

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

**PRESENT**

Lisa Balderstone (PRU)  
Huw Davies (Primary Academy)  
Jane Faulkner (PVI)  
Stephen Gilby (North Maintained Secondary)  
Matt Hardwick (South Maintained Secondary)  
Daniel Hinton (Special Schools)  
Steven Holmes (South Secondary Academy)  
Simon Laheney  
John McAuley (RC Diocese)  
Vanessa O'Dea (CE Diocese)  
Jennifer Rowlands (West Secondary – representing Tom Hailwood)  
Alan Rutter (Teachers Professional Associations and Chair of Forum)  
Sue Sanderson (Cabinet Member – Schools and Learning)  
David Spruce (North Maintained Primary)  
Cathy Styles (South Maintained Primary)

**Officers in Attendance:**

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

**Observers:**

**Apologies for Absence**

Richard Aindow (Special Academies)  
David Grimshaw (North Maintained Primary)  
David Natrass (North Maintained Primary)  
Ian Nicol (South Maintained Primary)  
Ruth Webster (South Maintained Primary)

## **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 meetings of the Schools Forum held on 9 June 2021 and 6 July 2021 were agreed as an accurate record.

There were no matters arising from the minutes.

### **4. Special School Funding Formula Review**

Schools Forum considered a report setting out the progress that had been made to review the special school funding formula review following input from the SEN and School Budgets working groups, Special School headteachers and the Senior Manager, Inclusion.

The report also set out the illustrative financial impact of the modelled banding levels as requested by the Special School Heads which was estimated to cost an additional £5.2m pa. The Schools Forum members were asked to consider the modelling, the impact that this would have on the High Needs Block deficit and the proposed approach to identifying mitigations or revisions to the banding levels in order for the new model to be affordable.

On 9 June 2021 Schools Forum considered a report that informed forum members that there was to be a full review of the Special Schools funding formula. The purpose of the review was to ensure that the formula more closely aligned with actual pupil needs and the costs of providing for those needs within a special school environment whilst bearing in mind the limitations of the funding available and the impact on the overall High Needs Block budget. Work to identify other mitigations against increased costs to the High Needs block would need to be undertaken as part of the review and due to the impact on the High Needs block, a report would need to be presented to Cabinet.

A further report was presented to the School Budgets and SEN Working groups on 20 September 2021 that outlined a proposed approach to the review. The proposed approach included a review of each of the main elements within the existing formula:

- i) Fixed School-Led Factors
- ii) Variable Pupil-Led Factors
- iii) Bandings

Options for each element were considered and it was agreed that a further meeting should be held to allow special school heads to feedback on the proposed approach. On 28 September, the consensus view from the special school heads was that the current fixed school-led and variable pupil-led elements should continue in their current form with the potential to include some outreach services such as the Early intervention Programme at Sandgate.

As well, the group were keen to re-visit previous work that had been done to increase banding levels and had proposed a new set of banding descriptors but they did not support the evidence-based approach which proposed aligning the bandings more closely to the costs of provision through analysing the average class sizes and average levels of teaching and teaching assistants.

Following the meeting, special school heads aligned their current pupils to their proposed new banding level descriptors. It should however be noted that the proposed descriptors were going through a review process by the LA professional assessors and an independent assessment of the bandings that pupils had been allocated to by the special school heads would need to be carried out by the EHCP assessors once the banding levels and descriptors were finalised.

There is a significant jump between levels 4 (£15,729) and 5 (£37,458) however, based on the proposed descriptors (still subject to review) it was expected that only pupils with the most severe and very complex needs would attract this level of funding. Some of the Heads had also categorised a small number of their pupils as above level 5 where very specific and bespoke packages were either already in place or were proposed. For the purposes of modelling the costings for the pupils identified with needs above level 5 had been based on the average of each special school's current pupils on exceptional funding.

As a result, the likely indicative cost of the increase in bandings was £5.2m. The indicative cost showed the impact of the increasing needs of pupils with a significant shift of pupils moving up the banding scales. For some time, special school heads, PHA and CASH have raised concerns about the current special school banding system which had not been reviewed for many years and did not reflect the increasing complexity of need. This has put a strain on the special schools' budgets and was making it increasingly difficult to place children with special schools who were approaching a point where they were at risk of not being able to meet pupil needs safely without a significant amount of additional support, resulting in a large number of cases being presented at panel for exceptional funding.

The financial modelling was only indicative at this stage and was very much a worse-case scenario. A cost increase of £5.2m was not sustainable so mitigations needed to be identified before going to Cabinet.

Three options were presented to Schools Forum for consideration:

- Option 1 – Make no changes to the current funding formula for special schools.
- Option 2 – Apply the modelled bandings in part by adjusting down the financial values used in the modelling. Further mitigations that could be applied to offset the increased cost would need to be considered.
- Option 3 – Present the modelled bandings illustrating the worse case scenario of £5.2m pa additional in-year pressure against the High Needs Block from 2022-23 to Cabinet for consideration. The mitigation would be to submit a request to the Secretary of State (SoS) to transfer more than 0.5% of Schools Block up to a maximum of £5.2m. This option would require the inclusion of an additional question in the school funding formula consultation.

In discussing the report, Forum members agreed that it was absolutely appropriate that there be a review process by the LA professional assessors and an independent assessment of the bandings that pupils had been allocated to by the special school heads. Further work was required including in relation to interim payments to special schools.

Schools Forum noted the contents of the report and, following a vote (option 1 – 0, option 2 – 7, option 3 – 1, 5 abstentions), recommended option 2 as the proposed approach to dealing with the financial impact on the High Needs Block ahead of taking a proposal to Cabinet.

## **5. School Funding Arrangements 2022-23**

A report was presented that set out details of the dedicated schools grant (DSG) funding for 2022-23 and proposed that the National Funding Formula (NFF) should be applied in full with any balance remaining within the Schools Block after taking into account the Growth Fund up to a maximum of 0.5% being transferred to the High Needs (HN) block to support the budget pressures.

The report sets out the rationale behind this proposal which was supported by the Schools Forum Budget Working and High Needs sub-groups and included a draft consultation document showing illustrative impact on school budget shares with a view to the consultation being launched on 21 October for a period of 3 weeks.

The DfE had made limited changes to the schools funding formula in 2022-23 and local authorities continued to have flexibility to set a local formula in 2022-23. From 2023-24 the DfE were proposing to place further restrictions on local flexibility as it moved closer towards bringing in a 'hard' national funding formula whereby individual school budgets would be set directly through one single NFF.

On 19 July 2021, the Education & Skills Funding Agency announced details of the dedicated schools grant (DSG) funding arrangements and provisional funding allocations for 2022-23. The figures were subject to change following updated pupil numbers and other later adjustments. Final allocations would be published in December 2021 and would include Early Years funding which had not yet been announced.

Overall, it was expected that there would be an increase in the level of funding received; the biggest increase would be to the Schools Block but there would also be additional funding for the High Needs Block and a reduction to the Central Services Block.

As in previous years, DfE would set notional budgets for each school using the national funding formula and October 2020 pupil data; this would then be aggregated and used to calculate the total schools block received by each local authority.

However, the government remained committed to moving towards a 'hard' NFF where individual school budgets would be set directly by the ESFA rather than independently through a locally agreed formula. It was proposed that from 2022-23 further restrictions on local formulae would be introduced; these proposals had been subject to a consultation that had closed on 30 September.

There was a requirement that all maintained and academy schools were consulted on any changes to the local funding formula each year. Even if it was proposed to continue to follow the NFF, if the formula factors and/or the minimum funding guarantee (MFG)

was different to that of the preceding year then all schools must be consulted on the changes. Following this consultation, Schools Forum would then be asked to make a recommendation to Cabinet on a proposed approach and Cabinet would then decide on the final formula for 2022-23.

It was proposed that schools were consulted on adopting the National Funding Formula in 2022-23 as in previous years.

Last year, through the consultation process it was possible to adopt the NFF in full and transfer 0.5% to support the High Needs Block with budget leftover which was allocated to schools by increasing the AWPU factors above the level in NFF. For 2022-23 it was recommended that the same principle was applied, however, it was also noted that it was proposed that the growth fund budget (£0.200m last year) would be increased for 2022-23. A more detailed report on the growth fund requirements for next year would be presented to Schools Forum in January 2022.

The alternative option would be not to transfer any funding to the HN Block and allocate any surplus budget, after taking into account the Growth Fund budget, to schools through increasing the basic per pupil AWPU factor. There was a risk however that this option would, in future years make applying the NFF in full unaffordable as the increase in funding would be built into the schools budget share baselines and may result in a requirement to reduce the level of MFG protection in future years below the level of that used in the NFF.

Any proposed budget transferred to the HN block in 2022-23 would continue to support the high needs recovery plan. DfE requires the LA to work towards at least balancing the HN budget in-year; if there was no transfer to the HN block the LA would need to consider other measures to address the predicted in-year pressure against the HN budget in 2022-23.

A timeline for the consultation with schools and subsequent decision making process in relation to agreeing the final formula for 2022-23 was detailed in the report. Following the end of the consultation a report would be presented to the next Schools Forum meeting on 22 November ahead of Cabinet who would make the final decision on the school funding formula for 2022-23 at its meeting on 16 December.

#### Schools Forum

- i) noted the provisional school funding settlement;
- ii) recommended that all schools be consulted on the proposal to apply the National Funding Formula in full in 2022-23 with any remaining balance up to 0.5% transferring to the HN Block after taking into account the growth fund budget;
- iii) recommended that, after transferring up to 0.5% to the HN Block and taking into account the growth fund, any leftover balance if available would be allocated to schools by increasing the APWU factor values; and
- iv) noted the draft schools consultation document and feedback ahead of the consultation launch.

#### **6. High Needs Block – Budget Monitoring and Recovery Plan as at Quarter 1 2021-22**

A report was presented that provided an update on the High Needs (HN) block deficit as at 30 June 2021 which was forecast to rise compared to the closing deficit at the end of

the financial year 2020-21. The report also provided an update on the High Needs Recovery Plan.

A balanced High Needs budget had been set for 2021-22 with no planned transfer to reserves. As reported to Schools Forum at its meeting held on 17 January 2021 the initial budget available for the HN Block was £51.109m made up of £49.521m provisional HN block allocation from central government and £1.558m transferred in 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 on a monthly basis with reports presented to senior management, and to Cabinet on a quarterly basis, as well as to each Schools Forum meeting. The projection against the budget as at Q1 showed that the budget was projected to overspend by £5.266m as at 31 March 2022.

The main in-year pressures related to the EHCP top-up payments, the cost of independent day and other placements, invest to save initiatives, special schools 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 had continued to rise month on month increasing by a total of 1,196 from 2,929 as at April 2018 to 4,125 as at June 2021. The majority of children and young people with EHCPs were educated in mainstream schools and colleges.

The report set out the impact of the Invest to Save Initiatives for the period 2018-19 to 2020-21 as well as a projection for 2021-22. Invest to save initiatives had covered 4 main areas – the expansion of Special School places, exceptional EHCP packages, alternative provision in schools and new AP centres in Barrow and Carlisle.

The latest version of the High Needs Recovery Plan was set out in an appendix to the report. The plan had been updated to reflect the provisional DSG allocations for 2022-23 published in July 2021. As the provisional allocations were based on last year's pupil numbers and commissioned HN places for academic year 2020-21 estimated growth in special school and independent pupil numbers had been factored in. The expenditure plan also reflected the estimated full year impact of transitional protection following the removal of Targeted SEN with effect from 1 September 2021.

EHCP pupil number projections were based on current trends which continue to rise. Current numbers as at Q1 are 4,125 and it was estimated that the numbers would continue to rise before levelling-off by 2025-26.

A further meeting with the DfE to discuss the progress towards balancing the DSG budget in-year and the continued pressures on the High Needs Block is expected in due course.

The Schools Forum noted the report and the current projection on the High Needs budget as at 30 June 2021 and the progress being made on the High Needs Recovery plan.

## **7. Schools De-Delegated Contingency Budget – Budget Monitoring Q1 2021-22**

A report presenting the forecast outturn position on the de-delegated contingency budget for the 2022-22 financial year as at 30 June 2021 was presented. The budget was

currently projected to underspend by £0.387m and in accordance with the Dedicated Schools Grant conditions, the overspend on the de-delegated contingencies budget as at 31 March 2022 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 2021-22 was £0.666m. 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 and other staff termination costs in schools in line with the agreed policy, administration costs relating to the administration of the Teachers Annual Return, temporary accommodation costs at the Gillford Centre PRU.

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

**8. Date of Next Meeting**

The next meeting of the Schools Forum would be held on Monday 22 November 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.

**9. Any Other Business**

A letter had been received from Leven Valley CE Primary School enquiring whether Schools Forum were going to recommend implementation of the excess surplus balance policy this financial year.

A number of schools had expressed concern about clawback of excess surplus balances at the end of 2020-21 financial year; many planned activities or works had been delayed due to COVID and whilst some funds had been diverted in response to COVID cost pressures it was possible that the number of schools with an excess balance would increase in 2020-21. Therefore, on 11 March 2021, the maintained school members of the Schools Forum had recommended that the excess surplus balance policy should not be applied against maintained schools 2020-21 balances.

As reported to Schools Forum on 9 June 2021, there were 116 schools with an excess surplus at 31 March 2021. 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. It was also estimated that there was approximately £1.2m in unspent grants.

Maintained school representatives on Schools Forum felt that whilst schools were now able to do more than during 2020-21, the situation had not yet returned to normal and exceptional circumstances could still be applied. Not applying the clawback policy against maintained schools 2021-22 balances would enable schools to put longer term projects in place that would have a positive impact and allow a more strategic approach from schools.

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 future balances.

The maintained school representatives of the Schools Forum had recommended that the excess surplus balance policy should not be applied against maintained schools 2021-22 balances.

The decision would be communicated to schools via the school portal and also in the weekly communications to schools that was issued each Thursday.

E&S/NS  
2 November 2021