

THE CUMBRIAN SCHOOLS' FORUM
Draft MINUTES OF THE MEETING HELD ON
17 January 2020
Conference Room A, Cumbria House, Carlisle

PRESENT

Des Bird (West Secondary Academy)
Alison Claricoats (North Maintained Primary)
Stephen Gilby (North Secondary)
Joanna Hewson (PRU)
Stephen Holmes (South Secondary Academy)
Simon Laheney (FEC)
Ty Power (South Secondary Academy)
Jennifer Rowlands (West Secondary – representing Judith Schafer)
Alan Rutter (Teachers Professional Associations and Chair of Forum)
Sue Sanderson (Cabinet Member – Schools and Learning)

Officers in Attendance:

Dan Barton	(AD – Education and Skills)
Marie Barnes	(Senior Adviser – South and Assistant Manager – Learning Improvement)
Susan Milburn	(Group Finance Manager)
Amanda Chew	(Finance Manager)
Peter George	(Group Finance Manager) – Item 5 (agenda), 8 in minutes
Nicola Shiels	(Forum Support)

Observers:

None

Apologies for Absence

Lisa Balderstone (PRU)
Louise Donnelly-Stott (Small Schools)
Lisa Faulkner (PVI)
Gerry Garvey (PVI)
Matthew Hardwick (South Maintained Secondary)
Matthew Jessop (South Primary)
Amanda McDonald (Nursery Schools)
David Natrass (North Maintained Primary)
Vanessa O'Dea (CE Diocese)
Judith Schafer (West Secondary)
Cathy Styles (South Maintained Primary)
Ruth Webster (South Maintained Primary)

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

It was noted that the order of the agenda would be adjusted.

Forum also welcomed Alison Claricoats, Headteacher at Lanercost CE School as a new primary school representative.

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 a minor amendment, the minutes of the meeting of the Schools Forum held on 26 November 2019 were agreed as an accurate record.

There were no matters arising from the minutes.

4. Growth Fund Budget 2019-20 and Options for 2020-21

The Forum considered a report that provided an update on the distribution of the 2019-20 Growth Fund and set out proposed arrangements for 2020-21.

The Growth Fund provided support for schools which had experienced growth in pupil numbers as a result of planned expansion. It was designed to ensure that schools were not penalised, in financial terms, for admitting higher numbers in line with the county council's strategic priorities.

The Growth Fund covered the period between the beginning of the academic year in September, and the following April, when any additional pupils would contribute to the calculation of the school's budget. Schools which have experienced such growth are invited to submit a request setting out a breakdown of, and their justification for, the additional funding sought. Schools that had voluntarily exceeded PAN were not eligible for additional support via the Growth Fund, and were notified of this during any discussions with the School Admissions Team when places were being allocated.

The 2019-20 allocations were set out in the report. Primary schools expanded through the Transforming Learning programme, in 2011-12, were eligible for Growth Funding until 2018-19; all seven year groups in those schools were now operating at the higher PAN. A lower level of funding has, therefore, been required for 2019-20, and that lower amount remains underspent. However, further expansions were likely to be undertaken in response to new housing and to growth in the secondary sector. The Growth Fund would continue to be required in the future if additional pupils were to be accommodated and educated appropriately.

It was proposed that a higher amount be set aside to be set aside for the Growth Fund in 2020-21. The reasons for this were set out in the report, 'Dedicated Schools Grant Budget 2020-21', to be considered later on the agenda.

The proposed eligibility criteria for allocating the growth fund and the methodology for allocating it 2020-21 were set out in Appendix 2 to the report. As the growth fund formed part of the Schools Block it applied to both maintained and academy primary and secondary schools. The allocation of the fund would be monitored during 2020-21 and any underspend against the budget would be reported to Schools Forum. Any under or overspend against the budget would transfer to the DSG reserves, however, in accordance with the DfE guidance the local authority could decide to carry forward any unspent growth funding to support growth in future years.

The Schools Forum noted the 2019-20 allocations and approved the proposed methodology for allocations in 2020-21.

5. Dedicated Schools Grant 2020-21

A report was presented that informed the Schools Forum of the 2020-21 Dedicated Schools Grant (DSG) budget. The total Dedicated Schools Grant budget to be allocated in 2020-21 was £382.632m. This would fund all maintained schools and academies, early years (including PVI providers) and high needs provision.

This included additional funding for children with SEND. In Cumbria, this additional funding equated to £4.783m of revenue funding in each year.

The total allocation of £382.632m would be split between the early years block, schools block, high needs block and central school services block. The report set out the amount for each block together with a comparison to the amounts received in 2019-20.

The Early Years Block had increased by £0.485m which included a £0.08 increase in the hourly rate for 2, 3 and 4 year old free entitlement. The 2020-21 initial supplementary funding for Maintained Nursery Schools had remained at the same level as 2019-20. The early years block allocation was provisional and would be updated in July 2020 based on pupil numbers as at the January 2020 census, then again in July 2021 based on the January 2021 census.

The Schools Block allocation of £16.730m was made up of 3 elements, core NFF funding, premises and growth funding. Core NFF had increased following updates to the NFF, a net increase in pupil numbers and premises funding and growth funding had increased.

The High Needs Block allocation was £48.339m with £3.956m deducted by ESFA for places directly funded by ESFA, including places in academy special schools. Therefore, after the deduction for directly funded places, the High Needs Block allocation had increased by £5.382m compared to 2019-20. There would be further adjustments for direct funding for academy and further education high needs places to reflect commissioned places for the 2020-21 academic year later in the financial year.

The Central Schools Services Block consisted of 2 elements: historic commitments and ongoing commitments. There had been a reduction of £0.582m in the Central Schools Services Block made up of an increase in the per pupil rate and an increase in pupil

numbers as well as a decrease of 20% against the 2019-20 baseline for historic commitments.

As set out in the DSG grant conditions, the funding blocks for 2020-21, except the Schools Block, were not ring-fenced and funding could be moved between the blocks. The Schools Block was ring-fenced, however up to a maximum of 0.5% could be transferred from the Schools Block to other blocks with the agreement of Schools Forum, to form a Local Authority's DSG budget for the financial year.

Early Years Block

The Early Years Block Budget for 2020-21 was £27.969m. The equivalent budget for 2019-20 was £27.177m.

The funding delegated to providers included the basic hourly rate for two and three to four year olds. As the local authority had received an increase in the base rate of £0.08 was it proposed that the full increase would be passed onto providers from 1 April 2020.

It was noted that the budget set exceeded the provisional Early Years Block allocation for 2020-21 of £27.662m by £0.307m. This was because the budget was based on forecasted hours of provision take-up based on 194 term days whereas the Early Years Block allocation for 2020-21 was based on provisional allocations using January 2019 census data and would be updated in July 2020 to reflect the January 2020 data based on 190 term days in line with the funding system.

In 2019-20 an underspend of £1.417m against Early Years Block was forecast as at Q2 due to there being only 189 term days and take-up of provision being lower than the provisional Early Years Block allocation for 2019-20 which would be updated in July 2020 respectively to reflect actual take-up. Any underspend against this budget in 2019-20 would transfer to the DSG earmarked reserves and would support any negative retrospective adjustment to the 2019-20 Early Years Block for actual take-up of provision and the increased number of term days to be funded in 2020-21. Therefore, it was proposed that in 2020-21 £0.307m was drawn down from DSG earmarked reserves to support the Early Years budget in 2020-21.

As had been previously reported, it was proposed that the criteria for accessing the SEN Inclusion Fund would be widened from 1 April 2020 to increase the number of children supported by the fund and a consultation with providers, professionals and parents seeking views on the changes following the pilot period would be launched shortly.

Schools Block

The Schools Block Budget for 2020-21 was £302.212m. There was no longer a top-slice taken from this block since the creation of the Central Services Block in 2018-19. However, a growth fund budget was permitted and a budget of £0.200m for growth in 2019-20 had been approved by Schools Forum at its meeting on 12 November 2018. Local authorities were also permitted to transfer up to 0.5% from Schools Block to other blocks with the approval of the Schools Forum.

The National Funding Formula had been applied and £299.987m had been allocated to schools leaving £2.225m of the Schools Block unallocated. As agreed by Cabinet on 19 December 2019 any balance remaining up to a maximum of 0.5% (equating to £1.511m

of the total Schools Block allocation) after allocating the NFF in full to schools could be transferred to support pressures in the High Needs block budget. After applying the transfer there was a remaining balance of £0.713m unallocated and Schools Forum approval was sought to set the Growth Fund in 2020-21 at £0.713m. The use of the fund would be closely monitored and reported to Schools Forum during the 2020-21 financial year and any under or overspend against Growth Fund would transfer to DSG reserves or any underspend could be carried forward to support the Growth Fund in future years.

Alternatively, if the Growth Fund was retained at the 2019-20 level of £0.200m there would be a remaining balance of £0.513m available to distribute through increasing the per pupil element of the school funding formula above the level of the NFF. The impact of this could not be modelled at this stage as it was not known whether there would be a 'hard' NFF formula in 2021-22 or what level of baseline protection would apply, however, potentially it could result in a school funding formula which could not be sustained in future years although there would still be a duty on the local authority to meet the mandatory minimum per pupil funding levels for primary and secondary schools.

Two options were presented to Schools Forum:

Option A – Approve an increase of the growth fund to £0.713m, or;

Option B – Not approve an increase of the growth fund to £0.713m but retain it at the 2019-20 level of £0.200m.

It was, however, noted that the school allocations calculated in the Authority Proforma Tool (APT) were still subject to approval by the ESFA.

De-delegation - £2.831m of the total budget of £299.987m would be held centrally by the LA to deliver the de-delegated services on behalf of maintained schools. De-delegation did not apply to academies. The services that the de-delegated budgets applied to were contingencies, insurance, staff costs and library services and they also impacted maintained special schools and nursery schools. Therefore, an element was centrally retained in both the Early Years and High Needs blocks for these services but there was no de-delegation process for these two areas.

High Needs Block

The High Needs Block initial allocation for 2020-21 was £48.339m, an increase of £5.259m. This included a share of the £700m additional high needs funding announced in September 2019. For Cumbria this equated to £4.783m and the additional funding would be used to support the High Needs Deficit Recovery Plan together with the transfer of £1.511m from the Schools Block. It had previously been reported to Schools Forum that the deficit was predicted to rise with the latest budget monitoring predicting that the deficit would rise to £10.771m by 31 March 2020.

An updated High Needs recovery plan would be prepared and presented to Schools Forum, taking into consideration the additional High Needs Block funding, the latest trends in EHCPs, updated placement packages and the measures that the LA is taking to address the deficit.

DfE stipulated that LAs must be able to at least balance their High Needs Block in-year within a three year period and a visit by DfE had been arranged for 27 February 2020 with the aim of providing support to develop the DSG recovery plan further.

Central Schools Services Block

The Central Schools Services Block for 2020-21 had reduced to £4.419m compared to 2019-20 following a flat rate reduction against historic elements on 20%. Consideration of the ability to absorb this reduction by the service budgets which received historic commitments DSG support had been undertaken, however it had been concluded that this would not be possible given that the majority of these commitments related to property maintenance and prudential borrowing.

It is expected in future years that the historic commitments element of the Central Schools Services Block would continue to reduce although further details had not yet been confirmed by the DfE.

The Schools Forum noted:

- the Dedicated Schools Grant budget for 2020-21;
- the proposed increase in the basic hourly rate for 2 and 3-4 year olds;
- the proposed allocation of the Schools Block and 0.5% transfer to the High Needs Block; and
- the reduction against the Central School Services Budget.

The Schools Forum recommended that:

- the unallocated balance on the Schools Block of £0.713m be allocated to the growth fund for 2020-21;
- the centrally retained Early Year expenditure budget of £0.575m be approved; and
- the Central Schools Services Block budget of £4.419m be approved.

6. High Needs Recovery Plan – Monitoring as at Quarter 2 2019-20

A report was presented that provided an update on the forecast deficit on the High Needs (HN) block as at 30 September 2019 which was forecast to rise to £10.771m compared to the closing deficit at the end of the financial year 2018-19. The report also set out how the forecast expenditure as at Q2 on the HN block compared to the HN recovery plan presented to Schools Forum on 20 June 2019.

As reported to Schools Forum at its meeting on 20 June 2019, a balanced High Needs budget had been set for 2019-20 with no planned transfer to reserves. Although a balanced budget was set for 2019-20 there continued to be specific budget pressure relating to the growth in demand for Education Health Care Plans (EHCPs). A new deficit recovery plan had been shared with Schools Forum on 20 June 2019 ahead of submission to the DfE on 30 June 2019. This plan, despite a number of Invest to Save initiatives, predicted that the deficit on the HN block would increase to £9.591m by the end of financial year 2019-20 and continue to rise to £23.136m by 2021-22.

Since the initial budget was set for 2019-20 the funding available through the HN Block from central government has been reduced by £0.169m to take into account updated academy recoupment deductions for pre and post-16 HN places following the outcome of the November 2018 HN places return outcome review and updated import/export adjustment for pupils with HN who live outside the local authority attending schools in

Cumbria (imports) and those who live in Cumbria but attend schools outside of this local authority (exports).

Performance against the high needs block budget was monitored on a monthly basis; the projection against the budget as Quarter 2 projected an overspend of £5.2375m as at 31 March 2020 with a projected deficit of £10.771m.

The main in-year pressures related to the number of EHCP top-up payments, the cost of specialist independent and other placements, EHCP top-ups for post 16 and residential placements. Key variances in the high needs recovery plan related to a reduction in HN Block grant funding, the alternative provision programme for the north and south, extra district, out of county placements and education otherwise, and the number of children with EHCPs continuing to rise.

Invest to save initiatives included funding for additional places in special schools and the development of bespoke packages for individual pupils.

The staffing costs associated with the opening of the two new AP centres in the North and South and the Early Intervention outreach model being piloted by Sandgate School did not achieve savings in 2019-20, these savings would not be realised until future years.

Further invest to save initiatives were being worked on including Alternative Provision programmes in both primary and secondary school settings. Once these were finalised and could demonstrate both improved outcomes for pupils and a saving against the HN block they would be factored into the budget. Any underspend against the budget in 2019-20 would transfer to the DSG earmarked reserves to fund Invest to Save initiatives in 2020-21

As previously noted, this was a national issue and continued to present a challenge for LAs nationally.

The Schools Forum noted the report, the current projection for the High Needs recovery plan and the use of the additional HN funding in 2019-20.

7. School Payroll Contract Specification Consultation

Schools Forum considered a report that set out the current position regarding changes to payroll services for non-cheque book schools and the requirements to consult with Schools Forum on the terms of the contract.

In November 2019, schools had been informed that the LA intended to develop a framework contract which would offer school several providers to bid for their contracts. The consultation had to cover the terms of the contract at least one month before the issue of invitation to tender. It was likely that the invitation to tender would be issued late February 2020 so the consultation with the Schools Forum would commence in Late January 2020.

Schools Forum noted the report.

8. Cumbria Local Government Pension Scheme Triennial Evaluation 2019

Schools Forum had previously been advised of the outcomes of the 2016 actuarial valuation of the Teachers Pensions Fund and the impact of this on employer contribution rates effective from September 2019.

A report providing details of the triennial valuation of the Cumbria Local Government Pension Scheme (“the Fund”) and the resultant implication for employer contributions for the period 1st April 2020 to 31st March 2023 for non-teaching school staff based in Cumbrian maintained schools (i.e. excluding Academies) who were members of the Local Government Pension Scheme was presented.

It was noted that the provisional employer contributions rate for maintained schools for the period 2020 to 2023 would be 19.9% (compared to 20.4% in 2019/20). Academies had been advised separately of their provisional employer contribution rates.

Schools Forum noted the report.

9. Schools De-delegated Contingency Budget – Budget Position at Quarter 2 2019-20

A report was presented that set out the forecast outturn position on the de-delegated contingency budget for the 2019-20 financial year as at 30 September 2019 (Quarter 2). The budget was projected to underspend by £0.462m. As this was a de-delegated budget it only related to maintained schools and not academies.

The de-delegated contingency budget for 2019-20 was £0.686m. 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 were ill health retirements, settlements agreements in schools in line with the agreed policy and the administration costs of the Teachers Annual Return.

Additional costs relating to new, closing or amalgamated schools

£0.042m related to the projected net deficit for two schools that had received an academy order to become sponsored academies. Caldew Lea Primary School converted on 1 October 2020 and Hensingham Primary School on 1 November 2020. In line with DfE guidance, where a school with a deficit budget was to open as a sponsored academy the deficit remained with the LA. In accordance with policy the deficit could be funded from a de-delegated contingency provision.

The Schools Forum noted the 2019-20 forecast outturn position for the contingency budget.

10. Dates of Next and Future Meetings

- i) The next meeting of the Schools Forum would be held on Friday, 13 March 2020. The meeting would begin at 9.30am, venue to be confirmed.
- ii) Meetings of the Schools Budgets Working Group and SEN Working Group were due to be held on 3 February 2020. It was unlikely that there would be any issues for the groups to discuss so it was agreed that these meetings should be cancelled.

11. Any Other Business

There were no other items of business.