

Westmorland and Furness Schools Forum

21st January 2026, Microsoft Teams Meeting, 9.30am

Agenda

Part 1: Items likely to be considered in the presence of the press and public

Item Number	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	Verbal	All
4	Declarations of Interest	Verbal	All
5	Minutes of the previous meeting (5 th November 2025) and Matters Arising	Attachments 2 and 3	Chair and Clerk
6	Minutes of the last High Needs Block Working Group (24 th October 2025)	Attachment 4	Dan Hinton
7	School Landlord Function	To Follow	Allan Harty
8	2025 LGPS Pension Fund Valuation Results	Attachment 5	Kate McLaughlin-Flynn
9	DSG – School Funding Formula 2026/27	Attachment 6	Amanda Chew
10	DSG – Other Block 2026/27	Attachment 7	Amanda Chew
11	Maintained Schools Projected Balances 2025/26	Attachment 8	Amanda Chew
12	Maintained Schools Deficit Budget Policy Review Outcome	Attachment 9	Amanda Chew
13	High Needs Block Budget Monitoring Q2 2025/26	Attachment 10	Amanda Chew
14	De-delegated Budget Monitoring Q2 2025/26	Attachment 11	Amanda Chew
15	Dates of Future Meetings	Verbal	Clerk

Part 2: Items likely to be considered in the absence of the press and public

None.

Membership of Westmorland & Furness Schools Forum

Membership category - Schools and Academies	Number of positions	Members
Maintained Primary Schools	5	<ol style="list-style-type: none"> 1. David Spruce, Appleby Primary School 2. Vacancy 3. Ian Nicol, Leven Valley Primary 4. David Nattrass, Morland School, Culgaith School, Kirby Stephen School, Crosby Ravensworth School 5. Michelle Hughes, Dalton St Mary's CofE Primary School
Maintained Secondary Schools	2	<ol style="list-style-type: none"> 1. Stephen Gilby, UCC 2. Mathew Hardwick, UVHS/Emma Aubrey, Dowdales School

Academy	Number of positions	Members
Primary	1	1. Huw Davies, Ghyllside School
Secondary	4	<ol style="list-style-type: none"> 1. Jon Hayes, Queen Katherine School 2. Simon Laheney, Furness Academy 3. Mark Harris, Kirby Kendal School 4. Nicola Carruthers, Queen Elizabeth School
Special	1	1. Vacancy
Maintained Nursery	1	1. Vacancy
Special Schools	1	1. Dan Hinton, Sandgate School
PRUs	1	1. Lisa Balderstone, Newbridge House
Total	16	N/A

Membership category - Non-School Members	Number of Members	Expression of Interest
CE Diocese	1	1. Charlotte Tudway / Laura Watson
RC Diocese	1	1. Michael Merrick
16-19 Providers	2	<ol style="list-style-type: none"> 1. Scott Cubitt, Furness College 2. Vacant
EY/PVIs	1	1. Peter Graveson, Sunny Brow Day Care
Teaching Associations	1	1. Andy Brewerton, NEU
Non-Teaching Associations	1	1. Vacancy
Total	7	N/A
Total Forum Members	23	N/A

Westmorland and Furness Schools Forum

5th November 2025

Minutes

Attendees: Stephen Gilby (Chair), Isobel Booler, Ian Nicol, Katherine Dalgliesh (Clerk), Andy Brewerton, Lisa Balderstone, Marie Barnes, Amanda Chew, Chris Butler (part), Cllr Janet Battye, Frances Crackles (part), Daniel Hinton, David Natrass, Claire Diggle, Sharyn Duffey, Martin Harrison (part), Laura Watson, Matthew Hardwick, Gemma Parkes, Peter Graveson, Simon Laheney.

1. Membership Update - Consideration of Forum Member vacancies

Marie Barnes will provide contacts for maintained nurseries.

Frances Crackles attended part of the meeting as an observer with a view to taking on the role of Clerk in future.

2. Apologies for absence

Mark Harris.

3. Exclusion of the Press and Public

There were no items which required that the press and public should be excluded from the meeting.

4. Declarations of Interest

None.

5. Minutes of Previous Meeting (17th September 2025) and Matters Arising (Action Log)

Dan Hinton provided a verbal update on the last meeting of the Schools Forum HNB Working Group. There was a robust conversation around the deficit, and the work being done to both limit an increase to the deficit and to recover from it. It was agreed that the information provided by the LA would be revisited in greater depth at a future meeting, with time for members to read and input to that discussion. Members had considered the proposal to make payments to schools with above 2% targeted SEND funding, but this would be a relatively small amount of funding per school but could make a greater impact if pooled together within the HNB.

Action Log:

In response to a query regarding a potential reduction of employer contribution to the LGPS – the Clerk reported that the draft allocations will be presented to schools this week and this will be brought to future Schools Forum meeting in new year.

6. School Landlord Function

This item was deferred to a future meeting.

7. Insurance Options for Schools

Chris Butler presented the report on Insurance Options for Schools with support from Martin Harrison.

Westmorland & Furness Council procure a range of insurance contracts (primarily with Zurich Municipal and Maven Insurance) with the insurance cover including maintained schools. The proportion of these contracts attributable to schools is funded through de-delegation from the DSG. The report provides details of the Department for Education's Risk Protection Arrangement (RPA) available to schools and academies in England as an alternative to the Council arranging insurance on behalf of maintained schools.

The Schools Forum was asked to consider if maintained schools should take insurance cover through the Department for Education's RPA, separately by phase and to decide on one of the following options:

- Option 1: Continuing with the current arrangement of Westmorland & Furness Council arranging insurance services on behalf of maintained schools with the cost of this being recharged through de-delegation of the schools' budget; or
- Option 2: Move to the Risk Protection Arrangement offered by the DfE with the cost top sliced from respective schools' budgets. This would be effective from 1 April 2026.

It should also be noted that this arrangement only affects maintained schools as academies are already responsible for arranging their own insurance provision (or taking RPA).

Following questions from Forum members, it was confirmed that engineering inspection cover, motor insurance cover and staff absence cover are not

included in the RPA. These are currently arranged independently by schools who choose to obtain them. The additional cost of the engineering inspection cover was included in the table within the report, but typically there would be an additional £650 cost per minibus for motor insurance cover.

Members representing Academies reported that they had found the RPA effective and efficient. It was highlighted that certain requirements are required to be met when making a claim, but this was typical in relation to insurance.

It was confirmed that the LA Insurance Team would notify RPA and all schools impacted. The renewal is made on an annual basis.

Attendees requested confirmation about arrangements for legal support should an insurance claim be litigated, where the schools insurance is provided under the RPA rather than the LA's own team.

Action: confirm where legal support would come from in event of litigation where insurance provided via RPA (Martin Harrison).

Forum members considered that the impact for schools would be in developing new relationships under RPA where previously these had worked well with the LA's Insurance Team which will necessitate an effective handover.

It was confirmed that the cost of RPA would be top-sliced from the LA's DSG budget and recharged to school budgets and that the LA will continue to cover that which it is currently providing that would not be covered by RPA in future.

Decision:

- a. Schools Forum maintained schools representatives for primary schools, including nurseries, voted in favour of option 2 (move to RPA);
- b. Schools Forum maintained secondary, special schools and PRUs voted in favour of option 2 (move to RPA).

MH and CB left the meeting.

8. School Funding Formula 2026/27 Consultation Outcome

Amanda Chew presented the report on the outcome of the consultation on the Schools Funding Formula for 2026/27.

The DfE normally publish indicative school funding allocations for the forthcoming year in July, however in June it announced that the allocations for 2026/27 won't be published until autumn this year and at the time of the meeting the allocations have not been released. As the National Funding Formula (NFF) is still a soft formula, local authorities are obliged to consult all maintained schools and academies each year.

At its meeting on 17 September Schools Forum agreed to consult on whether to adopt the NFF and on the principle of how to deal with either a shortfall or a surplus in the NFF. It also sought views on the continued use of the NFF optional exceptional circumstances factor to fund rent costs for a small number of schools and whether very small sparse secondary schools with a sparsity distance of 10 or more miles should also be supported through this factor.

Forum members were asked to review the results of the consultation and make a recommendation to Cabinet on the formula that should be used in 2026/27 to allocate funding to schools and academies and the principles to apply if there is a shortfall or a balance remaining in the Schools Block after calculating the school budget shares.

The Schools' Forum was presented with two options as detailed in the corresponding paper.

Decision: Unanimous approval to recommend option 1 to Cabinet on 16th December 2025.

Option 1 directs that the NFF is implemented in Westmorland & Furness in full in 2026/27, impacting maintained schools from April 2026 and academies from September 2026 and

- After taking into account the growth fund budget, any residual balance up to a maximum of 0.5% to be transferred from the Schools Block into the High Needs Block and
- Any balance remaining in the Schools block after transfer of a maximum of 0.5% to be allocated to schools through the school funding formula and
- If the NFF is not affordable, the basic per pupil factor values in the formula will be reduced.

A further report will be brought to Schools Forum in January 2026 after the government's funding indications are published in December.

9. Maintained Schools De-Delegated Budgets 2026/27

Amanda Chew presented the report on the maintained school's de-delegated budgets for 2026/27.

She reported details of the proposed maintained schools de-delegated Contingency, Staffing, Library Services and School Improvement budgets for 2026/27 totalling £1.173m for which approval is being sought separately by phase (maintained primary and secondary). The available options for Insurance services were presented above.

Decision:

- a. Schools Forum maintained schools representatives for primary schools (including Special Schools) voted unanimously to approve the following de-delegated services for 2026/27:
 - Contingencies
 - Staff costs
 - Library Services
 - School Improvement

- b. Schools Forum maintained schools representatives for secondary schools voted unanimously to approve the following de-delegated services for 2026/27:
 - Contingencies
 - Staff costs

10. Maintained Schools Deficit Budget Policy

Amanda Chew presented the report on the Maintained Schools Deficit Budget Policy and requested feedback from members.

Schools' Forum members were informed of proposed changes to the maintained schools Challenge and Support Process for Schools/PRU with deficit budgets policy.

The changes to the policy require some amendments to the Westmorland & Furness LA Scheme for Financing Schools so that the two documents are consistent.

It is proposed that the changes to the policy and the LA Scheme come into effect from 1 April 2026. The Local Authority must consult governing bodies/management committees and Head Teachers on changes to the LA

Scheme and gain the approval from its Schools Forum maintained schools representatives. The Local Authority was seeking views from Schools Forum on its proposals ahead of consultation.

Forum members discussed the longer-term picture regarding schools' funding, including reducing birth rate, education sufficiency and Area Based Reviews. Isobel Booler assured members that the LA will work with schools and gather more information before coming to any conclusions regarding options for addressing falling rolls and financial viability. It was acknowledged that this is complex. It was reiterated that it is highly unusual to have deficits in schools balances and that the High Needs Block is an existential threat towards Westmorland and Furness Council.

Sharyn Duffey set out the three areas around which the LA is seeking assurance when supporting schools:

- a. That schools are doing everything within their control
- b. That LA policies and procedures are supporting schools
- c. That national drivers are being addressed

The DfE are deploying staff to assist with the capacity of officers in LA finance teams to help develop recovery plans. The offer of financial review meetings has been made to schools both prior to and since the establishment of Westmorland and Furness Council - this work has helped to validate the actions taken by schools involved, if not necessarily finding any further savings

11. Dates of Future Meetings and Forward Plan

The next meeting of the Schools Forum will be held on 14th January 2026. The meeting will begin at 9.30am and will be via Microsoft Teams.

Please note: since the meeting, this date has been changed to Wednesday 21st January 2025, 9.30am on Microsoft Teams.

Action: Clerk to arrange a date in early December 2025 for the next meeting of the High Needs Block Working Group.

Schools Forum – Action Log 2025/26

Meeting date	Agenda item	Ongoing Actions	Owner	Due date	Update for next meeting
5/11/25	14	Clerk to arrange a date in early December 2025 for the next meeting of the High Needs Block Working Group.	Clerk	Jan 2026	In progress
5/11/25	7	Confirm where legal support would come from in event of litigation where insurance provided via RPA	Martin Harrison and Chris Butler	Jan 2026	Completed
17/9/25	7	Analysis to be undertaken to establish feasibility of fully recovering from deficit position in-year	Amanda Chew	Nov 2025	5/11/25 a report covering this will be brought to the next Forum
17/9/25 11/06/25	1	Chair/ Scott Cubit to follow up with new Principal at Kendal College Carried forward from 2024/25: Chair to contact new Principal at Kendal College re membership of Schools Forum	Stephen Gilby	Nov 2025 Sept 2025	In progress
15/01/25	7	Carried forward from 2024/25: Meet to discuss impact of low funding on special schools Isobel	Isobel Booler, Marie Barnes & Dan Hinton	June 2025	Meeting in diaries (In progress)
01/11/23	2	Carried forward from 2024/25: Vacancy for Non-Teaching Associations: Andy Brewerton to approach unions for potential members	Andy Brewerton	Ongoing	21/1/26 proposed new member

Completed items

Meeting date	Agenda item	Completed Action	Owner	Due date	Update for next meeting
17/9/25	10	Seek clarity on potential reduction to employer contributions to the LGPS from April 2026 for next meeting	Clerk	Nov 2025	Update provided at 5/11/25 meeting
17/9/25	6	Invite s.151 Officer (DH) to attend Schools Forum meeting	Clerk	Nov 2025	Invite has been sent. He is unable to attend any meetings in 2025/26 due to calendar clashes
11/06/25	11	Carried forward from 2024/25: Refer Targeted SEN Funding back to the HNB Working Group for further discussion how this funding could be spent and then propose to Schools Forum.	Clerk	Sept 2025	Complete
11/06/25	6	Carried forward from 2024/25: Confirm date for next meeting of the HNB Working Group	Clerk	Sept 2025	Complete

**Westmorland and Furness Schools Forum
High Needs Block Working Group**

24th October 2025, M2025, Microsoft Teams Meeting, 9.30-11.30am

Minutes

Attendees: Andy Brewerton, Lisa Balderstone, Marie Barnes, Isobel Booler, Amanda Chew, Cllr Janet Battye, Katherine Dalgliesh (Clerk), Daniel Hinton (Chair), Claire Diggle, Stephen Gilby, Gemma Parkes.

No.	Item name
1.	<p>Apologies No apologies were received</p>
2.	<p>Notes and actions of last meeting (1st April 2025)</p> <p>DH outlined the issues discussed at the last meeting.</p> <p>A query was raised regarding the government’s White Paper and the forthcoming reforms in SEND, and the greater complexity of need emerging.</p>
3.	<p>HNB Benchmarking</p> <p>CD presented slides outlining benchmarking information, including:</p> <ul style="list-style-type: none"> • W&F in-year deficit on HNB was £8.061m in 2024/25. This is the third lowest when compared to statistical neighbours with available information. • At Q1 2025/26 the pressure on the High Needs Block was reported at £10.136m • W&F is an outlier within the North West in the increase seen in requests for EHCP assessment. This is despite an already higher than average rate per 10,000 of 0-25 population. • Requests increased by 8.6% in Q1 2025/26 compared to the previous quarter. • W&F also had the lowest percentage of assessments refused in the North West for Q2 with 11.9% compared to a regional average of 28%.

No.	Item name
	<ul style="list-style-type: none"> • Despite this we had the third highest (of 13 NW authorities to submit data) percentage of requests to assess which progressed to mediation. • The total number of EHCPs as at Aug 2025 is 2606. This is an increase of 16.2% since March 2024. <p>In relation to Special Schools:</p> <ul style="list-style-type: none"> • Maximum EHCP top-up at W&F Special Schools is £25,493. This is 20% higher than the average across statistical neighbours. • Average median banding across statistical neighbours is £9,834. W&F median is £14,214 (44.5% higher). • W&F lowest banding is £4635. This is 70.5% higher than the average of £2718. • Average expenditure per pupil for special schools is £28740 for the 2024/25 financial year. • All three special schools in W&F spend more than the average per pupil when compared to other special schools. • Average pupils per staff role in special schools is 1.83. • All three special schools in W&F have a lower ratio than the average. <p>In relation to statistical neighbours/comparators:</p> <ul style="list-style-type: none"> • The HNB Benchmarking Tool, using the 2023/24 S251 budget, shows that compared to our statistical neighbours, England and North West, we pay more on top up per head of 2 to 18 populations for both maintained and independent primary and for independent special schools. • Our spend per head for maintained secondary top-ups is higher than England and North West averages but slightly lower than our statistical neighbours.
4.	<p>Audit Report</p> <p>IB reported that Westmorland and Furness Council now has an annual report on Value For Money (VFM). Assurance around the HNB is now being flagged as significant risk to the Council. The statutory override has been extended to 2028.</p> <p>Auditors identified significant weaknesses and recommendations were made to address the DSG deficit including providing a timeline to eradicate it. However, although the DSG Management Plan has been reworked, it is a significant challenge to produce an accurate and costed plan of when the LA would be able to meet the HNB within the allocation amount.</p>

No.	Item name
	<p>Members discussed this in the context of major national SEND reforms which are due to be announced in early 2026. GP commented that early indications point to a drive towards supporting mainstream schools to be more inclusive.</p> <p>No information has yet been published regarding writing-off deficits. This is an existential threat to the whole of local government, not just W&F.</p>
5.	<p>DSG Management Plan Update</p> <p>CD presented an update on progress made against the DSG Management Plan submitted to the DfE in February 2024.</p> <p>The Management Plan sets out Westmorland & Furness' forecast DSG income and expenditure for 2023/24 to 2029/30 and provides details of planned activities to mitigate the increasing deficit on the DSG reserve.</p> <p>The original plan included mitigations totalling £43.866m and saw the forecast deficit increase to £31.314m by 2030. The unmitigated position was forecast to be £81.180m.</p> <p>This report highlights progress made against the planned mitigations and outlines additional ongoing workstreams where the financial impact has not yet been quantified</p> <p>Members agreed that this had been largely covered in discussions above. CD reported that the LA has been working on a number of mitigations, and savings of just over £900k have been quantified to date.</p>
6.	<p>Targeted SEND Funding Discussion</p> <p>CD presented a report providing an update on the proposal to reintroduce targeted SEN funding, which was initially discussed at the Schools Forum High Needs Block Working Group meeting in April 2025.</p> <p>At that meeting, the group recommended that the proposal, along with associated financial modelling, be considered by the full Schools Forum.</p> <p>The paper was subsequently presented at Schools Forum in June 2025. Forum members were asked to note the modelling within the report and to consider whether targeted SEN funding should be reintroduced. If agreed, members were also asked to consider appropriate thresholds and per pupil funding values.</p> <p>Schools Forum members acknowledged the potential cost implications of this intervention and felt that further discussion was needed around strategic options for this expenditure considering the increasing pressure on the High Needs Block of the DSG budget. As a result, Forum members</p>

No.	Item name
	<p>requested that the High Needs Block Working Group explore possible options and report back to future Schools Forum meeting.</p> <p>IB highlighted that the LA doesn't have this money and any action taken would be a 'spend to save' initiative.</p> <p>JB pointed to the use of independent sector as an area where we could make a saving. If we can create more places within our own system that will reduce cost, but there is complexity in funding the transition against a substantial deficit.</p> <p>We now have better access to data which is helping to inform options and decision-making. The detailed analysis that has been done is showing that SEMH need is driving the increased use of ISP. There are also challenges around post-19. There is a lack of special school provision in Eden and a lack of provision for complex autism with SLD. Capital works are slow which makes this transition more challenging. It is important that this issue is recognised across the Council.</p> <p>It would be useful to build greater capacity for transition years eg. Year 3 and year 7 and reserve this capacity within special schools and Resourced Provision.</p> <p>This item will be brought forward to the next meeting with a view to developing an action plan.</p>
	<p>The next meeting will be arranged for early December 2025.</p>

Schools Forum

Meeting date: 21 January 2026

**From: Kate McLaughlin-Flynn, Senior Manager –
Cumbria Pension Fund (Deputy s151 Officer –
Pensions)**

Cumbria Local Government Pension Scheme Triennial Valuation 2025

1.0 Executive Summary

- 1.1 This report provides details of the triennial valuation of the Cumbria Local Government Pension Scheme (“the Fund”) and the resultant implication for employer contributions for the period 1 April 2026 to 31 March 2029 for non-teaching school staff based in Westmorland & Furness maintained schools (i.e. excluding Academies) who are members of the Local Government Pension Scheme.
- 1.2 As the Administering Authority for the Fund, Westmorland & Furness Council is responsible for obtaining an actuarial valuation of the assets and liabilities of the Fund on a triennial basis by a recognised qualified professional.
- 1.3 The report notes that the provisional employer contributions rate for maintained schools for the period 2026 to 2029 will be 9.3% for schools within Westmorland & Furness Council. This compares to an employer contribution rate for all maintained schools in the Council of 17.3% in 2025/26. Academies have been advised separately of their provisional employer contribution rates.

2.0 Strategic Planning and Equality Implications

The triennial actuarial valuation determines the overall funding level of the Fund and sets the rate of employers’ contribution required for the following three years. This, in turn, impacts on the employers’ revenue budgets.

- 2.2 It should be noted that changes to the employer contribution rates neither affect the contributions made by employees within the Fund (as these are set by Government) nor the current or future pension entitlement of members of the Fund (as the LGPS is a defined benefit scheme).

3.0 **Recommendations**

3.1 The Schools Forum Budget Working Group is recommended to:

- note that for maintained schools within Westmorland & Furness Council the provisional employer contribution rate to the Cumbria LGPS for the period 1 April 2026 to 31 March 2029 is 9.3% (compared to 17.3% for the period 2023 to 2026).
- note that Academies have been advised separately of their respective employer contribution rate to the Cumbria LGPS.

4.0 **Background**

4.1 As Administering Authority of Cumbria Local Government Pension Scheme (“the Fund”), Westmorland & Furness Council is responsible for the administration of the Fund on behalf of 109 employers (as at September 2025) including maintained schools (which are currently included in the Council’s valuation) and academies which are treated as separate employers. Westmorland & Furness Council is the deemed employer for all maintained schools within the Council’s geographical boundary.

4.2 Many of the responsibilities of the Administering Authority are set out in regulation. This includes the requirement to obtain an actuarial valuation of the assets and liabilities of the Fund on a triennial basis by a recognised qualified professional. The purpose of the triennial actuarial valuation is to calculate the value of the assets and the liabilities of the Fund and to set employer contribution rates for the next three-year period to assist the future solvency of the Fund.

4.3 The valuation is based on the assets and liabilities of the Fund as at 31 March 2025 with the calculated employer contribution rates being effective from 1 April 2026 to 31 March 2029.

4.4 The 2025 actuarial valuation is being completed in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013. Whilst the valuation is based on the value of the assets and liabilities as at 31 March 2025, the Actuary is permitted to refine this valuation up until the date at which the actuarial certificate is issued. This certificate must be issued on or before 31 March 2026. The results of the valuation are considered to be draft until such time as the actuarial certificate is signed.

4.5 The parameters on which the 2025 valuation was calculated were considered by the Cumbria Pensions Committee in September 2025 and December 2025. Scheme employers (including academies) were consulted on these parameters, concluding on 13th January 2026.

4.6 Based on these parameters, as at 31 March 2025 the actuary has calculated the funding level for the whole Fund to be 124% (i.e. for every £100 of liabilities, the Fund has assets valued at £124 as at 31 March 2025) compared to a funding level of 110% funded at the 2022 valuation. However, it should be noted that individual employers will have their own specific funding level based on the assets and liabilities relative to their organisation.

- 4.7 In determining the employer contribution rate, the actuary calculates two separate rates:
- Future service contribution rate - the rate that employers should pay to fund liabilities arising after 1 April 2026
 - Deficit contribution / Surplus repayment - the value that employers should pay to address any deficit between the value of the assets and liabilities of the Fund. From April 2025, the Fund will refund employers if their assets exceed their liabilities by more than 10%.
- 4.8 It is therefore determined that the provisional employer contribution rate for maintained schools for the period 1 April 2026 to 31 March 2029 is 9.3% of payroll for maintained schools within Westmorland and Furness Council.
- 4.9 Academies have received individual employer schedules detailing their future service rate and deficit recovery values.
- 4.10 A similar report to this is to be presented to the Cumberland Council Schools Forum outlining their contribution rates for the next three years.
- 4.11 The Actuary formally signs off the 2025 valuation on 31 March 2026 and has the ability to refine the results of the valuation at any time up to that date. Whilst the results are not expected to change, if there is any adjustment to the final employer contributions rates, a further report will be provided to the Schools Forum.
- 4.12 It should be noted that the low contribution rates are being driven by the strong surplus, and the surplus offset is reducing the overall rate payable. The rates are certified for three years and following each valuation rates can increase or decrease depending upon a wide range of factors such as fund membership, investment performance and economic conditions. The fund aims to keep contribution rates stable, and this is done through including a level of prudence in the funding plan, however there are limits in the funds ability to do this and so increases at future valuations are possible. If all the surplus (or deficit) is removed then an employer would pay the Future Contribution Rate.

5.0 Options

- 5.1 This paper is intended to update the Schools Forum on progress with the 2025 Triennial Valuation of the Fund and to provide provisional employer contribution rates for the period 1 April 2026 to 31 March 2029 subject to the final sign off by the Actuary on 31 March 2026.
- 5.2 Schools Forum members may either:
- note the actions taken to progress the 2025 Actuarial Valuation of the Fund; or
 - seek further advice and information from the Senior Manager - Cumbria Pension Fund (Deputy Section 151 Officer - Pensions).

6.0 **Resource Value for Money Implications**

- 6.1 The triennial valuation of the Pension Fund determines the funding level of the Fund and individual employers' contribution rates (both for future service and deficit contributions). This will in turn impact on the employers' revenue budgets.
- 6.2 The provisional combined contribution rate (both for future service and deficit contributions/surplus refund) for maintained schools within Westmorland & Furness Council is 9.3% of payroll for 2026/27 to 2028/29. This compares to the combined rate in 2025/26 of 17.3%.
- 6.3 Academies have been advised separately of their specific contribution rates from the actuarial valuation.

7.0 **Conclusion**

- 7.1 The 2025 Actuarial Valuation of the Cumbria Local Government Pension Scheme has progressed well and all employers within the Fund have been advised of their provision contribution rates for the period 2026-29.

Kate McLaughlin-Flynn

6th January 2026

Accompanying Documents:

None

Report Author

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Westmorland & Furness Council Schools Forum
Report Title: Dedicated Schools Grant – School Funding Formula 2026-27
Meeting date: 21 January 2026
Report of: Isobel Booler, Assistant Director - Education & Inclusion

1.0 Executive Summary

- 1.1 This paper informs the Schools Forum that the 2026/27 Dedicated Schools Grant (DSG) Schools Block allocation for Westmorland & Furness is £180.079m.
- 1.2 The DfE have approved the continued use of the optional exceptional circumstances factor in the 2026/27 school funding formula for rent costs. Four schools meet the criteria to receive funding through this factor totalling £174,647. A technical adjustment has been made to Kirkoswald CofE School's 2026/27 school budget share to correct overfunding of £32,655 in 2025/26, this adjustment is subject to Schools Forum confirming its support.
- 1.3 After calculating the school budget shares using the national funding formula and before taking into account any growth fund budget, there is a shortfall in funding of £0.095m. To minimise the negative impact on school budget shares, the local authority is not proposing to have a growth fund budget in 2026/27. As agreed by Cabinet on 16 December, the shortfall in funding will be managed by reducing the basic per pupil factor values. The impact of this reduction is minimal on school budget shares with the most significant reduction being 0.08% of school budget share.
- 1.4 The 2026/27 school funding formula impacts maintained schools from 1 April 2026 and academies from 1 September 2026. The deadline for submitting the Authority Proforma Tool (APT), which is subject to validation by the DfE, is 22 January 2026.
- 1.5 The paper also confirms the maintained schools per primary and secondary pupil rates for the 2026/27 de-delegated services budgets which were approved by Schools Forum at the last meeting.

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 Schools Forum is recommended to support:

- the technical adjustment of £32,655 to Kirkoswald CofE School's 2026/27 school budget share to correct overfunding in 2025/26.

4.0 Rationale & Evidence for the Recommendation

Background

4.1 On 5 November 2025, following the outcome of the consultation with all maintained schools and academies, Schools Forum agreed to recommend to Cabinet that the National Funding Formula (NFF) should be adopted in 2026/27 and:

- After taking into account the growth fund budget, any residual balance up to a maximum of 0.5% to be transferred from the Schools Block into the High Needs Block and;
- Any balance remaining in the Schools Block after transfer of a maximum of 0.5% to be allocated to schools through the school funding formula and;
- If the NFF is not affordable, the basic per pupil factor values in the formula will be reduced.

4.2 Cabinet subsequently approved this recommendation on 16 December 2025.

4.3 At the time of consultation with schools and Schools Forum the DSG allocations for 2026/27 had not yet been published and therefore the decision was made in principle.

Schools Block Allocation 2026/27

4.4 The DfE published the 2026/27 DSG allocations for local authorities on 18 December 2025. The Schools Block funding for Westmorland & Furness is £180.079m, an increase of £5.095m compared to 2025/26.

4.5 The Core NFF funding, which includes the roll in of the Schools Budget Support Grant (SBSG) and National Insurance Contributions (NICs), has increased by £5.287m compared to 2025/26 of which £8.816m relates to an increase in the Primary and Secondary Units of Funding (PUFs and SUFs) offset by a reduction of (£3.528m) due to a decrease in 553 pupils between the October 2024 and 2025 census dates.

4.6 The DfE calculate the PUFs and SUFs by applying the 2026/27 NFF at school level using October 2024 pupil data. The total funding relating to primary pupils is aggregated and divided by the total primary pupil numbers to arrive at a primary unit of funding. Likewise, the same methodology is applied to calculate the secondary unit of funding. These units of funding, which were published on 19 November 2025, are multiplied by the October 2025 pupil

numbers to form the final core NFF funding at Local Authority level in 2026/27 and published in December 2025.

- 4.7 The implications of this funding methodology means that local authorities' Core NFF funding allocations are adjusted for increase or decreases in pupil numbers between years but not for any changes in pupil-led characteristics, such as increases/decreases in eligibility for Free Schools Meals, Low Prior Attainment and this can create a pressure or surplus when calculating school budget shares using the national funding formula as the October 2025 pupil characteristics must be applied to the formula factors but this is not reflected in the PUF and SUF values used to allocate funding to local authorities. Changes in school-led characteristics such as split site eligibility that were not known to the DfE before the PUF and SUF units were finalised can also have an impact. The DfE have advised that Sacred Heart Catholic Primary School is newly eligible for split site funding in 2026/27 after the PUFs and SUFs were announced and as the split site funding is a mandatory factor we are obliged to allocate the funding to the school in 2026/27 although the funding for it is not reflected in the calculation of the PUF unit of funding.
- 4.8 The premises factor at LA level, which has decreased by £0.012m as shown in the table at para 4.4, is based on estimated National Non-Domestic Rates (NNDR) costs in 2026/27 for each maintained school and academy in Westmorland & Furness plus any rates adjustments for 2025/26 (either positive or negative) and exceptional rents costs as submitted in the 2025/26 Authority Proforma Tool (APT).
- 4.9 The growth/falling rolls fund factor at LA level has decreased by £0.181m compared to 2025/26. The funding is calculated by the DfE based on observed differences between primary and secondary pupil numbers on roll between October 2024 and October 2025 school censuses in each middle-layer super output area (MSOA) multiplied by a primary and secondary unit of funding. The units of funding are £1,570 for primary and £2,350 for secondary as per 2025/26. The factor also includes a lump sum of £141,890 where the reduction in primary and secondary pupil numbers in each MSOA is at least 10% of the October 2024 pupil number count. The growth/falling rolls factor is not ring-fenced and can be used to support the school funding formula, as required.
- 4.10 Local authorities are permitted, with the agreement of their Schools Forum, to retain a growth fund to support mainstream maintained schools and academies in its area in meeting increased local pre-16 demand for school places resulting from 'natural' demographic changes (i.e. unusually large cohorts) or nearby housing developments within a school's own catchment area. They are also permitted to have a discretionary falling rolls fund but can only provide funding where the most recent school capacity (SCAP) survey shows that school places are expected to be required in 2026 to 2027, or the subsequent 2 years. These budgets are deducted from the Schools Block funding before calculating the school budget shares. Local authorities are also permitted to transfer 0.5% of the Schools Block to the High Needs Block with Schools Forum approval. Local authorities must seek Secretary or State approval for transfers above this level whether approved by Schools Forum or not or in cases where transfers up to 0.5% are not approved by Schools Forum.

School Budget Shares 2026/27

- 4.11 The school budget shares for 2026/27 (impacting maintained schools from 1 April 2026 and academies from 1 September 2026) have been calculated using the NFF as recommended by Schools Forum and agreed by Cabinet. The NFF factor values for 2026/27 are compared to 2025/26 at Appendix 1. The minimum funding guarantee is +0% increase against 2025/26 per pupil baselines and the minimum per pupil funding levels (MPPLs) are £5,115 for Primary and £6,640 for Secondary pupils.
- 4.12 The DfE has confirmed its approval for the continued use of the optional exceptional circumstances factor to support 4 schools (Leven's, Dallam, Penruddock and Greystoke) with rent costs. Schools Forum was previously notified that St Cuthbert's Catholic Primary School may be eligible for rents funding however it does not meet the criteria in 2026/27. The total funding through this factor for the 4 eligible schools is £174,647.
- 4.13 A technical adjustment has been applied to Kirkoswald CofE School's 2026/27 school budget share to correct overfunding received in 2025/26. The school overstated its FSM pupils on the October 2024 census in error resulting in overfunding of £32,655. Kirkoswald CofE School has been consulted and is aware that this correction will reduce its school budget share in 2026/27 and is responding appropriately. No other schools are impacted by the correction which also adjusts Kirkoswald CofE's per pupil MFG unit value baseline for 2025/26. Prior year adjustments are in scope of the Regulations however DfE require officers to seek Schools Forum support for the adjustment.
- 4.14 The DfE has also approved the use of the exceptional circumstances factor to support very small sparse secondary schools (VSSS). Schools Forum confirmed its support in November that, subject to affordability, secondary schools with less than 350 pupils on roll and a sparsity distance of 10 miles or more could receive an allocation of up to £50,000 per eligible school in addition to the sparsity funding that that these schools would attract through the sparsity factor 2026/27.
- 4.15 However, on calculating the school budget shares using the national funding formula and before taking into account any growth funding there is a shortfall of Schools Block funding of £0.095m.
- 4.16 The implications of this mean that this is no funding available to support VSSS through this factor in 2026/27 despite DfE approval being granted although it may be possible to apply it in future years, subject to affordability and DfE approval which must be sought on an annual basis. It also means that there is no funding available to transfer to the High Needs Block.
- 4.17 In previous years, Schools Forum has approved the use of a growth fund budget. The growth fund budget for 2025/26 was £0.071m however only one school (Kirkby Stephen Grammar School) has received support totalling £0.056m relating to a bulge in Year 7 pupils with an intake of 90 pupils against a PAN of 64 relating to academic year 2024/25. To minimise the impact of the shortfall in funding on all schools the local authority is not proposing to hold a growth fund budget in 2025/26. Officers have explored other areas to mitigate

the impact such as a transfer in from Central Schools Services Block however this is not possible in 2026/27.

- 4.18 As recommended and agreed by Cabinet the shortfall of £0.095m will be addressed by reducing the NFF basic per pupil factor values. The values for Primary, KS3 and KS4 are weighted therefore, the reduction in the values has been applied proportionately.
- 4.19 The impact of this reduction on individual school budgets is shown at Appendix 2. Schools that are in receipt of protection funding through the MPPL and/or MFG factor values will not be negatively affected by this reduction. It is only schools where funding through the NFF is above the MPPL and MFG thresholds that will be impacted by the reduction. It also means that some schools may be newly eligible for MPPL and MFG protection on the reduced basic per pupil rates. Based on the calculated school budget shares 19 schools would not be impacted by the reduction due to the protections. For those schools impacted by the reduction the greatest loss is 0.08% of total budget share compared to the NFF. For illustrative purposes, a primary school with 100 pupils with no MPPL or MFG protection would see a reduction of £361. A secondary school with no MPPL and MFG protection with 720 KS3 pupils and 480 KS4 pupils would see a reduction in funding of £6,637.

Maintained Schools De-delegation 2026/27

- 4.20 The de-delegated budgets for maintained schools were approved by Schools Forum in November. These are split between primary and secondary maintained schools based on October 2025 pupil numbers and weighted based on the basic per pupil factor value ratios. The actual per pupil amounts that will be applied to maintained school budgets in 2026/27 are available from the Clerk to the Schools Forum. Contact details are on the Westmorland and Furness website.
- 4.21 There is a small increase in the per pupil values as there is an overall reduction in pupil numbers between October 2024 and 2025 census dates and due to inflation uplift as set out in the November meeting paper.
- 4.22 The school budget shares calculated by the local authority are due to be submitted to the DfE via the 2026/27 Authority Proforma Tool by 22 January 2026 and will be subject to validation and approval by the DfE before final school budget shares can be confirmed.
- 4.23 The deadline set by the DfE for maintained schools to be notified of their budgets by the Local Authority is 28 February 2026. Academies will be informed of their budgets by the DfE by 31 March 2026.
- 4.24 In addition to the funding through the school funding formula in 2026/27, the DfE has confirmed that academies will receive further grant payments for the SBSG and NICs to cover the period April – August 2026 in recognition of the funding cycle for academies which follows the academic year rather than the financial year used for maintained schools. The DfE has also confirmed that the pupil premium grant will continue in 2026//27 based on October 2025 census data.

5.0 Options

5.1 Schools Forum can:

- support the technical adjustment of £32,655 to Kirkoswald CofE School's 2026/27 school budget share to correct overfunding in 2025/26,

or

- not support the technical adjustment of £32,655 to Kirkoswald CofE School's 2026/27 school budget share to correct overfunding in 2025/26.

5.2 It should be noted that if Schools Forum do not support the technical adjustment to correct Kirkoswald CofE School's overfunding in 2025/26 this will increase the affordability gap of the school funding formula in 2026/27 resulting in a further reduction in the basic per pupil unit value impacting all schools.

6.0 Financial & Other Relevant Implications

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

9 January 2026

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Appendices:

1. National Funding Formula Factors comparison 2025/26 to 2026/27
2. Impact of Reducing the NFF Basic per Pupil Factor Values

Please note: the above documents are available from the Clerk to the Schools Forum with contact details available on the Westmorland and Furness Council website.

Westmorland & Furness Council Schools Forum
Report Title: Dedicated Schools Grant – Other Blocks 2026-27
Meeting date: 21 January 2026
Report of: Isobel Booter, Assistant Director - Education & Inclusion

1.0 Executive Summary

- 1.1 This paper informs the Schools Forum on the 2026/27 Dedicated Schools Grant (DSG) for Central School Services (CSSB), Early Years (EYB) and High Needs Blocks (HNB). The total DSG to be allocated through these blocks in 2026/27 for Westmorland & Furness is £70.606m. The funding for the HNB and EYB is provisional and will be updated to reflect changes in places numbers and early years headcounts during the year.
- 1.2 The Schools Forum is asked to note the DSG Central School Services, Early Years and High Needs Block allocations for 2026/27 and approve the proposed centrally retained expenditure budgets for the Central School Services and Early Years Blocks.

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 Schools Forum is recommended to approve:
- the proposed Central School Services Block budget of £1.825m;
 - the proposed centrally retained Early Years expenditure budget of £0.804m.

4.0 Rationale & Evidence for the Recommendation

Background

- 4.1 The DfE published the DSG allocations for 2026/27 on 18 December 2025. The DSG is allocated in 4 blocks: Schools Block, High Needs Block, Early

Years Block, and Central Schools Services Block. The Schools Block allocation details are reported separately in the DSG – School Budgets 2026/27 paper. The total allocation for the other 3 blocks is £70.606m.

Central School Services Block

- 4.2 The CSSB allocation comprises of 2 elements historic commitments and ongoing commitments. The overall funding has increased by £0.177m.
- 4.3 The historic commitments element has reduced by £0.094m. Since 2020/21 the DfE have committed to reduce the historic commitments element by 20% annually except where this would bring the level of funding below that of any local authorities' prudentially borrowing cost commitments in recognition of the time required for such costs to unwind. In Westmorland & Furness, the prudential borrowing costs are £0.468m. As the funding for this commitment has reduced to £0.374m we have applied to the DfE for protection funding of £0.094m, as per last year.
- 4.4 The ongoing commitments element, which is funded on a per pupil unit, has increased by £0.270m.
- 4.5 The per pupil rate comprises of a basic per pupil amount for all local authorities plus an amount to reflect deprivation based on FSM6 eligibility multiplied by an area cost adjustment. The per pupil rate reflects the roll-in of the School Budget Support Grant and National Insurance Contributions grants for centrally employed teaching and support staff.
- 4.6 The funding for historic and ongoing commitments is not ring-fenced and local authorities can use funding allocated for ongoing commitments to fund their historic commitments if needed.

CSSB Budgets

- 4.7 The proposed CSSB budgets for 2026/27 are shown in a table available by contacting the Clerk to the Schools Forum. Contact details are available on the Westmorland and Furness Council Website.
- 4.8 The reduction in the historic commitments funding has resulted in a reduction in the budget for prudential borrowing of £0.094m. There is an overall increase in the budget for Schools Forum and School Finance Team of £0.001m and School Admissions of £0.003m due to estimated pay inflation.
- 4.9 The annual charge for copyright licences is set by the DfE and re-charged to local authorities and is based on an estimate. The budgets for asset management, education welfare and statutory duties have been reduced due to affordability, but this should not have an impact on the services provided to schools.
- 4.10 The Schools Forum is asked to note the reduction to historic commitments budget and approve the CSSB budget for 2026/27. The budget is provisional subject to the outcome of the application for historic commitments protection funding.

Early Years Block

- 4.11 The EYB allocation has increased by £5.769m.
- 4.12 The increase in the EYB includes the full year impact of the expansion of up to 30 hours of free entitlement for eligible working parents of Under 2s and 2 year olds which came into effect from 1 September 2025. The EYB allocation is provisional and local authorities will be funded for all the early years entitlements based on a new termly funding system (13 weeks summer, 14 weeks autumn and 11 weeks spring) rather than the 5/12ths January 2026 and 7/12ths January 2027 annual census headcounts as used previously for the 3-4 year old and 2 year olds of families receiving additional support entitlements. The implication of this change means that local authorities, at a national level and according to DfE analysis, will be funded based on a lower number of 3-4 year old funded hours across the year than they would have been funded for if the DfE had continued to use the annual January census data. In recognition of this, the DfE have adjusted the 3-4 year old LA hourly funding rates to support transition.
- 4.13 The provisional allocation is based on DfE's estimated headcount numbers for each term however these will be adjusted to reflect actual headcount census data in November 2026, March 2027 and July 2027.
- 4.14 The above increases in Under 2s, 2 and 3-4 year old funding also represent an increase in the LA level hourly funding rates which includes the roll in of the early years national insurance contributions and teachers' pay grant (EYNTPG) which was a separate grant in 2025/26.
- 4.15 It should be noted that the hourly rates (with the exception of the Early Years Premium Premium) are not the rates that providers will receive as the local authority is allowed to centrally retain some funding for central services, have a SEN Inclusion Fund budget and some of the funding is required for the deprivation and quality supplements in the local early years funding formula. In 2026/27 local authorities must pass on at least 97% of the free entitlement funding to early years providers. The MNS supplementary funding, Disability Access Fund (DAF) and Early Years Pupil Premium (EYPP) is excluded from the pass-through calculation. The pass-through rate applies separately to each entitlement and the DfE monitor LA compliance.

Early Years Block Budgets

- 4.16 A table showing how the proposed EYB budget is comprised is available from the Clerk to the Schools Forum. Contact details are on the Westmorland and Furness Council website.
- 4.17 The centrally retained EYB budget is proposed to increase by £0.222m compared to 2025/26 of which £0.227m relates to the early years team for increased support required for the roll out of the new Under 2s and 2 Year Olds free entitlements expansion and the move towards termly headcounts for 3-4 year olds. The early years team is proposed to be fully funded from DSG from 2026/27. It also includes an increase of £0.021m for the full year impact of the WellComm speech and language contract which is a toolkit designed for early identification and support and is being rolled out to all early years settings. This is offset by a reduction in centrally retained budgets for

de-delegation of (£0.025m) mainly in respect of insurance services which will be provided through the DfE's Risk Protection Arrangement in 2026/27.

- 4.18 In line with the Schools Forum regulations, the local authority must seek Schools Forum approval on the proposed centrally retained early years expenditure budgets totalling £0.804m.

Proposed Funding Rates for Providers

- 4.19 The table below shows the proposed provider level hourly funding rates for 2026/27.

Under 2s: In 2025/26 the funding rate was £9.94, rising to £10.43 in 2026/27 which is an increase of £0.49.

2 year olds: In 2025/26 the funding rate was £7.30, rising to £7.64 in 2026/27 which is an increase of £0.34.

3-4 year olds: In 2025/26 the funding rate was £5.32 rising to £5.78 in 2026/27 which is an increase of £0.46.

Deprivation supplement: in 2025/26 the funding rate was £0.22 with no increase in 2026/27.

- 4.20 Local authorities must ensure that the hourly funding rate for a 2 year olds of families receiving additional support (FRAS) is at least the same level as that for 2 year olds of eligible working parents (WP).

- 4.21 Most of the increase in the Under 2s, 2 Year Olds and 3-4 year olds LA level hourly funding rate is proposed to be passed on to providers with just £0.03 (3-4 year olds) and £0.04 (Under 2s and 2 year olds) of the hourly rate being used to support the supplements in the Early Years Funding Formula and the proposed centrally retained budgets. The rates in the table above are dependent on Schools Forum approval of the proposed centrally retained budgets in the table at para 4.16. The average proposed budgeted pass-through rate across all the entitlements based on modelling is 98.88% for 2026/27.

- 4.22 No changes to the local early years funding formulae are proposed.

Early Years Pupil Premium

- 4.23 The Early Years Pupil Premium hourly rate which has increased from £1.00 to £1.15 must be used to fund eligible providers at the national rate and will apply to Under 2s, 2 Year Olds and 3-4 year olds in 2026/27.

Disability Access Funding (DAF)

- 4.24 The DAF has increased from £938 to £975 per eligible child and will be passed on to providers who have eligible children.

Maintained Nursery Schools (MNS) Supplementary Funding

- 4.25 The MNS supplementary funding has increased by £0.003m compared to 2025/26 and represents an increase in the hourly funding rate from £5.27 to £5.47. This funding will continue to be used to fund the MNS lump sum, business rates and MNS supplementary hourly rate. The MNS will also benefit from the increase in the Under 2s, 2 and 3-4 year old base rates.

High Needs Block

- 4.26 The HN Block allocation before deduction for directly funded places by the DfE is £32.405m an increase of £1.501m compared to 2025/26.
- 4.27 The DfE have moved away from using the NFF to allocate HNB to local authorities. Instead, the allocation is based on funding received in 2025/26 of £30.405m plus the roll in of the annualised Core School Budget Grant for state funded special and AP schools, independent special schools, special post-16 institutions, independent learning providers. The roll in of these grants equates to £1.501m, therefore, no inflationary uplift has been applied to the HNB allocation in 2026/27 and Westmorland & Furness continues to be the 13th lowest funded authority out of 151 authorities. Using last year's 2-18 year old population data Westmorland & Furness' per head funding is £851 whereas the mean is £1,050, had Westmorland & Furness been funded using the mean this would have equated to an additional £7.579m in 2026/27.
- 4.28 The former grants element of the HNB allocation will be updated later to reflect academic year 2026/27 places in Autumn 2026. It is not known, once the SEND review white paper has been published, if there will be any additional HNB funding for local authorities.

High Needs Budget

- 4.29 Regulations require that the minimum funding guarantee (MFG) for Special Schools must be set at a minimum of 0% against the 2026/27 baseline which is the same rate as the mainstream schools MFG.
- 4.30 In 2026/27 special schools and PRUs must continue to receive high needs funding in addition to their place and top-up funding equivalent to the amount of historic teachers' pay, pension, pension supplementary and additional high needs funding as received per place in 2025/26 plus the Core School Budget Grant converted to full year, as set out in the DSG conditions of grant. The minimum 12-month amount must be £4,408 multiplied by the number of funded places in 2026/27.
- 4.31 The DSG conditions of grant also require local authorities to allocate additional High Needs funding of £539 per place to mainstream schools and academies with resourced provision/SEN units in 2026/27. This comprises of the £286 National Insurance Contributions grant and the £253 full year equivalent school budget support grant. This is in addition to both the place and top-up funding.
- 4.32 As with mainstream schools, the maintained special school and PRU budget shares will be published on 28 February 2026. The High Needs Block allocation is provisional and is subject to later adjustments including DfE direct

funded places in academies and further education colleges. Further details of the High Needs budget for 2026/27 will be available at a later Schools Forum meeting.

5.0 Options

5.1 Schools Forum can:

- Approve the proposed CSSB budget of £1.825m;
- Approve the proposed centrally retained EYB of £0.804m;

Or

- Not approve the proposed CSSB budget of £1.825m and propose an alternative budget.
- Not approve the centrally retained EYB of £0.804m and propose an alternative budget.

6.0 Financial & Other Relevant Implications

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

12 January 2026

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Westmorland & Furness Council Schools Forum

Report Title: Maintained Schools Projected Balances 2025/26

Meeting date: 21 January 2026

Report of: Isobel Booter, Assistant Director – Education & Inclusion

1.0 Executive Summary

- 1.1 This report presents an update on the projected balances for maintained schools as at 31 March 2026. Based on October budget submissions received to date the net deficit balance is predicted to be £3.911m.
- 1.2 Whilst this represents a slightly improved projection compared to the May budget submissions, this is still a cause for concern.
- 1.3 Thirty-four schools are forecasting deficit balances totalling £7.656m and 69 schools are forecasting surplus balances totalling (£3.356m).
- 1.4 Finance review meetings have taken place with schools in deficit during the Autumn 2025 term and further meetings are planned for Spring 2026.

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 updated projected balances for maintained schools as at 31 March 2026 and the action the local authority is taking to support schools with deficit balances.

4.0 Background

4.1 A report was presented to Schools Forum in September 2025 which reported that maintained school balances as at 31 March 2025 were in a net deficit position of £2.136m and this was projected to increase to £4.299m by 31 March 2026 based on May budget submissions, an in-year net deficit of £2.163m:

	2024/25 Number of Schools	2024/25 Total Value (£)	2025/26 Forecast Number of Schools	2025/26 Forecast Total Value (£)	Change in value (£)
Maintained Schools with Surpluses	65	(£4.412m)	69	(£3.356m)	£1.056m
Maintained Schools with Deficits	38	£6.548m	34	£7.656m	£1.108m
Total	103	£2.136m	103	£4.299m	£2.163m

4.2 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 downward trajectory on school balances continues, alongside the High Needs deficit, this may ultimately affect the council's financial viability.

5.0 Updated Projected Maintained School Balances 2025/26

5.1 Based on school submitted October budget plans received to date the net school balances are projected to be a deficit of £3.911m as at 31 March 2026. The table below shows a breakdown of these figures separately by surpluses and deficits compared to May budget submissions:

	2025/26 May Forecast Number of Schools	2025/26 May Forecast Total Value (£)	2025/26 October Forecast Number of Schools	2025/26 October Forecast Total Value (£)	Change in value (£)
Maintained Schools with Surpluses	69	(£3.356m)	66	(£3.822m)	£0.590m
Maintained Schools with Deficits	34	£7.656m	37	£7.732m	£1.184m
Total	103	£4.299m	103	£3.911 m	£1.774 m

- 5.2 The LA Scheme currently requires schools that propose a deficit budget to apply for a licenced 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. Of the 37 schools with deficits more than 5% of budget share 8 have not applied for a licenced deficit and 7 are yet to submit a deficit recovery plan for review. The LA Scheme and deficit budgets policy is being strengthened, subject to Schools Forum approval, to address this situation.
- 5.3 All schools with deficit budgets are invited to attend finance review meetings and there are now termly briefings with Chairs of Governors which include LA Governors. Thirty-one schools have had finance review meetings to date.
- 5.4 The below table shows the progress schools that these are making:

Progress	Number of schools
Surplus budget predicted for 2025/26	3
Deficit recovered by 2027/28 or earlier	6
Deficits reducing not recovered by 2027/28	2
Planned or working towards balancing budget in-year from 2026/27 or 2027/28	8
Still working towards achieving a balanced in-year position	12
Total	31

- 5.5 The first step is to encourage schools to contain expenditure within available in-year budget share as soon as possible. There is high anxiety amongst headteachers about school finances and deficit balances. In these meetings schools referenced:
- a high proportion of SEN pupils as a challenge for their budgets
 - falling rolls and parents and staff concerns regarding mixed classes
- 5.6 We have a high number of small schools with discreet leadership structures which is an expensive model and falling rolls is a significant issue. We have consulted and launched the Education Sufficiency Strategy which seeks to combine the falling rolls in mainstream provision with the under resourced Specialist Continuum of Provision. This has resulted in Local Area Based reviews. The school organisation team have started in the Windermere area where we have provisions of 40% surplus school places. Schools will continue to be signposted to available support such as the [financial benchmarking and insights tool](#), [school resource management advisors](#), [better buying for schools](#), [strategic workforce planning](#) and [Improve your school's and trust's digital and financial planning - GOV.UK](#).
- 5.7 Follow up meetings with 28 of these schools will be held in Spring 2026 to monitor their progress as they move towards balancing their budgets. Initial financial review meetings with a further 11 schools predicting a deficit for 2025/26 or at risk of deficit in future years will also be held in Spring 2026.
- 5.8 Financial Notices of concern will be issued where progress has not been made.

6.0 Monitoring and Review of Deficit Budgets

- 6.1 Forecast year end outturn positions as at the 30 September 2025 have been received from 25 out of 34 schools that planned deficit budgets for 2025/26 in their May Budget submissions. The returns have been reviewed to identify any significant variances from the agreed licensed deficit, where applicable. Budget monitoring based on the 25 returns forecasted that the net deficit will be £5.221m, an increase of £0.233m compared to their May budget plans of £4.989m. Thirteen schools predicted an improved position totalling (£0.530m) and 12 schools predicted a worsening position totalling £0.763m.
- 6.2 Forecast year end outturn returns have also been requested from 9 schools that ended the 2024/25 financial year in deficit but were projecting a surplus balance for 2025/26, to ensure these schools are on track against budget. These schools budgeted for a net surplus of (£0.118m) but the forecast returns indicated that the net balance will be a deficit of £0.051m with 3 schools predicting that their deficits will now not be recovered in 2025/26.
- 6.3 Deficit schools have been requested to submit a forecast outturn returns as at 31 December 2025 together with explanations for any significant variances against budgets and actions taken to control overspends for review by the LA finance team.

7.0 Options

- 7.1 The Schools Forum is asked to note the report and the action the LA is taking manage and support schools with deficit budgets.

8.0 Resource and Value for Money Implications

- 8.1 Resource and value for money implications are considered throughout this paper.

8 January 2026

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Westmorland & Furness Council Schools Forum
Report Title: Maintained Schools Deficit Budgets Policy Review Outcome
Meeting date: 21 January 2026
Report of: Isobel Booler, Assistant Director Education & Inclusion

1.0 Executive Summary

- 1.1 This paper informs the Schools Forum of the outcome of the consultation with governing bodies and Head Teachers on the proposed changes to the Challenge and Support Process for Schools/PRU with deficit budgets policy and the LA Scheme for Financing Schools.
- 1.2 Changes to the LA Scheme for Financing Schools require the approval of the Schools Forum maintained school representatives who are asked to consider the responses to the consultation. With Schools Forum approval the changes to the LA Scheme will be implemented from 1 April 2026.

2.0 Link to Council Plan Priorities

- 2.1 Improving the financial processes for schools with deficit budgets 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 maintained school representatives are recommended to approve the changes to the schools/PRU deficit budgets policy and LA Scheme for Financing Schools.

4.0 Rationale and Evidence for the Recommendation

Background

- 4.1 On 5 November the Schools Forum was informed of proposed changes to the deficit budgets policy as part of a suite of measures to address rising school deficit balances. The changes also require some amendments to the LA Scheme.

4.2 The main changes to the policy are:

- The threshold that requires schools with a deficit of more than 5% of annual budget to submit a deficit recovery plan to the LA has been removed, meaning that all schools that propose a deficit budget must prepare a deficit recovery plan and apply for a licensed deficit.
- Approval of licensed deficit plans in excess of 2% of annual budget can only be jointly approved by the Director – Children’s Services and Director – Resources (S151 Officer). Licensed deficits below this level can be approved by the Assistant Director – Education & Inclusion.
- The application form for a licensed deficit, which must be accompanied by a three year budget plan and a deficit recovery plan that restores the budget to a balanced position within an agreed timescale, requires governing bodies/management committees to explain the exceptional circumstances that has led to the request for a licensed deficit and the actions that have been taken to return the budget to a balanced position. If approved, the licensed deficit application and agreement form will be signed off by the Director – Children’s Services and Director – Resources and a copy returned to the school/PRU. If the conditions of the licensed deficit are not met the Local Authority has power to issue a Financial Notice of Concern which could result in the removal of a school’s/PRU’s delegation.
- The terms of the application for a licensed deficit have been updated to include the following new requirements:
 - seek approval from the local authority before recruiting a new Head Teacher and:
 - attend finance review meetings at least every 6 months until the deficit is recovered.

4.3 The changes to the LA Scheme are:

Section	Current	Proposed
Section 4.5 Planning for Deficit Budgets	Schools are not permitted to plan for a deficit when preparing their budget plans except in very exceptional circumstances with the agreement of the Assistant Director – Education and Inclusion (see paragraph 4.9 and Annex J). Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31st March of any year effective from 31st March 2021.	Schools are not permitted to plan for a deficit when preparing their budget plans except in very exceptional circumstances with the joint agreement of the Director – Children’s Services and Director – Resources (S151 Officer) (see paragraph 4.9 and Annex J). Schools must submit a recovery plan to the local authority when proposing a deficit budget at 31st March of any year effective from 31st March 2026.

<p>Section 4.9 Licensed Deficits</p>	<p>... a deficit budget proposed by the governing body may be jointly agreed by the Assistant Director – Education and Inclusion and the Director - Resources (Section 151 Officer), to phase the restoration of a fully balanced budget over a two or three year period.</p> <p>A Licensed Deficit Action Plan which is in excess of either £5,000 or 2% of a school's annual budget (including expected additional allocations) must be approved by the Assistant Director – Education and Inclusion.</p>	<p>... a deficit budget proposed by the governing body may be jointly agreed by the Director – Children's Services and the Director - Resources (Section 151 Officer), to phase the restoration of a fully balanced budget over a two or three year period.</p> <p>A Licensed Deficit Plan which is in excess of 2% of a school's annual budget (including expected additional allocations) must be jointly approved by the Director – Children's Services and Director – Resources (S121 Officer). Licenced deficit plans below this level can be approved by the Assistant Director – Education & Inclusion.</p>
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4.4 Schools Forum maintained school representatives confirmed their support of the changes ahead of consultation with governing bodies and Head Teachers. The consultation opened on 11 November and ended on 2 December via email and was also publicised via the monthly school finance newsletter.

Consultation Outcome

- 4.5 There were 2 responses to the consultation, both from primary schools. The main points raised were:
- the negative impact on head teachers' and school business managers' workloads and mental health in managing a deficit budget and completing additional paperwork and creating a recovery plan will add to this stress.
 - the deficits are due to a shortfall in high needs funding due to high levels of children with EHCPs.
 - Concern about the implications of the removal of delegation.
- 4.6 There was also recognition that the regular financial review meetings with local authority officers were supportive and helpful but responders asked for additional training and support.
- 4.7 Local authority officers will continue to address the needs of schools with deficit budgets. Work on improving our SEND offer for schools to improve outcomes for children with SEN and looking at how we can support schools with high levels of EHCPs is ongoing. We will continue to signpost schools to the available resources to help them with their budgets including better buying for schools, the financial benchmarking and insights tool and the DfE funded free school resource management advisors. Target training for schools in

deficit/at risk of deficit is also being considered. Removal of delegation will be a last resort as set out in the proposed policy however is deemed as necessary where all other options have been exhausted.

5.0 Options

5.1 The Schools Forum maintained school representatives are asked to consider the responses to the consultation and:

- approve the changes to the deficit budgets policy and LA Scheme with effect from 1 April 2026;

Or

- not approve the changes and propose alternative changes.

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.

12 January 2026

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Westmorland & Furness Council Schools Forum

Report Title: High Needs Budget Monitoring Q2 2025-26

Meeting date: 21 January 2026

Report of: Isobel Booter, Assistant Director Education & Inclusion

1.0 Executive Summary

- 1.1 This report presents the HN Block deficit position as at 30 September 2025 which is forecast to be £39.068m as at 31 March 2026, an increase of £12.648m compared to the closing deficit at the end of financial year 2024/25 of £26.420m.
- 1.2 As previously reported, 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 projection on the HN budget as at 30 September 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 Q2 is £29.035m as shown in the table below:

High Needs Budget	2024/25 £m
High Needs allocation before recoupment for place funding in academies and FE institutions	30.712
Less recoupment for high needs places in academies and FE institutions	(1.852)
Transfer from Schools Block	0.106
Initial Budget	28.966
DfE Recoupment adjustment for HN places AY 2025/26	(0.069)
Import/Export and other inter-authority adjustments	0.138
Total High Needs Budget Q2	29.035

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 £12.648m, resulting in a forecast cumulative deficit of £39.068m:

Description	High Needs Block
DSG Balance as at 31 March 2025	£26.420m
Forecast pressure / (underspend) on DSG in 2025-26	£12.648m
Forecast DSG Balance as at 31 March 2026	£39.068m

4.5 The forecast pressure has increased by £2.511m compared to Q1.

4.6 The key variances are:

- EHCP top-ups for pupils in mainstream schools and Early Years Providers £3.909m. 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 Q2 is £8,303 per EHCP student, a reduction of £212 compared to Q1 and £211 compared to 31 March 2025. The average top-up for resourced provision units is £9,564 a reduction of £224 per EHCP student compared to Q1 and £17 compared to 31 March 2025. Also included within this budget line is forecast EHCP top-ups for students placed in Cumberland schools of £0.513m and students placed in other local authorities of £0.205m.
- ISPs Day £2.936m. The forecast expenditure, which represents an increase of £0.569m compared to Q1, is based on current placements, known new placements coming through the system and new forecast placements in-year. There are 105 pupils in ISP day placements as at Q2, an increase of 1 compared to the position as at 31 March 2025. There have been 21 new, 9 ended, 1 transfer in and 11 transfers to Post-16 placements since Q1. The forecast includes costs for 4 new placements due to start in October and November 2025 and a further 10 forecast placements to the end of the year. The average cost of placements that ended in August was £49,579 however the average cost of new placements from September is £64,692 as at Q2.
- ISPs Post-16 £2.916m. The forecast expenditure, which represents an increase of £0.929m compared to Q1, is based on current placements, known new placements coming through the system and new forecast placements in-year. The overall number of Post-16 ISPs at Q2 is 75, an increase of 15 compared to 31 March 2025. There have been 24 new, 27 ended, 1 transfer out and 11 transfers in from pre-16 ISP placements since Q1. The forecast, which includes YP in independent settings providing post-16 education as well as specialist post-16 further education colleges, includes estimated costs for a further 5 placements to the end of the year. The average cost of placements that ended in August was £40,048 however the average cost of new placements starting from September is £54,795 as at Q2.
- ISPs Residential (£0.220m). The forecast is based on current, known new placements coming through the system and forecast new placements in-year. The overall number of placements at Q2 is 14. The forecast includes estimated costs for a further 2 placements to the end of the year.

- Post-16 Further Education £1.367m. The forecast expenditure, which represents an increase of £0.466m compared to Q1, reflects estimated top-up payments to FE Colleges totalling £1.198m and other FE education providers of £0.875m. The forecast includes costs for 47 internships as at Q2 in both further education colleges and private providers.
- Education Otherwise £0.799m. The forecast expenditure, which represents an increase of £0.392m compared to Q1, reflects estimated costs associated with children being educated other than at a school (EOTAS) totalling £1.353m. The number of EOTA children as at Q2 is 39. There have been 12 new and 24 ended placements since Q1. The forecast also includes backdated alternative provision costs associated with 22 children of £0.104m.
- Special Schools £0.552m. The pressure, which represents an increase of £0.232m compared to Q1, relates to new, amended and forecast new EHCPs in-year. The forecast includes £0.108m relating to backdated amendments to EHCP top-ups. The average EHCP top-up per student paid to a Westmorland & Furness maintained or academy special school is £15,458 as at Q2, an increase of £401 compared to Q1 and an increase of £992 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 £0.108m.

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 ECHP as at September 2025 was 2,626, an increase of 86 since June 2025.

4.8 The majority of CYP with an EHCP have Speech & Language (30%), Social Emotional & Mental Health (26%) and Autistic Spectrum Disorder (21%) recorded as their primary need:

Primary Need	No. of EHCP	% of total
Speech, Language & Comm Needs	779	29.7%
Social, Emotional and Mental Health	689	26.2%
Autistic Spectrum Disorder	561	21.4%
Severe Learning Difficulty	218	8.3%

Primary Need	No. of EHCP	% of total
Physical and Medical Difficulty	139	5.3%
Specific Learning Difficulty	95	3.6%
Moderate Learning Difficulty	63	2.4%
Hearing Impairment	21	0.8%
Profound & Multiple Learning Difficulty	18	0.7%
Vision Impairment	18	0.7%
Physical Disability	13	0.5%
Not recorded	8	0.3%
Multi-Sensory Impairment	4	0.2%
Total	2,626	100%

4.9 Westmorland & Furness has high levels of inclusivity, as shown in the table below the majority of CYP (64% as at September 2025) are being educated in mainstream schools and colleges:

Placement	No of EHCPs	% of Total
Mainstream LA School (IFS)	742	28.3%
Mainstream Academy	648	24.7%
Gen FE and Tertiary College/HE	290	11.0%
Special LA School	242	9.2%
Special Independent School	122	4.6%
Special School: Academy/Free	117	4.5%
YP with EHCP that are NEET	81	3.1%
Specialist P16 Institutions	74	2.8%
Other - Parent Arranged	61	2.3%
Not Recorded	54	2.1%
Mainstream Free Schools	54	2.1%
Elective home education	39	1.5%
Other - LA Arranged	28	1.1%
AP/PRU: LA Maintained	20	0.8%
Early Years Setting	17	0.6%
Not in education - Other	12	0.5%
Mainstream Independent School	8	0.3%
Other FE	7	0.3%
Apprenticeships	5	0.2%
Sixth Form College	2	0.1%
Special School: Non-maintained	2	0.1%
Special College	1	0.0%
Total	2,626	100%

- 4.10 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.
- 4.11 Figures in the above table are as at the January census date for each year.
- 4.12 In 2025/26 local authorities have seen an increase in their High Needs Block funding of at least 7% per head of population compared to their 2024/25 baseline resulting in total funding of £28.929m (before Schools Block transfer) as at Q2 after deductions for directed funding of high needs places by the DfE, an increase of £1.985m 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. High Needs 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 were been incorporated into the DSG management plan.
- 4.13 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.
- 4.14 Work is ongoing to review and update the mitigations in the plan. As reported separately to the High Needs Working Group significant progress has been made against the mitigations and estimated savings of £1.973m have been achieved but not all the mitigations in the plan have achieved the expected outcomes and further work assessing their deliverability and identifying opportunities to strengthen or revise the approach to these savings continues. Updated and new mitigations will be incorporated as needed to work towards a sustainable DSG position however these will take time to realise and will not close the gap between budget and actuals as high needs funding from government has not kept pace with the increasing demand and the rising costs of SEN.

5.0 Options

- 5.1 Schools Forum is recommended to note the projection against the HN Block budget. Work is ongoing 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.

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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 Q2 2025-26
Meeting date: 21 January 2026
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 September 2025 which are predicted to underspend by (£0.122m).
- 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 Q2.

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 (£0.122m) as at Q2:

Budget Line	2025/26 Budget £m	2025/26 Forecast Outturn £m	Variance £m	Previous Quarter Variance £m	Change in Variance £m
Contingencies	0.286	0.146	(0.139)	(0.249)	0.110
Insurance	0.377	0.377	0.000	0.000	0.000
Staff Costs	0.430	0.448	0.017	0.035	(0.018)
Library and Museum Services	0.197	0.197	0.000	0.000	0.000
School Improvement	0.245	0.245	0.000	0.000	0.000
Total De-Delegated Budgets	1.535	1.413	(0.122)	(0.214)	0.092

4.3 The key variances are:

- Contingency Fund (£0.139m). The table below shows a breakdown of the forecast expenditure against the fund to Q2:

De-delegated Contingency Fund Budget	2025/26 Forecast Outturn £m
Budget 2025/26	0.286
Ill health retirements	0.000
Settlement Agreements and Staff Termination costs	0.000
Administration costs Teachers Annual Pension Return	0.031
Other miscellaneous costs	0.003
Total Unforeseen Circumstances	0.034
Schools in Financial Difficulty	0.054
Additional Costs relating to New, Closing or Amalgamated Schools	0.059
Total Net Expenditure 2025/26	0.146
Forecast Underspend 2025/26	(0.139)

The majority of expenditure relates to the North Walney site closure and Channelside pre-opening costs totalling £0.059m and split site funding for Cartmel Primary of £0.054m that was approved by the DfE after the initial budget shares for 2025/26 were calculated.

- Staff Costs £0.017m. This relates to a forecast pressure against trade union facilities time of £0.056m offset but a forecast underspend against teacher absence maternity cover of (£0.039m).

5.0 Options

5.1 The Schools Forum is asked to note the de-delegated budgets forecast outturn position as at Q2.

6.0 Financial & Other Relevant Implications

6.1 Financial implications are considered throughout this report. No

equality/legal/implications have been identified.

12 January 2026

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