



## **CUMBERLAND SCHOOLS FORUM**

### **MINUTES OF THE MEETING HELD ON 15 January 2024 via Microsoft Teams**

#### **PRESENT**

**James Blackwell (Maintained Primary)**  
**Andy Curtis (Teachers' Professional Associations – NASUWT)**  
**David Grimshaw (Maintained Primary)**  
**Rhiannon Hughes (Maintained Nursery)**  
**Julie Jones (RC Diocese)**  
**Elaine Lynch (Cumberland Portfolio Holder – Lifelong Learning & Development)**  
**Chris McAree (Secondary Academy)**  
**Nerissa Nicholas (Maintained Primary)**  
**Tom Hailwood (Maintained Secondary)**

#### **Officers in Attendance:**

<b>Heather Loveridge</b>	<b>(Interim AD – Education and Skills)</b>
<b>Susan Milburn</b>	<b>(Group Accountant – Education &amp; Inclusion)</b>
<b>Amanda Chew</b>	<b>(Finance Manager)</b>
<b>Sophie Scott</b>	<b>(Finance)</b>
<b>Sally Senejko</b>	<b>(Senior Manager – SEND, Education &amp; Inclusion)</b>
<b>Lesley Nixon</b>	<b>(Senior Manager – Learning Improvement Service)</b>
<b>Nicola Shiels</b>	<b>(Forum Support)</b>

#### **Observers:**

**None**

#### **Apologies for Absence**

**Simon Nicholson (Group Accountant – Adult & Children's Social Care)**  
**Michael Smillie (Secondary Academy)**

## **PART 1: ITEMS LIKELY TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC**

### **1. Exclusion of Press and Public**

It was agreed that all items would be considered in the public domain.

### **2. Declarations of Interest**

There were no declarations of interest at this stage.

### **3. Minutes of Previous Meeting and Matters Arising**

Subject to some amendments relating to member constituency details, the minutes of the meetings of the Schools Forum held on 2 November 2023 and 28 November 2023 were agreed as an accurate record.

### **4. Dedicated Schools Grant – School Budgets 2024-25**

A report that informed Schools Forum that the 2024-25 Dedicated Schools Grant (DSG) Schools Block allocation for Cumberland was £211.546m which represented an increase of £12.646m compared to 2023-24.

Schools Forum were asked to approve the growth fund budget at £0.362m in 2024-25 to support schools experiencing a growth in pupil numbers in their own catchment areas above their Published Admission Numbers (PAN) and to support for the continued use of the optional exceptional circumstances factor in the 2024-25 school funding formula for Ireby CE School relating to rent costs of £3,254.

After calculating the school budget shares using the national funding formula and after considering the proposed growth fund budget there was a balance remaining in the Schools Block which would be transferred to the High Needs Block to support the budget pressures.

The report also confirmed the maintained schools de-delegated budgets for 2024-25 and the primary and secondary per pupil rates.

On 2 November 2023, following the outcome of the consultation with all maintained schools and academies, Schools Forum agreed to recommend to Executive that Cumberland should adopt the National Funding Formula (NFF) in 2024-25 and that if there was any surplus balance remaining in the Schools Block, after taking into account the growth fund budget, up to a maximum of 0.5% should be transferred to the High Needs Block with any residual balance after that to be allocated to schools through the school funding formula by increasing the basic per pupil unit factor. Executive approved this recommendation on 15 December 2023.

The premises factor at LA level, had increased based on estimated National Non-Domestic Rates (NNDR) costs in 2024-25 for each maintained school and academy in Cumberland plus any rates adjustments for 2022-23 (either positive or negative) and exceptional rents costs for 2023-24.

The growth fund factor at LA level had increased by £0.534m compared to 2023-24 and included, for the first time, funding for falling rolls. The growth fund factor was not ring-fenced and could be used to support the school funding formula, if required.

Local authorities were permitted, with the agreement of their Schools Forum, to retain a growth fund to support mainstream maintained schools and academies in its area in meeting increased local pre-16 demand for school places resulting from 'natural' demographic changes or nearby housing developments within a school's own catchment area.

In 2023-24 the Cumbria Schools Forum approved a budget of £0.343m for Cumberland; £0.415m had been allocated year to date, a pressure of £0.072m. The pressure in 2023-24 had mainly arisen due to growth funding for the period 1 April 2023 to 31 August 2023 allocated to Workington academy which exceeded its PAN in September 2022 at the request of the local authority.

Work was ongoing to identify potential growth funding requirements for 2024-25 however approval was sought from Schools Forum to increase the growth fund budget to £0.362m in 2024-25 to fund ongoing and new growth in schools that were admitting pupils over PAN at the LA's request to meet basic need. Any under or overspend against the Growth Fund budget will transfer to the DSG reserves.

Local authorities were also permitted to have a discretionary falling rolls fund. It was not proposed to have a falling rolls fund in 2024-25 as Cumberland and formerly Cumbria had not had a falling rolls fund in previous years as the expectation was that falling rolls were foreseen and planned for by schools and academies by adjusting staffing levels accordingly. For maintained schools support for costs associated with staff restructuring such as redundancies costs could be provided on a case-by-case basis through the De-delegated Contingency Fund in accordance with the LA Scheme for Financing Schools.

The school funding formula included the use of the optional exceptional circumstances factor for Ireby CE School. The use of this factor could only apply to fewer than 5% of schools in the local authority area and to qualify, the additional cost to the school must be more than 1% of its school budget share. The funding through this factor for Ireby CE School was estimated to be £3,294 in 2024-25 and was related to the cost of hiring a hall as the school did not have its own hall. Funding for this cost had already been included in the premises funding element of the Schools Block in 2024-25 and therefore the use of this factor in the formula did not impact on any other maintained school or academy.

After applying the 2024-25 National Funding Formula to calculate the budget shares and after considering the proposed growth fund budget of £0.362m, there was a balance remaining of £0.224m which equated to 0.11% of the Schools Block. As recommended by Schools Forum on 2 November 2023 and agreed by Executive on 15 December, the balance would be transferred to the High Needs Block in 2024-25 to support the budget pressures.

The report also confirmed the maintained schools de-delegated budgets for 2024-25, as agreed by the maintained school representatives on Schools Forum on 2 November 2023 and the primary and secondary per pupil rates that would be used in Cumberland.

The school budget shares calculated by the local authority were due to be submitted to the ESFA by 22 January 2024 and would be subject to validation and approval by the ESFA before final school budget shares could be confirmed. The deadline set by the DfE

for mainstream maintained schools to be notified of their budget by the LA was 29 February 2024. Academies would be informed of their budgets by the ESFA by 31 March 2024.

As well as the funding through the school funding formula in 2024-25 schools and academies would also continue to receive the Teachers' Pay Additional Grant as a separate grant. There would also be an additional grant to reflect the additional costs of the increase of 5 percentage points to the employer contribution rates to the teachers' pensions scheme from April 2024. Further detail of this new grant had not yet been announced by the DfE.

The Schools Forum welcomed that schools would receive NFF in full, with no reduction in AWPUs and:

- i) supported the continued use of the optional exceptional circumstances factor in the 2024-25 school funding formula for Ireby CE School rent costs of £3,294;
  - and approved:
- i) a growth fund budget of £0.362m; and
- ii) the growth fund allocation criteria at Appendix 2 of the report.

## 5. Dedicated Schools Grant – Other Blocks 2024-25

A report that informed Schools Forum of the 2024-25 Dedicated Schools Grant (DSG) for Central School Services, Early Years and the High Needs Clocks was presented.

The Education and Skills Funding Agency (ESFA) published the DSG allocations for 2024-25 on 20 December 2023. The DSG was allocated in 4 blocks: Schools Block, High Needs Block, Early Years Block, and Central Schools Services Block. The total allocation across these 4 blocks for Cumberland was £280.75m.

**Central Schools Services Block** – This was made up of two elements, historic commitments and ongoing commitments and had reduced by £0.037m. Since 2020-21, DfE had committed to reduce the historic commitments element by 20% each year. Most of the historic commitments related to contributions towards Council school-related children's services staffing, health and safety and people management budgets in addition to prudential borrowing.

The proposed CSSB budgets for 2024-25 were set out in the report. The annual charge for copyright licences, which was set by the ESFA and re-charged to local authorities had not yet been announced and was based an estimate.

The Schools Forum members were asked to note the reduction to historic commitments budgets and to approve the provisional CSSB budget for 2024-25 for Cumberland. The budget was provisional as it was subject to notification of the actual 2024-25 copyright licence charge. An updated CCSB budget would be brought to the next Schools Forum meeting in March.

**Early Years Block** – The Early Years Block allocation had increased by £10.663m. The increase in the EYB included funding for the new Under 2s and eligible working parents of 2-year olds entitlements. The EYB allocation was provisional and would be adjusted in July 2024 and July 2025 to reflect the actual hourly take up of disadvantaged 2-year olds and 3-4 year old provision free entitlement.

The increases in 2, 3-4 year old funding also represented an increase in the LA level hourly funding rates which reflected the roll in of the early years supplement grant which was a separate grant in 2023-24. It was noted that the hourly rates set out in the report (with the exception of the Early Years Premium Premium) included an amount that was proposed to be centrally retained by the local authority, therefore these were not the rates that would be received by providers.

The new under 2s and 2-year old proposed funding rates were set out in a separate report and would be subject to agreement by the Executive at the February meeting.

For 3-4 olds, it was proposed that the full increase in the 3-4 Year old LA level hourly funding rate of £0.27 would be passed onto Early Years Providers in 2024-25 increasing the current hourly rate in the funding formula from £4.81 to £5.08. The deprivation supplement was proposed to remain at £0.21 in line with the proposed funding formulae for the new Under 2s and 2 Year Olds funding formulae.

The report also detailed the early years pupil premium, the disability access fund and maintained nursery schools supplementary funding as well as setting out how the early years block was made up.

In line with the Schools Forum regulations, the Schools Forum must approve the proposed centrally retained early years expenditure budgets of £0.779m for Cumberland in 2024-25. As the outcome of the new early years funding formulae consultation for the Under 2s and 2 Year Olds was still subject to final agreement by Executive, the proposed centrally retained budgets were provisional and would be confirmed at the next Schools Forum meeting.

**High Needs Block** – The High Needs Block allocation, before deduction for directly funded places by the ESFA, was £39.803m and had increased by £1.193m compared to 2023-24.

As reported to Schools Forum on 18 September 2023, the additional HN funding of £1.585m received in 2023-24 has been rolled into the baseline for the purposes of calculating the funding floor protection which allowed for a minimum 3% increase per head of population capped at 5% against the 2023-24 baseline.

The Basic factor funding had been updated since the provisional HN block was published in July 2023 to reflect an increase in special and independent school pupil numbers of 37.5 pupils between the 2022 and 2023 census dates.

The minimum funding guarantee (MFG) for Special Schools must be set at a minimum of 0% against the 2023-24 baseline although local authorities are encouraged to set the rate within a 0 to 0.5% range. As the mainstream national funding formula allowed for a 0.5% MFG it was proposed that the same rate was used for special schools.

Special schools and PRUs would continue to receive a separate allocation in addition to their place and top-up funding equivalent to the additional HN funding allocations in 2023-24. This separate allocation gave special schools and PRUs additional funding equivalent to 3.4% of their total income in 2023-24. In addition, Special schools and PRUs would also receive the Teachers' Pay Additional Grant as a separate grant in 2024-25 as well as a new additional grant to reflect the costs of the increase of 5 percentage points to 28.6% for the employer contribution rates to the teachers' pension scheme from April 2024.

As with mainstream schools, the maintained special school and PRU budget shares would be published on 29 February 2024. The High Needs Block allocation was provisional and was subject to later adjustments including ESFA direct funded places in academies and further education colleges.

The local authority was currently working on its DSG Management Plan due to be submitted to the DfE for review February. Further details on this and confirmation of the High Needs budget for 2024-25 will be presented at the next Schools Forum meeting in March.

Schools Forum approved:

- i) the provisional Central School Services Block budget of £1.792m; and
- ii) the provisional centrally retained Early Years expenditure budget of £0.779m.

## **6. Early Years Funding Formula 2024-25**

A report that set out the proposed arrangements for early years funding in 2024-25 and updated Schools Forum members on the outcome of the recent consultation with early years providers.

It was proposed that the new funding formulae comprised of an hourly base rate and the mandatory deprivation supplement. No changes were proposed to the existing 3-4 year old funding formula, however a new methodology was proposed for calculating the deprivation supplement which would reach more disadvantaged children than the current methodology.

The modelling and proposed hourly rates at provider level were based on the illustrative local authority level hourly rates published by the DfE in its consultation on funding the new free entitlements for 2-year olds and Under 2s. Therefore, the proposed funding formulae rates at provider level were indicative and subject to the final local authority level hourly rates being confirmed.

It was also proposed that £0.072m of the new 2-year-old and Under 2s funding was centrally retained to support the roll out of the new entitlements. Early Years providers had been consulted on the proposed formula and were broadly in agreement with the proposals.

Currently all parents of 3-4 year olds could access 15 hours of free early education for 38 weeks of the year and working parents could access an additional 15 hours of free entitlement. Parents of disadvantaged 2-year olds could access 15 hours of free entitlement. Government was extending the eligibility to free entitlement so that all eligible working parents would be able to access 30 hours of free entitlement for 38 weeks of the year from the term after their child turns 9 months old. This would be rolled out in stages.

The DfE had consulted local authorities and early years providers on its proposals for funding local authorities for the new early years free entitlement and were proposing to apply the same funding rules to the new 2-year old and Under 2s funding which currently applied to the 3-4 year old funding.

The outcome of the DfE consultation was published in early December. DfE had decided to apply the majority of its proposals (set out in paragraph 4.3 of the report) with the exception that the deprivation supplement would not be mandatory in the 2 Year Olds and Under 2s funding formulae. LA level funding rates for each local authority had also been published.

On 2 November 2023, Schools Forum agreed to consult early years providers on the proposed funding formulae to distribute the new 2-year olds and Under 2s free entitlement funding as follows:

- A centrally retained budget of £0.072m for the early years team to support the roll out of the new entitlements;
- A SEN Inclusion Fund budget of £0.174m;
- A 2 Year Olds hourly funding rate and a deprivation supplement; and
- An Under 2s hourly funding base rate and a deprivation supplement

Although local authorities could retain up to 5% of the new funding for central services supporting early years providers it was proposed to keep this to a minimum to maximise the funding available to pass onto early years providers through the funding formula due to cost pressures they were facing. However, the centrally retained element may need to be reviewed in future years depending on the impact of the extended free entitlement on the Early Years team.

It was proposed that the deprivation supplement in both the 2-year olds and Under 2s funding formula would be £0.21 per hour of take-up of provision, which was the same as the current rate used in the existing 3-4 Year Olds funding formula. This would be based on children living in IDACI bandings A and F to target more disadvantaged children rather than the current 3-4 year old methodology which uses a combination of IDACI, ACORN and IMD. It was also proposed that this new methodology for calculating the deprivation supplement be adopted in the existing 3-4 Year Olds funding formula.

The proposed hourly rates at provider level had been updated to £7.12 for 2 Year Olds and £9.77 for Under 2s. The rates for providers were lower than the LA funding rates to allow for provision of a SEN Inclusion Fund, deprivation supplement and funding of central services supporting early years providers.

29 early years providers had responded to the consultation:

- 26 (90%) agreed with the Schools Forum recommendation that centrally retained funding should be kept to a minimum to maximise the amount of funding available to distribute to early years providers;
- 22 (76%) agreed that the funding formulae should comprise of a base rate and deprivation supplement only and not to use any optional supplements;
- 25 (86%) agreed that the deprivation supplement should be allocated to providers based on children living in IDACI bandings A to F instead of the current methodology; and
- 23 (79%) agreed that the deprivation supplement should be fixed at £0.21 to maximise the amount of funding available for base rate paid to providers.

In discussing the report, Schools Forum noted that the level of funding the LA was proposing to retain was lower than some other LAs and there were concerns about Cumberland being the 6<sup>th</sup> lowest funded LA in the country due to the cost adjustment in the formula that diverted more funding to urban based authorities. Making representations to ESFA and DfE were discussed with options including lobbying through established groups and the possibility of making joint representations with Westmorland & Furness.

Schools Forum then agree to support the proposed centrally retained budget of £0.072m and to recommend to the Executive that:

- i) The new funding formulae for 2-year olds and Under 2s comprise of a base rate and a deprivation supplement; and
- ii) The proposed new methodology for calculating the deprivation supplement be applied.

## **7. De-delegated Contingency Budget Monitoring Q2 2023-24**

A report presenting the forecast outturn position on the de-delegated contingency budget for the 2023-24 financial year as at 30 September was presented. The budget was forecast to underspend by £0.3245m and in accordance with the Dedicated Schools Grant conditions, the underspend would be carried forward into the Dedicated Schools Grant earmarked reserve.

As this was a de-delegated budget it therefore only related to maintained schools and not academies.

The de-delegated contingency budget for 2023-24 was £0.379m. DfE guidance stated that the contingency budget could be used for three purposes:

- Circumstances which were unforeseen when the school's budget share was initially determined.
- Schools in financial difficulties
- Additional costs relating to new, reorganised or closing schools

### **Circumstances which were unforeseen when the school's budget share was initially determined.**

The main areas of expenditure related to ill health retirements, settlement agreements and other staff termination costs in schools in line with the agreed policy, administration costs relating to the administration of the Teachers Annual Return and temporary accommodation costs at the Gillford Centre PRU.

The Schools Forum noted the forecast outturn position as at Q2 for the contingencies budget 2023-24.

## **8. High Needs Budget Monitoring Q2 2023-24**

A report was presented that provided an update on the High Needs (HN) block deficit as at 30 September 2023 which was forecast to increase compared to the forecast position at Q1.

A balanced High Needs budget had been set for 2023-24 with no planned transfer to or from reserves. The initial budget available for the HN Block was £35.881m based on the provisional HN block allocation from central government as confirmed in December 2022 with no transfers from the Schools Block. Since the initial budget was set the HN block allocation had been updated to reflect adjusted recoupment for HN places.

Performance against the High Needs Block budget was monitored monthly with reports presented to senior management, and to Executive on a quarterly basis, as well as to each Schools Forum meeting. The projection against the budget as at Q2 showed that the budget was projected to overspend by £2.813m as at 31 March 2024.

The key variances related to the EHCP top-up payments, the cost of independent specialist and other placements, residential placements, post-16 ISPs and top-ups, post 16 further education (FE) colleges, invest to save initiatives, special schools, PRUs and individual non-material variances.

The pressure against the High Needs Block continued to be due to specific budget pressures relating to the growth in demand for Education Health Care Plans (EHCPs) for children and young people with SEN which continued to rise. The number of children with an EHCP as at Q2 was 2954; this figure was provisional pending the completion of the disaggregation of cases between the two new councils. Benchmarking showed Cumberland's percentage of pupils with EHCPs was higher compared to the national rate and to Cumbria's statistical neighbours. The rate of increase for Cumbria overall was matched by the rate of increase nationally and compared to Cumbria statistical neighbours.

In 2023-24 local authorities had seen an increase in their High Needs Block funding of at least 5% per head of population and additional High Needs funding to reflect likely cost increases for local authorities and schools of £1.585m resulting in total funding of £35.534m as at Q2. 29% of the total allocation was still based on historic 2017-18 actual spend and there had been no transfer of funding from the Schools Block to High Needs Block in 2023-24.

Cumbria were part of the Department for Education's Delivering Better Value for SEND programme and successfully applied and received approval for a £1m grant for each new authority to support their improvement plans the impact of which will be incorporated into Cumberland's DSG management plan in due course.

There followed a short discussion that covered the following points:

- Number of pupils when an EHCP was ceased?
- Use of Resourced IEPs – could this be revisited or something similar be investigated?
- Areas covered by DBV workstreams
- Due to funding challenges, a key message was that resources had to be used in a more efficiently with services delivered in a better way

As a result of the points made during the discussion, it was suggested that a meeting should be arranged that could provide an update on the DSG management plan and also the work undertaken, to date as part of the DBV programme; date to be agreed – potentially one of the dates already identified between full Forum meetings for working groups or Schools Forum training. A full briefing would also be prepared for the portfolio holder.

Cumberland Schools Forum noted the current projection on the HN Budget as at 30 September 2023.

## **9. Maintained School Balances 2023-24**

Schools Forum considered a report that summarised the latest projected maintained school balances as at 31 March 2024.

As at 31 March 2023 the net surplus balance for maintained schools was (£4.806m). Based on schools' own projections from their May budget submissions the net surplus balance was predicted to be (£0.695m) as at 31 March 2024, a reduction of £4.111m. This was made up of 105 schools proposing surplus balances and 21 schools proposing a deficit balance.

During the year to date only one school had converted to academy status and their net surplus balances brought forward from 2022-23 would transfer to the academy trust together with any in-year surplus/deficit balances accrued in 2023-24.

Of the 105 schools that were predicting surplus balances for 2023-24 a total of 7 schools were predicting balances more than the allowable 8% (primaries/nurseries/specials/PRUs) and 5% (secondaries) thresholds.

The number of schools with deficit balances was predicted to increase from 19 to 21. Of the 21 with deficit balances brought forward from 2022-23, 5 were predicting a surplus balance at the end of 2023-24 and 7 schools that brought forward surplus balances from 2022-23 were predicting deficit balances at the end of 2023-24.

Secondary schools continued to face the most significant budget difficulties with 5 out of 7 secondaries predicting deficit budgets in 2023-24. The 5 secondaries predicting deficit budgets in 2023-24 were in deficit in 2022-23 and the net deficit balance for these secondaries was predicted to increase by £1.000m to £3.566m.

In accordance with the LA Scheme for Financing Schools, applications for licensed deficits had been received from 9 of the 21 schools that had proposed deficit budgets for 2023-24. Applications had been requested from those schools who had not applied for a licensed deficit to ensure they were compliant with the policy. However, in principle, the deficit recovery plans for 6 of these schools had been approved, leaving 15 schools that had not yet received approval.

Forecast year end outturn positions as at the 30 September 2023 had been received from 9 out of 21 schools that set deficit budgets for 2023-24. These returns had been reviewed to identify any significant variances from the agreed licensed deficit. Budget monitoring based on the school returns forecast that the net deficit would increase by £0.078m compared to the schools' budget plans submitted in May. Of the 9 returns received from deficit schools, 3 schools were predicting an improved position, however, 6 schools were showing a worsening position.

Forecast year end outturn returns were also requested from schools that ended the 2022-23 financial year in deficit but were projecting a surplus for 2023-24, to ensure these schools were on track against budget. There were 5 schools that brought forward deficit balances that were planning to return to a surplus position in 2023-24.

Members discussed the report raising concerns about the increasing deficits and the impact, particularly for secondary schools. Schools Forum then noted the projected maintained school balances and the latest forecast year-end position as at 30 September 2023 for those schools that had proposed a deficit budget for 2023-24.

## **10. Date of Next Meeting**

The next meeting of the Schools Forum would be held on 21 March 2024, starting at 9.30am. It was likely to be held via Microsoft Teams; final arrangements would be circulated prior to the meeting.

## **11. Any Other Business**

There were no other items of business.