



CUMBERLAND SCHOOLS FORUM

Draft MINUTES OF THE MEETING HELD ON 18 September 2023 via Microsoft Teams

PRESENT

James Blackwell (Maintained Primary)
Danny Gee (PRUs)
David Grimshaw (Maintained Primary)
Tom Hailwood (Maintained Secondary)
Rhiannon Hughes (Maintained Nursery)
Julie Jones (RC Diocese)
Elaine Lynch (Cumberland Shadow Portfolio Holder – Education, Skills & Training)
Chris McAree (Secondary Academy)
Kuldip McMullan (Primary Academy)
Michael Smillie (Secondary Academy)
Laura Watson (CE Diocese)
Kris Williams (Special Schools)

Officers in Attendance:

Dan Barton	(AD – Education and Skills)
Susan Milburn	(Group Accountant – People)
Amanda Chew	(Finance Manager)
Simon Nicholson	(Finance Manager)
Sophie Scott	(Finance)
Sally Senejko	(Senior Manager – SEND, Education & Inclusion)
Lesley Nixon	(Senior Manager – Learning Improvement Service)
Nicola Shiels	(Forum Support)

Observers:

None

Apologies for Absence

Charlotte Tudway (CE Diocese)
Nerissa Nicholas (Maintained Primary)

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

1. Appointment of Chair

Chris McAree, was appointed as Chair of the Cumberland Schools Forum for the coming year.

2. Appointment of Vice-Chair

Michael Smillie was appointed as Vice-Chair of the Cumberland Schools Forum for the coming year.

3. Exclusion of Press and Public

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

4. Declarations of Interest

There were no declarations of interest at this stage.

5. Minutes of Previous Meeting and Matters Arising

The minutes of the meetings of the Schools Forum held on 13 June 2023 were agreed as an accurate record.

It was noted that a written update on Delivering Better Value in SEND would be presented at the November Schools Forum meeting. There were no matters arising from the minutes.

6. Schools Funding Formula 2024-25

A national funding formula was introduced for schools from 2018-19 and since then local authorities had been able to decide in consultation with their schools and Schools Forum whether to use the NFF to allocate funding to schools or to apply a locally determined schools funding formula, within some restrictive parameters set by the ESFA.

In 2023-24 the DfE began the first year of transition towards a direct NFF whereby all schools (including academies) would be funded using one single NFF and placed further restrictions on local flexibility.

In 2023-24 the Cabinet members for Cumbria decided that the NFF would be used to allocate funding to schools and academies in Cumberland, as in previous years since the introduction of the NFF in 2018-19. When the final DSG Schools Block allocation for Cumberland was published by the Education Skills & Funding Agency (ESFA) in December 2022 and after applying the NFF in full and taking into account the Growth Fund budget there was an affordability gap of resulting in a small reduction in the basic per pupil funding factor compared to the NFF value. As there was no balance remaining in the Schools Block after applying the funding formula on this basis there was no transfer to the High Needs Block to support the budget pressures in 2023-24.

On 17 July 2023, the ESFA announced details of the dedicated schools grant (DSG) funding arrangements which, at a national level, would increase by £1.8bn in 2024-25 compared to this year. Of this, £440m was being directed to the High Needs Block. The DSG funding

was allocated in four blocks: Schools, High Needs, Early Years and Central Schools Services and, as in previous years, the ESFA had also published notional school-level allocations. Final allocations would be published in December 2023 and would include Early Years funding.

Funding allocations for 2024-25 compared to 2023-24 showed a total increase of £14.313m with the majority of the increase going to the Schools Block which would increase by £13.336m.

The Schools Block was made up of three elements – core NFF, premises factor and growth fund. Core NFF had increased by £13.064m and the premises factor by £0.272m. Details of the growth fund factor had not yet been published but would be based on observed differences between primary and secondary numbers on roll in each local authority between the October 2022 and October 2023 censuses and would be published at a later date. New for 2024-25, it would also include funding for falling rolls as well as growth.

From 2024-25 local authorities would need to provide growth funding where a school or academy had agreed with the local authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment) that was at least £1,550 per pupil.

The increase in the Core NFF included the roll in of the Mainstream Schools Additional Grant (MSAG) of which £4,510 had been added to the lump sum factor and the remainder has been allocated on a per pupil basis. On top of these increases the basic per pupil funding factor, additional needs factors and the school lump sum had increased by 2.4%. The free school meals (FSM) factor would increase by 1.6%. The minimum per pupil funding levels had been set at £4,655 per primary and £6.050 per secondary pupil.

The settlement also allowed for an increase to the funding floor so that all schools and academies would attract at least 0.5% per pupil gain against their 2023-24 per pupil baselines which have been adjusted to include the MSAG. LAs would continue to be allowed to set a minimum funding guarantee (MFG) in local formulae, which must be between +0% and +0.5%.

The DfE continued to be committed to moving towards a 'hard' NFF. In 2023-24 LAs were required to bring their own formulae at least 10% closer to the direct NFF. This restriction was being applied again in 2024-25.

The recently announced new Teachers Pay Additional Grant introduced from September 2023 would not be included in the NFF in 2024-25 but would continue to be allocated to schools as a separate grant in 2024-25.

High Needs Block – Cumberland was estimated to gain £0.675m (2.43%) compared to 2023-24, subject to changes in pupil numbers and other later adjustments:

The HN national funding formula used to allocate funding to local authorities was broadly unchanged. This allowed for a minimum 3% increase per head of 2 to 18 population capped at 5% against the 2023-24 baseline. For Cumberland the per head gain was 3%, however the protection only applied to the proxy factors and the additional HN funding and excluded the basic, Alternative Provision (AP) factor and the import/export adjustment.

The historic spend factor within the formula was £11.188m which was the same amount allocated in 2023-24 and equated to 28% of the total funding estimated to be available in 2024-25.

The central services block was estimated to reduce by £0.041m compared to last year. The block was made up of two elements: ongoing responsibilities and historic commitments. The funding for ongoing responsibilities was estimated to increase by £0.070m subject to changes in pupil numbers and other later adjustments. The ESFA had been winding down the historic commitments funding since 2019-20 would reduce by (£0.111m). It was expected that the historic commitments element would continue to reduce on this basis in future years as there was an expectation that these commitments would eventually unwind completely. However, the historic commitments funding would be protected from dropping below the total value of ongoing prudential borrowing costs which for Cumberland was £0.127m.

It 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 we must consult with all schools on the changes. Following this consultation, Schools Forum would then be asked to make a recommendation to Executive on a proposed approach. Executive would then decide on the final school funding formula for 2024-25 which would impact maintained schools from 1 April 2024 and academies from 1 September 2024.

It was proposed that the Cumberland school funding formula mirrored the NFF in full in 2024-25 impacting maintained schools with effect from 1 April 2024 and academies from 1 September 2024. If there was a shortfall in Schools Block funding after allocating the funding on this basis and after taking account of the Growth Fund budget then it was proposed that this would be managed by reducing the basic per pupil funding factor in the formula.

If there was still a balance remaining within the Schools Block after applying the NFF in full and after taking into account the Growth Fund budget, it was proposed that up to a maximum of 0.5% is transferred to the High Needs (HN) block to support the ongoing budget pressures. Any residual balance remaining to be allocated to schools through the school funding formula by increasing the basic per pupil funding factor.

The report included an example draft consultation document on the assumption that the proposal would be supported by Schools Forum with three recommended questions to ask schools together with the illustrative impact on school budget shares. The consultation once finalised was planned to be launched on 25 September for a period of 3 weeks.

A shortfall or balance remaining in the Schools Block after allocating the funding using the NFF could arise due to the way that local authorities are funded. The actual primary and secondary units of funding at local authority level are based on October 2022 pupil data and changes in pupil characteristics such as eligibility for FSM or changes in attainment levels are not reflected in the primary and secondary units of funding used to allocate the core NFF funding to local authorities in 2024-25, only changes in pupil numbers are taken into account. It was anticipated that the number of children eligible for FSM would have increased between the October 2022 and 2023 census dates and therefore this could mean that applying the NFF in full would be unaffordable in 2024-25 when the final Schools block allocation was confirmed in December, as it was in 2023-24.

The Premises factor at local authority level, which was based on the previous year's actual spend would also have an impact on affordability.

In discussing the report, Schools Forum noted that FSM could have a significant impact on school budgets. Cumbria had written to DfE about this issue as the 2023-24 formula had not been affordable, primarily due to FSM. It was requested that at the point that the funding formula was presented to the Executive, elected members be clearly briefed about the

potential for a shortfall and how difficult it was to assess the impact until the final allocation was received.

Schools Forum members were asked to encourage constituents to respond to the consultation when it opened.

Schools Forum then:

- noted the provisional school funding settlement;
- supported the recommendation to consult all schools on the proposal to apply the National Funding Formula in full in 2024-25;
- supported the recommendation to apply the following principles if there was a shortfall or remaining balance after applying the National Funding Formula in full and after taking into account the growth fund budget:
 - if there was shortfall reduce the basic per pupil funding factor values in the formula;
 - if there was a remaining balance transfer up to 0.5% to the HN Block and allocate any leftover balance after that, if available, to schools by increasing basic per pupil funding factor values in the formula
- supported the example draft schools consultation documents and the three recommended questions to ask schools.

7. Early Years Funding DfE Extension of Entitlements Consultation

A report that was presented that updated Schools Forum about the extension of early years entitlements.

In Spring 2023 the government announced that they would be extending the early years free entitlements meaning that all working parents in England would be able to access 30 hours of free childcare per week for 38 weeks of the year from the term after their child turned 9 months old to when they start school. The extension of free entitlement would be rolled out in stages starting from April 2024.

DfE launched a consultation on 21 July which ran to 8 September. The LA broadly agreed with the proposals but the formula did not take into account rurality and this could impact on viability of early years providers as they would have fewer paying parents to subsidise free entitlement.

The extension of the early years entitlements and the changes to the local funding rules meant that consideration needed to be given to how early years providers were funded at a local level. From 1 April 2024 LAs must pass-through at least 95% of the new 2-year old and under funding it received to early years providers. It was recommended to Schools Forum that an element of this funding should be centrally retained to support the delivery of the roll out of the new entitlements.

Modelling of the proposed new local funding formulae for 2-year olds and under and the draft consultation with Cumberland early years providers and schools would be brought to the next Schools Forum meeting in November for consideration. The consultation outcome would be presented at the 16 January 2024 meeting when the Schools Forum would be asked to make a recommendation to Executive who would decide on the final new funding formulae at its meeting in February 2024.

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. The extension of the free entitlement meant that all 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.

Funding for free entitlement was allocated to local authorities through a separate funding formula for 2-year olds and 3-4 year olds through the Early Years Block of the Dedicated Schools Grant. The DfE were not proposing to make any changes to way funding was allocated to local authorities for 3-4 year olds or the maintained nursery school (MNS) supplementary funding. The current funding formula for 2-year olds, made up of an hourly base rate multiplied by an area cost adjustment, was designed to fund disadvantaged 2-year olds only and the DfE were proposing new funding formulae that was suitable for a 2-year old and under cohort which included working parent families.

DfE proposed is to allocate funding at local authority level using the existing 3-4 year old funding formula for both the new 2-year olds and the under 2-year olds funding formula.

Funding rates would vary by age, with higher rates for under 2-year olds reflecting the difference in costs due to higher staffing ratios. The proposed new additional needs factor was to reflect the relative differences in general levels of disadvantage between areas. This factor was weighted at 10.5% of the total funding available at a national level of which 8% was targeted to deprivation with the remaining 89.5% of funding through the base rate. However, in a difference to the 3-4 year old funding formula, which only used FSM eligibility as measure of deprivation, it was proposed to use a combination of both FSM and IDACI in the new 2-year olds and under funding formulae.

Although the DfE were not proposing to make changes to the current 3-4 year old funding formula at this stage they had committed to review the additional needs factor and consider whether to also introduce IDACI there.

The current funding rate, for disadvantaged 2-year olds in Cumberland was £5.63. DfE have published illustrative hourly funding rates at LA level for 2024/25 and Cumberland had the sixth lowest funding rates out of 151 authorities.

DfE were proposing to apply the current rules that apply to 3-4 year old local funding to the 2-year old and under funding formulae. The pass-through rate would continue to be 95% for 2024-25 but the intention was to increase the pass-through rate to 97% in future years.

Cumberland currently used the mandatory supplementary Deprivation factor and a Quality factor to distribute the former teacher pay and pension grants to school-based providers in its 3-4 year old funding formula. Other allowable factors included flexibility, rurality/sparsity and English as an additional language.

The LA was obliged to consult with Schools Forum, schools and early years providers on any changes to the existing local funding formulae for 3-4 year olds, and the new 2-year olds and under 2-year olds local funding formulae. Timescales for consulting and finalising the shape of the funding formula would be tight as the 2024-25 Dedicated Schools Grant budget, which will include the proposed centrally retained Early Years budget for which the authority must receive Schools Forum approval for, was due to be presented on 16 January 2024 to meet with DfE deadlines.

Schools Forum members commented that there was no recognition of geographical spread and asked that the consultation paper be very clear about the principles of consultation. A

draft consultation paper together with how much the LA might need to retain would be presented to the next meeting in November.

Schools Forum noted:

- the extension of early years entitlements for 2-year olds and under and the changes to the local funding rules and the LA's response to the DfE's consultation;
- the recommendation that a portion of the new funding is centrally retained to support the rollout of the new free entitlements; and
- the requirement to consult early years providers and maintained schools on the new local funding formula and timeline for doing this.

8. Homes for Ukraine Education & Childcare Grant

Schools Forum received a report updating them on the spend to date against a government grant to help support the education of children that had arrived in the UK via the Homes for Ukraine (HfU) visa scheme.

A new one-off grant to support the education and childcare costs of children arriving into the UK via the Homes for Ukraine (HfU) visa scheme between 1 March 2022 and 28 February 2023 had been made available to local authorities. The grant allocation was based on an amount per child for claims submitted by the local authority, with the amount received depending on when the child arrived in the UK.

The grant could only be used for the provision of education and childcare for children aged 2–18 and for any funding passed onto the child's education or childcare setting the process should be as simple as possible.

Grant totalling £0.824m had been received for HfU children living in Cumberland and had to be spent by 31 March 2024. Actual spend to date was £0.646m, leaving £0.178m unspent. The under allocation was due to a number of reasons including not all children for which funding had been claimed for had attended school or early years provision during their stay in the UK, either because they were not at compulsory school age or for other reasons; they did not start attending school as soon as they arrived into the UK and some children had returned to the Ukraine.

Feedback from schools had indicated that the costs associated with supporting the education costs of HfU children had invariably been more than the grant allocation received. It was, therefore, proposed that the remaining grant allocation should be distributed to those schools/early years providers that had already received HfU funding with an uplift to each school's total allocation of 27.6%.

For those schools/early providers may where HfU children were no longer in attendance, the proposed additional grant could be used to offset costs already incurred. As with all other specific grants, schools must retain records of spend relating to the grant for audit purposes and evidence of compliance with the grant conditions.

Schools Forum noted the balance remaining against the grant of £0.178m and supported the proposed methodology for allocating the remaining balance to schools and early years providers by uplifting each school/early years provider's allocation by 27.6%.

9. Maintained School Balances and Outcome of Excess Surplus Balances

A report that presented the maintained schools projected net surplus balance position as at 31 March 2024 was considered. The report also presented the outcome of the of the excess

surplus balance policy that had been applied against maintained school balances as at 31 March 2023.

Based on school submitted May budget plans for 2023-24 a net surplus balance of (£0.721m) was projected as at 31 March 2024; the net surplus balances on maintained schools was (£4.806m) as at 31 March 2023.

21 schools had proposed deficit budgets for 2023/24 and were required to submit a deficit recovery plan. Eight schools had complied with this requirement but 13 schools had not yet submitted their plans and had been requested to submit them with their revised October budget plan submission.

Following the submission of the May budget plans, the government announced details of the new Teachers Pay Additional Grant to help schools meet the costs of the 2023-24 teacher pay award. The total expected grant for Cumberland mainstream and Special/PRUs schools was (£1.194m) therefore after taking this into account the revised projected net surplus balance as at 31 March 2024 was (£1.915m).

Details of the schools funding settlement for 2024-25 had been announced by DfE. The settlement reflected inflationary increases for schools in the National Funding Formula of 2.4% and a minimum funding guarantee of 0.5% against their previous year's funding baselines. The final school funding formula for Cumberland was subject to consultation and had not yet been confirmed. Despite this additional funding, given the inflationary pressures that schools were faced with. It was likely that school balances would continue to fall and this position was not sustainable.

In June 2023, Schools Forum noted that 36 schools had ended the 2022-23 financial year with an excess greater than 8% (primary, nursery, special schools) and 5% (secondary schools) of their total delegated budget shares. These schools were required to provide justifications and supporting evidence for the excess amount above these thresholds. The total value of the excess amount was £1.544m.

The returns had been reviewed by the finance team. The majority of justifications met the criteria in the policy relating to schemes of building work, furnishing or equipping, schemes of repair, expenditure planned for in 22-23 but occurring early in 23/24, unspent grants and other reasons.

The returns had been by the Assistant Director for SEND, Education & Inclusion, 20 schools had received approval to retain their excess balance and 10 schools had received conditional approval subject to providing further evidence by 30 September.

DfE considers the holding of small surplus balances by schools to be part of sensible financial planning but also that school budget shares should be spent for the benefit of pupils in school at that time. The surplus school balances policy puts appropriate challenge on to schools with excess surplus balances. However, given the amount of resource time taken up by schools in preparing and collating their evidence for their justifications and the finance team in reviewing each justification and preparing the report for the Assistant Director against the low value of the excess claw back amount the maintained schools representatives of the Schools Forum were asked to consider whether completing this exercise on an annual basis was still of benefit in terms of managing the levels of maintained schools surpluses balances.

In discussing the report Schools Forum noted the continuing pressures on school funding and how challenging this was for schools.

The maintained schools' School Forum representatives noted that maintained schools' balances projected net surplus position for 2023-24 of (£0.721m) and agreed that the excess surplus balances policy should continue to be applied in future years.

10. High Needs Budget Monitoring – Quarter 1

A report was presented that provided an update on the High Needs (HN) block deficit as at 1 June 2023 which was forecast to rise compared to the closing deficit at the end of the financial year 202-23.

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 Q1 showed that the budget was projected to overspend by £1.380m 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, 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 continued to rise. The number of children with an EHCP as at Q1 was 2567; 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 £35.604m as at Q1. 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 about re-establishing the SEND Working Group before the Cumberland Schools Forum noted the current projection on the HN Budget as at 1 June 2023.

11. **Delivering Better Value for SEND**

Earlier in the meeting it had been noted that written update on DBV would be presented at the November Schools Forum. Ahead of the written update, it was reported that work was ongoing on various workstreams and progress was being made with several priorities that had been identified including recruitment of teaching assistants, resourced provision (RP) with expressions of interest for RP having gone out to schools and further demand forecasting.

12. **School Teachers Review Body (STRB) Visit**

Each year colleagues from STRB visited a selection of schools across the country to have conversations with colleagues in schools which helped to inform recommendations to government. On 9 & 10 November this year they would be coming to Cumberland and would be visiting Caldew School (9 November, PM) and Stoneraise School (10 November, AM).

13. **Dates of Future Meetings**

- i) The next meeting of the full Schools Forum would be held on 2 November 2023, starting at 9.30am. It was likely to be held via Microsoft Teams; final arrangements would be circulated prior to the meeting.
16 October 2023 had been scheduled for potential working group meetings. It had been agreed that this date would be used to deliver some training for Schools Forum members.
- ii) A proposed schedule of meeting dates for 2024 had been circulated with the agenda. Dates for 2024 to be finalised.

14. **Any Other Business**

- i) **Fischer Family Trust (FFT)** – The LA purchased a multi-use licence and were looking to assess the extent that schools used FFT. It was suggested that it would be worthwhile asking the question via CASH and PHA; David Grimshaw would raise with PHA.
- ii) **Membership** – There was a request for a full list of members of the Schools Forum to be shared in advance of the November meeting and efforts would be made to secure representation to any unfilled constituencies before that meeting.

E&S/NS
September 2023