

Worcestershire Schools Forum (WSF) Agenda 23rd September 2021

2.00pm

Remote Meeting

Via MS Teams

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a) DfE Consultation 8th July 2021 - Fair School Funding for All: Completing Our Reforms to the National Funding Formula

b) Indicative DSG Allocations and DfE NFF Rates 2022/23

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Date of Next Programmed WSF Meeting

Thursday 18th November 2021 at 2pm Remote Meeting to Be Held Via MS Teams





MEETING OF THE WORCESTERSHIRE SCHOOLS FORUM (WSF)

**Thursday 23rd September 2021
At 2.00pm
Remote Meeting Held Via MS Teams**

A G E N D A

1. Election of Chair and Vice Chair of the WSF
2. Apologies
3. Declaration of Interests
4. Declaration of Potential Conflict of Interests
With Items on the Agenda
5. Minutes of the Last Meeting 8th July 2021 (attached)
and Matters Arising
6. Any Other Business
7. WSF Attendance Academic Year 2020/21 (attached)
8. School and LA Funding Update 2022-23
 - a) DfE Consultation 8th July 2021
Fair School Funding for All: Completing
Our Reforms to the National Funding Formula (attached)
 - b) Indicative DSG Allocations and DfE NFF
Rates 2022-23 (attached)
 - c) Local Consultation Process for 2022-23 (attached)
9. High Needs Update (attached)

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Date of Next Meeting:

Thursday 18th November 2021
Via MS Teams

Please pass apologies to Phil Rook who can be contacted on
Tel 01905 846300 or e-mail prook@worcschildrenfirst.org.uk



worcestershire county council

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

Thursday 8th July 2021
Remote Meeting Held Via MS Teams

The meeting started at 2.05 pm

IN ATTENDANCE:

WSF Members

Malcolm Richards (Chair)	-	Governor, Bromsgrove
Bryn Thomas (Vice Chair)	-	HT Wolverley CE Secondary School (Until 2.40pm re-joined 3.10pm)
Marie Pearse	-	HT Evesham Nursery School
Paul Essenhigh	-	Executive HT Catshill Middle, Catshill First and Nursery Schools
Nathan Jones	-	HT Meadow Green Primary School
Emma Pritchard	-	Principal Black Pear Trust (Until 3pm)
Lizzie Dixon	-	HT Franche Primary School
Adrian Ward	-	HT Trinity High School
Ed Francis	-	HT Fort Royal Primary School
Jay Hart	-	HT Kingfisher School
Ian Enwright	-	Executive HT Riversides and Newbridge Schools (Substitute Member)
David McIntosh	-	Governor, Wyre Forest
Lorraine Petersen	-	Governor, Bromsgrove
Stephen Baker	-	Union Representative
Greg McClarey	-	Archdiocese of Birmingham
Catriona Savage	-	PVI Sector (Until 3pm)
Tom Jenkins	-	PVI Sector

Local Authority (LA)

Phil Rook	-	Director of Resources Worcestershire Children First
Sarah Wilkins	-	Director of Education and Early Help Worcestershire Children First
Andy McHale	-	Senior Finance Business Partner Worcestershire Children First
Caroline Brand	-	Schools Finance Manager Worcestershire County Council
Rob Phillips	-	Accountancy Officer School Funding Worcestershire County Council

- | | | |
|------------------|---|---|
| Gabrielle Stacey | - | Assistant Director SEND and Vulnerable Learners
Worcestershire Children First
(Until 3pm) |
| Richard Taylor | - | Assistant Director Human Resources,
Organisational Development and
Engagement Worcestershire County Council
(Until 2.20pm) |
| Sharon Booth | - | Head of Human Resources Operations
Worcestershire County Council
(Until 2.20pm) |

1. INTRODUCTIONS AND APOLOGIES

1.1 Introductions

(a) Due to temporary technical difficulties the Vice Chair took the Chair at the start of the meeting.

(b) The Vice Chair introduced new WSF members Ed Francis HT Fort Royal Primary School (Special School Maintained Category), Jay Hart HT Kingfisher School (Special School Academy Category) and substitute member Ian Enwright Executive HT Riversides and Newbridge Schools (Special School Academy Category) to their first WSF meetings.

(c) The Vice Chair introduced Richard Taylor and Sharon Booth to the WSF for agenda item 5.

1.2 Apologies

- | | | |
|------------------------|---|--|
| Jeff Robinson | - | Governor, Malvern Hills |
| Chris King | - | CEO Severn Academies Educational Trust |
| John Bateman | - | Governor, Aspire Alternative Provision (AP)
Free School |
| Tim Reid | - | Church of England Board of Education |
| Edward Senior | - | 16-19 Providers |
| Councillor Marcus Hart | - | Cabinet Member with Responsibility for
Education
Worcestershire County Council |

2. DECLARATION OF INTERESTS

None.

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

None.

4. MINUTES OF THE LAST MEETING (20th May 2021)

Agreed.

5. MATTERS ARISING

5.1 The Chair joined the meeting at 2.10pm.

5.2 Liberata Transfer

(a) Phil Rook and Richard Taylor briefed the WSF on the latest position on the transfer of services from Liberata back to WCC and WCF. Services for accounts payable and receivable transferred to WCC on 1st June 2021. The HR function will transfer from 1st September 2021 into WCC and the Schools Finance support function will transfer from 1st September 2021 into WCF. Consultation is currently underway on these transfers.

(b) Richard confirmed a letter would shortly be sent to schools confirming the changes with a focus on receiving the same service with current teams at no additional cost. There was the intention to discuss further with the WSF on the breadth of service and proposed improvements.

(c) The WSF noted the changes and commented they were pleased that the services were coming back in-house, with the hope more schools would buy back.

Richard Taylor and Sharon Booth left the meeting at 2.20pm

6. ANY OTHER BUSINESS

6.1 A member of the WSF requested clarity on the implications of the additional bank holiday in June 2022. Sarah confirmed a recommendation for a regional approach was being considered by the Director of Children's Services and schools would be notified shortly.

7. SCHOOL FORUM REGULATORY MATTERS

7.1 Change to the Schools Forum (England) Regulations 2012

Andy confirmed of a change to the above regulations making permanent provisions to enable Schools Forums to be held remotely.

7.2 Governance Benchmarking Report

Andy introduced the report which benchmarked WCC Schools Forum arrangements with 9 other county councils. The Chair commented that the WSF arrangements compared very favourably in the analysis and the WSF noted the issues.

8. HIGH NEEDS ISSUES

8.1 The Chair requested the WSF consider this item next.

8.2 County Council Network (CCN) and Society of County Treasurer's (SCT) Reports

(a) Phil introduced the item and requested the WSF to treat the reports as confidential and not for general circulation. The analysis is 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.

(b) Phil advised the deficit in WCC is predicted to rise to £14m and the additional HN DSG allocated is not keeping pace with current and future demands.

8.3 LA and SEND Data Update

(a) Gabrielle introduced the report and advised this had formed a presentation to the Head of Special Schools Association (HSSA) in the previous week. The WSF noted the issues detailed in the presentation. Gabrielle confirmed significant work was currently taking place looking at the banding system and the potential need for change e.g. more bands, exceptional costs, etc.

(b) Concerns had been raised by HSSA on the levels of top up funding not being increased and there needs to be consideration of a base level for special school pupils as well as the need for a comprehensive capital plan to develop capacity in the sector.

(c) Gabrielle advised on the challenge at the previous WSF on the EHCP projections and reported updated figures had been provided. These showed an increase in the number of assessments and that WCC is currently above the national average.

(d) The WSF commented as follows: -

- There is the need to look at the cost of a base place in special schools as the minimum level of funding needed to cover costs – HSSA feel place funding and an E3 top up is required as a minimum for all pupils in the sector.
- There needs to be consideration of the contribution by health in supporting the cost of HN places.
- Will the banding review apply to mainstream as well as special schools?
- Schools appreciate the current work on this but there are specific issues for the special school sector e.g. top up rates have not increased since 2014 and staff inflation for non-teaching staff is a significant cost burden.
- There are surpluses in special schools, but these are a consequence of significant increasing rolls in the sector.
- There is an impact on mainstream schools too and this should not be perceived as a sector vs. sector issue.
- The late admissions arrangements often mean mainstream schools receive late paperwork and not enough top up funding to cover staffing requirements.
- The role of the WSF is to receive reports and scrutinise the HN Management Plan actions, such as the significant numbers and associated costs of independent sector placements.

(d) The LA responded as follows: -

- There is a need to understand the unit costs of special schools and co-produce on the banding work. The outcomes of this will come back for discussion with the WSF and will require Cabinet consideration.
- Any proposals for change will increase the HN funding pressures and require consideration of the financial implications as the HN deficit needs to be repaid.
- The County Council is lobbying hard through SCT, CCN and F40 for additional funding.
- The LA is following up the health service contributions through a joint committee with the CCG.
- The HN Management Plan will continue to be discussed at the WSF and monitoring of the HN budget will be part of that agenda.

9. MAINTAINED SCHOOL BALANCES 2020-21

9.1 Andy introduced the report which detailed the revenue balances position for **maintained schools only** as at 31st March 2021.

9.2 The key headlines are: -

- Balances have increased by £2.7m from £1.3m from the previous year to £3.9m.
- The number of schools in deficit has reduced from 39 to 32 but the value of the deficits had increased from £9.2m to £10.2m, in the primary and secondary sectors.
- The LA is supporting 26 schools that have set deficit budgets in 2021-22.
- The light touch challenge to those schools with excess surplus balances would continue.

9.3 The WSF commented as follows: -

- Concerns for those schools with significant deficits and how does the LA challenge and support such schools.
- The impact of Covid has affected school finances e.g. loss of self-generated and early years income, additional cleaning, additional equipment, staff cover, increased requirements for pupil support, etc.
- Some schools' balances are held on behalf of other schools e.g. teaching schools.
- Providers in the maintained nursery schools' sector have not been able to claim for the additional costs incurred due to Covid.
- There is a useful report by Parent kind on income generation and other issues that can be shared with the WSF.
- There will be a level of increased costs yet to be incurred around safeguarding, mental health, etc.

9.4 Sarah confirmed as detailed in the report, the LA works very closely with schools in financial difficulty and is in regular contact and briefings including WCCs Chief Financial Officer.

10. DSG OVERTURN 2020-21

10.1 Andy introduced the report which confirmed the DSG Reserve position as at 31st March 2021.

10.2 With the funding of the HN overspend and other DSG adjustments the DSG reserve was now **£6.5m in deficit**. The analysis also showed the HN trend with a HN overspend of £25m between 2017-18 and 2020-21. The WSF noted this and that the DSG deficit will require funding for pupil growth and early years not spent in 2020-21 to be allocated to those areas in 2021-22.

10.3 The WSF noted the allocations made to schools accessing in-year funding through the Pupil Growth Fund for basic need in **Appendix B**.

RESOLVED –

The WSF: -

- **Noted the details of the DSG Centrally Retained Services in Appendix A.**
- **Noted the DSG C/Fwd position for 2020-21 as at 31st March 2021 and allocations made for the Pupil Growth Fund in Appendix B.**

10.4 In response to a query from a member of the WSF Andy agreed to follow up some admissions issues with the service.

11. F40 GROUP UPDATES

11.1 DfE Meeting 11th June 2021

The WSF noted the minutes.

11.2 Executive Committee Meeting 14th June 2021

(a) The WSF noted the minutes.

(b) Andy advised that Ed Francis was now a member of the executive committee, which was very useful in supporting WCCs fairer funding campaign for all schools. Andy further advised the LA would continue to support the F40 technical officer's group

12. WSF MEETING SCHEDULE ACADEMIC YEAR 2021/22

12.1 The WSF noted the proposed schedule and potential agenda items. At the moment the meetings would continue to be held remotely.

12.2 Under the proposed work programme on national decisions for 2022-23, Andy advised no policy direction had been confirmed by the DfE. It is likely the local schools funding formula position in WCC continuing to use the NFF would need to be considered early in the Autumn Term 2021.

13. WSF RETIREMENTS

13.1 The Chair advised that Stephen Baker Union representative was retiring at the end of the academic year and so was stepping down from the WSF. On behalf of the WSF, the Chair thanked Stephen for all his hard work and support over the years. On behalf of the LA, Andy advised Stephen had completed 14 years' service on the WSF and thanked him for all his hard work and support. Stephen responded accordingly and stated his gratitude for the advice he had been given by the LA in his role as ATL lead on finance.

13.2 The Chair further advised that Andy McHale financial adviser and clerk to the WSF was retiring in early September 2021, so this would be his last WSF meeting. On behalf of the WSF the Chair thanked Andy for all his hard work, dedication, and support to the WSF and the campaign for fairer funding. Andy responded accordingly and thanked the WSF members, WCC officers and members both present and past for all their help and support over the last 17 years servicing the WSF. He wished the group all the best for the future and to continue the fight for fairer funding for all Worcestershire schools.

The meeting closed at 3.50pm

The date of the next WSF meeting: - Thursday 23rd September 2021 at 2pm
via MS Teams

WORCESTERSHIRE SCHOOLS FORUM (WSF) MEMBERSHIP ATTENDANCE – ACADEMIC YEAR 2020/2021
DETAILED MEMBERSHIP **MEETING DATES**

AGENDA ITEM 7
WORCESTERSHIRE SCHOOLS FORUM
23rd SEPTEMBER 2021

<u>CATEGORY/NUMBER/NAME</u>	<u>TERM</u>	<u>RE-ELECTION DATE</u>	<u>Sept 2020</u>	<u>Nov 2020</u>	<u>Jan 2021</u>	<u>Mar 2021</u>	<u>May 2021</u>	<u>July 2021</u>
<u>FIRST/PRIMARY SCHOOLS (7)</u>								
<u>HEADTEACHERS (4)</u>								
Marie Pearse	3 rd	31 st August 2022	✓	✓	✓	C	✓	✓
Emma Pritchard @	1 st	31 st August 2022	✓	Ap	✓	C	Ap	✓
Nathan Jones	2 nd	31 st December 2022	Ap	✓	✓	C	✓	✓
Lizzie Dixon	1 st	31 st December 2022	X	X	✓	C	✓	✓
<u>GOVERNORS (3)</u>								
Malcolm Richards Chair 1/9/19	8 th	31 st March 2022	✓	✓	✓	C	✓	✓
Vacancy			V	V	V	V	V	V
Vacancy @			V	V	V	V	V	V
<u>MIDDLE SCHOOLS (2)</u>								
<u>HEADTEACHERS (1)</u>								
Paul Essenhigh	3 rd	31 st August 2023	✓	✓	✓	C	✓	✓
<u>GOVERNORS (1)</u>								
Vacancy @			V	V	V	V	V	V
<u>SECONDARY/HIGH (6)</u>								
<u>HEADTEACHERS (3)</u>								
Adrian Ward @	3 rd	31 st August 2022	Ap	✓	✓	C	✓	✓
Chris King @	2 nd	31 st August 2021	✓	Ap	Ap	C	Ap	Ap
Bryn Thomas Vice Chair 1/9/19	4 th	31 st January 2023	✓	✓	✓	C	✓	✓
<u>GOVERNORS (3)</u>								
Jeff Robinson @	5 th	31 st October 2022	✓	✓	✓	C	✓	Ap

WORCESTERSHIRE SCHOOLS FORUM (WSF) MEMBERSHIP ATTENDANCE – ACADEMIC YEAR 2020/2021
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David McIntosh @	8 th	31 st August 2023	Ap (IT)	✓	✓	C	✓	✓
Vacancy			V	V	V	V	V	V
<u>SPECIAL (3)</u>								
<u>HEADTEACHER (2)</u>								
Bec Garratt	1 st	31 st January 2022	Ap	✓	✓	C	✓	X
Ed Francis	1 st	30 th June 2023	X	X	X	X	X	✓
Jay Hart @	1 st	30 th June 2023	X	X	X	X	X	✓
<u>GOVERNOR (1)</u>								
Lorraine Petersen	3 rd	30 th September 2022	✓	✓	Ap	C	✓	✓
<u>PUPIL REFERRAL UNITS (PRU)/ALTERNATIVE PROVISION (AP) (2)</u>								
<u>HEADTEACHER (1)</u>								
Vacancy			V	V	V	V	V	V
<u>GOVERNOR (1)</u>								
John Bateman @	4 th	28 th February 2023	✓	Ap	✓	C	✓	Ap
<u>NON SCHOOL (6)</u>								
<u>UNION REPRESENTATIVE (1)</u>								
Stephen Baker	7 th	31 st August 2021	✓	✓	✓	C	✓	✓

WORCESTERSHIRE SCHOOLS FORUM (WSF) MEMBERSHIP ATTENDANCE – ACADEMIC YEAR 2020/2021
DETAILED MEMBERSHIP **MEETING DATES**

AGENDA ITEM 7
WORCESTERSHIRE SCHOOLS FORUM
23rd SEPTEMBER 2021

<u>CATEGORY/NUMBER/NAME</u>	<u>TERM</u>	<u>RE-ELECTION DATE</u>	<u>Sept 2020</u>	<u>Nov 2020</u>	<u>Jan 2021</u>	<u>Mar 2021</u>	<u>May 2021</u>	<u>July 2021</u>
ARCHDIOCESE OF BIRMINGHAM SCHOOLS COMMISSION (1)								
Greg McClarey	2 nd	31 st August 2021	Ap	Ap	Ap	C	✓	✓
CHURCH OF ENGLAND BOARD OF EDUCATION (1)								
Tim Reid	2 nd	31 st August 2021	Ap	Ap	✓	C	Ap	Ap
PRIVATE, VOLUNTARY AND INDEPENDENT (PVI) (2)								
Tricia Wellings	5 th	31 st October 2020	✓	✓	X	X	X	X
Tom Jenkins	1 st	31 st December 2022	X	X	✓	C	✓	✓
Catrina Savage	1 st	31 st December 2022	X	X	✓	C	✓	✓
16-19 PROVIDER (1)								
Edward Senior	2 nd	31 st August 2022	Ap	Ap	Ap	C	Ap	Ap
SUBSTITUTE MEMBERS								
<u>TOTAL ATTENDANCE NOS. = ✓</u>			11	12	16	N/A	16	16
<u>TOTAL MEMBERSHIP = 26</u>			26	26	26	N/A	N/A	26

WORCESTERSHIRE SCHOOLS FORUM (WSF) MEMBERSHIP ATTENDANCE – ACADEMIC YEAR 2020/2021
DETAILED MEMBERSHIP **MEETING DATES**

AGENDA ITEM 7
WORCESTERSHIRE SCHOOLS FORUM
23rd SEPTEMBER 2021

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<u>TOTAL ATTENDANCE %</u> <u>(QUORUM 40% = 10)</u>			42%	46%	62%	N/A	62%	62%
<u>TOTAL MEMBERSHIP EXCLUDING VACANCIES =</u> <u>18/20</u>			18	18	20	20	20	20
<u>TOTAL ATTENDANCE %</u> <u>(QUORUM 40% = 7)</u>			61%	67%	80%	N/A	80%	80%

KEY

✓ = Attended; Ap = Apologies; Ab = Absent; X = Not a member at that point; V = Vacancy; C = Cancelled; N/A = Not Applicable

@ Representatives from the Academy Sector; Plus 1 Observer Seat Education Funding Agency (EFA) representative.

REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM (WSF)
DFE CONSULTATION 8th JULY 2021
FAIR SCHOOL FUNDING FOR ALL:
COMPLETING OUR REFORMS TO THE NATIONAL FUNDING FORMULA

1. PURPOSE

1.1 To advise the WSF on the issues contained within the above DfE consultation.

1.2 To discuss with the WSF the draft response from WCC and WCF.

2. BACKGROUND

2.1 On 8th July 2021, the DfE issue the above 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

2.2 This is a stage 1 consultation looking at principles and proposed scope for the 'hard' NFF and the next steps for transitioning towards it. The areas covered are quite wide ranging and there are 16 questions to reply to. Responses are requested by 30th September 2021.

3. CURRENT POSITION IN WORCESTERSHIRE

3.1 Following the introduction of the DfE NFF in 2018-19, the DfE have been considering the timing of introducing a full 'hard' NFF whereby they fund all mainstream schools directly on their NFF.

3.2 Since 2018-19, LAs have still been able to fund their schools through a Local Schools Funding Formula (LSFF) either based upon the DfE NFF or different to it as long as it meets the national formula factor parameters set within the School and Early Years (England) Funding Regulations.

3.3 The WSF and WCC mainstream schools have been consulted annually on the structure of the LSFF. This has fully supported the local policy of aligning and setting the LSFF to be based as far as is practicable and affordable upon the DfE NFF data sets and unit of resource parameters. WCC Cabinet has then approved this approach for the last 4 years and the 2021-22 LSFF was approved in December 2020 on the Year 4 DfE NFF parameters.

3.4 In terms of affordability the Schools Block DSG allocation including the Pupil Growth Fund has just been able in each year to fund the DfE NFF in the LSFF meaning the Schools Block DSG is fully committed and not available to support other areas of the DSG.

4. CONSULTATION ISSUES

4.1 Given the national direction of travel towards the 'hard' NFF, the local policy in WCC for aligning to the DfE NFF means once the DfE introduce direct funding, WCC mainstream schools will see no significant turbulence to funding allocations. The only effects will be any changes in DfE NFF units of resource and how the DfE in future will incorporate historic premises factors into their NFF.

4.2 It is clear the DfE want to move all mainstream maintained schools and academies to a standard funding model, but it will be at a measured pace. The key headlines and issues for consideration are detailed in **Appendix A**.

5. DRAFT RESPONSE FROM WCC AND WCF

5.1 The draft response to the consultation is detailed for consideration in **Appendix B**.

6. RECOMMENDATIONS

6.1 The WSF notes and discuss the issues included in the DfE consultation and in **Appendix A**.

6.2 The WSF comments on and approves the consultation for submission to the DfE as detailed in **Appendix B**.

Phil Rook
Director of Resources
Worcestershire Children First

September 2021

DfE CONSULTATION 8th JULY 2021

FAIR SCHOOL FUNDING FOR ALL: COMPLETING OUR REFORMS TO THE NATIONAL FUNDING FORMULA

SUMMARY OF THE KEY ISSUES AND IMPLICATIONS

Consultation closes 30th September 2021

Schools NFF

- Proposal to include all NFF funding factors for pupil-led and school-led in the hard NFF with no local adjustment.
- Premises factors (PFI, Split Site and Exceptional) to be reviewed to see if they can reflect actual costs – there will be a separate consultation on this.
- MFG to remain but could introduce local flexibility.
- EAL – LAs to use the EAL3 measure.
- Sparsity – continuing flexibilities on thresholds to remain
- Pupil Growth Funding and New School set up costs – data collection from LAs and introduce national standardized criteria for including in schools core NFF allocations – there will be further consultation on this.
- Timescales – **no new restrictions on LA formulae for 2022-23** but initiate initial movement of LA formulae closer to the NFF from 2023-24 by bringing each LA formula factor at least 10% closer to the NFF.

Implications for WCC/WCF –

- The factors subject to NFF should not cause an issue, given we follow the NFF parameters now and so this vindicates the policy of doing so and not having a HN top slice, by continuing this will be much better placed to implement the full hard NFF.
- Will need to see the detail on the proposals for premises factors as this could have implications for those schools.
- Will need to see the detail and criteria on the PGF as our system works well to enable us to target funding to those schools, we request to increase their PAN for basic need.

Central School Services

- Continue to fund statutory responsibilities that LAs hold for all schools centrally as well as continuing the national system for funding copyright licenses.
- Review of services subject to de-delegation – subject to a further technical consultation.
- Consider whether this becomes part of the Local Government Finance Settlement (LGFS) instead of in the DSG.
- Funding for Historic Commitments to be removed when the hard NFF is introduced.

Implications for WCC/WCF

- The implications for de-delegated and central services is unclear and so is the funding source – DSG or not?
- Significant implications for the EIFS which has already seen a 40% budget reduction and the likelihood the total DSG funding will be removed.

SEND Provision

- Still waiting for the national SEND review to report so nothing specific included.
- Reference to the schools NFF proxy indicators such as FSM, Low Prior Attainment, etc mentioned as needing national review.
- Block transfers to support SEND will no longer be possible under a hard NFF but DfE consider whether a new mechanism is required.

Implications for WCC/WCF

- As we follow the NFF for the proxy indicators no real issues unless the DfE significantly change the scope.
- No mention of there being a national definition for Notional SEN (the amount mainstream schools are allocated via the proxy indicators to support the first £6k of SEND provision) – this might be part of the national SEND review.
- Like all LAs significant budget pressures and awaiting the outcomes of the national SEND review.

Schools Forum Role

- Significant changes to existing roles and responsibilities and DfE to initiate a wider review of Schools Forums.

Implications for WCC/WCF

- Powers for local formula consultation, block movements, MFG setting and pupil growth fund decisions to be removed.
- Other powers for de-delegation, central services and SEND to remain.

Consistent Funding Year

- DfE want to explore the pros and cons of setting funding allocations for both maintained schools and academies on a consistent academic year basis.
- Maintained schools would be expected to account for their funding on a financial year basis (7 months and 5 months from each academic year).

Implications for WCC/WCF

- Will need detailed consideration by accountancy teams when the detail is known.

MATs Pooling of Funding

- No changes proposed to the current arrangements to permit this.
- No role for any equivalent of this in other parts of the education system.

DRAFT WCC/WCF REPOSE TO DfE CONSULTATION
FAIR FUNDING FOR ALL:
COMPLETING OUR REFORMS TO THE NATIONAL FUNDING FORMULA

Question 1: Do you agree that our aim should be that the directly applied NFF should include all pupil-led and school-led funding factors and that all funding distributed by the NFF should be allocated to schools on the basis of the hard formula, without further local adjustment through local formulae?

Agree

We have endeavoured to mirror as far as is practicable and affordable the DfE NFF parameters since 2018-19 in anticipation of there being a 'hard' NFF in place at some stage. This is a policy supported by our schools, the Worcestershire Schools Forum (WSF) and WCC Cabinet and so we are well placed for the introduction of a 'hard' prescribed NFF. This approach has just about been affordable from the Schools Block DSG quantum allocated.

Question 2: Do you have any comments on how we could reform premises funding during the transition to the directly applied NFF?

We appreciate the difficulties here. Every LA will have specific premises factors tailored locally to meet their circumstances that will differ significantly between LAs. The move to take business rates out of local formulae from 2022-23 to be administered for all schools directly by the ESFA is the first step but we have some reservations on how it will be managed in two-tier LAs.

We currently have premises factors for schools operating on a split site and with exceptional premises costs for rental/dual use formal agreements meeting the ESFA qualifying limits. We also have a factor to support the costs of a PFI contract in one district of the County. For all of these we have our own approved criteria listed in our annual APT submission, which will be unique to our local circumstances. These only impact on a handful of our schools but financially those schools are extremely dependent on these allocations to meet their cost obligations, so this funding must continue. We feel it will be extremely difficult to standardize these local arrangements for all LAs in a 'hard' NFF.

Question 3: Do you agree with our proposal to use national, standardised criteria to allocate all aspects of growth and falling rolls funding?

Unsure

It is unclear whether this relates to the distribution of the current Pupil Growth Fund (PGF) funding to LAs through the DfE NFF only or extends to the methodology used by LAs to allocate funding to schools to support the revenue costs for basic need.

If it is the former only, then it is probably sensible to revise the current methodology, but we would need to see modelling to view any potential impact. Also, on this we have significant concerns on the LA data collection proposed to support the new national model in terms of it being a potential new burden.

If the new approach extends to the ability of LAs not having the flexibility to set and fund allocations locally, then we would not support the approach (please see the response to Q4).

We do not operate a Falling Rolls Fund and do not necessarily support the need for having one, so we have not comment to make.

Question 4: Do you have any comments on our proposed approach to growth and falling rolls funding?

We currently operate a local Pupil Growth Fund (PGF) funded by the allocation from the Schools Block DSG. This is allocated on criteria approved by our WSF and suits our local circumstances in supporting the revenue costs for basic need not supported through the lagged funding system. Like the comments in Q2, this approach will differ significantly between LAs and so we feel it will be extremely difficult to standardize these local arrangements for all LAs in a 'hard' NFF.

Question 5: Do you agree that, in 2023-24, each LA should be required to use each of the NFF factors (with the exception of any significantly reformed factors) in its local formulae?

Agree

Please see our response to Q1.

The only issue for us is that we currently do not use the NFF mobility factor as it is not a significant issue within the County. As this is an optional factor we hope we would still have the ability not to include this in our local formula in 2023-24 but assume it will be part of the full 'hard' NFF in due course when schools are directly funded by the ESFA.

Question 6: Do you agree that all LA formulae, except those that already 'mirroring' the NFF, should be required to move closer to the NFF from 2023-24, in order to smooth the transition to the hard NFF for schools?

Agree

Please see our response to Q1, not readily applicable to us apart from the mobility factor.

Question 7: Do you agree that LA formulae factor values should move 10% closer to the NFF, compared with their distance from the NFF in 2022-23? If you do not agree, can you please explain why?

Agree

Please see our response to Q1, not readily applicable to us apart from the mobility factor.

Question 8: As we would not require LAs to move closer to the NFF if their local formulae were already very close to the NFF, do you have any comments on the appropriate threshold level?

None apart from the Schools Block DSG must allow LAs to be able to afford the DfE NFF in full.

Question 9: Do you agree that the additional flexibility for LAs in the EAL factor, relating to how many years a pupil has been in the school system, should be removed from 2023-24?

Agree

We already use the EAL3 factor in our local formula with the DfE NFF EAL units of resource for primary and secondary.

Question 10: Do you agree that the additional flexibilities relating to the sparsity factor should remain in place for 2023-24?

Agree

We are supportive of this factor in the DfE NFF, which we will use subject to affordability. As stated in Q8 LAs must receive enough funding in their Schools Block DSG to be able to afford the full sparsity NFF with the additional flexibilities.

Question 11: are there any comments you wish to make on the proposals we have made regarding ongoing central school services, including on whether in the future central school services funding could move to LGFS?

The separate CSS Block DSG is useful and enables LAs to demonstrate transparency to schools and their Schools Forums annually on the funding available, the services provided on behalf of its schools and the local decisions required. If this became part of the LGFS there is the potential for the funding to lose these advantages and it may be subject to reduction with LAs other budget pressures if it is not ringfenced.

Question 12: Do you agree with the proposal for a legacy grant to replace funding for unavoidable termination of employment and prudential borrowing costs?

This seems sensible but we have major concerns upon the DfEs policy of reducing the historic commitments element. We use this funding to support our dedicated Early Intervention Family Support Service (EIFS), which is vital in supporting vulnerable pupils and their families. This has reduced from £1.5m in 2019-20 to an allocation of £0.768m in 2022-23, which is significantly impacting on our ability to continue to provide a quality service.

Question 13: How strongly do you feel that we should further investigate the possibility of moving maintained schools to being funded on an academic year basis?

We feel it should be investigated. However, it will require a lot of thought and unpicking given maintained schools are part of LAs accounting and external audit arrangements for April to March.

Question 14: Are there any advantages or drawbacks to moving maintained schools to being funded on an academic year basis that you feel we should be aware of?

This will need to be developed as part of the detailed discussions required.

Question 15: Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change.

None.

Question 16: Are there any further comments that you wish to make about our proposed move to complete the reforms to the NFF?

None except that the proposed timescales for a 'hard' NFF need to be agreed as soon as possible together with the detailed policy proposals for managing the HN DSG funding issues being experienced by all LAs.

REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM (WSF)
INDICATIVE DSG ALLOCATIONS AND DfE NFF RATES 2022-23

1. PURPOSE

1.1 To advise the WSF on the DfE indicative DSG allocations and the DfE NFF rates for 2022-23.

2. BACKGROUND

2.1 As discussed under **Agenda Item 8a)**, on 8th July 2021, the DfE issue the above consultation detailing the next stages for implementing their National Funding Formula (NFF).

2.2 This confirmed the continuation of the current arrangements for 2021-22 into 2022-23.

3. INDICATIVE DSG ALLOCATIONS 2022-23

3.1 These have been published by the DfE along with a policy document and technical notes for the different DSG blocks. These can be found under: -

[National funding formula tables for schools and high needs: 2022 to 2023 - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2022-to-2023)

[National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs)

3.2 The key changes compared to 2021-22 are: -

(a) Overall Schools Block DSG

- School funding is increasing by 3.2% overall and by 2.8% per pupil compared with 2021-22.
- The funding floor allocating at least 2% more in pupil-led funding per pupil, and a 2% increase in minimum per pupil funding levels directing further increases to the lowest funded schools.
- Increased total funding through the sparsity factor from £42m to £95m in 2022-23.
- LAs will again be able to transfer up to 0.5% of their total schools' block allocations to other blocks of the Dedicated Schools Grant (DSG), with school's forum approval. A disapplication will continue to be required for transfers above 0.5%, or for any amount without school's forum approval.

(b) High Needs DSG

- High needs funding is increasing by £780m in 2022-23.
- Technical change to the historic spend factor within the high needs national funding formula, following the consultation earlier this year. The factor has been updated to use 50% of LAs actual spend data in 2017-18 rather than their planned spend.

(c) Central Schools Services DSG

- Funding in 2022-23 will increase to £284m for the on-going responsibilities that LAs continue to have for all schools.
- Funding for historic commitments within this block will decrease by a further 20% for those LAs in receipt of this funding.

(d) Mainstream Schools Funding Formula

- The funding factors used in the 2022-23 schools' national formulae remain the same, but with some technical changes.
- Sparsity – to improve the accuracy to identify schools' remoteness the NFF will use road distances instead of straight-line distances in the calculations and introduce a new distance 'taper'. These changes will significantly increase the number of schools attracting sparsity funding.
- FSM 6 – decrease the funding lag for the 'FSM6' deprivation funding factor by 9 months, by moving from using the previous year's January census to the October census for measuring eligibility.
- Low Prior Attainment (LPA) – in calculating LPA proportions, data from the 2019 early years foundation stage profile (EYFSP) and key stage 2 (KS2) tests is used as a proxy for the 2020 tests, following the cancellation of assessment due to the pandemic.
- Schools' Business Rates – will be paid by ESFA to billing authorities directly on behalf of all state funded schools from 2022-23. Further details on this will be issued separately within the formal consultation response over the summer.
- LAs will continue to determine final allocations for all local mainstream schools in 2022-23.

3.3 The indicative DSG allocations 2022-23 for Schools, Central School Services and High Needs compared to the latest position in 2021-22 are detailed at **Appendix A**.

3.4 The DfE NFF rates for 2022-23 have been set and a comparison to 2021-22 is detailed in **Table 1**.

Table 1: Comparison of DfE NFF Formula Factor Units of Resource

<u>FORMULA FACTOR</u>	<u>2021-22</u> <u>£</u>	<u>2022-23</u> <u>£</u>	<u>NFF INCREASE %</u>
<u>AWPU</u>			
Primary	3,123	3,217	3%
KS3	4,404	4,536	3%
KS4	4,963	5,112	3%
<u>Minimum Funding Levels</u>			
Primary	4,180	4,265	2%
KS3	5,215	5,321	2%
KS4	5,715	5,831	2%
Secondary	5,415	5,525	2%
<u>Deprivation FSM</u>			
Primary Annual	460	470	2.2%
Secondary Annual	460	470	2.2%
Primary Ever 6	575	590	2.6%
Secondary Ever 6	840	865	3.0%

<u>Deprivation IDACI</u>			
Primary A	620	640	3.2%
Primary B	475	490	3.2%
Primary C	445	460	3.4%
Primary D	410	420	2.4%
Primary E	260	270	3.8%
Primary F	215	220	2.3%
Secondary A	865	890	2.9%
Secondary B	680	700	2.9%
Secondary C	630	650	3.2%
Secondary D	580	595	2.6%
Secondary E	415	425	2.4%
Secondary F	310	320	3.2%
<u>Low Prior Attainment</u>			
Primary	1,095	1,130	3.2%
Secondary	1,660	1,710	3.0%
<u>English as an Additional Language</u>			
Primary	550	565	2.7%
Secondary	1,485	1,530	3.0%
<u>Lump Sum</u>			
Primary	117,800	121,300	3.0%
Secondary	117,800	121,300	3.0%
<u>Sparsity</u>			
Primary	45,000	55,000	22.2%
Secondary	70,000	80,000	14.3%

4. RECOMMENDATION

4.1 The WSF notes and discusses the issues.

Phil Rook
 Director of Resources
 Worcestershire Children First

September 2021

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

APPENDIX A

	<u>2021-22</u>		<u>2022-23</u>		<u>VARIANCE</u>			<u>COMMENTS</u>		
	LATEST JULY 2021		INITIAL DECEMBER 2020		UNITS OF FUNDING	PUPIL NOS.				
	UNITS OF FUNDING	PUPIL NOS. OCTOBER 2020	UNITS OF FUNDING	PUPIL NOS. OCTOBER 2020					£'m	%
	£	£'m	£	£'m						
SCHOOLS BLOCK (SB)										
Primary Unit of Funding (PUF)	4,407.42	44108.5	194.405	4,534.65	44108.5	200.016	127.23	0	5.612) 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	168.77	0	5.021) Will be updated for the October 2021 pupil numbers.
		73860.5	362.052		73860.5	372.685		0.0	10.633	
Historic Premises			7.443			7.443			0.000	See Below.
Formulaic Pupil Growth Fund			1.908			0.000			-1.908	PGF for 2022-23 not yet confirmed.
=SB			371.403			380.128			8.725	2.35%
CENTRAL SCHOOL SERVICES BLOCK (CSSB)										
Formulaic CSS NFF			2.417			2.551			0.134) Reflects DfE policy to reduce the allocations of all LAs by a further 20%.
Historic Commitments			0.960			0.768			-0.192) Significant impact for the Early Intervention Family Support Service (EIFS).
=CSSB			3.377			3.319			-0.058	-1.72%
HIGH NEEDS BLOCK (HNB)										
Formulaic HN NFF			68.038			74.746			6.708) Effect of share of additional £780m.
=HNB			68.038			74.746			6.708	9.86%
= TOTAL GROSS DSG EXCLUDING EARLY YEARS			442.818			458.193			15.375	3.47%
									15.375	

NOTES

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

Historic Premises

20-21 APT Baseline			20-21 APT Baseline		
Split Site		0.566	Split Site		0.566
Rates		3.922	Rates		3.922
Exceptional Premises		0.369	Exceptional Premises		0.369
PFI	Baseline + RPI(X)		PFI	Baseline + RPI(X)	
	£2.547 + 1.0156%	2.586		£2.547 + 1.0156%	2.586
		7.443			7.443

REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM (WSF)
LOCAL CONSULTATION PROCESS FOR 2022-23

1. PURPOSE

1.1 To advise the WSF on the proposed local consultation process for 2022-23.

2. ISSUES FOR CONSIDERATION

2.1 The DfE policy direction for 2022-23 was detailed under **Agenda Items 8a) and 8b)**.

2.2 Following the announcement of the NFF policy direction by the DfE the LA has for the last 4 years issued to schools a formal consultation document or notification to schools detailing the proposed local policy direction.

2.3 For 2018-19, 2019-20, 2020-21 and 2021-22 schools and the WSF have supported the following: -

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

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

Phase/Service	Primary Delegation	Primary De-delegation	Secondary Delegation	Secondary De-delegation
[Formula Factor for De-delegation indicated]				
School Specific Contingency (SSC) [Per Pupil (AWPU)]	No	Yes	No	Yes
Support for Schools in Financial Difficulty [Per Pupil (AWPU)]	Yes	No	Yes	No
Behaviour Support Services [Low Prior Attainment]	N/A	N/A	Yes	No
14-16 Practical Learning Options [Per Pupil (AWPU)]	N/A	N/A	Yes	No
Support for Minority Ethnic Pupils/ Underachieving Groups –	No	Yes	No	Yes

English as an Additional Language [EAL 3 Years] Traveller Children [Low Prior Attainment]	No	Yes	No	Yes
Free School Meal (FSM) Eligibility [FSM Annual]	No	Yes	No	Yes
Schools Insurance [Per Pupil (AWPU)]	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
[Per Pupil (AWPU)]				
Additional School Improvement Services	No	No	No	No
Former General Duties Previously Funded by the Former Education Services Grant (ESG)	N/A	No	N/A	No

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

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

For the LA to decide WSF approval is not required	<ul style="list-style-type: none"> • High Needs Block provision • Central Licences negotiated by the Secretary of State
CSSB WSF approval is required on a line by line basis NOT LIMITED by previous budget provision	<ul style="list-style-type: none"> • School Admissions • Servicing of Schools Forum • Services previously funded by the ESG retained duties that LAs hold for all schools
Other Services WSF approval is required	<ul style="list-style-type: none"> • Central early years block provision • Any movement of funding out of the schools' block • Any deficit from the previous funding period that reduces the amount of the school's budget

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

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

3. PROPOSED PROCESS FOR 2022-23

3.1 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. Given, previously there has been local support for the decisions detailed above, it is proposed that a full consultation document is **not** issued.

3.2 To support the required process for implementation for 2022-23 it is recommended: -

- The WSF approve the continuation of the 2021-22 arrangements detailed above into 2022-23.
- A communication is sent to schools to that effect giving brief details of the continuing DfE policy for 2021-22 continuing into 2022-23 and that no change is proposed to the current local policy. As part of this schools will be given the opportunity to comment. A draft letter is detailed at **Appendix A**.
- A brief report is considered by WCC Cabinet at their meeting on 9th December 2021 to approve continuing with the current arrangements into 2022-23.
- The WSF at its meetings in November 2021 and January 2022 formally approve the arrangements as required for de-delegation and centrally retained services together with the endorsement of the completion of the APT for 2022-23 to the ESFA by 20th January 2022 as required.

3.3 The timeline is detailed in **Table 3**.

Table 3: Timeline

DETAIL	DATE
Meeting of the WSF to discuss and agree continuing with the current arrangements in 2021-22 into 2022-23	23 September 2021
Meeting of the WSF to consider their decisions for de-delegated and centrally retained services	18 November 2021
Report to Cabinet making recommendations for the Local Schools Funding Formula (LSFF), de-delegated and centrally retained budgets for 2022-23	9 December 2021
Confirmation by the DfE/ESFA of: - <ul style="list-style-type: none"> • October 2021 census data and other 2021 data sets • Final LSFF Authority Proforma Tool (APT) for 2022-23 • DSG Allocations for 2022-23) Late) December) 2021
LA to consider impact of the new October 2021 data sets for LSFF APT submission for 2022-23	Late December 2021/Early January 2022
Meeting of the WSF to: - <ul style="list-style-type: none"> • Consider impact of the new October 2021 data sets • Agree submission for the final LSFF APT 2022-23 to the ESFA) 20) January 2022
LA to submit final data for Schools Budget DSG LSFF APT for 2022-23	21 January 2022
LA to confirm School Budget Shares 2022-23 for their maintained mainstream schools	By 28 February 2022
LA to confirm initial School Budget Shares 2022-23 for their maintained specialist providers	By 28 February 2022
ESFA to confirm General Annual Grant (GAG) 2022-23 to academies	By 31 March 2022

4. RECOMMENDATION

4.1 The WSF notes and discusses the issues detailed in the report.

4.2 The WSF approves the recommended approach and timeline detailed in section 3 above.

Phil Rook
Director of Resources
Worcestershire Children First

September 2021

DfE CONSULTATION 8th JULY 2021

FAIR SCHOOL FUNDING FOR ALL: COMPLETING OUR REFORMS TO THE NATIONAL FUNDING FORMULA

SUMMARY OF THE KEY ISSUES AND IMPLICATIONS

Consultation closes 30th September 2021

Schools NFF

- Proposal to include all NFF funding factors for pupil-led and school-led in the hard NFF with no local adjustment.
- Premises factors (PFI, Split Site and Exceptional) to be reviewed to see if they can reflect actual costs – there will be a separate consultation on this.
- MFG to remain but could introduce local flexibility.
- EAL – LAs to use the EAL3 measure.
- Sparsity – continuing flexibilities on thresholds to remain
- Pupil Growth Funding and New School set up costs – data collection from LAs and introduce national standardized criteria for including in schools core NFF allocations – there will be further consultation on this.
- Timescales – **no new restrictions on LA formulae for 2022-23** but initiate initial movement of LA formulae closer to the NFF from 2023-24 by bringing each LA formula factor at least 10% closer to the NFF.

Implications for WCC/WCF –

- The factors subject to NFF should not cause an issue, given we follow the NFF parameters now and so this vindicates the policy of doing so and not having a HN top slice, by continuing this will be much better placed to implement the full hard NFF.
- Will need to see the detail on the proposals for premises factors as this could have implications for those schools.
- Will need to see the detail and criteria on the PGF as our system works well to enable us to target funding to those schools, we request to increase their PAN for basic need.

Central School Services

- Continue to fund statutory responsibilities that LAs hold for all schools centrally as well as continuing the national system for funding copyright licenses.
- Review of services subject to de-delegation – subject to a further technical consultation.
- Consider whether this becomes part of the Local Government Finance Settlement (LGFS) instead of in the DSG.
- Funding for Historic Commitments to be removed when the hard NFF is introduced.

Implications for WCC/WCF

- The implications for de-delegated and central services is unclear and so is the funding source – DSG or not?
- Significant implications for the EIFS which has already seen a 40% budget reduction and the likelihood the total DSG funding will be removed.

SEND Provision

- Still waiting for the national SEND review to report so nothing specific included.
- Reference to the schools NFF proxy indicators such as FSM, Low Prior Attainment, etc mentioned as needing national review.
- Block transfers to support SEND will no longer be possible under a hard NFF but DfE consider whether a new mechanism is required.

Implications for WCC/WCF

- As we follow the NFF for the proxy indicators no real issues unless the DfE significantly change the scope.
- No mention of there being a national definition for Notional SEN (the amount mainstream schools are allocated via the proxy indicators to support the first £6k of SEND provision) – this might be part of the national SEND review.
- Like all LAs significant budget pressures and awaiting the outcomes of the national SEND review.

Schools Forum Role

- Significant changes to existing roles and responsibilities and DfE to initiate a wider review of Schools Forums.

Implications for WCC/WCF

- Powers for local formula consultation, block movements, MFG setting and pupil growth fund decisions to be removed.
- Other powers for de-delegation, central services and SEND to remain.

Consistent Funding Year

- DfE want to explore the pros and cons of setting funding allocations for both maintained schools and academies on a consistent academic year basis.
- Maintained schools would be expected to account for their funding on a financial year basis (7 months and 5 months from each academic year).

Implications for WCC/WCF

- Will need detailed consideration by accountancy teams when the detail is known.

MATs Pooling of Funding

- No changes proposed to the current arrangements to permit this.
- No role for any equivalent of this in other parts of the education system.

PROVISIONAL DSG ALLOCATIONS 2022-23

Table 1 confirms the DSG Current 2021-22 compared to the DSG Provisional Allocations for 2022-23 for 3 of the DSG Blocks – Schools, Central School Services and High Needs. This is the **gross** DSG prior to academy and high needs places recoupment.

Table 1:
DSG Current 2021-22 compared to the DSG Provisional Allocation 2022-23

Detail	DSG Current 2021-22 July 2021 £'m	DSG Initial 2022-23 September 2021 £'m	Notes
SCHOOLS BLOCK			
Schools	369.495	380.128	A.
Pupil Growth Fund (PGF)	1.908	TBC	B.
TOTAL SCHOOLS BLOCK	371.403	380.128	
CENTRALLY SERVICES SCHOOLS BLOCK (CSSB)			
Central School Services	2.417	2.551	C.
Historic Commitments	0.960	0.768	D.
TOTAL CSSB	3.377	3.319	
HIGH NEEDS (HN) BLOCK			
Formulaic	68.038	74.746	E.
TOTAL	68.038	74.746	
TOTAL DSG SCHOOLS AND HIGH NEEDS	442.818	458.193	
Schools Block Guaranteed Units of Funding £			
Primary (PUF)	£4,407.42	£4,534.65	F.
Secondary (SUF)	£5,634.82	£5,803.59	F.

Notes on 2022-23 Provisional Allocations

A. This reflects the share of the NFF Year 5 on the parameters set out by the DfE (see below).

B. The PGF for 2022-23, to support basic need revenue costs, has yet to be confirmed as it requires the final October 2021 pupil census data.

C. Central School Services £2.551m for ongoing functions for Co-ordinated Admissions, Servicing of the Schools Forum, Retained Duties Former ESG and National Licenses and Subscriptions.

D. Ongoing Historic Commitments £0.768m for Early Intervention Family Support Service (EIFS). The DfE have started to unwind this funding for all LAs and have reduced all LAs allocations by a further 20% in 2022-23.

E. Reflects the share of the additional £780m.

F. The new Primary and Secondary Units of Resource (PUF) and (SUF) reflecting the DfE NFF Year 5. These will be applied to the October 2021 pupil census to calculate the Schools Block DSG for 2022-23, to be notified as part of the School Funding Settlement 2022-23 later in December 2021.

WORCESTERSHIRE
CHILDREN FIRST



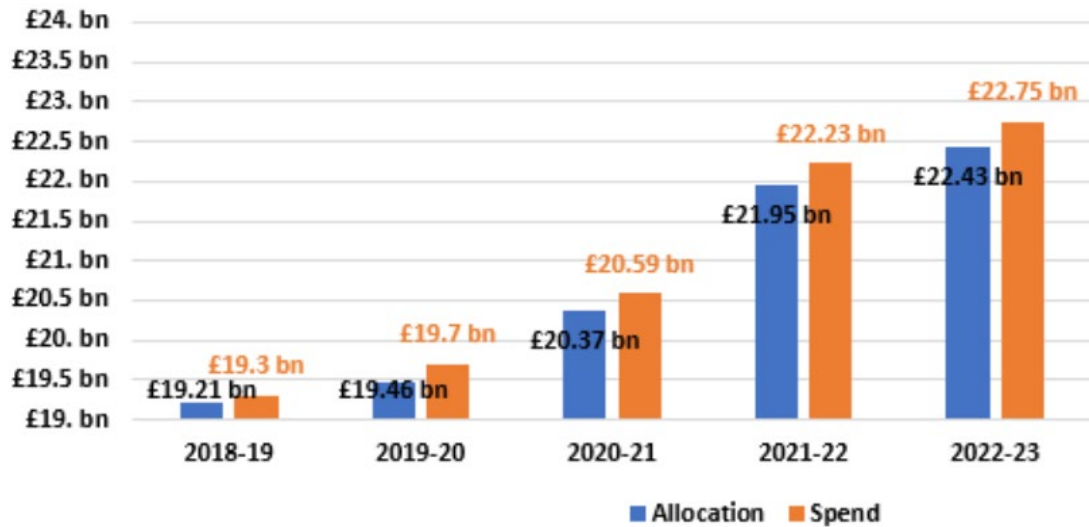
High Needs and SEND Update

Schools Forum: 23 September 2021

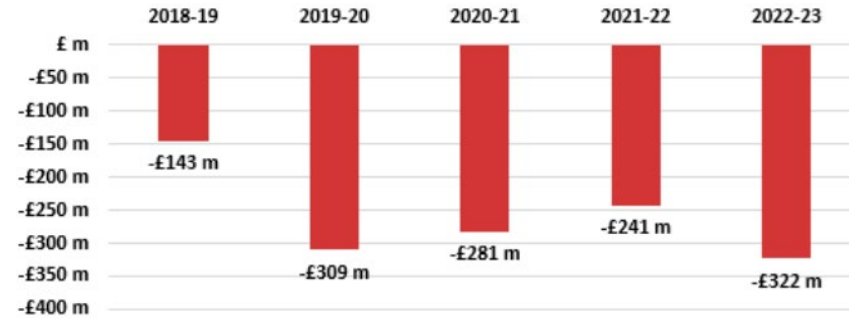
- Dedicated Schools Grant (DSG) for High Needs (HN) allocated to LAs by the DfE from their National Funding Formula (NFF) - based on a range of factors including an element to reflect historic spend.
- Allocations vary by LA with some allocated more HN as a % of overall DSG than others - 2021-22 DSG HN Highest 23.9%; Lowest 11.83%; LA Average 15.41% (WCC 14.26% 121st out of 150 LAs difference to average is £5.5m).
- LAs are able to transfer up to 0.5% of their Schools Block DSG into another block, with the approval of their schools forum – DfE expects to see evidence of discussion and the vote with the schools forum. (For WCC about £1.7m).
- LAs must submit disapplication requests to the Secretary of State where: -
 - LA wishes to move more than 0.5% of the Schools Block DSG, and
 - Schools forum has turned down a proposal from the LA to move any amount of funding out of the Schools Block DSG, but the LA wishes to proceed with the transfer.
- WCC policy to ring-fence the DSG blocks and to replicate the DfE NFF for mainstream schools leaving no flexibility for DSG Schools Block transfer. This is supported by schools and the Worcestershire Schools Forum (WSF)

- County Council's Network and Society of County Treasurers have written to Gavin Williamson to urgently address the issue.
- CCN is the voice of England's county and unitary councils, who are some of the largest councils in the country.
- Impacts on financial sustainability with a cliff edge in 2022/23 the point at which the statutory override ends and the deficits return to councils' balance sheets with the requirement to offset the deficits with other reserves.
- Even if the SEND Review is able to solve the existing structural challenges and ensure costs stop rising, the deficits will remain and must be addressed if local authorities are to be on a firm footing to support pandemic recovery in the coming years.
- In cumulative terms, High Needs deficits have increased or are forecasted to increase throughout the surveyed period; currently at almost £750m this is forecasted to almost double to over £1.31bn by March 2023.

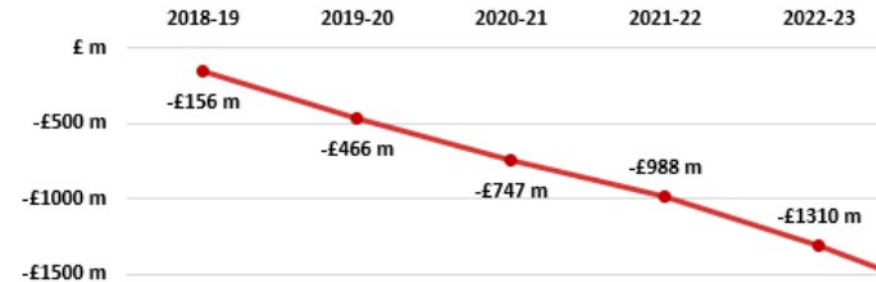
DSG Allocation v DSG Spend



High Needs Deficits (In-Year)



Cumulative High Needs Deficits



Summary Position for Dedicated Schools Grant	
	£m
Accumulated Deficit 1 April 2021	6.5
Catch-up on School and EY Blocks	3.2
Projected High Needs Deficit 2021/22	6.2
Projected Saving on Other Blocks	0.0
School Funding Position	0.0
Projected Accumulated Deficit 31 March 2022	15.9
Projected High Needs Shortfall 2022/23	4.0
Projected Accumulated Deficit 31 March 2023	19.9

Financial Year	HNB Allocation (Net) (£000)	HNB Spend (£000)	HNB Variance (£000)	HNB Variance (%)	HNB spend change from PY (£000)
2017/18 (actual)	38,988	42,361	3,373	9%	
2018/19 (actual)	39,909	48,880	8,971	22%	6,519
2019/20 (actual)	43,592	52,314	8,722	20%	3,434
2020/21 (actual)	51,863	55,828	3,965	8%	3,514
2021/22 (est.)	59,275	65,475	6,200	10%	9,647

Based on the pupil-by-pupil cost projections from the service, Worcestershire is on track to spend £9.6m more on High Needs in 2021//22 than in the previous financial year.

EHCP Projections agreed with the service forecast a continuing rise in EHCP numbers and therefore in costs:

EHCPs	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Under 5	3	84	74	110	119	101	103	104	104	104	104	104
6-10	894	1122	1321	1214	1301	1419	1511	1542	1574	1576	1577	1559
11-15	1078	1148	1286	1339	1476	1594	1713	1812	1947	2058	2157	2269
16-19	628	625	969	959	939	1068	1131	1273	1342	1436	1538	1567
20-25	89	85	229	431	360	455	618	738	867	985	1034	1164
Total	2692	3064	3879	4053	4195	4637	5076	5469	5834	6159	6410	6663

Workstreams areas:

WS1 – Finance

WS2 – Top-up Funding and Banding Review

WS3 and 7 – Commissioning & Therapies

WS4 – Capacity in Mainstream Schools

WS5 – Continuum of Provision

WS6 – Section 19



Questions?