, the DfE transferred in 2018-19 a relevant amount to the Schools Block DSG from the High Needs Block DSG to fund the additional pupil numbers.

**3.4.2 High Needs Block**

- The allocation of £75.548m reflects the share of the additional £780m HN DSG allocated in 2022-23 and addition £325m which means an increase of £9.924m gross.
- The additional £325m, includes funding for the Health and Social Care Levy (Employers NI Rate increase of 1.25% (13.8% to 15.05%)), but the cost of that for high needs should be less than a 1% pressure on authorities' high needs budgets.
- The estimated net HN DSG in 2022-23 is £69.439m which is an increase of £9.620m on 2020-21 of £59.819m. This reflects the proposed place deductions from the HN block for SEN units in academies, maintained post 16 and NMSS providers is detailed in **Table 3. These are subject to change during the year.**

**Table 3: Estimated HN Place Deductions**

DETAIL	2021-22 Provisional December 2020 £'m	2022-23 Provisional January 2022 £'m	Variance £'m	Note
<b>HN DSG Gross</b>	<b>68.401</b>	<b>78.325</b>	<b>+9.924</b>	
Place Deductions				
SEN Units Academies Pre and Post 16	(0.730)	(0.814)	<b>(0.084)</b>	
Special Academies Pre and Post 16	(5.400)	(5.600)	<b>(0.200)</b>	
Alternative Provision	(1.000)	(0.960)	<b>0.040</b>	<b>3A</b>
Academies Post 16	(0.012)	(0.012)	<b>0.000</b>	
FE Providers	(1.440)	(1.500)	<b>(0.060)</b>	
<b>S-T Deductions</b>	<b>(8.582)</b>	<b>(8.886)</b>	<b>(0.304)</b>	
<b>= HN DSG Net</b>	<b>59.819</b>	<b>69.439</b>	<b>+9.620</b>	



## Note

**3A.** Currently this is only included at the 2021-22 level and does not reflect further adjustments to be made for the any future academy conversions, the full year effect of September 2021 AP places deductions and new AP place deductions from September 2021. So, there will still be a budget pressures for AP in 2022-23 and subsequent years.

3.5 The next steps in terms of the DSG notification are detailed in **Table 4**.

**Table 4: Next Steps Timetable**

<b>Date</b>	<b>Action</b>
16 December 2021	2021-22 Schools Block and Pupil Growth Fund 2021-22 Central School Services Block 2021-22 High Needs Block 2021-22 Early Years Block Provisional allocations all announced by DfE
Early to Mid-January 2022	Further consideration by LAs on the 2022-23 Schools Block Local Schools Funding Formula (LSFF)
21 January 2022	LAs submit final APT for Schools Block LSFF formula 2022-23
February 2022	ESFA publication of 2021-22 HN places at institution level
28 February 2022	Deadline for LAs to confirm School Budget Shares to maintained schools and specialist providers
31 March 2022	Deadline for ESFA to confirm General Annual Grant (GAG) to academies open by 9 January 2022
April 2022	ESFA confirms 2022-23 DSG to be paid to LAs after recoupment for academies and deductions for HN places in academies and post 16
June 2022	Early Years Block updated for January 2021 Early Years pupil numbers
June 2022	Early Years Block updated for January 2022 Early Years pupil numbers

## **4. PUPIL PREMIUM GRANT (PPG) FUNDING**

4.1 The DfE have confirmed the funding rates for the PPG have increased from 2021-22 to 2022-23. These are set out below for both financial years: -

- Primary Pupils £1,345 to £1,385.
- Secondary Pupils £955 to £985.
- Looked After Children £2,345 to £2,410.
- Children Ceased to be Looked After £2,345 to £2,410.
- Service Children £310 - No change.

4.2 For 2022-23 the eligibility criteria for the pupil premium will remain unchanged, but **the DfE will be using October 2021 school census data to calculate pupil premium allocations**. Exceptions to that include alternative provision and pupil referral units where eligibility will continue to be based on the January census.

## **5. OTHER GRANT FUNDING**

5.1 The specific grants in 2020-21 to **support the costs of teachers pay and pensions have now been mainstreamed into the NFF** – Schools Block DSG (AWPU) and High Needs Block DSG (Basic Entitlement and Supplementary Factors).

5.2 The former ESG grant for retained statutory duties for all maintained schools and academies is now a centrally retained budget in the Central School Services Block DSG.

5.3 The former ESG for general duties for maintained schools only was withdrawn by the DfE from September 2017. The WSF maintained school members resolved at its meeting on 18<sup>th</sup> November 2021 **not** to de-delegate resource to support the withdraw of the former grant for ESG general duties.

5.4 The DfE have indicated information about all other grants will follow in the new year.

## **6. RECOMMENDATION**

6.1 The WSF notes and discusses the above allocations.

Phil Rook  
Director of Resources  
Worcestershire Children First

January 2022

**WORCESTERSHIRE 885 - DEDICATED SCHOOLS GRANT (DSG) - SCHOOLS, CENTRAL SCHOOLS SERVICES AND HIGH NEEDS ONLY**  
**2021-22 PROVISIONAL MARCH 2021 VS. 2022-23 INITIAL JULY 2021**

	<u>2021-22</u>		<u>2022-23</u>		<u>2022-23</u>		<u>VARIANCE</u>		<u>COMMENTS</u>				
	PROVISIONAL MARCH 2021		INITIAL JULY 2021		INITIAL JANUARY 2022								
	UNITS OF FUNDING	PUPIL NOS. OCTOBER 2020	UNITS OF FUNDING	PUPIL NOS. OCTOBER 2020	UNITS OF FUNDING	PUPIL NOS. OCTOBER 2021	UNITS OF FUNDING	PUPIL NOS.					
	£	£'m	£	£'m	£	£'m	£'m	£'m	%				
<b><u>SCHOOLS BLOCK (SB)</u></b>													
Primary Unit of Funding (PUF)	4,407.42	44108.5	194.405	4,534.65	44108.5	200.016	4,534.65	43845.0	198.822	127.23	0	4.417	) Updated using the DfE 2022-23 PUF and SUF.
Secondary Unit of Funding (GUF)	5,634.82	29752.0	167.647	5,803.59	29752.0	172.668	5,803.59	30173.5	175.115	168.77	0	7.467	) Will be updated for the October 2021 pupil numbers.
		<b>73860.5</b>	<b>362.052</b>		<b>73860.5</b>	<b>372.685</b>		<b>74018.5</b>	<b>373.936</b>		<b>0.0</b>	<b>11.884</b>	
Historic Premises			7.443			7.443			7.444			0.001	See Below.
Formulaic Pupil Growth Fund			1.908			0.000			1.976			0.068	
<b>=SB</b>		<b>371.403</b>		<b>380.128</b>		<b>383.356</b>		<b>11.953</b>		<b>3.22%</b>			
<b><u>CENTRAL SCHOOL SERVICES BLOCK (CSSB)</u></b>													
Formulaic CSS NFF			2.417			2.551			2.557			0.140	) Reflects DfE policy to reduce the allocations of all LAs by a further 20%.
Historic Commitments			0.960			0.768			0.768			-0.192	) Significant impact for the Early Intervention Family Support Service (EIFS).
<b>=CSSB</b>		<b>3.377</b>		<b>3.319</b>		<b>3.325</b>		<b>-0.052</b>		<b>-1.55%</b>			
<b><u>HIGH NEEDS BLOCK (HNB)</u></b>													
Formulaic HN NFF			68.401			74.746			78.325			9.924	Effect of share of additional £780m and additional £325m announced on 12 January 2022.
<b>=HNB</b>		<b>68.401</b>		<b>74.746</b>		<b>78.325</b>		<b>9.924</b>		<b>14.51%</b>			
<b>= TOTAL GROSS DSG EXCLUDING EARLY YEARS</b>		<b>443.181</b>		<b>458.193</b>		<b>465.006</b>		<b>21.825</b>		<b>4.92%</b>		<b>21.825</b>	

**NOTES**

This is the **GROSS DSG** indicative allocation **PRIOR TO** academy and high needs places recoupmen.  
This analysis excludes the EY DSG.

Historic Premises

	21-22 APT Baseline	21-22 APT Baseline	21-22 APT Baseline	22-23 APT Baseline	22-23 vs 21-22 APT Baseline
Split Site		0.566	0.566	0.566	0.000
Rates		3.922	3.922	3.792	-0.130
Exceptional Premises		0.369	0.369	0.418	0.049
PFI	Baseline + RPI(X)		PFI	Baseline + RPI(X)	
	£2.547 + 1.0156%	2.586	£2.547 + 1.0156%	2.586	0.082
		<b>7.443</b>		<b>7.444</b>	<b>0.001</b>

**REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM (WSF)**  
**SCHOOLS BLOCK ALLOCATIONS 2022-23 AUTHORITY PROFORMA TOOL (APT)**

**1. PURPOSE**

1.1 To update the WSF on the current position for the completion of the final Schools Block Authority Proforma Tool (APT) for 2022-23.

1.2 For the WSF to endorse and support the submission of the APT for 2022-23.

**2. BACKGROUND**

2.1 At its meeting on 9<sup>th</sup> December 2021, the Worcestershire County Council Cabinet: -

- Approved for 2022-23 for the Local Schools Funding Formula (LSFF) as supported by the WSF to be based as far as is practicable and affordable upon the DfE National Funding Formula (NFF) parameters for Year 5.
- Authorised the Director of Children's Services in consultation with the Cabinet Members with Responsibility for Education and Skills to make the required submission to the national executive body, the Education and Skills Funding Agency (ESFA) by 21<sup>st</sup> January 2022 for the approved LSFF 2022-23 taking account of any impact and change on the approved units of resource, Minimum Funding Guarantee and capping arrangements as a consequence of the October 2021 census and other 2021 data changes and the final 2022-23 Dedicated School Grant (DSG).

**3. APT CURRENT POSITION**

3.1 Now that the DfE have updated for all the data sets for October 2021 and issued provisional DSG allocations for 2022-23. LAs are required to submit their final APT by 21<sup>st</sup> January 2022.

3.2 The final APT for 2022-23 including the revised data sets for 2021 was issued by the DfE on 20<sup>th</sup> December 2021.

3.3 An analysis of the Schools Block DSG funding detailing the estimated amount to be included in the LSFF for mainstream schools is detailed in **Table 1**. This is prior to de-delegation for maintained schools and after adjusting for centrally retained services and functions already approved by the WSF and those prescribed by the DfE.

**Table 1: Analysis of Schools Block 2022-23**

DETAIL	£'000	£'000
<b>Schools Block Allocation</b>		
Primary Unit of Resource £4,534.65 x Pupil Numbers 43,845	<b>198,822</b>	
Secondary Unit of Resource £5,803.59 x Pupil Numbers 30,173.50	<b>175,115</b>	
+ Premises Costs Historic Costs Allocation	<b>7,444</b>	
<b>= Total LSFF Quantum 2022-23</b>		<b>381,381</b>
+ Pupil Growth Fund DfE Formula Allocation		<b>1,976</b>
<b>= Total Schools Block DSG</b>		<b>383,357</b>
<b>Central Schools Services Block (CSSB) Allocation</b>		
<u>Centrally Retained Budgets (Previously Approved by WSF and WCC Cabinet)</u>		
Contributions to Combined Services – Early Intervention Family Support	768	
Co-ordinated School Admissions	592	
Servicing of the Schools Forum	56	
Former ESG Retained Duties for All Schools	1,339	
<u>DfE Designated Centrally Retained Budgets</u>		
Licenses and Subscriptions – DfE Actual	539	
Mainstream Grant for Teachers Pay and Pensions for Centrally Employed Teachers	29	
= Total Centrally Retained		3,323
- Central Services Schools Block (CSSB) Allocated		3,325
<b>= Projected Surplus/(Deficit) on CSSB</b>		<b>2</b>

3.4 For the LSFF net amount allocated in 2021-22 was £369,495m. A comparison of the position compared to 2022-23 is detailed in **Table 2**: -

**Table 2: Comparison of LSFF Actual 2021-22 and Estimated 2022-23**

DETAIL	£'000
<b>LSFF 2021-22</b>	<b>369,495</b>
<u>Adjustments</u>	
Prior Year – pupil growth fund, growing school, rates, and premises	106
Additional DSG for NFF Year 5 for Schools Block October 2021 and for Increase in Pupil Numbers October 2021	11,780
<b>= Estimated Amount for LSFF 2022-23</b>	<b>381,381</b>

3.5 Although this seems a significant increase, this was expected. Also, the net increase in pupil numbers of +174 (Primary -246; Secondary +420) will require funding in the LSFF 2022-23 together with the requirements of LSFF to be based as far as is practicable and affordable upon the National Funding Formula (NFF) data set and unit of resource parameters for Year 5 together with the mandatory DfE sector Minimum Funding Levels (MFLs).

3.6 Also, in the Schools Block DSG, there is provision made for Pupil Growth Funding (PGF). However, there are continuing substantial basic need requirements due to increasing numbers which are now impacting particularly in the secondary sector as well as funding required for the continued effect of the New North Worcester Primary Free School. So, it is anticipated, all the PGF will be required in 2022-23 either as part of the LSFF or the PGF.

3.7 The WSF are reminded that the budgetary impact for each individual school will depend upon: -

- How their individual pupil numbers and all other data varies between October 2020 and October 2021.
- The Schools Block DSG increase between 2021-22 and 2022-23.
- The impact across all schools.
- The impact of the LSFF for the NFF parameters i.e. the MFG requirement and any associated capping level for affordability, together with the mandatory DfE sector Minimum Funding Levels (MFLs).
- The impact and affordability of the Minimum Funding Levels (MFL) per pupil for the total budget: –
  - Primary increasing from £4,180 2021-22 to £4,265 in 2022-23.
  - Secondary increasing from £5,415 2021-22 to £5,525 in 2022-23.
  - Hybrid MFL rates for schools with 'non-uniform' year groups.
- The MFG of between +0.5% and +2.00% per pupil in 2022-23 and as any associated affordability cap.
- The MFG no longer has to be applied only to the extent that it offsets the cost of the MFG, since that could prevent LAs from coming close to the NFF.

3.8 The WSF are advised that: -

- The increase in the Schools Block reflects both the effect of the NFF and an increase of +174 pupils in mainstream schools between October 2020 and October 2021.
- Although overall numbers have increased, there are also some significant variations with increases and decreases for individual schools, which will result in budgetary impact for those schools.
- Given the additional resource from the NFF in the Schools Block and the LSFF being based as far as is practicable on the NFF parameters, including the per pupil Minimum Funding Guarantee (MFG) protection, most schools should see increases in 2022-23.
- However, **the MFG is a per pupil not a cash protection**, so the LSFF even when based on the NFF parameters, cannot protect schools from the effect of data changes between 2020 and 2021.
- Consequently, some schools will see reductions in funding due to these data changes mainly due to significant reductions in pupil numbers. Nevertheless, all schools in the DfE NFF parameters will be subject to at least the MFG per pupil increase on their 2021-22 baseline.

3.9 The Schools Block DSG is calculated using the pupil numbers from the October 2021 census using the DfE NFF guaranteed units of funding per sector. The December 2021 Cabinet approved units of resource for the LSFF were set based on the DfE NFF Year 5 parameters.

3.10 Given the DSG settlement and the APT were confirmed just prior to the end of the Autumn Term 2021, assessment, and the impact on the APT of all the above together with the data changes for 2021 has been made. This has been based upon the units of resource agreed by the Autumn Term consultation and County Council Cabinet on 9th December 2021, the DfE NFF parameters for 2022-23, the recently provided DfE data sets for 2021 and other required local data sets.

3.11 The results of the impact of the revised DSG and new data sets is attached at **Appendix A** to this report to enable final submission to the ESFA by 21<sup>st</sup> January 2022 as required.

#### **4. RECOMMENDATIONS**

4.1 The WSF notes the issues detailed and the estimated amount available for the LSFF for the Schools Block Funding for 2022-23.

4.2 The WSF considers the issues detailed in **Appendix A** for the APT Units of Resource and the potential aspects for the impact on the Schools Block DSG.

4.3 The WSF supports and endorses the submission of the APT final Schools Block Funding 2022-23 to the ESFA by 21<sup>st</sup> January 2021 as required.

Robert Phillips  
Accountancy Officer – School's Funding  
Worcestershire Children First

January 2022

**SUMMARY OF CURRENT POSITION ON THE  
LOCAL AUTHORITY PROFORMA TOOL (APT) 2022-23**

**1. PURPOSE**

1.1 To share with the WSF the current position on the APT.

1.2 To discuss with the WSF the APT outcomes and next stages.

**2. BACKGROUND**

2.1 As detailed in the **Agenda Item 9** report the LA has been working on the APT for final submission to the Education and Skills Funding Agency (ESFA) by 21<sup>st</sup> January 2022.

2.2 The main work so far has included: -

- Validating all the 2021-22 baseline information by school has been transferred correctly by the ESFA.
- Adjusting for further academy conversions since 2021-22.
- Verifying as far as practicable the main October 2021 census data i.e. pupil numbers.
- Securing the up to date local data for inclusion e.g. exceptional premises, rates etc.
- Including in the APT the approved local funding formula units of resource for all formula factors in 2022-23 based on the DfE NFF rates, the DfE MFG and sector MFLs.
- Assessing the quantum of funding available from the School Block DSG 2022-23 arising from the School Funding Settlement in December 2021.
- Assessing the affordability or otherwise of the LSFF based upon the DfE NFF Year 5 parameters.

**3. CURRENT POSITION**

3.1 The current APT position is detailed in **Annexes A and B**.

3.2 As detailed in **Agenda Item 9** the estimated quantum for the LSFF in 2022-23 is £381.381m excluding the Pupil Growth Fund.

3.3 The current APT position using the approved units of resource, other data and the Year 5 NFF parameters for the MFG, Capping and the sector Minimum Funding Levels is £381.367m – an under **allocation of £0.014m**.

3.4 The WSF are reminded as in 2021-22 in 2022-23, the parameters based on the NFF cannot be fully replicated through the APT due to some of the starting baselines used by the ESFA. Therefore, the draft APT uses the all the DfE advised NFF rates, applied MFG floor at +2.00% per pupil, no capping level and the mandatory sector MFLs.

3.5 The WSF are further reminded the **MFG is a per pupil not a cash protection**, so the LSFF even when based on the NFF parameters, cannot protect schools from the effect of significant data changes between 2020 and 2021 e.g. reductions in pupil numbers and



other data sets such as FSM, low prior attainment, etc. This data is controlled and supplied by the DfE in the APT and cannot be changed.

3.6 As a consequence some schools will see reductions in funding due to these data changes. Nevertheless, all schools are subject to at least a +2.00% per pupil increase because of the MFG in the LSFF being based upon the NFF parameters.

3.7 The WSF are advised the new DfE data sets must drive the LSFF allocations and cannot be amended. Varying from this approach is not permitted – as in previous years the DfE data sets are mandatory. These prescribed data sets are then applied to the approved NFF year 5 units of resource together with any local factors and are assessed to compare to the LSFF quantum available. If there is an affordability issue the options available are: -

- Reducing the DfE NFF Year 5 unit of resource levels in specific areas e.g. AWPU, FSM.
- Reducing all the DfE Year 5 NFF unit of resource levels by the relevant percentage.
- Introduce a funding cap at level to draw back the overallocated funding.
- Fund at NFF Year 5 unit of resource levels with the impact being a Schools Block in deficit. However, given the overall DSG position, the DfE would not expect LAs to have the Schools Block in deficit, in order to mirror the NFF factor values precisely.

3.8 The WSF are further advised the APT is draft only and it is not final until the ESFA have approved the APT following their detailed compliance checks – this will take some time following submission. As a consequence school by school data is never shared at this time as is not available until all maintained schools and academies have received their allocations.

#### **4. ISSUES FOR CONSIDERATION AND DISCUSSION**

4.1 Currently there is an **under allocation predicted of £0.014m. The draft APT now includes:** -

- The effect of all the DfE NFF Year 5 units of resource including the MFG and the mandatory MFLs together with the majority of WCC local factors.
- The effect of Year 5 for the new North Worcester Primary Free School. This is a call on the DSG and must be funded on estimated numbers not included in the October 2021 census.
- The sparsity factor is calculated totally by the full DfE NFF model to support the DfE policy for additional funding provided in this area. This year also a change on the method of calculating the distance so now taking into consideration travel distance rather than as the crow flies.

4.2 There are still some local data sets to be totally finalised e.g. rates, which will all be a call on the currently under allocated funding of £0.014m. However, it is estimated after this the Year 5 NFF on current estimate is affordable from the Schools Block quantum for 2022-23.

4.3 The WSF are requested to consider the detailed comparative analysis of the APT between January 2021 and January 2022 provided in **Annex B**. The key issues are: -

- There is a significant increase of +£9,556m (+3.5%) in the funding allocated via the AWPU. This is a consequence of an increase in the AWPU rate to reflect the NFF

Year 5, together with the increase in pupil numbers between October 2020 and October 2021.

- Not surprisingly there are significant increases in the number of pupils being eligible for FSM, this together with the NFF Year 4 rate has resulted in an increased funding requirement for FSM funding of £1.6m (+10.14%). However, the DfE have confirmed this has not been reflected in the DSG allocations for 2022-23. The SUFs and PUFs are calculated well in advance of the October census becoming available, and the DfE contend this gives LAs enough time to set their own local formulae and distribute funding accordingly. The SUFs and PUFs can therefore have not been amended and LAs are having to manage the change within the DSG quantum available.
- The increase in sparsity funding of +£1.1m reflects the DfEs NFF policy to further support schools qualifying for this formula factor and changes to method of calculation of distance.
- Since the NFF was introduced, the DfE have recognised that the different data sources used for the NFF and for local formulae mean that it is not always possible for LAs to follow the NFF precisely.
- Instead, the DfE expect LAs to manage the fact that they will use more up-to-date data than the NFF by adjusting their local formulae factor values to make their formulae affordable.

**4.4 On the above basis, it is recommended to allocate the LSFF in 2022-23 using the DfE NFF Year 5 parameters as approved by Cabinet on 9<sup>th</sup> December 2021.**

**SUMMARY OF FINAL APT 2021-22 COMPARED TO DRAFT APT 2022-23**

<b><u>FORMULA COMPONENT</u></b>	<b><u>2021-22</u></b> <b><u>APT</u></b> <b><u>£'m</u></b>	<b><u>2022-23</u></b> <b><u>APT</u></b> <b><u>£'m</u></b>	<b><u>VARIANCE</u></b>  <b><u>£'m</u></b>
AWPU	275.3	284.8	+9.5
Deprivation - FSM	15.8	17.4	+1.6
Deprivation - IDACI	10.2	10.4	+0.2
Low Prior Attainment	25.5	25.5	0.0
EAL	1.5	1.6	+0.1
Lump Sum	26.7	27.5	+0.8
Sparsity	0.5	1.6	+1.1
Split Site	0.6	0.6	0.0
Rates	4.0	3.8	-0.2
PFI	2.6	2.8	+0.2
Exceptional Premises	0.4	0.4	0.0
NFF Minimum Funding Levels (MFLs)	5.5	4.4	-1.1
Minimum Funding Guarantee (MFG)	0.6	0.6	0.0
<b>LSFF Prior to Capping</b>	<b>369.2</b>	<b>381.4</b>	<b>+12.2</b>
Capping	0.0	0.0	0.0
<b>TOTAL</b>	<b>369.2</b>	<b>381.4</b>	<b>+12.2</b>

Schools Block DSG Quantum	369.5	381.4
(Under)/Over Allocation	(0.3)	(0.0)
Funded	To PGF 0.4	
	Pupil Nos 0.1	
	Premises/	
	Rates <u>0.3</u>	<u>0.0</u>
Net	<u>0.0</u>	<u>0.0</u>

**LSFF Formula Parameters****DfE NFF rates for 2021-22 and 2022-23: -**

All Formula Factor DfE NFF Units of Resource

## Minimum Funding Levels (MFLs)

Primary	£4,180	£4,265
Secondary KS3 and KS4	£5,415	£5,525
KS3 Only Pupils	£5,215	£5,321
KS4 Only Pupils	£5,715	£5,831

## Floors and Ceilings Per Pupil

Minimum Funding Guarantee	+2.00%	+2.00%
	on 2020-21	on 2021-22
Capping	no cap	no cap
	in 2021-22	in 2022-23

APT COMPARATOR JANUARY 2021 FINAL TO JANUARY 2022 INITIAL

APPENDIX A - ANNEX B

	UNIT OF RESOURCE	OCT 2020 DATA	JAN 2021 ALLOCATION 2021-22 FINAL		UNIT OF RESOURCE	OCT 2021 DATA	JAN 2022 ALLOCATION 2022-23 INITIAL		VARIANCE UNIT OF RESOURCE	VARIANCE DATA	VARIANCE ALLOCATION	UNIT OF RESOURCE VARIATION		DATA VARIATION		TOTAL		
	£		£	%	£		£	%			£	£	DATA	£	DATA	£	£	
<b>FORMULA COMPONENT</b>																		
Primary AWPU	3,123.00	44137.30	137,840,788	36.14%	3,217.00	43890.90	141,197,025	37.02%	94.00	-246.40	3,356,237	94.00	44,137.30	4,148,906	3,217.00	-246.40	-792,669	3,356,237
KS3 AWPU	4,404.00	18342.00	80,778,168	21.18%	4,536.00	18462.00	83,743,632	21.96%	132.00	120.00	2,965,464	132.00	18,342.00	2,421,144	4,536.00	120.00	544,320	2,965,464
KS4 AWPU	4,963.00	11413.00	56,642,719	14.85%	5,112.00	11713.00	59,876,856	15.70%	149.00	300.00	3,234,137	149.00	11,413.00	1,700,537	5,112.00	300.00	1,533,600	3,234,137
<b>S-T</b>		<b>73892.30</b>	<b>275,261,675</b>	<b>72.18%</b>		<b>74065.90</b>	<b>284,817,513</b>	<b>74.68%</b>		<b>173.60</b>	<b>9,555,838</b>							<b>9,555,838</b>
Primary FSM	460.00	7597.06	3,494,647	0.92%	470.00	8310.79	3,906,071	1.02%	10.00	713.73	411,424	10.00	7,597.06	75,971	470.00	713.73	335,453	411,424
Secondary FSM	460.00	4530.00	2,083,800	0.55%	470.00	5322.00	2,501,340	0.66%	10.00	792.00	417,540	10.00	4,530.00	45,300	470.00	792.00	372,240	417,540
Primary FSM 6	575.00	8421.50	4,842,365	1.27%	590.00	8861.79	5,228,456	1.37%	15.00	440.29	386,091	15.00	8,421.50	126,323	590.00	440.29	259,769	386,091
Secondary FSM 6	840.00	6367.49	5,348,688	1.40%	865.00	6620.00	5,726,300	1.50%	25.00	252.51	377,612	25.00	6,367.49	159,187	865.00	252.51	218,425	377,612
Primary IDACI Band F	215.00	4401.03	946,221	0.25%	220.00	4296.80	945,296	0.25%	5.00	-104.23	-925	5.00	4,401.03	22,005	220.00	-104.23	-22,930	-925
Primary IDACI Band E	260.00	3223.51	838,111	0.22%	270.00	3199.08	863,752	0.23%	10.00	-24.43	25,640	10.00	3,223.51	32,235	270.00	-24.43	-6,595	25,640
Primary IDACI Band D	410.00	2160.33	885,735	0.23%	420.00	2081.95	874,419	0.23%	10.00	-78.38	-11,316	10.00	2,160.33	21,603	420.00	-78.38	-32,920	-11,316
Primary IDACI Band C	445.00	1815.11	807,725	0.21%	460.00	1771.77	815,014	0.21%	15.00	-43.34	7,289	15.00	1,815.11	27,227	460.00	-43.34	-19,938	7,289
Primary IDACI Band B	475.00	2520.69	1,197,330	0.31%	490.00	2446.41	1,198,741	0.31%	15.00	-74.28	1,411	15.00	2,520.69	37,810	490.00	-74.28	-36,399	1,411
Primary IDACI Band A	620.00	819.42	508,042	0.13%	640.00	792.93	507,475	0.13%	20.00	-26.49	-567	20.00	819.42	16,388	640.00	-26.49	-16,955	-567
Secondary IDACI Band F	310.00	2836.01	879,162	0.23%	320.00	2895.46	926,547	0.24%	10.00	59.45	47,385	10.00	2,836.01	28,360	320.00	59.45	19,025	47,385
Secondary IDACI Band E	415.00	2222.99	922,543	0.24%	425.00	2273.28	966,144	0.25%	10.00	50.29	43,601	10.00	2,222.99	22,230	425.00	50.29	21,371	43,601
Secondary IDACI Band D	580.00	1459.53	846,528	0.22%	595.00	1433.29	852,808	0.22%	15.00	-26.24	6,280	15.00	1,459.53	21,893	595.00	-26.24	-15,613	6,280
Secondary IDACI Band C	630.00	1202.69	757,692	0.20%	650.00	1243.24	808,106	0.21%	20.00	40.55	50,414	20.00	1,202.69	24,054	650.00	40.55	26,360	50,414
Secondary IDACI Band B	680.00	1682.83	1,144,325	0.30%	700.00	1669.31	1,168,517	0.31%	20.00	-13.52	24,192	20.00	1,682.83	33,657	700.00	-13.52	-9,464	24,192
Secondary IDACI Band A	865.00	531.48	459,729	0.12%	890.00	529.48	471,237	0.12%	25.00	-2.00	11,508	25.00	531.48	13,287	890.00	-2.00	-1,779	11,508
<b>S-T</b>			<b>25,962,643</b>	<b>6.81%</b>			<b>27,760,223</b>	<b>7.28%</b>			<b>1,797,581</b>							<b>1,797,581</b>
Primary Low Prior Attainment	1,095.00	12603.41	13,800,735	3.62%	1,130.00	12072.69	13,642,137	3.58%	35.00	-530.72	-158,597	35.00	12,603.41	441,119	1,130.00	-530.72	-599,717	-158,597
Secondary Low Prior Attainment	1,660.00	7049.68	11,702,469	3.07%	1,710.00	6955.94	11,894,663	3.12%	50.00	-93.74	192,194	50.00	7,049.68	352,484	1,710.00	-93.74	-160,291	192,194
Primary EAL	550.00	2165.53	1,191,042	0.31%	565.00	2156.20	1,218,252	0.32%	15.00	-9.33	27,210	15.00	2,165.53	32,483	565.00	-9.33	-5,273	27,210
Secondary EAL	1,485.00	228.73	339,671	0.09%	1,530.00	248.86	380,761	0.10%	45.00	20.13	41,090	45.00	228.73	10,293	1,530.00	20.13	30,797	41,090
<b>S-T</b>			<b>27,033,917</b>	<b>7.09%</b>			<b>27,135,813</b>	<b>7.12%</b>			<b>101,897</b>							<b>101,897</b>
Lump Sum	N/A	N/A	26,740,600	7.01%	N/A	N/A	27,535,100	7.22%	N/A	N/A	794,500							794,500
Sparsity	N/A	N/A	513,847	0.13%	N/A	N/A	1,628,535	0.43%	N/A	N/A	1,114,688							1,114,688
Split Site	N/A	N/A	565,300	0.15%	N/A	N/A	565,300	0.15%	N/A	N/A	0							0
Rates	N/A	N/A	3,946,120	1.03%	N/A	N/A	3,826,327	1.00%	N/A	N/A	-119,793							-119,793
PFI	N/A	N/A	2,586,733	0.68%	N/A	N/A	2,668,732	0.70%	N/A	N/A	81,999							81,999
Exceptional Circumstances	N/A	N/A	418,236	0.11%	N/A	N/A	418,236	0.11%	N/A	N/A	0							0
NFF Minimum Funding Levels	N/A	N/A	5,574,183	1.46%	N/A	N/A	4,427,846	1.16%	N/A	N/A	-1,146,337							-1,146,337
<b>S-T</b>			<b>40,345,019</b>	<b>10.58%</b>			<b>41,070,076</b>	<b>10.77%</b>			<b>725,057</b>							<b>725,057</b>
<b>TOTAL</b>			<b>368,603,253</b>	<b>96.65%</b>			<b>380,783,626</b>	<b>99.85%</b>			<b>12,180,373</b>							<b>12,180,373</b>
MFG		2.000%	613,010	0.16%		2.000%	582,911	0.15%			-30,099							-30,099
Capping		0.000%	0	0.00%		0.000%	0	0.00%			0							0
<b>S-T</b>			<b>613,010</b>	<b>0.17%</b>			<b>582,911</b>	<b>0.16%</b>			<b>-30,099</b>							<b>-30,099</b>
<b>GRAND TOTAL</b>			<b>369,216,263</b>	<b>96.81%</b>			<b>381,366,537</b>	<b>100.00%</b>			<b>12,150,274</b>							<b>12,150,274</b>
<b>QUANTUM AVAILABLE</b>			<b>369,495,000</b>				<b>381,380,538</b>				<b>11,885,538</b>							
<b>VARIANCE</b>			<b>-278,737</b>				<b>-14,001</b>				<b>264,736</b>							
			Underallocated				Underallocated											
	Growth Funding				Estimated Rates Adjustments		14,001											
	Estimated Rates Adjustments		278,737		Estimated Rates Adjustments		14,001											
	<b>Balance</b>		<b>0</b>		<b>Balance</b>		<b>0</b>											
	<b>WSF to Approve 21/1/2021: -</b>				<b>WSF to Approve 20/1/2022: -</b>													
	Use of Schools Block as a whole including Pupil Growth Fund to fund requirement for NFF Year 4 as above.				Use of Schools Block as a whole including Pupil Growth Fund to fund requirement for NFF Year 5 as above.													

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14 December 2021

Tina Russell  
Director of Children's Services,  
Worcestershire County Council  
Spetchley Road  
Worcester  
WR5 2NP

Mr Simon Trickett, Chief Executive, Herefordshire and Worcestershire Clinical  
Commissioning Group (CCG)  
Sarah Wilkins and Gabrielle Stacey, Local Area Nominated Officers, Worcestershire

Dear Ms Russell and Mr Trickett

### **Joint area SEND revisit in Worcestershire**

Between 1 and 3 November 2021, Ofsted and the Care Quality Commission (CQC) revisited the area of Worcestershire to decide whether sufficient progress has been made in addressing each of the areas of significant weakness detailed in the inspection report letter published on 16 May 2018.

As a result of the findings of the initial inspection and in accordance with the Children Act 2004 (Joint Area Reviews) Regulations 2015, Her Majesty's Chief Inspector (HMCI) determined that a written statement of action was required because of significant areas of weakness in the area's practice. HMCI determined that the local authority and the area's clinical commissioning group (CCG) were jointly responsible for submitting the written statement to Ofsted. This was declared fit for purpose on 16 October 2018.

The area has made sufficient progress in addressing eight of the significant weaknesses identified at the initial inspection. The area has not made sufficient progress in addressing four significant weaknesses. This letter outlines our findings from the revisit.

The inspection was led by one of Her Majesty's Inspectors from Ofsted and a Children's Services Inspector from CQC.

Inspectors spoke with children and young people with special educational needs and/or disabilities (SEND), parents and carers, headteachers, special educational

needs coordinators (SENCOs), the parent carer forum (Families in Partnership, FiP), and local authority and National Health Service (NHS) officers. Inspectors looked at a range of information about the performance of the area in addressing the 12 significant weaknesses identified at the initial inspection, including the area's improvement plans and self-evaluation. Inspectors also looked at a sample of education, health and care (EHC) plans and evaluated the online local offer. Inspectors considered the responses to the parent and carer survey and the emails sent into Ofsted.

In reaching their judgements, inspectors took account of the impact of the COVID-19 pandemic on SEND arrangements in the area. Inspectors considered a range of information about the impact of the pandemic and explored how the area's plans and actions had been adapted as a result.

## Main findings

- **The initial inspection found that there were safeguarding concerns around: children and young people from London boroughs housed in Worcestershire; the use of long-term part-time timetables; and children taken off roll and missing education.**
- Leaders have put systems in place that effectively monitor vulnerable children and young people who are placed in Worcestershire from other local authorities, including children and young people with SEND. There is a named person in the area and a single point of contact for any stakeholders who may have concerns about a child or young person or who require additional information about them.
- The systems enable leaders to monitor children and young people who are placed on, or taken off, school rolls. Leaders use this information well to check the location of children and young people. They identify children and young people who are not in education effectively and follow up their whereabouts quickly.
- If a child or young person is not in an educational setting, they are supported by the children missing in education (CME) team. The Missing Mondays forum is attended by social care, SEND, youth justice, designated clinical officer (DCO) and medical education teams, and other relevant stakeholders. The forum reviews children and young people who are not in education. They then develop and implement plans to help reintegrate them back into education. The work of the Missing Mondays forum is reducing the number of children missing education and the amount of time vulnerable children spend out of education.
- Leaders have informed schools about the appropriate use of part-time timetables. Area leaders have introduced a portal for educational settings that includes the facility to report that they are placing a child or young person on a part-time timetable. Leaders use this information to monitor the use of part-time timetables across the area. This enables them to challenge settings when they identify that a

part-time timetable is used inappropriately. However, the system does rely on settings voluntarily uploading the relevant information to the portal.

- If a pupil with an EHC plan is on a part-time timetable, the area's SEND team is notified. The team then checks the provision for the child or young person. The area is now monitoring this group of children and young people to ensure that they are receiving appropriate education provision.

**The area has made sufficient progress to improve this area of weakness.**

■ **The initial inspection found that the CCG lacked strategic leadership in implementing the SEND reforms.**

- The CCG has shown increased investment and commitment in its focus on children and young people with SEND. This includes the CCG jointly chairing the SEND Improvement Board with the local authority. The focus on children and young people with SEND is now apparent within the CCG's governance structure and the increased level of staffing allocated to this area.
- The appointed lead general practitioner (GP) for SEND provides a link for all the GPs in the area. This person has provided training for GPs. This ensures that GPs, who are often the first point of contact for families and often the main contact for overseeing adult healthcare, have appropriate knowledge and information to help support their patients. The CCG is prioritising its work with children and young people with SEND and has a strategic role in leading on this agenda.
- The recruitment of the children and young people's commissioning manager and the increase in the DCO's hours have strengthened the focus on meeting the needs of children and young people with SEND. They participate in multi-agency groups and share their health expertise. Leaders and practitioners from other agencies value their input and this is beginning to inform and develop service delivery. Given that service redesign and monitoring are recent, it is too early to measure the impact that this is having on children and young people with SEND. The CCG is now jointly developing strategies and approaches to commissioning with the local healthcare provider to meet needs. The CCG is now strategically leading on implementing SEND reforms.
- The CCG ensures that children and young people with SEND are a key priority within the wider health systems regionally and nationally. For example, children and young people with SEND have been added to the local priorities for the NHS Children & Young People National Transformation Programme. The aim of this national programme is to reduce health inequalities by improving joint commissioning and collaboration across agencies. This example highlights the importance the CCG gives to identifying and commissioning services to meet the needs and improve the outcomes for children and young people with SEND.

**The area has made sufficient progress to improve this area of weakness.**

- **The initial inspection found that the action plan required to implement the new SEND strategy was of a poor quality.**
- The development of Worcestershire Children First has resulted in a single, centralised organisation to deliver a wide range of services in the area. Staffing is more stable, with more accessible team leaders and senior staff. The area has brought together education, health and social care services into a cohesive structure. This has enabled leaders to successfully address several of the significant weaknesses identified at the previous inspection.
- Leaders have a strong understanding of the area's strengths and further improvements that need to be made. The updated and adapted action plans and SEND strategy reflect the concerns raised in the written statement of action. Leaders have considered changes in the needs of children and young people with SEND in the local community and national guidance in the development of these improvement plans. This has ensured that the right issues are prioritised and addressed to improve outcomes for children and young people with SEND.
- Leaders are committed to ensuring that all the actions in their plans lead to long-term and sustainable improvements. They are laying secure foundations on which to build. Leaders are not prepared to make 'quick' and unsustainable changes. For example, leaders have developed a Year 9 annual review toolkit that will support young people in preparing for adulthood more effectively. They took time to design the toolkit to ensure that it will effectively support settings during annual reviews of Year 9 children and young people with SEND. The measured approach to leaders' improvement strategies, along with some delays due to staffing and organisational changes, mean that the impact of their actions is yet to be seen.
- Leaders have developed a range of quality assurance frameworks to check and monitor the impact of their actions. These frameworks have initially focused on compliance to ensure that processes are being implemented as planned. While this has led to more consistent practices, it has been at the expense of the quality of some of the outcomes. For example, while a very high proportion of EHC plans are now issued within statutory timescales, the EHC plans continue to be of a poor quality.
- Within the last year, a SEND dashboard has been further developed and implemented to monitor performance against set targets. For example, leaders use the information to monitor how well children and young people with SEND are achieving academically, and their attendance and exclusions information. The dashboard captures measurable health data, which has helped in monitoring activities such as the number of health reviews undertaken and waiting times for assessments. The local area knows that it has more work to do in developing measures that capture the effectiveness and quality of healthcare provision. This means that the area cannot fully assure itself of the quality of healthcare services for children with SEND and their families.

**The area has made sufficient progress to improve this area of weakness.**



- **The initial inspection found that there was a lack of joint commissioning arrangements.**
- A children and young people's joint commissioning group has been developed. It is part of the area's joint commissioning strategy. Access to services has been improved through targeted approaches and redesigned services. For example, a significant reduction in the waiting times for an autism spectrum disorder diagnosis has been achieved through targeted work within the overarching pathway. Leaders identified where they could make efficiencies through effective use of assessments and then implemented and reviewed the changes made in order to successfully reduce the waiting times for diagnosis.
- Leaders are commissioning speech and language support to address delays in children's speech, language and communication development. This support will be delivered in Reception classes in specific geographical areas. The service has been commissioned in response to the impact of COVID-19. It will address the delays in children's speech, language and communication development caused by a lack of socialising and access to early years services during the pandemic. Current joint commissioning arrangements are helping to identify children and young people's needs. The redesigning of the support across agencies is helping to improve outcomes for children and young people with SEND.
- The CCG has worked well with partners to identify and predict future needs. For example, occupational therapy and physiotherapy services have been redesigned as a result of commissioners', service leads' and practitioners' evaluations of previous arrangements. Leaders now use measurable outcomes to evaluate the impact of the services.
- Co-production (a way of working where children, families and those that provide the services work together to create a decision or a service that works for them all) with parents and carers in assessing and shaping service design is not always fully incorporated within joint commissioning. Lessons are learned through complaints, which then influence the service design. However, leaders have not consistently sought out the valuable contribution of parents, carers and children and young people to ensure that service design reflects their views and needs. This means that joint commissioning is not always reflecting the important views of those who will be using the service.
- The 0 to 19 years Starting Well Partnership provides a wide range of support in areas around Worcestershire. It incorporates the universal public health nursing service and parenting support provision provided by external agencies. These agencies run parenting groups that provide parents with support through nationally recognised programmes. This brings together early support to promote family well-being. It also prevents difficulties escalating that could possibly lead to family crisis, distress and the need for higher level intervention. Leaders are using joint commissioning to identify ways of joint working across partners to meet children and young people's needs in a holistic way.

**The area has made sufficient progress to improve this area of weakness.**

- **The initial inspection found that there was variation in the skills and commitment of some mainstream schools to provide effective support for children with SEND.**
- There remain significant concerns about how inclusive some mainstream schools are across the area. Parents, carers, schools, the Special Educational Needs and Disabilities Information, Advice and Support Services (SENDIASS) and FiP all raised, and shared examples of, practices that demonstrate that some schools are still not inclusive. Leaders are carefully monitoring inclusive practices in mainstream schools across the area. They have identified and challenged schools that are discouraging children and young people with SEND from applying for places or encouraging them to find alternative placements. Nevertheless, there is some way to go before there is a shared and collective commitment from all mainstream schools to be fully inclusive.
- However, since the previous inspection, leaders have provided mainstream schools with a range of support to develop the skills and expertise of leaders and staff. For example, regular SENCo network meetings are held. SENCos report that these meetings have been of great benefit and have supported them in developing their skills and expertise. Schools have also benefited from a series of training opportunities. A range of policies and guidance have also been developed. For example, the area's graduated response sets out guidance to help schools identify, support and review the provision for children and young people who are experiencing difficulties in education. However, training, guidance and offers of support to schools are not being consistently followed or taken up.

**The area has not made sufficient progress to improve this area of weakness.**

- **The initial inspection found that there was a lack of suitable specialist provision to meet the identified needs of children and young people.**
- Historically, some children and young people with SEND have not been placed in settings that appropriately meet their needs. There are many cases across the area where children and young people with SEND have been placed in specialist settings when their needs could have been met in a mainstream school. Parents and carers report that this situation has been, to some extent, exacerbated by some mainstream schools not being inclusive and encouraging them to seek a specialist placement for their child. This has led to special schools not having enough places for those children and young people with significant and complex needs. It has also led to too many children and young people being placed in settings outside Worcestershire and in independent settings. Too many children and young people are not accessing any education at all.
- Leaders know that there remain significant issues in providing all children and young people with SEND with the most appropriate specialist provision. As a result, they have undertaken a sufficiency exercise to map out future needs. They

have also reviewed the specialist provision within the area. They are in the process of developing a long-term strategic plan to ensure that sufficient and appropriate placements will be available for all children and young people from Worcestershire. However, these plans are at an early stage of development and there is still much work to be done to ensure that all children and young people with SEND are placed in the most appropriate setting to meet their varying and changing needs.

**The area has not made sufficient progress to improve this area of weakness.**

- **The initial inspection found that there were fragile relationships with parents and carers and a lack of meaningful engagement and co-production and collaboration.**
- Throughout the revisit, parents and carers expressed overwhelming negativity about SEND services and provision in the area. Concerns were raised about the lack of co-production and engagement with parents and carers. In some areas, such as the development of the short-breaks offer and the graduated response, FiP and parents spoke positively about how they were involved in the development of these strategies. However, co-production in other SEND provisions, especially health and social care provisions, is still at a very early stage of development. Parents and carers' concerns about the lack of consistent engagement and co-production are justified.
- Parents and carers and some schools do not have a clear enough understanding of what leaders are doing to improve the SEND provision across the area, why they are carrying out specific actions and what the eventual positive outcomes will be. Several improvement actions are still at an early stage of development. Some actions have only just been implemented, or are yet to be implemented. Currently, parents and carers and schools can see little or no improvements to the provision for children and young people with SEND. This has led to continued school, parent and carer dissatisfaction with many services and provisions for children and young people with SEND.
- During the revisit, there were some positive views expressed by parents and carers that the inspection team took into consideration.

**The area has not made sufficient progress to improve this area of weakness.**

- **The initial inspection found that EHC plans were of poor quality and included limited contributions from health and social care, and that the processes to check and review the quality of EHC plans were also ineffective.**

- There has been a lack of effective oversight of the quality of EHC plans. The focus on compliance and meeting 20-week statutory timelines means that leaders have not recognised the poor quality of the plans until very recently. The drive to complete new EHC assessments and plans has also led to significant delays in updating and issuing amended plans. The amended plans often do not reflect the views and aspirations of families, children and young people well enough. They are frequently based on family conversations that are years out of date. Outcomes in plans are not specific enough and this leads to ambiguity and the right support not being provided to meet children and young people's needs.
- While there have been some improvements to the education input of the plans, improvements in the contributions of social care are at a very early stage of development. The outcomes identified in many plans for social care are poor. Parents and carers and many school leaders report that communication with caseworkers is also poor and there are issues with frequent staffing changes. Many parents and carers report that the plans are difficult to understand.
- The recent increased capacity of the DCO has resulted in increased support and monitoring of the health input to the EHC plans. There has been a recent focus on training. This training is tailored to the needs of individual health professions. It aims to increase professionals' knowledge and confidence in relation to their SEND responsibilities and contributions to health reports for EHC plans. Health leaders acknowledge that they need to develop the checks on the quality of the health contributions to EHC plans. The poor quality of the health input to EHC plans means that many children and young people do not have the appropriate provision they need to improve their outcomes.
- Very recently, leaders identified that the EHC plan quality assurance framework had not been used effectively to identify weaknesses in EHC plans. They know that many EHC plans are not fit for purpose. They are already taking action to address the issues identified during the inspection. They have recently recruited additional caseworkers, and there are signs of some effective casework currently taking place. Leaders have also recognised the need to communicate the actions they are taking to improve the EHC plan process to schools and parents and carers more effectively.

**The area has not made sufficient progress to improve this area of weakness.**

- **The initial inspection found that there was a lack of systems to track outcomes for children and young people with SEND in special schools, post-16 provision, young people who are not in education, employment or training and youth offenders effectively.**
- In October 2018, leaders launched, and have since continually developed, the SEND data dashboard. The dashboard provides leaders with overarching headlines in relation to outcomes for children and young people with SEND. The

dashboard contains academic achievement information, wider education indicators and health information. There is more detailed assessment and monitoring information that sits beneath the dashboard to provide a greater level of information if required.

- The data from the dashboard is scrutinised at strategic board level. If the board has a concern, it requests a detailed investigation ('deep dive') to be carried out so that it can gain further information and provide challenge to leaders. This information feeds into strategic plans to drive further improvements in the area. Targets set within strategic plans are checked by leaders responsible for each area of the plan to ensure that these are aspirational.
- There are additional areas in the dashboard to track outcomes for children and young people in the youth justice system, young people who are not in education, employment or training (NEET), those in specialist and post-16 provision, and children looked after. For example, the progress of young people who are involved with the youth justice system is monitored through multi-agency meetings, such as the 'vulnerable learners group'. Within education, there is more detailed assessment and monitoring information contained within the dashboard. This provides leaders with additional information if required to further inform future actions to improve outcomes for children and young people with SEND.

**The area has made sufficient progress to improve this area of weakness.**

- **The initial inspection found that there were disproportionate numbers of children and young people with SEND who had been permanently excluded from school.**
- Leaders aim to prevent exclusions from occurring in the first place. Alternative provision is now used more creatively to try and avoid exclusions. For example, if a child or young person is at risk of being excluded, leaders work with schools, colleges and alternative providers to find additional support to try and reduce the likelihood of exclusion. Area leaders review exclusions and hold setting leaders to account where these are used inappropriately, or where exclusion procedures are not followed. Setting leaders say that they are well supported by the area leaders in relation to exclusions. They say that collaborative work between the area and the settings has improved. Rates of exclusion are now broadly in line with national averages.

**The area has made sufficient progress to improve this area of weakness.**

- **The initial inspection found that the quality of the local offer was not fit for purpose.**
- Leaders have made considerable improvements to the online local offer. It now contains all the required information, as set out in the SEND code of practice.

Information is now more accessible and there has been a significant rise in the use of the site. Many parents and carers, schools, SENDIASS and FiP all report that the local offer now provides a wide range of guidance and signposting to support. Leaders have a long-term plan in place to ensure that the local offer is maintained and updated regularly, so that users have access to current and accurate information.

- Healthcare professionals also spoke positively about the local offer. It now provides direct links to their websites and access to appropriate information for families, parents and carers, and children and young people. Healthcare professionals report that links are used by parents and carers to contact services to seek advice and/or book appointments. Healthcare professionals believe that this has increased awareness of what their services provide and has improved the ability of parents and carers to access support.

**The area has made sufficient progress to improve this area of weakness.**

- **The initial inspection found that the academic outcomes, behaviour and attendance of children and young people with SEND were poor.**
- Children and young people with EHC plans achieve positive academic outcomes. However, children and young people with SEND who do not have an EHC plan do not achieve as well as they should. Leaders are aware of this. They have identified that the quality of teaching and support for children and young people with SEND in some mainstream schools is not as good as it could be. Leaders have plans and systems in place to address this through a process of monitoring and support in mainstream primary and secondary schools.
- The proportion of young people in key stages 4 and 5 in education, employment and training is in line with national figures, and in some instances above national figures. Leaders have developed effective partnerships with post-16 provisions, which enables young people with SEND to continue with their education. For example, the area has forged close relationships with two mainstream further education colleges. The number of young people who are NEET is reducing.
- Leaders recognise that they are not ambitious enough about the number of young people who progress into higher education. They know that there is more to be done to raise young people's aspirations and knowledge of the routes into higher education.
- Area leaders are aware that there is more work to be done to increase the number of apprenticeships. They are working on changing young people's and parents' and carers' views of apprenticeships, so that apprenticeships are seen in a more positive light. Leaders are also seeking to increase the variety of apprenticeship pathways. The number of supported internships is increasing, and this is helping young people to gain access to employment. Leaders are keen to develop this further.



- The area has plans and systems in place so that attendance becomes 'everyone's business', including educational settings and families. There is a commitment to improving the attendance of all children and young people with SEND. Specific personnel have been appointed to support the attendance strategy. The attendance plans are in the early days of being rolled out and so it is too early to see the impact of this work.

**The area has made sufficient progress to improve this area of weakness.**

During the inspection, we considered the impact of COVID-19 on the lived experiences of children and young people with SEND and their families. We also considered the actions leaders took when schools were only open to some children and young people due to COVID-19 restrictions. Leaders had clear systems in place to track and monitor vulnerable children and young people, including those with SEND, during this time. Leaders provided additional support to schools, for example by providing schools with a range of information technology hardware. They also provided schools with test kits and additional staffing capacity to carry out tests as they reopened. Leaders updated the local offer with COVID-19 advice and links to support services throughout the pandemic. Healthcare services provided a 'Well-being support guide' for children and young people and their families. This set out a range of services to support families, including additional emotional health and well-being support and mental health emergency support.

The area has made sufficient progress in addressing eight of the 12 significant weaknesses identified at the initial inspection. As not all the significant weaknesses have improved, it is for DfE and NHS England to determine the next steps. Ofsted and CQC will not carry out any further revisit unless directed to do so by the Secretary of State.

Yours sincerely

Ann Pritchard  
**Her Majesty's Inspector**

<b>Ofsted</b>	<b>Care Quality Commission</b>
James McNeillie Regional Director, West Midlands	Victoria Watkins Deputy Chief Inspector, Primary Medical Services, Children Health and Justice
Ann Pritchard HMI Lead Inspector	Tessa Valpy CQC Inspector
Wayne Simner HMI Inspector	

cc: Department for Education  
Clinical commissioning group  
Director of Public Health for the area  
Department of Health  
NHS England



# **CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY PANEL**

**11 JANUARY 2022**

## **ALL AGE DISABILITY (0-25) SERVICE PROPOSAL**

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### **Summary**

1. This Report provides the Panel with an update on the transformation and proposed restructure to create a new All Age Disability (0-25) Service, to provide a more coherent and co-ordinated response to need and deliver better outcomes both in the short term and into adulthood.
  
2. The aim is to offer longer term life and independence planning for children and young people into adulthood. As a consequence, the individual will see diminishing experiences of a sharp change in their support at 18 years old (social care) or 25 years old (education). Support will be planned early, with individuals and their families/carers to ensure ongoing achievement and sustainment of their independence, enabling and empowering people to live their own lives, in their local community with choice and control.
  
3. This Service is being developed jointly between Worcestershire County Council's People Directorate (the Council) and Worcestershire Children First (WCF). The programme is sponsored jointly by the Strategic Director of People and the Chief Executive of WCF/Director of Children's Services.
  
4. The following have been invited to the meeting:
  - The Cabinet Members with Responsibility for Adult Social Care, Children and Families and Education
  - The Strategic Director of People and the Chief Executive of WCF/Director of Children's Services
  - Members of the Adult Care and Well-Being Overview and Scrutiny Panel.

### **Background**

5. Following the Adult Care and Wellbeing Overview and Scrutiny Panel Review of the Consultation on Council Provided Day Services for Adults with Learning Disabilities, an update on the development of the All Age Disability Service had been requested and it was agreed that this would be a joint discussion with this Panel.
  
6. The catalyst for the development of the Service came from a stakeholder engagement with parent carers and young people in the autumn of 2019 as part of the Special Educational Needs & Disability improvement. This followed the SEND Inspection in 2018 that required an action plan for improvement and the SEND Strategy 2019-2021 to focus on Preparation for Adulthood. The participants made it clear there were a number of areas they found challenging and it was difficult to get the right help at the right time as a young person prepared for adulthood.

7. This was re-enforced by analysis of the data about late decision making, difficulties in timely planning for adulthood from the earliest of years and challenges of co-ordinating responses to this transition. This was despite the improvements that had been made from the creation of the Young Adults Team (People Directorate). There was also an issue of too many young people having their needs met out of the county away from family and their local community. It was clear a joint response was needed to both provide improved local provision and confidence to both parent carers and young people of the offer.

8. The focus has been on improving the experiences of support and coordination through a joined up “offer” for those children and young people with disabilities and special educational needs aged 0 to 25.

9. The aim is to offer longer term life and independence planning for children and young people into adulthood. As a consequence, the individual will see diminishing experiences of a sharp change in their support at 18 years old (social care) or 25 years old (education). Support will be planned early, with individuals and their families/carers to ensure ongoing achievement and sustainment of their independence, enabling and empowering people to live their own lives, in their local community with choice and control.

### **Issues for the Panel to Consider**

10. The detailed proposal for Transformation and Restructure – Integrating the adult services Young Adult Team (YAT) service into new All Age Disability Service (0-25) is attached at Appendix 1.

#### In Scope

11. The following existing services are in scope of the proposed new Service: Children’s SEND Services, Children’s Social Care, Children with Disability and the Young Adults Team.

#### Preferred Option

12. To effectively deliver this as a coherent All Age Disability Service, integrating the teams is the preferred option. That is a single 0-25 Service, led by a single strategic lead, with a locality footprint of combined staff of Children with Disability (CWD), Special Educational Needs or Disability (SEND) and Young Adults Team (YAT) under single management. This would provide a consistent and coherent offer with locality flexibility responding to levels of need and locality resources. By structuring to an area footprint, it will improve local networks and community provision.

13. The benefits of restructuring into a more integrated service and the best way to enable a more coherent and coordinated approach from 0-25, in line with Special Educational Needs transformation changes brought in by the 2014 Children and Family Act, is by the Adult Services (People Directorate) provision being hosted under a single strategic leadership and management team alongside children’s services provision, to support the early identification and planning.

## Benefits

14. The identified benefits are:

- Improve the experience for young people and their families
- Provide a better service for families
- Build stronger relationships with the child, young person, and their families, which leads to a more person-centred approach to provide greater consistency for families and avoid information getting lost
- Ensure preparing for adulthood can run through the entire service, with a broader and better understanding of resources/support for 17+ cohort
- Achieve greater collaboration and ownership of the Education Health Care Plan (EHCP) and CYP future planning
- Have a Locality focus for each 0-25 team, enabling better links with schools and community resources and a greater understanding of that specific local area's needs
- By integrating the teams into a single service improve joint problem solving, be more solution focused, and increase creativity
- Improve communication between the different disciplines and individual professionals.

## Budget Implications

15. There will be a transfer of staff resource from the People Directorate to WCF and a contribution to the development and management of the service.

16. Additional costs to facilitate an integrated area-based model will be found within efficiencies in both WCF and the People Directorate.

17. Budgets for placements and care packages will remain for pre-18 year olds in WCF and post-18 year olds in the Council but both will be delivered and managed through the All Age Disability 0-25 Service.

## Governance

18. The SEND Improvement Board will be transformed into a new All Age Disability 0-25 Partnership Board co-chaired by the new Director of All Age Disability 0-25 and a Health Lead. The People Directorate will have representation on the Board.

19. There will be an agreed set of Key Performance Indicators (KPI's) for this Service and a monthly report on those along with a finance report that will be shared with the Strategic Director for People and the CEO/Director of Children's Services.

## Risks

20. Risks have been mitigated for. The changes do not anticipate any redundancies as deleted positions are likely to find a comparable position in the new service.

## **Purpose of the Meeting**

21. The Panel is asked to:

- consider the information and comment on the proposal,

- determine whether any further information or scrutiny on a particular topic is required, and
- agree whether it would wish to make any comments to the Cabinet Members with Responsibility.

## **Supporting Information**

Appendix 1 – Proposal Paper for Transformation and Restructure – Integrating the adult services Young Adult Team (YAT) service into new All Age Disability Service (0-25)

## **Contact Points**

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## **Background Papers**

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) there are no background papers relating to the subject matter of this report.

[All agendas and minutes are available on the Council's website here.](#)

**Worcestershire County Council**  
**Proposal Paper for Transformation & Restructure**  
**Integrating the Young Adults Team Service into**  
**New All Age Disability Service (0-25)**

**Document Control**

Project Title	All Age Disability Service 0-25 (AAD 0-25)
Project Sponsor	Paula Furnival / Tina Russell
Business Lead	Sarah Wilkins
Version	2
Date	20 <sup>th</sup> December 2021

**Summary of Case for Change**

This is joint venture of design and change between Worcestershire’s People’s Directorate and Worcestershire Children First. The programme is sponsored jointly by the Director for People and the CEO WCF/Director of Children’s Services.

From Young people’s, Families ‘views, external inspection feedback and our own aspirations, we know the experience of children with disabilities and their families is not what we would want it to be. It is often described as disjointed, uncoordinated with multiple barriers of a repeated assessments, repeating one’s story and a plethora of meetings and plans. We know this is a particular difficulty at points of transition.

Bringing the services together we can provide a single point of contact. Provide a coherent, holistic, and co-ordinated response to need. Effective earlier identification and longer-term planning being sensitive to both ongoing needs but avoiding dependency by encouragement of independence skills and ambitious aspirations, outcomes for young adults can be improved through greater inclusion and access to local universal services.

Users experience can be greatly improved by having the one point of contact, not having to constantly repeat their “story” and avoid a stop start experience of multiple assessments and intervention plan.

The aspiration is to embrace the original goal of the introduction of Education Health and care plan of a single plan working to shared outcomes.

See Business case for further details of the aspirations and benefits

**Preferred Option**

To effectively deliver this as a coherent All Age Disability service, integrating the teams is the preferred option. That is a single 0-25 service, led by a single strategic lead, with a locality footprint of combined staff of Children With Disability (CWD), Special Educational Needs or Disability (SEND) and Young Adults Team (YAT) under single management. This would provide a consistent and coherent offer with locality flexibility responding to levels of need and locality resources.

Whilst it would be possible to deliver some of the transformations and aspiration by keeping teams and services separate and within their respective directorates, it risks continuation of disruptive difficult

# All Age Disability 0-25 Service Proposal Paper

communication, team management conflict and competing demands and processes, delaying and hindering further progression and transformation in the interest of children, young people and their families and the increased effectiveness and efficiency.

- The relevant workforce from Worcestershire Children First and the People Directorate are brought together in one overall service for All Age Disability, to include the Children with Disabilities Team (CWD), SEND casework (SEND); and the Young Adults Transitions team (YAT) and include the provision of support needs of both Children and Families Act and Care Act including short breaks, respite, and personal budgets
- This service will support and enable people aged 0 to 25 with SEND.
- The alignment of the work of this service with teams working with Vulnerable Learners and Vulnerable adults in the Community teams will be considered carefully when developing process, pathways, and structure.

## 1: Structure

The locality model is seen as beneficial for developing and maintaining local network and responding to the different needs and challenges across the county, whilst maintaining the same aspirations and outcomes for all.

### Not in Scope

- Vulnerable Learners and Virtual School are to be moved under the revised Director of Education portfolio
- Young Adults Team Housing officer is to be moved to Adults Commissioning Team.

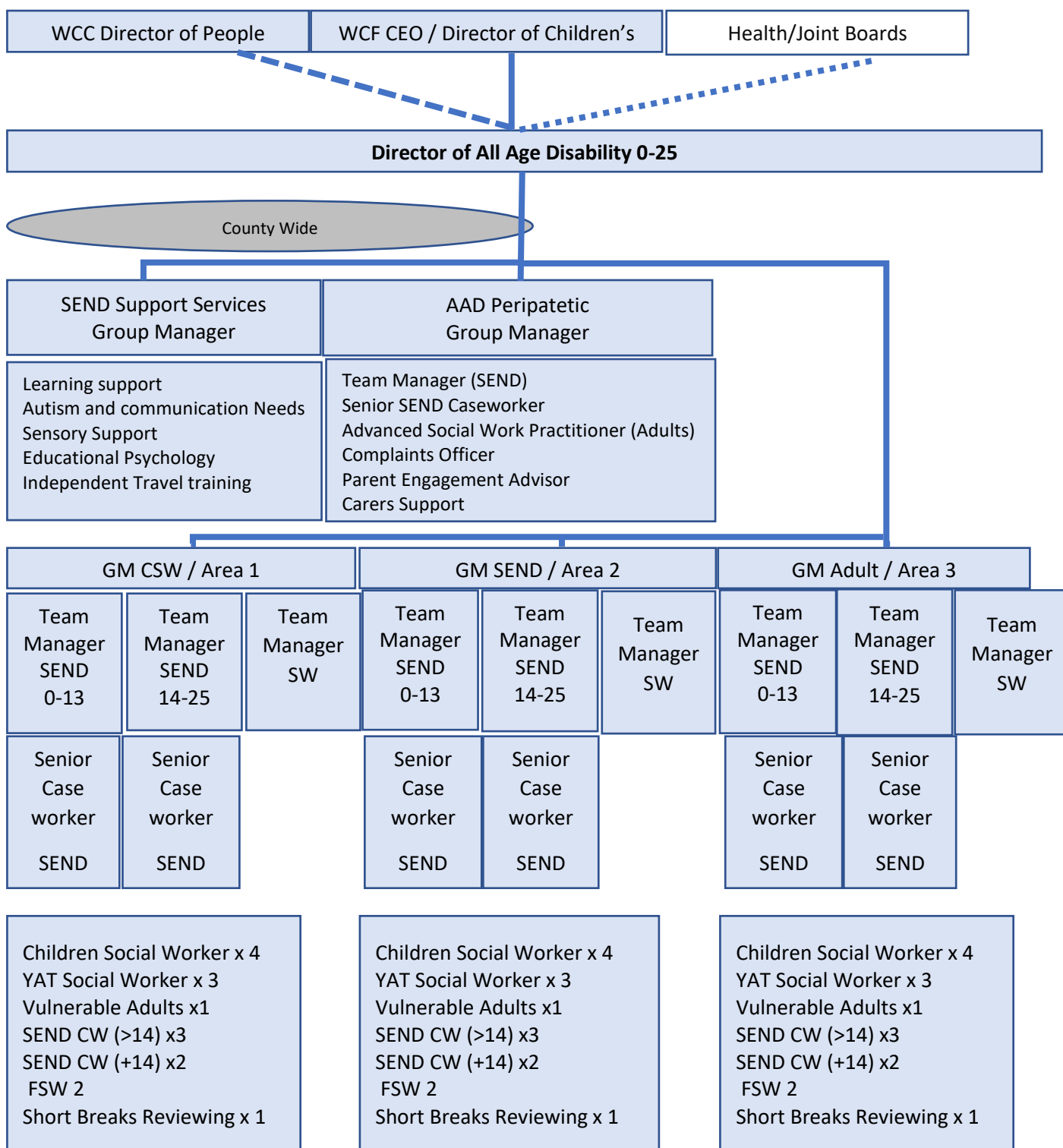
### In Scope

- Agreed SEND Support (Education Psychologists, Autism, Learning Support) and will be moved as is
- SEND Early Years to move from Early years as is and be part of a second stage AAD 0-25 review of SEND Early years
- The County wide SEND Services (Assessment, Review) will be in scope but aligned into the locality model of delivery.
- SEND Locality
- Children with Disability
- Young Adults Team - Vulnerable Adults 0-25 workers are currently in scope, but further work is being completed to confirm or change this recommendation.

At this first stage of an integrated model, for professional identity and the continued different professional disciplines development, it is too big a step to have generic management. It is proposed that Group Managers have a service area lead in conjunction with the locality area. The service will work to 3 geographic areas and have teams within by discipline of Social Work and SEND but recourse to all area Team Managers for individual case issues. An area footprint felt more viable than district teams as it acted against individual discipline isolation, and team viability if it incurred any absences but could be operating to a 'softer' patch model within each area.

# All Age Disability 0-25 Service Proposal Paper

Structure chart follows:



The structure changes should have minimum impact on staffing numbers as much is aligned as is, where there are efficiencies, they will contribute to areas of growth that better serve a locality-based, integrated model. It is anticipated deleted posts holders will be offered a comparable alternative within the new structure.

## 2: Operating Model

Is to a singular management structure and having shared responsibility for the county wide AAD 0-25 service through a leadership teams of GMs that reflect the specialist skills and knowledge of each of the service

# All Age Disability 0-25 Service Proposal Paper

areas within AAD 0-25 (SEND, Social Work and Adults) to deliver to an integrated AAD 0-25 not just their specific service area.

To have a locality footprint with County standards and outcomes and operate within a patch/pod model To maintain specialism of frontline staff but to integrate and co-ordinate activity. Introduction of shared tools that all contribute to as relevant. Preparation for adulthood delivery plan, Independence skills audit tool and Independent travel tool.

To support a graduated response to meeting need at the right time with the right help, as close to universal provision as possible. This requires support and guidance to schools, colleges, Special Educational Needs Co-ordinators (SENCOs), and early help. The SEND support Team being a part of the graduated response supporting others to meet need in an inclusive way.

Provide a single point of contact for parent carers and young people, schools, colleges, and other partners Work in a co-ordinated integrated manner in both identification and early planning and individual case resolutions.

### 3: Commissioning

This links strongly with both Governance and Budget. Commissioning will be consistent with the agreed Worcestershire Joint SEND Commissioning Strategy 2021-2025 and operate to the three levels:

- Strategic
- Operational
- Individual

It will fulfil Local Authority duties being compliant with both the letter and aspiration of the SEND Code of Practice (2015)

- Co-production and consultation with Parent carers and young people
- Development of the Local Offer to offer greater choice and promote inclusion
- Preparation for Adulthood needs and provision
- To be outcome focused and accountable to delivering them

Compliant with the requirements of The Send Code of Practice the AAD commissioning will

- securing Education Health and Care (EHC) needs assessments
- securing the education, health and care provision specified in EHC plans, and
- agreeing Personal Budgets

### Strategic

#### Legal framework:

- Section 25 of the Children and Families Act 2014 places a duty on local authorities that should ensure integration between educational provision and training provision, health and social care provision, where this would promote wellbeing and improve the quality of provision for disabled young people and those with SEN.
- The Care Act 2014 requires local authorities to ensure co-operation between children's and adults' services to promote the integration of care and support with health services, so that young adults are not left without care and support as they make the transition from children's to adult social care. Local authorities must ensure the availability of preventative services for adults, a diverse range of high-quality local care and support services and information and advice on how adults can access this universal support.



# All Age Disability 0-25 Service Proposal Paper

- Our Joint commissioning arrangements will enable partners to make best use of all the resources available in an area to improve outcomes for children and young people in the most efficient, effective, equitable and sustainable way.



Strategically, Adult and Children commissioners will be working together to commission services for 0-25 initially deciding if led by children or Adults, decided on by best fit according to scope of the commission but design is with both adults and children and health where possible. To continue work on aligning commissioning cycles and developing an ever-increasing joint commissioning mechanisms. The commissioning intents will be Governed by the New All Age Disability (0-25) Partnership Board making use Joint Strategic Needs Assessments data, which the AAD 0-25 will influence and shape through its link and reports to the Children & Young People Strategic Partnership Board and Health and Well Being Board.

## Operational

Utilising the aggregation of a set of similar needs will be commissioned into contracted portfolio or service areas. These will be fulfilling the aspirations and principles of the All Age Disability 0-25 and SEND Strategy an example would be the commissioning of Worcestershire short breaks for children and young people with disabilities.

These will be managed through new joint authorisation panel, with health for Short Breaks and Complex Needs (including Complex Health Care (CHC) and Child and Adolescent Mental Health Service (CAMHS)) – to be chaired by AAD 0-25 Director.

For 18-25 year olds, the delegated scheme used in Adults services will be operated within the AAD service.

## Individual

This refers to the brokerage of an individual service tailored to meet a particular need. Commissioning at this level will set in place specific arrangements for individuals or small groups of people requiring particular attention (generally beyond the arrangements of universal services). This will include individual placements for education, respite or care and the provision of direct payments and personal budgets.

Case commissioning for Individual children's will be done through the WCF commissioning Hub and for adults using the delegated scheme and current funding panel, although there would be benefit in continuing to develop work towards combining some panels or creating something complimentary for AAD.

Decision making on case for access to these sits in AAD although the budgets will be held as follows:

- 0-18 Placements – Children's Social Care looked after, or educational placements sits in Worcestershire Children's First budget
- 18-25 budget held in WCC - decision placement identification and decision-making sits in AAD bit the service is responsible and accountable for ensuring best practice and consistency of adult services.

# All Age Disability 0-25 Service Proposal Paper

The All Age Disability 0-25 service will further enhance the developments in YAT in better and earlier identification of need to inform commissioning cycle by scheduled multi-disciplinary meetings for the different cohorts and utilising identified needs and destinations from the individuals EHCP annual reviews. All commissioning at the three levels will be consistent with principles, standards, and quality assurance of the Worcestershire Joint SEND Commissioning Strategy 2021-2025

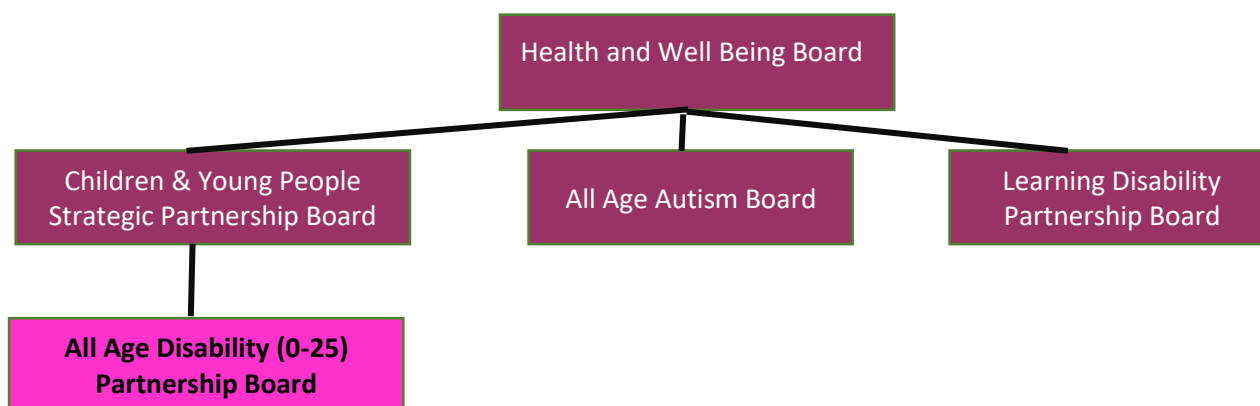
## 4: Governance

**AAD 0-25 Partnership Board** - Reports into the CYPSP and HWBB

This multi-agency board will oversee the AAD 0-25 strategy which will include the SEND strategy / AAD Service and offer/ safeguarding / Links into ICS and the relevant corporate plan priorities for this cohort of people.

AAD Reports to this single All Age Disability 0-25 Board. This will require a New constitution and rebranding of the current SEND Improvement board, and membership in consultation with the current SEND Board.

**Consideration:** The All Age disability 0-25 board relationship with Adult Services, All Age Autism Board and Learning Disability Partnership Board. Similar consideration needs to be given to Health boards especially within the development of the Integrated Care changes.



Monthly Quality Assurance(QA) will take place under WCF wide QA model & system Quality Assurance will be delivered by WCF QA lead who reports directly to CEO/Director of Children’s Services. There will be an agreed set of KPI’s for this services and a monthly report on those along with a finance reports that will be shared with Director of People’s services and the CEO/Director of Children’s Services. In additional the service will produce a quarterly report covering Key Performance Indicators (KPI)/Audit/Service User feedback / outcomes and impact, which will also be shared with the AAD 0-25 partnership board – this is in line with the rest of WCF services

### Leadership

Strategic AAD 0-25 lead at Director Level (WCF grade) reporting to Director of Children’s Services  
Group Managers report to AAD 0-25 Director

Team Managers report to Group Managers Matrix management for professional standards and development as required.

Case work then subject to ‘Pod’ allocation

# All Age Disability 0-25 Service Proposal Paper

PODs are cross-functional and multidisciplinary teams that connects design, build, and run in order to deliver the right customer service and provision.

The AAD will be the single point of contact for the three service areas and will be allocated according to need and provision sort. A pod will either be geographic area and/or clustered round schools. Allocating to identified workers from that pod with the right specialisms but with the flexibility to allocate neighbouring 'pod' worker when capacity requires this. Essentially what will be different will be considering the holistic needs at the point of contact and co-ordinating joint work from beginning.

## 5: Budget

A cautious phased approach is to be taken to support package budgets. The budgets for adult care packages can be managed as is, via the cost codes currently used to track and hold to account the decision making and expenditure. Therefore, the budget would not need transferred and will remain in adults' services.

The staff resource will be TUPE across. There will be a calculated contribution to the service delivery management and QA overhead costs. These two cost will create an annual fee from WCC to WCF as part of the contract to deliver services for 18-25 year olds in receipt of dual support.

Commissioning budget for individuals:

- decision making on individual cases will be held in WCF under management of AAD 0-25 Director:
- Specific budgets will remain in WCF/WCC
- 0-18 Placements – CSC looked after, or educational placements sits in WCF budget
- 18-25 budget held in WCC - decision placement identification and decision-making sits in AAD.

There will be regular reporting to demonstrates efficient and cost controlled use of the funding in conjunction with KPI and other QA mechanisms to evidence high quality service that provides best value with good outcomes as outlined above.

## Benefits

Non-Financial
<ul style="list-style-type: none"><li>• Improved user experience</li><li>• Increased independence for young people with SEND</li><li>• Increased options for independent living for young people with SEND</li><li>• Increased access and support for education/training and/or employment for young people with SEND</li><li>• Seamless transition for young people with SEND into adulthood</li></ul>

In addition to the aspirations of improved user experience and outcomes there are also the following benefits:

- Single dedicated strategic leadership, supported by a transformational integrated management team
- Developing a joint independence strategy which includes the following elements: promotion of Independent travel, independent living and Community Access and Engagement. An integral part of the strategy is, within the wider context of improved customer care/help developments, is the creation of Independence hub(s)
- Single point of contact for Children, young people with a disability and their families for services, supported and complimented by the Independence hub developments
- By bringing the teams together and co-locating improves communication and shared problem solving and longer-term planning

# All Age Disability 0-25 Service Proposal Paper

- Resolution to challenges is within the one service – reduce blame, hand offs and family frustration of being passed between services
- Efficient use of resources to meet need rather than over processing people
- Smoother handover between professionals, better informed Care assessment and plans with the young person's information 'traveling' with them
- Developing new integrated workings that focus on delivery rather than process, by working through each other, increased co-working to a joint plan and outcomes.
- Increased drive and planning for independence and life in the local community at the earliest opportunities, improving outcomes and reducing costs.
- This will place the WCC & WCF services for disabled children and young Adults in a better position to maximise the partnership with health as it plans the implementation of Integrated Care Systems (ICS), working to place based services and optimising the health investments.

With this benefit focus of early identification, preparation for adulthood integral to all work, the placement of the new service within Worcestershire Children First is the most logical one. This will be supported and challenged by joint WCF & WCC effective accountability, performance management with cost controls.

## Strategic Alignment

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***In WCC Corporate Priority:*** "It is our priority, working with partners, to ensure Worcestershire residents are healthier, live longer, have a better quality of life and **remain independent** for as long as possible."

Under that priority the specific outcomes for people will focus on:

- 1. Good health through life**
  - a.) Increase Healthy Life Expectancy** of our residents by reducing health inequalities, so people live independent, healthy lives for as long as possible.
  - b.) Improve People's Health and Wellbeing** by maximising our local cultural, communities and heritage offer.
- 2. Education to independence through training or employment**
  - a.)** Creating an offer for all young people to fulfil their potential through being active in volunteering, training, education and work
- 3. Belonging to community: friends, healthy relationships, positive activities, being part of community**
  - a.) Empowered Communities** by ensuring the right information, advice and support are in place and easily accessible and people and communities become more resilient and self-reliant.
- 4. Skills for life and independent living**
  - a.) Person Focused Services** developed through collaboration and building on the strengths and capabilities of local communities - ensuring that we make every conversation count consistently across the County's public sector.
  - b.) Evidence Based Decision Making** to ensure that services and support is shaped to meet the needs of Worcestershire's residents, that is responsive to the needs of different communities

These changes will be coherent and contribute to the Single place strategy, 'One Worcestershire' and the 'Here2Help'/Customer care developments – 3 conversation model. Creating a service that is locality facing and by bringing the transition team into a single service it will ease access, along with the joint development of an Independence strategy and Independence hub within the Here2Help offer and embracing the reimagination of the access to services, self-service and self-help and digital strategy

# All Age Disability 0-25 Service Proposal Paper

## Key Issues and Risks

Deliver transformation within current structures	continuation of disruptive difficult communication, team management conflict and competing demands and processes
Deliver – with different “hosting” arrangement e.g. secondments and/or co-location	No single point of contact, dispersed strategic leads, complex management problem solving
Adult Services budget control	<p>Increased expenditure, historically children’s services support has been higher.</p> <ul style="list-style-type: none"> <li>• Mitigated by work already done on aligning direct payment rates and process.</li> <li>• Strong Governance and accountability built into the change. Which can include provision budget remaining within Adults</li> <li>• Re-enforced culture of Needs and outcomes rather than service provision and entitlement</li> </ul>
Performance Management and Accountability	This is a joint venture from conception. Robust governance, performance management and accountability are built into the changes
information sharing, single case management and transfer of information across the 3 case management systems currently used (Capita One, Liquid logic Children, Liquid Logic Adults)	<p>This exists within the current system but may become an added barrier to enabling the integrated working.</p> <p>To mitigate we will Review systems and maximise the communication, cross population and data reliability across the 3 systems, we will review the requirements to meet this need as contracts come up for review.</p>
Impact on staff as this is further change and restructure – risk of “Change Fatigue” and anxieties of detachment from Adult services for some	<ul style="list-style-type: none"> <li>- Strong staff communication and engagement – feedback <ul style="list-style-type: none"> <li>o Joint workshops</li> <li>o Regular updates &amp; Briefings</li> <li>o Dedicated Email</li> <li>o Joint senior management at Team Meetings</li> </ul> </li> <li>- so far has been very positive on the principles and objectives. Concerns expressed are on the details of how it will work and the personal impact of where and who they will be working with.</li> </ul>
Public awareness and perception about the change. Does this constitute significant change and require public consultation. Additional risk of expectation of what the new service would be able to deliver from day 1	<ul style="list-style-type: none"> <li>- We are engaging and working with Families in Partnership (FIP) &amp; Worcestershire Association of Carers (WAC)</li> <li>- Regular Updates are going on the SEND Local Offer</li> <li>- Develop some launch events -</li> <li>- We have consulted with legal services and are agreed as there is no change in service offer but only the way we arrange the services, it does not constitute a significant change and a public consultation is not required.</li> </ul>

# All Age Disability 0-25 Service Proposal Paper

## Appendix 1 - Financial Implications:

The Budget implications:

	<b>Current</b>	<b>All Age Disability 0-25</b>	<b>Difference</b>
WCF (SEND & CWD)	5,795,100		
Young Adults Team	738,400		
<b>TOTAL</b>	<b>6,346,400</b>	<b>6,572,600</b>	<b>226,200</b>

The current draft restructure proposal requires an approximate £230k investment. This is to enable equality of provision across the three geographic areas and ensure sufficient capacity and support for the 3 professional disciplines. This in the first instance is being explored if this can be found within efficiencies in both WCF and Adult services. Overtime, reduction in the use of more expensive out of county residential colleges by an improved holistic local offer will reduce costs and longer-term liabilities of the service.

The specific budgets relating to the children and young people for provision and placements are being worked on to bring together in one place the SEND and CWD current budgets and any Section 75 Health Budget. There is not anticipated any change to these.

A similar piece of work is being completed for young adults, again no anticipation of changes. The proposal as outlined above is budgets will remain in WCF & WCC respectively all though managed through the AAD 0-25 service.

The activity of the coordinated services, including social care disability services and educational services for SEND will have a significant impact on the High Needs budget within the DSG (Dedicated Schools Grant). The DSG budget is ring-fenced and therefore does not form part of the Local Authority's overall revenue position, however it is Local Authority spend.

The Local Authority High Needs DSG budget provides additional funding for children and young people with SEND has been overspending for the last few years resulting in a deficit of around £16m at the end of 2021/22 which will need to be carried forward into 2022/23 which doesn't impact on the council's financial position at the moment. High Needs deficits are a significant national issue, and the council continues to work with the Local Government Association and other local authorities to seek clarification on both the position once the statutory instrument expires and a sustainable funding strategy for the High Needs budget. However, we must not wait for a national solution and the service will need to formulate a robust High Needs recovery plan to reduce the deficit which is embedded into day to day working of the service which will be aligned to the accelerated action plan resulting from the joint area SEND revisit in November 2021.

The joining up of functions and services will serve to impact positively on effective and efficient spend of this Grant. Several placements for Children and Young People will mature into placements in Adult Services once the children reach Adulthood. Therefore, this programme will consider the potential impact of transitions into Adult Services budgets.



Department  
for Education

# **Reforming how local authorities' school improvement functions are funded**

**Government consultation response**

**January 2022**

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## **Introduction**

In October 2021, we launched a consultation seeking views on our intention to remove the School Improvement Monitoring & Brokering grant ('the grant'), currently allocated to local authorities to support school improvement activities and make provisions within the School and Early Years Finance (England) Regulations for the financial year (FY) 2022-23 to allow local authorities to fund all of their school improvement activity via de-delegation from schools' budget shares.

The public consultation exercise sought views on making these changes and allowed respondents to express comments, views or concerns.

## **Who this was for**

The following stakeholders were identified and consulted on the proposed changes:

- Local authorities (LAs)
- Schools and colleges
- Any other interested organisations and individuals

## **Consultation period**

The consultation took place from 29 October 2021 to 26 November 2021. It was conducted online using the government's consultation software, or alternatively, respondents were able to email or send a response form.

# About the consultation

## Context

Since 2017, the Local Authority School Improvement Monitoring and Brokering grant ('the grant') has been allocated to local authorities (referred to here as 'councils') to support them in fulfilling their statutory school improvement functions under Part 4 of the [Education and Inspections Act 2006](#) and their additional school improvement expectations as set out in the [Schools Causing Concern \(SCC\) guidance](#) (collectively referred to as core school improvement activities). In summary, these activities require councils to monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate. The grant is currently ringfenced and must be spent solely on the school improvement activities for which it is provided.

Since 2017 councils have also been permitted, with the agreement of their local schools forum, to de-delegate funding from their schools' budget shares, to fund the provision of additional school improvement services. These are activities that go above and beyond their core school improvement activities, and may include, for example, providing or funding access to school improvement support. Many councils will also provide additional school improvement and other services to schools on a traded basis, where school leaders choose to buy in services provided by the council.

The current funding arrangements presume that there is a clear distinction between core school improvement activities, for which the grant is provided, and additional activity, which councils fund through de-delegation or as a traded service. We believe this distinction no longer reflects the reality of how effective councils operate. Rather, we believe that, in practice, activity connected to their core school improvement activities forms part of a continuum of wider school improvement activity that councils may choose to undertake. In that context and taken together with the Secretary of State's responsibility to convert the poorest performing maintained schools (that Ofsted has judged 'Inadequate') into academies, it is unsurprising that whilst most councils continue to spend the full value of the grant, instances of councils exercising their intervention powers remain relatively low. This implies that the grant is predominantly used on early challenge and support in cases of potential underperformance, rather than use of formal intervention power.

## Proposals

In view of this we proposed to (1) remove the grant over the course of FY 2022-23, and (2) include provision in the School and Early Years Finance (England) Regulations for FY 2022-23 which would allow councils to de-delegate for all school improvement expenditure, including all core school improvement activities, from maintained schools' budget shares.

Subject to the outcome of the consultation, we proposed that the grant would be ended with effect from the start of FY 2023-24, phased so that it would be reduced to 50% of the current amount on a per school basis in FY 2022-23 to give councils and maintained schools time to adjust to these new arrangements.

To ensure that councils remain adequately funded to exercise their statutory intervention powers we proposed to give councils the power in the School and Early Years Finance (England) Regulations to fund all school improvement activities, including core school improvement activities, via de-delegation of funds from maintained schools' budget shares, with the agreement of their local schools forum or the Secretary of State.

We asked respondents whether they agreed that in exercising their core school improvement functions that local authorities focused on early support and challenge; whether they agreed that our proposals would allow local authorities to ensure they remained adequately funded; whether we could usefully update any of our guidance to local authorities on their school improvement responsibilities; and whether they believed any of our proposals had the potential to have an impact on specific groups compared to others, in particular those who share protected characteristics.

## Summary

In total there were 565 responses to the consultation. We have grouped the respondents by organisation type to support analysis of findings (see figure 1 below). We also discussed these proposals with several local authority and representative organisations during the consultation period.

*Figure 1 – Breakdown of consultation respondents*

Type of respondent	Total
Council	156
Local authority-maintained school	215
Academy or multi-academy trust	55
National organisation	16
Other	58
Not applicable or no response	65

A list of the organisations that responded can be found at Annex A, other than those who asked for their response to be kept confidential.

Overall, whilst many responses indicated that they understood the rationale for these proposals, we recognise the majority of respondents, in particular those from the maintained sector (councils and local authority-maintained schools), raised concerns. These centred on whether schools and councils would be able to absorb further funding pressures; what would happen if schools forums did not agree to de-delegation for core school improvement activity; and the desire for further clarity on what is considered core school improvement. Others noted the challenging implementation timescales.

We recognise the strength of feeling in the responses and have carefully considered the concerns outlined, and how they could be mitigated. Our detailed response with full analysis of the responses is set out below. Note, the total number of responses associated with each response type does not always equal 565 and the respective percentages do not always total 100, due to some respondents providing comments falling under more than one category, or not providing a response to that question.

## Question analysis and government response

This section provides a breakdown of the responses received for each consultation question following a categorisation process and provides the government's response to the issues raised.

The consultation included 13 questions, the full list of which can be found at Annex A. The first nine questions gathered basic details about the respondent such as name, organisation and role. The remaining four questions are analysed below.

### Question 10

*We believe that instances of councils exercising formal intervention powers remain relatively low, and that since its introduction, this grant has primarily supported improvement functions such as early support and challenge to improve individual school performance, which overlaps with wider (non-core) improvement provision. Do you agree that this is the case? If not, please explain*

Figure 2 – Breakdown of responses to Question 10

Response type	Number of responses	%
Agreed that this is the case	203	35.9
Disagreed that this is the case	175	30.9
<i>Of which:</i>		
- <i>Because they see no overlap in core and non-core functions</i>	22	3.9 (12.5)
- <i>Because the LA has used the grant for intervention and/or examples were provided of formal intervention</i>	36	6.3 (20.6)
- <i>Because LAs provide support before intervention becomes necessary and/or support before intervention is positive and/or the local authority has a school-led collaborative support system in place</i>	117	20.7 (66.9)
- <i>Other or no further reason given</i>	42	7.4 (24)
Not clear, or question not addressed / answered	187	33.1

\* Numbers in brackets represent the percentages of those who disagreed. Note, the percentages do not always total 100, due to some respondents providing comments falling under more than one category, or not providing a response to that question.

## Government response

Our Schools Causing Concern guidance sets out the core school improvement activities of councils, for which the local authority school improvement monitoring and brokering grant has been provided. This includes, but is not limited to, use of formal intervention powers.

The consultation set out our conclusions based on research and informal engagement with local authorities to date, which suggested that councils focus more on the non-intervention aspects of their core school improvement activities as they prefer to act before performance deteriorates to the point of requiring formal intervention, and that this overlaps with wider (non-core) school improvement provision. The largest proportion of respondents (35.9%) agreed this to be the case.

There were a substantial minority (30.9%) who disagreed. These responses have been analysed further, and it is clear only a very small minority have indicated they disagreed because they felt there was no overlap between core and non-core school improvement activity.

In contrast, the vast majority (66.9% of those who disagreed) indicated they disagreed because either their council provides early support and challenge before intervention becomes necessary; because their council has a school-led collaborative support system in place; and/or because they support councils providing support before intervention becomes necessary. While these respondents have indicated they disagreed with the question, we consider that their responses support the broader proposition that councils primarily exercise their core school improvement activities via early support and challenge rather than formal intervention.

In addition, there were a smaller number who indicated they disagreed because their council has formally intervened, in some cases providing examples of where they had done so, although not suggesting that is primarily how they have used the funding. As above, we are clear that councils' core school improvement activities are not limited to use of formal intervention powers, and we are not seeking to limit councils to only exercising their formal intervention powers.

We conclude therefore that consultation responses largely support our initial conclusions that with their considerable freedom to decide how to exercise their core school improvement activities, councils focus more on the non-intervention aspects of their core school improvement activities, and we agree that this is often the right approach to school improvement.

As the consultation noted, we are clear that councils are best placed to determine how to deliver the core school improvement responsibilities. However, the emphasis on early challenge and support also brings into focus that we do not provide a separate grant to Multi-Academy Trusts (MATs) to carry out the same sort of activity with their academies.

We instead expect MATs to fund this activity via deducting the cost of the activity from their academy budgets, and for this reason, we believe it is right to move towards removing this grant and putting school improvement funding on a more even footing

## Question 11

We are proposing to (i) remove the grant (Proposal 1), and (ii) enable councils to de-delegate funds via their schools forum to ensure they are sufficiently funded to exercise all of their improvement activities, including all core improvement activities. Do you agree that, taken together, these proposals will allow councils to continue to ensure they are adequately funded for core improvement activities; and therefore do not impose a new burden? If not, please explain.

Figure 3 – Breakdown of responses to Question 11

Response type	Number of responses	%	Council	Local authority-maintained school	Academy / Trust
Agrees	71	12.5	6	27	30
Disagrees	399	70.6	126	154	14
<i>Of which:</i>					
- <i>Because this will put pressure on school budgets, (in particular small, rural schools)</i>	272	48.1 (68.2)			
- <i>Because schools forums may not de-delegate sufficient funds and/or may lead to schools receiving inadequate support and/or LAs may not have sufficient funds to provide support</i>	227	40.2 (57)			
- <i>Because they want Government to continue providing funding to LAs for school improvement and/or because the system works well at present</i>	129	22.8 (32.3)			
- <i>Because there is insufficient time</i>	119	21.1 (29.8)			

Response type	Number of responses	%	Council	Local authority-maintained school	Academy / Trust
- <i>Because LAs provide local intelligence support to RSCs, particularly during the pandemic response</i>	106	18.8 (26.6)			
- <i>Because LAs have responsibilities for academies</i>	88	15.6 (22.1)			
- <i>Because they felt the proposals may incentivise academisation</i>	68	12 (17)			
- <i>Other or no further reason given</i>	180	31.9 (45.1)			
Not clear or question not addressed / answered	95	16.8	24	34	11

\* Numbers in brackets represent the percentages of those who disagreed. Note, the percentages do not always total 100, due to some respondents providing comments falling under more than one category, or not providing a response to that question.

## Government response

Most respondents (70.6%) disagreed that our proposals would enable councils to ensure they are sufficiently funded to exercise all their core school improvement activities. These responses have been analysed further to understand why respondents disagreed – with the vast majority indicating they disagreed because this would put a pressure on school budgets and/or that schools forums may not de-delegate sufficient funds to councils.

We recognise the concern that this change will put an additional pressure on school budgets. However, while we are not rolling the grant into dedicated schools grant (DSG) allocations, the recent Spending Review has announced an additional £1.6bn of core schools funding in 2022-23 compared to 2021-22, which is on top of the £2.4bn year-on-year increase already announced as part of Spending Review 2019. While we recognise schools' budgets face other pressures as well, the scale of this increase significantly offsets the pressure that may be felt through the loss of this grant, forecast to be worth c.£41m next financial year. And in line with other de-delegation decisions, the Secretary of State will retain the power to approve the de-delegation contrary to the decisions of the schools forum, if satisfied that the council had demonstrated such de-delegation was necessary to ensure the council is adequately funded to exercise core school improvement activities.



Having addressed these points, our view remains that councils will therefore be able to access sufficient funding to deliver their core school improvement activities, and that this change does not impose a significant new burden on them.

In addition, we recognise that many respondents would prefer Government continuing to pay this grant – however, as set out in the consultation, we believe this change will support our drive towards a school-led improvement system through putting more decisions about school improvement provision into the hands of school leaders; will bring funding arrangements for councils' school improvement activity closer into line with those in the academy sector; and will enable councils to better adjust over time to the Government's longer-term ambition for all schools to become academies within a strong trust. The responses to the previous question underline that we need to put school improvement funding on a more even footing.

We note too that a number of respondents felt there would not be sufficient time for local authorities and schools forums to agree de-delegation ahead of the next financial year, with a number highlighting it would be impossible to do so by the date of 21 January for making their Authority Proforma Tool (APT) submission to the Education & Skills Funding Agency (ESFA). We recognise these timescales will be more challenging than in other years but want to clarify that whilst councils need to submit their APT by 21 January, they only need to confirm schools' budget shares before de-delegation by 28 February, and confirm schools' budget shares after de-delegation by 31 March. ESFA are therefore happy to talk to councils on a case-by-case basis if, as a result of these changes, flexibility is required on timings for confirming de-delegation amounts and rates following the APT submission.

- NB. In APT submissions, councils will be able to deduct funding from maintained schools' budgets (with the consent of maintained school members of the schools forum) in much the same way as for existing de-delegated items in order to fund these services. The Education Functions worksheet should be used as it collects data on the services relating to maintained schools which local authorities can fund from the maintained school budget shares. This is a change from 2021 to 2022 arrangements where school improvement was included in general de-delegation not Education Functions.

We also note objections on the basis that through this core school improvement activity, councils are able to provide local intelligence to Regional Schools Commissioners, which in particular has supported responding to the pandemic. We recognise and value this close working, and by enabling de-delegation of budgets to cover school improvement activity, alongside continuing to pay the grant at 50% in 2022-23, we will ensure that this capacity can be protected.

We also received objections that councils have wider responsibilities, including towards academies. Whilst we recognise that councils will continue to have wider responsibilities, our guidance is clear that this grant has only ever been paid in relation to local

authorities' core school improvement activities relating to maintained schools, and further, the changes made to the conditions of grant in July 2021 formalised this position, such that this funding should not be used for wider purposes.

Finally, there was a not insignificant number who objected on the grounds that the proposals may incentivise further academisation. While we don't consider this a reason why councils would not be able to sufficiently fund themselves to exercise their core school improvement activities, we recognise there is a strength of feeling on this issue.

## Question 12

*Bearing in mind Proposals 1 and 2, are there any aspects of our guidance to councils on their role in school improvement which could usefully be clarified to aid understanding of what councils are accountable for with respect to improvement and how it should be funded?*

Figure 4 – Breakdown of responses to Question 12

Response type	Number of responses	%
Yes	197	34.9
<i>Of which:</i>		
- <i>Guidance needed on what is considered core school improvement activity that LAs can seek de-delegation for</i>	95	16.8 (48.2)
- <i>Guidance needed on what LAs are accountable for if they do not receive adequate funding to deliver core school improvement activity</i>	30	5.3 (15.2)
No further guidance required	84	14.9
Not clear or question not addressed / answered	284	50.3

\* Numbers in brackets represent the percentages of those who provided suggestions.

## Government response

Feedback showed that by far the most common theme arising in response to this question (48.2% of those who provided suggestions) was that respondents would welcome greater clarity on what is considered core school improvement activity that councils are expected to deliver. In light of this feedback, we will update the Schools Causing Concern guidance to make clear, as in the consultation, that as per page 36 of the guidance, core school improvement activity goes beyond exercising of formal intervention powers, and that councils should:

- Understand the performance of maintained schools in their area, using data as a starting point to identify any that are underperforming, while working with them to explore ways to support progress;
- Work closely with the relevant RSC, diocese and other local partners to ensure schools receive the support they need to improve;
- Where underperformance has been recognised in a maintained school, proactively work with the relevant RSC, combining local and regional expertise to ensure the right approach, including sending warning notices and using intervention powers where this will improve leadership and standards; and
- Encourage good and outstanding maintained schools to take responsibility for their own improvement, support other schools; and enable other schools to access the support they need to improve.

In updating the Schools Causing Concern guidance we will also make clear that these core activities only relate to maintained schools and not academies.

Beyond this, councils have considerable freedom to agree arrangements and associated funding with their schools forum, but to support such discussions, we will also clarify that the guidance does not require councils to provide or fund support themselves; and that we would normally expect the majority of activity to focus underperforming schools, rather than those rated good or outstanding.

The next most common theme was of respondents seeking guidance on what councils would be accountable for if they do not receive adequate funding to deliver core school improvement activity. As set out in the consultation, we intend to change the Schools and Early Years Finance regulations to enable local authorities to deduct funding from maintained school budgets to support this activity; and the Secretary of State would retain the power to approve the de-delegation contrary to the decisions of the schools forum, if satisfied that the local authority had demonstrated such de-delegation was necessary to ensure the local authority is adequately funded to exercise core school improvement activities.

## Question 13

*The Public Sector Equality Duty (PSED) requires that public bodies consider the potential effects of key decisions on groups with protected characteristics. The relevant protected characteristics for the purposes of the PSED are: sex; race; disability; religion or belief; sexual orientation; pregnancy or maternity; gender reassignment; and age. Please let us know, providing evidence where possible, if you believe any of the proposals set out in this consultation will have the potential to have an impact on specific groups, in particular those with relevant protected characteristics.*

Figure 5 – Breakdown of responses to Question 13

Response type	Number of responses	%
Would not expect a disproportionate impact on specific groups	50	8.8
The proposals will, or may potentially, have a disproportionate impact on specific groups	295	52.2
<i>Of which:</i>		
- <i>Because there would be reduced funding for LA support provision</i>	214	38.1 (72.5)
- <i>Because of the impact on school budgets</i>	105	18.6 (35.6)
Not clear or question not addressed / answered	220	33.6

\* Numbers in brackets represent the percentages of those who believed the proposals will, or may potentially, have a disproportionate impact on specific groups.

## Government response

Of those suggesting there will or may be potential negative impact the vast majority (72.5%) indicated this would be because of councils reducing the support they provide because of reduced funding going to councils. As set out above and in the consultation, we intend to change the Schools and Early Years Finance regulations to enable councils to deduct funding from maintained school budgets to support this activity; and the Secretary of State would retain the power to approve the de-delegation contrary to the decisions of the schools forum, if satisfied that the council had demonstrated such de-delegation was necessary to ensure they were adequately funded to exercise core school improvement activities. This means councils need not reduce the school improvement support they provide to maintained schools because of these proposals.

On which, there were also a significant minority who indicated there will or may be a potential impact on specific groups as a result of the impact of councils deducting funding from maintained school budgets. We have explored this further, comparing the potential impact in those councils where the impact on maintained school budgets may be comparatively higher than the national average, both in proportional and absolute terms.

Overall, this indicates that:

- Pupils attending religious schools make up a slightly higher proportion of maintained school pupils (35.3%) in those 15 councils in receipt of the largest

grant allocations (as a proportion of total maintained school budgets) than they do nationally (29.6%).

- Pupils from a minority ethnic background make up a lower proportion of maintained school pupils (23.0%) in those 15 councils in receipt of the largest grant allocations (in absolute terms) than they do nationally (36.2%).

While this analysis indicates a potential disproportionate impact on pupils attending religious schools, we note that in those 15 councils in receipt of the largest grant allocations as a proportion of total maintained school budgets, the current absolute level of the grant is on average low, with many councils receiving the minimum payment of £50,000, indicating any potential disproportionate impact on these pupils is likely to also be low.

## Conclusion

We are grateful for the responses received, and for the ongoing role that councils continue to play in supporting schools and their pupils. We have carefully considered the key themes in the responses, which will shape how we implement these proposals. In particular:

- Councils and local authority-maintained schools value the early support and challenge which councils provide to maintained schools as part of their core school improvement activities and want this to continue. We will enable councils to deduct funding from maintained school budgets to ensure this can remain the case going forwards.
- There are concerns that these proposals will place a burden on maintained schools, and as a result schools forums may not de-delegate councils sufficient funds to deliver their core school improvement activities. We will reserve the right to permit de-delegation against the wishes of a schools forum in order to ensure councils are in sufficient funds to deliver their core school improvement activities, if satisfied that the local authority had demonstrated such de-delegation was necessary to ensure they were adequately funded to exercise their core school improvement activities as set out in the Schools Causing Concern guidance.
- There are concerns that there may be insufficient time for councils to arrange de-delegation in advance of financial year 2022-23. We have clarified that while councils need to submit their APT by 21 January, they only need to confirm schools' budget shares before de-delegation by 28 February and confirm budget shares after de-delegation by 31 March. ESFA are therefore happy to talk to councils on a case-by-case basis if flexibility is required on timings for confirming de-delegation amounts and rates following the APT submission.
- There were calls for greater clarity on what is considered core school improvement activity that councils are expected to deliver. We will update the Schools Causing

Concern guidance to make this clear, in particular that (i) core school improvement activity goes beyond solely exercising of formal intervention powers, and (ii) that the grant is provided to support core school improvement in maintained schools only; and does not require councils to provide or fund school improvement services themselves.

We recognise that there is significant concern, particularly from councils and the maintained sector about removing this additional source of funding. However, given one of the rationales of these proposals is to create greater parity between how school improvement is funded in the maintained and academies sector, which does not receive such additional school improvement funding, after careful consideration of the responses, the government intends to proceed with implementing the proposals.

As such, we will (1) reduce the grant by 50% for the FY 2022-23 and bring it to an end in FY 2023-24 and (2) include provision in Part 7 of Schedule 2 to the School and Early Years Finance (England) Regulations for FY 2022-23 which would allow councils to de-delegate for all improvement expenditure, including all core improvement activities. We will monitor the impact of the changes during the year.

## Next steps

- **Mid-January 2022:** School and Early Years Finance Regulations 2022-23 (England) due to be laid in parliament
- **21 January 2022:** APT submission
- **28 February 2022:** Councils agree maintained school budget shares
- **By April 2022:** School and Early Years Finance Regulations 2022-23 (England) come into effect, permitting de-delegation of budgets
- **By end-April 2022:** Penultimate grant payment
- **By end-October 2022:** Final grant payment

## **Annex A: List of organisations that responded to the consultation**

Achieving for Children

ADCS

ADCS - East Midlands Region

ADCS Yorkshire and the Humber

Air Balloon Hill Primary School

Albright Education Centre

All Saints'

All Saints C of E Primary School

All Saints' N20 Primary School

Area-Based Education Partnerships Association (AEPA)

Arnhem Wharf Primary School

Asby Endowed School

ASCL

Ashfield Junior School

Ashlands and Misterton Federation

Aston University Engineering Academy

Baginton Fields School

Barnet Education and Learning Service

Barnet Education and Learning Service Limited, responding on behalf of the London Borough of Barnet

Barnsley Council

Bartley Green School

Baysgarth School

BCP Council

Beacon Hill Community School

Beatrice Tate School

Beckington C of E VC First School  
Bedford Borough Council  
Bedgrove Infant School  
Bellefield C of E Primary & Nursery School  
Bellefield Primary and Nursery School  
Bellevue Place Education Trust  
Bildeston and Whatfield Federation  
Birchfield Community Primary School  
Birmingham City Council  
Birmingham Education Partnership  
Birmingham Safeguarding Children Partnership  
Birmingham Schools Forum  
Bishop's Hull Primary School  
Blackburn with Darwen Borough Council  
Black Combe Junior School  
Blackpool Council  
Bleakhouse Primary School  
Blue Gate Fields Junior School  
Bonner Primary School  
Borrowdale CE Primary School  
Bournemouth, Christchurch and Poole (BCP) SACRE  
Bow School  
Brandhall Primary School  
Brent Council  
Brent Strategic School Effectiveness Board  
Brigg Primary School  
Brighter Futures for Children (Reading)  
Brighton and Hove Local Authority



Brighton and Hove Schools Forum  
Bristol City Council  
Broadleaf Partnership Trust  
Brough Community Primary School  
Brunswick School  
Buckinghamshire Council  
Bury CE Primary  
Bury Council  
Bushy Hill Junior School  
Buxton Junior School  
Calderdale MBC  
Cambridgeshire County Council  
Camden Council  
Camden Learning  
Castlebar School  
Catholic Diocese of Northampton  
Catholic Education Service  
Central Bedfordshire Council  
Central Foundation Girls' School  
Cheshire East Council  
Cheshire West & Chester LA  
Cheshire West & Chester Schools Forum Finance Subgroup  
Chilmark school  
Chilthorne Domer Church School  
Chilton Foliat CA VA Primary School  
Christ Church CE Primary School  
City of Westminster  
City of Wolverhampton Council

City of York Council  
Cockfield Primary  
Colerne CE Primary School  
Confederation of School Trusts (CST)  
Congerstone Primary School  
Coombe Bissett School  
Cornwall Council  
Corpus Christi Catholic Primary School  
Coundon Court School  
Coventry City Council  
Coventry Extended Learning Centre  
Coventry Schools Forum  
Coventry Secondary Headteacher partnership  
Coventry Secondary Headteachers' Partnership  
Crosby Ravensworth C of E School  
Crudwell CE Primary School  
Cuddington and Dinton C of E School  
Cumbria County Council  
Delta Academies Trust  
Denbury Primary School  
Derbyshire County Council  
Devon County Council  
Diocesan Secondary School  
Diocese of Bristol  
Diocese of Ely multi academy trust  
Diocese of Peterborough  
Diocese of Worcester - Education Team  
Discovery Schools Academy Trust

Dorset Council  
Dover Grammar School for Girls  
Dudley MBC  
Dunraven Educational Trust  
Durham Johnston Comprehensive School  
Durrington CE VC Junior School  
Ealing Local Authority  
East Sussex County Council  
Eastbury Community School  
Eastern Green Junior School Coventry Local Authority  
Edgewick Community Primary School  
Education and Children's Services Group of Prospect  
EKC Group and EKC Schools Trust  
Ellingham Primary School  
Elmfield School for Deaf Children  
Enfield Council  
Essex County Council  
Essex Schools Forum  
Evolution Academy Trust  
F40 group  
Fairlop Primary School  
Farmor's School  
Ferndown Upper School  
Frederick Bird Primary  
Frederick Gough School  
Frogwell Primary School  
Fynamore Primary School  
Gateshead Council

GLA

Glade Primary School

Gloucestershire County Council

Grange Primary School

Grove Vale Primary

Guildford Diocesan Board of Education

Hallfield Primary School

Halton Borough Council

Hamilton School

Hammersmith and Fulham

Hampshire County Council

Hamstead Junior School

Hardenhuish School Governing Body

Haringey Education Partnership

Harnham Junior School

Harrow Council

Hawkesbury Primary School

Heddington Primary School

Herefordshire Council

Herringthorpe Infant School

HHJS

Hilmarton Primary School

Hitherfield Primary School

Holbrook Primary School

Ibstock Junior School

Imperial Avenue Infant School

Inspire Learning Partnership

Inspiring Primaries Academy Trust

Institute of School Business Leadership  
Isle of Wight Council  
Islington Council  
Joint Coventry trade unions NEU, NASUWT and NAHT  
Kent County Council  
Killamarsh Infant and Nursery school  
Kings Lodge Community School  
King's Wood School and Nursery  
Kirk Merrington Primary School  
Kirkbampton CE Primary School  
Kirklees Education and Learning Partnership  
Kirklees Local Authority  
Kiwi School  
Knowsley Council  
Kobi Nazrul Primary School  
Lacock Primary School  
Lancashire Schools Forum  
Leeds Learning Alliance  
Leicester City Council  
Leicestershire County Council  
LGA  
Lincolnshire County Council  
Lincolnshire Learning Partnership Board  
Lincolnshire Local Authority  
London Borough of Bexley  
London Borough of Bromley  
London Borough of Croydon  
London Borough of Hackney

London Borough of Haringey  
London Borough of Havering  
London Borough of Hillingdon  
London Borough of Lewisham  
London Borough of Southwark  
London Borough of Sutton  
London Borough of Tower Hamlets  
London Coordinators of Governor Services (LCOGS)  
Lowther Primary School  
Ludgershall Castle Primary School  
Lumley Infant and Nursery School  
Luton Borough Council  
Lyneham Primary School  
Lyng Primary School  
Lytchett Minster School  
Magdalen Gates Primary School  
Magna Learning Partnership  
Manchester City Council  
Manor Fields Primary School  
Marlbrook, Little Dewchurch and St Martin's Primary Collaboration  
Marwood School  
Mayflower School  
Medway Council  
Merton Council  
Milborne Port Primary School  
Milverton Community Primary and Pre-school  
Moat Farm Junior School  
Moat House Primary School

Monkton Park Primary School  
Morland Area Primary School  
Morpeth School  
Much Wenlock Primary School  
NASUWT  
NASUWT - The Teachers' Union - Coventry Association  
National Association of Head Teachers (NAHT)  
National Education Union  
National Governors Association  
NEston Primary School  
Neston Primary School, Wiltshire  
Nether Stowey Primary School  
Newcastle Board of Education  
Newton Burgoland primary  
Newton Hall Infants' School  
Newton Tony Primary School  
Nexus MAT  
Norfolk County Council  
North Somerset Council  
North West Association of Directors of Children's Services  
North Yorkshire County Council  
Northumberland County Council  
Nottingham City Council  
Nottingham Schools Trust  
Nottinghamshire County Council  
Nova Primary School  
Oakfield Academy  
Old Oak Primary School

Old Park Primary School  
Oldham Council  
Oliver Tomkins Schools  
Osmani Primary School  
Otley and Winesham Partnership  
Our Lady of the Assumption Catholic Primary School  
Oxfordshire LA  
Parkhill Junior School  
Pennine Way Primary School  
Phoenix school  
Plymouth City Council  
Polden Bower School  
Primary School  
Prince Regent Street Trust  
public health Somerset County Council  
RCBC  
Rochdale Council  
Rochdale Pioneers Trust  
Rotherham Metropolitan Borough Council  
Royal Borough of Kensington and Chelsea  
Royal Latin School  
Saint John Wall Catholic School  
Salford City Council  
Sandwell Borough Council  
Sarum St Paul's Primary School  
Schools Alliance for Excellence  
Schools Forum  
Sefton LA



SESLIP - the South-east Sector-led Improvement Partnership

Seven Sisters Primary School

Shaftesbury Junior School

SHARE Multi-Academy Trust

Sheldon School

Shirehampton Primary School

Silverwood School

Slough Borough Council

Society of County Treasurers'

Solihull MBC

Somerset County Council

South Gloucestershire Council

South Park Primary School

South West ADCS

Southampton City Council

South-east Sector-led Improvement Partnership (SESLIP)

Southwick CE Primary School

Special Educational Consortium

Sprowston Infant School

St Edward's School

St Helens Borough Council

St James cofE Primary

St John's and St Clement's Primary

St Johns Primary School

St Joseph's Catholic School

St Joseph's Catholic Primary School

St Mary's C of E Primary School

St Nicholas School

St Nicholas School Bromham  
St Paul's C of E Combined School  
St Thomas of Canterbury Catholic Primary school  
St. Margaret's CE Primary  
St. Paul's CE Junior School  
Staffordshire County Council  
Stanley Primary School  
Stockport MBC  
Stockton Local Authority: Education Improvement Service  
Stone CE Combined School  
Surrey County Council  
Sutton Road Primary School  
Sutton Veny CofE Primary School  
Tameside Metropolitan Borough Council  
Telford and Wrekin Council  
Telford and Wrekin Local Authority  
The Arun Villages Federation  
The Church of England Education Office  
The Claxton Trust  
The Education People  
The Grange School  
The John of Gaunt School  
The MFG Academies Trust  
The Village Federation  
The Weald and Downlands Schools Federation  
Thomas Buxton Primary School  
Thomas Hickman School  
Thomas Hickman School, Aylesbury

Thornton-in-Craven CP School  
Together For Children Sunderland Children's services  
Tove Learning Trust  
Tower Hamlets Council  
Tower Hamlets Education Partnership  
Tower Hamlets LA  
Trafford Council  
Tylers Green First School  
Uckfield College  
UNISON  
Uplands Manor Primary School  
Urchfont CE Primary School  
Villa Real School  
Villa Real Special School  
Wakefield Council  
Wandsworth Council  
Warrington LA  
Warwickshire County Council  
WASSH  
Water Mill Primary School  
Wendover CE Junior School  
West Berkshire Council  
West Bromwich North Learning Community  
West Coventry Academy  
The Romero Catholic Academy  
West Midlands Education and Skills  
West Sussex County Council  
White Woods Primary Academy Trust

Whitecrest Primary School

Wigan LA

William Davis school

William Murdoch Primary School

Wiltshire Council

Winterbourne Earls Primary School

Winterton Community Academy

West Midlands Local Authorities

Woodgate Primary School

Woodmancote School

Wootton Bassett Infants School

Worcestershire County Council

Yew Tree Primary School

# Copy of all consultation questions

## Preliminary questions

1. What is your name?
2. What is your email address?
3. Are you responding as an individual or as part of an organisation?
4. What is your organisation? (if applicable)
5. What type of organisation is it?
6. What is your role? (if applicable)
7. What local authority area are you based in?
8. Are you happy to be contacted directly about your response?
9. Would you like us to keep your responses confidential?

## Consultation questions

10. We believe that instances of councils exercising formal intervention powers remain relatively low, and that since its introduction, this grant has primarily supported improvement functions such as early support and challenge to improve individual school performance, which overlaps with wider (non-core) improvement provision. Do you agree that this is the case? If not, please explain
11. We are proposing to (i) remove the grant (Proposal 1), and (ii) enable councils to de-delegate funds via their schools forum to ensure they are sufficiently funded to exercise all of their improvement activities, including all core improvement activities. Do you agree that, taken together, these proposals will allow councils to continue to ensure they are adequately funded for core improvement activities; and therefore do not impose a new burden? If not, please explain
12. Bearing in mind Proposals 1 and 2, are there any aspects of our guidance to councils on their role in school improvement which could usefully be clarified to aid understanding of what councils are accountable for with respect to improvement and how it should be funded?
13. The Public Sector Equality Duty (PSED) requires that public bodies consider the potential effects of key decisions on groups with protected characteristics. The relevant protected characteristics for the purposes of the PSED are: sex; race; disability; religion or belief; sexual orientation; pregnancy or maternity; gender reassignment; and age. -Please let us know, providing evidence where possible, if you believe any of the proposals set out in this consultation will have the potential

to have an impact on specific groups, in particular those with relevant protected characteristics.



Department  
for Education

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