

Worcestershire County Council

Agenda

Cabinet

Thursday, 8 December 2022, 10.00 am
County Hall, Worcester

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DISCLOSING INTERESTS

There are now 2 types of interests:
'Disclosable pecuniary interests' and **'other disclosable interests'**

WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3rd party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

NB Your DPIs include the interests of your spouse/partner as well as you

WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
 - you must **not participate** and you **must withdraw**.

NB It is a criminal offence to participate in matters in which you have a DPI

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:
You/your family/person or body with whom you are associated have a **pecuniary interest** in or **close connection** with the matter under discussion.

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests** **OR** relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
 - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

Cabinet

Thursday, 8 December 2022, 10.00 am, County Hall

Membership: Cllr Simon Geraghty (Chairman), Cllr Marc Bayliss, Cllr Adrian Hardman, Cllr Marcus Hart (Vice Chairman), Cllr Adam Kent, Cllr Karen May, Cllr Richard Morris, Cllr Tracey Onslow, Cllr Andy Roberts and Cllr Mike Rouse

Agenda

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1	Apologies and Declarations of Interest	
2	Public Participation Members of the public wishing to take part should notify the Assistant Director for Legal and Governance in writing or by e-mail indicating both the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case Wednesday 7 December). Further details are available on the Council's website. Enquiries can also be made through the telephone number/e-mail address listed on the website and in the agenda.	
3	Confirmation of the Minutes of the previous meeting The Minutes of the meeting of 27 October 2022 have been previously circulated.	
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6	Revenue and Capital Budget Monitoring	21 - 46

NOTES

- Webcasting**

Members of the Cabinet are reminded that meetings of the Cabinet are Webcast on the Internet and will be stored electronically and accessible through the Council's Website. Members of the public are informed that if they attend this meeting their images and speech may be captured by the recording

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All the above reports and supporting information can be accessed via the Council's website.

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equipment used for the Webcast and may also be stored electronically and accessible through the Council's Website.

CABINET
DECEMBER 2022**A38 BROMSGROVE ROUTE ENHANCEMENT PROGRAMME**
(BREP)

Relevant Cabinet Member

Cllr M. Bayliss

Relevant Chief Officer

Strategic Director of Economy and Infrastructure

Local Member(s)

Cllr K. Daisley

Cllr J. Robinson

Cllr K. Taylor

Cllr S. Webb

Recommendation

1. **The Cabinet Member with Responsibility for Economy, Infrastructure and Skills recommends that Cabinet:**
 - a) **notes the overall concept of the A38 Bromsgrove Route Enhancement Programme (BREP) and progress made to date;**
 - b) **notes and endorses the changes to the proposals during the development of the Full Business Case;**
 - c) **approves the further development of the Full Business Case (FBC) and submission to the Department of Transport (DfT) during 2022/23;**
 - d) **delegates approval of the final wording of the FBC to the Strategic Director of Economy and Infrastructure in consultation with the Cabinet Member with Responsibility for Economy, Infrastructure and Skills;**
 - e) **supports the ongoing stakeholder engagement and management exercises with National Highways, DfT and statutory stakeholders as required to finalise the Full Business Case.**

Background

2. The A38 is one of Worcestershire's most important strategic transport routes connecting Bromsgrove with key destinations both regionally and nationally through its direct connections with motorway network, through junction on the M5 and M42. The route is critical to the economic growth of north Worcestershire, supporting the housing and employment growth in adopted local plans.

3. Midlands Connect (MC) have identified BREP as one of the top 10 West Midlands region major road network priority schemes securing important regional support and funding for the proposals.

4. However, the route is under pressure and suffers with congestion and un-reliable journey times. Worcestershire County Council has been working with partners including National Highways, Bromsgrove District Council (BDC), Worcestershire Local Enterprise Partnership (WLEP) and the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) to relieve congestion and support growth, through a programme of improvement works.

5. The scheme was originally identified in Local Transport Plan 4 to relieve existing traffic congestion and to support the sustainable growth of Bromsgrove identified in the adopted Bromsgrove District Plan. The programme is also critical to assist to support the objectives of the Redditch Local Plan, and both the Worcestershire and Greater Birmingham and Solihull Strategic Economic Plans.

6. The scheme is being delivered in Phases, with Phases 1 and 2 already complete and funded. To continue with the BREP scheme the County submitted an Outline Business Case to the Department for Transport (DfT) as part of the Major Road Network (MRN) funding programme. The MRN programme is for major schemes up to a maximum of £50 million including an essential local contribution of 15%.

7. On this basis the Council developed and submitted a Strategic Outline Business Case (SOBC) to the DfT in summer 2019. Following more detailed development work the Outline Business Case (OBC) was submitted to DfT and approved in August 2022. 85% funding for the scheme was allocated from the MRN programme (DfT) totalling £43.17 million, on the understanding that there would be local contributions of 15%.

8. Work has continued to refine the proposals with the Full Business Case (FBC) timetabled to be submitted to DfT in late 2022/23.

Overview of A38 BREP Scheme Proposals

9. The programme contains a mixture of highway capacity and enhancements aimed at providing additional capacity within the area and improving overall journey time reliability. In addition, a series of active travel enhancements providing opportunities are proposed for walking and cycling as alternatives to car use for short journeys and to link to the active travel provision delivered through the Bromsgrove National Productivity Investment Fund. The location of the BREP schemes is shown in **Appendix 1** and summarised below:

Highway Schemes

- Scheme A - A38 / Hanbury Turn
- Scheme B – A38 / Buntsford Drive / Stoke Road (including active travel improvements along A38 corridor)
- Scheme C – A38 / Stoke Road / Charford Road (including A38 to South Bromsgrove High School active travel link delivered)
- Scheme D – A38 / New Road (including New Road Toucan crossing)
- Scheme E – A38 / A448 (Oakalls Roundabout)
- Scheme F – A38 / Birmingham Road / M42 J1
- Scheme G – A38 / Golden Cross Lane / Braces Lane

Active Travel and Public Transport Schemes

- Scheme 1 – A38 / A448 junction to Birmingham Road active travel link
- Scheme 2 – Charford Road to Harvington Road active travel link (already delivered)
- Scheme 3 – Bromsgrove Rail station to the town centre active travel corridor (alternative)
- Scheme 4 – A448 (Stratford Road) near Blackwood Road active travel crossing
- Scheme 5 – Fordhouse Road to Carnforth Road upgraded pedestrian / cycle bridge
- Scheme 6 – A38 and A448 (Oakalls) Roundabout to Regents Park Road active travel corridor
- Scheme 7 – Real time information
- Scheme 8 – Public transport select vehicle detection
- Scheme 9 – Fordhouse Road / Bant Mill Road / Harvington Road LTN 1/20 compliance traffic calming scheme

Traffic Management Scheme

- Scheme 10 – Alcester Road traffic management scheme

A38 BREP Scheme Delivery

10. Following receipt of advanced funding through Worcestershire Local Enterprise Partnership, Highways England and Greater Birmingham and Solihull LEP (GBSLEP) a number of the early schemes have been delivered as part of the A38 BREP programme. These schemes have been fully funded, are complete and operational and included here for information only. They do not form part of the decisions within this report. As part of delivering this phase, the Council forward funded c£2.54 million in lieu of the expected MRN grant which will be repaid once the grant has been received.

- A38 / Barley Mow Lane junction
- A38 / M42 junction 1 improvement
- A38 / M5 Junction 4 improvements,
- Charford Road to Harvington Road active travel scheme
- Charford Road active travel route and crossing
- Active travel improvements including toucan crossing on A448 near Blackwood Road

Development of the Full Business Case

11. The Full Business Case (FBC) for the A38 BREP is due to be submitted to DfT during winter 2022/23. Work is well advanced on this. Rising inflation since the submission of the OBC has significantly impacted the costs of the BREP proposals resulting in the cost estimate for delivery of the total package now being in excess of the funding available.

12. Additional funding is not available from the DfT to assist with addressing the impact of inflation and their contribution is fixed at the £43.17 million set out in the agreed OBC. WCC has maximised developer contributions for the scheme and no further funding is currently available from other sources either internally or externally.

13. To address the additional costs of scheme and move to delivery with the secured DfT funding allocation, a phased approach will be taken to the delivery of the A38 BREP proposals aligned to the current availability of funding. As such, the remaining schemes have been prioritised into two further phases – Phase 3 and Phase 4. This approach was taken to ensure that the economic and housing growth proposed in Local Plans could still be supported and that the investment of £50 million in the corridor can be secured.

14. The prioritisation for Phase 3 and 4 was undertaken using a mix of quantitative and qualitative analysis based on factors including relative cost benefit ratio, economic benefit, direct section 106 contribution and deliverability. This provided the scores for the individual schemes, from which the cohesive phases were developed ensuring a mix of highway improvements, active travel and public transport schemes. This approach reflects and develops the approach taken in the approved OBC, within a refined area of focus.

15. Schemes within Phase 3 will be able to be delivered from the funding available (as detailed below) and will be taken forward through the FBC and submitted to DfT. This phase will provide significant additional capacity on the A38 through the inclusion of schemes at key junctions including Oakalls roundabout and key junctions along the southern section of the A38, plus the link to the M42 junction1. Active travel links across the A38 to reduce severance and to connect with employment and retail destinations are also included along with real time bus information and public transport vehicle detection at traffic signals, promoting modal choice.

16. The schemes which will form Phase 3 are:

- Scheme 3 Alternative – Bromsgrove Rail station to the town centre active travel corridor
- Scheme 6 – A38 and A448 (Oakalls) Roundabout to Regents Park Road active travel corridor
- Schemes 7&8 – Real time information and public transport select vehicle detection
- Scheme 9 – Fordhouse Road / Bant Mill Road / Harvington Road LTN 1/20 compliance traffic calming scheme
- Scheme A1 - A38 / Hanbury Turn re-lining
- Scheme B1 – A38 / Buntsford Drive to Sherwood Road Cycle Route
- Scheme B3 – Austin Road to Charford Road Cycle Route
- Scheme B4 - A38 widening between Austin Road
- Scheme C – A38 / Stoke Road / Charford Road junction improvements
- Scheme D – A38 / New Road (including New Road Toucan crossing)
- Scheme E – A38 / A448 (Oakalls) Roundabout improvements
- Scheme F – A38 / Birmingham Road / M42 J1

17. The following schemes would form the basis of phase 4, which will not commence until for future funding is available:

- Scheme 1 – A38 / A448 junction to Birmingham Road active travel link
- Scheme 5 – Fordhouse Road to Carnforth Road upgraded pedestrian / cycle bridge

- Scheme A2 - A38 / Hanbury Turn Traffic signals and new streetlights
- Scheme B2 – A38 widening Buntsford Drive to Austin Road
- Scheme G – A38 / Golden Cross Lane / Braces Lane
- Scheme 10 – Alcester Road traffic management scheme

Public Engagement

18. As part of the development of the OBC a public engagement exercise was carried out in early 2020 on the entirety of the BREP proposals. Further engagement was undertaken in 2021 on the proposals for Schemes 3 and 5 as part of pre-planning engagement and subsequently in 2022 on alternative proposals for Scheme 3.

19. The aim of Scheme 3 was to provide an active travel route between Bromsgrove Rail Station and the town centre reducing the severance created by the A38.

20. Feedback on the 2021 engagement concerning the initial proposal for an active travel bridge across the A38 between the two arms of Old Station Road, along with increasing costs of the bridge to meet LTN 1/20 standards resulted in a review of the proposals. An alternative proposal was developed with public engagement in summer 2022.

21. The alternative proposals have been developed with the same aims as the original of reducing severance and increasing connectivity to Bromsgrove Rail Station, compliance with Active Travel guidance LTN 1/20 and offering value for money.

22. The alternative scheme proposals are for a route which includes improvements for active travel linking the Rail Station via New Road, Rigby Road, passing by Aston Fields Middle School before connecting to the Oakalls estate with improvements to the existing off-road routes to emerge onto Regents Park Road, utilising the already proposed active travel improvements and crossing on the A38 and onward along the Stratford Road (A448) to connect to Bromsgrove centre.

23. A report in response to the points raised through public engagement will be published on the WCC website prior to the submission of the FBC. This will set out the local questions arising from the scheme and our responses to these. Such matters can be addressed through precise amendments to the proposals as the final detail is confirmed.

Planning

24. The sole scheme which required planning permission is the Scheme 5 bridge Fordhouse Road to Carnforth Road with an upgraded pedestrian and cycle bridge.

25. A planning application was submitted to County Council Planning and Regulatory Committee and planning permission was granted in May 2022.

26. Scheme 5 is now a part of the Phase 4 proposals. No schemes within Phase 3 require planning permission.

Finance

27. The forecast cost of Phase 3 of the A38 BREP programme is £45.42 million. The majority of the scheme is being funded via the DfT's Major Road Network programme, which has been confirmed to be £43.17m in total. The DfT also contributed £0.85 million for the development of the business cases as was agreed in the OBC, this was spent in 2021/22. £2.54 million of the MRN grant is relevant to schemes in previous phases, which was forward funded by the Council, therefore £40.63 million remains for Phase 3.

28. The local contribution of match funding will be secured through section 106 funding from strategic development sites in Bromsgrove and Redditch which will impact on the A38 BREP. The section 106 contributions total is £4.37 million. If the identified section 106 monies are not available in time to meet with the programme delivery requirements, the Council may need to be forward fund these monies to ensure delivery of the project, however it is expected that the risk of this will be minimal. Remaining funding from Highways England and Greater Birmingham and Solihull LEP (GBSLEP) also contribute to the total funding.

29. The funding of the scheme is summarised in the following table:

Source	£000
Department for Transport	43,170
Highways England	320
GBS LEP	100
Section 106	4,370
Sub-Total Funding	47,960
Repayment of Forward Funding	(2,540)
Total Funding	45,420

30. The current increases in inflation present a significant risk to this project, for which the proposed solution has been to develop a phased approach. Officers will continue to liaise with the DfT through quarterly monitoring reports and direct engagement.

Contractor Procurement

31. A procurement process has been commenced to secure the contractors for the main works. This, along with existing contracts, will enable delivery of the schemes to commence following the approval of the FBC by the DfT.

Public Health Impact Assessments

32. In Worcestershire, 65% of adults and one third of year 6 children are overweight and/or obese. Part of the reason for this is physical inactivity with around 21% of adults in Worcestershire do less than 30 minutes of exercise per week. The A38 BREP proposals provide significant enhancements for walking and cycling, providing both new, upgraded and alternative options for active travel, integrated into the proposals and linking different modes of transport.

33. There is a strong evidence base around the benefits of helping people to take up walking or cycling (active travel) which requires an integrated and joined-up approach, including:

- Providing clear information and advice promoting physical activity and active travel;
 - Encouraging families, children and young people to live active lives;
 - Supporting those who have the poorest health outcomes and those who are most inactive to take steps to increase physical activity;
 - Creating health-promoting environments; and
 - Providing appropriate infrastructure.

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

34. An Equality Relevance Screening has been completed for Local Transport Plan 4 which provides the policy context for the proposed A38 BREP Project. The screening is included in the Outline Business Case. Following the completion of a screening exercise (Appendix 2), it has been determined that a Joint Equality and Public Health Impact Assessment will be required prior to the delivery of the Phase 3 schemes.

35. No Human Rights issues have been identified.

Risk Implications

36. The main risks are as follows:

- The impact of inflation on the scheme and the risk of rising costs could have an impact on the delivery of the individual schemes and the programme. Costs are being monitored and fixed price contracts being entered into with the contractors.
- Delay in approving the FBC by DfT resulting in delays to delivery and uncertainty with contractors
- Risk of forward funding monies for some or all of the various s.106 developer contributions to the scheme later in the construction phase if these monies are not forthcoming in a timely manner.

Supporting Information

Available electronically:

- Appendix 1 – Location of schemes [A38 Bromsgrove Route Enhancement Programme \(BREP\) | A38 BREP improvements background | Worcestershire County Council](#)
- Appendix 2 – Joint Impact Assessment screening

Contact Points

Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Strategic Director of Economy and Infrastructure) the following are the background papers relating to the subject matter of this report:

[Browse meetings - Cabinet - Worcestershire County Council \(modern.gov.co.uk\)](http://modern.gov.co.uk)

- Report to Cabinet October 2020
- Report to Cabinet of 12 July 2018
- Council 08 November 2018
- Scheme drawings



CABINET 8 DECEMBER 2022

FAIR FUNDING FOR SCHOOLS 2023-24 – NATIONAL AND LOCAL FUNDING ARRANGEMENTS FOR SCHOOLS

Relevant Cabinet Members

Councillor Tracey Onslow

Relevant Chief Officer

Director of Children's Services

Recommendation

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

- (a) **notes the Department for Education policy for school and Local Authority funding for 2023-24 detailed in Appendix 1;**
- (b) **notes the involvement of the Worcestershire Schools Forum members and schools during the engagement process;**
- (c) **notes the views of the Worcestershire Schools Forum on the Local Schools Funding Formula issues for 2023-24 and other matters which are outlined in Appendix 2;**
- (d) **approves the Local Schools Funding Formula for Worcestershire mainstream schools from April 2023 to apply for 2023-24 and other matters as detailed in paragraphs 34 to 44, to include the DfE Minimum Funding Levels (MFL's) for Primary £4,405; Key Stage 3 £5,503; Key Stage 4 £6,033; Secondary £5,715 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**
- (e) **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 20 January 2023 for the approved Local Schools Funding Formula for 2023-24 taking account of any impact and change on the approved units of resource, Minimum Funding Guarantee and capping arrangements in paragraph 34 as a**

consequence of the October 2022 census and other 2022 data changes and the final 2023-24 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 2022 to introduce a Local Schools Funding Formula (LSFF) for mainstream schools for 2013-14 through to 2023-24.

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 5-year period 2018-19 to 2022-23, the Government introduced their National Funding Formula (NFF) arrangements for the DSG. Within this period Local Authorities (LA's) were still able to set a local LSFF or consider moving to the NFF parameters. Following a detailed consultation and correspondence with schools in the Autumn Terms 2017, 2019 and 2020, Cabinet on 14 December 2017, 20 December 2019, 10 December 2020 and 9 December 2021, 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 2023-24. However, the DfE has stated that 2023-24 will be the first year of transition to the NFF with the end point being a system in which, to ensure full fairness and consistency in funding, every mainstream school in England is funded through the same national formula without adjustment through local funding formulae. Given the previous approvals, the WSF at its meeting on 23 November 2022, endorsed and approved the continuation of the current funding arrangements for 2022-23 into 2023-24. Consequently, a further local consultation was not required for the LSFF and other matters. Schools were provided with the details of the DfE's policy for 2023-24 and that it was proposed to continue with the current arrangements for 2022-23 into 2023-24. 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 government announced that the provisional funding allocations for 2023-24 through the schools, high needs and central school services national funding formulae (NFF). Overall, core schools funding (including funding for mainstream schools and high needs) is increasing by £1.5bn in 2023-24 compared to the previous year, on top of the £4bn increase in 2022-23.

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

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

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

12. On the 17 November 2022 the Chancellor outlined the Government's spending plans for each central government departments in the Autumn Statement. The Government announced that the core schools' budget will increase by £2.3bn in 2023-24 and a further £2.3bn in 2024-25. This is after adjusting Spending Review 2021 budgets down to account for the removal of the compensation for employer costs of the Health and Social Care Levy, this brings the core schools budget to a total of £58.8 billion in 2024-25, £2bn greater than published at Spending Review 2021. This extra funding will flow into the DSG figures we receive in late December 2022; this will outline the details on increases per pupil and the impact of the additional funding for our schools across Worcestershire.

DfE Policy Decisions for School Funding 2023-24

13. On 7 June 2022, 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: -

[Implementing the direct national funding formula - government consultation \(education.gov.uk\)](https://www.education.gov.uk/government/consultations/consultation-on-the-national-funding-formula)

14. Details of the arrangements are summarised at **Appendix 1** and confirm that although the DfE have issued a consultation document, which focussed on the principles of moving to a direct formula.

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

wherever they are in the country. This change requires legislative changes and is included within the schools Bill, presented to Parliament in May.

16. The consultation does not include a definitive final “end date” at which the direct NFF will be implemented. The DfE will be guided by the impact of the initial transition towards the direct NFF, before deciding on the further pace of change. However, they expect to have moved to the direct NFF within the next five years – that is, by the 2027-28 funding year. The consultation states *“We hope that we may be able to move to the direct NFF sooner than this – but not later”*

17. 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 2023-24

18. In respect of proposed formula development for 2023-24, 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.

19. 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.

20. LA’s are required to consult on their LSFF and proposals for centrally retained services but given there is no local change proposed for 2023-24, it was agreed through the WSF to notify schools of this intention to continue with the existing arrangements.

21. As part of the provisional 2023-24 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 to £0.614m in 2023-24. 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 2023-24 to ensure any impact on services are fully understood and a longer-term sustainable solution is implemented.

Local Engagement with Schools for 2023-24

22. At its meetings on 30 June, 29 September and 23 November 2022, the Worcestershire Schools Forum (WSF) discussed in detail the DfE policy for 2023-24 and other funding issues impacting on Schools. The 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.

23. As part of the national policy for 2023-24, the ESFA have confirmed that their NFF Basis per pupil funding factors are Primary £3,394, Key Stage 3 £4,785 and Key Stage 4 £5,393.

24. Also, the DfE have confirmed that although in 2023-24 LA's are still able to continue to set their own LSFF, their parameters for the sector Minimum Funding Levels (MFL's) for Primary £4,405, Key Stage 3 £5,503, Key Stage 4 £6,033 and Secondary £5,715 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

MFL Rate Per Pupil	2019-20	2020-21	2021-22 Note 2	2022-23	2023-24	% Increase on 2022-23
Primary £	£3,500	£3,750	£4,180	£4,265	£4,405	1.9%
KS3 £	£4,600	£4,800	£5,215	£5,321	£5,503	1.9%
KS4 £	£5,100	£5,300	£5,715	£5,831	£6,033	1.9%
Secondary £	£4,800	£5,000	£5,415	£5,525	£5,715	1.9%
Schools Block DSG Allocated Note 4	£321.6m	£339.7m	£369.5m	£380.1m	£400.5m Note 3	1.9% Note 5

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 2022.
4. Excludes Pupil Growth Fund.
5. In 2022-23, (£11.2m) core schools funding was allocated through a schools supplementary grant (SSG) in addition to the NFF. Year-on-year funding comparisons include the funding from the SSG for 2022-23.

25. 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 +0.0% per pupil and +0.05% 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 2023-24 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 c£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%.

26. 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 2023-24, together with the existing arrangements for no transfer of Schools Block DSG, de-delegated and centrally retained services.

27. The final allocations for schools in 2023-24 for individual schools will be affected and differ from the existing 2022-23 allocations and the DfE 2023-24 exemptions due to:

- Data not yet available from the October 2022 data sets that must be used for the 2023-24 formula allocations.
- Any MFG per pupil and associated capping calculation for 2023-24 having to be based upon this revised data.
- For some academies the ESFA will use a different 2022-23 baseline for the calculation of the MFG and capping.
- The final Schools Block DSG for 2023-24 will be based upon the October 2022 pupil numbers and NFF arrangements.
- The final Schools Block DSG quantum for 2023-24 which will not be notified by the DfE until late December 2022.

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

28. 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 2023-24.

29. 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 2023-24, 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.

30. Implementation of the NFF parameters as the LSFF may require a funding cap if the DSG quantum is not 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.

31. 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 programme Delivering Better Value in SEND (DVB).

The Role of the Worcestershire Schools Forum (WSF)

32. 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.

33. The WSF has met on 30 June, 29 September, and 23 November 2022. 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.

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

Cabinet's Detailed Approvals

35. Approve for 2023-24 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.

36. 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 2022 and other 2022 DfE data sources, including any in year or prior year changes and the final DSG for 2023-24 when this is confirmed.

37. Approve the model to contain from April 2023, the following formula factors and **estimated** units of resource using the prescribed DfE data sets from the October 2022 and other DfE 2022 data sources, including any in year or prior year data changes, and estimated data as required for schools changing their age range from September 2023:

Basic per pupil funding: [The same per pupil amount for the following age groups]

Primary £3,394; Key Stage 3 £4,785; Key Stage 4 £5,393

Sector Minimum Funding Levels (MFL's)

Primary £4,405; Key Stage 3 £5,503; Key Stage 4 £6,033; Secondary £5,715

Deprivation:

Free School Meals (FSM) Annual: Primary £480; Secondary £480

Free School Meals (FSM6): Primary £705; Secondary £1,030

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

Primary £670; £510; £480; £440; £280; £230

Secondary £930; £730; £680; £620; £445; £335

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

Primary £1,155

Secondary £1,750

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

Primary £580; Secondary £1,565

[Pupils with a first language other than English]

Mobility

Primary £945; Secondary £1,360

[Where more than 6% of a school's pupil are classified as mobile]

Lump Sum for Every School:

All School Phases £128,000

Sparsity based on a NFF or tapered approach:

Primary £56,300; Secondary £81,900

Split Site:

An individual school cash sum allocated via the approved 2023-24 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):

+0.5% 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 2023-24 using a scaling factor of 100%].

38. Approve that the current **estimated** LSFF units of resource as detailed above and **estimated** MFG and capping % can be adjusted in January 2023, as required, to take account of the impact of the:

- October 2022 census and requirements including use of estimated data for changes in school age ranges if required.
- Other DfE prescribed 2022 data and changes including those from prior years.
- Final Schools Block DSG for 2023-24.
- Statutory requirements relating to the MFG/Capping and/or the School and Early Years Finance (England) Regulations.

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

40. Approve the initial delegation of the following centrally retained services for all mainstream schools in 2023-24 as in 2022-23:

FACTOR	SERVICE
--------	---------

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

41. Approve the decision of the WSF maintained mainstream school members to continue in 2023-24 the delegation and de-delegation (centrally retained) of the above services for LA maintained mainstream schools only by phase:

Phase/Service	Primary Delegation	Primary De-delegation
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
Phase/Service	Secondary Delegation	Secondary De-delegation
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

42. Approve for those services subject to de-delegation using the formula factors by reducing the formula amounts in 2023-24 for LA maintained mainstream schools only on the basis detailed above.

43. 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) – £0.44m **estimated**.
- Contributions to Combined Services – the Early Intervention Family Support (EIFS) service budget – £0.614m **actual** (reflecting the 2022-23 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**.

44. 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.

45. As in previous years the LSFF for 2023-24 will **not** include factors for:
- 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

46. The Council is required to adhere to the DfE prescribed arrangements for school and LA funding in 2023-24. These will be contained within the yet to be published School and Early Years Finance (England) Regulations 2023. It is anticipated these will be laid before Parliament in early 2023.

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

47. Not applicable in this case.

Risk Implications

48. Given the recommendations in 2023-24 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 2022-23 there are no such implications.

Equality and Diversity Implications

49. Given the recommendations in 2023-24 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 2022-23 there are no such implications.

Supporting Information (available electronically)

- **Appendix 1** – DfE confirmed funding arrangements for 2023-24 – summary of issues.
- **Appendix 2** – Fair Funding Discussions 2023-24 Worcestershire Schools Forum Issues, Decisions and Recommendations 30 June 2022 and 23 November 2022.

Contact Points

County Council Contact Points

County Council: 01905 763763

Specific Contact Points for this report

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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:

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, 10 December 2020 and 9 December 2021 [Browse meetings - Cabinet - Worcestershire County Council \(moderngov.co.uk\)](#)

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CABINET
08 DECEMBER 2022**RESOURCES REPORT – REVENUE BUDGET MONITORING -
MONTH 7 (31 OCTOBER) 2022/23****Relevant Cabinet Member**

Mr S E Geraghty

Relevant Officer

Chief Financial Officer

Recommendations

1. **The Cabinet Member with Responsibility for Finance (who is also the Leader of the Council) recommends that Cabinet:**
 - (a) **Notes the budget forecast as at 31 October 2022, which is a net overspend position, before action, of £13.1 million**
 - (b) **Notes the actions being taken by directorates to mitigate expenditure where possible to support the current forecast overspend position**
 - (c) **Notes the current position relating to the capital programme**
 - (d) **Notes the current forecast spend relating to Covid related grants including the extension to the Household Support Fund**
 - (e) **Approves the use of reserves and transfers between reserves to help mitigate in-year pressures, as set out at paragraph 66.**

Executive Summary

2. The Council's 2022/23 forecast position as at Month 7 is a forecast £13.1 million overspend. This is net of all current planned savings, in-year spending reductions, and use of one-off income and reserves.
3. The drivers for the current forecast overspend position are predominantly related to demand, demographics and market forces in Adult Social Care, Home to School Transport, and Children's Social Care. There are also underlying pressures in areas of Economy and Infrastructure due to inflationary pressures (including the cost of energy and transport) and in Legal Services, which have been mitigated by one-off sources of funding for this financial year.
4. Of the £13.1 million overspend the majority of this is due to greater than forecast cost and demand arising from the global economic position and legacy of COVID. Of the £8 million in year savings target only £7.5 million (96%) have been identified and delivered.

5. The current overspend forecast does not include any potential pressure resulting from the acceptance of the pay award confirmed in November 2022 at £1,925 per employee on full time contract. The Council's maximum risk is estimated to be £4 million. It is recommended this is funded in-year from the Business Rates Reserve as planned and will need to be funded then on a recurrent basis in 2023/24 along with rises for that year.
6. The current forecast overspend includes other transfers of £5.335 million from reserves to fund in-year expenditure as recommended for approval in this report at paragraph 63. There may be further call on reserves, but at this stage between additional funding, use of reserves and further reviews of spending by management officers are taking actions to deliver a balanced budget by year end.

Summary Revenue Budget Monitoring 2022/23 Forecast at Month 7 (31 October 2022)

7. The County Council's net budget of £373 million was set by Full Council in February 2022.
8. This report covers the forecast financial position for 2022/23 to the end of Month 7 (31 October 2022).
9. The overall outturn forecast at Month 7 is for a net overspend of £13.101 million (3.5% of the net budget), as set out in **Table 1**, with further breakdown for each service area set out in **Appendix 1A**.

Table 1: 2022/23 Month 7 Forecast

Service Area	Budget £m	Forecast £m	Variance £m
People – Adults	139.369	145.972	6.603
People – Communities	20.601	20.109	-0.492
Children's Services/WCF	108.648	117.189	8.541
Economy & Infrastructure	59.225	58.534	-0.691
Commercial & Change	7.706	7.087	-0.619
Chief Executive	1.434	1.355	-0.079
Public Health	0.124	0.124	0.000
Total: Service excl DSG	337.110	350.370	13.263
Finance/Corporate Items	36.589	35.927	-0.662
Non-assigned items	-0.500	0.000	0.500
TOTAL	373.199	386.297	13.101

10. **Table 1** shows a net £13.263 million overspend on services, a £0.5 million underspend on the contingency budget and a £0.162 million underspend in Financial Services, and a £0.5 million corporate overspend due to a small shortfall in the identification of corporate savings target (originally £5.15 million).
11. All of the corporate savings identified £4.65 million have been allocated to directorates and their base budgets reduced by the corresponding amounts, with details shown in paragraphs 46 to 48.
12. In addition to the delivery of these £4.65 million corporate savings, and following a briefing from the Chief Executive to all WCC/WCF employees relating to the financial

challenge for 2022/23 and beyond, managers and staff have been asked to make further efforts to slow down or cease expenditure wherever possible. This will include holding vacancies where possible and ceasing non-essential spend. Finance will continue to work with service managers to identify potential savings, both in-year and ongoing to support the in-year financial position being reported. The Council is also working with partners around securing further grants, in particular around care. Details and terms of a nationally announced £500 million Hospital Discharge grant are still awaited and this could also alleviate some of the in-year pressures. In addition, we continue to review the Council's resilience and availability of reserves. As such it is forecast this action is aimed at bringing the budget back in to a balanced position.

Adult Social Care Budget £139.4m, £6.6m overspend

13. As reported at the end of 2021/22, placement activity was higher than forecast with an underlying overspend of c£6.1 million for last financial year, mitigated by one-off sources of funding. Demand has continued to rise in the first half of 2022/23 and unit costs have also increased.
14. 2022/23 financial forecasts have been based on a net 4% client growth in totality by the year end, any increase or decrease in client growth above or below the forecast rate will result in a change to this financial position.
15. As at the end of October, the long-term placement numbers had identified client growth of 2% since the end of March 2022 equating to a net increase of 137. Although the growth in packages is broadly in line with forecast, significant pressures are being seen relating to the price of care packages, which is due to both inflation and increased assessed client need.
16. This is a national issue being seen by councils across the country, following the effect of the pandemic and increases in unit costs due to the current economic climate and increases in utility, food, transport and wage costs.
17. The forecast gross outturn for Adult Services placements is currently estimated at £13.4m before mitigation, with the following key variances.
 - The *Older People* service area is currently forecasting an overspend of £3.4 million before mitigation. Within this variance is a £1.9 million overspend in Residential placements, a £1 million overspend in Direct Payments, a £1.1 million overspend in Nursing placements and a £0.5 million underspend in home care. Whilst these areas currently have client numbers that are within budget-setting expectations, average weekly costs are now 5% higher than budgeted, with information from Brokerage suggesting that new clients are being placed at considerably higher costs than last year, for the same level of support. This indicates that the overspend in this area is being driven by market forces rather than increased complexity. For example, within residential services, we are seeing an increase in average weekly cost of 5% above budgeted rates (£691.57 at budget setting vs £729.02 at month 7 – an increase of £37.46 per client per week).
 - *Learning Disabilities* is currently forecasting a gross placement overspend of £3.3 million, with the highest variances being in Young Adults (£2.4 million) and Supported Living (£0.7 million). The new clients entering this service are currently higher than expected, and there have also been significant increases in average weekly costs for care packages, with Residential and Nursing placements for

example being higher than last year. Supported Living client numbers are lower than budgeted; however, unit costs have increased by 8% (£89.42 per person per week), and unit costs have increased by 8.6% (£143.95) in Residential care and 9.7% (£156.24) within Nursing care.

- *Mental Health Services* are forecasting a £2.7 million overspend against budget, largely relating to Supported Living packages (£1.6 million overspend) where average weekly costs are 28% higher than last year, equating to an increase of £219.16 per person per week. The Residential service is forecast to overspend by £0.8 million due to an increase in Section 117 client growth and increases in unit costs of 10.8% (£108.39 per person per week).
 - *Physical Disabilities* is currently forecasting an overspend of £1.9 million, due to client numbers and placement costs remaining higher than expected.
18. In-year mitigations including use of one-off reserves, clawback of unspent Direct Payments, and staffing vacancies, have reduced the forecast overspend to the £6.6 million shown in **Table 1**.
19. The directorate is also working on a number of demand management opportunities and also reviewing the unit costs of all high-cost placements to ensure value for money whilst ensuring the clients Care Act needs are met. This includes focussing on the potential use of direct payments, community support and the further development of the Here2Help offer.

Communities Budget £20.6m - £0.5m underspend

20. The forecast underspend position includes the following managed risks, which have been managed by vacancy control and increased income in Registration Services, as well as flexible use of grant income.
- An increase in the vacant space within county libraries, which is resulting in a £15k reduction of income,
 - A £30k increase in utility costs and
 - A £80k increase in the Hive PFI RPI rate higher than initially budgeted

Public Health includes £31.2m Public Health Ringfenced Grant (PHRG) and related expenditure. Other services with a net £0.12m - breakeven

21. The ring-fenced Public Health Grant is expected to be fully utilised during 2022/23.
22. The Interim Director of Public Health has developed a 3-year plan for the use of the Public Health Reserve, the opening balance for 2022/23 being £9.7 million. The expectation at the commencement of the financial year was to fully spend the PHRG and draw down £3.765 million from reserves to fund agreed activities relating to the first year of the 3-year plan.
23. As at Month 6 there is a total forecast underspend of £0.795 million against the ring-fenced grant, which means that the underspend can fund an element of expenditure originally planned to be funded from reserves. As such, this will result in a reduced forecast transfer from reserves at year end to £2.969 million against the original budgeted use of reserves of £3.765 million.

Worcestershire Children First (WCF) Budget £108.6m - £8.5m overspend

24. Worcestershire Children First (WCF) is forecasting a deficit of £2.947 million. This deficit is within WCF, and narrative is included alongside Council variances. Any variance on WCF will be a consideration for future Council budget allocations.
25. Placements numbers and average costs are the most volatile and high-risk area of the Social Care budget, and at present the trajectory of the figures indicates that the activity will drive a c£4.9 million overspend this year.
26. The current number of placements is 1,016. This number reflects all costed placement and includes those for children no longer “looked after” but financially supported in their leaving care placement such as through “Staying Put” or Safe Base. The overall is an increase from the figure of 917 recorded last October, showing a 10.8% rise in number over the 12-month period.
27. There is also a £0.7 million pressure in the All-Age Disability Service, relating to the Educational Psychology Service and SEND teams in order to tackle demand and caseloads.
28. Home to School Transport (HTST) is forecast to overspend by £4.7 million this year. This is due to current inflationary pressures on providers, which will result in increased prices for the service – primarily the impact of fuel and staffing costs. There is also increased demand with more parents seeking use of transport and more children receiving a transport package as part of their Education, Health and Care Plans. This predicted overspend position can be partly mitigated by use of the earmarked reserve for SEND transport and from an allocation from the COVID grant reserve, bringing the overspend in this area down to £3.7 million net.
29. WCF have identified a number of mitigating actions and underspends, predominantly staffing within the Resources and Social Care Directorates, as well as potential call on reserves to reduce the overall forecast overspend to the £8.5 million shown in **Table 1**.

Dedicated Schools Grant (DSG) - £236m budget

30. The starting point for the DSG reserve is a deficit balance of £11.3 million, built up from previous years High Needs overspends. With the in-year projections and known catch-up commitments from money received in 2021/22, the forecast position at year-end is a £15.6 million deficit balance. **Table 2** details the forecast position for the current and next financial year.

Table 2 – Forecast DSG Position

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

31. Whilst DSG allocations are generally forecast to continue to rise but not at the rate of the last few years, the provisional 2023/24 DSG budgets have been announced, with an increase of c5%. Whilst income is increasing, DSG spend is forecast to rise by more than the predicted income, meaning the deficit will increase to around £20 million by the end of 2023/24.
32. High Needs funding and the impact of the deficit is a national issue and to address the future sustainability the DfE is investing a one off £85 million over three years in the Delivering Better Value in SEND (DBV) programme. This will support the 55 local authorities with deficits to reform their high needs systems, addressing the underlying issues that lead to increased pressure, and putting them on a more sustainable footing. Worcestershire is one of the 55 Local Authorities and is participating in the programme which is being supported by Newton Europe and CIPFA who we have previously worked aside in Social Care and through the Society of County Treasurers. For information, Authorities with the highest deficits participate in the safety valve intervention programme.
33. Worcestershire is confirmed in Phase 1 - tranche 2, which starts in January to June 2023, and we met with the DfE on 11 August 2022 and continually receive updates from the Programme. We have already started to collect the last 5 years data which needs to be sent to the DfE by 15 December 2022 to support the diagnostic, below is the diagram of the programme. It has now been confirmed that we will receive one off grant funding of £1 million for Worcestershire. This is not to be used to pay off the existing accumulated deficit.
34. From meeting with the Programme Leads our feedback is consistent with the common themes being fed back to the DfE:
 - The inequalities with the historic cap on Funding Formula
 - Concerns around the extension of statutory override or the ask for support on payments for historic deficits
 - Recognition that this sits in context of wider challenges in Local Government and Children’s Social Care
 - The impact of Covid-19 on the demand for services and the types of support required for Children and Young People
 - Workforce challenges e.g., increased demand for Educational Psychologists, across BAU and to deliver change

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

Economy & Infrastructure (E&I) – Budget £59.2m - £0.7m underspend

36. The Economy and Infrastructure Directorate is forecasting to underspend its £59.2 million budget by £0.691 million. The improvement in the overall position from that previously reported is attributable to the holding of vacant posts across the service, alongside increased income in the Network Management service.
37. The most significant variance from budget is a c£7.5 million overspend for Waste Services. This comprises the previously agreed savings target and additional tonnage and inflationary costs. It is anticipated that the net overspend will be funded by a transfer from the Waste PFI reserve, the agreed reduced contract price currently being finalised and a contribution from the COVID general reserve.
38. There is also a forecast increase in energy costs relating to street lighting and other road lighting budgeted due to the current national increase in energy prices and increases in contract costs which are planned to be funded by the Finance Risk Reserve (c£0.9 million, part of which already reported to Cabinet in previous monitoring reports). This is net of the savings being delivered relating to the conversion to more energy efficient LED bulbs.
39. There are also a number of pressures relating to inflationary increases, increased materials and fuel costs, and reduction in levels of income partly due to the impacts of COVID-19. Additional pressures are also being seen where consultancy costs are being incurred to cover hard to fill vacancies. It is however expected that additional income generated within Network Management will offset these pressures. Work continues within the directorate to monitor and evaluate the impacts of the current economic climate and establish mitigating action to ensure budget pressures can be contained.

Commercial and Commissioning – Budget £7.7m - £0.6m underspend

40. The Commercial and Commissioning Directorate is forecasting to deliver an in-year underspend of c£0.6 million due to holding posts vacant, and additional one-off backdated premises income.
41. The most significant variances from budget are as follows:
- A forecast £1 million overspend in Legal and Democratic Services due to additional input required to adult's cases, education and children's services court related costs including a specific child case. This has been mitigated in-year with one-off reserves and general COVID grant.
 - £0.3 million forecast inflationary pressures within Property Services which has been offset by a decrease in forecast costs expected within the reactive maintenance budget.
 - There is also a forecast overspend of c£0.3 million on energy costs due to the current national increase in energy prices, which is planned to be funded by the Finance Risk Reserve

42. The adjustments shown in Appendix 1A for Technology services and Transformation & Change are planned use of capitalisation and reserves to fund specific project activity.

Chief Executive/HR – Budget £1.4m – break-even

43. The Chief Executive/HR function is forecasting to broadly break even after identifying c£0.15 million of savings to contribute to the corporate savings target.

Finance / Corporate / Non-assigned Budget £36.6m - £0.662m underspend

44. The Financial Services budget includes corporate items such as the Financial Services team, Debt Interest and Minimum Revenue Provision (MRP).
45. The £34.6 million budget for Finance / Corporate Items is forecast to underspend in total by £0.662 million. This relates to an assumed release of the £0.5 million Whole Organisation Contingency, alongside £0.162 million of staffing underspends within Finance due to holding vacant posts.

Savings Programme Update

46. Included within the budget set for 2022/23 was a £5.15 million savings target. At the end of September 2022, £0.225 million had been identified from a good housekeeping exercise, plus a further £4.425 million (including £2.708 million from adult services) resulting in the total identified and delivered being £4.65 million. This leaves an unidentified gap of £0.5 million, as shown in **Table 3**.
47. £1.6 million of these proposals are relating to one-off use of Public Health grant and a further £0.7 million of the savings are also one-off, giving a potential recurrent pressure from 2023/24 of £2.3 million to be mitigated.
48. In addition to the budgeted savings, directorates have also been requested to identify further savings to support the council's overall financial position. This includes the demand related services relating to adults and children looking at ways to avoid any increase in, and the potential to reduce, their current forecast overspends. Additional savings are being requested by scrutinising vacant posts prior to being advertised, reducing or ceasing non-essential spend, for example purchase of stationery, attendance at training events, and looking at further income generating opportunities.

Table 3: Savings Forecast as at Month 7 2022/23

Service Area	Saving £m	Detail
People – Adults	2.708	Use of Public Health Grant and COMF funding on a one-off basis to fund eligible expenditure Deletion of non-essential vacant posts and use of forecast additional income to fund learning disability reviews
People - Communities	0.025	Vacancy management
COACH	0.430	Review of supplies and services and property spend Increase in income and deletion of non-essential vacancies
E&I	0.435	Deletion of non-essential vacant posts Additional network control income
Finance	0.182	Deletion of vacant posts
HR	0.150	Talent Management reduced delivery
WCF	0.495	Deletion of vacant posts and delay in recruitment

Good housekeeping	0.225	General reduction in supplies and service budgets including subscriptions and office expenses
Total	4.650	
Target	5.150	
Balance Remaining	0.500	

2022/23 Pay Award

49. National employers have reached agreement with Trade Unions relating to the 2022/23 pay increase. This equates to £1,925 per full time equivalent (i.e., £1,925 will be added to each Spinal Column Point), which also brings with it increases in employers' pension and national insurance contributions. The impact of the pay award and associated costs equates to a budgetary increase of c£5.5m for Worcestershire County Council. In February 2022, Council set a budget with an assumed pay uplift of 1.25% totalling c£1.5 million. The gap equates to £4 million of new and additional pressures, which are intended to be funded in 2022/23 from the Business Rates Reserve. This will need to be addressed recurrently in setting the 2023/24 budget.

COVID related expenditure and income received

50. A total of £13.292 million of Covid-19 related general grants were carried forward from 2021/22 into 2022/23. At its September meeting, Cabinet approved the planned allocations from this fund.
51. As at the end of September 2022, 65% of this had been spent or contractually committed, with the remaining expected to be fully utilised during the remainder of the financial year.
52. The Council also carried forward £4.226 million of Containment Outbreak Management Fund. It is expected that all this funding will be spent by the end of the financial years on projects relevant to the grant conditions. An analysis of forecast spend by the year end is given in **Table 4**.

Table 4: Forecast Spend on areas covered by COMF funding

Area of Spend	£'000
Children & Young People including Enhanced Youth Support and "Act on It"	711
Health Improvement including Lifestyle and Behaviour change, Focus groups and Population Health Management	302
Health Protection - WRS, Prevention/Enforcement	2,110
Mental Health and Well Being including Suicide Prevention, Community Builders, Asset Based Community Development (ABCD) and Information and Advice	242
Adult services Commissioners, Quality Team Covid Response and Safer Communities and support for older people	864
Currently unallocated	37
Total	4,226

Household Support Fund (HSF)

53. On 23 March 2022 the Chancellor announced an extension to the Household Support Fund (HSF), to 30 September 2022, with an additional £500 million of funding for all local authorities to support vulnerable households. Worcestershire's allocation of the fund was £3.949 million, spanning the time period 1 April 2022 – 30 September 2022.
54. On 26 May 2022 Government announced a further £500 million extension of this funding to 31 March 2023, and as before the Worcestershire allocation is £3.949 million between 1 October and 31 March 2023.
55. The funding has been allocated to County Council and Unitary Authorities in England to support those in most need to help with global inflationary challenges and the significantly increasing cost of living.
56. Local Authorities have the discretion on exactly how this grant funding is used (within scope of the grant determination and guidance). There is a requirement to work collaboratively with the Department for Work and Pensions (DWP) and other local authorities, including delivery partners for example District Councils, Charitable or voluntary sector organisations.
57. Worcestershire has been working closely with DWP, District Councils and 3rd party / voluntary organisations to deliver support to Households, further detail of the expenditure and volume of awards are found in **Table 5**.

Table 5: Areas of Funding relating to the HSF

Area of Funding	Volume of Awards	£
Support for Food	16,354	867,569
Free School meals during holidays	29,326	912,675
Support for Energy & Water	9,588	1,307,026
Support for essentials linked to Energy & Water	1,506	352,905
Support for wider essentials	1,211	163,367
Support for Housing costs	239	49,269
Scheme administration	n/a	296,328
Total	58,224	3,949,139

58. The rise in energy costs and food prices are some of the key drivers of the cost-of-living crisis. Worcestershire has supported c56,000 households access additional financial support totalling £3.4 million. The remainder of the grant has been spent on supporting wider essentials (for example white goods and school uniforms) and increases in housing related costs.
59. District Councils have been passported £0.889 million of the total grant (22.5%) to support households with the areas detailed in **Table 5**. The funding formula for the District Councils has been based on Council Tax hardship numbers within each area, therefore there are some variations across the county, and their allocations are detailed in **Table 6**.

Table 6: District Allocations of HSF – First 6 months

District Council	£
Bromsgrove BC	100,344
Redditch DC	146,200
Malvern Hills DC	89,105
Worcester City	189,089
Wychavon	157,060
Wyre Forest	207,342
Total	889,140

60. The plan for the October 2022 to March 2023 is in development and will be reported in a subsequent Cabinet report.

Earmarked Reserves

61. All earmarked and grant reserves are retained either under the delegated authority given to Chief Officers in the Financial Regulations or by Cabinet/Cabinet Member approval, this is subject to recommendations jointly by a Chief Officer in agreement with the Chief Financial Officer for carry forward each year.
62. In February 2022 the Cabinet approved a 2022/23 Budget and Medium-Term Financial Plan Update report that included a forecast of Earmarked Reserves which was based on the best knowledge available at that time. At its meeting in September 2022, further allocations from reserves were approved, as the Council needed to draw down funding from unspent grant and earmarked reserves to help fund expenditure.
63. As part of this update report, Cabinet are recommended to approve the following uses of reserves to support expenditure being incurred in the revenue account or transfers between reserves to earmark funding for specific capital or risk purposes:
- **Revenue**
 - Use of £4 million from the Business Rates Risk Reserve to fund the final national pay award for 2022/23.
 - Use of £0.3 million from the Finance Risk Reserve to fund energy inflation across council properties and a further £0.3 million for street lighting (in addition to the £0.6 million approved in September 2022) based on current forecast increase in energy prices.
 - Use of £1 million Adult Social Care reserves to fund an element of the in year overspend.
 - Allocation of £0.135 million from the Transformation Fund to fund the development of the council's intranet site.
 - Use of £2 million of Children's Revenue Grants and £1.9 million of earmarked risk reserves to fund the in-year pressures faced by Children's care.
 - **Capital**
 - A transfer from the Revolving Investment Fund reserve totalling £3.763 million into the Capital Investment Reserve to support the funding of the capital programme for 2023/24 onwards

- £0.9 million from the Strategic Infrastructure Fund to complete feasibility studies and outline business cases as part of the development of the South Worcestershire Development Plan, the Bromsgrove local plan, support for major applications and appeals and the Local Transport Plan 5 programme
- Allocation from the Future Capital Investment Fund to support the dilapidations work at Berkley Business Park following the vacation of Scientific Services (£0.085 million)
- **Risk**
- A transfer of £1.9 million from the Financial Risk Reserve to the Waste and Mineral Strategy Reserve to fund the development of statutory core waste and mineral strategies over the medium term.
- Use of £3 million of Business Rates Risk Reserve to fund the overspend in school transport.

Update on Capital Programme

64. The Draft Capital Programme was approved by Council in February 2022, and due to additional external resources being received, the programme was amended formally in September 2022. Following a detailed review of schemes within the existing programme at the end of Quarter 2, a revised capital programme has been completed.
65. A full copy of the Draft Updated Capital Programme can be found at **Appendix 2** with specific details of schemes where additional funding is currently expected to be required are detailed in the following paragraphs.
66. A further £0.2 million is required for the completion of the Broomhall Way Footbridge due to inflationary pressures.
67. The funding for the Southern Link Road Phase 4 is expected to be fully funded, however a further £7.65 million of s106 funding is not expected to be received from developers in time to fund expenditure required. This is in addition to the existing £7.5 million section 106 funding which will also need forward funding. As such, the County Council is being requested to forward fund this total amount until external funding is received.
68. A further £1 million is forecast to be required to fund the completion of the Pershore Infrastructure Improvements scheme due to inflationary uplifts, this is net of small reallocations of funding from other schemes which have forecast underspends.
69. As reported to Cabinet in September, additional payments were required to be made in relation to one of our school projects, totalling £3.56 million, which were unfunded.
70. The development of the capital programme requirement for digitisation and IT enhancement over the medium term to support the council's move to "Digital First" will require investment into technological solutions and upgrades to existing systems. A medium-term pressure of c£4 million is forecast over the next 4 years.
71. The corporate non-school estate capital maintenance programme has been developed with data from updated condition surveys completed on behalf of Property Services. These surveys identify essential and near end of life works and any health and safety or other works which could have a detrimental impact on service delivery. The programme now includes capital works to the rural estate to comply with

our landlord obligations. A short-term pressure of c£3 million is forecast over the next 2 years.

Medium Term Financial Plan (MTFP)

72. The Chancellor's budget statement was delivered on 17 November, with further details to follow on the full impact for Local Authorities. It is expected that the detail of the local government provisional settlement will not be known until just before Christmas, as such a further update will be brought forward to Cabinet in January as part of the budget setting papers.

Legal Implications

73. Legal advice will be provided to support any changes in service delivery in accordance with the requirements of the Council's policies and procedures.

Financial Implications

74. Members are required under Section 25 of the Local Government Act 2003 to have regard to the Chief Financial Officer's report when making decisions about the budget calculations for each financial year. This is undertaken through the approval of the annual budget in February each year.
75. Section 25 of the Act also covers budget monitoring, and this process monitors the robustness of budgets, adequacy of reserves and the management of financial risk throughout the year. This Cabinet report highlights forecast variances arising from current financial performance and the possible impact of existing pressures on future expenditure so that appropriate action may be taken.
76. In discharging governance and monitoring roles, Members are asked to consider the issues arising and the potential impact on the budget as well as the financial risks arising.
77. The Council's procedures for budget monitoring is reinforced through close financial support to managers and services on an ongoing basis to ensure processes and controls are in place to enable tight financial control.

HR Implications

78. A number of existing savings may impact on staff roles and responsibilities and where appropriate senior officers take advice from the Council's Human Resources team.
79. This will include undertaking consultations with staff, trade unions and any other affected body as appropriate.

Equality Duty Considerations

80. The Council will continue to have due regard to proactively addressing the three elements of the Public Sector Equality Duty in all relevant areas – in particular the planning and delivery of our services. The Council will continue to assess the equality impact of all relevant transformational change programmes and will ensure that Full Council has sufficient equalities assessment information to enable it to have due regard to the three elements of the Equality Duty when considering any changes to the budget. The Council will continue to ensure best practice is followed with regard to these requirements.

Risk Implications

81. The Cabinet report includes recommendations regarding the Council's forecast financial position for 2022/23 and the use of earmarked reserves and unspent grants.
82. If approved, there are normal risks regarding ensuring that appropriate qualifying expenditure is incurred, and that spending is within the cash limited for budgets. These risks are mitigated through the regular budget monitoring process.

Privacy and Public Health Impact Assessment

83. A Health Impact Assessment has been undertaken with regard to this report and recommendations relating to new spending decisions to understand the potential impact they can have on Public Health outcomes across the county area.
84. This report is mainly about confirming the forecast financial position at this stage of the year reflecting existing Cabinet decisions and policies, and where appropriate utilising specific grant monies with spending restrictions associate with these grants.
85. Taking this into account, it has been concluded that there are no other specific health impacts as a result of new decisions arising from this Cabinet report.
86. A similar assessment has been undertaken with regard to privacy/data protection and has confirmed that there is no impact anticipated as a result of this report.

Supporting Information

- **Appendix 1A** – Budget Monitoring Outturn Forecast for Month 7 as at 31 October 2022
- **Appendix 1B** – Revenue Monitoring Forecast Variances above £0.250m
- **Appendix 2** – Capital Programme

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

P7 Outturn Forecast - 2022/23 SLT Revenue Budget Monitoring Forecast by Service						One Off / Adjustments						
Service	2022/23 Gross Budget	2022/23 Net Budget	2022/23 Forecast Excluding One-off Adjustments	Manual Adj	22/23 Draft Variance Before Adj's	Transfer to Capital	Trf To Reserves	Trf From Reserves	Use of general Covid grant	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	%
DSG - School Formula Budgets	124,528	128,077	127,737		(340)	0	0	0	0	340	0	0.0%
DSG - High Needs Pupils	59,275	69,060	74,210		5,150	0	0	0	0	(5,150)	0	0.0%
DSG - Early Years	36,476	35,418	34,914		(504)	0	0	0	0	504	0	0.0%
DSG - Statutory Duties / Historic Commitments	3,377	3,325	3,325		0	0	0	0	0	0	0	0.0%
DSG - Other School Grants	15,177	0	0		0	0	0	0	0	0	0	0.0%
DSG - Dedicated Schools Grant	7,320	(235,880)	(235,880)		0	0	0	0	0	0	0	0.0%
Total Dedicated Schools Grant (DSG)	246,153	0	4,306	0	4,306	0		0	0	(4,306)	0	0.0%
WCF Contract	124,949	108,648	108,648	9,541	9,541	0	0	(1,000)	0	0	8,541	7.9%
Total WCF (Excl DSG)	124,949	108,648	108,648	0	9,541	0	0	(1,000)	0	0	8,541	7.9%
Economy & Sustainability	5,688	1,425	3,702		2,277	(26)	953	(3,365)	0	0	(161)	-11.3%
Planning and Regulation	1,482	724	2,166		1,442	(169)	0	(878)	0	0	395	54.6%
Major Projects	3,814	1,238	2,443		1,205	(979)	0	(185)	0	0	41	3.3%
Passenger Transport Operations	16,860	10,354	10,183		(171)	(36)	0	(303)	0	0	(510)	-4.9%
Business Management	827	(30)	(116)		(86)	58	8	0	0	0	(20)	66.7%
Infrastructure & Contracts	1,509	1,509	1,611		102	(62)	0	0	0	0	40	2.7%
Waste Management	51,044	29,805	37,325		7,520	0	0	(7,550)	0	0	(30)	-0.1%
Network Management	3,767	452	251		(201)	(107)	147	(318)	0	0	(479)	-106.0%
Development Management	1,113	166	150		(16)	0	0	0	0	0	(16)	-9.6%
Highways Operations & PROW	8,754	8,733	10,767	1	2,033	(1,972)	0	(42)	0	0	19	0.2%
Road Lighting	4,913	4,849	5,865	0.4	1,016	(143)	0	(843)	0	0	30	0.6%
<i>Economy Overview and Scrutiny Panel</i>	30,180	15,220	19,989	0	4,769	(1,214)	961	(4,731)	0	0	(215)	-1.4%
<i>Environment Overview and scrutiny panel</i>	69,591	44,005	54,358	1	10,352	(2,222)	147	(8,753)	0	0	(476)	-1.1%
Economy & Infrastructure	99,771	59,225	74,347	1	15,121	(3,436)	1,108	(13,484)	0	0	(691)	-1.2%
COACH - Management	577	220	219		(1)	0	0	(82)	0	0	(83)	-37.7%
Property Services	9,209	449	374		(75)	(100)	0	(181)	0	0	(356)	-79.3%
Commercial Team	3,027	842	937		95	0	0	(115)	0	0	(20)	-2.4%
Legal and Democratic Services	8,267	5,250	6,269		1,019	(20)	86	(670)	(367)	0	48	0.9%
Technology	9,838	952	1,267		315	(191)	0	(332)	0	0	(208)	-21.8%
Transformation & Change	1,863	(7)	1,122		1,129	0	0	(1,129)	0	0	0	0.0%
Total Commercial and Change	32,781	7,706	10,188	0	2,482	(311)	86	(2,509)	(367)	0	(619)	-8.0%
Health & Safety	366	24	41		17	0	0	0	0	0	17	70.8%
HR Core Structure	4,952	658	766		108	0	0	(213)	0	0	(105)	-16.0%
Content & Communications	1,199	365	425		60	0	0	(72)	0	0	(12)	-3.3%
HR Old Structure	0	0	0		0	0	0	0	0	0	0	#DIV/0!
Chief Executive	387	387	408		21	0	0	0	0	0	21	5.4%
Total Chief Executive	6,904	1,434	1,640	0	206	0	0	(285)	0	0	(79)	-5.5%

P7 Outturn Forecast - 2022/23 SLT Revenue Budget Monitoring Forecast by Service						One Off / Adjustments						
Service	2022/23 Gross Budget	2022/23 Net Budget	2022/23 Forecast Excluding One-off Adjustments	Manual Adj	22/23 Draft Variance Before Adj's	Transfer to Capital	Trf To Reserves	Trf From Reserves	Use of general Covid grant	Proposed C/Fwds	Variance After Adj's	Variance After Adj's
	£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	%
Adults Commissioning Unit	19,774	340	1,184		844	0	0	(1,391)	0	0	(547)	-160.9%
Learning Disabilities	77,531	66,086	69,431		3,345	0	0	0	0	0	3,345	5.1%
Mental Health	27,771	18,927	21,620		2,693	0	0	0	0	0	2,693	14.2%
Older People	106,517	72,733	75,420		2,687	(440)	0	(60)	(50)	0	2,137	2.9%
Physical Disabilities	20,864	16,408	18,301		1,893	0	0	0	0	0	1,893	11.5%
Support Services	55	(19,388)	(19,251)		137	0	0	0	0	0	137	-0.7%
Future Fit including Grants	1,433	(15,737)	(16,061)		(324)	0	0	(2,731)	0	0	(3,055)	19.4%
Total People - Adult Services	253,945	139,369	150,644	0	11,275	(440)	0	(4,182)	(50)	0	6,603	4.7%
Registration & Coroner	2,260	710	737		27	0	0	(132)	0	0	(105)	-14.8%
Strategic Libraries & Learning	11,425	4,057	4,178		121	0	0	0	0	0	121	3.0%
Museums Service	776	658	658		0	0	0	0	0	0	0	0.0%
Severn Arts Music	0	0	0		0	0	0	0	0	0	0	0.0%
Countryside Greenspace	2,159	196	198		2	0	0	0	0	0	2	1.0%
Community Leadership	351	326	52		(274)	0	0	0	0	0	(274)	-84.0%
Skills & Inv incAdult learning	7,172	430	198		(232)	0	0	0	0	0	(232)	-54.0%
ENDIASS	265	57	57		0	0	0	0	0	0	0	0.0%
Chs Comm & Ptnership	996	684	680		(4)	0	0	0	0	0	(4)	-0.6%
Education Statutory	43	0	0		0	0	0	0	0	0	0	0.0%
Historic Chs	11,046	120	225		105	0	0	(105)	0	0	0	0.0%
Archives & Archaeology	3,659	1,573	1,573		0	0	0	0	0	0	0	0.0%
Provider services	10,720	9,694	9,694		0	0	0	0	0	0	0	0.0%
Childrens S75	2,297	2,096	2,096		0	0	0	0	0	0	0	0.0%
Here 2 Help	0	0	0		0	0	0	0	0	0	0	0.0%
Total People - Communities	53,169	20,601	20,346	0	(255)	0	0	(237)	0	0	(492)	-2.4%
Public Health Ring Fenced Grant	36,493	0	2,968		2,968	0	0	(2,968)	0	0	0	0.0%
Trading Standards	879	122	122		0	0	0	0	0	0	0	0.0%
Public Analyst	69	2	2		0	0	0	0	0	0	0	0.0%
Non PHRFG activities	1,476	0	98		98	0	0	(98)	0	0	0	0.0%
Public Health	38,917	124	3,190	0	3,066	0	0	(3,066)	0	0	0	0.0%
Total : Services (Excl DSG)	610,436	337,107	369,003	1	41,436	(4,187)	1,194	(24,763)	(417)	0	13,263	3.9%

P7 Outturn Forecast - 2022/23 SLT Revenue Budget Monitoring Forecast by Service						One Off / Adjustments						
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	£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	%
Financial Services	7,817	1,927	1,709	960	742	0	0	(960)	0	0	(218)	-11.3%
Financing Transactions (Borrowing and Investments)	19,678	19,678	25,556		5,878		0	0	0	(5,878)	0	0.0%
MRP	11,098	11,098	12,196		1,098	0	0	0	0	(1,098)	0	0.0%
Contributions and Precepts	267	267	267		0	0	0	0	0	0	0	0.0%
Pension Fund Backfunding Liabilities	4,464	4,464	4,464		0	0	0	0	0	0	0	0.0%
Miscellaneous Whole Organisation Services	924	668	3,453	(2,785)	0	0	0	0	0	0	0	0.0%
New Homes Bonus Grant Income	0	(1,513)	(1,513)		0	0	0	0	0	0	0	0.0%
COVID-19	0	0	0		0	0	0	0	0	0	0	0.0%
Whole Organisation - Contingency	444	0	(521)	77	(444)	0	0	0	0	0	(444)	0.0%
Finance / Corporate Items	44,692	36,589	45,611	(1,748)	7,274	0		(960)	0	(6,976)	(662)	-1.8%
Organisation Review	(500)	(500)	0		500	0	0	0	0	0	500	-100.0%
Other General Covid-19 Pressures	0	0	0		0	0	0	0	0	0	0	0.0%
Commercial Savings	0	0	0		0	0	0	0	0	0	0	0.0%
Financial Risk Reserve	0	0	0		0	0	0	0	0	0	0	0.0%
Not Assigned Items	(500)	(500)	0	0	500	0		0	0	0	500	-100.0%
Funding - Transfer To/(From) Reserves			0		0	0		0		0	0	0.0%
Total (Excl DSG)	654,628	373,196	414,614	(1,747)	49,210	(4,187)		(25,723)	(417)	(6,976)	13,101	3.5%
Council Tax	(301,346)	(301,346)	(301,346)		0	0		0		0	0	0.0%
Collection Fund (Surplus) / Deficit	(2,904)	(2,904)	(2,904)		0	0		0		0	0	0.0%
Net Use of Reserves	(261)	(261)	(261)		0	0		0		0	0	0.0%
Business Rates Retention Scheme	(68,686)	(68,686)	(68,686)		0	0		0		0	0	0.0%
Total - Funding	(373,197)	(373,197)	(373,197)	0	0	0		0	0	0	0	0.0%
Grand Total - Services and Funding (Excl DSG)	281,431	(1)	41,417	(1,747)	49,210	(4,187)		(25,723)	(417)	(6,976)	13,101	
Total Dedicated Schools Grant (DSG)	246,153	0	4,306	0	4,306	0		0	0	(4,306)	0	
Total	527,584	(1)	45,723	(1,747)	53,516	(4,187)		(25,723)	(417)	(11,282)	13,101	

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Service	2022/23 Gross Budget	2022/23 Net Budget	Variance After Adj's	Variance After Adj's	>£250k variances
	£000	£000	£000	%	
WCF Contract	124,949	108,648	8,541	7.9%	£4.9m Pressure in Placements for Looked After Children, £0.7m staffing overspend in All Age Disability, and £3.7m overspend in Home to School Transport. Partly mitigated by holding staffing vacancies where possible
Planning and Regulation	1,482	724	395	54.6%	Agency costs within the service
Passenger Transport Operations	16,860	10,354	(510)	-4.9%	Underspend on Driver Training and Concessionary Fares, based on current activity levels.
Network Management	3,767	452	(479)	-106.0%	Additional Income from Utility firms, developers etc. for road access and closures.
Property Services	9,209	449	(356)	-79.3%	Underspend due to one-off backdated income from Tenants
Adults Commissioning Unit	19,774	340	(547)	-160.9%	Underspend due to vacancy holding
Learning Disabilities	77,531	66,086	3,345	5.1%	Overspend on LD external placements, £0.7m Residential & Nursing, £1.2m Supported Living, £2.4m YAT, offset by £0.6m staffing vacancies within the Social Work Teams. Client numbers currently in service and unit costs of placements are both higher than budgeted
Mental Health	27,771	18,927	2,693	14.2%	Overspend on MH External placements, in majority within Residential services. Client numbers currently in service and unit costs of placements are both higher than budgeted.
Older People	106,517	72,733	2,137	2.9%	Overspend on OP placements of £3.1m - Residential £1.9m, Nursing £1.1m, DP £1m. Offset by Staffing vacancies and Domiciliary underspend of £0.5m
Physical Disabilities	20,864	16,408	1,893	11.5%	Overspend relates to external placements, £0.8m Nursing, £0.6m Res & Supported Living, £0.5m Dom
Future Fit including Grants	1,433	(15,737)	(3,055)	19.4%	Use of £2.2m of Reserves to offset external placement forecast overspends
Community Leadership	351	326	(274)	-84.0%	Vacancy Management
Whole Organisation - Contingency	444	0	(444)	0.0%	Under-utilisation of whole org contingency
Organisation Review	(500)	(500)	500	-100.0%	Non-achievement of savings unassigned

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Updated Capital Programme - Month 7 2022/23

Total Expenditure	Approved Capital Programme 2022/23 + £000	2022/23 Forecast £000	2023/24 Forecast £000	2024/25 + Forecast £000	Total 2022/23 + Forecast £000	Variance to Approved Capital Programme £000
Open For Business	94,830	37,696	41,675	25,735	105,107	-10,276
The Environment	166,057	76,525	65,685	32,234	174,444	-8,386
Children and Families	102,921	56,998	23,550	27,303	107,851	-4,929
Efficiency and Transformation	10,784	6,897	4,971	5,924	17,792	-7,008
Health and Well-Being	3,475	3,475	0	0	3,475	0
TOTAL	378,068	181,591	135,881	91,196	408,668	-30,599

Total Funding	Approved Capital Programme 2022/23 + £000	2022/23 Forecast £000	2023/24 Forecast £000	2024/25 + Forecast £000	Total 2022/23 + Forecast £000
TEMPORARY AND LONG TERM BORROWING & CAPITAL RECEIPTS	190,031	89,534	66,545	33,953	190,031
GOVERNMENT GRANTS	167,701	66,160	51,174	50,367	167,701
THIRD PARTY CONTRIBUTIONS	19,368	19,368	0	0	19,368
REVENUE BUDGET	969	969	0	0	969
TOTAL	378,069	176,031	117,719	84,320	378,069

Shortfall		-5,560	-18,162	-6,877	-30,599
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Open For Business	Approved Capital Programme 2022/23 +	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast	Variance to Approved Capital Programme
	£000	£000	£000	£000	£000	£000
Open for Business	6,242	3,742	2,500	0	6,242	0
Railway Station Upgrades	3,235	671	2,364	200	3,235	0
Worcester to Malvern Active Travel Corridor (ATC)	0	420	680	370	1,470	-1,470
Infrastructure Improvements	1,500	400	600	500	1,500	0
A44 Crown East Roundabout	64	64	0	0	64	0
Southern Link Dualling Phase 3 a,b & c	1,373	1,373	0	0	1,373	0
Broomhall Way Footbridge	0	105	100	0	205	-205
Worcester Southern Link Road dualling Phase 4	6,813	14,463	0	0	14,463	-7,650
Kidderminster Rail Station Enhancement	129	129	0	0	129	0
Pershore Infrastructure Improvements	2,948	3,900	0	0	3,900	-952
Rantan Roundabout Study	197	50	50	97	197	0
Evesham Transport Strategy	2	2	0	0	2	0
Churchfields Kidderminster	5	5	0	0	5	0
Public Realm - Worcester Future High Street Fund	919	919	0	0	919	0
Public Realm - Malvern Town Centre	39	39	0	0	39	0
Public Realm - Redditch Phase 3	105	105	0	0	105	0
Worcester City Vehicles	10	10	0	0	10	0
Local Broadband Plan Phase 1	3,309	809	2,500	0	3,309	0
Local Broadband Plan Phase 3	962	961	0	0	961	0
Malvern Technology Park	2,619	1,515	1,104	0	2,619	0
Construction & Automotive Skills Centre	423	423	0	0	423	0
Redditch Rail Quarter	15,038	3,000	12,000	38	15,038	0
Worcester Parkway Regional Interchange	813	813	0	0	813	0
Worcestershire Parkway (WLEP match funding walk/cycle route)	60	60	0	0	60	0
Rail Investment Strategy	503	75	200	228	503	0
Worcester Shrub Hill Industrial estate	165	165	0	0	165	0
Shrub Hill Quarter Brownfield Land Fund - Shrub Hill	964	255	709	0	964	0
Shrub Hill Quarter Worcester City Towns Fund	39	39	0	0	39	0
Shrub Hill Quarter - Station Frontage	1,800	1,235	565	0	1,800	0
A38 Bromsgrove Phase 1	127	127	0	0	127	0
A38 Bromsgrove Phases 2 to 6	43,739	1,573	17,863	24,303	43,739	0
Start Up & High Growth Start Up	117	50	67	0	117	0
SME Growth Programme	573	200	373	0	573	0
TOTAL	94,830	37,696	41,675	25,735	105,107	-10,276

The Environment	Approved Capital Programme 2022/23 +	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast	Variance to Approved Capital Programme
	£000	£000	£000	£000	£000	£000
Structural Carriageway / Bridgeworks Programme	90,941	35,341	33,800	21,800	90,941	0
Pavement Improvement Programme	12,273	4,273	4,000	4,000	12,273	0
Integrated Transport Block	9,562	5,416	2,073	2,073	9,562	0
Highway Flood Mitigation Measures	3,773	1,773	1,000	1,000	3,773	0
Toronto Close EA Flood Alleviation scheme	758	758	0	0	758	0
Natural Networks (Love Your River)	867	867	0	0	867	0
Street Column Replacement Programme	2,664	1,800	864	0	2,664	0
Street Lighting LED conversions	6,000	4,800	1,200	0	6,000	0
Public Rights of Way	52	52	0	0	52	0
Public Rights of Way - Project Funding	564	564	0	0	564	0
Local Members Highways Fund	5,011	1,250	2,050	1,711	5,011	0
Traffic Signals Maintenance Specific Grant	493	493	0	0	493	0
Infrastructure and Highways Spend - Capitalised Revenue	4,500	2,000	2,000	500	4,500	0
Small Works Package	379	79	150	150	379	0
South Littleton to Blackminster Cycleway / pedestrian scheme.	191	191	0	0	191	0
Walking and Cycling - Kepax Bridge	13,524	7,016	6,508	0	13,524	0
Walking and Cycling - Sabrina Bridge	56	56	0	0	56	0
Hampton Bridge, Evesham	3,513	1,000	10,300	600	11,900	-8,387
Hoobrook Link Road - Pinch Points	1	1	0	0	1	0
Cutting Congestion Programme	1,104	1,104	0	0	1,104	0
Cutting Congestion Worcester NPIF	44	44	0	0	44	0
Cutting Congestion Bromsgrove NPIF	216	216	0	0	216	0
Cutting Congestion - A456 Stourport Road Junction	480	480	0	0	480	0
Cutting Congestion - A38 Upton crossroads Proposed	4,037	4,037	0	0	4,037	0
Cutting Congestion - Bromsgrove Town Junction eff	280	280	0	0	280	0
Road Safety Improvements	1,339	539	400	400	1,339	0
Traffic Management Capital - formerly revenue funded.	21	21	0	0	21	0
Covid19 Emergency Active Travel Fund	79	79	0	0	79	0
Highways Strategic Investment Fund	100	100	0	0	100	0
Worcester Transport Strategy	279	279	0	0	279	0
Green Deal Communities	3	3	0	0	3	0
Investment Initiatives to Support Business and/or Green Technology	323	223	100	0	323	0
Energy Efficiency Spend to Save	462	231	231	0	462	0
Business Energy Efficiency Programme - 2	450	450	0	0	450	0
Warm Homes Fund	56	56	0	0	56	0
Public Sector Decarbonisation	554	554	0	0	554	0
Vehicle Replacement Programme	1,109	100	1,009	0	1,109	0
TOTAL	166,057	76,525	65,685	32,234	174,444	-8,386

Children and Families	Approved Capital Programme 2022/23 +	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast	Variance to Approved Capital Programme
	£000	£000	£000	£000	£000	£000
- Nunnery Wood High School Expansion	1,374	1,374			1,374	
- Rushwick Primary School Expansion	68	68			68	
- Bengeworth 1st	111	111			111	
- Social Care Projects	37	37			37	
- Social Care Projects 17/18	3,323	3,323			3,323	
- Evesham St Andrews	122	122			122	
- Leigh and Bransford	165	165			165	
- Holyoaks Field 1st School	0	3,560			3,560	-3,560
- Specific School Expansion Activity	3,000	3,000			3,000	
- Other School Expansion Activity	1,000	1,000			1,000	
- New Worcester Secondary School	33,000	11,000	11,000	22,000	44,000	-11,000
- Capitalised Revnue funded from capital receipts	9,631				0	9,631
- Flexible use of Capital Receipts	133	133			133	
- Major Schemes - Residual	54	54			54	
- Capital Maintenance	8,597	8,597			8,597	
- Basic Need	23,095	10,664	7,128	5,303	23,095	
- Schools Condition Allocation	4,081	4,081			4,081	
- Devolved Formula Capital	703	703			703	
- EFA Extension of Provision (Early Years)	259	259			259	
- Schools Nurseries capital (SNCF)	201	201			201	
- DfE One Bedroom Res Childrens Home Project	193	193			193	
- Higher Level Need Grant	12,245	6,823	5,422		12,245	
- Special Provision	1,387	1,387			1,387	
- Composite Sums - Residual	142	142			142	
	102,921	56,998	23,550	27,303	107,851	-4,929

Efficiency and Transformation	Approved Capital Programme 2022/23 +	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast	Variance to Approved Capital Programme
	£000	£000	£000	£000	£000	£000
Repair and Maintenance - Property Costs	2,816	2,215	2,101	1,500	5,816	-3,000
Emergency Contingency Element	464	100	110	254	464	
Brownfield Land Release Grant - Kidderminster	400	400	0	0	400	
Future Technology Transformation Programme	2,853	2,401	1,832	2,628	6,861	-4,008
Digital Transformation	1,841	578	518	745	1,841	
Non Programme IT capital purchases	1,000	250	250	500	1,000	
Councillor ICT Hardware	87	10	10	67	87	
Corporate Information Governance Paper Audit	205	205	0	0	205	
WCF Tech Roadmap	555	175	150	230	555	
Social Care Performance IT Enhancement	563	563	0	0	563	
	10,784	6,897	4,971	5,924	17,792	-7,008

Health and Well-Being	Approved Capital Programme 2022/23 +	2022/23 Forecast	2023/24 Forecast	2024/25 + Forecast	Total 2022/23 + Forecast	Variance to Approved Capital Programme
	£000	£000	£000	£000	£000	£000
- Capital Investment in Community Capacity/ Specialised Housing	2,503	2,503			2,503	
- Worcester Library and History Centre (Non - PFI capital costs)	122	122			122	
- Redditch Library	119	119			119	
- Kidderminster Library	78	78			78	
Composite Sums:						
- Libraries Minor Works	378	378			378	
- Adult Services Minor Works	275	275			275	
	3,475	3,475	0	0	3,475	0

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