

**Wednesday 16<sup>th</sup> October 2024, 10.00 am in the Savoy Suite, The Exchange,  
County Hall, Preston**

**Present:**

**Primary School Governors**

Stephen Booth (*LSF Vice-chair*)  
Gerard Collins  
Lindy King  
Michael Nolan  
Robert Waring  
Tim Young

**Primary School Headteachers**

Daniel Ballard (*LSF chair*)  
Neil Gurman  
Sarah Robson  
Carl Roscoe  
Kirsty Sutton  
Anna Yates

**Secondary School Governors**

Janice Astley  
Brian Rollo

**Secondary School Headteachers**

Ivan Catlow  
Jan Marshall  
Racheal Wilson

**Academy Primary Principal**

Mary Lyle

**Academy Secondary Principal**

Steve Campbell (*SB chair*)  
James Keulemans

**Special School Governor**

Mandy Howarth

**Nursery School Headteacher**

Jan Holmes

**PVI Members**

Sharon Fenton  
Philippa Perks (*EY chair*)  
Hilary Sharples

**Alternative Provision Academy Head**

Stephanie Carter

**Short Stay Governor**

Sharon Bennett

**Voting Members**

Rosie Fearn  
George Krawiec  
Bill Mann

**Observers - Non-Voting Representatives**

Alison Day  
Paula Evans  
Rafeal Schiel  
Sarah Troughton  
Kate Walker  
Ian Watkinson

**Officers in Attendance**

Martine Blokland  
Matt Chipchase  
Elaine Culet  
Alex Cullingford  
Matthew Dexter  
Helen Green  
Sapphire Murray



**Special School Headteacher**Claire Thompson (*HN chair*)

Toni Rafferty

Khadija Saeed

**1. Attendance and Apologies for Absence**

Apologies were received from the following members, Sarah Barton, Abigale Bowe, Ivan Catlow, Kathleen Cooper, Thelma Cullen, John Davey, Gill Donohoe, Oliver Handley, Rebecca Lindley, Sarah McGladrigan, Millie Parkinson, Lorimer Russell-Hayes, Helen Shaw, John Tarbox and Sam Ud-din.

**2. Substitute Members**

Hilary Sharples attended as a substitute for Sarah McGladrigan and Racheal Wilson attended as a substitute for Oliver Handley.

**3. Forum Membership**

This report provides information on Forum membership issues that have arisen since the last Forum meeting. Details are provided below.

*Annual Membership Review*

As part of the annual membership review process, several members left the Forum at the end of the 2024/25 academic year, with the thanks of their colleagues, and several new appointments have been made from September 2024.

The Forum will wish to welcome the following new members to their first meeting:

*Primary School Governors*

- Steven Broomhead, St Mary's Catholic Primary School

*Academy Primary School Governors*

- John Davey, All Saints CE Primary School

*Primary School Headteacher*

- Carl Roscoe, St Thomas the Martyr CE Primary School

*Academy Primary School Headteacher*

- Mary Lyle, Holy Trinity RC Primary School

*Catholic - Diocesan/Church Authorities*

- George Krawiec

The Forum will also wish to welcome Alex Cullingford, temporary Schools Forum Clerk from January 2025.

We currently have the following vacancies which we are seeking representative for;

- Academy Primary School Governor
- Academy Primary School Headteacher
- Academy Secondary School Governor

**The Forum:**

- a) Noted the report.**



**b) Welcomed new members.**

**4. Minutes of the Last Meeting**

The minutes of the last meeting held on 2<sup>nd</sup> July 2024, were agreed as a correct record.

**5. Matters Arising**

To consider any matters arising from the minutes of the meeting held on 2 July 2024 that are not covered elsewhere on the agenda.

Officers raised the following items from matters arising.

*Teachers' Pension Update*

At a previous meeting, members raised concerns around the teachers' pension system. The latest update from the service was provided at the meeting. The monthly data files for the period December 2022 to December 2023 have now been submitted and accepted by Teachers Pension. If you are a member of this scheme you will now be able to view this service history on your Teachers Pension online accounts.

There are, however, a small number of errored records each month. The service prioritised updating all of the outstanding service by early October, the errored records will be corrected and submitted once all of the outstanding monthly files have been uploaded. If you do not see any updates to your service from November 2022, it is because they will be an errored record. A further update is expected shortly.

*School funding update*

The ESFA has recently confirmed they intend to publish notional NFF allocations for schools and all supporting documents on the NFF (including the schools operational guide and NFF technical note) for 2025 to 2026 as soon as possible following the budget announcement on 30 October 2024. The dedicated schools grant (DSG) allocations will then be published in December 2024.

*De-delegation and School Funding Consultation update*

Due to the delayed funding announcements, members noted the consultation has been delayed. It was noted that the consultation will be issued to schools as soon as possible. Forum members agreed to encourage schools to be actively involved in the consultation ahead of the Schools Forum vote, which is anticipated to be later in the autumn term.

**The Forum:**

**a) Noted the information.**

**6. High Needs Funding Presentation**

Matthew Dexter, Senior Schools Finance Accountant, provided a High Needs Funding presentation to members. This highlighted the ESFA funding methodology to local authorities and the increasing demand on the block. Members raised concerns around the historic spend factor. This factor provides 26% of the High Needs Block allocation and is funded based on 50% of the expenditure within 2017/18. There is a significant increase in demand on the High Needs Block budget



when compared to 2017/18 expenditure. There was a robust discussion on how members can elevate this concern on a wider level.

**The Forum:**

- a) **Noted the information.**
- b) **Thanked Matthew and colleagues for their work on the presentation.**
- c) **Requested this presentation be shared by alternative channels.**

**7. High Needs Central Expenditure**

The Forum will be aware that the funding for the Emotional Health and Wellbeing Commission Service and the Multi-Agency Safeguarding Hub (MASH) was transferred to the High Needs Block in 2022/23, as the DfE were reducing the historic commitments costs included in the Central School Services Block (CSSB).

For 2024/25, £350k was included in the HNB budget. This is £200k for the Emotional Health and Wellbeing Commission Service and £150k to the MASH service. A similar allocation will be included in initial budget proposals for 2025/26 if formally approved by members.

The High Needs Block Working Group considered the services' annual reports on 24 September 2024 and a robust conversation took place. Overall, members value the services schools receive. Due to the financial pressures on the DSG (Dedicated Schools Grant), members of the Working Group took a vote on both services continuing to receive funding from the DSG annually. Whilst both services were valued, members recommended that this is removed from the DSG in 2025/26.

A summary of the Working Group vote is provided below;

<u>Services to continue to receive funding from the DSG</u>		
Yes	No	Abstain
Emotional Health and Wellbeing Commission Service		
0	4	7
Multi-Agency Safeguarding Hub (MASH)		
1	8	2

Following the request of the High Needs Block Working Group, officers from the services attended to make representation of services prior to a formal vote. Martine Blokland and Matt Chipchase attended representing the Multi-Agency Safeguarding Hub and Helen Green represented the Emotional Health and Wellbeing Commission Service.

Members discussed the increase in demand on the High Needs Block and DSG reserves going forward. Alternative funding streams were discussed however these do not fall under the Schools Forum remit.

**The Forum:**

- a) **Noted the information.**



- b) Thanked officers for attending.
- c) Members unanimously voted to remove the funding for the Emotional Health and Wellbeing Commission Service.
- d) Members unanimously voted to remove the funding for the Multi-Agency Safeguarding Hub.

## **8. Recommendations from the High Needs Block Working Group**

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*

Matthew 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.

**The Forum noted the information.**

### **8.2 High Needs Block Funding 2025/26**

An update was provided under Matters Arising, item 5.

### **8.3 High Needs Funding Presentation**

This presentation was presented as Item 6 on the agenda.

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 Matthew Dexter.

### **8.4 High Needs Block Monitoring 2024/25**

The Working Group was presented an updated High Needs Block Monitoring report.

The report included actuals from April to August 2024, this showed the High Needs Block budget is currently forecasting a circa £15.7m overspend for 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.

**The Forum noted the information.**

### **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 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.

**The Forum noted the information.**

### **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. Children aged 0 to 5 with more complex needs and those with an EHCP 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;



<b>2023/24</b>	
Inclusion Fund	£810,266
Early Years EHCP's	£648,388
<b>2024/25</b>	
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.

**It was noted that the HNB also supported the proposal.**

**The Forum:**

- a) **Ratified the Working Groups' recommendation.**

### **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 19 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.

**The Forum:**

- a) **Ratified the Working Groups' recommendation.**

### **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.

**It was noted that the HNB also supported the proposal.**

**The Forum 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.

A copy of the report was presented at the Working Group.

The Working Group:

- a) Noted the report.

**The Forum noted the information.**

### **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%
<b>Total</b>	<b>29</b>	<b>100%</b>

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

The Working Group:

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

**It was noted that the Schools Block and Early Years Block also supported the publication of the scheme.**

The Forum:

- a) **Ratified the Working Groups' recommendation.**

## **9. Recommendations from the Schools Block Working Group Pages 35 - 46**

On 1 October, the Schools Block Working Group considered several reports. A summary of the information presented, and the Working Group's recommendations are provided below:

### **9.1 SEND Programme**

A verbal update was provided at the Working Group by Aby Hardy, a summary of the update was provided under the High Needs Block Recommendations.

### **9.2 Schools Block Funding Arrangements 2025/26**

An update on the delayed funding announcements was provided under Matters Arising, item 5.



Furthermore, Members of the Working Group considered the use of reserves to set the Schools Block budget for 2024/25 and reviewed a possible proposal to mitigate the deficit in future years.

Below is a reminder of the high-level blocks of funding which we passport to schools. It should be noted that on the £1.3b, 99.6% is deployed to schools or commissioned educational services with only 0.4% agreed by way of de-delegation.

#### Final Dedicated Schools Grant (DSG) Expenditure Budget 2024/25

Forecast Dedicated Schools Grant Expenditure	£m's
Schools Block	979.184
High Needs Block	202.146
Early Years Block	143.989
Central Schools Services Block	8.829
Total deduction for national school's non-domestic rates	-1.275
Total deductions for direct high needs payments made by the Education & Skills Funding Agency	-9.734
Total forecast Dedicated Schools Grant Expenditure	1,323.139

The budget was approved by cabinet on the 18th of January meeting and ratification from the DFE was received in February 2024 with a balanced Dedicated Schools Grant funding position in 2024/25, subject to the planned use of £1.154m of DSG reserves to mitigate transitional pressures in the Schools Block budget, this is in addition to the £1.8m shortfall in 2023/24 of which DSG reserves was also used to set the 2023/24 budget.

Modelling has been carried out to balance our schools block in 2025/26 without the use of DSG reserves. This will mean we will be unable to passthrough the full increase in funding within the basic entitlement element within the National Funding Formula. An overview of the modelling based upon the 2024/25 schools block funding is provided below.

In 2024/25, the ESFA increased the following NFF factor values by 1.4%; 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, all of which was passed onto schools in full.

Modelling showed that if an increase of 1.2% was applied to the basic entitlement in 2024/25, the 0.2% would equate to a saving of £1,057,252 which would've largely offset the Schools Block deficit.

The 0.2% of funding across all schools equated to an average of £1,875. For primary schools the average impact is £1,020 and for secondary's is £6,873. In addition, the modelling shows that the impact for 28 primary schools would be £500 or less.



The schools block operational guidance states local factor values within 2.5% of the respective NFF values are deemed to be mirroring the NFF. Overall, the passthrough rate of funding will be 99.81%, which is 0.2% of one factor value and within the NFF regulations.

Once the 2025/26 Schools Block operation guidance is released, this will be modelled on the factor values and then presented at the next Working Group. It is anticipated to be finalised for the next Schools Block Working Group on 3 December 2024.

If there is any headroom remaining, we will consult with schools to transfer this across from Schools Block to the High Needs Block. A HNB presentation will be presented at the Schools Forum on 16 October which will highlight the main pressures and the forecast for future years.

It was confirmed at the Working Group that changes to the pass-through rate of factor values would impact all maintained mainstream schools and academies.

The Working Group:

- a) Noted the update on the Schools Block Budget 2025/26
- b) Noted the Schools Block 2025/26 proposal based on the 2024/25 factor values and the modelling presented.

**The Forum noted the information.**

### **9.3 Service De-delegations 2025/26**

At this point, it is anticipated that the school funding framework will continue to allow service de-delegations in 2025/26. Funding for de-delegated services must be allocated through the schools block formula but can be de-delegated for maintained mainstream primary and secondary schools.

De-delegations must be approved on an annual basis by the Forum and be subject to consultation with maintained primary and secondary schools.

In previous years, the de-delegation consultation would be issued to schools in September to allow Schools Forum to consider the responses and formally vote during the October Schools Forum meeting. Due to the ESFA delaying the summer term schools block and high needs block operational guidance, the consultation is therefore postponed. Once the ESFA have published the guidance, the consultation will be issued to schools and updates will be provided to Schools Forum.

In 2024/25, the Forum formally approved 5 service de-delegations, relating to:

- Staff costs – Public Duties/Suspensions
- Heritage Learning Service – (Primary Schools Only)
- Schools Requiring Additional Support
- Inclusion Hubs (Primary Schools Only)
- Children's Champions



There are no fundamental changes to the de-delegation proposals in 2025/26. Per pupil have increased and costings are included in the meeting papers.

Relevant de-delegations were also offered to nursery schools, special schools and PRUs as pooled services buy-backs.

### **1. Staff costs – Public Duties/Suspensions**

Members will be aware that in recent years the 'Staff costs – Public Duties/Suspensions' de-delegation proposals included various options around the treatment of trade union duties, including:

- a) Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation using the existing policy
- b) Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation but with a reduced Trade Union Facilities Time contribution to reflect a smaller workforce
- c) Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation but without any Trade Union Facilities Time contribution
- d) Completely discontinue the 'Staff Costs - Public Duties/Suspensions' de-delegation

In considering this de-delegation each year, the Forum has also asked for information arising from an annual review of the trade union facilities time agreement and the latest report, which has been produced by Schools HR colleagues.

The de-delegation rate for 2025/26 will increase by 8% to reflect the teachers' pay award over the past two financial years.

Primary	£5.77
Secondary	£6.62

### **2. Heritage Learning Team - Primary Schools Only**

The Schools Forum have historically supported the work the Heritage Learning Team undertakes for primary schools to help meet the national curriculum and to support wider cultural learning and learning outside the classroom.

It is again proposed to consult on the continued de-delegation of this service for 2025/26, at the same level as currently de-delegated of £1.97 per pupil, in the primary sector only.

### **3. Schools Requiring Additional Support**

The de-delegation arrangement is aimed to support schools in financial difficulty where additional support is deemed necessary for staffing reorganisations (HR), Intervention support (MIT) and finance support (SFS) based on a set of long-established principles. It aims to encourage schools to operate on a self-managing, self-sustaining strategy with schools in the worst situation receiving the greatest support, but still contributing, with those schools which take early preventative action also entitled to support based on a RAG rating system.

The proposed de-delegation rate for 2025/26 will reduce to reflect the reserves held.

Primary	£2.00
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Secondary	£3.00
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#### **4. Inclusion Hubs – Primary Schools Only**

The LA is also proposing to continue with de-delegation proposals for Primary Inclusion Hubs for 2025/26. De-delegation of funding to support Inclusion Hubs was first agreed by the High Needs Block Working Group in October 2019.

The purpose of these Inclusion Hubs was to promote inclusion and reduce exclusions in mainstream primary schools through the creation of:

- Local training and collaboration networks
- Local systems for advice and support
- Networks to support inter-district collaboration

Schools within each district develop a local response to the particular challenges encountered within their geographical area. It is also the case that different approaches have been adopted to reflect the resources available within a particular district and which included for example support from neighbouring pupil referral units/short stay schools, special schools and other service providers.

A Cross-District Inclusion Hub Leads and professional's hybrid meeting is scheduled to take place on 13<sup>th</sup> November at 1pm and Forum members are invited to attend.

The proposed de-delegation rate in 2025/26 is increased to £11.50 per pupil due to the rate remaining static since 2020/2021.

#### **5. Children's Champions**

The children's champions enable schools to gather young people's voice when they were struggling to access mainstream education. This could be if they were at risk of permanent exclusion, breakdown of a relationship with school leading to non-attendance, working with families where they are considering home education but this may not be in the best interests of the child and assisting in reintegrating some of our children missing education cohort who are often new to country/area and therefore may need extra support on transition into school. Their work has been in all sectors primary, secondary, PRU and special. 50% of their referrals for support come from schools and 50% from wider agencies flagging up the need for support.

This de-delegation supports 4 additional children's champions to maintained schools only and posts to provide administrative support for these posts and the inclusion hubs.

- 4 Grade 9 Children's champions brokering support and supporting children across Lancashire for maintained schools
- 1 Grade 5 administrative post to manage the administrative work and reporting of the inclusion hub and Children's champions work

The de-delegation rate in 2025/26 will increase by 5% to reflect the teachers pay award over the past two financial years.



Primary	£1.58
Secondary	£2.63

The Working Group considered the 2025/26 proposals and discussed key issues. Members reiterated some concerns about inconsistency in the inclusion hubs across the district and the need for the sharing of best practice and the development of key performance indicators to be available to measure the outcomes of hubs across different districts. Mike Mitchell, Inclusion Hub headteacher lead attended the meeting to provide feedback from the inclusion hubs. Officers confirmed the de-delegation funded business support officer is now in place to support the functions of the Inclusions hubs and the data collection going forward. It is anticipated that this will improve the data quality and reporting. Members were encouraged to outline the Schools Forum data requirements for future reports. A Cross-District Inclusion Hub Leads and professional's hybrid meeting is scheduled to take place on 13<sup>th</sup> November at 1pm and Forum members are invited to attend

The Working Group:

- a) Noted the report.
- b) Thanked Mike Mitchell for their attendance at the meeting.
- c) Supported the proposals for 2025/26.

**The Forum noted the information.**

#### **9.4 Private Finance Initiative Funding 2025/26**

The Working Group considered the Private Finance Initiative funding update for 2025/26. PFI schools are state schools that are owned and managed by the private sector during a set contract. The idea was the private sector would fund the construction and upkeep of the buildings. The intention was that schools would benefit from new facilities and improve educational standards. The first PFI school opened in 1999, and more than 900 have opened since then, but the concept was scrapped in 2018.

The schools are locked into contracts that are subject to charges which increase by the Retail Price Index annually.

All local authorities are required to have an affordability model for their respective PFI contracts to manage the finances relating to those contracts. In accordance with the Schools Block Operation Guidance for 2024/25, all local authorities using the PFI factor are required to share their PFI affordability modelling with the ESFA. During this recent process, the ESFA confirmed that the annual funding increase within the DSG premises factor will be based on the Retail Price Index published in the guidance and will not be funded above inflation.

For 2024/25 this was funded as the 2023/24 PFI premises factor as given on the 2023/24 APT and uplifted in line with RPIX growth from April 2022 to April 2023 (10.4%).



The increase funded to schools within budget shares was 11.05%. This generated a funding gap of £33,076 in 2024/25 which was funded through the DSG reserve.

The current forecast indicates that this funding gap will increase in 2025/26. This is currently estimated at £277,381. With the DSG reserve being fully utilised in the 2024/25 financial year the DSG will no longer be able to fund this gap.

Schools affected by this will be contacted by the authority once the 2025/26 schools block operational guidance is released.

The Working Group discussed the impact on schools. It was noted at the meeting that this would impact schools with PFI contracts which is a small number of schools in the authority. It was confirmed that schools would therefore need to meet any additional costs above the ESFA stated RPIX rate which will be published in the 2025/26 Schools Block Operational Guidance.

The Working Group:

- a) Noted the report.

**The Forum noted the information.**

### **9.5 Exceptional Circumstances Factor Disapplication Request 2025/26**

The ESFA have confirmed the 2025/26 Schools Block Operational Guidance continues to allow for an exceptional circumstances factor to be included in the formula. The exceptional circumstances factor must relate to premises costs and is only applicable where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the local authority's area.

This factor has been utilised by Lancashire for several years and in 2024/25, supported 3 schools for a 'rents' payment where the schools needed to rent premises to deliver the curriculum. In 2025/26, the LA is also proposing to submit a request for a Secondary school for rental expenditure to meet the demands of their expanding pupil numbers. This request is supported by the LA.

The 4 schools involved will continue to rent premises in 2025/26 and initial modelling indicates that the criteria for the value of the factor to be more than 1% of a school's budget and applicable to fewer than 5% of the schools in the area are still met.

The ESFA will confirm the disapplication deadline to submit applications for exceptional circumstances when the funding timetable is announced.

The Working Group was asked to support the disapplication to the DfE to request the continued use of an Exceptional Factor in the Lancashire formula, to provide allocations to 4 schools to cover the costs of renting premises for the schools.

At the Schools Forum on 16 October 2024 members will be asked to formally vote on supporting the submission of disapplication request to the DfE, as this will form part of the disapplication request.

The Working Group:



- a) Supported the disapplication to the DfE to request the continued use of an Exceptional Factor in the Lancashire formula, to provide allocations to 4 schools to cover the costs of renting premises for the schools.

#### **The Forum:**

- a) **Ratified the Working Groups' recommendations.**

### **9.6 National Non-Domestic Rates**

The Working Group considered a report around National Non-Domestic Rates (NNDR).

#### *NNDR Schools Block Deficit*

In 2022/23 DfE announced that schools business rates will be paid nationally by the ESFA to billing authorities directly on behalf of 'all state funded schools'.

This was predominately aimed at schools block funded establishments, where school business rates appear as a factor in the funding formula. Special schools are already exempt from business rates and maintained nursery schools have been deemed outside the scope of these national arrangements by the DfE.

In 2 tier local authority areas (like Lancashire), all billing authorities need to agree to implement the NNDR changes before they are introduced and if mutual consent is not reached it will not be possible for any billing authority to adopt the revised payment process.

The ESFA have confirmed that four out of the twelve districts in Lancashire have opted in to receiving NNDR directly from the ESFA. The Local Authority is currently alerting all billing authorities of the implications on the Schools budget if Lancashire do not collectively agree to implement the NNDR changes.

Over the past two financial years, the impact of this has been an overall deficit of £597,590. Due to the pressures on schools block and DSG reserve, this deficit is not sustainable.

DfE have requested local authorities to confirm the payment process they will be implementing for April 2025, by January 2025.

A letter on behalf of Schools Forum from Daniel Ballard, Schools Forum Chair, will be distributed to the district councils Chief Finance Officers at their next meeting. This letter was shared to members of the Working Group.

#### *2024/25 Rates Funding*

Following the application of the new rating list in 2023, coupled with transitional arrangements, it has become apparent that there are some discrepancies between the estimated and actual figures.

For most Schools this will be a relatively small difference, however in a small number of cases Schools may notice a substantial increase in rates. In these cases, relief is available through the Schools Forum policy if the criteria is met.





The Schools Forum Rates Reimbursement Policy, allows schools to claim for additional rates funding if they meet the criteria. This policy will apply to schools affected by the discrepancy. This schools will be notified of this and will receive additional rates funding shortly.

The Working Group noted the updates and offered support to make district authorities aware of the impact on schools funding this is causing.

The Working Group:

- a) Noted the report.

**The Forum noted the information.**

### **9.7 Schools in Financial Difficulty Bids**

Information was provided about two Schools in Financial Difficulty bids relating to two Lancashire primary schools that have fallen into deficit budget positions. Budget recovery plans have been agreed by the schools management and governors, and incorporates a number of components, which were shared with the group. On 17 September 2024, the School Improvement Group formally approved both Schools in Financial Difficulty Bids.

It was noted that the county council only submits a request to the Forum for a bid for one off support when there is confidence that any agreed funding will assist the school to return to a sustainable surplus position.

The Working Group:

- a) Noted the information provided.
- b) Recommended the allocation of £38,767 from the Schools Requiring additional Support budget for the two Lancashire primary schools.

**The Forum noted the information.**

### **9.8 Redistribution of Welfare Officer Service Funding**

The Working Group considered a report on the redistribution of the Welfare Officer funding.

There has been an historic agreement for eight years to fund attendance support through the central schools block. Primary schools chose to use this funding to fund the team of attendance support workers. Up until 2023 this team provided case work for primary schools. Secondary schools decided that the funding should be allocated directly to the schools via a formula linked to deprivation and pupil numbers.

As more schools have become academies, the allocated funding has become larger for each secondary school. In September 2023 Working Together to Improve Attendance guidance was published. This insists that local authorities must provide advice and support through an attendance team to all schools. This means that the funding originally assigned for primary schools for case work is funding attendance support for all schools. Therefore, due to the changes in statutory guidance, this historic agreement is no longer fair to all schools. Secondary schools receive between £8k - £30k a year to support their attendance.



Schools have also been asking the council to create a service to be able to provide attendance staff to provide case work support. Other councils are able to offer this as a traded service, this is because their attendance staff perform other functions. For example, 3 days a week will be traded work but the rest of the week they will also perform EHE/CME duties. This isn't possible with our current team as we only have 15 members of staff for 629 schools. It would cost schools around £7000 per day (potentially 3 cases/children per day) in order to fully fund an attendance support worker which is not sustainable.

Therefore, the proposal is to use the funding that was assigned to secondary schools to fund a 'case work attendance service' based on need. This means that those schools we identify as requiring case work, those in the most deprived areas, those with high numbers of persistent absence, would receive excellent quality case work for a new team. This will also be available for all schools and not just maintained schools.

For £576k, we could fund ten attendance case workers and one manager to line manage them. Each case worker could work ten families a week and serve 5 schools a week.

Initially if schools block agrees, we would meet with the secondary schools impacted to discuss this further and how we can support them with this transition. However, most of these schools who already receive this funding at the moment, are likely to be those able to access case work. The benefit of Lancashire performing case work rather than other agencies or internal school staff means there is a level of independence that can sometimes be helpful in supporting relationship breakdown between families and schools. It also means that the preparatory case work leading up to prosecution is accurate and able to be used more effectively should family go to court.

The Working Group:

- a) Noted the report.

**The Forum noted the information.**

## **9.9 Scheme for Financing Schools in Lancashire 2024/25 Consultation Responses**

Recommendations were similar to the High Needs Block and Forum has now approved these.

## **10. Recommendations from the Early Years Block Working Group**

On 3 October 2024, the Early Years Working Group considered several reports. A summary of the information presented, and the Working Group's recommendations are provided below:

### **10.1 Early Years Block Funding 2025/26**

Update provided under Matters Arising.

### **10.2 Early Years Educational Health Care Plan Funding**



Recommendations were similar to High Needs Block and Forum has now approved these.

### **10.3 Core Schools Budget Grant 2025/26**

The Working Group considered the proposed funding methodology of the allocation of the Early Years Budget Grant.

The Government added a notional £34 million to the early years national funding formula system and then used this to calculate the additional hourly rates needed to compensate for the cost of the additional teachers pay which was not accounted for at the time of the original allocations of early years funding. The Early Years Budget Grant will be paid to local authorities to cover the 7-month period between 1 September 2024 and 31 March 2025.

The ESFA will allocate the grant to the authority based on January 2023 census hours. The grant will be allocated to maintained nursery schools and classes based on the January 2024 census data, with funding aimed at classes staffed by teachers. Lancashire's allocation of the grant will be confirmed in November. For the 2025 to 2026 financial year, this will be incorporated into the local authority's core funding arrangements, through the early years funding block of the dedicated schools grant.

The Working Group:

- a) Noted the report.
- b) Supported the proposed methodology of allocating the Core Schools Budget Grant for Early Years settings.

**The Forum noted the information.**

### **10.4 Wraparound Funding update**

Mel Foster, Operational Delivery Lead (Early Years Funding and Sufficiency), provided a verbal update at the Working Group around the Wraparound Funding Programme.

To date, over half of the capital allocation for expansion of Early Years settings has been allocated, with a focus on key areas of need across the district. A second phase will take place once priority areas have been reassessed.

The capital allocation for expanding Wraparound provision has been fully allocated, with a priority placed on new settings and value for money.

The Working Group:

- a) Noted the update.

**The Forum noted the information.**

### **10.5 Early Years Take up Analysis**

Mel Foster presented an Early Education Funding Update Report which outlines the early years take up.



Overall, the total number of Lancashire families that have become eligible for the expanded working families' entitlements since April is 15576. For the summer term this equated to 6187 families being issued with an eligibility code. 96.6% of the codes have been validated by providers. In summer term 2023-24 term 5635 2-year-old children accessed the new expanded working families' entitlements, 5265 of these children live in Lancashire which equates to 85% take up based on the number of codes issued to Lancashire children in summer 2024. Actual take up will be higher than this as some Lancashire children will be accessing provision in other local authority areas.

In addition to this, the Working Group were presented with an update on the payment terms.

The Working Group were also updated on the number of net closures within Lancashire. Overall, the number of closures remain low in Lancashire.

The Working Group:

- a) Noted the update.
- b) Thanked the Early Years Funding team for transition and support to settings since the roll out of the extended entitlements.

**The Forum:**

- a) **Noted the information.**
- b) **Early Years Block Chair, Philippa Parks, will send a letter to the Early Years Funding Team, thanking them for their work.**

### **10.6 Early Years Inclusion Fund**

The Working Group received a verbal update from the Early Years Inclusion Fund meeting which was held on 27<sup>th</sup> September 2024.

The following key items were noted by members.

#### *Inclusion Fund Spend*

It was noted the Summer Term spend on the Inclusion Fund and Early Years Educational Health Care Plan's is £616,991. A report outlining the breakdown of the fund will be provided at the next Working Group.

#### *Process and Payments*

It was acknowledged that there are some issues with the current processes in place for applying for inclusion fund and the processing of payments. A Working Group will therefore be established to review the processes.

Going forward these meeting will be held after the Early Years Block Working Group's.

The Working Group:

- a) Noted the information.

**The Forum noted the information.**



## **10.7 Scheme for Financing Schools in Lancashire 2024/25 Consultation Responses**

Recommendations were similar to High Needs Block and Forum has now approved these.

## **10.8 Any Other Business**

Officers raised the following items under any other business.

### *Nursery Classes*

DfE have recently announced a plan to deliver 3,000 nurseries by upgrading spare spaces in primary schools.

From next month, schools will be invited to bid for a share of £15 million capital funding, with capacity in the programme to deliver up to 300 new or expanded nurseries in this first round.

Schools will need to demonstrate how their proposals will respond to need in their local area, supporting the 2025 expansion of government-funded hours of childcare and early education for working parents to 30 hours a week. Guidance to support this will be issued shortly.

### *Breakfast Clubs*

The programme will invite up to 750 state-funded schools in England with primary aged-pupils to work with the Department for Education (DfE). It will focus on how breakfast clubs can be delivered in a way that:

- builds on what is already happening in schools
- meets the needs of parents
- ensures children start the day ready to learn

DfE will also work with the sector, including local authorities and childcare providers, businesses and charities to consider the best approaches to delivering breakfast clubs in schools.

Further information on how schools can take part in the scheme, and the model the scheme will follow, will be shared in the second half of the autumn. Early adopter schools will be confirmed by early 2025 and the scheme will launch in the summer term (April 2025).

### *Early Years SEND Conference*

The Early Years Sector are arranging a SEND conference with officers. Details will be sent to settings shortly.

The Working Group:

- a) Noted the items.

**The Forum noted the information.**

## **11. Forum Correspondence**



There were no items of correspondence received.

## **12. Any Other Business**

The following items were raised:

### *Teachers Pay Award*

Members have received queries from schools regarding when the Teachers Pay Award for 24/25 is to be expected. Officers stated there is no current definitive date.

### *Schools finance Webinar and Budget pressure Sessions*

School Finance are offering sessions to schools on key financial areas, information can be found on the portal. Members have been made aware that there is a large demand for these sessions.

## **13. Date of Future Meetings**

To note that the next scheduled Forum meeting will be held at 10.00 am on Friday 10 January 2025. Arrangements for the meeting will be confirmed in due course.

