

Item 8

Recommendations of the High Needs Block Working Group

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Brief Summary

On the 24 September 2024, the High Needs Block Working Group considered several reports, including:

- **High Needs Block Funding 2025/26**
- **High Needs Funding Presentation**
- **High Needs Block Monitoring 2024/25**
- **SEND Programme**
- **Early Years Educational Health Care Plan Funding**
- **Clawback Exemption Request**
- **Core Schools Budget Grant 2024/25**
- **High Needs Block Central Expenditure 2025/26**
- **Lancashire Hospital Education Service Annual Report**
- **Scheme for Financing Schools in Lancashire 2024/25 Consultation Responses**

A summary of the information presented, and the Working Group's recommendations are provided in this report.

Recommendations

The Forum is asked to:

- a) Note the report from the High Needs Block Working Group held on 24 September 2024.
- b) Ratify the Working Group's recommendations.

Detail

On 24 September 2024, the High Block Working Group considered several reports. A summary of the information presented, and the Working Group's recommendations are provided below:

8.1 Matters Arising

Officers raised one item of matters arising.



PRU Intervention Cap

Matt Dexter confirmed a proposal had been considered at the recent PRU headteacher meeting. A finalised proposal will be presented at the next High Needs Block Working Group in November.

The Working Group:

- a) Noted the update.

8.2 High Needs Block Funding 2025/26

The working group noted that across government, budgets for 2025-26 are yet to be finalised due to the change in government, this includes the 2025-26 Schools' Budget. Therefore, the ESFA has not been able to publish the schools and high needs operational guides in July as per normal practice.

The ESFA have stated that the annual funding cycle will differ from previous years. New timelines will be confirmed following decisions on the core schools budget settlement for 2025-26.

Schools Forum will be updated once the schools and high needs operational guidance is published by the ESFA.

Members were also made aware that this delay may impact the Authorities timescales.

The Working Group:

- a) Noted the report.

8.3 High Needs Funding Presentation

The working group received a presentation from Matt Dexter, Senior Schools Finance Accountant. This presentation will be presented at Schools Forum, Item 7.

The Working Group:

- a) Noted the presentation.
- b) Members noted concerns around the national High Needs Block funding arrangements, in particular the historic spend factor.
- c) Thanked Matt Dexter.

8.4 High Needs Block Monitoring 2024/25

The working group was presented an updated High Needs Block Monitoring report.

The report was for the April to August 2024/25 period, this showed the High Needs Block budget is currently forecasting a circa £15.7m overspend at 31 March 2025.

The monitoring is an estimate of the full year forecast, based on expenditure that has occurred in the period between April 2024 to August 2024.

There remains significant ongoing financial pressure facing this block and the Dedicated Schools Grant reserve as the demand and costs continue to rise.

The Working Group:



- a) Noted the report.

8.5 SEND Programme Update

Paul Turner, Director of Education, Skills and Culture, provided a verbal update at the working group around the SEND Programme developments. Since the last update the service is continuously reviewing the place planning process and looking at ways to increase specialist provision across the county. Improvements have also been made to the SEND helpline to streamline calls and prioritise calls from schools. A staffing update was also provided, the service has recently recruited a number of agency and permanent members of staff.

Communication on the programme developments will be shared with schools shortly in the Inclusion Sway. Schools can access this via the Education Bulletin.

The Working Group:

- a) Noted the update.

8.6 Early Years Educational Health Care Plan Funding

The working group considered a report outlining a proposal to transfer the funding of early years Educational Health Care Plans (EHCP) from early years to the high needs block.

The high needs block funding supports provision for pupils and students with SEND who require additional resources to participate in education and learning, from their early years to age 25 in schools and colleges (excluding students aged 19 to 25 who do not have an EHCP or students who are over the age of 25) and pre-16 pupils in AP who, because of exclusion, illness, or other reasons, cannot receive their education in mainstream schools. Children aged 0 to 5 with more complex needs and those with an EHC plan are also eligible to receive funding via the high needs block of the DSG.

All local authorities are therefore required to establish a SENIF in their local funding systems for eligible children with SEN taking up any of the free entitlements, regardless of the number of hours taken. This fund supports local authorities to work with providers to address the needs of individual children with low level or emerging SEND. The structure also supports local authorities to undertake their responsibilities to strategically commission SEN services as required under the Children and Families Act 2014. Local authorities can establish their SENIF using funding from either one or both of their early years block and high needs block of the DSG.

Currently in Lancashire, funding for Early Years EHCP's and the SENIF Inclusion Fund has been funded through the Early Years Block. The LA is proposing to move the EHCP expenditure to the High Needs Block in 2024/25. Future funding will be budgeted from the High Needs Block budget as part of the annual school budget setting process.

Expenditure for the previous financial year and the 2024/25 expenditure to date is provided below;



2023/24	
Inclusion Fund	£810,266
Early Years EHCP's	£648,388
2024/25	
Inclusion Fund	£295,903
Early Years EHCP's	£321,087

The Working Group:

- a) Noted the report.
- b) Supported the proposal to fund Early Years Educational Health Care Plans from the High Needs Block in 2024/25 and in future years.

8.7 Clawback Exemption Request

The Schools Forum unanimously voted to implement the Clawback Policy to balances at March 2025. This has continued to raise a particular issue for one Lancashire Special school and the views of the working group were sought on a request to exempt the school from clawback in 2024/25.

The special school provides Post 16 places which are funded through individual NHS or social care packages. Upon opening the centre in 2019, the school were advised from Officers that this funding is required to sit within the School Budget for accounting purposes and would not be subject to Clawback as the funds are not funded through the education budget.

In 2024, the LA requested the school submit a Clawback exemption request to formalise this agreement at 31 March 2025. The school submitted supporting information for this request which was presented at the working group.

The Working Group:

- a) Supported the Clawback Exemption Request for the Lancashire Special School and recommended this for approval at Schools Forum.

8.8 Core Schools Budget Grant 2024/25

In July 2024, the ESFA announced almost £1.1 billion additional funding through the Core Schools Budget Grant (CSBG) to support schools with their overall costs in the 2024 to 2025 financial year, in particular following confirmation of the 2024 teacher pay award.

Mainstream school allocations will be determined by the ESFA, Special and PRU allocations are subject to local decision. The ESFA have confirmed the authority will be funded at £610 per place allocation for Special and PRU schools. Therefore, the authority will allocate funding per place to Special and PRU's to mirror the grant received.

Funding will be based on 2023/24 academic year commissioned places, at £610 per place. As the initial funding the local authority will receive will be based upon the agreed commissioned places for 2023/24, initial allocations to providers in the Autumn term will be based on 2023/24 commissioned places. This will then be adjusted in March 2025, based on the 2024/25 academic year commissioned places.



It is anticipated that from 2025/26 onwards the funding will then be rolled into the core budget allocation as part of the high needs national funding formula.

The Working Group:

- a) Noted the information.

8.9 High Needs Block Central Expenditure 2025/26

This item is covered under Item 7 on the agenda.

8.10 Lancashire Hospital Education Service: Annual Report Academic Year 2023/24

Members will be aware that the Lancashire Hospital Education Service (LHES) is a centrally managed service that is funded from the DSG High Need Block. In Financial Year 2023/24 the service was allocated £1.3m.

The aim of the service is to provide access to high quality education that is appropriate to the child's needs and to support them to return to school or college as soon as they are well enough to do so.

The service is delivered in a number of settings:

- ELCAS: located on Burnley Hospital site:
- The Cove: located in Heysham.
- Hospital Classrooms at Royal Preston and Lancaster General Hospitals
- Home Teaching.

Each setting completes an annual report and a summary is produced by Audrey Swann, Head of Virtual School for CLA and previously CLA and Hospital Education Service.

A copy of the report was presented at the working group.

The Working Group:

- a) Noted the report.

8.11 Scheme for Financing Schools in Lancashire 2024/25 Consultation Responses

The working group reviewed the Scheme for Financing Schools consultation responses. The School Standards and Framework Act 1998 requires local authorities to publish a scheme for financing schools, which details the financial relationship with the maintained schools in the council. Any amendments to schemes must be the subject of consultation with all schools and be approved by the Schools Forum.

In March 2024, the DfE issued a 16th update to Statutory Guidance on schemes, which amended the guidance for the 2024 to 2025 financial year. In addition to some minor edits to wording, the main change highlighted by the DfE is that in the 'Borrowing by schools' section to reflect the introduction of the International Financial



Reporting Standard 16 (IFRS16) and the Secretary of State providing blanket consent to certain categories of finance lease.

The main changes to the scheme incorporate the updated DfE guidance as noted above in section 3.6. In addition, the Authority has amended section 4.2 'Controls on surplus balances' in light of the recent implementation of clawback. The Authority has also reviewed the Lancashire scheme to refine the document and reference the latest DfE guidance where necessary.

A revised draft Lancashire Scheme, incorporating the proposed DfE can be viewed [here](#).

On 10 July 2024, the county council issued a consultation with maintained schools, seeking views on the proposed scheme changes and provided an eform to facilitate responses. 29 responses were received in the consultation and an analysis is provided below:

Do you support the changes to the Lancashire scheme for financing schools that are being introduced as a result of the updated DfE scheme guidance?		
Yes	20	69%
No	1	3%
Not Sure	8	28%
Total	29	100%

As can be seen, 69% of responses supported the proposed amendments, 3% responses opposed and 28% unsure.

Comments received from schools during the consultation period:

It is the very end of term, you expect me to take in a lengthy document that I don't understand? I think it is disgraceful. I recorded teams meeting would've been more helpful so that HTs can make an informed decision.

I am new to the role of School Business Manager I am in support of the scheme amendments as I would like to believe that you have taken experience and knowledge available to ensure they will be in the best interest of schools.

I do not agree with schools being subject to clawback on budget balances. As a Headteacher of a school with a volatile pupil roll due to high levels of transience, the clawback system penalises the school for planning effectively for changes in future pupil numbers.

The Working Group:

- a) Noted the report and consultation responses from schools.
- b) Supported the proposed amendments and recommended the scheme for publication.

