

**THE CUMBRIAN SCHOOLS' FORUM**  
**Draft MINUTES OF THE MEETING HELD ON**  
**11 March 2021**  
**via Microsoft Teams**

**PRESENT**

Lisa Balderstone (PRU)  
Alison Claricoats (North Maintained Primary)  
Jane Faulkner (PVI)  
Stephen Gilby (North Maintained Secondary)  
Matthew Hardwick (South Maintained Secondary)  
Steven Holmes (South Secondary Academy)  
James Jackson (West Secondary Academy)  
Chris McAree (North Secondary Academy)  
John McAuley (RC Diocese)  
David Nattrass (North Maintained Primary)  
Jennifer Rowlands (West Secondary – representing Judith Schafer)  
Alan Rutter (Teachers Professional Associations and Chair of Forum)  
Sue Sanderson (Cabinet Member – Schools and Learning)  
Cathy Styles (South Maintained Primary)  
Ruth Webster (South Maintained Primary)  
Kris Williams (North Secondary Academy)

**Officers in Attendance:**

Dan Barton	(AD – Education and Skills)
Marie Barnes	(School Improvement)
Susan Milburn	(Group Finance Manager)
Amanda Chew	(Finance Manager)
Sally Senejko	(Interim Senior Manager – SEND)
Nicola Shiels	(Forum Support)

**Observers:**

Val Tarbitt	(Chair – Scrutiny Advisory Board – Children and Young People)
Michael Thompson	(Primary School Governor)

**Apologies for Absence**

Richard Aindow (Special Academies)  
Matthew Jessop (South Maintained Primary)  
Simon Lahaney (FEC)  
Judith Schafer (West Secondary – represented by Jennifer Rowlands)

## **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**

The minutes of the meeting of the Schools Forum held on 13 January 2021 were agreed as an accurate record.

There were no matters arising from the minutes.

### **4. Pay Protection in Schools**

A report was presented that explained that Cumbria County Council's Pay Protection Policy was being updated to include pay protection for a reduction in hours. The decision was taken following the reshaping of a service within the council where the outcome for staff was a reduction in hours. Previously, pay protection had only applied where there was a reduction in grade.

In 2019, following a Trade Union dispute regarding the restructure of a service within the Council, a change was agreed to also apply pay protection for a reduction in hours. Discussions had taken place with Trade Unions to agree the changes to the policy to reflect the protection for a reduction in hours but the final version was not yet confirmed. Discussions were ongoing about the impact on school budgets and if there were any options for supporting schools to opt out if the costs and impact on the budget were significant.

The report set out a number of points for Schools Forum to consider then provide feedback on any risks and implications they could foresee before further discussions could take place with Trade Unions.

In discussion the report the following points were made:

- The policy would not apply to fixed term contracts
- Will apply in reductions to achieve savings
- Unintended consequences eg. number of staff agreed to reduction in hours rather than one being made redundant?
- Number of schools with no capacity to wind down costs – could result in more redundancies and be prohibitive to working together to find solutions
- Feels counter intuitive
- Reduce flexibility in what schools are able to do in terms of managing resources

A few concerns had been expressed that would be discussed further with the AD Education and Skills before further discussion with Trade Unions.

### **5. Notional SEN**

Schools Forum considered a report that updated members on the work undertaken by LA officers to review the issue of notional SEN funding within mainstream schools.

On 11 February a joint meeting of the Schools Forum School Budgets and SEN working groups had considered a number of options to mitigate the impact of restoring the notional SEN threshold to £6,000; the groups were also invited to put forward alternative options and ideas. The groups formally commissioned modelling the removal of non-statutory Targeted SEN.

Initial modelling had been completed and the Schools Forum were asked to provide a view on whether schools should be consulted on this option and if so, consider transitional protection should be made available to schools losing funding or propose further alternative options for modelling ahead of a consultation with all schools.

The report set out the background to the current situation. Taking account of the High Needs Funding Operational Guidance for 2021-22 and the SEN Code of Practice, legal advice was that whilst the local authority had discretion in relation to the top up rates paid and how those were allocated, there was no discretion as to the threshold that triggered the top up rates.

Based on that advice, the local authority was committed to reinstating the position where schools were responsible for the first £6,000 of support for high needs pupils. Modelling had been undertaken to identify the cost of this and based on pupils with EHCPs in mainstream schools in 2021-22 the full year additional cost was estimated at £2.000m.

Initial modelling on the removal of non-statutory Targeted SEN had been undertaken and indicated that 93 schools would have a reduction in funding, 32 schools see no change and 182 schools would gain funding. More work was needed to finalise the modelling and further detail at school level would be provided at the next round of working groups.

Schools Forum were asked to give a view on whether schools should be consulted on the option to remove the Targeted SEN and if so, whether transitional protection funding should be made available and on what basis as well as the effective date of implementation. Forum could also formally commission modelling of alternative options ahead of consultation with schools.

Schools Forum felt that the background was set out very well in the report and that this should be included as part of the consultation with schools. Implementation from September would fit with the school year, pupil needs and staff availability to support children. If there was agreement to include transitional protection, there should be a very clear end date given to the transition. It was also welcomed that this had been done for mainstream schools but it was noted that it would not apply to special schools and PRUs.

The Schools Forum noted the report and supported the removal of the targeted SEN, restoring the notional SEN threshold to £6,000, to be implemented from September 2021 with further consideration to be given to applying transitional protection.

## **6. DFE High Needs Consultation**

On 11 February 2021 DfE launched a consultation on High Needs block funding. The consultation would close on 24 March 2021 and any changes resulting from the consultation would affect 2022-23 High Needs allocations.

A report was presented that set out the implications of the DfE's proposal to make changes to the historic and other proxy factors within the High Needs Block funding formula from 2022-23.

The consultation was about the method of allocation, not the overall level of funding and was looking at just 2 of the factors used in the current High Needs NFF – historic spend and attainment factors. The full formula would not be reviewed until after the publication of the SEND review report due in Spring 2021.

The consultation proposed to amend the historic spend factor by basing it on actual spend in 2017/18. The impact of this for Cumbria, excluding other factors in the formula and the impact of funding floor protection and caps on gains, would be a reduction in the historic spend allocation of £1.024m if this were applied to 2021/22 allocations. The consultation also asked whether this amended factor should be increased within the formula so that it accounts for more than 50%.

Within the current formula there were 2 attainment factors based on KS2 and KS4 low prior attainment over the past 5 years. Due to COVID19 there were no KS2 tests or GCSE exams in 2020 and therefore the proposal was that rather than using older 2015 – 2019 data, the 5-year data sequence starts in 2016 and data for 2019 was used twice. Given the ongoing disruption in 2021, a similar approach may be needed for the 2023/24 funding formula.

The consultation also asks whether any other proxy actors should be used, or existing factors replaced.

The Schools Forum noted the report and were encouraged to respond to the consultation by the deadline of 24 March 2021. It was also suggested that the LA response to the consultation should be shared with all schools to inform individual school responses.

## **7. Maintained School Balances**

Schools Forum considered a report that summarised the latest projected maintained school balances as at 31 March 2021. At a meeting of the joint School Budgets and SEN working groups in February, relevant members had considered whether the excess surplus balance policy should apply against 2020-21 maintained school balances. The group agreed that it should not apply; based on the group recommendation, Schools Forum members were asked to decide whether or not to apply the policy.

The overall projected net surplus balance for maintained schools as at 31 March 2021 was (£1.497m) an increase of (£1.642m) compared to the actual deficit net balance as at 31 March 2020 of £0.145m.

The number of schools that had proposed a deficit budget in their updated October budget submission for 2020/21 was 52 equating to £6.996m. Forecast outturn returns as at 30 September 2020 had been received from 31 schools. Of these schools 17 were forecasting an improved position of (£0.642m) and 14 schools were forecasting a worsening position £0.236m compared to their original May budget plans. Forecast outturn returns as at 31 December 2020 were currently under review by the finance team.

The net deficit position represented a reduction in school balances from the position as at 31 March 2019 with 187 school in surplus and 72 school in deficit. The five schools

with the most significant deficits were all secondary schools, representing 46% of the total deficit balance as at 31 March 2020. The overall reduction in maintained school balances could partly be explained by the pressure on school budgets in respect of the rise in the number of children with EHCPs.

The Cumbrian Scheme for Financing Schools does not allow maintained schools and PRUs to plan for a deficit when preparing their budget plans; the expectation is that it should be corrected by the end of the financial year. In exceptional circumstances, a deficit proposed by the governing body may be agreed by the Assistant Director, Education and Skills but only in circumstances where the school or PRU cannot balance its budget in year without a significant impact on the provision of education. In accordance with the policy, schools/PRUs with a deficit budget were required to return a forecast year end outturn position as at 30 September and 31 December to the Local Authority.

The predicted rise in school balances could partly be explained by an increase in funding through national funding formula in 2020/21. Prior to 2020/21, in cash terms, schools funding had not kept up with inflation and many schools continue to face financial challenges. The predicted rise in balances should be treated with some caution as they were before the full cost implications of the 3<sup>rd</sup> COVID lockdown was known to schools and there continued to be uncertainty about when schools would fully re-open again and what additional COVID costs could be claimed. A total of £0.800m in exceptional COVID costs had been claimed by mainstream schools to date for the 2020 summer term of which only £0.528m had been funded by DfE.

A number of schools had expressed concern about clawback of excess surplus balances at the end of 2020/21 financial year and whether the policy would be applied. Many planned activities or works had been delayed due to COVID and whilst some funds may have been diverted in response to COVID cost pressures there was potential that the number of schools with an excess balance may increase in 2020/21. At the end of financial year 2019/20 22 schools had excess balances over the allowable thresholds (8% primary, nursery, special, 5% secondary). At the meeting of Schools Forum held on 3 July 2020 the relevant Schools Forum representatives decided that the policy should not be applied against 2019/20 balances due to the foreseen cost pressures of COVID19 and the additional burden on schools at the time.

The joint Budget and SEN working group members considered whether the policy should be applied at the end of the 2020/21 academic year at their meeting on 11 February and recommended to Schools Forum that the policy should not be applied against 2021/22 balances. It was felt, however, that the annual review of excess balances still had value in controlling the level of excess balances so schools should plan on the basis that the policy would apply against 2021/22 balances. Based on school submitted October budget plans 23 schools were predicting excess balances for 2021/22.

It was also reported that Lamplugh School, which had a deficit balance of £0.008m as at 31 March 2020 had become an academy on 1 February 2021 and seven catholic schools had applied to become a multi-academy trust with a provisional conversion date of 1 April 2021. The combined net surplus of these schools at the end of 31 March was (£0.417m) and if these school did decide to convert this would also have a negative impact on the maintained schools' net balance. It was noted that, based on current data, 16 maintained schools currently had a Requires Improvement Ofsted rating with a further 2 potentially at risk. Five of those schools were in deficit, three of which were secondary schools.

Following a review of the October budget plans, 52 schools had proposed a deficit budget plan for 2020/21; 3 schools in deficit had not yet submitted budget plans and therefore for these schools it was assumed that they will balance their budget in-year. 26 schools had made applications for licensed deficits and those schools that had not submitted applications had been requested to ensure the schools are compliant with the policy.

Finance Officers have reviewed the explanations provided by the schools that have set deficit budgets that are predicting a worsening position compared to their May budget plan submissions. Many of the reasons provided relate to the negative impact COVID19 has had on school-generated income such as catering and contributions to school transport as well as additional staff and premises related costs. Due to schools prioritising their response to COVID19 and with limited resources within the finance team to support schools in deficit there has been limited opportunity to engage with schools to support them in returning to a balanced position this year. However, in recognition of the continuing financial challenges that schools were faced with new posts would be recruited to within the finance team specifically to support schools with deficit budgets. It was hoped that the new staff would be in place early in the new financial year.

Twelve schools had benefited from a review of their financial health by an accredited School Resource Management Advisor (SRMA) since the start of the program. The outcome from these deployments were a range of recommendations for cost savings from which the schools could draw up an action plan detailing the recommendations to be taken forward and the action taken to achieve them.

The Schools Forum noted the contents of the report, the latest projected maintained school balances and the overall position on schools with deficits budgets. The maintained school members of the Schools Forum recommended that the Excess Surplus Balance policy should not be applied against maintained schools 2020/21 balances.

## **8. PRU Budgets 2021-22**

A report was represented that updated Schools Forum on the progress of the PRU funding review and the proposed PRU budgets for 2021-22, in particular the funding formula for the new AP Centres scheduled to be operational from September 2021 in the north and January 2022 in the south. There was a requirement that Schools Forums are consulted on the use of PRUs, the number of places commissioned and the arrangements for top-up funding.

There were 3 phases to the review:

- Phase 1 – a review of the Short-Stay and Home and Hospital Tuition (HHTS) elements
- Phase 2 – to ensure that EHCP top-up funding was consistent across the 3 PRUs
- Phase 3 – funding for the two new AP Centres

Places were funded on a full-time equivalent basis, meaning that a full-time place may be occupied by more than one pupil attending on a part-time basis. As required by the DfE the PRU places must be funded at £10,000 per place. The top-up factors, for which the local authority had discretion to decide upon, an inflationary increase of 4% has been applied across all factors except for the lump sum factor which had been increased by 3% in line with mainstream schools.

From 2021-22 it was proposed that the allocation of this factor was based on the actual number of KS1/2 and KS3/4 pupils as per the October 2020 census date pro-rated to

reflect that the funding was based on places rather than actual pupils to more closely align to the composition of the actual pupils in the PRU.

The former Teacher Pay and Pension grants had been rolled into the High Needs Block from 2021-22 and had been allocated to the PRU budgets on the basis of the actual level of grants received in 2020-21 as this reflected how these former grants had been rolled into High Needs Block.

The AP/SEMH funding, which was separate to the core PRU budgets, had been reviewed for the South and North PRUs. The AP centres were planned to become operational from September 2021 (North) and January 2022 (South) and it was proposed that the temporary funding arrangements in place for 2020-21, which were based on the actual staff costs, would continue up until the centres planned opening dates; once operational they would be funded on the basis of places.

The original business case supporting the creation of the new AP Centres had been updated following slippage in the capital programme and to reflect the current cost of pupils currently in Independent Day Placements in the North and South of the County and to reflect the latest staffing models for the provision. The modelling assumed that there would be a gradual flow of children with SEMH into the new centres as it assumed that those children currently placed in Independent Day Placements would remain in those placements for the remainder of their education. However, new children coming through the system would be directed to the new AP centres as appropriate based on their needs as assessed by the SEND Inclusion Team.

The proposed place funding for the North and South AP centres was different to the current model used for the West PRU which was based on an historic decision. It was proposed that these levels remain unchanged in 2021-22 until an evaluation of the AP offer at the West PRU had been completed, after which the place funding values may be reviewed.

Schools Forum noted the report updating on progress on the PRU funding review and the proposed PRU budgets for 2021-22.

#### **9. Date of Next Meeting**

The next meeting of the Schools Forum would be held on Wednesday, 9 June 2021, at 9.30am. The meeting would be held via Microsoft Teams unless advised otherwise. It was noted that the revised legislation that was introduced to enable Schools Forum to meet virtually during Covid would end on 31 March 2021.

#### **10. Any Other Business**

- i) High Needs Funding – An update on funding/contributions from NHS was requested.
- ii) DfE Sparsity Consultation – Proposals DfE were seeking responses on proposals including a change from crow flies to shortest distance by road to nearest school and a change to the minimum value of factors. The LA would be submitting a response to this consultation and individual schools were also encouraged to make a response by the closing date of 9 April. Details of the consultation would be circulated to all schools.

May 2021