

Dear All,

SCHOOLS' FORUM - THURSDAY, 29TH SEPTEMBER, 2022

I am now able to enclose, for consideration at next Thursday, 29th September, 2022 meeting of the Schools' Forum, the following reports that were unavailable when the agenda was printed.

Agenda No Item

- 10 **Devolved Formula Capital and School Budget Update (Pages 1 - 6)**

[To receive the Devolved Formula Capital and School Budget Update Report for approval.]
- 13 **Update on High Needs Block (Pages 7 - 12)**

[To receive the update report on the High Needs Block for noting.]

If you have any queries about this meeting, please contact the Democratic Services team:

Contact Shelley Humphries

Tel 01902 554070

Email democratic.services@wolverhampton.gov.uk

Address Democratic Services, Civic Centre, 1st floor, St Peter's Square,
Wolverhampton WV1 1SH

Encs

This page is intentionally left blank

City of Wolverhampton Council

SCHOOLS' FORUM

Date	29 September 2022
Report title	Devolved Formula Capital and School Budget Update
Contact Officer	James Barlow
Contact Email Address	james.barlow@wolverhampton.gov.uk

Summary

The purpose of this report is to inform Members of the Schools' Forum of the Devolved Formula Capital (DFC) balances held at 31 August 2022, and to note the balances held within the Local Authority's maintained schools.

Decision

Members of the Schools Forum are asked to:

1. Note the DFC balances held in schools at 31 August 2022
2. Note the update on school budget balances

Schedule of background papers:

- Conditions Grant Spend Guidance
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063629/Condition_grants_spend_guidance_2022_to_2023.pdf
- School condition funding methodology for financial year 2022 to 2023
Explanatory note
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063628/Condition_funding_methodology_2022_to_2023.pdf

1.0 Background

- 1.1 Devolved Formula Capital (DFC) grant was introduced in 2000-2001 with the aim of allowing schools to target capital funding at their own capital priorities (including ICT).
- 1.2 Each school receives an allocation which is driven by a formula, based on a lump sum, supported by a per pupil amount derived from the previous year's January census. The pupil rate is based on the type of school, rather than the individual pupil. Therefore, a pupil in a SEN resource unit in a primary / secondary school will be allocated the appropriate primary / secondary rate, **not** the Special rate).

For 2022-23, the allocations were calculated using the January 2022 census data:

School Provision Type	Lump Sum	Phase related weighting	Non-boarding pupil rate
Nursery / Primary	£4,000	1.0	£11.25
Secondary	£4,000	1.5	£16.88
Post-16	£4,000	2.0	£22.50
Special / PRU	£4,000	4.5	£50.63

The funding is paid to the Local Authority, and is transferred to the Schools Budget, based on the individual school allocation advised the Education and Skills Funding Agency (ESFA).

- 1.3 The exception to this, is for Voluntary Aided schools, where the funding is paid to the appropriate Diocese, and is adjusted for the VAT implications.

2.0 Grant Terms

- 2.1 The general condition of the grants is that it is used for capital purposes, such as:
 - a. structural improvements to buildings, fixtures and fittings;
 - b. the purchase of capital equipment, including ICT; and/or
 - c. other long-term improvements to the school estate.
- 2.2 Schools are expected to make best use of DFC as soon as it is received, but may choose to set aside their annual allocations up to three years to fund medium sized projects.
- 2.3 No school can enter a deficit position with DFC, though it may, at the Local Authority's discretion be permitted to borrow grant forward from future years' funding. This is only permissible where future years' funding levels have been confirmed.
- 2.4 At present the current reporting mechanism allows for Local Authorities to extend this time limit to the end of August, to allow for local priorities. However, this cannot be guaranteed for future years, as the terms specifically refer to three years in the current guidance.

3.0 School DFC Balances

- 3.1 The report in Appendix 1 illustrates the balances held in Wolverhampton schools, as at 31 March 2022 and expenditure to 31 August 2022.

- 3.2 The DFC balance of the Local Authority Maintained Schools as at 31 August 2022 is £1,282,106 which includes the in-year allocation of £395,862.
- 3.3 22 schools are carrying balances of DFC that had exceeded three years as at 31 August 2021 and the total of this element of the DFC is £336,971.

4.0 Local Authority Reporting on DFC balances

- 4.1 As part of its annual reporting cycle to the ESFA, the Local Authority is required to provide an explanation of the DFC balances and planned usage.
- 4.2 Individual school balances are reported to the ESFA through the Consistent Financial Reporting (CFR) framework and high levels of underspend may invite further scrutiny from the ESFA, who may claw back excess balances from individual schools.
- 4.3 The Local Authority will continue to make requests from schools holding surplus capital balances for the intended use of this grant by way of annual returns. This process in 2022-2023 resulted in returns showing an additional £168,000 in commitments.

5.0 School Budget Update

- 5.1 As reported at the July 2022 Schools' Forum, the total combined closing surplus balance of the 51 maintained schools in the City was £15.6 million as at 31 March 2022. This figure included 4 schools with deficits and 41 schools carrying surpluses in excess of the permitted thresholds of 5% for secondary schools and 8% for other settings.
- 5.2 On 11 July 2022, the Council sent a separate letter to each maintained school carrying an excess surplus to enquire about how they intend to utilise their surplus balances going forward, with a deadline of 30 September 2022 for schools to return the form.
- 5.3 These returns will be reviewed on a desktop basis initially, followed by follow up meetings with schools to discuss where appropriate. The results of this will be reported to Schools' Forum.
- 5.4 The ongoing impact of the Coronavirus pandemic has led the Council into an unusual position regarding schools' surplus balances, the effects of which are still visible in the increase year end balances for 2021-2022. However, it is likely that the current economic climate will mean this trend does not continue in 2022-2023 and beyond.
- 5.5 Maintained schools are required to submit revised budget plans by 31 October 2022 and the monitoring of excess surplus balances, capital balances and deficit recoveries will be reviewed in line with previous plans and will be reported back to Schools' Forum in a timely manner.

This page is intentionally left blank

City of Wolverhampton Council - Maintained Schools Devolved Formula Capital Balances

Maintained School Setting	Balance at 31-03-2022 (£)	Allocation 2022-2023 (£)	Expenditure in year to 31- 08-2022 (€)	Balance at 31-08-2022 (£)	Balances exceeding 3 Years at 31-08-2022 (£)
Bantock Primary	8,619.66	8,063.50	0.00	16,683.16	0.00
Bilston CE Primary	16,640.28	8,781.25	0.00	25,421.53	0.00
Bushbury Hill Primary	17,715.98	7,348.00	0.00	25,063.98	3,373.23
Castlecroft Primary	1,517.40	6,736.00	0.00	8,253.40	0.00
Christ Church (Church of England) Junior School	2,782.87	6,610.00	0.00	9,392.87	0.00
Christ Church (Tettenhall Wood) Infant School	9,487.02	6,317.50	2,700.86	13,103.66	0.00
Claregate Primary	3,578.18	8,718.25	0.00	12,296.43	0.00
Dovecotes Primary	7,599.58	7,083.62	0.00	14,683.20	0.00
Eastfield Primary	28,373.67	8,460.62	0.00	36,834.29	11,041.80
Fallings Park Primary	29,905.15	11,052.62	0.00	40,957.77	7,393.78
Graiseley Primary	12,600.90	6,382.75	0.00	18,983.65	0.00
Lanesfield Primary	0.00	7,854.25	0.00	7,854.25	0.00
Long Knowle Primary	5,701.23	6,538.00	0.00	12,239.23	0.00
Loxdale Primary School	50,605.04	8,245.75	15,458.79	43,392.00	19,536.75
Merridale Primary School	19,738.11	6,552.62	14,818.39	11,472.34	0.00
Oak Meadow Primary	17,451.34	8,764.38	0.00	26,215.72	1.34
Rakegate Primary	4,329.92	8,965.75	0.00	13,295.67	0.00
Spring Vale Primary	4,725.45	7,656.25	0.00	12,381.70	0.00
Springdale Primary	1,394.30	8,968.00	0.00	10,362.30	0.00
St Andrew's CE Primary	29,898.06	8,857.75	0.00	38,755.81	11,867.56
Stow Heath Primary	0.72	9,080.50	0.00	9,081.22	0.00
Stowlawn Primary School	27,946.46	7,341.25	0.00	35,287.71	13,509.21
Uplands Junior School	30,501.18	8,275.00	4,080.00	34,696.18	9,758.68
Warstones Primary	16,574.71	9,058.90	0.00	25,633.61	0.00
West Park Primary	7,440.25	7,568.50	0.00	15,008.75	0.00
Westacre Infant School	25,846.46	7,368.25	0.00	33,214.71	11,410.33
Whitgreave Primary School	2,130.50	8,943.25	0.00	11,073.75	0.00
Wilkinson Primary School	47,984.61	9,342.62	0.00	57,327.23	29,222.86
Wodensfield Primary	28,479.61	9,053.50	0.00	37,533.11	9,994.61
Wood End Primary School	26,083.87	6,529.00	0.00	32,612.87	12,720.99
Primary Schools Total	485,652.51	240,517.63	37,058.04	689,112.10	139,831.14
Ashmore Park Nursery School	42,637.90	4,573.75	0.00	47,211.65	33,443.15
Bilston Nursery	10,376.00	5,039.50	0.00	15,415.50	0.00
Bushbury Nursery School	15,186.72	4,749.25	0.00	19,935.97	5,843.47
Eastfield Nursery School	13,887.77	4,931.50	0.00	18,819.27	3,572.52
Low Hill Nursery School	27,471.63	5,393.42	0.00	32,865.05	16,884.58
Phoenix Nursery	22,976.47	4,256.50	0.00	27,232.97	14,368.97
Windsor Nursery	11,786.06	4,749.25	0.00	16,535.31	2,422.56
Nursery Schools Total	144,322.55	33,693.17	0.00	178,015.72	76,535.25
Colton Hills Community School	41,730.32	21,707.50	0.00	63,437.82	0.00
St Matthias School	81,512.34	18,369.06	0.00	99,881.40	46,773.90
The King's School	6,821.13	16,076.88	0.00	22,898.01	0.00
Secondary Schools Total	130,063.79	56,153.44	0.00	186,217.23	46,773.90
Braybrook Centre	9,459.69	5,215.00	0.00	14,674.69	0.00
Midpoint Centre	1,145.38	6,936.25	0.00	8,081.63	0.00
Orchard Centre	5,392.00	7,948.75	0.00	13,340.75	0.00
PRUs Total	15,997.07	20,100.00	0.00	36,097.07	0.00
Green Park Special School	47,139.12	11,300.12	7,340.00	51,099.24	20,060.87
Penn Fields Special School	70,652.00	13,618.75	0.00	84,270.75	48,747.00
Penn Hall Special School	13,014.87	9,340.94	6.00	22,349.81	0.00
Tettenhall Wood Special School	31,416.39	11,138.12	7,610.00	34,944.51	5,023.27
Special Schools Total	162,222.38	45,397.93	14,956.00	192,664.31	73,831.14
All Maintained Schools Total	938,258.30	395,862.17	52,014.04	1,282,106.43	336,971.43

This page is intentionally left blank

City of Wolverhampton Council

SCHOOLS' FORUM

Date:	29 September 2022
Report title:	High Needs Block Update September 2022
Contact Officer:	James Barlow, Finance Business Partner
Email Address:	james.barlow@wolverhampton.gov.uk

Summary

This report provides an update to Schools' Forum on the use of supplementary Dedicated Schools Grant (DSG) High Needs Block Funding in 2022-2023.

Decision

Members of the Schools' Forum are asked to:

1. Note that High Needs Block matrix values will increase by 3.5% from those previously published.

1.0 Background

- 1.1 On 12 January 2022, the Education and Skills Funding Agency (ESFA) informed City of Wolverhampton Council that it would be receiving an additional £1.861 million for 2022-2023 funded by the new Health and Social Care Levy, to be added to the High Needs Block allocation published on 16 December 2021.
- 1.2 The additional funding is intended to reflect the increase in costs related to changes in employer's National Insurance contributions, which were not yet agreed when the ESFA published the initial 2022-2023 DSG funding for the High Needs Block. The ESFA guidance suggested that, where appropriate, this funding could be used to uplift matrix values to meet increased costs.

2.0 Update to the High Needs Block Budget and increase to matrix Values

- 2.1 Schools' Forum approved the High Needs Block budget for 2022-2023 in February 2022, however at that stage there was a forecast overspend of £1.7 million in 2021-2022. Although the £1.8 million supplementary funding was included in this report, the forecast overspend meant that no increase was possible to matrix bandings at that stage.
- 2.2 Following the 2021-2022 year-end process the actual overspend on the High Needs Block for that financial year was found to be far less than expected at £380,000. This means that the proposed budget for 2022-2023 can be revised as shown in Table 1.
- 2.3 Whilst the forecast expenditure was in some cases revised down and, since the budget was set, work has begun to review matrix bands of certain children. In many cases, these are resulting in an increase, the current forecast being that this may cost in the region of an additional £1.0 million in 2022-2023. This cost has been built into the new budget shown in Table 1.
- 2.4 This meant that there was in the region of £700,000 remaining within the High Needs Block budget for 2022-2023 so, after discussion with the High Needs Sub-group, it has been agreed to increase matrix bands for mainstream schools, special schools, resource bases and PRUs by 3.5%. These new matrix bands are shown below in Appendix 1.
- 2.5 Current forecasts therefore indicate that there will be a balanced budget in 2022-2023, however there are still areas of uncertainty and the High Needs block forecast outturn will continue to be monitored in 2022-2023 and updates presented through the High Needs Sub-group of Schools' Forum.

Table 1 – Updated High Needs Block Budget 2022-2023	SF Feb 22	Updated forecast including 3.5% uplift
	£ million	£ million
Place funding	8.73	8.73
Top Up Funding – Maintained	12.34	11.86
Top Up Funding – Academies	5.91	6.27
Increase to top ups of 3.5%	-	0.7
Forecast additional cost of in year matrix changes	-	1.0
Hospital/ Home Funding	0.86	0.86
Outreach	0.95	0.95
Additionality	0.7	0.7

Table 1 – Updated High Needs Block Budget 2022-2023	SF Feb 22	Updated forecast including 3.5% uplift
	£ million	£ million
Out of City Provision	7.42	6.19
Alternative Provision – Placements	0.25	0.25
Alternative Provision – Inclusion Grant Funding (ISAP)	0.2	0.2
High Incidence SEN Funding	0.03	0.03
SEN Assessment and Development	1.38	1.38
SEN Sensory	0.64	0.64
SEN Early Years	1.26	1.26
PFI – Penn fields	0.27	0.27
Additional Nursery and Reception SEND Provision	0.08	0.08
Post 16 SEN Provision	2.18	1.89
SEND Management and Commissioning	0.33	0.33
Contribution to SEN LAC Tripartite Funding	1.24	1.21
Teachers Pay AND Pension Funding	0.73	0.85
OPERATIONAL HIGH NEEDS BLOCK BUDGET	45.5	45.65
Deficit Bought forward from previous years (assumed/actual)	1.73	0.38
Total High Needs Block forecast expenditure in 2022-2023	47.23	46.03
TOTAL INITIAL INDICATIVE HNB GRANT FUNDING	44.3	44.17
Additional Funding from Health and Social Care Levy	1.86	1.86
TOTAL REVISED HIGH NEEDS BLOCK DSG BUDGET	46.16	46.03
PROJECTED CUMULATIVE OVERSPEND TO CARRY FORWARD AT YEAR END	1.07	0

Special School Matrix Places Top Up

Band	A	A	B	C	D	E
	Speech, Language & Communication Broadmeadow	Speech, Language & Communication Other	Cognition and Learning	SEMH	Sensory	Physical (Including Residential)
2	£12,758	£8,357	£418	£7,249	£9,007	£11,609
3	£16,368	£11,966	£3,185	£9,550	£12,638	£15,115
4	£23,362	£18,961	£9,611	£11,564	£19,632	£18,773

Resource Base Matrix Places Top Up (Pro-rated for Part time places in Early Years)

Band	A	B	C	D	E
	Speech, Language & Communication	Cognition and Learning	SEMH	Sensory	Physical
2	£2,726	£0	£1,582	£2,933	£1,811
3	£6,318	£0	£3,873	£6,546	£5,299
4	£13,277	£6,039	£5,874	£13,504	£8,939

PRU Places Top Up

Statemented	Orchard	Evergreen	Braybrook	Midpoint
Per Place	£14,260	£14,260	£15,859	£14,260

Mainstream Schools

Band	A	A	B	C	D	E
	Speech, Language & Communication Broadmeadow	Speech, Language & Communication Other	Cognition and Learning	SEMH	Sensory	Physical (Including Residential)
2	£3,855	£3,855	£3,855	£3,855	£3,855	£3,855
3	£7,712	£7,712	£7,712	£7,712	£7,712	£7,712
4	£13,417	£13,417	£13,417	£13,417	£13,417	£13,417

This page is intentionally left blank