WESTMORLAND AND FURNESS SCHOOLS FORUM

4th November 2026, Microsoft Teams Meeting, 9.30am

AGENDA

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

Item 1: Membership Update – Consideration of Forum Member Vacancies
Papers: Attachment 1
Responsible member: Clerk

Item 2: Apologies for absence
Papers: Verbal
Responsible member: Clerk

Item 3. Exclusion of Press and Public
To consider whether the press and public should be excluded from the meeting during consideration of any item on the agenda.
Papers: Verbal
Responsible member: All

Item 4. Declarations of Interest
Papers: Verbal
Responsible member: All

Item 5. Minutes of Previous Meeting (23rd September 2026) and Matters Arising (Action Log)
Papers: Attachment 2 and 3
Responsible member: Chair/Clerk

Item 6. Minutes from the HNB Working Group (15th September 2026)
Papers: Attachment 4 and 5
Responsible member: Dan Hinton

Item 7. School Funding Formula 2027/28
Papers: Attachment 6, 7 and 8. Appendix 3 separate
Responsible member: Amanda Chew

Item 8. De-delegated Budgets 2026/27 and 2027/28
Papers: Attachment 9 and 10
Responsible member: Amanda Chew

Item 9. High Needs Budget Monitoring 2026/27 Q1
Papers: Attachment 11
Responsible member: Amanda Chew

Item 10. LA Scheme for Financing Schools
Papers: Attachment 12. Appendix 1 separate
Responsible member: Amanda Chew

Item 11. Dates of Future Meetings

i. The next meeting of the Schools Forum will be held on 20th January 2027. The meeting will begin at 9.30am and will be via Microsoft Teams.

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

WESTMORLAND AND FURNESS SCHOOLS FORUM

23rd September 2026, Microsoft Teams Meeting, 9.30am

DRAFT MINUTES

Schools Forum Members in attendance: Stephen Gilby (Chair), Dan Hinton, Kate Garside, Simon Laheney, Matthew Hardwick, Ian Nichol, Huw Davies, Laura Watson, Alyssa Dobbs, Jon Hayes, Angela Johnson, Lisa Balderstone, Emma Aubrey (part),

Local Authority Elected Members and Officers in attendance: Frances Crackles (Clerk), Claire Diggle, Gemma Parkes, Lesley Nixon, Sharyn Duffey, Amy Holliman, Amanda Chew

Guests: Billy Wood

1. **Membership Update - Consideration of Forum Member vacancies**

Nicola Carruthers retiring, Angela Johnson COO Queen Elizabeth School proposed to take place.
DECISION: Voted and all in agreement.

2. **Apologies for Absence**

Cllr Battye, Isobel Booler, Charlotte Tudway, Mark Harris, Diane Clorley

3. **Exclusion of Press and Public**

There were no items on the agenda which the press and public should be excluded from.

4. **Declarations of Interest**

Angela Johnson and Stephen Gilby declared an interest around item 9.

5. **Minutes of Previous Meeting (10th June 2026) and Matters Arising (Action Log)**

The minutes of the last meeting were approved

6. **Minutes from the HNB Working Group (16th June 2026)**

Dan Hinton gave verbal update, summary of minutes, and meeting that happened last week. Tracking the deficit, predictions and interim position between now and 2029/30. Most important thing to discuss as carries the highest level of risk
The HNB working group will take a role in monitoring the SEND Reform plan, scrutiny and oversight that SF colleagues are supporting. Told 30th Sept is the deadline to expect decision and outcomes. Going forwards the various updates and consultations e.g. work around the notional funding. 90% overall on DSG not just HN deficit. Need to demonstrate good understanding of where we are and we are continuing to accumulate deficit and we have told DfE this in our plan

which is still an issue going forwards. Still seeing increase in number of EHCP requests. Our expenditure still outweighs anticipated income. Positive remarks from the DFE around what we have already done, and the work has been recognised as mitigations.

7. DSG Outturn 2025/26

Amanda Chew presented the report on the DSG Outturn 2025/26. This report presents the Dedicated Schools Grant (DSG) earmarked reserves position for financial year 2025/26. The overall DSG earmarked reserves stand at a net deficit of £33.034m, of which £39.428m relates to a deficit against the High Needs Block offset by a surplus against the Other DSG blocks of (£6.394m). The overall DSG net deficit increased by £10.899m in 2025/26.

The outturn represents a decrease in pressure of (£1.741m) compared to the Q3 forecast due to a reduced pressure on the High Needs Block of (£0.715m) and (£1.026m) on other DSG blocks.

Other DSG blocks, since this paper was written there has been an adjustment to early years.

The de-delegated Contingency Fund expenditure of £0.180m mainly related the North Walney site closure and Channelside pre-opening costs totalling £0.071m and schools in financial difficulty funding comprising split site funding for Cartmel Primary of £0.054m, Hawkshead Primary £0.019m for redundancy costs and support for Calthwaite Primary £0.008m.

The deficit on the High Needs Block has increased by £13.008m, a decrease of (£0.715m) compared to Q3. The key variances were; EHCP top-ups for pupils in mainstream schools and Early Years Providers £4.220m. ISPs Post-16 £2.704m. The overall number of Post-16 ISPs as at 31 March 2026 was 70. ISPs Day £2.782m and ISPs Residential (£0.142m). We are also still one of the lowest funded authorities.

EHCPs continue to grow and increase in volume, and more costs against complications. Cost of ISP is significantly more than inclusion bases. Unlikely children will come back into mainstream and inclusion base if they are already in ISP. This will take time to filter through.

Action: Gemma Parkes to look at NWADCS data regarding EHCPs nationally.

8. Maintained School Balances 2025/26 and 2026/27

Amanda Chew presented the report on the maintained school balances 2025/26 and 2026/27. This report presents a summary of the maintained schools balances as at 31 March 2026 and projected balances for 31 March 2027. The school balances position as at 31 March 2026 was a net deficit of £4.760m and is predicted to be net deficit of £3.625m by 31 March 2027.

Despite the overall net deficit balance in 2025/26, 21 schools had an excess surplus balance greater than 10% (primary) and 6% (secondary) of school budget shares. Schools Forum maintained school representatives agreed in June 2025 that the excess claw back policy should not be applied to school balances in 2025/26 and are asked to support the recommendation that the excess surplus balances policy is **not** applied to school balances at the end of 2026/27.

As reported to the Council's Audit Committee, the financial sustainability of maintained school balances represents a significant risk to the wider education system and to the Council. Steps have

been taken by LA officers to address this including strengthening the deficit school budgets policy, finance review meetings, financial training for school staff and strategic planning.
It is proposed that a multi-disciplinary Schools Deficit Task Force is created to work intensively with a small number of schools with the highest deficits. Schools Forum maintained school representatives are asked to support the funding of this from the de-delegated contingency fund at an estimated cost of £0.138m for 12 months.

The main pressure on school budgets related to staff costs which increased by £6.850m (6.47%) compared to 2024/25 mainly due to the teachers' and non-teaching staff pay awards and the increase in employer national insurance contributions. Whilst the increase in staff costs cannot wholly be explained by these cost pressures, the new grants receivable in 2025/26 to support schools with these cost pressures (National Insurance Contribution Grant, School Budget Support Grant and Core School Budget Grant) only equated to £2.490m.

Costs relating to the expansion of FSM could have an impact on the forecast as well as falling pupil numbers, SEND pressures and an ageing school estate.

The introduction of a revised schools with deficit balances policy has strengthened financial monitoring. Thirty-seven finance review meetings were held in Spring 2026 and many schools have taken significant steps to reduce costs. Some schools have taken advantage of the free financial health checks through the DfE's School Resource Management Advisor (SRMA) programme. The findings and recommendations arising from these deployments have had mixed feedback but have mainly been received positively and have helped school leaders to identify the budget areas where improvements can be made. Strategic financial planning, budget settling and budget monitoring training has also been provided during the Spring 2026 term with good take up from headteachers, school business managers and governors. Some schools responded well but some need more intensive intervention. Looking at a multi-disciplinary task force to provide targeted support from Finance, HR and school improvement. To initially pilot with 7 schools in deficit. Hopefully to start in September. LA to fund this from the contingency fund, to help reduce future financial risks for schools and the council.

DECISION -Schools Forum members voted in favour of not applying the excess surplus balances policy against balance at the end of 2026/27.

DECISION -Schools Forum members voted to support the proposal to fund the Schools deficit Task Force from the de-delegated contingency fund.

9. School Funding Formula 2027/28

Amanda Chew presented the School Funding Formula 2027/28 report. The DfE normally publish indicative school funding allocations for the forthcoming year in July, however publication has been delayed until Autumn 2026.

Each year local authorities are required to consult Schools Forum and its local schools on whether to adopt the NFF in full or apply a locally agreed funding formula.

Cabinet is the statutory decision maker on the school funding formula and its approval is required before submission of the Authority Proforma Tool (APT) to DfE (usually mid-January) which calculates the budget share for each maintained school and academy.

Due to the lead-in timescale for Cabinet papers and the time needed to consult schools and report to Schools Forum it is proposed that a consultation is undertaken on the principles of applying the NFF in full and the treatment of a shortfall or surplus in the formula, but that no modelling of potential budget shares is included as the data is unavailable (at the time of writing this paper).

The paper sets out the rationale behind this proposal. It also asks Schools Forum to support the continued use of the optional exceptional circumstances factor for rent costs and the use of the optional very sparse secondary schools (VSSS) factor in 2027/28. If the proposals are supported by Schools Forum, five recommended questions to ask schools are presented. Once finalised the consultation will be launched on 12 October for a period of 2 weeks and the outcome will be reported to Schools Forum on 4 November who will asked to make a recommendation to Cabinet on the school funding formula for 2027/28, who will decide on the final formula at its meeting on 15 December.

Angela Johnson declared an interest around the VSSS as this impacts QES studio school and left the meeting.

DECISION -Schools Forum members voted in favour to support the recommendation to consult all schools on the proposal to apply the NFF in full in 2027/28 and:

a) if there is shortfall to reduce the basic per pupil funding factor values in the formula;

or

b) if there is a remaining balance transfer up to 0.5% to the High Needs Block.

Although there was forum support it is to be noted that Matthew Hardwick was not in favour of reducing the basic per pupil funding or if there is surplus to support the HNB deficit. He questioned that this has always been done and that it has made no difference and has not reduced the HNB deficit.

DECISION -Schools Forum members voted in favour to support the continued use of the optional exceptional circumstances factor to fund the cost of rents for 6 schools, subject to eligibility and DfE approval

DECISION -Forum members agreed that schools should be consulted on the use of the optional circumstances factor to support very sparse secondary schools, subject to eligibility and DfE approval.

VSSS – Stephen Gilby declared an interest in this as UCC is making the largest single contribution. Some schools don't contribute at all and there was detailed discussion around QE Studio School being included in the schools that would benefit from this. Several members were unsure how the studio school is being applied in this category. Amy Holliman is happy to have discussions and pick up outside of this group around the studio school. Ultimately this will result in more money coming in to the authority. School Forum morally wants to support rural schools that are struggling, but the impact needs to be looked at, not just the focus on QE Studio School.

The consultation will come back to School Forum on 4th November where the outcomes of the consultation will be presented.

10. School Funding Formula 2027/28 Appendix 1 VSSS Modelling

Angela Johnson declared interest around the VSSS as this impacts QE Studio School.
Stephen Gilby also declared an interest around the VSSS as UCC makes the largest single contribution.
Discussions as above.

11. Dates of Future Meetings

i. The next meeting of the Schools Forum will be held on 4th November 2026. The meeting will begin at 9.30am and will be via Microsoft Teams.

Westmorland & Furness Council

Schools Forum – Action Log 2026/27

Meeting date	Agenda item	Ongoing Actions	Owner	Due date	Update for next meeting
23/09/26	7	Gemma to look at NWADCS data regarding EHCPs nationally.	Gemma Parkes	September 2026	
21/1/26	7	Develop a short guide on what to do if HSE gives notice of a visit to provide immediate assurance for school leaders	Isobel Booler & Allan Harty	September 2026	In progress
21/1/26	1	Chair to contact George Hastwell School to ask for representative from maintained special school	Stephen Gilby	September 2026	In progress
17/9/25	1	Chair/ Scott Cubit to follow up with new Principal at Kendal College	Stephen Gilby & Scott Cubitt	Nov 2025	In progress

Completed items

Meeting date	Agenda item	Completed Action	Owner	Due date	Update for next meeting
10/06/26	1	Chair to double check the ToR around academy membership status. SL CEO not Headteacher	Stephen Gilby	September 2026	Completed
21/1/26	1	Raise Forum member vacancies in maintained primary schools with PHA Exec	Huw Davies	June 2026	Completed

Meeting date	Agenda item	Completed Action	Owner	Due date	Update for next meeting
21/1/26	1	Contact managers at Brantwood and Hindpool, copying the Chair of Schools Forum to ask for a Forum representative from maintained nurseries	Marie Barnes	June 2026	Completed
21/1/26	7	Arrange invitation to CASH re School Landlord	Stephen Gilby	June 2026	Completed
21/1/26	7	Arrange invitation to PHA re School Landlord in summer 2026	Huw Davies	June 2026	Completed
21/1/26	9	Share breakdown of deficit between primary and secondary schools	Amanda Chew	June 2026	Completed

WESTMORLAND AND FURNESS SCHOOLS FORUM
High Needs Block Working Group

15th September 2026, Microsoft Teams Meeting, 1.00-3.00pm

MINUTES

Attendees: Dan Hinton, Stephen Gilby, Claire Diggle, Amanda Chew, Cllr Janet Battye, Lisa Balderstone, Isobel Booler, Gemma Parkes, Lesley Nixon, Michelle Hughes, Kate Garside, Fran Crackles (Clerk)

1. **Apologies for absence**

   Jon Hayes, Laura Watson, Emma Aubrey

2. **Notes and actions of last meeting**

   SEND Reform plan has been treated as a strong submission. Full feedback in 2 weeks, by end Sept. Positive meeting with Teresa Regan our DfE advisor. Quiet on national front regarding the accruing deficit. We will have a significant accumulating HNB deficit which poses a very significant risk around this. Minutes agreed.

3. **Detailed summary of SEND Reform and associated finances**

   Claire Diggle sharing a PowerPoint presentation (to be circulated with the minutes).

   Concern around EOTAS packages and would ideally like to limit including the need around quality of provision.
   We currently still have the same statutory legislation in place for at least the next 3 years. Including parental preference, which creates an additional layer of challenge.
   What additional help and training is going into schools? GP mentioned talk about national training programme. We need to execute the Experts at Hand offer, which includes a lot of training. SENCO networks and looking at Autism specialist networks etc. Finding the balance of training and taking staff out of school. Looking to invest more in our digital support offer eg Artificial Intelligence for Speech and Language Therapists (SALT). In the first year we want to establish what can we do in WAF, working on the universal offer.
   Educational Psychologists very keen to be delivering EAH.
   To summarise we understand the deficit if we continue, what the deficit will be if we get the 90% paid off but not in a position to understand what the direct impact will have on the deficit going forwards. The plans we have in place will

generate savings of 2.2 million. What we haven't modelled is an understanding of parents asking for EHCPs before the system changes. Also, unsure what the government will support us with in the future and how successful EAH will be to keep students in mainstream. The frustration for us all is to get a better handle on the Local Authority spend but we're not in that position. We need to track well what the changes are and be quick to work out the deficit position if its better or worse if we did nothing more. As part of the plan, we have to submit quarterly monitoring, first one on 30th Oct, which will show the first opportunity to look at forecasting.

As part of the compliance all Local Authorities are reporting quarterly so we can look nationally at the impact of the HNB deficit.

Isobel Booler clarified the 'do nothing' position is 2.5 years of hard work doing things. You can see in our figures that we have already started to slow the rate of growth of the HNB and all the mitigations we have added will help stem the growth. Our position could be so much worse if we haven't been doing the work we have been.

Local SEND Reform Plan - Finance

Schools Forum HNB Working Group 15th Sept 2026

Finance – Background

- The SEND Reform Plan was supported by a comprehensive Data Template covering both financial and placements information and forecasts for the period covering 2024/25 to 2027/28.
- The template was initially completed using baseline data – reflecting our “do nothing” position which incorporates all actions implemented to date as part of the Delivering Better Value programme.
- This was submitted to our DfE advisor for review.
- The template was then updated to model the financial impact of the strategies set out in the SEND Reform Plan.
- Our DfE advisor wanted to see evidence of a reduced rate of deficit growth rather than an immediate return to a surplus position.
- Subject to approval of the plan, the LA will receive a payment of £29.7m which is 90% of the cumulative DSG deficit at March 2026.

High Needs Block Deficit Forecast – Baseline

- This represents the baseline position and was forecast as part of the SEND reform plan.

£'000s	2024/25 Outturn	2025/26 Draft Outturn	2026/27 Forecast	2027/28 Forecast
In Year HNB	8,061	13,008	19,457	26,030
In Year - Other DSG	148	(2,109)	0	0
Total in year	**8,209**	**10,899**	**19,457**	**26,030**
Cumulative	***22,136***	***33,035***	***52,492***	***78,522***

- This forecast represents the unmitigated position – the projected trajectory without further intervention.
- Actions we had already taken are reflected in these figures.
- The baseline highlights the seriousness of the financial challenge, with a substantial deficit anticipated by 2027/28 if no additional measures are introduced.
- Our DfE advisor has reviewed this forecast and confirmed it demonstrates that we have a clear understanding of our position.

High Needs Block – Mitigated Position

- These are the forecasts included within the SEND reform plan.

£'000s	2024/25 Outturn	2025/26 Draft Outturn	2026/27 Forecast	2027/28 Forecast
In Year	8,209	10,899	19,474	25,746
Cumulative	22,136	33,035	52,509	78,255
Variance to Baseline	0	0	17	(267)

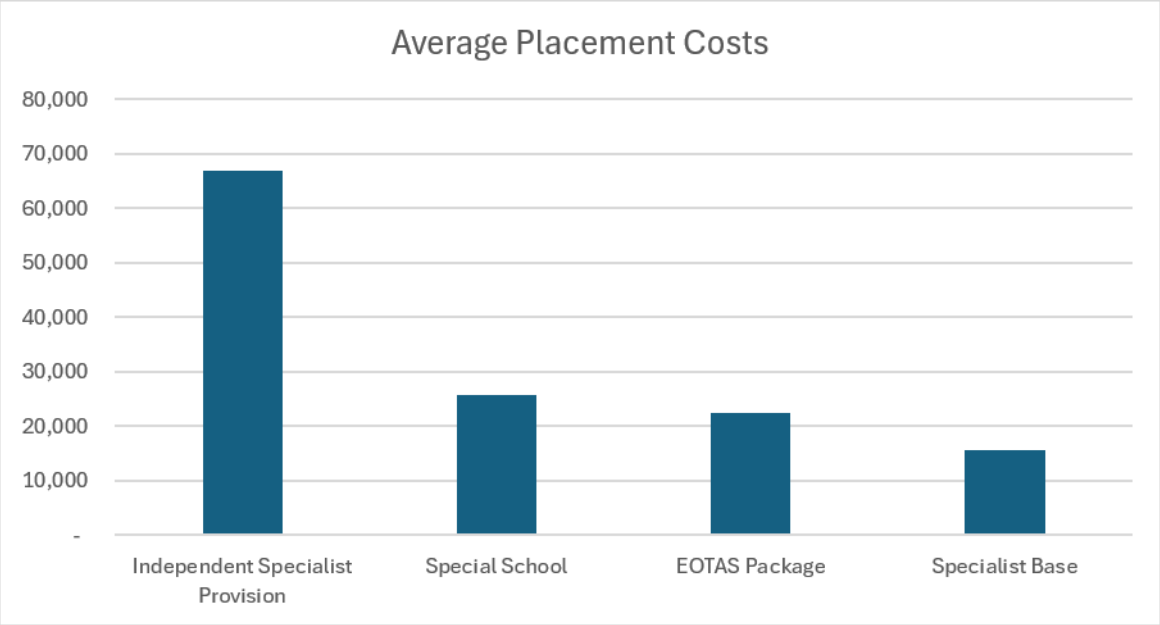
- Mitigations in time period covered by plan are limited. Many of the projects will involve capital works which will take time to deliver measurable savings.
- Savings are expected to increase over subsequent years, with total savings from modelled interventions projected to be £2.2m by the end of 2029/30.
- Additional interventions, including plans around Post 16 and Post 19 and a new SEMH transformation hub, are not yet modelled but are expected to generate further cost mitigations.
- Savings associated with the Expert at Hand model will be incorporated once the approach is fully embedded.

Sufficiency summary

- In the period to March 2028, we modelled an additional minimum **109** Specialist Base places in the Reform Plan, but further work will mean this number changes – most recent data suggests potentially **129** places.
- There has been some adjustment, in co-operation with individual settings (still in consultation stage)
- Settings include Brisbane Park, Appleby Primary, Dowdales, John Ruskin, Walney Academy, Furness Academy, QKS
- A further **7** Special School places have been included at Sandside Lodge (115 places in total) and Sandgate have increased to **186** places by January 2027.
- During this period it is assumed that **18** of the children taking up these places would have moved into Independent Provision and a further **13** would have moved into EOTAS – this is what drives the savings in the plan
- Further savings will be driven by future expansions which fall outside the time scale of the plan
- The impact of Experts at Hand is likely to drive additional savings once embedded.

High Needs Block – Placement Cost Comparison

- Placement cost differentials are the key driver of savings within the plan.
- Cost savings are primarily driven by the move from expensive Independent Specialist Placements and EOTAS packages towards Specialist Bases within mainstream settings and maintained Special School places.



Average Placement Cost	£
Independent Specialist Provision	66,783
Special School	25,546
EOTAS Package	22,450
Specialist Base	15,548

- A Specialist Base placement costs **23%** of an ISP placement
- A Special School Place costs **38%** of an ISP place
- Increasing capacity within maintained settings will generate financial savings

Funding Streams 2026/27

- To support delivery of the SEND Reform Plan, the LA has access to a several funding streams, including:
- ***Experts at Hand Funding*** *- £1.4m – to support delivery of the EAH offer, which includes Transformation Funding of £0.140m to support authorities to deliver the necessary changes to local systems in line with the Schools White Paper.*

- ***High Needs Capital Funding*** *- £3.543m – to support the LA to provide places for CYP with SEND. This is expected to fund an expansion of inclusion bases and improve the accessibility and inclusivity of mainstream settings.*

- ***Alternative Places Capital Grant*** *- £6.682m – to increase Special School provision*

- ***Inclusive Early Years Fund*** *– to strengthen SEND practices across Early Years settings*

- ***Inclusive Mainstream Fund*** *– paid directly to schools to improve SEND practices and improve outcomes (£0.900m across W&F Schools)*

Potential Liability for W&F Council

£'000s	2024/25 Outturn	2025/26 Draft Outturn	2026/27 Forecast	2027/28 Forecast
In Year	8,209	10,899	19,474	25,746
Cumulative	22,136	33,035	52,509	78,255
10% of 2025/26 cumulative balance		3,304		
10% of in year balance			1,947	2,575
Cumulative Balance after SEN reform		*3,304*	*5,251*	*7,826*

- The table above shows what our position could be at the end of 2027/28 if the SEND Reform Plan is approved and support continues at a similar level for accumulating balances.
- The projected deficit demonstrates that, even with continued support for accumulating deficits (not yet confirmed), a substantial deficit is still likely.
- Without additional support for deficits accumulating between 2026 and 2028 we could be left with a deficit of c£45m at March 2028 when the Statutory Override ends.

Any questions?

Schools Forum HNB Working Group 15th Sept 2026

WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: School Funding Formula 2027/28 – Consultation Outcome
Meeting date: 4 November 2026
Report of: Milord Vasic, Strategic Director of Children's Services and Isobel Booler, Director of Education & Inclusion

1.0 Executive Summary

1.1 This paper presents the outcome of the Schools Forum consultation with all Westmorland & Furness schools and academies on the school funding formula for 2027/28.

1.2 The DfE normally publishes indicative school funding allocations for the forthcoming year in July, however publication has been delayed until Autumn 2026. As the National Funding Formula (NFF) remains a soft formula, local authorities are required to consult all maintained schools and academies each year on the principles to be adopted.

1.3 At its meeting on 23 September, Schools Forum agreed to consult on whether to adopt the NFF and on the principle of how any shortfall or balance remaining in the Schools Block allocation after applying the NFF should be managed. It also sought views on the continued use of the NFF optional exceptional circumstances factor to support rental costs for a small number of eligible schools and whether very small sparse secondary schools (VSSS) should also be supported through this factor. The use of these optional factors is subject to DfE approval and the deadline for submitting requests is 16 November.

1.4 In response to consultation feedback, additional modelling of the VSSS factor has been undertaken to support Schools Forum in determining where use of the factor should be supported and, if so, whether the DfE minimum eligibility thresholds should be adopted or whether a higher sparsity distance threshold should be applied to reduce the number of eligible schools.

1.5 Schools Forum is asked to review the consultation and additional modelling and to make a recommendation to Cabinet on the funding formula to be used in 2027/28 and the principles to be applied in the event of either a shortfall or balance remaining in the Schools Block following the calculating school budget shares.

2.0 Link to Council Plan Priorities

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

3.0 Recommendation

3.1 Based on the consultation responses, Schools Forum is recommended to support the use of the optional NFF exceptional circumstances factor to:

- continue to provide additional funding for eligible schools facing rental costs; and
- to provide additional funding for eligible VSSS.

and support Option 1 that:

- the NFF is implemented in Westmorland & Furness in full in 2027/28, impacting maintained schools from April 2027 and academies from September 2027;
    - where a funding shortfall exists, basic per pupil funding unit values are reduced proportionately to achieve affordability, and;
    - where funding remains available following allocation through the NFF, up to 0.5% is transferred to the High Needs Block.

4.0 Rationale and Evidence for the Recommendation

Background

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

4.2 In 2026/27 Cabinet, on the recommendation of Schools Forum, decided the NFF would be used to allocate funding to schools and academies in Westmorland and Furness (W&F), as in previous years and since the introduction of the NFF in 2018/19. When the final Dedicated Schools Grant (DSG) Schools Block allocation for W&F was published by the DfE in December 2025, after applying the NFF in full there was a shortfall of £0.950m which was managed through the removal of the optional growth fund budget of (£0.071m) and a small reduction in the basic per pupil funding unit values. There was no transfer to the High Needs Block.

4.3 As the NFF is still a soft formula, local authorities are required to consult annually on the local formula, including the principles adopted and any transfer of funds between blocks.

4.4 On 31 July 2026 the DfE informed local authorities that the publication of the school and local authority-level national funding formula allocations for 2027/28 will not take place until Autumn 2026. No release date has been confirmed.

4.5 As the indicative allocations have not been published, Schools Forum agreed at its meeting on 23 September 2026 to consult all W&F mainstream schools and academies on adopting the NFF in 2027/28 and to seek views on the principles to be applied if there is a shortfall or balance remaining in the Schools Block after allocating the funding on this basis, namely:

- if there a shortfall, reduce the basic per pupil funding unit values within the NFF;
- if there is a balance remaining transfer up to 0.5% to the High Needs Block.

4.6 The Schools Forum also sought views on the continued use of the NFF optional exceptional circumstances factor to support a small number of schools with rental costs and whether this factor should also be used to support eligible VSSS.

4.7 The consultation, which opened on 12 October for a period of two weeks, was published on the Council's webpage, the school portal, circulated by email to all schools, academies, Schools Forum members, CASH and PHA. A copy of the consultation document is at Appendix 1 and a summary of the responses is at Appendix 2.

Consultation Outcomes

4.8 In total there were 20 responses to the consultation, representing the following sectors:

Sector	Number of Responses
Maintained Secondary	3
Maintained Primary	9
Academy Secondary`	6
Academy Primary	1
Academy Trust	1
Total	**20**

4.9 A total of 19 (95%) respondents agreed with the Schools Forum recommendation that the NFF should be used to allocate funding to schools in 2027/28. Some concern was raised that "W&F is greatly different to other LAs and does not reflect the national picture". Whilst this is recognised the NFF does include demographic and geographic factors to recognise regional

differences in population and different groups within it, including the sparsity factor.

4.10 A total of 15 (75%) agreed that if there was a shortfall in the Schools Block, the basic per pupil funding unit values in the formula should be reduced. Concern was raised about school budget pressures and that the authority should "cover the cost by making savings elsewhere" and "reducing basic rates spreads the pressure across schools" and "I would ask the Local Authority to demonstrate on a school-by-school basis what the impact of this may be". In response, any shortfall must be addressed within the Schools Block itself and reducing basic per pupil funding values proportionately is considered the most equitable mechanism. As the Schools Block allocation is not yet known modelling the impact of a shortfall was not possible at the time of the consultation. However, if such as shortfall arises once the School Block allocation is available the impact on individual school budget shares will be provided.

4.11 A total of 17 (85%) respondents agreed that a transfer of up to 0.5% from the Schools Block to the High Needs Block should be made if there were a balance remaining in the Schools Block. There were no comments recorded.

4.12 Sixteen (80%) respondents agreed that the NFF optional exceptional circumstances factor should continue to be used to support eligible schools with rent costs. It was commented that "this seems to be a way for the local authority to generate money from renting its own buildings to schools." In response, this is not the case, the funding is intended to support schools facing unavoidable premises-related costs that exceed the DfE minimum thresholds and is determined by DfE regulations rather than discretionary local decisions.

4.13 Fourteen (70%) respondents agreed that the optional exceptional circumstances factor should also be used to support eligible VSSS and of these 12 (86%) agreed that the DfE minimum eligible thresholds should be applied. As a reminder, local authorities can, with DfE approval, allocate up to £50,000 to eligible secondary schools that have at least:

- Pupils in years 10 and 11
- 350 pupils or fewer
- A sparsity distance of 5 miles or more

4.14 Two (14%) respondents of the 14 (70%) that agreed that the VSSS factor should be applied did not agree that the DfE minimum thresholds should be used and instead suggested applying a higher sparsity distance threshold of between 7-9 miles to target the funding to those schools genuinely experiencing financial difficulty due to their remote locations. As presented at the last Schools Forum meeting, based on 2026/27 data 6 schools would meet the DfE minimum eligibility thresholds:

School Name	Phase	Pupil Numbers (Oct 25)	Sparsity Distance (miles)
Samuel King's School	Secondary	117	16.66
John Ruskin School	Secondary	247	9.73
Queen Elizabeth Studio School	Secondary	263	5.55

Settlebeck School	Secondary	203	11.99
Kirkby Stephen Grammar School	Secondary	322	10.31
Appleby Grammar School	Secondary	320	9.90

4.15 Applying a distance threshold of over 7 or 9 miles would exclude Queen Elizabeth Studio School (QESS) from being eligible for the optional VSSS factor. It should be noted that the sparsity distances are recalculated annually by the DfE using pupil-level data. The methodology identifies all pupils for whom it is the nearest compatible school and calculates the average road distance from those pupils' home postcodes to their second nearest compatible school. As a result, eligibility may vary between years and schools that are currently close to the threshold may not qualify in future years as pupil data changes.

4.16 As stated in the consultation document at Appendix 1, the impact of introducing the VSSS factor for the first time in 2027/28 may result in a temporary reduction in the basic per pupil funding unit values across all schools to ensure affordability within the Schools Block allocation. This is because the funding for the VSSS factor is lagged and will not be included in the Schools Block allocation until 2028/29. However, the impact would be limited to the first year of implementation only. The modelled impact on the basic per pupil funding unit values of applying the VSSS using the DfE's minimum criteria and an allocation of £50,000 per eligible school, as published in the consultation document and using 2026/27 data was as follows:

Description	26-27 Actual	26-27 with VSSS	Reduction
Primary (Years R-6)	£4,060.39	£4,048.84	-£11.55
Key Stage 3 (Years 7-9)	£5,680.95	£5,664.79	-£16.16
Key Stage 4 (Years 10-11)	£6,404.31	£6,386.09	-£18.22

4.17 The impact on the unit values is indicative only. The actual impact will not be known until the DfE publish the final 2027/28 funding arrangements and the school census dataset that will be used to calculate school budget shares in December 2026.

4.18 To support the Schools Forum in making an informed decision on whether to support the use of the VSSS factor, further modelling has been undertaken using a revised sparsity distance threshold of 7 miles but retaining the other minimum criteria (i.e. must have 350 pupils or fewer and pupils in years 10 and 11 as a minimum).

4.19 The modelling shows that the impact on the basic per pupil funding unit values is not significant with schools gaining between £1.93 and £3.05 per pupil compared to the original modelling, dependent on phase:

Description	26-27 with VSSS (using DfE minimum thresholds)	26-27 with VSSS (using sparsity	Increase

		threshold of 7 miles)	
Primary (Years R-6)	£4,048.84	£4,050.77	£1.93
Key Stage 3 (Years 7-9)	£5,664.79	£5,667.49	£2.70
Key Stage 4 (Years 10-11)	£6,386.09	£6,389.13	£3.05

4.20 The detailed modelling showing impact on individual schools is at Appendix 3. If the revised minimum 7-mile sparsity distance threshold was applied the impact on the schools **not** in receipt of VSSS funding would be:

	VSSS using DfE minimum thresholds	**VSSS using revised minimum 7-mile sparsity distance threshold**
Number of primary schools not impacted due to funding protections (minimum funding guarantee/minimum per pupil level funding):	14	14
Number of secondary schools not impacted due to funding protections (minimum funding guarantee/minimum per pupil level funding):	2	3 (includes QESS)
Number primary Schools experiencing a reduction of **less than £1,000:**	50	62
Number Primary Schools experiencing a reduction of **greater than £1,000:**	57	45
Number Secondary Schools experiencing a reduction of **less than £6,000:**	0	2
Number of secondary schools experiencing a reduction **in excess of £6,000:**	11	9
Impact on all-through school **greater than £6,000:**	1	1
Total Schools impacted	**135**	**136**

4.21 The largest reduction using the DfE minimum VSSS threshold criteria is estimated to be £4,703 for a primary school with 407 pupils and £21,752 for a secondary school with 1,281 pupils. Using the revised 7-mile minimum threshold the largest reduction would be £3,916 and £18,113, respectively.

4.22 The use of the optional exceptional circumstances factor for both rents and VSSS is subject to the authority gaining DfE approval. The authority must submit a disapplication request for consideration by the DfE by 16 November to use these factors in the school funding formula in 2027/28.

4.23 The authority is committed to supporting schools that face unavoidable costs which are not generally incurred by other schools. The use of these factors brings additional funding into the W&F school funding formula, albeit on a lagged basis.

4.24 Although the number of schools responding to the consultation is low and some concerns about the school funding system and school budget pressures have been raised, there is clear support for the proposals. Therefore, the Schools Forum is asked to consider the outcome of the consultation and the additional VSSS modelling and make a recommendation to Cabinet.

4.25 The final decision on the school funding formula for 2027/28 will be made by Cabinet at its meeting on 15 December 2026.

5.0 Options

5.1 Schools Forum is asked to:

- confirm its continued support to use the optional NFF exceptional circumstances factor to support eligible schools with rental costs in 2027/28;

- confirm its support to use the optional NFF exceptional circumstances factor to allocate £50,000 to eligible VSSS in 2027/28 **and, if agreed** decide to use one of the following criteria:

    a) the DfE minimum threshold criteria (as per para 4.11)

    or

    b) the DfE minimum threshold criteria but increase the minimum sparsity distance threshold criteria from 5 to 7 miles

and recommend one of the following options to Cabinet:

Option 1

- Recommend that the NFF is implemented in Westmorland & Furness in full in 2027/28, impacting maintained schools from April 2027 and academies from September 2027 and;

    - where a funding shortfall exists, basic per pupil funding unit values would be reduced proportionately to achieve affordability.

    - where funding remains available after allocation through the NFF, up to 0.5% would be transferred to the High Needs Block.

Or:

Option 2

- Recommend that the NFF is implemented in Westmorland & Furness in full in 2027/28, impacting maintained schools from April 2027 and academies from September 2027 and;

    - where a funding shortfall exists, basic per pupil funding unit values would be reduced proportionately to achieve affordability.

    - Where funding remains available after allocation through the NFF, it would be allocated through the school funding formula by increasing the basic per pupil funding unit values.

5.2 Under either option it is unlikely that a significant residual balance will remain within the Schools Block following allocation through the NFF. It should also be noted that if Schools Forum recommend Option 2 there is a risk that, due to the requirement that local authorities move their local formula closer to the NFF, 'topping up' the NFF factor values by allocating additional funding through the formula will create greater turbulence for some schools in future years. It may also make applying the NFF in full unaffordable in future years, as the additional funding would be built into the school budget share baselines, but the funding for this is not reflected in the notional school budgets used by the DfE to calculate local authority level core NFF funding.

6.0 Financial and Other Relevant Implications

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

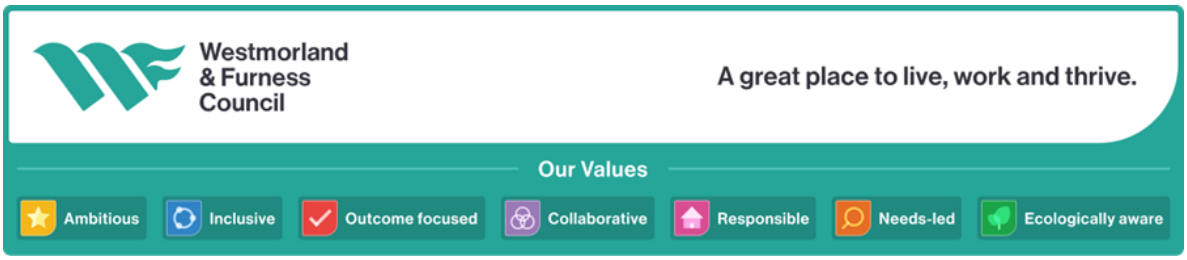
27 October 2026

Appendices:

1. Westmorland and Furness School Funding Formula 2027/28 - Consultation Document
2. Westmorland and Furness Schools Funding Formula 2027/28 – Consultation Responses
3. Modelled Indicative Impact on School Budget Shares of introducing the VSSS factor using 2026/27 data

REPORT AUTHOR

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School Funding Formula
for 2027/28

Consultation

Consultation between Westmorland & Furness Schools Forum and Maintained Schools & Academies* within Westmorland & Furness

Consultation Commences: Monday 12 October 2026

Deadline for responding to the consultation at https://consult.westmorlandandfurness.gov.uk/education/school-funding-formula-consultation-2027-28/ : Friday 23 October 2026

*Please note throughout this consultation the term “schools” applies to both maintained schools and academies.

Introduction

National Funding Formula

1. A national funding formula (NFF) was introduced for schools from 2018/19 and as in previous years, in 2027/28 local authorities will continue to determine, following consultation with their schools and Schools Forum, whether to implement the NFF in full or to apply a locally determined funding formula for 2027/28.

2. This consultation seeks the views of all mainstream schools, academies and the Schools Forum within Westmorland & Furness on the proposed school funding formula for 2027/28.

3. All schools are encouraged to participate in this consultation by completing the online survey available here. Responses must be submitted by **Friday 23 October 2026**. The outcome of the consultation will be reported to Schools Forum at its next meeting on 4 November 2026. Taking account of the consultation responses, Schools Forum will make a recommendation to Cabinet members, who will determine the final school funding arrangements for 2027/28 in December 2026.

4. On 31 July 2026, the Department for Education (DfE) advised local authorities that publication of the school and local authority level NFF Dedicated Schools Grant (DSG) allocations for 2027/28 had been delayed until Autumn 2026. At the time of writing, no publication date has been confirmed. To assist local authorities with planning their local funding arrangements, the DfE issued a summary document on 2 October 2026 outlining the structure of the 2027/28 NFF. However, detailed funding rates and allocations have not yet been published.

5. To meet the statutory requirement to publish schools' budget shares by 28 February 2027, it is necessary to consult schools at this stage on the proposed principles underpinning the 2027/28 funding formula. This timescale allows sufficient time for consultation, consideration of responses by Schools Forum, Cabinet decision-making and the subsequent implementation of the agreed formula

Westmorland & Furness Schools Funding Formula in 2026/27

6. When the final DSG Schools Block allocation was confirmed by the DfE in December 2025, a funding shortfall of £0.950m remained after applying the NFF in full. This was addressed through the removal of the optional Growth Fund budget of £0.071m and a modest reduction in the basic per pupil funding unit values. No transfer of funding was made from the Schools Block to the High Needs Block

Shape of the National Funding Formula in 2027/28

7. Only limited information regarding school funding arrangements for 2027/28 has been published by the DfE. The information currently available confirms that:

- NFF will use the same formula factors as the 2026/7 NFF including the Minimum Per Pupil Level (MPPL) with all factors operating in the same manner as the previous year.

- Funding currently distributed through the School Budget Support Grant and the Free School Meals (FSM) Expansion Grant will be incorporated into the NFF.

- The NFF will be adjusted to reflect the reduction in the Teachers' Pension Employer Contribution Rate from 28.6% to 17.6% effective from 1 April 2027.

- Local authorities will retain responsibility for determining local funding formulae (within DfE prescribed parameters), setting Growth or Falling Rolls Funds where appropriate, and transferring up to 0.5% of Schools Block funding to the High Needs Block, subject to Schools Forum approval.

8. In addition, local authorities must continue to move local formula factor values closer to the corresponding NFF rates unless they already effectively mirror the NFF. For 2027/28, local authorities must bring remaining factor values at least a further 10% closer to NFF values. Factor values within 2.5% of the equivalent NFF rate are deemed to mirror the NFF and may therefore be set within a margin of +/- 2.5% of the corresponding 2027/28 NFF value.

9. Schools Forum is recommending that the NFF continues to be used as the basis for allocating Schools Block funding in 2027/28. If, following the application of the NFF, there is either a funding shortfall or a surplus within the Schools Block allocation, it is proposed that the following principles apply:

    - Where a funding shortfall exists, basic per pupil funding unit values would be reduced proportionately to achieve affordability.

    - Where funding remains available after allocation through the NFF, up to 0.5% would be transferred to the High Needs Block.

10. It is not proposed to establish either a Growth Fund or Falling Rolls Fund in 2027/28. This approach ensures that the maximum level of Schools Block funding remains available for distribution through the funding formula. The continued use of the NFF, supported by the principles outlined above, is considered the most prudent approach given the Government's stated intention to move towards a fully "hard" NFF in future years. It also reflects the position adopted by most local authorities, which have either implemented the NFF in full or aligned their local formulae more closely to it.

11. This approach will provide schools with the full funding due to them under the NFF, subject to affordability considerations. The potential value of any transfer to the High Needs Block cannot be estimated at this stage, as the final Schools Block allocation has not yet been confirmed.

12. As an alternative, any unallocated Schools Block funding could be redistributed through the funding formula by increasing basic per pupil funding unit values above NFF rates, subject to parameters prescribed by the DfE.

13. However, there is a risk that this approach may create affordability pressures in future years, as any increase would become part of schools' funding baselines while the associated funding is not reflected in the notional school budgets used by the DfE when calculating local authority level NFF allocations.

14. Under either approach, it is anticipated that there is unlikely to be any significant residual balance remaining in the Schools Block after using the NFF to allocate funding to schools.

15. Variances between the Schools Block funding allocated to local authorities and the funding generated through application of the NFF to schools can arise because local authority funding is based on October 2025 census data, whereas school level NFF allocations are calculated using October 2026 census data. As a result, changes in pupil characteristics, including eligibility for FSM or attainment indicators, are reflected in school allocations but not fully reflected in local authority funding allocations, which are updated primarily to reflect changes in pupil numbers only.

16. As indicative DSG allocations for 2027/28 have not yet been published, it is not currently possible to model the impact of these options on individual school budgets. The agreed funding formula will apply from 1 April 2027 for maintained schools and from 1 September 2027 for academies.

Consultation Question 1:

Do you agree with your Schools Forum recommendation that the National Funding Formula should continue to be used to allocate funding to schools in 2027/28?

17. Consistent with the recommendation of Schools Forum, it is proposed that any affordability gap arising from the application of the NFF is managed through a proportionate reduction in the basic per pupil funding unit values.

18. It should be noted that such an adjustment would not necessarily result in lower funding allocations for all schools. This is because schools receiving protection through the Minimum Funding Guarantee (MFG) and Minimum Per Pupil Level (MPPL) factors would continue to benefit from those protections, which safeguard funding levels against reductions relative to their 2026/27 per pupil funding baselines

Consultation Question 2:

Do you agree with your Schools Forum recommendation that, where a funding shortfall arises within the Schools Block following application of the National Funding Formula, affordability should be managed through a proportionate reduction in the basic per pupil funding factor values?

Optional Exceptional Circumstances Factor

19. As in previous years, the 2027/28 NFF includes an optional exceptional circumstances factor that local authorities may use to support specific premises-related costs, such as rental charges and to provide additional support for very sparse secondary schools (VSSS).

Rents

20. Westmorland & Furness has historically used this factor to support a small number of schools that incur rental costs for halls, school buildings or land required to deliver the curriculum. Under DfE regulations, this factor may only be applied where fewer than 5% of schools within the local authority area are affected and where the additional premises costs exceed 1% of a school's budget share.

21. Local authorities are required to seek annual approval from the DfE to continue using this factor. Approval was granted for four schools in 2026/27. A further two schools are expected to meet the eligibility criteria in 2027/28. The table below sets out the rent costs included in the 2026/27 funding formula together with estimated costs for 2027/28:

School	Premises	2026/27	2027/28	Variance
Greystoke	Greystoke Village Hall	£6,608	£6,013	-£595
Levens	Land and Buildings Levens School	£13,477	£21,542	£8,065
Penruddock	Penruddock Village Hall	£4,561	£5,735	£1,174
Dallam	Dallam School at Heversham and fields	£150,000	£150,000	£0
St Cuthbert's	Parish Hall	£0	£9,350	£9,350
Old Hutton	Old Hutton Public Hall	£0	£9,000	£9,000
	Total	£174,646	£201,640	£26,994

22. Some lease agreements are due for review or renewal during 2027/28 and, as a result, the figures shown above are currently estimates. Any over or underfunding identified once final costs are known will be reflected through appropriate adjustments in the 2028/29 funding formula.

23. Subject to DfE approval, eligible schools will receive the funding amounts set out above. However, funding provided to local authorities for these costs is incorporated within the premises funding element of the Schools Block allocation and is based on the previous year's costs. Consequently, increases or decreases in rent costs are reflected in local authority funding with a one-year delay. While this can affect the overall affordability of the funding formula, the impact on individual school budget shares is generally minimal.

24. Schools Forum recommends the continued use of this optional exceptional circumstances factor to support eligible schools with rental costs in 2027/28.

Consultation Question 3:

Do you agree with the Schools Forum recommendation to continue using the exceptional circumstances factor to support eligible schools with rental costs, subject to DfE approval?

Very Small Sparse Secondary Schools

25. Local authorities may also apply to the DfE for permission to use the exceptional circumstances factor to provide additional support for very small sparse secondary schools (VSSS) that may otherwise struggle to attract sufficient funding to remain financially viable. While the NFF includes a mandatory sparsity factor for small remote schools, local authorities may allocate additional funding to remote secondary schools that meet the following minimum DfE criteria:

    - Have pupils in years 10 and 11;
    - Have 350 pupils or fewer; and
    - Have a sparsity distance of 5 miles or more.

26. These are the minimum eligibility thresholds established by the DfE. Local authorities may apply more restrictive criteria if appropriate and may allocate up to £50,000 per eligible school.

27. Westmorland & Furness obtained DfE approval to use this factor in 2026/27. However, Schools Forum agreed that it should only be applied if it could be funded without adversely affecting the affordability of the wider funding formula. As a Schools Block funding shortfall existed in 2026/27, the factor was not implemented

28. As with the rents factor, funding for the VSSS factor is subject to a one-year lag. Consequently, introducing the factor in 2027/28 could require a temporary reduction in basic per pupil funding unit values across all schools to maintain affordability. This impact would be limited to the first year of implementation, as funding would be reflected in future Schools Block allocations.

29. The financial sustainability of small rural secondary schools remains a significant concern locally. Westmorland & Furness is therefore keen to explore use of this factor for the first time in 2027/28.

30. The DfE recognises that the standard sparsity factor does not always fully reflect the challenges faced by small rural secondary schools and has provided this additional mechanism to offer further support where required. Before confirming its support and making a recommendation to Westmorland & Furness, Schools Forum wishes to seek the views of all schools on whether an application should be submitted to the DfE to implement the factor in 2027/28.

31. It is recognised that implementation of the factor may create affordability pressures during 2027/28 because of the funding lag described above. As Schools Block allocations have not yet been published, it is not possible to model the actual impact for 2027/28.

32. However, to support consideration of this proposal, illustrative modelling has been undertaken using the 2026/27 actual school funding formula and the minimum DfE eligibility thresholds with an assumed funding value of £50,000 per eligible school. Based on this analysis, the six schools listed below would have qualified for support:

School Name	Phase	Pupil Numbers (Oct 25)	Sparsity Distance (miles)
Samuel King's School	Secondary	117	16.66
John Ruskin School	Secondary	247	9.73
Queen Elizabeth Studio School	Secondary	263	5.55
Settlebeck School	Secondary	203	11.99
Kirkby Stephen Grammar School	Secondary	322	10.31
Appleby Grammar School	Secondary	320	9.90

33. It should be noted that:

- the sparsity distances are recalculated annual by the DfE using pupil-level data. The methodology identifies all pupils for whom it is the nearest compatible school and calculates the average road distance from those pupils' home postcodes to their second nearest compatible school. As a result, eligibility may vary between years and schools that are currently close to the threshold may not qualify in future years as pupil data changes.

  and

- any application of alternative minimum thresholds (i.e. lower pupil numbers and/or greater sparsity distances) would impact on the number of eligible schools and therefore the affordability adjustment against the basic per pupil unit values for all schools. For example, if the pupil numbers threshold was reduced from 350 to 250 or fewer only 3 schools would meet the eligibility criteria.

34. The modelled impact of introducing the VSSS factor on individual school budget shares is at Appendix 1. If implemented, a one-off technical adjustment would be required to exclude the additional VSSS allocation from Minimum Funding Guarantee (MFG) baseline calculations. The modelling assumes that this adjustment would be approved by the DfE. The table below summarises the impact on the six eligible schools.

School Name	Number on Roll	26-27 Post MFG Budget	26-27 Post MFG Budget with VSSS	Increase
Samuel King's School	117	£1,109,480	£1,159,480.04	£50,000
John Ruskin School	247	£1,996,873	£2,046,872.84	£50,000
Queen Elizabeth Studio School	263	£2,045,801	£2,095,801.32	£50,000
Settlebeck School	203	£1,626,153	£1,676,153.17	£50,000
Kirkby Stephen Grammar School	322	£2,431,121	£2,475,665.70	£44,545
Appleby Grammar School	320	£2,459,120	£2,503,685.03	£44,565

35. To accommodate the additional funding within a cost-neutral funding formula, the basic per pupil funding unit values for all schools, including those in receipt of the VSSS funding, would require the following reductions:

Description	26-27 Actual	26-27 with VSSS	Reduction
Primary (Years R-6)	£4,060.39	£4,048.84	-£11.55
Key Stage 3 (Years 7-9)	£5,680.95	£5,664.79	-£16.16
Key Stage 4 (Years 10-11)	£6,404.31	£6,386.09	-£18.22

36. Due to the operation of funding protections within the formula, not all six eligible schools would receive the full benefit of the additional £50,000 allocation. The reduction in basic per pupil funding unit values would cause some schools' per pupil funding levels to fall below their protected baseline levels, resulting in additional MFG protection funding being applied. For two schools, however, per pupil funding would remain above their baseline levels despite the reduction in unit values, meaning that they would experience a small offsetting impact from the affordability adjustment.

37. In terms of the 135 schools not in receipt of VSSS funding:

- 14 primaries and 2 secondaries would experience no impact due to MFG or MPPL protections;
- 50 primary schools would experience a reduction of less than £1,000;
- 57 primary schools would experience a reduction greater than £1,000, with largest reduction estimated at £4,703 for a school with 407 pupils;
- 11 secondary schools would experience a reduction exceeding £6,000, with largest reduction estimated at £21,752 for a school with 1,281 pupils; and
- The authority's single all-through school would experience a reduction of £7,271.

38. The actual impact of introducing the VSSS factor, together with other factors affecting affordability, will not be known until the DfE publishes final 2027/28 funding arrangements and the school census dataset that will be used to calculate school budget shares in December 2026. Introducing the VSSS factor in 2027/28 could result in a temporary reduction in the basic per pupil funding unit values across all schools because of the one-year funding lag, however, this would be a temporary one-year impact.

Consultation Question 4:

Do you agree that the optional exceptional circumstances factor should be used to provide additional support for very sparse secondary schools, subject to DfE approval?

If yes:

a) Do you agree that the minimum eligibility thresholds specified by the DfE should be applied?

b) If not, what alternative minimum eligibility thresholds would you recommend?

High Needs Funding

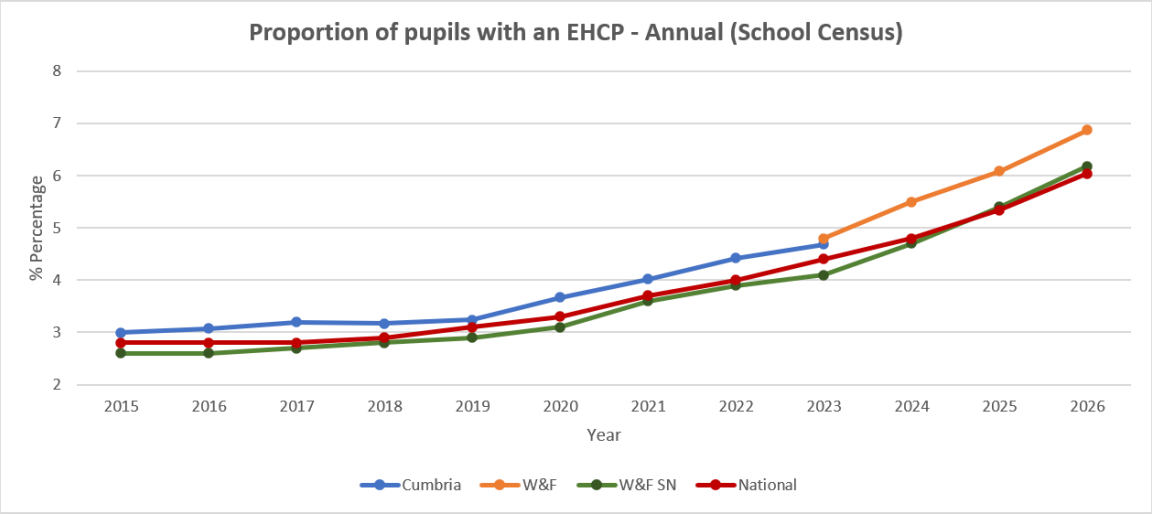
39. As highlighted in previous school funding formula consultations, Westmorland & Furness continues to face significant financial pressures in relation to the funding of high needs provision, reflecting challenges experienced by many local authorities nationally.

40. At 31 March 2026, the cumulative DSG deficit stood at £33.034m. This comprised a High Needs Block deficit of £39.428m offset by a surplus of £6.394m across the remaining DSG funding blocks. Overall, the position deteriorated by £10.899m during the year, primarily due to an in-year High Needs Block pressure of £13.008m, partially offset by a surplus of £2.109m on the other DSG Blocks:

Position	Other DSG Blocks	High Needs Block	Total
DSG Balance as at 31 March 2025	(£4.285m)	£26.420m	£22.136m
Actual over/ (under) spends on DSG in 2025-26	(£2.109m)	£13.008m	£10.899m
DSG Balance as at 31 March 2026	(£6.394m)	£39.428m	£33.034m

41. The principal driver behind this pressure continues to be increasing demand for Education Health Care Plans (EHCPs) for pupils with special educational needs. This reflects a national trend affecting may local authorities. At 31 March 2026, 2,737 children and young people in Westmorland & Furness had an EHCP. This number is forecast to increase to 2,963 by March 2027.

42. Benchmarking data demonstrates the proportion of pupils with EHCPs in Westmorland & Furness remains above the national average and that of its statistical neighbours. However, the rate of growth is broadly consistent with that experienced by comparable authorities:



43. Whilst increasing demand is a significant factor, the financial challenge is not solely demand-driven. Westmorland & Furness remains comparatively underfunded within the national high needs funding system. The authority currently receives approximately £851 per head of the resident population aged 2 to 18, compared with a national average of approximately £1,050 per head.

44. In February 2026 the government announced that they will address long standing SEND financial pressures by covering up to 90% of local authorities' DSG deficits accrued up to the end of 2025/26 through the High Needs Stability Grant, subject to approval of a local SEND Reform Plan by the Secretary of State for Education. Westmorland & Furness has recently been notified that its plan has been approved and is expected to receive approximately £29.7m grant funding in November 2026.

45. Developed jointly with schools and Integrated Care Boards, the local SEND Reform Plan sets out how Westmorland & Furness will establish a more inclusive, responsive and financially sustainable SEND system. As part of this work, at least 109 additional specialist base places are planned within mainstream schools. While the plan forecasts continued in-year deficits over the next two years, the rate of growth is expected to slow from 2027/28 onwards:

£'000s	2024/25 Outturn	2025/26 Draft Outturn	2026/27 Forecast	2027/28 Forecast
In Year HNB	8,061	13,008	19,457	26,030
In Year - Other DSG	148	(2,109)	0	0
Total in year	8,209	10,899	19,457	26,030
Cumulative	*22,136*	*33,035*	*52,492*	*78,522*

46. Many of the projects to increase specialist bases require capital investment and therefore will take time to generate measurable savings. However, savings from currently modelled interventions are projected to reach £2.2m by the end of 2029/30. Further initiatives, including proposals relating to post-16 and post-19 provision and the development of a new SEMH Transformation Hub have not yet been included within the financial modelling and are expected to generate additional benefits.

47. Despite these planned mitigations the accumulated High Needs Block deficit remains a significant concern. Even with ongoing government support in 2026/27 and 2027/28 (not yet confirmed), a substantial deficit will remain.

48. Regular High Needs Block budget monitoring reports continue to be presented to Schools Forum. Associated reports and minutes are publicly available here. Westmorland & Furness is also required to submit quarterly progress reports on delivery of its SEND Reform Plan to the DfE.

49. Schools Forum recommends that any residual Schools Block funding remaining after application of the NFF is transferred to the High Needs Block, up to a maximum of 0.5%. Should any balance remain after such a transfer, it would be redistributed through the through the funding formula by increasing the basic per

pupil funding unit values, subject to any limits prescribed by the DfE. It is, however, considered unlikely that this situation will arise.

50. The actual value of any transfer to the High Needs Block cannot be determined until the DfE publishes the final funding dataset in December 2026, including October 2026 school census data and associated pupil characteristics.

Consultation Question 5:

Do you agree that any School Block funding remaining after application of the NFF should be transferred to the High Needs Block, up to the maximum 0.5% level?

Areas not impacted by this Consultation

51. It should be noted that the following funding streams are outside the scope of this consultation:

- Early Years Funding
- Special School and Pupil Referral Units
- Post-16 Education
- Other government grants including Pupil Premium, Universal Infant Free School Meals, Primary Sport & PE grant.

Responding to the Consultation

52. Schools are invited to respond to the five consultation questions by completing the online survey at: https://consult.westmorlandandfurness.gov.uk/education/school-funding-formula-consultation-2027-28/ no later than **Friday 23 October 2026**. Responses received after this date cannot be considered as part of the consultation process.

53. Responses from all schools are welcomed and encouraged. To ensure fairness and consistency, schools are requested to submit a single response on behalf of their organisation.

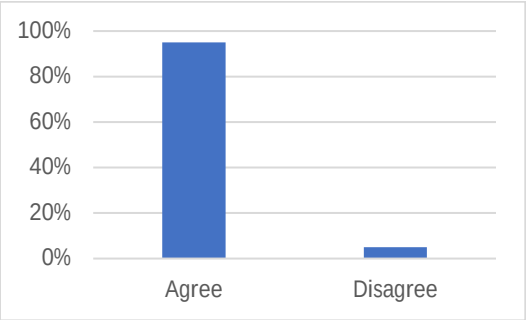
Appendix

1. Illustrative modelling of the impact of introducing the Very Small Sparse Secondary schools (VSSS) factor based on actual 2026/27 school funding formula

School Funding Formula 2027/278 Consultation Responses

Q1 Do you agree with your Schools Forum recommendation that the National Funding Formula continues to be used to allocate funding to school in 2027/28?

Answered: 20



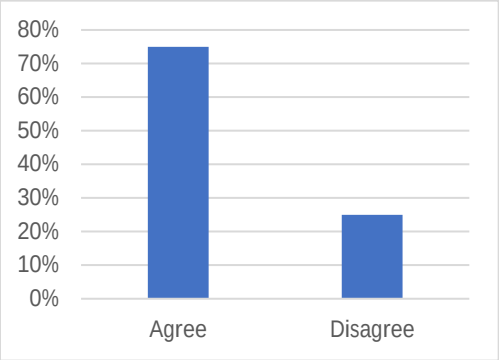
Comments: 2

Comment 1: W and F is greatly different to other LAs and does not reflect the national picture

Comment 2: Yes the NFF is the fairest and most transparent way to ensure all schools receive appropriate funding and helps ensure funding reflects pupil numbers, deprivation, additional needs and other recognised factors. It also avoids unnecessary uncertainty as the system moves towards a fully implemented national formula.

Q2 Do you agree with your Schools Forum recommendation that, where a funding shortfall arises within the Schools Block following application of the National Funding Formula, affordability should be managed through a proportionate reduction in the basic per pupil funding factor values?

Answered: 20



Comments: 5

Comment 1: Schools will not be able to manage if there are any further reductions to their per pupil funding values. If a shortfall exists, the cost will need to be covered through savings made elsewhere within the local authority budget lines. There is, in my opinion, huge amounts of wasted resource and inefficiencies within the local authority, so finding savings should not be a challenge.

Comment 2: This would make it even more difficult to staff our school in a way that meets the needs of the children.

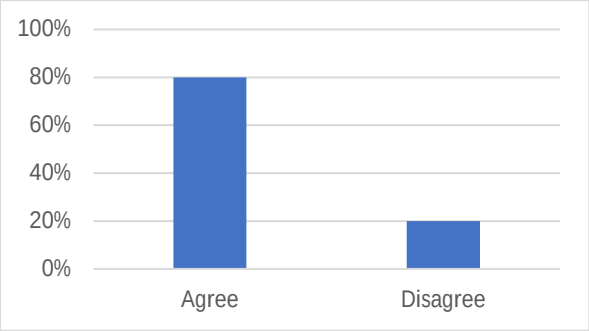
Comment 3: Supported in principle but as figures/impact are unknown at this time it is challenging to full consider a response.

Comment 4: It is difficult to agree or disagree with this statement as more schools are either in or predicting deficit budgets. Applying to the whole block means all schools are affected by a reduced per pupil unit.

Comment 5: Reducing basic rates spreads the pressure across schools, including secondary schools with substantial fixed staffing, curriculum and premises costs. Even a modest reduction can have a significant cumulative effect on a large secondary school's budget. There is also a potential fairness issue: schools protected by the Minimum Funding Guarantee or Minimum Per Pupil Level may be insulated from some reductions, leaving other schools to bear a greater effective impact. I would ask the Local Authority to demonstrate on a school by school basis what the impact of this may be and how each school would be impacted. I would also ask them to consider all other alternatives before reducing core costs.

Q3 Do you agree with the Schools Forum recommendation to continue using the exceptional circumstances factor to support eligible schools with rental costs, subject to DfE approval?

Answered: 20



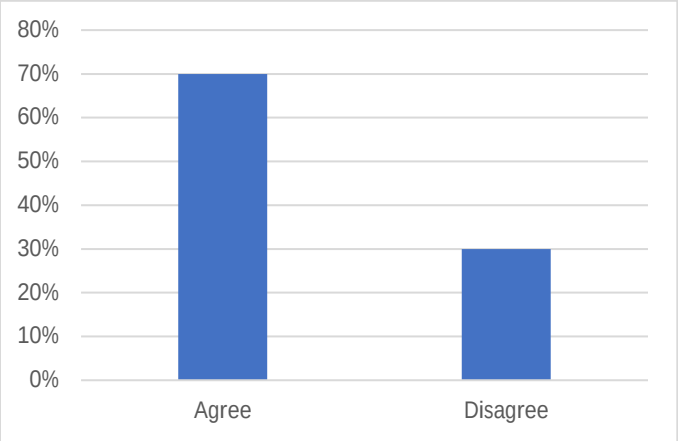
Comments: 2

Comment 1: This seems to be a way for the local authority to generate money from renting it's own buildings to schools.

Comment 2: In principle we should be supporting schools within the sector as long as there is no funding shortfall that would adversely affect the wider funding formula. However, [school] have an income from lettings so to assign additional funding to support with the rental of fields etc. Is it possible before allocation to review it based on need?

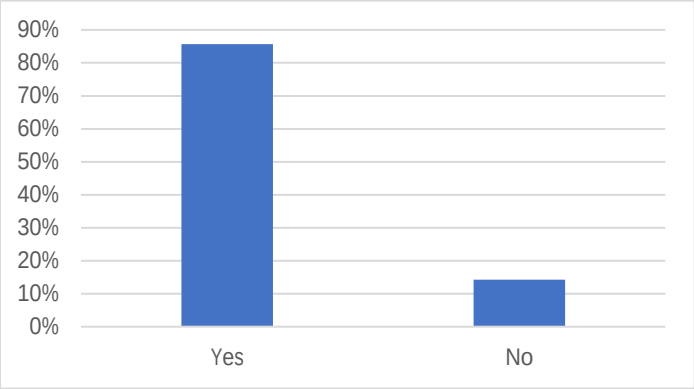
Q4 Do you agree that the optional exceptional circumstances factor should be used to provide additional support for very sparse secondary schools, subject to DfE approval?

Answered: 20



Q4a If yes, do you agree that the minimum eligibility thresholds specified by the DfE should be applied?

Answered: 14



Q4b If not, what alternative minimum eligibility thresholds would you recommend?

Comments: 3

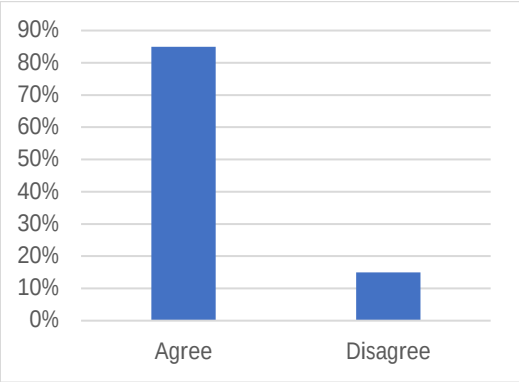
Comment 1: A greater distance to be eligible - say 7 miles. The current criteria throw up an anomaly that was discussed at length in the forum meeting. There needs to be a way to address that to support those schools that are actually small and sparse and that genuinely need it.

Comment 2: In principle we should be supporting schools within the sector as long as there is no funding shortfall that would adversely affect the wider funding formula.

Comment 3: Minimum eligibility, sparsity distance of 9.0 miles to ensure that the eligible schools are truly sparce by definition

Q5 Do you agree that any School Block funding remaining after application of the NFF should be transferred to the High Needs Block, up to the maximum 0.5% level?

Answered: 20


90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Agree
Disagree

WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: Maintained Schools De-delegated Budgets 2026-27 and 2027-28
Meeting date: 4 November 2026
Report of: Milord Vasic, Strategic Director of Children's Services and Isobel Booler, Director of Education & Inclusion

1.0 Executive Summary

1.1 This report presents the forecast outturn position on the maintained schools de-delegated budgets for the 2026/27 financial year as at 30 June 2026 which are predicted to balance to budget and the proposed de-delegated budgets for 2027/28.

1.2 Schools Forum (maintained school members only) approval is being sought to continue de-delegate a contingency fund, staff costs (trade union facilities, teacher maternity cover and HR support).

1.3 The library service budget is excluded from the proposals at this stage due to a potential budget pressure that requires further consideration. Schools Forum is therefore asked to support the convening of an extraordinary meeting in early December 2026 to consider the library service and agree a way forward.

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 2026/27 de-delegated budgets forecast outturn position;
- approve the proposed 2027/28 de-delegated budgets for contingencies, staff costs and school improvement services;
- approve the convening of an extraordinary Schools Forum meeting in early December 2026 to consider the 2027/28 library service budget and associated funding arrangements.

4.0 Rationale and Evidence for the Recommendation

4.1 De-delegated services are for maintained primary and secondary schools only, funding of these services must be allocated through the Schools Block via the school funding formula but can be passed back (de-delegated) for maintained primary and secondary schools with Schools Forum approval.

4.2 The maintained primary and secondary school representatives of the Schools Forum are required on an annual basis to decide on the de-delegated budgets, separately by maintained primary and secondary phases.

4.3 The services that the de-delegated budgets apply to also impact maintained PRUs, special schools and nursery schools and therefore an element is centrally retained in both the Early Years and High Needs Blocks of the Dedicated Schools Grant for these services, although there is no de-delegation process for these two areas.

4.4 In January 2026 Schools Forum agreed to de-delegate the following services in 2026/27:

De-delegated Service	Primary	Secondary
Contingencies	√	√
Staff Costs	√	√
Library Services	√	X
School Improvement	√	X

4.5 A description of each de-delegated service is at Appendix 1, for reference.

4.6 <u>De-Delegated Budgets 2026/27</u>

4.7 The 2026/27 de-delegated budgets are forecast to budget as at Q1:

Budget Line	2026/27 Budget £m	2026/27 Forecast Outturn £m	Variance £m
Contingencies	0.286	0.286	0.000
Staff Costs*	0.439	0.439	0.000
Library Services	0.200	0.200	0.000
School Improvement	0.248	0.248	0.000
Total De-Delegated Budgets	1.173	1.173	0.000

**the staff costs budget comprises of teacher maternity absence cover £0.304m (71%), trade union facilities time £0.110m (25%) and HR support £0.017m (4%).*

4.8 There are no key variances. Although the contingency fund budget is forecast to budget at Q1 the actual known commitments against the contingency fund total £0.056m:

De-delegated Contingency Fund Budget	2026/27 Forecast Outturn £m
Budget 2026/27	0.286
Settlement Agreements and Staff Termination costs	0.010
Administration costs Teachers Annual Pension Return	0.029
Other miscellaneous costs	0.004
Total Unforeseen Circumstances	0.042
Schools in Financial Difficulty	0.014
Additional Costs relating to New, Closing or Amalgamated Schools	0.000
Total Net Expenditure 2026/27	0.056

4.9 Schools in Financial Difficulty comprises of school hall rental costs for Old Hutton CE school £0.009m and SRMA costs of £0.004m.

4.10 In accordance with the Dedicated Schools Grant (DSG) conditions of grant, any underspend on delegated services will transfer into the DSG earmarked reserve.

Proposed De-Delegated Budgets 2027/28

4.11 The proposed 2027/28 budgets have been calculated using 2026/76 budgets as a baseline. As there have been no academy conversions during 2026/27 no adjustments have been made to the budgets to reflect reductions in the number of pupils being supported by these services, as applied in previous years. Estimated 3% inflation has been applied to the element of budgets linked to staffing and goods & services. The budgets are then split across the Schools, Early Year and High Needs Blocks based on maintained schools' pupil numbers.

4.12 Since the budgets were prepared, a potential pressure has been identified within the library service budget for 2027/28. As there remain a number of issues that require further clarification and resolution, it is proposed that Schools Forum does not vote on the de-delegation of the library service budget at this meeting. Instead, approval is sought for an extraordinary Schools Forum meeting to be held in December 2026, at which a detailed library service budget and funding proposal will be presented. This will enable maintained primary schools representatives to make an informed decision on the future funding arrangements for the service.

4.13 The table below shows the proposed de-delegated budgets for 2027/28 that are subject to approval at this meeting. The library service budget has been excluded pending further consideration and will be presented separately to an extraordinary Schools Forum meeting in December 2026:

Budget	Schools Block Element £m	High Needs Block Element £m	Early Years Block Element £m	Total 2027-28 £m	Total 2026/27 £m	Increase £m
Contingencies	0.259	0.006	0.021	0.286	0.286	0.000
Staff Costs	0.410	0.009	0.033	0.452	0.439	0.013
Library Services	TBC	TBC	TBC	0.000	0.200	TBC
School Improvement	0.222	0.007	0.025	0.254	0.248	0.006
Total De-Delegated Budgets	0.890	0.022	0.079	0.992	1.173	0.019

4.14 The split of services across the 3 blocks are indicative as they have been based on October 2025 pupil numbers. The final split will be based on October 2026 census pupil numbers and the Schools Block de-delegated budgets will be split between primary and secondary maintained schools using October 2026 pupil numbers and weighted based on the basic per pupil funding unit value ratios as used in the school funding formula, as in previous years.

4.15 As the proposed de-delegation budgets are fixed amounts the actual primary and secondary per pupil rates cannot be confirmed until the final October 2026 census data is available. However, based on October 2025 pupil numbers the indicative per pupil rates are as follows:

	Primary			Secondary		
Budget	2027/28	2026/27	Increase	2027/28	2026/27	Increase
Contingencies	£17.00	£17.00	£0.00	£24.98	£24.98	£0.00
Staff Costs	£26.90	£26.11	£0.78	£39.51	£38.36	£1.15
Library Services	TBC	£18.23	TBC	n/a	n/a	n/a
School Improvement	£23.17	£22.66	£0.51	n/a	n/a	n/a

4.16 If Schools Forum agree to continue to de-delegate for these services in 2027/28 the final primary and secondary rates will be confirmed in January 2027.

4.17 If Schools Forum decide not to de-delegate for a particular service, then all the schools in that phase (primary or secondary) would need to make their own separate arrangements for the provision of the service.

5.0 Options

5.1 The Schools Forum maintained schools' representatives for **primary schools** are asked to vote on the following de-delegated services for 2027/28:

- Contingencies
- Staff costs
- School Improvement

5.2 The library service budget is not included within the voting arrangements at this meeting due to unresolved budget issues for 2027/28. Schools Forum is asked to:

- support an extraordinary meeting in December 2026 where a detailed proposal for the library service budget will be considered.

5.3 Schools Forum maintained schools' representatives for **secondary schools** are asked to vote on the following de-delegated services for 2026/27:

- Contingencies
- Staff costs

6.0 Financial & Other Relevant Implications

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

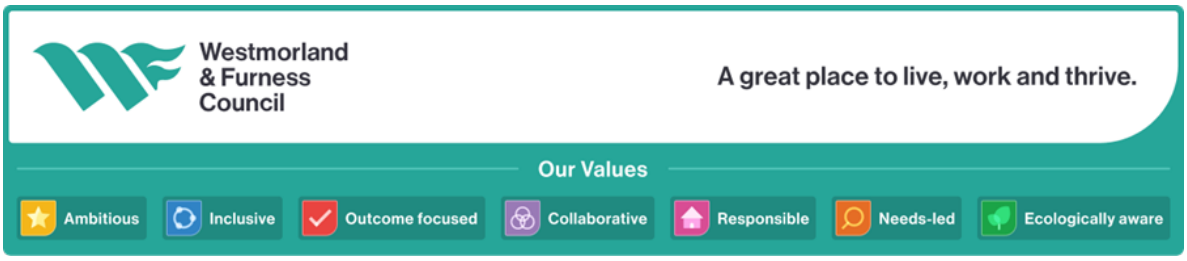
26 October 2026

Appendices:

1. Maintained Schools De-delegated Services 2026/27

REPORT AUTHOR

Contact:
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De-delegated Budgets 2026/27

Contingencies

The DfE guidance states that the contingency budget can be used for three purposes:

- Exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet
- Schools in financial difficulties
- Additional costs relating to new, reorganised or closing schools

For 2026/27 the contingencies budget is £285,772.

Within the Schools Block funding formula, maintained school budgets are reduced by £17.00 (primary) and £24.98 (secondary) per pupil to fund this.

Library Services

The de-delegated budget covers the following services for primary schools, nursery schools and special schools:

- Book Loans – termly book boxes to support both the curriculum and reading for pleasure, chosen from specially selected stock; long term loans - during the year schools will be able to borrow up to their entitlement with the opportunity to exchange all or a proportion of the total. This can either be through the mobile library visit or through an alternative arrangement as agreed
- Mobile Library Service – giving children the opportunity to choose their own books in a unique library environment
- Spellbinding – annual book award and reading challenge for Y5 and Y6 to encourage reading for pleasure, and build confidence in talking and writing about books
- Key Stage 1 reading challenge – newly introduced to help develop reading for pleasure from an early age
- Help line - Our telephone help line offers access to professional librarians who are able to provide information and advice on all aspects of library services and library development

Service entitlements are based on current usage of the service and pupil numbers from the October census returns.

Schools are notified of their entitlement annually in writing and are invited to contact Library Services for Schools to discuss their entitlement or any other aspect of the service.

A charge will be made where a school requests a service in addition to their agreed entitlement and this will be invoiced separately.

For 2026/27, the de-delegated library services budget is £199,766

Within the Schools Block funding formula, maintained school budgets are reduced by £18.23 (primary) per pupil to fund this.

Staff Costs

The de-delegated staff costs budget comprises the following:

Maternity/ Adoption Leave

Schools are reimbursed by the government for 92% of Statutory Maternity and Adoption Pay. The remaining 8% and all of the Occupational Maternity/ Adoption Pay is reimbursed to maintained schools in respect of teachers from this de-delegated budget. Maintained schools must submit evidence and reports to the local authority/ their payroll provider to claim this.

Reimbursement of Union Duties

Maintained schools receive reimbursement in respect of staff time spent performing agreed duties on behalf of the county in relation to unions.

HR Advisory

HR Advisory support to maintained schools and HR administration.

For 2026/27, the de-delegated staff costs budget is £438,932.

Within the Schools Block funding formula, maintained school budgets are reduced by £26.11 (primary) and £38.36 (secondary) per pupil to fund this.

School Improvement

The budget supports the work of the School Improvement Team on improving and preparing schools for Ofsted inspection.

For 2026/27, the de-delegated school improvement budget is £248,309.

Within the Schools Block funding formula, maintained school budgets are reduced by £22.66 (primary) per pupil to fund this.

WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: High Needs Budget Monitoring Q1 2026-27
Meeting date: 4 November 2026
Report of: Milord Vasic, Strategic Director of Children's Services and Isobel Booler, Director of Education & Inclusion

1.0 Executive Summary

1.1 This report sets out the High Needs (HN) Block deficit position as at 30 June 2026. The cumulative deficit is forecast to reach £58.883m by 31 March 2027, representing an increase of £19.455m compared with the closing deficit of £39.428m reported at the end of 2025/26 financial year.

1.2 The forecast deficit reflects the position reported within the SEND Reform Plan and does not include the impact of the High Needs Stability Grant which is expected to cover 90% of the cumulative DSG Deficit accrued up to 31 March 2026. It is estimated that the value of this grant will be £29.7m.

1.3 Despite this anticipated grant funding, the ongoing growth in the deficit continues to be of significant concern. In-year deficits are forecast to continue in future years and the longer-term arrangements beyond the current settlement have yet to be confirmed. This creates a risk of substantial financial pressure on the Council's resilience and sustainability when the statutory override expires on 31 March 2028.

2.0 Link to Council Plan Priorities

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

3.0 Recommendation

3.1 The Schools Forum is recommended to note the current projection on the HN budget as at 30 June 2026 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 2026/27 with no planned transfers to/from reserves or the Schools Block.

Budget Revisions

4.2 Since the initial budget was set the HN block allocation has been updated by the DfE to reflect changes in recoupment for HN places in mainstream academies with resourced provision units, special academies and further education colleges. There will be further adjustments to the HN block allocation later in the year to reflect movement of EHCP pupils between local authority areas. The budget as at Q1 is £30.343m as shown in the table below:

High Needs Budget	**2026/27 £m**
High Needs allocation before recoupment for place funding in academies and FE institutions	32.561
Less recoupment for high needs places in academies and FE institutions	(2.024)
Initial Budget	**30.537**
DfE Recoupment adjustment for HN places AY 2026/27	(0.194)
Total High Needs Budget Q1	**30.343**

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 £19.455m, resulting in a forecast cumulative deficit of £58.883m:

	High Needs Block
DSG Balance as at 31 March 2026	£39.428m
Forecast pressure / (underspend) on DSG in 2026-27	£19.455m
Forecast DSG Balance as at 31 March 2027	£58.883m

4.5 The table below shows a breakdown of the forecast pressure by each budget line:

Description	Budget £m	Forecast £m	Variance £m
High Needs - Top Ups	8.157	14.273	6.116
Independent Placements - Day	3.507	8.942	5.435
Independent Specialist Post-16 Placements	0.978	3.736	2.758
Post-16 Further Education	0.664	2.244	1.580
Special Schools	10.630	12.007	1.377
Education Otherwise Placements	0.524	1.780	1.256
High Needs - Invest to Save	0.000	0.317	0.317
Pupil Referral Unit	2.450	2.765	0.315
Specialised Base Places (formerly Resourced Provision)	0.877	1.019	0.142
Central SEN (Equipment, 6th Day Provision)	0.030	0.130	0.100
Residential Independent Special School Placements	1.269	1.328	0.060
Mobility and Independence Contract	0.018	0.018	0.000
Share of de-delegated (special schools)	0.027	0.027	0.000
Inclusion Teams	1.211	1.211	0.000
Total DSG to transfer to DSG HNB reserve	30.343	49.798	19.455

4.6 The key variances are:

- EHCP top-ups for pupils in mainstream schools and Early Years Providers £6.116m. The forecast is net of SEND Reform Plan mitigations estimated at (£0.013m). The average top-up paid to a Westmorland & Furness mainstream school at Q1 is £8,388 per EHCP student, an increase of £158 compared to 31 March 2026. The average top-up for specialist bases (formerly known as Resourced Provision units) is £10,037 an increase of £472 compared to 31 March 2026. This budget line also includes EHCP top-ups for students placed in Cumberland schools of £0.484m and students placed in other local authorities of £0.337m.

- Independent Day Placements £5.435m. The forecast, which includes independent mainstream and independent special schools is based on current, known new placements coming through the system and estimated forecast new placements. There are currently 147 pupils in day placements as at Q1 of which 31 are forecast to end in August. The forecast also includes 26 new placements expected to start by September and a further estimated 18 new placements to the end of the financial year. The forecast is net of SEND Reform Plan mitigations totalling (£0.200m). The average cost of independent special school placements that are forecast to end in August is £59,202 however the average cost of new placements is forecast to be £65,751 as at 31 March 2027.

- Independent Specialist Post-16 Placements £2.758m. The forecast is based on current, known new placements coming through the system and estimated forecast new placements. There are currently 53

placements as at Q1, of which 19 are forecast to end in August. The forecast includes 6 new placements expected to start in September and a further estimated 28 new placements to the end of the financial year. The average cost of placements that are forecast to end in August is £49,869 however the average cost of new placements starting from September onwards is forecast to be £65,995 as at 31 March 2027.

- Residential Independent Special School Placements £0.060m. There are currently 13 placements as at Q1, of which 1 is forecast to end in August. The forecast includes an estimated 3 new placements to the end of the financial year. The average cost of placements at Q1 is £82,735.

The below table summarises the number of pupils in independent placements by provider type:

Number of Children and Young People (CYP) with EHCPs in Independent Placements 2026/27

Placement Type	2025/26 Outturn	New	Ended	Placement Changes: In	Placement Changes: Out	Total Change	2026/27 Q1	2026/27 Forecast Outturn Q1 £m	2025/26 Outturn £m	Average Annual Cost of Placements 2026/27	Average Annual Cost of Placements 2025/26
Residential	**17**	0	-2	0	-2	-4	**13**	1.328	1.199	82,735	79,558
Day	**117**	12	-1	19		30	**147**	8.942	6.489	66,783	64,171
Post-16	**70**	0	0	-17		-17	**53**	3.736	3.738	65,630	55,999
Total	**204**	**12**	**-1**	**2**	**-2**	**9**	**213**	**14.007**	**11.427**		

- Post-16 Further Education £1.580m. The forecast expenditure reflects estimated top-up payments to FE Colleges totalling £0.983m and other FE education providers of £1.262m. The forecast includes costs for 48 internships in both further education colleges and private providers, 87% of which have now gained employment as they move towards the end of their programme. The forecast assumes that there will be continue to be 48 internships in place from September.

- Special Schools £1.377m. The forecast expenditure includes place funding for Westmorland & Furness maintained special schools and associated top-ups for maintained and academy special schools. A total of 390 funded places from September 2026 are included in the baseline forecast position plus a further 15 new places and associated top-ups are forecast as part of the SEND Reform plan mitigations which are estimated at an additional cost of £0.180m in total and is offset by a saving against independent special school placements and mainstream top-ups. The forecast assumes all new places will be occupied. The average top-up paid to a Westmorland & Furness maintained and academy special school at Q1 is £15,567 an increase of £23 per EHCP student compared to 31 March 2026.

- Education Other Than At School (EOTAS) £1.256m. The forecast expenditure relates to pupils in pre-16 provision and includes payments to alternative provision providers, private tutors and parents of children with an EHCP for personal budgets. The number of EOTAS is currently

estimated at 81 at Q1, of which 24 are forecast to end July/August. The forecast includes a further estimated 27 new placements to the end of the financial year and is net of SEND Reform Plan mitigations of (£0.011m). The EOTAS numbers fluctuate and this budget line includes costs associated with pupils that are also receiving education in other provision types.

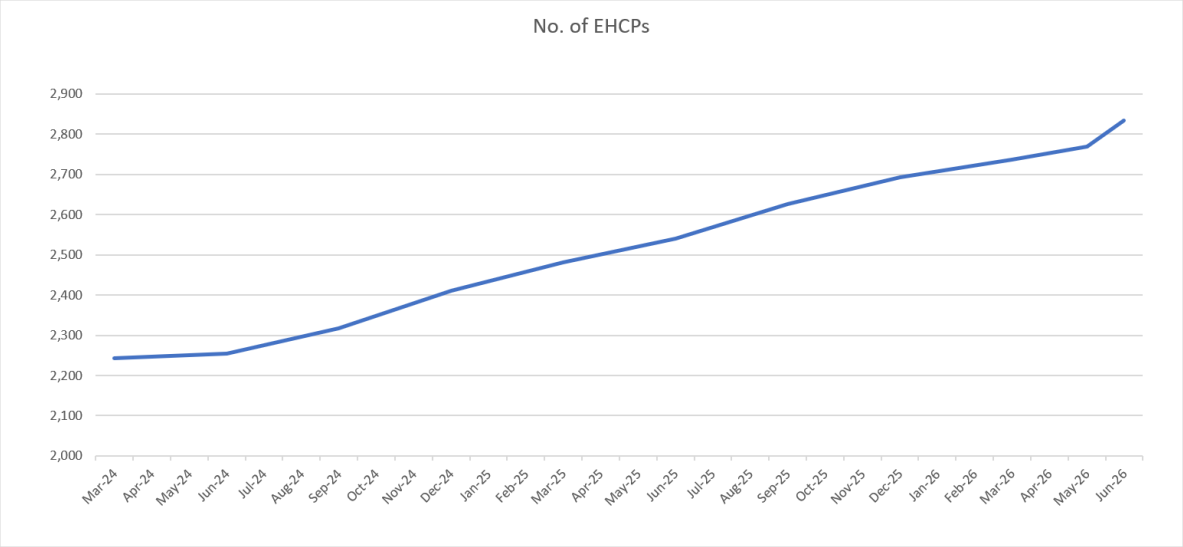
- Invest to Save Initiatives £0.317m. The expenditure here relates to the Sandgate School Early Intervention and Greengate Junior School (The Hive) Alternative Provision programmes.

- Pupil Referral Unit £0.315m. The forecast expenditure relates to the core Pupil Referral Unit funding, the Home to School Tuition Service provided by the PRU and Channelside alternative provision. It includes an increase in the number of funded Channelside places and associated top-ups from 30 to 40 places from September 2026.

- Specialist Base Places £0.142m. The forecast expenditure relates to specialist base places and includes costs associated with maintained school places, direct funded places for academies (where these have been agreed locally after the DfE HN Places return submission) and legacy grants at £539 per place for both maintained and academy specialist bases. The total number of maintained school places included in the baseline forecast is 108 rising to 122 by January 2027 plus 10 direct funded academy places. In addition to this a further increase of 3 maintained places and 25 direct funded academy places from January 2027 costing a total of £0.061m pro rata relate to the SEND reform plan mitigations which are offset by savings against independent special schools and EOTAS.

- Central SEN & 6th Day Provision £0.100m. The forecast expenditure represents the estimated cost of SEN equipment in schools and academies where the local authority makes a contribution from the HN Block, the service contract for AV1 Robots and the estimated net costs associated with educating pupils after the sixth day of permanent exclusion.

4.7 The pressure against the HN Block continues to be due to specific budget pressures relating to the growth in demand for EHCPs for children and young people with SEN. The number of CYP with an EHCP as at 30 June 2026 is 2,834, an increase of 97 compared to 31 March 2026:



4.8 The majority of CYP with an EHCP have Speech & Language (29%), Social Emotional & Mental Health (28%) and Autistic Spectrum Disorder (21%) recorded as their primary need:

Primary Need	No of EHCPs	% of Total
Speech, Language & Comm Needs	817	28.8%
Social, Emotional and Mental Health	787	27.8%
Autistic Spectrum Disorder	588	20.7%
Severe Learning Difficulty	219	7.7%
Physical and Medical Difficulty	128	4.5%
Specific Learning Difficulty	109	3.8%
Moderate Learning Difficulty	97	3.4%
Hearing Impairment	22	0.8%
Vision Impairment	22	0.8%
Profound & Multiple Learning Difficulty	19	0.7%
Physical Disability	11	0.4%
Not recorded	6	0.2%
Down Syndrome	5	0.2%
Multi-Sensory Impairment	4	0.1%
Total	2,834	100.0%

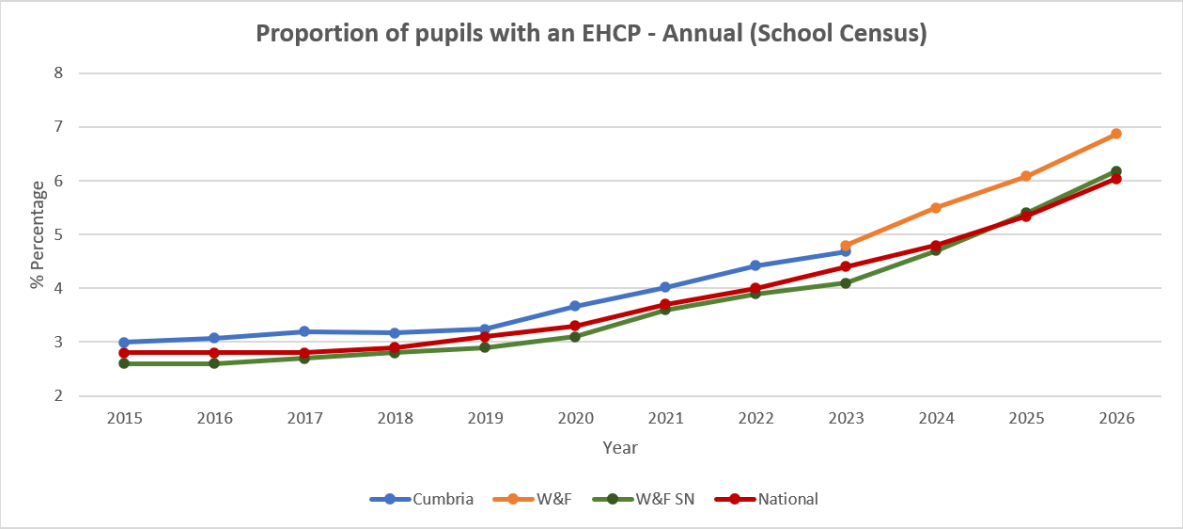
4.9 Westmorland & Furness has high levels of inclusivity, as shown in the table below the majority of CYP (70% as at June 2026) are being educated in mainstream schools and colleges:

Placement	No of EHCPs	% of Total
Mainstream LA School	883	31.2%
Mainstream Academy	708	25.0%
Gen FE and Tertiary College/HE	276	9.7%
Special LA School	248	8.8%

Special Independent School	132	4.7%
Special School: Academy/Free	117	4.1%
Other - Parent Arranged	90	3.2%
Specialist P16 Institutions	82	2.9%
Mainstream Free Schools	54	1.9%
Elective home education	52	1.8%
YP with EHCP that are NEET	44	1.6%
Early Years Setting	42	1.5%
Not recorded	30	1.1%
Other - LA Arranged	22	0.8%
AP/PRU: LA Maintained	20	0.7%
Mainstream Independent School	11	0.4%
Not in education - Other	10	0.4%
Apprenticeships	6	0.2%
Sixth Form College	3	0.1%
Special College	2	0.1%
Special School: Non-maintained	1	0.0%
Traineeships	1	0.0%
Total	2,834	100%

The percentage of statutory school age children (Reception to Year 11) with an EHCP educated in mainstream schools is 74% as at Q1.

4.10 The benchmarking chart below shows that Westmorland & Furness' percentage of pupils with EHCPs (6.9%) is higher compared to the national (6.0%) and its statistical neighbours (6.2%) 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 2026/27 the DfE has temporarily suspended the HN national funding formula which in previous years has been used to calculate local authorities' HN allocations. Instead, local authorities' allocations have been based on their 2025/26 allocations with some adjustments to include the roll-in of

historic grants which were allocated separately and in addition to the HN funding allocation in 2025/26. This means that the allocations do not include an update to the basic entitlement pupil numbers in special schools. Westmorland & Furness continues to be the 13th lowest funded out of 151 local authorities receiving £851 per head of 2-18 year old of population. The National mean per head funding is £1,050 and if Westmorland & Furness had been funded at the mean level it would have received an extra £7.579m. In December 2026 Cabinet approved to transfer up to 0.5% from the Schools Block to the HN Block, subject to affordability of the school funding formula. On calculating school budget shares there was an affordability gap and therefore there was no School Block funding available to transfer to the High Needs Block in 2026/27.

4.13 The government announced in February 2026 that they will address long standing SEND financial pressures by covering up to 90% of local authorities' DSG deficits accrued up to the end of 2025/26 through the High Needs Stability Grant. This grant will be paid subject to each local authority securing the Secretary of State for Education's approval of their local area's Local SEND Reform Plan the outcome of which is expected to be announced by the end of September.

4.14 The SEND Reform Plan forecasts that the cumulative DSG deficit will continue to rise although the rate of increase is forecast to reduce. The below table shows a summary of the forecast baseline position for the HN Block expenditure (this includes the impact of the delivering better value mitigations), impact of SEND Reform plan mitigations and forecast number of EHCPs for each year:

High Needs Block	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
HNB Expenditure Baseline (net of block transfers)	36.856	43.912	51.999	56.899
SEND Reform Mitigations			0.017	-0.284
Revised HNB Expenditure	36.856	43.912	52.016	56.615
HNB Income	28.795	30.904	32.561	30.869
In-Year Deficit	-8.061	-13.008	-19.455	-25.746
Rate of increase		-4.947	-6.447	-6.292

Number of EHCPs	2,377	2,688	2,963	3,222

4.15 The mitigations include expansion of 15 special school places, 3 specialist base places and 92 new specialist bases in mainstream schools by 2029/30. In addition, there are a number of other mitigating measures in the pipeline which require capital investment which will impact after 2027/28 and will be modelled as the SEND Reform plans progress.

4.16 To support local authorities to work in partnership with their NHS integrated care boards (ICBs) in implementing and delivering the SEND Reforms the DfE have allocated local authorities a new Experts at Hand and SEND Transformation Fund. The 2026/27 grant allocation for Westmorland &

Furness is £1.409m of which at least 80% must be spent on direct delivery. The impact of Experts at Hand offer has not been factored into the financial modelling at this stage as work to grow and embed the offer is still ongoing.

4.17 The forecast does not include the impact of the High Needs Stability grant which is expected to cover 90% of the cumulative DSG deficit accrued up to 31 March 2026 as this is subject to securing the DfE's approval of the local area SEND Reform Plan. If successful it is estimated that this grant will by £29.7m. The outcome of the submission is expected by the end of September.

4.18 The statutory override, which has been in place for several years, means that the Council's general reserves are not currently impacted by the deficit on the DSG but the override is due to end 31 March 2028. Arrangements for support relating to deficits accumulating over the period to March 2028 have yet to be announced by the government. In-year deficits for future years are forecast and could result in a significant deficit for the Council when the override ends with or without additional support.

5.0 Options

5.1 This paper reports on the current position of the HN Block. The Council is required to report on the SEND Reform plan progress to the DfE at regular intervals. Schools Forum is recommended to note the current projection against the HN Block budget and to consider options for managing down the forecast rising deficit through the HN Working Group.

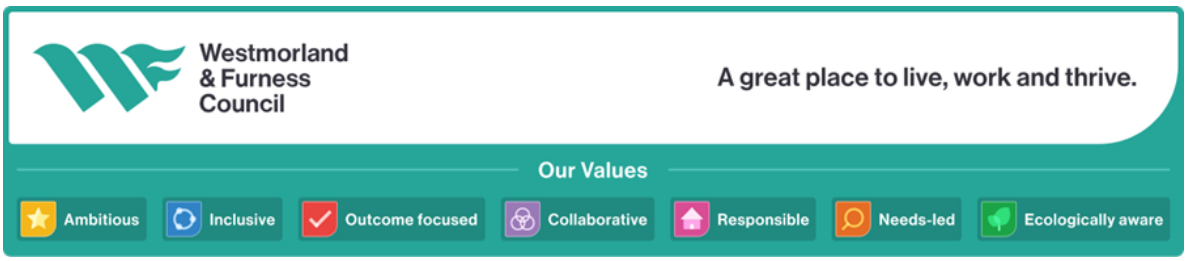
6.0 Financial and Other Relevant Implications

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

30 September 2026

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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: LA Scheme for Financing Schools
Meeting date: 20 October 2026
Report of: Milord Vasic, Strategic Director of Children's Services and Isobel Booler, Director of Education & Inclusion

1.0 Executive Summary

1.1 This report informs the Schools Forum of proposed amendments to the Westmorland & Furness LA Scheme for Financing Schools and Pupil Referral Units (Scheme).

1.2 The amendment will allow the Local Authority to recover reasonable academy conversion costs when a maintained school converts to academy status. The Scheme will also be updated to reflect updated job titles following the Council's senior leadership re-structure.

1.3 A consultation with all maintained schools and the pupil referral unit will commence on 9 November for a period of two weeks. The outcome will be reported to Schools Forum at its next meeting on 20 January 2027 when the authority will be seeking Schools Forum (maintained schools members only) approval to make the amendment. If approved, the Scheme will come into effect from 21 January 2027.

2.0 Link to Council Plan Priorities

2.1 Improving the financial processes for schools 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 note the proposed amendment to the Scheme and support the consultation with schools.

4.0 Rationale & Evidence for the Recommendation

4.1 The School Standards and Framework Act 1998 (SSFA 1998) requires that local authorities maintain a Scheme setting out the financial relationship between them and the schools that it maintains.

4.2 The Secretary of State for Education may by a direction revise the whole or any part of Scheme in consultation with local authorities and other interested parties. There were no directed revisions in 2026/27.

4.3 The current Westmorland & Furness Scheme was revised and approved by Schools Forum in January 2026 and came into effect from April 2026. Local authorities are required to consult their maintained schools and School Forum if they propose to make changes to their Scheme.

Proposal 1 – Academy Conversion Fees

4.4 It is proposed to amend section 6.2 of the Scheme (circumstances in which charges may be made to school budget shares) to add the following:

"Recovery of costs incurred by the Local Authority in respect of maintained schools that convert to academy status. The charges will be reviewed annually and published in the Council's fees and charges schedule."

4.5 Pre Local Government Review (LGR) in April 2023, the former Cumbria County Council had a policy in place to charge schools that converted to academy status a fee as a contribution towards reasonable costs incurred by the Council. The fee covers officer time in respect of support for TUPE, finance, land, property and legal issues associated with conversions. This policy has continued to apply in Westmorland & Furness although since LGR there have been no academy conversions to date. The fees for academy charges are published in the Council's fees & charges schedule which is reviewed on an annual basis. The current fees are:

Community & Voluntary Controlled Schools	£8,702
Voluntary Aided & Foundation Schools	£3,482

4.6 The fees recognise that for voluntary aided and foundation status schools the Council is not the employer or landowner and therefore for these schools the work involved in TUPE, land, property and legal aspects is not incurred. Schools that convert to academy status will be invoiced.

4.7 The proposed amendment to the Scheme clarifies that there is a charging policy for maintained schools converting to academy status and allows the authority to recover reasonable costs.

Proposal 2

4.8 Following the Council's senior leadership restructure which came into effect from 1 July 2026 there is a requirement to update the job titles of senior officers in the Scheme. The updates are as follows:

Former Post	**New Post**
Director of Resources (Section 151 Officer)	Strategic Director of Resources (Section 151 officer)
Director of Children's Services	Strategic Director of Children's Services

Assistant Director – Education & Inclusion	Director of Education & Inclusion

4.9 It is proposed to consult all maintained schools and the pupil referral unit between 9-20 November on the proposed changes to the LA Scheme, the outcome of which will be brought back to Schools Forum at the next meeting on 20 January 2027 for consideration when the authority will be seeking Schools Forum (maintained school members only) approval for the amendments which will come into effect from 21 January 2027.

5.0 Options

5.1 Schools Forum are asked to note the proposed amendments and support the consultation with maintained schools.

6.0 Financial & Other Relevant Implications

6.1 Financial implications are considered throughout this report. No other implications have been identified.

20 May 2025

Appendices

1. Draft Westmorland & Furness LA Scheme for Financing Schools January 2027

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