

WESTMORLAND AND FURNESS SCHOOLS FORUM

17th September 2025, Microsoft Teams Meeting, 9.30am

AGENDA

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

Item	Item name	Papers	Responsible Member
1.	Membership Update - Consideration of Forum Member vacancies	Attachment 1*	All
2.	Apologies for Absence	Verbal	Clerk
3.	Exclusion of Press and Public To consider whether the press and public should be excluded from the meeting during consideration of any item on the agenda.	Verbal	All
4.	Declarations of Interest	Verbal	All
5.	Minutes of Previous Meeting (11th June 2025) and Matters Arising (Action Log)	Attachments 2 & 3*	Chair/Clerk
6.	Dedicated Schools Grant Outturn 2024-25	Attachment 4	Amanda Chew
7.	Maintained School Balances Outturn 2024-25 & 2025-26 Forecast	Attachments 5 & 6*	Amanda Chew
8.	Schools Funding Formula 2026-27	Attachment 7	Amanda Chew
9.	High Needs Budget Monitoring Q1 2025-26	Attachment 8	Amanda Chew
10.	De-Delegated Budget Monitoring Q1 2025-26	Attachment 9	Amanda Chew
14.	Dates of Future Meetings and Forward Plan i. The next meeting of the Schools Forum will be held on 5 th November 2025. The meeting will begin at 9.30am and will be via Microsoft Teams.	Attachment 10*	Chair/Clerk

Item	Item name	Papers	Responsible Member
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- ii. Further dates for 2025/26:
24th Oct 2025 - High Needs Block Working Group
14th Jan 2026
10th June 2026

PART 2: ITEMS LIKELY TO BE CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC

*Please note:

Attachments 1, 3, 6 and 10 are available on request from the Clerk to the Schools Forum (see website for contact details).

WESTMORLAND AND FURNESS SCHOOLS FORUM

11th June 2025, Microsoft Teams Meeting, 9.30am

DRAFT MINUTES

Attendees: Amanda Chew, Katherine Dalglish, Isobel Booler, Dan Hinton, Cllr Battye, Claire Diggle, Stephen Gilby, Susan Milburn, Michelle Hughes, Huw Davies, Emma Aubrey, Marie Barnes, Andy Brewerton, Lisa Balderstone, Matt Hardwick, David Nattrass, Mark Harris, Ian Nicol, Jon Hayes.

1. Membership Update - Consideration of Forum Member vacancies

ACTION – Contact new Principal of Kendal College re membership (Chair)

2. Apologies for Absence

Peter Graveson, Nicola Cove, Nichola Carruthers

3. Exclusion of Press and Public

It was agreed that the press or public should not be excluded from the meeting during consideration of any item on the agenda.

4. Declarations of Interest

There were no declarations of interest.

5. Minutes of Previous Meeting (15th January 2025) and Matters Arising

The minutes were approved.

All actions on the Action Log were addressed or updated. A briefing pack on the High Needs Block (HNB) funding will be circulated to members after the meeting.

6. HNB Working Group Minutes of 1st April 2025

Dan Hinton, Chair of the HNB Working Group, summarised the minutes of the meeting held on 1st April 2025. It was highlighted that although the DBV Programme has now ended, there are still two key workstreams relating to sufficiency of provision and an increase in EHCPs. Despite much work being done in this area there has not been a reduction in the HNB deficit, but had this work not been done it would have been greater.

ACTION – confirm date for next meeting (Clerk).

7. High Needs Budget Monitoring Q3 2024-25

Amanda Chew presented the report on the High Needs (HN) Block deficit position as at 31 December 2024 which is forecast to be £27.456m as at 31 March 2025, an increase of £9.096m compared to the closing deficit at the end of financial year 2023/24 of £18.360m.

Although the outturn position for 2024/25 is not yet publicly available, she anticipates an improved position against quarter three.

Forum members requested the mean and to understand why our school system is spending less than others. It was clarified that the funding received was lower, so expenditure is therefore lower. Isobel Booter will provide further information on our statistical neighbours and an updated census at the next meeting.

Regarding the anticipated improved outturn position it was explained that this is likely to be due to a reduction in spending on Independent Specialist Provision, but it is influenced by many factors.

Isobel Booter drew a comparison to Blackpool, who receive £16M more in funding but have the same number of pupils as Westmorland and Furness, and only around 100 more EHCPs. Blackpool was part of the Safety Valve scheme, rather than the Delivering Better Value (DBV) scheme. The Department for Education highlight Westmorland and Furness's school system as performing well because it is low-cost and inclusive despite increasing numbers. Work is ongoing to explore if there are other areas who have similar challenges but have a lower cost per pupil with an EHCP for learning opportunities. A briefing has been provided to MPs outlining the need to move towards a National Funding Formula based on volume of EHCPs and not historic allocations.

Forum members reflected that Westmorland and Furness children have benefitted from our approach because outcomes for pupils with SEND are better, they attend more, are excluded less and attain higher than their comparators.

8. De-Delegated Contingency Fund Budget Monitoring 3 2024-25

Amanda Chew presented the forecast outturn position on the de-delegated contingency budget for the 2024/25 financial year as at 31 December 2024. The budget is projected to underspend by £0.022m.

In accordance with the Dedicated Schools Grant (DSG) conditions, the underspend will be carried forward into the Central DSG earmarked reserve. A budget plan has been secured for next year, which will hopefully be in line with the spending review.

9. Updated LA Scheme for Financing Schools

Amanda Chew presented the report which informs the Schools Forum of an amendment to the Westmorland & Furness LA Scheme for Financing Schools and Pupil Referral Units (Scheme). The revised Scheme will come into effect from June 2025.

This small amendment and addition to the scheme at section 6.2 relates to a change in regulations which will now allow the local authority to charge a school's budget without the consent of the governing body for an undisputed invoice for energy where the school has entered into an agreement with the Secretary of State for the supply of energy and failed to pay such an invoice.

The Schools Forum are recommended to note the amendment.

10. Maintained Schools Excess Surplus Balances

Amanda Chew presented the report to inform the Schools Forum of the outcome of the 2023/24 excess surplus balances policy and the excess surplus balances position for 2024/25 for maintained schools.

Schools Forum are asked to consider whether the policy should continue to be applied in future years or the threshold limits increased to reduce the number of schools required to justify their balances.

Forum members acknowledged the need to reduce deficits. Following further discussion a vote on the three options was taken.

It was AGREED that the excess surplus balances policy will be removed from the LA Scheme (Option Three).
(11 members voted in favour).

ACTION – the Schools Forum to review this decision annually in June. (Clerk)

11. Targeted SEN Funding

Susan Milburn presented the report on Targeted SEND Funding.

Following a number of meetings with deficit schools, the LA committed to modelling the impact of reintroducing targeted SEN funding to schools with high levels of EHCPs. Targeted SEN funding had previously been applied to schools with more than 2% of pupils on roll with EHCPs but was withdrawn in 2021/22.

A report was presented to the Schools Forum High Needs Working Group in April 2025 setting out the scenarios included in this paper. The High Needs Working Group recommended that the paper and modelling should be considered by the full Schools Forum.

Schools Forum members discussed the implications of the recommended approach which represents an 'invest to save' philosophical change. There were concerns about ensuring the money would be spent in the most effective and efficient way.

ACTION – Refer matter back to the HNB Working Group for further discussion and look at strategic options for invest to save and then propose to Schools Forum.

Wider Schools Forum membership was asked to consider proposals to support outcomes for children with SEND to bring to future meetings.

12. Maintained Schools Balances Outturn 2024/25

The outturn is not yet publicly available and there will be a full report to the Schools Forum in the autumn. In summary, and for the School's Forum information, the balance has gone from a net surplus to a net deficit representing 38 schools and the forecast for 2025/26 is anticipated to be a net deficit of just under £5M.

In the long term this impacts on the financial viability of the local authority. Meetings have been held with a number of schools in deficit and support is being provided to schools in surplus to assist them in avoiding deterioration. This is the first time that there has been a net deficit on the schools balances. The Chair thanked Susan Milburn for her work and contribution to the Schools Forum on the occasion of her retirement.

14. Dates of Future Meetings and Forward Plan

- i. The next meeting of the Schools Forum will be held on 17th September 2025. The meeting will begin at 9.30am and will be via Microsoft Teams.
- ii. Further dates for 2025/26:
 - 5th Nov 2025
 - 14th Jan 2026
 - 10th June 2026



WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: Dedicated Schools Grant Outturn 2024/25
Meeting date: 17 September 2025
Report of: Isobel Booler, Assistant Director Education & Inclusion

1.0 Executive Summary

- 1.1 This report presents the Dedicated Schools Grant (DSG) earmarked reserves position for financial year 2024/25. The overall DSG earmarked reserves stand at a net deficit of £22.136m, of which £26.420m relates to a deficit against the High Needs Block offset by a surplus against the Central DSG of (£4.285m). The overall DSG net deficit increased by £8.209m in 2024/25.

2.0 Link to Council Plan Priorities

- 2.1 The value of the reserves is supportive of the Council Plan priorities that “People in Westmorland and Furness are healthy, happy, active and able to lead fulfilling independent lives, thriving in their communities” and the commitment to reduce inequality and “ensure that young people have enough opportunities to access the best education”.

3.0 Recommendation

- 3.1 The Schools Forum are recommended to note the 2024/25 outturn position.

4.0 Rationale and Evidence for the Recommendation

- 4.1 Each year, in accordance with the conditions of the DSG, any under or overspend relating to the centrally retained element of the DSG must be transferred to the DSG earmarked reserve to be carried forward for future years.
- 4.2 As at 31 March 2024 the DSG earmarked reserves position was a deficit of £13.926m. The DSG had an overall in-year pressure of £8.209m as at 31 March 2025, comprising of a £8.061m pressure on High Needs and a pressure of £0.148m on Central DSG. The overall cumulative deficit is therefore £22.136m split as a deficit balance on High Needs Block of £26.420m offset by a surplus balance on Central DSG of (£4.285m).

- 4.3 The outturn represents a decrease in pressure of (£1.629m) compared to the Q3 forecast due to a reduced pressure on the High Needs Block of (£1.035m) and (£0.593m) on Central DSG.
- 4.4 A table showing the position on both the Central DSG and High Needs Block is available on request from the Clerk to the Schools Forum (see website for contact details).

Central DSG

- 4.5 Central DSG reserve has decreased by £0.148m.
- 4.6 The key variances were:
- Nursery Grants £0.221m. The outturn reflected actual Summer, Autumn 2024 and Spring 2025 take up of free early years entitlement provision which underspent by (£0.749m). This was offset by a net reduction in funding of £0.970m following the January, May and October 2024 census updates and final adjustments to the 2023/24 Early Years Allocation to reflect the Spring 2024 actual take up of provision. There will be further adjustments to the 2024/25 Early Years block final allocation when the DfE update the allocation in July 2025 to reflect the Spring 2025 census data.
 - De-delegated budgets £0.065m (see para 4.8 – 4.10 below).
 - Growth Fund (£0.084m). There was only one commitment of £0.076m relating to Kirkby Stephen Grammar School against a growth fund budget of £0.161m.
 - The remaining balance related to individually non-material variances totalling a net underspend of (£0.053m).
- 4.7 The reduction between the Q3 forecast outturn and actual outturn of (£0.593m) on the Central DSG mainly related to Nursery Grants of (£0.613m) due to additional funding received in March 2025 of (£0.837m) relating to the Autumn 2024 term offset by increased take up of provision in Spring 2025 of £0.224m. The remaining balance of £0.020m related to immaterial variances across various budget lines.
- 4.8 The Central DSG outturn above includes those budgets that are de-delegated from maintained schools to support centrally provided services. A table summarising the de-delegated budgets outturn position is available on request from the Clerk to the Schools Forum (see website for contact details).
- 4.9 The de-delegated Contingency Fund pressure of £0.052m mainly related to the closure of North Walney School and Kirkby Thore Primary School which become a sponsored academy. The contingency fund position is summarised in a table available on request from the Clerk to the Schools Forum (see contact details on website).

- 4.10 The de-delegated staff costs pressure of £0.012m related to trade union facilities time £0.052m offset by an underspend against maternity absence cover (£0.40m).

High Needs Block

- 4.11 The deficit on the High Needs Block has increased by £8.061m. A table showing a breakdown by budget line is available from the Clerk to the Schools Forum (contact details are available on the website).

- 4.12 The key variances were:

- EHCP top-ups for pupils in mainstream schools and Early Years Providers £3.445m. Since the start of the year there have been amendments to existing and new EHCPs of £1.669m and payments to PVIs of £0.179m.
- Independent Specialist Placements (ISPs) & Other Placements £2.537m. The pressure represents a decrease of (£0.433m) compared to Q3 forecast. The expenditure for day ISPs was £6.109m. There were 104 pupils in ISP day placements as at 31 March 2025. There were 8 new and 8 ended placements since Q3. Of the 8 new ISPs 4 have transferred from secondary, 3 from primary schools and 1 from the PRU. Also included within this budget line is forecast EHCP top-ups for children placed in Cumberland schools of £0.542m, children placed in other local authorities of £0.095m and forecast costs associated with children being educated other than at a school (EOTAS) of £0.657m.
- Residential placements (£0.492m). The overall number of placements as at 31 March 2025 was 16 a reduction of 1 placement compared to Q3. There were 1 new and 2 ended placements representing movement of (£0.127m).
- Post-16 ISPs £1.411m. The overall number of ISPs as at 31 March 2025 was 60, a reduction of 17 compared to Q3 representing movement of (£0.409m).

A table summarising the number of pupils in ISPs by provider type is available from the Clerk to the Schools Forum (contact details are available on the website).

- Special Schools £0.493m. The pressure, which is an increase of £0.023m compared to Q3 forecast, relates to new and amendments to EHCP top-ups since the start of the year and costs associated with the expansion of special school places.
- High Needs Invest to Save Initiatives £0.395m. The forecast expenditure here relates to the Sandgate School Early Intervention and Greengate Junior School Alternative Provision programmes.

- Post-16 Further Education £0.296m. The expenditure reflects top-up payments to FE Colleges totalling £0.660m, other FE education providers of £0.308m and EHCP top-up payments to sixth form schools of £0.039m.
 - The remaining balance relates to individually non-material variances totalling a net underspend of (£0.024m).
- 4.13 The pressure against the High Needs Block continues 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. The number of Children and Young People (CYP) with an ECHP as at 31 March 2025 was 2,481.
- 4.14 The benchmarking chart below shows that Westmorland & Furness' percentage of pupils with EHCPs is higher compared to the national and statistical neighbours rates although the rate of increase for Westmorland & Furness is largely matched by the rate of increase both nationally and against our statistical neighbours. A graph demonstrating this is available from the Clerk to the Schools Forum on request (see website for contact details).
- 4.15 Figures are as at the January census date for each year.
- 4.16 In 2024/25 local authorities have saw an increase in their High Needs Block funding of at least 3% per head of population compared to their 2023/24 baseline resulting in total funding of £26.977m as at 31 March 2025 after deductions for directed funding of high needs places by the DfE. However, 28% of the total allocation was based on historic 2017/18 actual spend and Westmorland & Furness was the 13th lowest funded out of 151 local authorities receiving £744 per head of 2-18 year old of population. The national mean per head funding was £909 and if Westmorland & Furness had been funded at the mean level it would have received an extra £6.317m in 2024/25. There was a transfer of £0.033m of funding from the Schools Block to High Needs Block in 2024/25 to support the budget pressures. Cumbria took part in 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 have been incorporated into Westmorland & Furness' DSG management plan.

5.0 Options

- 5.1 There are no options. Schools Forum is recommended to note the 2024/25 outturn on the DSG earmarked reserves.

6.0 Financial and Other Relevant Implications

- 6.1 Resource and value for money implications are considered throughout this report. No equality/legal/implications have been identified.

7 September 2025

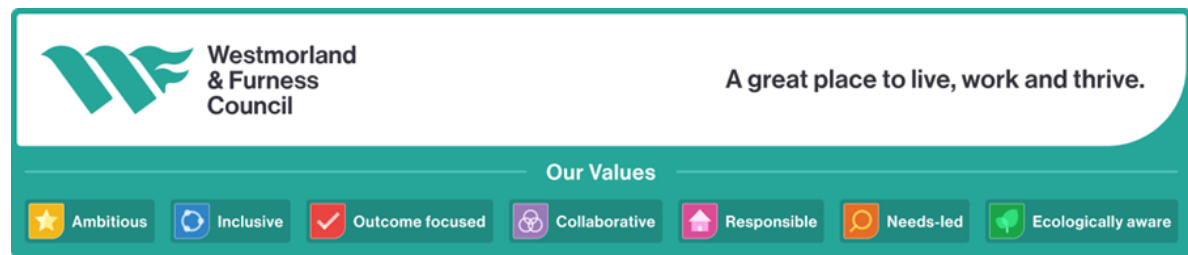
REPORT AUTHOR

Contact:

Name Amanda Chew

Post title Service Accountant

Email: amanda.chew@westmorlandandfurness.gov.uk



WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: Maintained School Balances 2024/25 and 2025/26
Meeting date: 17 September 2025
Report of: Isobel Booler, Assistant Director – Education & Inclusion

1.0 Executive Summary

- 1.1 This report presents a summary of the maintained schools balances as at 31 March 2025 and projected balances for 31 March 2026. The schools balances position as at 31 March 2025 was a net deficit of £2.136m and is predicted to be net deficit of £4.299m by 31 March 2026.
- 1.2 This is a cause for concern and steps are being taken by local authority officers to address this including finance review meetings with schools in deficit, a review of the deficit schools policy (Appendix 1) and targeted financial training for schools.

2.0 Strategic Planning and Equality Implications

- 2.1 Managing the level of school balances is supportive of the Council Plan outcome that “People in Westmorland & Furness are healthy, happy, active and able to lead fulfilling independent lives, thriving in their communities” and the commitment to reduce inequality and “ensure that young people have enough opportunities to access the best education”.

3.0 Recommendation

- 3.1 The Schools Forum is asked to:
 - note the balances for maintained schools as at 31 March 2025 and projected balances as at 31 March 2026;
 - note the action the local authority is taking to control deficit balances.

4.0 Background

- 4.1 In accordance with The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance the DSG allocated to the Individual Schools Budget (ISB) is taken to have been spent as soon as it is deployed i.e. passed to schools' budget shares. There is no requirement to track DSG through the ISB to its use by individual schools.
- 4.2 As the DSG is considered to be spent as soon as it is deployed to schools, and as schools have delegated budgets, any balances on individual schools are transferred to earmarked reserves and passported to these individual schools to form their opening balance for the following financial year.
- 4.3 Maintained schools that have a surplus balance in excess of the allowable thresholds of 10% (primary, special, nursery) or 6%(secondary) of their total delegated school budget share are required to provide a justification and supporting evidence for review by the Assistant Director, Education & Inclusion in accordance with the [LA Scheme for Financing Schools](#), Annex I, Control of Surplus Balances policy. This policy was applied to balances at the end of 2024/25 financial year but Schools Forum agreed with the local authority on 11 June 2025 that the policy should not be applied at the end of 2025/26 financial year.
- 4.4 Maintained schools are required to submit a three-year budget plan each year by the 31 May to the finance team. These plans are reviewed to check that the funding assumptions and expenditure plans are reasonable and achievable. A summary report is provided to the Assistant Director, Education & Inclusion. Those schools that submit a budget that cannot be approved, because they are forecasting a deficit balance or for other reasons, are required to submit a revised budget by 31 October. Schools that propose a deficit budget in May must apply for a licensed deficit and where deficits are above 5% of a school's budget share they are required to submit a deficit recovery plan for review by the finance team and return a forecast year-end outturn as at 30 September and 31 December. In accordance with [LA Scheme for Financing Schools](#), Annex J Challenge and Support for Schools with Deficit Budgets, a summary report is provided to Schools Forum.

5.0 Maintained School Balances 2024/25

- 5.1 As at 31 March 2025 the net deficit balance for maintained schools was £2.136m a decrease of £2.586m compared to the position as at 31 March 2024.
- 5.2 A table showing the breakdown of these figures separately by surpluses and deficits is available from the Clerk to the Schools Forum on request (see website for contact details).

- 5.3 During 2024/25 two schools converted to academy status and one school closed and this accounts for a reduction of £0.215m in maintained school balances. Therefore, after taking this into account the balances for those schools that were maintained as at 31 March 2023 and 31 March 2024 has reduced by a net £2.801m.
- 5.4 A table showing the breakdown of schools with deficit balances by sector is available from the Clerk to the Panel on request (see website for contact details).
- 5.5 Of the 38 schools in deficit, 13 were below 5% of their total school budget shares. A table showing the breakdown of these figures is available from the Clerk to the Schools Forum on request (see website for contact details).
- 5.6 Analysis of the outturn figures for 2024/25 compared to 2023/24 shows that whilst overall income increased in 2024/25 by 7.8% net expenditure increased 8.2% with the main pressures being staffing costs which increased by 10% and professional services increased by 19.8%.
- 5.7 There was an in-year pressure of £2.082m in 2023/24 and £2.801m in 2024/25 and this downward trend is predicted to continue in 2025/26. A table showing the breakdown of these figures is available from the Clerk to the Schools Forum on request (see website for contact details).
- 5.8 Despite the budget pressures 17 schools had an excess surplus balance over the allowable thresholds of 10% for primary, special, nursery and PRUs and 6% secondary schools in 2024/25. The total net balance over the thresholds was £0.634m. Following a review of the supporting evidence provided by schools no claw backs were actioned. The policy will not be applied to balances at the end of 2025/26.

6.0 Projected Maintained School Balances 2025/26

- 6.1 Based on school submitted May budget plans for 2025/26 the net school balances are projected to be a net deficit of £4.299m as at 31 March 2026. A table showing the breakdown of these figures separately by surpluses and deficits is available from the Clerk to the Schools Forum on request (see website for contact details).
- 6.2 A chart demonstrating the downward trend showing school balances have fallen significantly since 2021/22 is available from the Clerk to the Panel on request (see website for contact details).
- 6.3 The main reasons for falling schools balances include:
- Low birth rates resulting in falling pupil numbers and reduced demand for places = less funding;

- Unsustainable staffing structures in some cases due to awkward class sizes or PAN numbers – which do not allow for reductions in the number of classes;
 - Increasing staff cost pressures which are not fully covered by funding increases;
 - Increasing cost pressures relating to SEND.
- 6.4 Increasing deficits are an issue for both individual schools and for the LA. For schools, deficit budgets are a cause for concern for governing bodies and a source of stress for headteachers. For the LA, deficits impact on overall council reserves. If the trajectory on school balances continues, alongside the High Needs deficit, this may ultimately affect the council's financial viability.
- 6.5 Thirty-four schools have proposed deficit budgets for 2025/26, of these only 20 schools have applied for a licenced deficit and only 16 schools have received budget approval on the basis that their deficit is either below 2% of budget share; they have a plan to recover the deficit within 3 years or less; or the deficit is reducing year-on-year. Eighteen schools have been requested to submit a budget deficit recovery plan for review in October.
- 6.6 In person meetings were held earlier this year between 23 schools with deficit budgets with heads, governors and schools business managers and colleagues from the School Finance Team, School Organisation and Learning Improvement attending. At these meetings the LA made it clear that as many deficits have taken a number of years to accrue they may also take a number of years to be paid down but that all schools should be aiming to contain expenditure within the available budget share in year as soon as possible to prevent a worsening deficit position.
- 6.7 A table showing the progress that these schools are making towards recovering their deficits is available from the Clerk to the Schools Forum on request (see website for contact details).
- 6.8 Follow up financial review meetings have been arranged with the 23 schools in September and early October to monitor their progress. Initial financial review meetings for a further 9 schools will also be arranged in October and we also plan to contact schools that are in surplus now but are forecasting to go into overall deficit in future years to take action sooner rather than later.
- 6.9 The LA recognises the challenges of school budgets including funding for pay awards that do not cover the full cost and the overall low funding for Westmorland & Furness that officers have raised with DfE. We are trying to support schools as much as possible in managing their budgets with both financial, curriculum planning and school organisation related advice. We are also introducing FSM auto-enrolment which is hoped will result in increased deprivation funding for schools through the schools funding formula and increased pupil premium funding.
- 6.10 The LA continues to signpost schools to the available support such as financial benchmarking tools and the free School Resource Management Advisor (SRMA) financial health check funded by the DfE. This year to date,

3 schools have had an SRMA and 2 schools have had follow-up SRMAs. All schools have found the experience positive and helpful. Each maintained school also has a named LA finance officer who they can contact for support.

- 6.11 It is vital that governors and headteachers with deficit budgets recognise the risk to the Council's financial position and take the appropriate action and make those sometimes very difficult decisions that will bring the school back into a balanced position. We remain committed to arranging targeted financial training for schools with deficit budgets and reviewing and strengthening the schools with deficit budgets policy which is appended to this paper, for information. A revised policy will be presented at a future meeting but is likely to include Chief Finance Officer sign-off for deficit budgets over a set threshold and the issuing of a Finance Notice of Concern where a school fails to submit a three year budget plan/apply for a licenced deficit and/or submit a deficit recovery plan within the requested timescale.

7.0 Options

- 7.1 There are no options. The Schools Forum is asked to note the report and the action the LA is taking to manage and support schools with deficit budgets and to inform their respective maintained school representatives of the significant risk deficit school budgets pose to the Council and the support that is available to help them.

8.0 Financial and Other Relevant Implications

- 8.1 Resource and value for money implications are considered throughout this paper. If a maintained school with a deficit becomes a sponsored academy, the deficit remains with the LA. School deficits are not an allowable charge on the LA's schools budget. However, regulations allow, with the approval of Schools Forum, for closing school balances including those that close as a maintained school and become a new sponsored academy to be funded from a de-delegated contingency budget. This year to date there are no schools planning or expected to become an academy. No equality/legal/implications have been identified.

7 September 2025

REPORT AUTHOR

Contact:

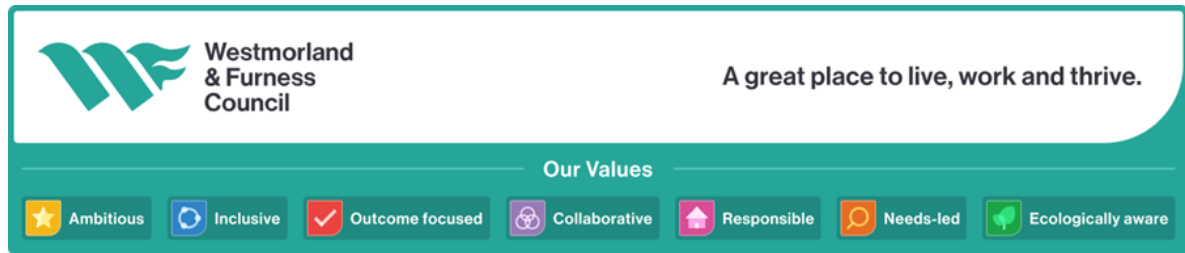
Amanda Chew

Service Accountant

Email: amanda.chew@westmorlandandfurness.gov.uk

Appendices:

1. Challenge and Support Process for Schools with Deficit Budgets policy (available from the Clerk to the Schools Forum on request – please see website for contact details).





WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: School Funding Formula 2026/27
Meeting date: 17 September 2025
Report of: Isobel Booler, Assistant Director Education & Inclusion

1.0 Executive Summary

- 1.1 The DfE normally publish indicative school funding allocations for the forthcoming year in July, however in June it announced that allocations for 2026/27 won't be published until autumn this year. A summary document has been released which sets out the structure of the national funding formula (NFF) for 2026/27 which is largely unchanged from 2025/26 although it has not yet been confirmed whether local authorities will be allowed to transfer up to 0.5% of Schools Block funding to High Needs Block, with Schools Forum approval as in previous years.
- 1.2 As the NFF is still a soft formula, local authorities are required to consult Schools Forum and schools on whether to adopt the NFF in full or apply a locally agreed funding formula. Since 2018/19 the Westmorland and Furness school funding formula has mirrored the NFF.
- 1.3 Cabinet is the statutory decision maker on the school funding formula and its approval is required before submission of the Authority Proforma Tool (APT) to DfE (usually mid-January) which calculates the budget share for each maintained school and academy.
- 1.4 Due to the lead-in timescale for Cabinet and the time needed to consult schools and report to Schools Forum it is proposed that a consultation is undertaken on the principles of applying the NFF in full and the treatment of a shortfall or surplus in the formula, but that no modelling of potential budget shares is included as the data is unavailable (at the time of writing this paper).
- 1.5 The paper sets out the rationale behind this proposal. It also asks Schools Forum to support the continued use of the optional exceptional circumstances factor for rent costs and to provide a view on the potential use of the optional very sparse secondary schools factor. If the proposals are supported by Schools Forum, five recommended questions to ask schools are presented. Once finalised the consultation will be launched on 13 October for a period of 2 weeks and the outcome will be reported to Schools Forum on 5 November who is asked to make a recommendation to Cabinet on the school funding

formula for 2026 who will decide on the final formula at its meeting on 16 December.

2.0 Link to Council Plan Priorities

- 2.1 Ensuring that schools are appropriately funded is supportive of the Council Plan priorities that “People in Westmorland and Furness are healthy, happy, active and able to lead fulfilling independent lives, thriving in their communities” and the commitment to reduce inequality and “ensure that young people have enough opportunities to access the best education”.

3.0 Recommendation

- 3.1 The Schools Forum is asked to:

- note that the provisional DSG allocations for 2026/27 are not, at the time of writing, published and the impact of this;
 - support the recommendation to consult all schools on the proposal to apply the NFF in full in 2026/27 and, after taking into account the growth fund:
 - a) if there is shortfall to reduce the basic per pupil funding factor values in the formula;
 - b) if there is a remaining balance transfer up to 0.5% (**if allowable**) to the HN Block and allocate any leftover balance after that, if available, to schools by increasing the basic per pupil funding factor values in the formula.
 - support the continued use of the optional exceptional circumstances factor to fund the cost of rents for 4 schools, subject to eligibility and DfE approval;
 - consider whether schools should be consulted on the use of the optional circumstances factor to support very sparse secondary schools, subject to eligibility and DfE approval;
- and
- support the recommended five questions to ask schools at para 4.34.

4.0 Rationale and Evidence for the Recommendation

- 4.1 A NFF was introduced for schools from 2018/19 and since then local authorities have been able to decide, in consultation with schools and the Schools Forum whether to use the NFF to allocate funding to schools or apply a locally determined schools funding formula, within some restrictive parameters set by the DfE. In 2023/24 the DfE began the first year of transition towards a direct NFF, whereby all schools (including academies) were funded using a single NFF and in doing so placed further restrictions on local flexibility.

- 4.2 In 2025/26 Cabinet, on the recommendation of Schools Forum, decided the NFF would be used to allocate funding to schools and academies in Westmorland and Furness, as in previous years and since the introduction of the NFF in 2018/19. When the final DSG Schools Block allocation for Westmorland and Furness was published by the DfE in December 2024, after applying the NFF in full and accounting for the Growth Fund budget of £0.071m, there was a surplus of £0.106m (equating to 0.06%) which was transferred to the High Needs Block.

DSG Allocations 2026/27 - Schools Block

- 4.3 The DfE usually publish indicative DSG allocations for the forthcoming year in July. However, at the time of writing this paper, due to the timing of the 2025 Spending Review this summer, the DfE have confirmed that the schools and high needs national funding formula (NFF) allocations for 2026/27 won't be published until Autumn this year. No release date has been confirmed.
- 4.4 A summary document setting out the structure of the 2026/27 schools NFF confirms that it will use the same factors as the 2025/26 NFF including the Minimum Per Pupil Level (MPPL) and Minimum Funding Guarantee (MFG) and all factors will operate in the same way as 2025/26 although no values have been published.
- 4.5 The school budget support grant (SBSG) and the National Insurance Contributions (NICs) grant will be rolled into the NFF for 2026/27 using the same methodology as in previous years' historic grants. Funding for the extension of free school meals (FSM) to all children in households receiving universal credit from September 2026 will not be included in the schools NFF but will be provided through a separate grant.
- 4.6 Local authorities will continue to be able to set aside growth/falling rolls budget subject to approval of Schools Forum. This budget is deducted from the Schools Block funding before calculating the schools funding formula.
- 4.7 Local authorities will also continue to be responsible for deciding on local funding formulae for their mainstream schools and academies in 2026/27. However as part of the tightening requirements, local authorities must move their local formulae factor values to at least a further 10% closer to the corresponding NFF values except where local formulae are already mirroring the NFF. As in previous years, where local factors were within +/- 2.5% of the NFF values, the LA was deemed to be mirroring the NFF.
- 4.8 As Westmorland & Furness mirrored the NFF in 2025/26 this means that for 2026/27 its local formula factors must be within +/- 2.5% of the NFF values.
- 4.9 In previous years, LAs have been allowed to transfer up to 0.5% of Schools Block funding to other blocks with Schools Forum approval. For transfers above this level or without Schools Forum approval LAs must obtain DfE approval. Ministers have not yet confirmed if block transfers will be available in 2026/27.

DSG Allocations 2026/27 – Other Blocks

- 4.10 Provisional allocations for the High Needs and Central School Services Blocks are also expected to be published in autumn. The Early Years national funding rates will also be confirmed in autumn and the funding pass-through rate to providers will increase from 96% to 97% in 2026/27. It has also been confirmed that 28 February will be the new statutory deadline for local authorities to confirm local funding rates to early years providers.

School Funding Formula 2026/27

- 4.11 Given that the DfE have previously said they are moving forward with their plans to transition to a 'hard' formula, it is proposed that schools are consulted on adopting the NFF in full in 2026/27, as in previous years.
- 4.12 It is also proposed that, after allocating the funding on the basis of the NFF and accounting for the Growth Fund budget requirement, if there is a shortfall in Schools Block funding this will be managed by reducing the basic per pupil funding factor up to a maximum of -2.5%.
- 4.13 If there is a balance remaining in the Schools Block, after allocating the funding using the NFF, it is proposed that up to a maximum of 0.5% is transferred to the High Needs block to support budget pressures. **This is subject to transfers between blocks still being allowable, to be confirmed by the DfE.**
- 4.14 Any change to basic per pupil funding, either to increase or decrease it, will not affect every school as some will be protected through the Minimum Per Pupil Funding Levels (MPL) and Minimum Funding Guarantee (MFG) factors.
- 4.15 It is not possible to estimate the value of a 0.5% transfer as the value of the Schools Block allocation is unknown. Nor is it possible to confirm the actual value of any potential transfer to the HN Block, if any, until the DfE publish the final data set to be used to calculate the school budget shares in December 2025. This takes into account the October 2025 census pupil data and characteristics.
- 4.16 The alternative option is not to transfer any funding to the High Needs Block and allocate any surplus budget, after accounting the Growth Fund budget, to schools through increasing the basis per pupil unit factor values. This will need to be within the +2.5% factor value threshold range as detailed above. However, this option is not recommended as there is a risk that, due to the proposal requiring local authorities to move their local formula closer to the NFF, 'topping up' the NFF factor values by allocating additional funding through the formula will create greater turbulence for some schools in future years. It may also make applying the NFF in full unaffordable in future years as the additional funding would be built into the schools budget share baselines, but the funding for this is not reflected in the notional school budgets used by the DfE to calculate local authority level core NFF funding.
- 4.17 There can be a shortfall or balance remaining in the Schools Block after allocating the funding using the NFF due to the way in which local authorities are funded. The actual 2026/27 primary and secondary units of funding at local authority level are based on October 2024 census data however the NFF

allocated to schools is based on October 2025 pupil data. Therefore, changes in pupil characteristics, such as eligibility for FSM or changes in attainment levels between years, are not reflected in the primary and secondary units of funding used to allocate the core NFF funding to local authorities in 2026/27 which is only updated for changes in pupil numbers.

- 4.18 For example, if there is a significant growth in FSM eligibility between years, this can mean that applying the NFF in full is unaffordable. Westmorland & Furness Council is currently undertaking FSM auto-enrolment which aims to auto-enrol pupils who are entitled to FSM but whose families have not applied, unless they opt out. The eligibility checks will be completed in time for the October 2025 census but at this stage it is not known what the impact will be. Potentially, it could present a short term cost pressure in 2026/27 due to the lagged funding arrangement.
- 4.19 It is also vital that all schools and academies complete their October 2025 census data accurately as this impacts on how much funding is available for the schools funding formula. LA census officers sense-check the data for maintained schools but do not have sight of academy census data before it's submitted and authorised by the DfE and last year there was an issue with an academy primary school that omitted 17 reception pupils from its census return resulting in the LA not receiving any funding for the missing pupils. Fortunately, we were able to make good the shortfall by reducing the growth fund budget so that the academy was appropriately funded for its missing pupils and no other schools were negatively impacted, however, it may not always be possible to manage shortfalls in this way going forward. Schools Forum, CASH and PHA are all asked to highlight to the schools and academies that they represent the importance of completing the census return accurately and to respond to any DfE or LA queries in a timely manner.

Optional Exceptional Circumstances Factor - Rents

- 4.20 As in previous years, the school funding formula includes the use of the optional exceptional circumstances factor to fund the cost of renting halls/school buildings/land for a small number of schools. The use of this factor can only apply to fewer than 5% of schools in the local authority area and the additional cost to the schools must be more than 1% of their school budget share in order to qualify for funding.
- 4.21 Each year the local authority must apply to the DfE for approval to continue to use this factor for this purpose. Evidence that the affected schools and Schools Forum have been consulted, is required.
- 4.22 In 2025/26 the LA applied and received approval for 4 schools however, only 3 schools met the eligibility criteria once the final rents and school funding formula data was confirmed. A table showing the rent cost amounts included in the 2025/26 school funding formula and estimated rents for 2026/27 is available from the Clerk to the Schools Forum on request (see website for contact details).

- 4.23 Some of the lease agreements are subject to review/renewal in 2026/27 and therefore the figures above are estimates. Adjustments will be made for any under or overfunding in 2027/28, if required.
- 4.24 Funding for this cost is included in the premises funding element of the Schools Block in 2026/27 based on last year's funding levels and therefore the continued use of this factor in the formula does not impact on any other maintained school or academy budget shares. Schools Forum are asked to confirm their continued support to apply this factor in 2026/27, subject to DfE approval.

Optional Exceptional Circumstances Factor – Very Sparse Secondary Schools

- 4.25 Local authorities can make an application to the DfE to use the exceptional circumstances factor for very small sparse secondary schools up to a maximum of £50,000 per school who would otherwise be unable to attract sufficient funding to remain viable. Schools must have:
- Pupils in years 10 and 11
 - 350 pupils or fewer
 - A sparsity distance of 5 miles or more
- 4.26 Westmorland & Furness has not previously applied this optional factor. However, based on 2025/26 data potentially 6 schools may meet the minimum criteria in 2026/27. A table showing the schools by number of pupils is available from the Clerk to the Schools Forum on request (see website for contact details).
- 4.27 As can be seen from the table above the sparsity distance for the some of schools is significantly greater than the minimum eligibility threshold of 5 miles. Local authorities can set a higher threshold, for example, 10 miles and/or consideration can be given to applying a taper to the unit value depending on the sparsity distance meaning that schools with higher sparsity distances would get more than schools with a lower sparsity distance. Sparsity distance measurements can change each year as the distance is calculated from the average of each pupils' second nearest school to the pupil's postcode. This means that some of the above schools may not be eligible in 2026/27 once the December 2025 dataset is published.
- 4.28 If Schools Forum are supportive of consulting all schools and academies on use of the factor and the LA is successful in gaining DfE approval then the LA can apply the factor in 2026/27 but the funding from the DfE will be lagged and not received until 2027/28. Therefore the use of this factor may not be affordable in 2026/27.
- 4.29 If that is the case, then the factor values would need to be either reduced to an affordable level, the basic per pupil unit value reduced for all schools and academies or the factor is excluded entirely.

- 4.30 Schools Forum are asked for their views on this and if supportive provide feedback on a proposed methodology for allocating the funding which should be targeted at the most remote schools. A proposed allocation methodology would need to be agreed before submitting the request to use the factor to the DfE. The deadline for submitting disapplication requests to the DfE is 17 November 2025.

Split Site Factor

- 4.31 For information, the NFF includes a compulsory Split Sites factor which targets funding to schools that operate across than more than one site. The site(s) must be separated from the main site by a public road or railway and have a building on them with is maintained by the school and which is used for education of 5-16 year old pupils in mainstream education more than 50% of the time.
- 4.32 The DfE have newly recognised Cartmel CE Primary School as meeting this criteria and it will attract split site funding in 2026/27. As this is a compulsory factor the DfE have confirmed that the funding for this factor will be recognised in the primary per pupil funding unit at local authority level and therefore the application of this factor will not impact on other schools or academies in 2026/27.

School Funding Formula Consultation 2026/27

- 4.33 Subject to Schools Forum support, the LA intends to consult all mainstream schools and academies on the principles that will apply if there is a shortfall or surplus on the Schools block after allocating the funding on the basis of the NFF and the use of the exceptional circumstances factors for rents and very sparse secondary schools..
- 4.34 The draft consultation will include the following 5 questions:
- 1) Do you agree with your Schools Forum recommendation that the National Funding Formula continues to be used to allocate funding to schools in 2026/27?
 - 2) Do you agree that, if there is a shortfall in Schools Block funding after applying the National Funding Formula in full that this is managed by reducing the basic per pupil funding factor?
 - 3) Do you agree that, if there is any Schools Block funding remaining (up to a maximum of 0.5%) after allocating the school funding formula to schools using the NFF, it should be transferred to the High Needs Block? (**subject to confirmation that block transfers are allowable**)
 - 4) Do you agree the continued use of the optional exceptional circumstances factor to support eligible schools with rent costs, subject to DfE approval?
 - 5) Do you agree that the optional exceptional circumstances factor should be used to support very sparse secondary schools, subject to DfE approval? If yes, do you agree with the proposed methodology (*to be agreed*)?

- 4.35 Whilst Question 1 must be included in the consultation, Schools Forum can recommend alternative questions to include. Once the outcome of the consultation is known the Schools Forum will be asked to make a recommendation to Cabinet on school funding formula for 2026/27.
- 4.36 The consultation period will run from 13 October to 24 October. If the DfE announce further funding information before the consultation start date this will be taken into consideration. A draft consultation document will be circulated to Schools Forum members by email before finalising.

5.0 Options

5.1 Schools Forum can:

- support the recommendation in principle to adopt the National Funding Formula in full in 2026/27 and, after accounting for the growth fund:
 - a) if there is shortfall to reduce the basic per pupil funding factor values in the formula;
 - b) if there is a remaining balance transfer up to 0.5% **(if allowable)** to the HN Block and allocate any leftover balance after that, if available, to schools by increasing the basic per pupil funding factor values in the formula.
 - support the continued use of the optional exceptional circumstances factor to fund the cost of renting halls/school buildings for 4 schools, subject to eligibility once the final schools funding formula has been calculated;
 - provide a view on whether schools should be consulted on the use of the optional circumstances factor to support very sparse secondary schools and if so provide a view on potential methodology for allocating it, subject to eligibility and DfE approval;
- and:
- support the five draft recommended questions to ask schools as set out above;
- or
- recommend alternative questions to ask schools

6.0 Financial and Other Relevant Implications

- 6.1 Resource and value for money implications are considered throughout this report. No equality/legal/ implications have been identified at this stage.

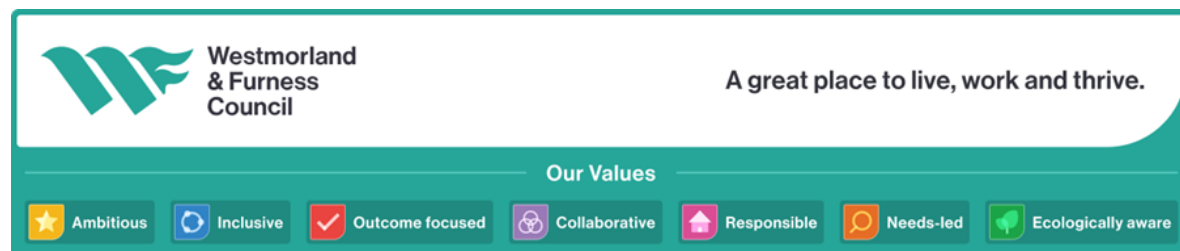
REPORT AUTHOR

Contact:

Name Amanda Chew

Post title Service Accountant

Email: amanda.chew@westmorlandandfurness.gov.uk





WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: High Needs Budget Monitoring Q1 2025-26
Meeting date: 17 September 2025
Report of: Isobel Booler, Assistant Director Education & Inclusion

1.0 Executive Summary

- 1.1 This report presents the HN Block deficit position as at 30 June 2025 which is forecast to be £36.556m as at 31 March 2026, an increase of £10.136m compared to the closing deficit at the end of financial year 2024/25 of £26.420m.
- 1.2 The increase in spend and increasing deficit is of huge concern and the service are reviewing all mitigations in place and looking to extend these mitigations further. The mechanisms to track expenditure and volume of need are being revised and a delivery plan has been developed.
- 1.3 It is important to note that the Council's Annual Audit Report for 2024/25 states that the High Needs Block deficit is placing a significant strain on the financial resilience of the Council and when the statutory override ends on 31 March 2028, this will have a significant impact on the Council's useable reserve and its financial sustainability.

2.0 Link to Council Plan Priorities

- 2.1 The utilisation of the HN Block within the DSG is supportive of the Council Plan priorities that "People in Westmorland and Furness are healthy, happy, active and able to lead fulfilling independent lives, thriving in their communities" and the commitment to reduce inequality and "ensure that young people have enough opportunities to access the best education".

3.0 Recommendation

- 3.1 The Schools Forum is recommended to note the current projection on the HN budget as at 30 June 2025 and asked to consider what options are available to help manage the forecast rising deficit through the HN Working Group.

4.0 Rationale and Evidence for the Recommendation

- 4.1 A balanced HN budget has been set for 2025/26 with no planned transfer to or from reserves. The initial budget available for the HN Block, after academy recoupment, was £28.966m of which £28.859m was based on the provisional HN Block allocation from central government as confirmed in December 2024 and £0.106m was transferred in from the Schools Block.

Budget Revisions

- 4.2 Since the initial budget was set the HN block allocation has been updated by the DfE to reflect changes in recoupment for HN places in mainstream academies with resourced provision units, special academies and further education colleges. There will be further adjustments to the HN block allocation later in the year to reflect movement of EHCP pupils between local authority areas. The budget as at Q1 is £28.897m. A table breakdown is available from the Clerk to the Schools Forum (contact details on the website).

Projected Outturn

- 4.3 Performance against the HN Block budget is monitored monthly with reports presented to senior management and to Cabinet on a quarterly basis, as well as to each Schools Forum meeting.
- 4.4 The HN Block budget has a forecast in-year pressure of £10.136m, resulting in a forecast cumulative deficit of £36.556m. A table breakdown is available from the Clerk to the Schools Forum (contact details on the website).
- 4.5 A further table breakdown is available from the Clerk to the Schools Forum (contact details on the website).
- 4.6 The key variances are:
- EHCP top-ups for pupils in mainstream schools and Early Years Providers £3.965m. The forecast is based on current EHCP costs and predicted number of new and amended EHCPs in-year. The average top-up paid to a Westmorland & Furness mainstream school as at Q1 is £8,515 per EHCP student, an increase of £19 compared to 2024/25. The average top-up for resourced provision units is £9,787 an increase of £206 per EHCP student compared to 31 March 2025. Also included within this budget line is forecast EHCP top-ups for students placed in Cumberland schools of £0.510m and students placed in other local authorities of £0.193m.
 - ISPs Day £2.367m. The forecast is based on current and known new day ISPs coming through the system. There are 103 pupils in ISP day placements as at Q1, a reduction of 1 compared to the position as at 31 March 2025. There have been 9 new, 2 ended and 8 placement transfers. Of the 9 new ISPs 2 have transferred from primary schools, 1 from secondary school, 2 from special schools and 1 from the PRU. The

forecast also includes costs for 12 placements due to start in September 2025.

- ISPs Residential (£0.218m). The forecast is based on current and known new placements. The overall number of placements at Q1 is 16. The forecast includes 3 placements that are due to end this term and one new placement due to start in September.
- ISPs Post-16 £1.987m. The forecast is based on current and known new placements. The overall number of ISPs at Q1 is 68, an increase of 8 compared to 31 March 2025. The forecast, which includes YP in independent settings providing post-16 education as well as specialist post-16 further education colleges, includes costs for 18 new placements due to start in September 2025.

A table breakdown by number of pupils in ISPs by provider type is available from the Clerk to the Schools Forum (contact details on the website).

- Post-16 Further Education £0.901m. The forecast expenditure reflects estimated top-up payments to FE Colleges totalling £0.976m and other FE education providers of £0.631m. The forecast includes costs for 36 supported internships rising to 44 in September 2025 in both further education colleges and private providers.
- Education Otherwise £0.406m. The forecast expenditure reflects estimated costs associated with 53 children being educated other than at a school (EOTAS) totalling £0.960m.
- Special Schools £0.320m. The pressure relates to new and amendments to EHCP top-ups since the start of the year. The average EHCP top-up per student paid to a Westmorland & Furness maintained and academy special school is £15,057, an increase of £591 compared to 2024/25.
- High Needs Invest to Save Initiatives £0.280m. The forecast expenditure here relates to the Sandgate School Early Intervention and Greengate Junior School Alternative Provision programmes.
- The remaining balance relates to individually non-material variances totalling a net pressure of £0.126m.

- 4.7 The pressure against the HN Block continues 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. The number of Children and Young People (CYP) with an EHCP as at June 2025 is 2,540. The number of EHCPs has increased by 46 since May 2025. A graph is available from the Clerk to the Schools Forum (contact details on the website).

- 4.8 The majority of CYP with an EHCP have Speech & Language (30%), Social Emotional & Mental Health (25%) and Autistic Spectrum Disorder (21%) recorded as their primary need. A table breakdown is available from the Clerk to the Schools Forum (contact details on the website).
- 4.9 Westmorland & Furness has high levels of inclusivity, the majority of CYP (66% as at June 2025) are being educated in mainstream schools and colleges. A table breakdown is available from the Clerk to the Schools Forum (contact details on the website).
- 4.10 The benchmarking chart below shows that Westmorland & Furness' percentage of pupils with EHCPs is higher compared to the national and its statistical neighbours rates although the rate of increase for Westmorland & Furness is matched by the rate of increase against its statistical neighbours. A graph is available from the Clerk to the Schools Forum (contact details on the website).
- 4.11 Figures are as at the January census date for each year.
- 4.12 In 2025/26 local authorities have seen an increase in their HN Block funding of at least 7% per head of population compared to their 2024/25 baseline resulting in total funding of £28.860m as at Q1 after deductions for directed funding of HN places by the ESFA, an increase of £1.916m compared to 2024/25. However, 26% of the total allocation is still based on historic 2017/18 actual spend and Westmorland & Furness is the 13th lowest funded out of 151 local authorities receiving £807 per head of 2-18 year old of population in 2025/26. The National mean per head funding is £988 and if Westmorland & Furness was funded at the mean level it would receive an extra £6.880m. HN Block budget includes a transfer from the Schools Block of 0.106m to support the budget pressures. A £1m grant was received in 2023/24 to support improvement plans under the DfE's Delivering Better Value for SEND programme, the impact of which have been incorporated into the DSG management plan.
- 4.13 The DSG management was developed in 2023 and the mitigations were calculated on projections of growth in EHCPs which have proved to be underestimated. The increasing deficit is of huge concern and the service are reviewing all mitigations in place and looking to extend these mitigations further. The mechanisms to track expenditure and volume of need are being revised and a delivery plan has been developed. We have committed to revising the DSG management plan with updated projections and mitigations.

5.0 Options

- 5.1 This paper reports on the current state of the HN Block, however, we are currently reviewing all our options and reviewing the mitigations which will be presented at a future meeting. Schools Forum is recommended to note the current projection against the HN Block budget and to consider options for managing down the forecast rising deficit through the HN Working Group.

6.0 Financial and Other Relevant Implications

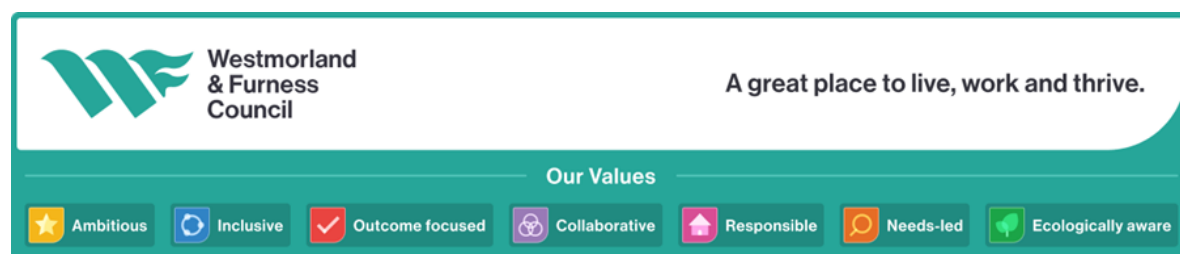
- 6.1 Resource and value for money implications are considered throughout this report. No equality/legal/ implications have been identified.

7 September 2025

REPORT AUTHOR

Contact:

Name Amanda Chew
Post title Service Accountant
Email: amanda.chew@westmorlandandfurness.gov.uk



Acronyms:

CYP	Children & Young People
DSG	Dedicated Schools Grant
EHCPs	Education Health Care Plans
EOTAS	Educated Other Than At a School
FE	Further Education
HN	High Needs Block
HE	Higher Education
ISP	Independent Specialist Provider
NEET	Not in Education, Employment or Training
PAN	Pupil Admission Numbers
PRU	Pupil Referral Unit
RP	Resourced Provision
YP	Young People



WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: De-delegated Budget Monitoring Q1 2025-26
Meeting date: 17 September 2025
Report of: Isobel Booler, Assistant Director - Education & Inclusion

1.0 Executive Summary

- 1.1 This report presents the forecast outturn position on the maintained schools de-delegated budgets for the 2025/26 financial year as at 30 June 2025 which are predicted to underspend by (£0.214m).
- 1.2 In accordance with the Dedicated Schools Grant (DSG) conditions of grant, the underspend on delegated services will transfer into the DSG earmarked reserve.

2.0 Link to Council Plan Priorities

- 2.1 Ensuring that schools are funded appropriately is supportive of the Council Plan priorities that "People in Westmorland & Furness are healthy, happy, active and able to lead fulfilling independent lives, thriving in their communities" and the commitment to reduce inequality and "ensure that young people have enough opportunities to access the best education".

3.0 Recommendation

- 3.1 The maintained schools' Schools Forum members are asked to note the de-delegated budgets forecast outturn position as at Q1.

4.0 Background

- 4.1 The 2025/26 de-delegated budgets for services provided to maintained schools were agreed by Schools Forum in January 2025. These budgets are deducted from mainstream school budget shares and de-delegated back to the local authority. Delegation also applies to maintained special and nursery schools and therefore an element is centrally retained from the Early Years and High Needs Block for these services, although there is no de-delegation process for these two areas.
- 4.2 The de-delegated budgets are forecast to underspend by (£0.214m) as at Q1. A table showing the breakdown by budget line is available on request from the Clerk to the Schools Forum (see website for contact details).
- 4.3 :

4.4 The key variances are:

- Contingency Fund (£0.249m). A table showing a breakdown of the forecast expenditure against the fund to is available on request from the Clerk to the Schools Forum (see website for contact details).
- Staff Costs £0.035m. This relates to a forecast pressure against trade union facilities time of £0.025m and teacher absence maternity cover of £0.09m.

5.0 Options

5.1 The Schools Forum is asked to note the de-delegated budgets forecast outturn position as at Q1.

6.0 Financial & Other Relevant Implications

6.1 Financial implications are considered throughout this report. No equality/legal/implications have been identified.

7 September 2025

REPORT AUTHOR

Contact:

Name Amanda Chew

Post title Service Accountant

Email: amanda.chew@westmorlandandfurness.gov.uk

