



# Lancashire Schools Forum

## **Annual Report 2023/24**

April 2023 – March 2024



## Contents

	Annual Report 2023/24.....	2
<b>1.</b>	<b>Introduction.....</b>	<b>2</b>
<b>2.</b>	<b>Chair of the Lancashire Schools Forum.....</b>	<b>2</b>
<b>3.</b>	<b>School Budgets 2024/25 .....</b>	<b>2</b>
	3.1. Schools Block .....	2
	3.2. High Needs Block .....	3
	3.3. Early Years Block .....	3
	3.4. Central School Services Block.....	4
	3.5. Issuing Individual School Budgets .....	4
<b>4.</b>	<b>Service De-Delegations 2024/25.....</b>	<b>5</b>
<b>5.</b>	<b>Support for Schools In Financial Difficulty (SIFD).....</b>	<b>5</b>
<b>6.</b>	<b>Clawback of Excess Balances.....</b>	<b>6</b>



## 1. Introduction

The 2024/25 financial year brought further challenges to schools due to increased inflationary pressures on budgets. During this period, The Lancashire Schools Forum and its associated working groups considered a variety of reports and presentations on school funding and finance related matters.

This annual report sets out some of the significant issues dealt with by the Forum.

## 2. Chair of the Lancashire Schools Forum

Daniel Ballard, Headteacher at St Mary's and St Benedict's RC Primary School was elected as the Forum Chair. Stephen Booth, a governor at Ellel St John the Evangelist CE Primary School, remained as the Vice-Chair.

## 3. School Budgets 2024/25

Advising on the Schools Budget is a crucial responsibility of the Forum. On Lancashire's Gross 2024/25 Dedicated Schools Grant (DSG) allocation is £1,332.993m, including the academy recoupment. The 2024/25 figure is £118.752m higher than the previous year. This growth in funding is mainly due to increased funding of £56.5m received due to the extended entitlements of 2 year olds and under two's within the Early Years Block and increased funding nationally.

The key headlines from the 2024/25 budget setting process included.

### 3.1. Schools Block

Lancashire continues to use the National Funding Formular (NFF) methodology to calculate Schools Block budgets in 2024/25.

Allocations for Lancashire schools and academies, includes the additional Dedicated Schools Grant (DSG) funding announced by the Government, which equated to £59.6b nationally in 2024/25. The main changes to NFF formula factors arising from this additional funding are set out below.

- Mainstream Schools Additional Grant 2023/24 incorporated into the NFF.
- Introducing a new formulaic approach to allocating split sites funding in the National Funding Formula in 2024 to 2025, replacing the previous locally determined split sites factor.
- 1.4% to the following factors: basic entitlement, low prior attainment (LPA), FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility, sparsity, and the lump sum.



Following a consultation with schools and academies in Lancashire, through available local discretion in 2024/25, the following was agreed by the Schools Forum and the LCC Cabinet:

- The Minimum Funding Guarantee (MFG) was set at a +0.5%

In addition, the Government announced a minimum pupil funding levels for primary and secondary schools, which incorporate the 1.9% uplift for 2024/25:

- For primary schools, the minimum pupil funding level will be £4,610 per pupil
- For secondary schools, the minimum pupil funding level will be £5,995 per pupil

### 3.2. High Needs Block

The extra funding made available for high needs funding from April 2024 allowed the following increases in expenditure to be agreed:

- To support the increases in HNB expenditure to broadly match or exceed uplifts within the mainstream sector, including increasing the Weighted Pupil Numbers (WPN) rate across all school and FE settings by 2% to £5,440.
- increasing 'School Specific' allocations in special schools and PRUs by 2%; to match the Minimum Funding Guarantee (MFG) applicable in mainstream
- Inclusion Engagement Team cost of £294,042 in 2023/24 & 2024/25.

### 3.3. Early Years Block

Lancashire's Early Years funding for 2024/25 is a total of £143,990m, which is significantly higher than the 2023/24 allocation, due to the extended entitlements.

#### *3 and 4 year-old entitlement*

Due the increased funding Lancashire has received, the Lancashire base rate for 3 and 4-year-old entitlements is £5.41 per hour in 2024/25, an increase of £0.33 per hour from 2023/24.

The 2024/25 funding rate is therefore as follows:

2023/24 Base rate	£5.08 per hour
2024/25 DfE uplift	£0.27 per hour
2024/25 Additional funding from within the Early Years Block	£0.06 per hour
2024/25 Base rate	£5.41 per hour

#### *3- and 4-year-old Supplementary funding hourly rate for maintained nursery schools*

Lancashire will receive a £0.63 increase in the supplementary funding hourly rate for maintained nursery schools in 2024/25, which will be passed to the maintained nursery schools, providing a revised hourly supplement rate of £5.18 per hour.



### *2 year-old entitlement*

Following the Early Years 2024 25 funding announcements, the Early Years Working Group recommended that Lancashire adopts one single funding rate for 2-year-old entitlements, plus a deprivation supplement based on a similar mechanism that currently exists within the 3- and 4-year-old formula.

The Lancashire base rate for 2-year-olds was held at £7.10 per hour from April 2024, plus a deprivation supplement where necessary.

### *Under 2-year-old entitlement*

From September 2024, the base rate will be set at £9.51, plus a deprivation supplement based on a similar mechanism that currently exists within the 3- and 4-year-old formula.

### *Early Years Pupil Premium*

Lancashire will increase our early years pupil premium rate by 2p to 68p per hour, equivalent to up to £387 per eligible child per year, for 2024/25, in line with national announcements.

### *Disability Access Fund*

Lancashire will increase the disability access fund by £82 to £910 per eligible child per year for 2024/25, in line with national announcements.

### *Special Educational Needs Inclusion Fund*

Local authorities are now required to have a Special Educational Needs Inclusion Fund for all eligible 3 and 4-year-olds, 2-year-olds and under 2's (from September 2024) who are taking up the free entitlements, regardless of the number of hours taken. For 2024/25 the Lancashire fund will total £2.65m due to the increased demands and extended entitlements.

## **3.4. Central School Services Block**

This Block is used to fund central functions that local authorities carry out on behalf of pupils in state-funded maintained schools and academies in England. The Central School Services Block (CSSB) is split into funding for historic commitments and funding for ongoing responsibilities.

In order to protect some combined budget contributions that help support valued services to schools, the Schools Forum agreed to transfer £0.350m historic commitments into the High Needs Block, so funding can continue to be provided for MASH and Emotional Health and Wellbeing Service, as the DfE have cut the 'historic commitments' element of the CSSB.

## **3.5. Issuing Individual School Budgets**

Once Lancashire's proposals had been approved by the DfE, individual school budgets for 2024/25 were issued to schools on 20 February 2024.



## 4. Service De-Delegations 2024/25

Regulations require the Schools Forum to decide which services should be de-delegated each year. In October 2023, the Forum considered a number of de-delegation proposals. Primary and secondary members agreed by phase that a number of services would be de-delegated for the 2024/25 financial year. This means that for primary and secondary schools (but not academies) services will be provided centrally. A full list of de delegations agreed from April 2024 are:

- **Staff costs – Public Duties/Suspensions.** This de-delegation incorporates reimbursement to schools for staff costs associated with public duties and suspensions.
- **Heritage Learning Service - Primary Schools Only.** Provides funding for the work the Heritage Learning Service undertakes for primary schools to help meet the national curriculum and to support wider cultural learning.
- **Schools Requiring Additional Support.** Previously named Schools In Financial Difficulty. This funding allows support to be offered to schools in financial difficulty, which is managed by the School Improvement Group (SIG) against published eligibility criteria.
- **Primary Inclusion Hubs.** This de-delegation continues to support Inclusion activities of primary schools in each district to reduce exclusions and improve attendance for pupils at risk of exclusion, including providing high quality training for staff in schools and sharing share good practice and expertise.
- **Children's Champions.** To support young people at risk of exclusion and those who are struggling to attend and work as an advocate for the child to support breakdown of relationships with schools.

As always, the Forum is very grateful for the consultation responses and comments from colleagues in schools and academies that help to shape and steer the Forum's decisions and recommendations. 156 responses were received from schools in response to consultations about the school funding arrangements for 2024/25.

## 5. Support for Schools In Financial Difficulty (SIFD)

38 schools ended the 2023/24 financial year in deficit, compared to 42 schools a year earlier. A number of schools returned to surplus during the year through the delivery of budget recovery plans. The overall school balances have decreased from c£73m to c£70m, an overall reduction of £3m.

The Forum continues to work with the LA to support schools that are in, or may be heading towards, financial difficulty. This includes monitoring the financial outlook of schools on the Schools in Financial Difficulty category warning system for maintained schools, issuing early warning letters to offer a 'heads-up' that financial pressures may be mounting and using the agreed SIFD procedures to provide additional support to some schools.



## 6. Clawback of Excess Balances

In July 2023, the Schools Forum voted to reintroduce Clawback at 31<sup>st</sup> March 2024. As a result, 12 schools held excess balances above the clawback policy guideline.

Full details of all Schools Forum business are available from the Schools Forum [website](#).

For any queries, please email [schoolsforum@lancashire.gov.uk](mailto:schoolsforum@lancashire.gov.uk)

