

THE CUMBRIAN SCHOOLS' FORUM
Draft MINUTES OF THE MEETING HELD ON
9 June 2021
via Microsoft Teams

PRESENT

Richard Aindow (Special Academies)
Lisa Balderstone (PRU)
Jane Faulkner (PVI)
Daniel Hinton (Special Schools)
Steven Holmes (South Secondary Academy)
James Jackson (West Secondary Academy)
Chris McAree (North Secondary Academy)
John McAuley (RC Diocese)
David Natrass (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)
Joan Bradley	(Early Years and Childcare Project Officer – Item 5)
Sharon Simpson	(Senior Manager – Children’s Commissioning – Item 6)
Nicola Shiels	(Forum Support)

Observers:

Apologies for Absence

Alison Claricoats (North Maintained Primary)
Stephen Gilby (North Maintained Secondary)
Matthew Hardwick (South Maintained Secondary)
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

The Chair welcomed everyone and thanked for joining the meeting. It was noted that the order of the agenda would be altered slightly and items 8 – Special School Bandings Review 2020-21, 12 - Use of School Balances, 6 – Contributions from Health and 7 – SEN Inclusion Fund would be considered before the minutes of the previous meeting. The remainder of the agenda would then follow.

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. Special School Bandings Review 2020-21

A report that informed Schools Forum of the intention to undertake a full review of the special schools formula. It was planned that the review would be undertaken by January 2022 in line with the timeline for setting the Dedicated Schools Budget for 2022-23 considered a report that informed. As an interim measure to ensure that special schools were appropriately funded an uplift to the lowest level special school banding from £2995 to £4500 was proposed, backdated to take effect from 1 April 2021.

Maintained special schools, special academies and special free schools were funded entirely from the High Needs Block of the Dedicated Schools Grant.

In accordance with the Schools & Early Years Finance Regulations 2021 and High Needs Block Operational Guidance special schools must be funded at £10,000 per place. In addition to this they received a per pupil top-up funding paid by the commissioning local authority. It was for the local authority to determine the top-up element of the funding in consultation with its Schools Forum.

All maintained special, special academies and special free schools are funded using the same local top-up funding formula methodology however the funding formula had not been reviewed for some time and special school headteachers have reported that managing within the existing budget was getting increasingly challenging.

There was a high level of demand for special school places with the total number of funded places on 1 September 2021 standing at 716, an increase of 56 specialist places compared to 2020-21. The report explained how special schools were funded included the different factors and protections including MFG.

Special school places offered a lower cost alternative to independent places and allowed pupils to be educated in their community. It was recognised that special schools were facing significant financial pressure due to increasing numbers of pupils with ever greater levels and complexities of need.

High needs funding was a national issue as was top up bands for special schools. As at Spring 2021 top up bands in special schools across the North West region varied from £1,000 up to £40,000 dependent on banding and need with the average top up being

between £9,000 and £13,000. The number of bands also varies across the North West from 3 up to 7.

A full review of the special school bandings and funding would review previous work on this, updating as necessary and would include benchmarking against other local authorities' special school funding arrangements and collaboration with Headteachers, the Senior SEN Inclusion Manager and the Schools Forum SEN working group.

Alongside the review of special school funding, it would also be necessary to look at increasing the number of special school places in Cumbria and reducing reliance on independent settings which in turn would help to mitigate any increased budget requirement as a result of the funding review. Work to identify other mitigations against increased costs to the High Needs block would need to be undertaken as part of the review. It was recommended that implementation of revised bandings was effective from 1 April 2022.

Schools Forum were asked to commission this review with the outcome reported back to Schools Forum the Autumn term. Due to the impact on the High Needs block a report to Cabinet was recommended.

Schools Forum noted the proposed uplift and planned review of the special schools bandings and funding and feedback on the proposed uplift to the lowest banding level from £2,995 to £4,500 with effect from 1st April 2021.

4. Use of Surplus School Balances

There had been a significant change in the position in relation to maintained schools surplus balances with an increase in the numbers of schools reporting a surplus combined with a reduction in the number of schools with a deficit position. Schools Forum were invited to consider whether there was any merit in considering supporting the service model to support a team around the school to support colleagues to work with young people and their families. It was suggested that the surplus school balances could be top sliced to continue support the provision of a service to support social problems that had arisen as a result of Covid 19 during this financial year.

There was some support for the suggestion, however, Forum members raised several points:

- How much of the surplus was earmarked for projects that hadn't happened or had been delayed?
- Teachers Pay and Pensions – changes that would, over time, impact on budgets
- Schools still incurring Covid costs
- Expectation that there would be objections from colleagues in the system
- Some schools potentially going to be impacted by changes to notional SEN
- Could a top slice be applied to a surplus over a certain %?

It was proposed that some further investigation was needed to determine if this would be reasonable and possible.

5. Contributions from Health

Sharon Simpson, Senior Manager – Children's Commissioning gave a presentation to Schools Forum to update the members on the progress being made with Health contributions towards children and young people with EHCPs.

Since beginning this work, considerable progress had been made but this was a lengthy piece of work and there was still some way to go.

In 2018 a forensic analysis was undertaken; 20 cases were reviewed showing that CCC was bearing a disproportionate level of the costs. Since that point, CCC have been working with both CCGs to reach agreement about how to move forward.

Work with north Cumbria has progressed and is moving towards a national operating criterion with a robust process for referral with clinical assessments, eligibility panel and ongoing conversations. Historic and newly identified cases had been considered to determine whether the criteria had been satisfied. From a total of 27 cases, 23 met CCG criteria and 4 didn't; offers had been made which were either agreed or a negotiation followed. Work would continue with north Cumbria and it was hoped that it could be extended to other areas.

More limited progress had been made with Morecambe Bay but there had been a recent meeting that had clearly set out respective responsibilities and it was important to agree a point where work could begin to move forward.

Processes were systematically bedding in and the next stage would be to identify other children and young people where health should be contributing and feed them into the process. It was important not to try to do too much as there was a danger that would result in a loss of momentum. Looking to move to a position where CCC and the CCGs were able to agree appropriate proportionate splits in advance through complex needs panels.

Forum members felt that the presentation had broadly reinforced the view that had been held for some time. There was some concern from special school heads about health taking responsibility and making appropriate contributions towards health elements in EHCPs.

The presentation was welcomed and Forum members requested a further update in the future, frequency of updates to be agreed.

6. Minutes of Previous Meeting and Matters Arising

The minutes of the meeting of the Schools Forum held on 11 March 2021 were agreed as an accurate record.

An update on the Pay Protection item that had been considered at the previous meeting was requested and would be brought to a future meeting.

There were no matters arising from the minutes.

7. SEN Inclusion Fund

Joan Bradley, Early Years and Childcare Project Officer presented a report that updated Schools Forum on the impact of the introduction of new criteria to administer the SEN inclusion fund in April 2020.

After considering the applications to the fund during 2020/21 it was proposed to increase the funding band for short term early intervention funding for children identified as Band 3 or below from £500 to £800 and to introduce an additional grant criteria to

support one off purchases of physical or medical equipment. It was proposed that the changes would come into effect from 1 September 2021.

The budget for this fund was £260,000 and it was funded from the Early Years Block of the DSG to support 2, 3 and 4 year olds with SEN taking up early years fee entitlement provision. A new criteria for accessing the fund was introduced in 2020-21 to widen eligibility due to being historically underspent. Following evaluation of the new criteria, it was proposed that the criteria for accessing the funds should be widened further. It was proposed that the maximum amount available for short early intervention per child identified as Band 3 or below should be increased from £500 to £800 and up to £1000 for physical or medical equipment.

Schools Forum noted the report and the proposed changes to the SEN Inclusion Fund allocation methodology from 1 September 2021.

8. Notional SEN

Schools Forum considered a report that updated on the outcome of modelling the impact of reinstating the first £6,000 of support for high needs pupils. Following consideration by the School Budgets and SEN working groups it was recommended to Schools Forum that schools and academies should be consulted on the removal of Targeted SEN.

Schools Forum considered the draft consultation paper with a view to it being launched on 10 June 2021 for a period of three weeks. The consultation paper set out the background and history of the issue and why action was needed to address the concerns that had been raised.

On 11 February a joint meeting of the Schools Forum School Budgets and SEN working groups had considered the issue of notional SEN and agreed to model the impact of reinstating the first £6,000 of support in schools for high needs pupils. In order to assess the impact of removing targeted SEN funding, the groups formally commissioned modelling the removal of non-statutory Targeted SEN.

The modelling was presented to Schools Forum on 11 March 2021. It was agreed that the change to notional and targeted SEN funding should be introduced from 1 September 2021 but as this would be a change in the middle of a financial year, consideration should be given to applying transitional protection.

The part year impact of introducing the proposed change with effect from September 2021 was a saving on £924 however, 99 schools would be negatively impacted by this arrangement. The cost of providing transitional protection to bring those schools affected back to their original position for the period from September 2021 to March 2022 would be £378,349 and the estimated full year impact for 2022-23 of providing full transitional protection to the affected schools would be £678,184.

Schools Forum felt that the consultation paper was well written and clearly set the context and history. It was also confirmed that the modelling setting out the impact of the proposed changes on individual schools would be issued with the consultation paper. The consultation would be available on the County Council Consultation Hub, a notice would also be placed on the portal to tell schools that the consultation was available and an update would be issued in the weekly communications to schools.

The Schools Forum supported the recommendation to consult all schools and academies on reinstating the first £6,000 of support for pupils with high needs, removing the targeted SEN and applying transitional protection so no school is worse off than expected during 2021-22 with effect from 1 September 2021. The consultation would be launched on 10 June 2021.

9. Maintained Schools Balances and DSG Earmarked Reserves Outturn 2020-21

A report that updated Schools Forum on the movement on reserves from 1 April 2020 and 31 March 2021 was presented. The report also informed Schools Forum of the new requirement for local authority to report to the DfE where the number, or proportion, of maintained schools with revenue deficit is above a certain level.

Following the closure of the 2020-21 financial year, as at 31 March 2021, the total Dedicated Schools Grant earmarked reserves stood at £1.165m (net deficit). This balance was made up of two elements, individual school balances totalling £8.476m (net surplus) and the centrally retained Dedicated Schools Grant reserve totalling - £9.641m (net deficit).

Total schools' balances at 1 April 2020 comprised a net deficit of £0.145m; this had increased by £8.621m to a net surplus of £8.476m at 31 March 2021. The movement in school balances could be analysed in terms of schools with deficit balances and those with a surplus balance.

Deficit Balances

The number of schools in deficit had decreased from 72 to 42 and the total value of deficit balances had decreased by £1.609m from £7.941m to £6.332m. One nursery school had closed and two schools with a net deficit balance of £0.542m as at 31 March 2019 became sponsored academies, therefore in terms of the maintained schools both at 31 March 2020 and 31 March 2021 the number of schools in deficit had decreased by 27 from 69 to 42 with the total deficit for these schools decreasing by (£1.067m) from £7.399m to £6.332m.

In their three year budget plans for 2020-21, 51 schools proposed a deficit budget plan totalling £6.993m. Of these schools, 36 ended the financial year in deficit with the year end deficit balances for these schools totalling £6.245m. There were 6 schools that had proposed a surplus budget and ended the year in deficit totalling £0.087m.

Maintained secondary schools continued to face significant financial challenges. The combined deficit of the five secondary schools with the most significant deficits as at 31 March 2020 had reduced from £3.654m to £3,472m as at 31 March 2021. Three secondary schools had achieved a combined in-year surplus but this was offset by two secondary schools that had increased their combined deficits.

During 2020-21 three schools had benefited from a review of their financial health by an accredited Schools Resource Management Advisor (SRMA). A further five planned deployments had been delayed due to Covid 19. Three schools had also received support through the National Leaders of Education as part of a package of support for schools adversely impacted by Covid 19 to help them help with financial planning.

Surplus Balances

Total surplus balances had increased by £7.013m from £7.796m to £14.809m. The number of schools in surplus had increased from 187 at 31 March 2020 to 214 at 31 March 2021.

There were 116 schools with an excess surplus at 31 March 2021. This compared to 22 schools at 31 March 2020. The total value of the excess surpluses was £3.422m; on 11 March 2021 Schools Forum agreed not to apply the excess surplus balance policy against 2020-21 balances due to the Covid 19 pandemic.

The increase could be partly explained by reduced activity due to school closures to all pupils except for vulnerable children and children of key workers during the Covid 19 lockdowns. Whilst schools have incurred additional costs in respect of operating under Covid 19 restrictions, much of this additional expenditure has been covered by schools claiming Covid 19 exceptional funds.

There had also been an increase in the amount of funding available to schools in 2020-21 compared to 2019-20. In total schools received an additional £17.663m in delegated funding. This mainly related to an increase in S251 Schools Block funding following additional funding allocated through the national funding formula of, Teacher Pay and Pension grants and other net increases relating to UIFSM, SEN allocations, Pupil Premium and other ad hoc allocations. In addition to the increase in delegated funding COVID19 grants had also been received.

Centrally Retained Dedicated Schools Grant Reserve

As at 1 April 2019, the balance on the centrally retained Dedicated Schools Grant reserve was a deficit of £6.991m. The balance on the reserve at 31 March 2021 was £9.641m. This represented an increase in the deficit balance of the reserve of £2.650m.

This comprised of a surplus against the central DSG reserves of £4.909m and a deficit against the High Needs Block reserves of £14.550m. The in-year movement on the central DSG was mainly made up of an underspend against Early Years and a net underspend against other DSG central services.

The in-year movement on the High Needs Block reserves related to the continued pressure against EHCP top-ups and specialist placements.

The Schools Forum noted the report and the movement in the Dedicated Schools Grant reserves from 2019-20 to 2020-21.

10. High Needs Block Outturn 2020-21

Schools Forum considered a report presenting the outturn position on the High Needs block budget which was overspent by £3.528m resulting in a cumulative HN block deficit of £14.550m as at 31 March 2021.

The forecast cumulative deficit on the HN Block as at Quarter 2 was £15.131m compared to the forecast position as at Quarter 3 of £15.002m; lower than the forecast in the High Needs Recovery Plan.

The outturn represented a net reduction in pressure compared to the Q3 forecast. In terms of the £3.528m pressure against the budget in 2020/21, the key variances related

to the EHCP top-up payments for mainstream schools and early years providers, the cost of specialist independent and other placements, top-ups for post 16, residential placements and invest to save initiatives.

The Invest to Save Initiatives earmarked reserve was held within the DSG reserves and was made up of underspends carried forward from 2018-19 and 2019-20. Actual expenditure of £1.939m was incurred in 2020/21 against which savings of (£1.425m) were achieved.

The actual expenditure exceeds the savings achieved to the same period but, as previously reported, the anticipated savings for the some of the invest to save initiatives were not immediate but were expected to have an impact in future years. The Sandgate early intervention project, Greengate Junior Alternative Provision (AP) and the 2 new AP centres in the North and South of the County were expected to increase the number of children that were able to remain in mainstream education and reduce the number of pupils being permanently excluded resulting in a reduction in the use of high cost independent sector placements and other alternative education arrangements.

The Invest to Save Initiatives will continue to be monitored against HN Recovery Plan.

Since the HN Recovery Plan was last presented to the DfE the number of children with EHCPs had continued to grow and as such the demand for specialist places was still rising. The High Needs Recovery was being updated with a view to being incorporated into the new DfE DSG Management Plan template. The updated plan and progress against the plan would be discussed further with DfE; the updated plan would also be presented Schools Forum.

Schools Forum noted the report.

11. Schools De-Delegated Contingency Budget Outturn 2020-21

A report presenting the outturn position on the de-delegated contingency budget for the 2020-21 financial year as at 31 March 2021 was presented. The budget was overspent by £0.519m and in accordance with the Dedicated Schools Grant conditions, the overspend on the de-delegated contingencies budget as at 31 March 2021 had been 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 2020-21 was £0.678m. 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, settlement agreements in schools in line with the agreed policy, administration costs for the administration of the

Teachers Annual Pension Return, temporary accommodation costs for the North PRU and other miscellaneous costs.

Additional costs relating to new, closing or amalgamated schools

Caldew Lea and Hensingham primary schools received academy orders to become sponsored academies during 2019-20. The final accounts for these academies were now agreed and had resulted in an additional £0.049m chargeable to the contingency fund.

Bram Longstaffe Nursery School closed, Newtown Primary School became a sponsored academy on 31 August 2020 and Lamplugh CE School became a sponsored academy on 1 February 2021. The combined deficit for these three schools was £0.629m.

The Schools Forum noted the 2020-21 outturn position for the contingency budget.

12. Date of Next Meeting

The next meeting of the Schools Forum would be held on Tuesday 6 July 2021. The meeting would begin at 9.30am and was likely to be via Microsoft Teams. Final arrangements would be circulated prior to the meeting.

13. Any Other Business

Cathy Styles reported that Chris McAree had recently presented an excellent session for primary headteachers. The session had been very good and was an excellent contribution from a member of Schools Forum for other headteachers in the county.

SAA/NS
July 2021