

**Friday, 10 January 2025, 10.00 am in the Bow Suite, The Exchange, County Hall, Preston**

## **Agenda**

### **1. Attendance and Apologies for Absence**

To be recorded in accordance with the agreed membership of the Forum.

### **2. Substitute Members**

To welcome any substitute Members.

### **3. Forum Membership (Attached)**

To note the Forum membership report.

### **4. Minutes of the Last Meeting (Attached)**

To agree on the minutes of the last meeting held on 16 October 2024.

### **5. Matters Arising**

To consider any matters arising from the minutes of the meeting held on 16 October 2024 that are not covered elsewhere on the agenda.

### **6. Consideration of the Schools Budget 2025 – 2026 (Attached)**

To consider the report about the Schools Budget for 2025/2026, including information on each of the 4 funding blocks:

- Schools Block;
- High Needs Block;
- Early Years Block
- Central School Services Block.

### **7. High Needs Central Expenditure (Attached)**

To support the transfer of clawback from the Schools Requiring additional Support (SRaS) reserves to the High Needs Block.

### **8. Recommendations from the Early Years Block Working Group (Attached)**

To consider the recommendations from the Early Years Block Working Group from 26 November 2024.

### **9. Recommendations from the High Needs Block Working Group (Attached)**

To consider the recommendations from the High Needs Block Working Group from 28 November 2024.

### **10. Recommendations from the Schools Block Working Group (Attached)**

To consider the recommendations from the Schools Block Working Group from 3 December 2024.

**11. Forum Correspondence**

There was no items of correspondence received.

**12. Any Other Business****13. Date of Future Meetings**

To note that the next scheduled Forum meeting will be held at 10.00 am on Thursday 20 March 2025. Arrangements for the meeting will be confirmed in due course.



**Item 3**

**Schools Forum Membership**

Contact for further information:  
Schools Forum Clerk  
[schoolsforum@lancashire.gov.uk](mailto:schoolsforum@lancashire.gov.uk)

**Brief Summary**

This report summarises the changes to the Forum membership since the last meeting.

The Forum is asked to:

- a) Note the report.
- b) Give thanks to Audrey Swann
- c) Welcome Lucy Ross, Richard Davis and Vanessa Nice to the Forum.

**Background**

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

Audrey Swann, Headteacher for Children Looked After has resigned from her post. The Forum will give thanks and wish them well for the future.

The Forum will wish to welcome the following new members:

*Primary School Governor*

- Lucy Ross, Alston Lane Catholic Primary and Nursery

*Academy Primary School Headteacher*

- Richard Davis, Moorside CP Academy

*Headteacher for Children Looked After (Observer)*

- Vanessa Nice

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

- Academy Primary School Governor
- Academy Secondary School Governor

**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.



**Item 6**

**Schools Budget 2025-2026**

Contact for further information:  
Schools Forum Clerk  
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**Brief Summary**

This report has been prepared following receipt of pupil data and Dedicated Schools Grant (DSG) allocation information from the Education and Skills Funding Agency (ESFA). The report sets out the budget proposals for 2025/26 across the four funding blocks.

A meeting of the Forum Chairs' Group will take place on 8 January 2025. Recommendations arising from this meeting around finalising the Schools Budget 2025/26 will be presented to the Forum on 10 January 2025.

Following consideration of the final Schools Budget proposals by the Forum and the Lancashire County Council, the Authority is required to submit a final Schools Block budget proforma for 2025/26 to the ESFA by 22 January 2025. This report also provides information on the High Needs, Early Years and Central School Services Blocks for 2025/26, and seeks the formal approval for the budget lines requiring Forum agreement.

**Recommendations**

The Forum is asked to:

- a) Note the report, including the 2025/26 Dedicated Schools Grant (DSG) allocations and the budget proposals for each of the 4 funding block;
- b) Note the recommendations from the Forum Chairs' Group meeting on 8 January 2025 (to be presented at the Forum meeting on 10 January);
- c) Support the Schools Budget proposals for 2025/26 for the Schools Block, High Needs Block, Early Years and Central School Services Blocks;
- d) Express any views to be brought to the attention of the Cabinet when setting the 2025/26 Schools Budget.

**Detail**

The Dedicated Schools Grant is a ring-fenced specific grant and it must be used in support of the Schools Budget as defined in the Dedicated Schools Grant Conditions of Grant and the School and Early Years Finance (England) Regulations. The

Dedicated Schools Grant is allocated to every Local Authority in four funding blocks, each calculated using national funding formulae. The four blocks are:

- Schools Block.
- High Needs Block.
- Early Years Block.
- Central School Services Block.

Each year, the government allocates money to the Dedicated Schools Grant using a formula to reflect pupils' needs. This is called the National Funding Formula. The government published its funding notification in December 2024.

Further information on each of the funding blocks is provided below and details of the final 2025/26 Dedicated Schools Grant allocations, notified in December 2024, and the proposed Schools Budget expenditure are contained in Appendix 'A'.

## **Schools Block**

The Schools Block funds mainstream primary and secondary schools and academies.

Following a previous consultation with schools and academies in the County, and discussions with the Schools Forum, the Cabinet ratified the use of the National Funding Formula as the Lancashire formula methodology from April 2018. This will continue to apply in 2025/26.

Whilst the basic structure of the National Funding Formula remains largely unchanged for 2025/26, the Department for Education have stated that funding through the mainstream schools national funding formula is increasing by 2.23% per pupil on average in 2025 to 2026, compared to 2024 to 2025. This includes a 1.28% increase to ensure that the 2024 teachers and support staff pay awards continue to be fully funded at national level in 2025 to 2026. Key changes to the schools National Funding Formula in 2025 to 2026 are:

Rolling the 2024 to 2025 teachers' pay additional grant, the teachers' pensions employer contribution grant 2024, and the core schools budget grant into the National Funding Formula For teachers' pay additional grant and the teachers' pensions employer contribution grant, this is done by:

- adding amounts representing what schools receive through the grants into their baselines;
- adding the value of the lump sums, basic per pupil rates and free school meals Ever6 parts of the grants, onto the respective factors in the National Funding Formula;
- uplifting the minimum per pupil values by the teachers' pay additional grant and the teachers' pensions employer contribution grant basic per-pupil values, and an additional amount which represents the average amount of funding schools receive from the free school meals Ever6 and lump sum parts of the grants;



- Further increases to National Funding Formula factor values (on top of the amounts we have added for the teachers' pay additional grant , the teachers' pensions employer contribution grant and annualised Central Schools Services Block , as can be afforded following the settlement of the core schools budget for 2025 to 2026.

#### *Minimum Funding Guarantee (MFG)*

Local authorities will continue to set a Minimum Funding Guarantee in local formulae, which in 2025/26 must be between -0.5% and 0.0%.

The level to be applied in Lancashire is the subject of a consultation with schools and the Schools Forum. The Forum letter to the Cabinet on finalising the Schools Budget for 2025/26, as set out at Appendix B, will include a final recommendation on the level of Minimum Funding Guarantee to be applied from April 2025.

#### *Schools Block Transfer*

The Regulatory framework continues to allow local authorities to be able to transfer up to 0.5% of their schools block allocation to other blocks of the Dedicated Schools Grant, with schools forum approval.

In recent years, when headroom has been available this has been transferred to support demand and cost led pressures in other funding blocks, with most significant pressures within the High Needs Block in 2025/26.

For the previous two financial years there has been a deficit budget position on schools block in 2023/24 and 2024/25 of £1.879m and £1.154m respectively, with Dedicated Schools Grant reserves used to mitigate pressures in the funding block.

Due to pressures on the Dedicated Schools Grant, a methodology was consulted on with schools and agreed with schools forum to balance schools block in 2025/26 without the use of Dedicated Schools Grant reserves. If any headroom was available after this methodology, schools forum approval was given to transfer to the High Needs Block.

Following the modelling and application of the methodology agreed, there is a balanced budget position within schools block in 2025/26. However, there will be no headroom available to support pressures in the other funding blocks.

Once approved, the Schools Block allocations for 2025/26 must be submitted to the Education and Skills Funding Agency for compliance checking against the Department for Education regulations and guidance. A proforma is provided by the Education and Skills Funding Agency to facilitate submissions and the deadline for the 2025/26 return is 22 January 2025.

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## High Needs Block

The High Needs Block funds:

- Special Schools budgets.
- Alternative Provision budgets (mainly Pupil Referral Units).
- Special Education Resource Facility and Special Educational Needs in mainstream schools.
- Individually Assigned Resources for High Needs pupils across all educational establishments.
- Certain Special Education Needs Central Schools Services.

The allocation to Lancashire is calculated using a national High Needs Block formula, but the Local Authority's local funding formulae still apply to distribute High Needs funding to Lancashire providers.

Department for Education announcements confirm that the basic structure of the High Needs National Funding Formula for 2025/26 is not changing. The High Needs National Funding Formula floor and gains cap have been set as follows for 2025/26:

- The funding floor is set at 7% so each local authority will see an increase of at least 7% per head of their 2 to 18 population (as estimated by the Office for National Statistics).
- The gains limit is set at 10%, allowing local authorities to see gains up to this percentage increase under the formula, again calculated on a per head basis of their 2 to 18 population.

The total high needs budget for 2025 to 2026 will be £11.9 billion, of which £11.3 billion is initially distributed through the National Funding Formula to provide indicative allocations for local authorities, £145 million is set aside for later National Funding Formula adjustments and allocations outside the formula, and £480 million is for the core schools budget grant.

## Early Years Block

Early Years Block funding is utilised for:

- Funding for the universal 15 hours entitlement for three- and four-year olds.
- Funding for the additional 15 hours entitlement for three- and four-year-old children of eligible working parents.
- Funding for the 15 hours entitlement for disadvantaged two-year olds.
- Funding for the 15 hours entitlement for working parents of two-year olds.
- Funding for the 15 hours entitlement for working parents of under two-year olds.
- Funding for the Early Years Pupil Premium.
- Funding for the Disability Access Fund.
- Supplementary funding for Maintained Nursery Schools.

The government introduced an Early Years National Funding Formula from April 2017. This arrangement introduced a formulaic mechanism for distributing early years funding from national Government to each local authority and set a framework that



must be used to distribute funding to all types of early education provider, including nursery schools; nursery classes in maintained primary schools; Private, Voluntary, and independent providers and Childminders. The Early Years National Funding Formula introduced a requirement to have a Universal Base Rate for all providers and set out the type and level of supplements that are available.

As detailed in the Chancellor's Autumn 2024 Budget announcements, the early years funded entitlements are being expanded to enable working parents of younger children to access funded childcare. From September 2025, eligible working parents of children aged 9 months up to 3 years old can access 30 hours free childcare per week.

### **Central School Services Block**

This Block is 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 was first introduced in 2018/19, and effectively replaced the previous Education Services Grant allocations, but the levels of funding have reduced over recent years.

The Central School Services Block allocation for local authorities is split into funding for historic commitments and funding for ongoing responsibilities.

The ongoing responsibilities element of funding is calculated by the Department for Education on a formulaic methodology based on pupil numbers and deprivation, plus an area cost adjustment. The historic commitments element of the Block funds certain ongoing obligations funded from the Dedicated Schools Grant.

The Department for Education have stated that they will continue to unwind the historic commitments funding to zero in future years.

### **Final Dedicated Schools Grant Allocation 2025/26**

Details of Lancashire's final Dedicated Schools Grant allocations for 2025/26 for each funding block, and the expenditure proposals for each block are provided at Appendix 'A'. A summary of the key forum decision is provided at Appendix 'B'.

## Item 6 - Appendix A

Final Dedicated Schools Grant (DSG) allocations and pupil data for 2025/26 were published by the Department for Education on 18 December 2024.

Lancashire's Gross 2025/26 Dedicated Schools Grant allocation is £1,483.964m.

The equivalent Gross Dedicated Schools Grant income figure for 2024/25 was £1,334.952m. The 2025/26 Dedicated Schools Grant allocation has increased by £149.012m.

This increase in funding is due to:

- Lancashire's share of the increased high needs block funding.
- Increased funding within schools block to reflect the pay award grants rolled into the funding formula.
- Increased funding within early years received due to the extended entitlements of 2-year-olds and under two-year-olds within the early years block.

The sections below provide further details of the Lancashire Dedicated Schools Grant allocations and presents the estimated Schools Budget for 2025/26.

### **DEDICATED SCHOOLS GRANT ALLOCATIONS 2025/26**

The Department for Education sub-divide the Dedicated Schools Grant allocations into 4 funding blocks: Schools Block, High Needs Block, Early Years Block, and the Central Schools Services Block. These Blocks are all calculated on a formulaic basis.

Information on the allocations for each of the funding blocks is provided below:

#### **Schools Block allocation (£1,051.778m)**

The Schools Block allocations for 2025/26 are derived based on illustrative individual Schools National Funding Formula allocations calculated by the Government. These calculations translate into primary and secondary units of funding for 2025/26. These units of funding are multiplied by the number of primary and secondary pupils from the October 2024 census. A Local Authority level allocation for premises factors and growth funding are added to provide a final Schools Block allocation.

This provides a total Lancashire Schools Block allocation for 2025/26 of £1,051.778m

The 2025/26 Schools Block allocation is over £73m higher than the equivalent figure in 2024/25. The increased allocation is in part due to Lancashire's share of the additional funding made available nationally by the Government to fund the teaching and support staff pay awards.

In 2024 to 2025 financial year, mainstream schools were allocated additional funding through the Core Schools Budget Grant (CSBG). In 2025/26, this has been incorporated within the National Funding Formula.

It should also be noted that the Department for Education has introduced changes to the payment process of school business rates. School business rates will be paid by





the Education and Skills Funding Agency to billing authorities directly on behalf of all state funded schools. For 2025/26, a rates allocation will continue to be included in the Department for Education's schools National Funding Formula but a deduction of £1.552m will be made from the Lancashire Schools Block cash allocation in 2025/26 to account for academy conversions.

### **High Needs Block allocation (£219.910m)**

The 2025/26 High Needs Block allocation is calculated under the Government's national High Needs funding formula. Key features of the formula include:

- A high needs funding floor and gains calculation.
- Basic entitlement factor (with area cost adjusted) for the number of pupils in special schools and academies.
- Import/export adjustment.
- Additional Funding for Special Free Schools.
- Hospital education, Alternative Provision teachers' pay/pension and supplementary funding factor.

The formula provides a 2025/26 High Needs Block allocation for Lancashire of £219.910m.

This figure is over £17.764m higher than the equivalent 2024/25 allocation, due to increased funding for the High Needs Block made available by the Government. Of the £17.764m increase in funding, a large proportion is to fund the core schools budget grant.

It should be noted that the High Needs Block allocation is a provisional allocation, and the gross total includes allocations attributable to funded places that will be deducted and made directly by the Education & Skills Funding Agency. These are estimated by Education & Skills Funding Agency to total circa £10.424m.

### **Early Years Block allocation (£201.554m)**

Allocations for the Early Years Block include:

- funding for the universal 15 hours entitlement for three- and four-year-olds (34YO).
- funding for the additional 15 hours entitlement for three- and four-year-old children of eligible working parents.
- funding for the 15 hours entitlement for disadvantaged two-year-olds (2YO).
- funding for the 15 hours entitlement for working families for two-year-olds.
- funding for the additional 15 hours entitlement for working families for two-year-olds (September 2025)
- funding for 15 hours entitlement for under two-year-olds (Under 2YO)
- funding for the additional 15 hours entitlement for under two-year-olds (September 2025)
- funding for the Early Years Pupil Premium (EYPP) expanded to 2-year-olds and under.
- funding for the Disability Access Fund (DAF) expanded to 2-year-olds and under.





- supplementary funding for Maintained Nursery Schools (MNS).

Lancashire received an increase in allocation in 2025/26 as follows:

- 3 and 4-year-old entitlements - £0.24 per hour uplift.
- 3 and 4-year-old supplementary funding for maintained nursery schools - £0.65 per hour uplift
- 2-year-old entitlement - £0.29 per hour uplift (extended to 30hrs for working families September 2025).
- Under 2-year-old entitlement - £0.36 per hour uplift (extended to 30hrs for working families September 2025)
- Early Years Pupil Premium - £182 annual per year uplift
- Disability Access Fund - £28 annual per year uplift

Entitlement	2024-25 Funding Rate Received	2025-26 Funding Rate Received	Difference
34YO	£5.47	£5.71	£0.24
34YO MNS	£5.18	£5.83	£0.65
2YO	£7.54	£7.83	£0.29
Under 2YO	£10.27	£10.63	£0.36
EYPP	£388.00	£570.00	£182.00
DAF	£910.00	£938.00	£28.00

These factors provide a total Early Years Block allocation for Lancashire for 2025/26 of £201.554m.

Lancashire's Early Years funding is significantly higher than the 2024/25 allocation, due to the extended entitlements.

It should be noted that the 2025/26 early years block allocations are initial, and based on Schools, Early Years and Alternative Provision censuses data from January 2024. These allocations will be updated based on January 2025 census data.

### **Central Schools Services Block (£8.633m)**

The Central Schools Services Block is to fund central functions that Local Authority's carry out on behalf of pupils in state-funded maintained schools and academies in England.

The Central Schools Services Block is split into funding for historic commitments and funding for ongoing responsibilities.

The total Lancashire's Central Schools Services Block allocation for 2025/26 is £8.633m.



## In Year Adjustments

The Dedicated Schools Grant allocation notified is prior to in-year adjustments for:

- Academies recoupment from the schools block;
- Deductions for high needs places in academies and non-maintained special schools;
- Post 16 places;
- Deduction for national copyright licences;
- Deduction for schools business rates
- Updates to the funding for three- and four-year olds;
- Updates to the funding two-year olds;
- Updates to the funding for under 2-year olds;
- Updates to the early years pupil premium;
- Updates to early years Disability Access Fund.

## Forecast total Dedicated Schools Grant income for 2025/26

The Lancashire Dedicated Schools Grant (DSG) allocations for 2025/26 across the 4 funding blocks are shown below:

<b>Forecast DSG Income</b>	<b>£m's</b>
Schools Block	1,051.778
High Needs Block	219.910
Early Years Block	201.544
Central Schools Services Block	8.633
<b>Gross Total forecast DSG Income</b>	<b>1,481.865</b>
Total deduction for national school's non-domestic rates (academies)	-1.552
Total deductions for direct high needs payments made by the Education & Skills Funding Agency	-10.424
<b>Net Total forecast DSG Income</b>	<b>1,469.889</b>

## SCHOOLS BUDGET 2025/26

The latest Individual School Budgets across all phases has been constructed using the final datasets made available from the Department for Education and our latest local Early Years and High Needs data.

This Schools Budget estimate has been calculated following discussions with the Schools Forum and where necessary, consultation with Lancashire schools.

## Budget Summary

The table below summarises the budgets to be allocated from each of the Dedicated Schools Grant funding blocks;



<b>Forecast DSG Expenditure</b>	<b>£m's</b>
Schools Block	1,051.778
High Needs Block	219.910
Early Years Block	201.544
Central Schools Services Block	8.633
Total deduction for national schools non-domestic rates (academies)	-1.552
Total deductions for direct high needs payments made by the Education & Skills Funding Agency	-10.424
<b>Total forecast DSG Expenditure</b>	<b>1,469.889</b>

Further details about each block are provided below.

### **Schools Block (£1,051.778m)**

Following a consultation with schools and the Schools Forum as part of the 2018/19 Schools Budget setting cycle, it was agreed to use the Government's National Funding Formula methodology as the local Lancashire funding model.

Lancashire will continue to mirror the National Funding Formula methodology in 2025/26 when calculating allocations to Lancashire schools and will incorporate the changes to the formula introduced nationally that are set out in the main report.

As supported by responses from schools in a consultation held in the autumn term 2024, the Minimum Funding Guarantee (MFG) has been included in the formula at +0.0% and there is no cap on funding gains.

A 2025/26 growth fund requirement, which is used to support Local Authority initiated school expansions, of c£1.5m has been included for 2025/26. The balance of funding from the Growth Fund allocation received by Lancashire, equating to circa £0.943m, has been used as a contribution to Schools Block.

For the previous two financial years there has been a deficit budget position on schools block in 2023/24 and 2024/25 of £1.879m and £1.154m respectively, with DSG reserves used to mitigate pressures in the funding block.

Due to pressures on DSG a methodology was consulted on with schools and agreed with schools forum to balance schools block in 2025/26 without the use of DSG reserves. If any headroom was available after this methodology, schools forum approval was given to transfer to the High Needs Block.

Following the modelling and application of the methodology agreed there is a balanced budget position within schools block in 2025/26, however there will be no headroom available to support pressures in the other funding blocks.

The Schools Block expenditure for 2025/26 is therefore estimated in the table below:

<b>Forecast Schools Block Expenditure</b>	<b>£m's</b>
Primary	545.224
Secondary	494.011



All-Through	11.041
Budgeted Growth	1.502
<b>Total</b>	<b>1,051.778</b>
DSG Schools Block Income	-1,051.778

As mentioned earlier in the appendix, the Department for Education has introduced changes to the payment process of schools business rates. From 2022/23, schools business rates will be paid by the Education and Skills Funding Agency to billing authorities directly on behalf of all state funded schools. For 2025/26, a rates allocation will continue to be included in the Department for Education's schools National Funding Formula but a deduction of £1.552m will be made from the Lancashire Schools Block cash allocation in 2025/26 to account for academy conversions.

### High Needs Block (£219.910m)

The High Needs Block expenditure for 2025/26 is estimated in the table below:

	<b>Place funding £m</b>	<b>Top-up funding £m</b>
Delegated to Schools	42.098	105.987
Delegated to Early Years		0.500
FE Colleges		5.801
High Needs Block costs on a commissioned basis		54.464
Total deductions based on 25/26 for direct high needs payments made by the Education and Skills Funding Agency		10.424
Additional 24/25 High Needs places to be paid direct by Education and Skills Funding Agency		0.636
<b>Total</b>	<b>42.098</b>	<b>177.812</b>

**Total Expenditure £ m** **219.910**

**Total Income £ m** **219.910**

The forecast expenditure includes an estimate of the considerable cost and demand led pressures facing the block in 2025/26.

Proposals also build in a 0.5% increase to the level for the school specific factor rates in special schools and pupil referral units, however the weighted pupil number/banding top up values supporting all high needs pupils are proposed to remain at the 2024/25 value due to the pressures within the high needs block.



The circa £10.424m of deductions in the Dedicated Schools Grant notifications have been budgeted within HNB, as this relates to direct high needs payments made by the Education and Skills Funding Agency.

An extra £0.636m of deductions for 2025/26 has also been included, for additional high needs places that have now been commissioned by the county council at establishments that are directly paid by the Education and Skills Funding Agency.

The Dedicated Schools Grant reserve as at 31 March 2024 was £18.40 million, however this is forecast to be fully utilised by 31 March 2025, and expenditure may exceed the current reserve level of DSG. This is due to increased strain on the High Needs Block budget with demand led pressures remaining at levels well above the income received. There is currently a statutory override in place which allows local authorities to carry DSG deficit and not effect local authority general reserves, however this is currently due to end by March 2026.

Whilst a balanced budget has been forecasted in 2025/26, if the demand pressures continue to increase within the High Needs Block, a resulting overspend will occur. The pressures on High Needs Block are affecting local government as a whole and is creating significant pressure on the overall Dedicated Schools Grant. It has been recently recognised by the DfE of the need to reform England's special educational needs and disabilities (SEND)/High Needs Block provision to improve outcomes and return the system to financial sustainability. The government are committing to working with parents, teachers, and local authorities to take this work forward.

### **Early Years Block (£201.554m)**

Lancashire has received an increased allocation in 2025/26 mainly due to the extended entitlements within the two-year-old and under 2-year-old entitlement, as well as a significant uplift in early years pupil premium rate. The rates are as follows:

- 3 and 4-year-old entitlements - £0.29 per hour uplift;
- 3- and 4-year-old supplementary funding for maintained nursery schools - £0.65 per hour uplift;
- 2-year-old entitlement - £0.36 per hour uplift
- Under 2-year-old entitlement - £0.70 per hour
- Early Years Pupil Premium - £182 annual per year uplift
- Disability Access Fund - £28 annual per year uplift

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

Due the increased funding Lancashire has received, the Lancashire base rate for 3 and 4-year-old entitlements is £5.70 per hour in 2025/26, an increase of £0.29 per hour from 2024/25.

The 2025/26 funding rate is therefore as follows:

2024/25 Base rate	£5.41 per hour
2025/26 DfE uplift	£0.24 per hour



2025/26 Additional funding from within the Early Years Block	£0.05 per hour
2025/26 Base rate	£5.70 per hour

*3- and 4-year-old Supplementary funding hourly rate for maintained nursery schools*  
Lancashire will receive a £0.65 increase in the supplementary funding hourly rate for maintained nursery schools in 2025/26, which will be passed to the maintained nursery schools, providing a revised hourly supplement rate of £5.83 per hour.

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

Lancashire has adopted one single funding rate for 2-year-old entitlements. Due the increased funding Lancashire has received, the Lancashire base rate 2-year-old entitlements is £7.46 per hour in 2025/26, an increase of £0.36 per hour from 2024/25. Please note the extended entitlements to 30 hours for working parents from September 2025

The 2025/26 funding rate is therefore as follows:

2024/25 Base rate	£7.10 per hour
2025/26 DfE uplift	£0.29 per hour
2025/26 Additional funding from within the Early Years Block	£0.07 per hour
2025/26 Base rate	£7.46 per hour

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

Due the increased funding Lancashire has received, the Lancashire base rate for Under 2-year-old entitlement is £10.21 per hour in 2025/26, an increase of £0.70 per hour from 2024/25. Please note the extended entitlements to 30 hours for working parents from September 2025

The 2025/26 funding rate is therefore as follows:

2024/25 Base rate	£9.51 per hour
2025/26 DfE uplift	£0.36 per hour
2025/26 Additional funding from within the Early Years Block	£0.34 per hour
2025/26 Base rate	£10.21 per hour

#### *Early Years Pupil Premium*

Lancashire will increase our early years pupil premium rate, up to £570 per eligible child per year, for 2025/26, in line with national announcements. This is an increase of £182 from 2024/25.

#### *Disability Access Fund*

Lancashire will increase the disability access fund, up to £938 per eligible child per year for 2025/26, in line with national announcements. This is an increase of £28 from 2024/25.



### *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 2s who are taking up the free entitlements, regardless of the number of hours taken. For 2025/26 the Lancashire fund will total £1.65m due to the increased demands and extended entitlements.

The Early Years Block expenditure for 2025/26 is therefore estimated in the table below:

<b>Forecast EYB Expenditure</b>	<b>£m's</b>
Early Years Block under 2-year-olds	57.342
Early Years Block 2-year-olds	51.329
Early Years Block 3 and 4-year-olds	81.747
Early Years Pupil Premium expenditure	3.161
Early Years Disability Access Fund expenditure	0.971
Nursery School Maintained Nursery School	5.354
Special Educational Needs Inclusion	1.650
<b>Total</b>	<b>201.554</b>

**Total Expenditure £ m** **201.554**

**Total Income £ m** **201.554**

### **Central Schools Services Block (£8.633m)**

The estimated Central Schools Services Block expenditure in 2025/26 is £8.633m.

Careful consideration will be needed around the Central Schools Services Block in future years, as Department for Education implement further reductions in the Historic Commitments budget.

**Total Expenditure £ m** **8.633**

**Total Income £ m** **8.633**

### **Calculation of the final 2025/26 funding position**

	<b>£m's</b>
<b>Total forecast DSG Income 2025/26</b>	<b>1,469.889</b>
<b>Total Forecast DSG Allocations 2025/26</b>	<b>1,469.889</b>

These Schools Budget proposals forecast a balanced Dedicated Schools Grant funding position in 2025/26.



## SPECIFIC APPROVALS NEEDED FROM THE SCHOOLS FORUM

The School and Early Years Finance (England) Regulations require certain proposals by the Local Authority relating to the Schools Budget to be approved by the Schools Forum.

An indication of the specific proposals that have previously been considered and approved by the Forum is included together with proposals now put forward that require approval.

Function	LA proposals 2025/26	Proposed Expenditure: 2025/26 £m
<b>Consultation on Formula Changes</b>		
<ul style="list-style-type: none"> <li>No local formula factor changes are proposed for 2025/26 in any funding block, beyond incorporating the DfE National Funding Formula (NFF) alterations into the local Schools Block formula</li> </ul>	The Forum have previously agreed to use the DfE's NFF as the Lancashire funding formula for the Schools Block budget, and NFF updates for 2025/26 introduced by the DfE are incorporated in the Schools Budget proposals for 2025/26	
<b>De-delegation for mainstream schools</b>	LA proposals for: <ul style="list-style-type: none"> <li>Schools Requiring additional Support</li> <li>Museum service (primary only);</li> <li>Staff Costs Public duties/Suspensions;</li> <li>Primary Inclusion Hubs (primary only);</li> <li>Childrens Champions</li> </ul> Approved by the Schools Forum on 3 December 2024	2.272
<b>Contracts (where the LA is entering a contract to be funded from the schools budget)</b>	No Proposals currently	
<b>Financial issues relating to:</b>		



<ul style="list-style-type: none"> <li>• arrangements for pupils with special educational needs, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding</li> </ul>	Proposals contained in the High Needs Block Working Group recommendations report to the Forum and the Forum budget papers	139.959
<ul style="list-style-type: none"> <li>• arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding</li> </ul>	Proposals contained in the High Needs Block Working Group recommendations report to the Forum and the Forum budget papers	13.927
<ul style="list-style-type: none"> <li>• arrangements for early years provision</li> </ul>	Proposals contained in the Early Years Block Working Group report to the Forum and the Forum budget papers	199.904
<ul style="list-style-type: none"> <li>• administration arrangements for the allocation of central government grants</li> </ul>	No Proposals at this time beyond passporting DfE allocations to schools	
<b>Minimum funding guarantee (MFG)</b>	Consultation responses on MFG reported to Forum on 3 December 2024 and recommended that the level of MFG to be used in the Lancashire funding formula for 2025/26 be set at +0.0%. This is incorporated into the Forum budget papers	
<b>General Duties for maintained schools</b> Contribution to responsibilities that local authorities hold for maintained schools	No Proposals at this time	
<b>Central spend on and the criteria for allocating funding from:</b>		
<ul style="list-style-type: none"> <li>• funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy</li> </ul>	Policy previously agreed by the Schools Forum. Proposal to increase the growth fund unit values in line with increased NFF Minimum Pupil Funding levels each year Final budget proposals are contained in the Schools Budget 2025/26 report	1.5000

<ul style="list-style-type: none"> <li>• funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years</li> </ul>	No Proposals at this time	
<b>Central spend on:</b>		
<ul style="list-style-type: none"> <li>• early years block provision</li> </ul>	Final budget proposals are contained in the Schools Budget 2025/26 report	1.65
<ul style="list-style-type: none"> <li>• funding to enable all schools to meet the infant class size requirement</li> </ul>	No Proposals at this time	
<ul style="list-style-type: none"> <li>• back-pay for equal pay claims</li> </ul>	No Proposals at this time	
<ul style="list-style-type: none"> <li>• remission of boarding fees at maintained schools and academies</li> </ul>	No Proposals at this time	
<ul style="list-style-type: none"> <li>• places in independent schools for non-SEN pupils</li> </ul>	No Proposals at this time	
<ul style="list-style-type: none"> <li>• admissions</li> </ul>	Final budget proposals are contained in the Schools Budget 2025/26 report	0.868
<ul style="list-style-type: none"> <li>• servicing of schools forum</li> </ul>	Final budget proposals are contained in the Schools Budget 2025/26 report	0.188
<ul style="list-style-type: none"> <li>• Contribution to responsibilities that local authorities hold for all schools</li> </ul>	No Proposals at this time	
<ul style="list-style-type: none"> <li>• contribution to responsibilities that local authorities hold for maintained schools</li> </ul>	No Proposals at this time	
<b>Central spend on:</b>		
<ul style="list-style-type: none"> <li>• capital expenditure funded from revenue: projects must have been planned and decided on prior to April 2013 so no new projects can be charged</li> </ul>	No Proposals at this time	
<ul style="list-style-type: none"> <li>• contribution to combined budgets: this is where the schools forum agreed prior to</li> </ul>	No Proposals at this time	

April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources		
<ul style="list-style-type: none"> <li>existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged)</li> </ul>	No Proposals at this time	
<ul style="list-style-type: none"> <li>prudential borrowing costs – the commitment must have been approved prior to April 2013</li> </ul>	No Proposals at this time	
<ul style="list-style-type: none"> <li>SEN transport where the schools forum agreed prior to April 2013 a contribution from the schools budget (this is now treated as part of the high needs block but still requires schools forum approval as a historic commitment)</li> </ul>	No Proposals at this time	
<b>Central spend on:</b>		
<ul style="list-style-type: none"> <li>high needs block provision</li> </ul>	2025/26 funding level presented as part of the Schools Budget setting proposals	54.464
<ul style="list-style-type: none"> <li>central licences negotiated by the Secretary of State</li> </ul>	2025/26 funding level presented as part of the Schools Budget setting proposals	1.210
<b>Funding of brought forward deficits</b>	No Proposals at this time	

## **Report to the School Forum**

Meeting to be held on 10 January 2025

### **Item 7**

#### **Transfer of Clawback Balances to High Needs Block**

Contact for further information:  
Schools Forum Clerk  
[schoolsforum@lancashire.gov.uk](mailto:schoolsforum@lancashire.gov.uk)

##### **Brief Summary**

This report provides information about the proposal to transfer Clawback Balances to High Needs Block.

##### **Recommendation**

The Forum is asked to:

- a) Note the report.
- b) Support the transfer of clawback from Schools Requiring additional Support (SRaS) reserves to the High Needs Block.

##### **Detail**

The Dedicated Schools Grant (DSG) reserve as at 31 March 2024 was £18.40 million, however this is forecast to be fully utilised by 31 March 2025, and expenditure may exceed the current reserve level of DSG due to the increased strain on the High Needs Block budget with demand led pressures remaining at levels well above the income received. There is currently a statutory override in place which allows local authorities to carry DSG deficit and not affect local authority general reserves, however this is currently due to end by March 2026.

Whilst a balanced budget has been forecasted in 2025/26, if the demand pressures continue to increase within the High Needs Block, a resulting overspend will occur. The pressures on High Needs Block are affecting local government as a whole and is creating significant pressure on the overall Dedicated Schools Grant.

Considering the pressures highlighted above, the LA are looking at areas where unrestricted balances can be utilised to partially offset a High Needs Block deficit if demand pressures continue to increase.

It is proposed that amounts accumulated through the Schools Forum approved clawback policy, which is currently within Schools Requiring additional Support reserves (SRaS), minus any commitments such as the SRaS bids, be transferred to the High Needs Block.

*Clawback balance analysis*

	£k's
Clawback accumulated 2022/23	617.3
Clawback accumulated 2023/24	<u>52.2</u>
	669.5
Committed SRaS Bids 2023/24*	<u>-327.9</u>
Clawback balance	<u>341.6</u>

\* Subject to change. The 2023/24 SRaS Bids are to be paid out over two financial years, on the condition that schools adhere to their recovery plan.

Amounts retrieved through the clawback policy for 2023/24 had been significantly lower than the previously year due to 2022/23 being the first financial year to re-establish the clawback policy following several years of clawback being suspended. This change would take effect from the 2024/25 financial year to transfer the historic balance to the High Needs Block, and future clawback would continue to follow this method.

Members should be mindful of aggregate school balances remaining high with the clawback policy due for review in the summer term 2025/26.



**Item 8**

**Recommendations of the Early Years Block Working Group**

Contact for further information:  
Schools Forum Clerk  
[schoolsforum@lancashire.gov.uk](mailto:schoolsforum@lancashire.gov.uk)

**Brief Summary**

On 26 November 2024, the Early Years Block Working Group considered several reports, including:

- **SEND Programme Update**
- **Educational Health Care Plan Funding**
- **Early Years Funding 2025/26**
- **Early Years Inclusion Fund Monitoring 2024/25**
- **National Wraparound Childcare Programme Funding Clawback Exemption 2024/25**
- **Supply Cover Insurance and Maternity Scheme for Lancashire Schools Arrangements 2025/26**

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 Early Years Block Working Group held on 26 November 2024.
- b) Ratify the Working Group's recommendations.

**Detail**

On 26 November 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 Matters Arising**

Members raised one item of matters arising.

*Portage*

Members questioned why portage would not be accessible if a child is receiving support through the inclusion fund. Members were informed that the process is currently under review.

## **10.2 Send Programme Update**

Due to the SEND inspection, colleagues from the service were unable to attend. A general update was provided.

A thorough review of SEND programme has been ongoing, and noticeable changes have come about due to this, including the backdating of EHCP and a review of utilising the High Needs Block more efficiently. SEND is being taken seriously by key members of the local authority and is constantly looking where areas can be improved or additional value created.

The Working Group:

- a) Noted the update.

## **10.3 Educational Health Care Plan Funding**

Due to the SEND inspection, colleagues from the service were unable to attend. A general update was provided.

It has been confirmed that EHCP funding will be backdated to April 2024 where appropriate, all Early Years settings will be entitled to this. There has been a delay in actioning this during the Autumn term, however from January a more robust system will be in place to ensure settings receive the funding they are due.

Settings have been notified of this through the inclusion Sway, settings are encouraged to access the Sway for updates in the future as it was noted less than half of establishments had accessed the previous one.

The Working Group:

- a) Noted the update.

## **10.4 Early Years Funding 2025/26**

On 6 November 2024, the DfE published a summary policy note for schools and high needs national funding formula 2025 to 2026. This included a number of indicative announcements about the 2025/26 school funding arrangements for Schools, High Needs and the CSSB.

The announcement confirmed that the total core school funding is increasing by £2.3 billion in 2025 to 2026, meaning that this funding will total circa £63.9 billion. Of the £2.3 billion increase in total schools funding, almost £1 billion will be added to the overall high needs budget, bringing the total level of high needs funding in 2025 to 2026 to £11.9 billion. This increase to high needs funding is over 9% compared to the 2024 to 2025 baseline.

The summary also confirmed that £480 million of the £1 billion is earmarked for allocation through a 2025 to 2026 CSBG for special schools and AP, which will combine the high needs elements of the 2024 to 2025 TPAG, TPECG and full-year equivalent of the CSBG.

As per established practice, no information was included on the Early Years Block allocation from April 2025. Final announcements on all funding blocks were expected later, followed by the LA DSG allocation in late December 2024.





Once the final allocations have been received, any headroom within the funding blocks will be reported to Forum.

Members were informed not to expect a large increase in rates for 2025/26, and that some settings may see a reduced deprivation rate due to an error the previous year. Since the working group meeting, a letter has been provided to settings detailing along with the assumed base rates for 2025/26.

The group were asked to express any initial views on the early years block budget for 2025/26.

Members showed concern for the rise in National Insurance costs, as raising fees will have an adverse effect on demand.

The Working Group:

- a) Noted the report.

### **10.5 Early Years Inclusion Fund**

The Early Years Special Educational Needs Inclusion Fund (SENIF) is designed to support early years providers in meeting the needs of children with special educational needs and disabilities (SEND). The fund is to support children with lower level or emerging SEN. Each local authority is required to have an established Inclusion Fund.

Children with more complex needs and with an education, health and care plan (EHCP's) continue to receive funding via the high needs block.

With the introduction of the new working parent entitlements for 2024 to 2025, local authorities were also required to have SENIFs for all children with SEN eligible for or taking up the entitlements, regardless of the number of hours taken.

In Lancashire, funding for the early years SENIF is through the Early Years Block. Each year the fund is reviewed in line with demand and forms part of the annual School Budget setting process. Due to the significant increase in demand in the SEN Inclusion Fund in 2023/24, the budget for 3- and 4-year-olds increased from £500k to £1.85m for 2024/25. In addition, due to the extended entitlement access to the fund was to be also required for 2-year-olds, set at £500k and under 2s (from September 2024), was set at £300k.

The Inclusion Service provided an Early Years Inclusion Fund Monitoring 2024/25 report that stated since 1st April 2024, £971,823 had been spent.

The Working Group:

- a) Noted the report.

### **10.6 National Wraparound Childcare Programme Funding Clawback 2024/25**

The National Wraparound Childcare Programme is a government initiative aimed at increasing the availability of wraparound childcare, such as breakfast and after-school clubs, for primary-aged children. This programme is designed to support



working parents by providing reliable childcare options from 8am to 6pm during term time.

The government has allocated £289 million over two academic years to support this programme.

The funding is intended to help local authorities ensure there is sufficient wraparound childcare in their areas. This includes both expanding existing services and creating new ones.

Local authorities, schools, trusts, and private, voluntary, and independent (PVI) providers can apply for this funding to support their wraparound childcare services. The funds can be used for various purposes, such as increasing capacity, improving facilities, and ensuring the provision of high-quality childcare that meets the needs of working parents.

Lancashire's funding received to date is £2,187,228, final allocations are yet to be confirmed by the DfE. It is anticipated that will be allocated to schools and settings this financial year.

To date, 57 schools have had revenue funding agreed. The range of this funding for schools is £1,750 up to a maximum of £36,000.

Currently, grant agreements are being drawn up and schools receive the funding once these are completed by school and the LA. Therefore, the allocation timescales will vary for each school.

In addition, the number of schools will continue to increase as the LA have deferred a number of applications that require further work and the LA working with more schools who will submit applications to panel in December, January and February.

The local authority is therefore proposing to exempt the revenue wraparound funding from the clawback policy at 31 March 2025. Members should be aware, if this exemption is agreed, it will be exempt for one year only.

The Working Group:

- a) Noted the report.
- b) Supported the proposal to exempt National Wraparound Childcare Programme Funding from clawback for 31 March 2025.

## **10.7 School Teaching and Support Staff Supply Reimbursement Scheme 2025/26**

Each year reports are presented to the Forum about the arrangements for the School Teaching and Support Staff Supply Reimbursement Scheme. This report sets out proposals for the 2025/26 Scheme changes for consideration.

### **Outturn Position 2023/24**

The Supply Insurance Scheme had been underspent by £37,080 for the year 2023/24. The Schools Forum agreed to hold this underspend within the Supply Reimbursement Scheme reserve. The reserves are currently held at £1,537,080.



## Scheme Arrangements 2024/25

The scheme arrangements agreed with the Forum looked to increase premiums in line with increasing the reimbursement rates.

Following the finalisation of the supply scheme arrangements with the Forum in January 2024, individual offers were issued to schools and academies for consideration.

In 2024/25, 1 additional school joined the scheme in comparison to the previous year. For reference, 35 fewer schools signed up for the scheme in 2023/24 than were involved in 2022/23.

## April 2024 to October 2024 Monitoring

In 2023/24, the processing of claims moved to within the Schools Finance team, this has allowed us to monitor the scheme closely. The claims processed from April 2023 to October 2023 was 41% of the total claims for the year 2023/24. Using this methodology for the 2024/25 scheme, it is assumed that 41% of the total number of claims were submitted by October 2024 and therefore c60% of the scheme expenditure is yet to be utilised. On this basis, the scheme is forecasting a circa £144,000 underspend at March 2025. This is also based on the trend that the LA received a large influx of claim submissions prior to the year end deadlines. Modelling is provided in the table below.

Year	Number of claims submitted April - October	Number of claims submitted April - March	Percentage of claims submitted by October	Scheme Outturn Position
2023/24	1378	3342	41%	£37,080
2024/25	1418	3459 Forecast	41%	£144,304 Forecast

Members should be aware that the scheme outturn for 2024/25 is subject to change if the number of claims is lower or higher than anticipated.

As per usual practice, the scheme outturn for this financial year, will be presented to the working groups during the summer term meetings.

## Scheme Proposals 2025/26

### *Scheme Operation*

The operation of the scheme has been flexible in recent years. It is proposed that the existing scheme rules operating in 2024/25 should remain in place for 2025/26, subject to the following amendments:

- Simplified the Shared Parental Leave (SPL) sections in the Service Level Agreement for teachers maternity and paternity.
- Introduced a clear methodology for calculating teachers paternity SPL.

### *Scheme Premiums*

A 5.5% increase had been awarded for teaching staff from September 2024, for support staff an average of 5% had been awarded from April 2024. It is usual



practice to increase teaching and support staff premiums annually so that reimbursement rates can also increase in line with pay rises for the different categories of staff.

#### *Reimbursement rates*

It is proposed that the reimbursement rates be increased for 2025/26 in line with the proposed increase in scheme premiums.

#### *Options for Consideration*

- For simplicity, to increase charges and reimbursements by 5.5% for both Teaching and Support supply schemes.
- To keep in line with the recent pay awards, increase charges and reimbursements by 5.5% for the Teaching supply scheme and 5% for the Support supply scheme.
- Apply no changes to the charges or reimbursement rates and keep this static at the 2024/25 rates.

#### **Service Offer to Schools**

Once scheme arrangements and charging/reimbursement rates are finalised by the Forum in January 2025, a formal individualised 2025/26 scheme offer will be issued to all schools and academies.

The Working Group:

- a) Noted the report.
- b) Recommended increasing charges and reimbursements by 5.5% for both Teaching and Support supply schemes.
- c) Supported the SPL amendments.

#### **10.8 Any Other Business**

No items of AOB from the LA or members.



## Item 9

### Recommendations of the High Needs Block Working Group

Contact for further information:  
Schools Forum Clerk  
[schoolsforum@lancashire.gov.uk](mailto:schoolsforum@lancashire.gov.uk)

#### **Brief Summary**

On 28 November 2024, the High Needs Block Working Group considered several reports, including:

- **High Needs Block Monitoring 2024/25**
- **High Needs Block Funding 2025/26**
- **High Needs Block Commissioned Places 2025/26**
- **PRU Intervention Cap**
- **High Needs Block Central Expenditure Update 2025/26**
- **Inclusion and Engagement Support Team (IEST) and Specialist Teaching Service (STS) Report**
- **Supply Cover Insurance and Maternity Scheme for Lancashire Schools Arrangements 2025/26**
- **National Wraparound Childcare Programme Funding Clawback Exemption 2024/25**

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 28 November 2024.
- b) Ratify the Working Group's recommendations.

#### **Detail**

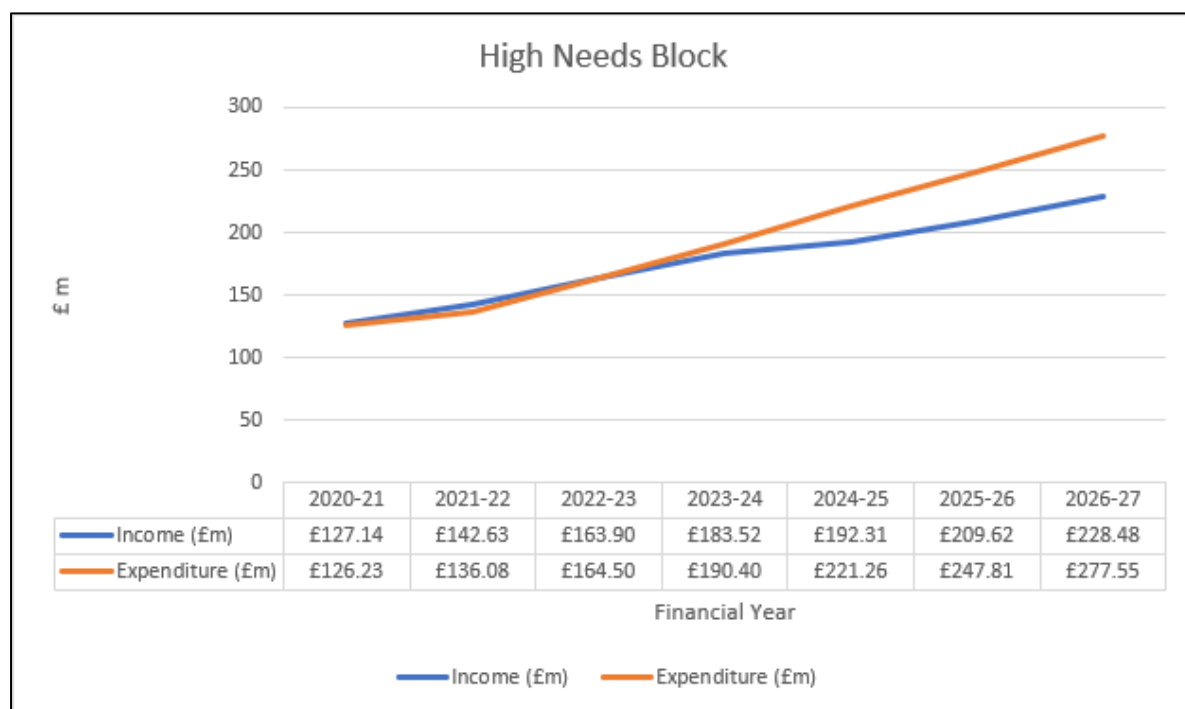
On 28 November 2024, the High Needs Working Group considered several reports. A summary of the information presented, and the Working Group's recommendations are provided below:

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

The working group received an updated High Needs Block Monitoring Report for 2024/25. The monitoring is an estimate of the full year forecast, based on expenditure that has occurred in the period between April 2024 to October 2024.

The HNB budget is currently forecasting a circa £29.7m overspend at 31 March 2025, which will utilise our DSG reserves of £18m leaving a forecast £10m overall DSG deficit.

The graph below shows the forecasted widening gap between High Needs Block income and expenditure for future years. There remains significant ongoing financial pressure facing this block as the demand and costs continue to rise.



Concerns were raised by the working group regarding the anticipated overspend, particularly Independent and Non-maintained Special Schools (INMSS). Members were informed that if there is a DSG deficit, a higher level of scrutiny from the DfE would be expected.

The Working Group:

- a) Noted the report.
- b) Requested further information on the use of INMSS.

## 10.2 Backdating of Educational Healthcare Plans Funding

Matthew Dexter, Senior Accountant (Financial Management: Development and Schools), provided a verbal update at the working group around the Backdating of Educational Healthcare Plans (EHCP) Funding.

Information about the backdating of EHCP Funding has been made available to schools through the Inclusion Sway, confirming that if there is a delay in issuing an EHCP, funding will be backdated to the term it should have been issued, or on the SEN data delegation count date. Any funding prior to April 2024 will not be backdated.

Early Years EHCP funding is included as part of this change, however the process is not yet finalised.

The Working Group:

- a) Noted the information.

### **10.3 High Needs Block Funding Arrangements 2025/26**

The working group noted a report providing information about Government announcements on school funding for 2025/26.

On 6 November 2024, the DfE published a summary policy note for schools and high needs national funding formula 2025 to 2026. This included a number of indicative announcements about the 2025/26 school funding arrangements for Schools, High Needs and the Central School Services Block.

As per established practice, no information was included on the Early Years Block. Final announcements on all funding blocks are expected shortly, followed by the LA DSG allocation in late December 2024.

Overall, core schools funding is increasing by £2.3 billion in 2025/26 compared to the previous year. Core schools funding includes funding through the schools national funding formula (NFF), high needs funding, central schools services block, and pupil premium.

In addition, it is anticipated that further funding, in respect of the increase in employers' National Insurance contributions, will be provided in 2025 to 2026 by a grant outside the NFF. DfE have indicated that further details of this grant will be published at a later date.

#### **High Needs NFF Funding Levels**

Of the £2.3 billion increase in total schools funding, almost £1 billion will be added to the overall high needs budget, bringing the total level of high needs funding in 2025 to 2026 to £11.9 billion. This increase to high needs funding is over 9% compared to the 2024 to 2025 baseline.

Of this total, £480 million will be for allocation through a 2025 to 2026 CSBG for special schools and APs, which will combine the high needs elements of the 2024 to 2025 Teachers' Pay Additional Grant (TPAG), Teachers' Pension Employers Contribution Grant (TPECG) and full-year equivalent of the Core Schools Budget Grant (CSBG). Details of the methodology for this 2025 to 2026 CSBG is expected to be published before the end of 2024.

The DfE also set aside an amount for allocations of high needs funding that are not calculated through the high needs NFF, and later NFF funding adjustments. The latter adjustments include the impact of the October 2024 school census special school numbers used for the basic entitlement factor of the NFF, which is updated through the DSG allocations published in December 2024. For 2025 to 2026 the amount held back will be £145 million.

The remainder, a total of £11.3 billion, will be allocated through the high needs NFF.





The increase in overall high needs funding has enabled the DfE to recognise the continuing high level of cost increases that most local authorities are experiencing. The high needs NFF therefore includes a funding floor that provides a minimum increase of 7% per head of a local authority's 2 to 18 population. Gains under the formula will be limited to 10% per head. Both calculations of the per head increases are applied to the majority of the formula allocations but exclude certain factors as in previous years.

The special schools protection, known as the minimum funding guarantee (MFG), will continue to apply to maintained special schools and special academies (including special free schools but excluding non-maintained special schools (NMSS) and independent schools) in 2025 to 2026. The MFG for 2025 to 2026 is 0% using schools' 2024 to 2025 funding baseline, which is equivalent to the upper end of the MFG range for mainstream schools.

### **Structure of the High Needs National Funding Formula 2025/26**

The structure of the NFF will remain the same as 2024/25 and, with the exception of the funding floor and gains limit percentages, the same factor values and weightings will apply as in previous years. In particular, the historic spend factor will remain at the same cash value as in 2024 to 2025, which will be equivalent to an average of 25% of local authorities' 2025 to 2026 allocations.

### **Dedicated schools grant (DSG) transfers**

LAs are able to transfer up to 0.5% of their Schools Block funding to other blocks with the agreement of the Schools Forum, following a consultation with schools. Once the 2025/26 LA allocations are received in December, if there is headroom in schools block, it is proposed that any remaining headroom should be transferred to the high needs block to mitigate ongoing financial pressures. Assuming current trends of expenditure and funding growth, we are forecasting full utilisation of our £18m DSG reserves by the end of 2024/25 due to pressures within the High Needs Block. By 2026/27, an in-year gap of £49.07m and cumulative DSG deficit of c£100m is forecasted by March 2027. Therefore, a transfer between the blocks would offset some of the high needs block deficit forecasted in 2025/26.

A recent consultation with primary schools, secondary schools and academies took place regarding whether any available headroom in Schools Block should be transferred to the High Needs Block. The results will be included as part of the upcoming January 2025 Schools Forum meeting.

The Working Group:

- a) Noted the report.

## **10.4 High Needs Block Commissioned Places 2025/26**

Each year the LA must submit a return to the DfE setting out the proposed changes to place numbers at certain types of institution, which are funded directly by the ESFA.

The 2025/26 High Needs Place Change Notification return for Lancashire was submitted by the deadline of 8 November 2024. The place change return included sections for:

- Special Academy Schools.
- FE Colleges.
- Mainstream Academy Schools - Post 16.
- Alternative Provision Academies.
- Hospital Education Places.
- Academy SEN Unit places.

The proposed 2025/26 commissioned places have been determined in consultation by authority services with the relevant providers.

Information about 2025/26 place proposals for institutions included on the return is provided in Appendix A.

### **Local Place Changes**

In addition to those commissioned places that must be included on the DfE submission, the LA must commission other places locally.

Appendix A also includes 2025/26 commissioned place proposals for:

- Maintained Special Schools - Pre 16.
- Maintained Special Schools - Post 16.
- Alternative Provision.
- Maintained Mainstream Provision – SEN units and SERF Units.
- Special Post 16 Institutions.

Commissioned places for Special Schools, PRUs and units in mainstream schools for 2025/26 are included in Appendix A.

### **Independent and Non-maintained special schools**

Separate arrangements exist for commissioning places at independent and non-maintained special schools.

Fortnightly panels meet to consider these placements and places are commissioned for those pupils where places at independent and non-maintained special schools are agreed.

The costs of these places will be dependent on the needs of the individual children. Members will be aware that there are significant pressures on the independent budget and that strategies are being implemented to ensure that more pupils are being supported in Lancashire schools going forward.

### **Arrangements for paying top-up funding to schools and other institutions.**

Lancashire pupil related top up funding (pre and post 16) is currently calculated using Weighted Pupil Numbers (WPNs), which are used to fund the assessed need of each High Needs Pupil.

Top-up funding is re-determined up or down termly in line with the SEN counts in January, May and October.

School specific top-up funding will also be allocated to special schools for the total number of all pre and post 16 Lancashire pupils on the SEN count, to reflect different school related costs.

Similarly, the funding mechanism for AP provides a top-up based on the needs of individual pupils and also a Pupil Referral Unit Specific top-up.

*Funded terms*

April - August	September - December	January - March
5/12	4/12	3/12

The Working Group:

- a) Noted the report.

### **10.5 PRU Intervention Cap 2025/26**

In 2019/20, a cap on intervention places was introduced following a review of intervention provision in the county. This methodology placed a cap based on census data from October 2018 and has remained unchanged since its implementation. Following discussions with the sector and Schools Forum, it was agreed that the PRU Intervention Cap would be reviewed ahead of the 2025/26 budget setting process.

There has been a noticeable rise in intervention places since the original implementation. The average percentage of intervention places from the October 2018 census was c15%, in comparison, the October 2023 census was c21% of places.

Senior Schools Finance officers attended recent PRU sector meetings to discuss the changes and the following proposal was agreed.

Starting from 2025/26 academic year, the cap will be realigned based on the percentage of intervention places to total places for future years. This would change each year dependant on the October census, for 2025/26 this would be based on October 2024 census data.

If the implementation had occurred in 2024/25 using the October 23 census, this would have been based on 21%, resulting in an estimated £43,167 of additional funding. It should be noted that funding could increase or decrease dependant on termly census data.

Members were informed these changes will be included as part of the proposed 2025/26 budget and is a starting point for further changes relating to PRUs and SEN.

The Working Group:

- a) Noted the report.

## 10.6 High Needs Block Central Expenditure Update 2025/26

The central expenditure within the High Needs Block and Central Schools Services Block (CSSB) allows the LA to carry out central functions on behalf of pupils in maintained schools and academies. In preparation of setting the 2025/26 School Budget, central expenditure within the funding blocks has been reviewed in line with the ESFA regulations and recent School Forum decisions.

The central expenditure changes between the approved 2024/25 budget and the proposed 2025/26 budget are highlighted in red.

The LA is expected to receive final Dedicated Schools Grant allocations in late December 2024 and these changes will be included in the 2025/26 budget and will be presented at the Schools Forum in January 2025.

Central High Needs Block (HNB) Expenditure	2024-25 Approved Budget (£m)	2025-26 Proposed Budget (£m)
Early Intervention	£0.35	£0.00
Private Finance Initiative (PFI)	£1.44	£1.44
Commissioned Alternative Provision services	£1.24	£1.24
Hospital Provision	£1.17	£1.17
Independent Specialist Provision - Pre 16	£27.50	£27.50
Independent Specialist Provision - Post 16	£6.40	£6.40
Out County - Mainstream / academies places	£2.50	£2.50
SEND - Specialised Equipment	£0.70	£0.70
SEND Projects - Inclusion Engagement Support Team (IEST)	£0.75	£0.75
SEND - Specialist Teaching Service	£4.00	£4.35
Multi Agency Development	£0.08	£0.00
Support for Vulnerable Pupils - Elective Home Education	£1.00	£0.00
Overheads	£0.60	£1.50
<b>Sub Total</b>	<b>£47.71</b>	<b>£47.54</b>

Central Schools Services Block (CSSB) Expenditure	2024-25 Approved Budget (£m)	2025-26 Proposed Budget (£m)
ESG Retained Duties (transferred to DSG)	£2.59	£2.59
Overheads	£0.85	£0.88
Rates appeals	-£0.08	-£0.08
Copyright Licence	£1.20	£1.20
Pupil Access (Admissions)	£1.40	£0.87
School Forum	£0.19	£0.19
PFI - Historic	£0.65	£0.70
PFI - Current	£2.02	£2.40
<b>Sub Total</b>	<b>£8.83</b>	<b>£8.75</b>



The Working Group:

- a) Noted the report.

### **10.7 Inclusion Engagement Support Team (IEST) and Specialist Teaching Service (STS) Update**

Sapphire Murray, Specialist Teaching Senior Manager, provided reports and a presentation with an overview of IEST and STS feedback of their services from schools.

#### *Inclusion and Engagement Team*

The Inclusion Engagement Support Team (IEST) is currently a temporary service that is funded from the DSG High Needs Block (SEND/Inclusion Projects) until 31<sup>st</sup> August 2025 with an annual cost of £750,000.

This team was established in 2021 to support inclusion and prevent exclusion of children and young people in mainstream education with an Education Health and Care Plan (EHCP). Last year the service expanded their offer to support children at risk of exclusion at SEN support. The team consists of 12.2 FTE staff members, made up of inclusion teachers and learning mentors.

#### *Specialist Teaching Service*

The Specialist Teaching Service (STS) is a part traded service that is partially funded from the DSG High Needs Block (SEND Specialist Teaching Service). In the financial year 2024/25 the service was allocated £3m from the DSG High Needs Block.

The service provides SEN support, writes advice as part of an Education, Health, and Care needs assessment / review, and provides regular support outlined in an Education Health and Care Plan (EHCP). The Specialist Teaching Service consists of 104.8FTE Specialist Teachers, Inclusion Teachers, HLTAs, Learning mentors and sensory support roles.

As part of the presentation, it was proposed to the Working Group the temporary IEST service would be funded through a repurposing of the central High Needs Block, this would have a net nil cost to the High Needs Block.

The Working Group:

- a) Noted the information.
- b) Agreed with the Central High Needs Block repurposes proposal.

### **10.8 School Teaching and Support Staff Supply Reimbursement Scheme 2025/26**

Each year reports are presented to the Forum about the arrangements for the School Teaching and Support Staff Supply Reimbursement Scheme. This report sets out proposals for the 2025/26 Scheme changes for consideration.

#### **Outturn Position 2023/24**

The Supply Insurance Scheme had been underspent by £37,080 for the year 2023/24. The Schools Forum agreed to hold this underspend within the Supply Reimbursement Scheme reserve. The reserves are currently held at £1,537,080.



## Scheme Arrangements 2024/25

The scheme arrangements agreed with the Forum looked to increase premiums in line with increasing the reimbursement rates.

Following the finalisation of the supply scheme arrangements with the Forum in January 2024, individual offers were issued to schools and academies for consideration.

In 2024/25, 1 additional school joined the scheme in comparison to the previous year. For reference, 35 fewer schools signed up for the scheme in 2023/24 than were involved in 2022/23.

## April 2024 to October 2024 Monitoring

In 2023/24, the processing of claims moved to within the Schools Finance team, this has allowed us to monitor the scheme closely. The claims processed from April 2023 to October 2023 was 41% of the total claims for the year 2023/24. Using this methodology for the 2024/25 scheme, it is assumed that 41% of the total number of claims were submitted by October 2024 and therefore c60% of the scheme expenditure is yet to be utilised. On this basis, the scheme is forecasting a circa £144,000 underspend at March 2025. This is also based on the trend that the LA received a large influx of claim submissions prior to the year end deadlines. Modelling is provided in the table below.

Year	Number of claims submitted April - October	Number of claims submitted April - March	Percentage of claims submitted by October	Scheme Outturn Position
2023/24	1378	3342	41%	£37,080
2024/25	1418	3459 Forecast	41%	£144,304 Forecast

Members should be aware that the scheme outturn for 2024/25 may subject to change if the number of claims is lower or higher than anticipated.

As per usual practice, the scheme outturn for this financial year, will be presented to the working groups during the summer term meetings.

## Scheme Proposals 2025/26

### *Scheme Operation*

The operation of the scheme has been flexible in recent years. It is proposed that the existing scheme rules operating in 2024/25 should remain in place for 2025/26, subject to the following amendments:

- Simplified the Shared Parental Leave (SPL) sections in the Service Level Agreement for teachers maternity and paternity.
- Introduced a clear methodology for calculating teachers paternity SPL.



### *Scheme Premiums*

A 5.5% increase had been awarded for teaching staff from September 2024, for support staff an average of 5% had been awarded from April 2024. It is usual practice to increase teaching and support staff premiums annually so that reimbursement rates can also increase in line with pay rises for the different categories of staff.

### *Reimbursement rates*

It is proposed that the reimbursement rates be increased for 2025/26 in line with the proposed increase in scheme premiums.

### *Options for Consideration*

- For simplicity, to increase charges and reimbursements by 5.5% for both Teaching and Support supply schemes.
- To keep in line with the recent pay awards, increase charges and reimbursements by 5.5% for the Teaching supply scheme and 5% for the Support supply scheme.
- Apply no changes to the charges or reimbursement rates and keep this static at the 2024/25 rates.

### **Service Offer to Schools**

Once scheme arrangements and charging/reimbursement rates are finalised by the Forum in January 2025, a formal individualised 2025/26 scheme offer will be issued to all schools and academies.

The Working Group:

- a) Noted the report.
- b) Recommended the Teaching supply scheme charges and reimbursements increase by 5.5%.
- c) Recommended the Support supply scheme charges and reimbursements increase by 5%.
- d) Supported the proposed SPL amendments.

### **10.9 National Wraparound Childcare Programme Funding Clawback 2024/25**

The National Wraparound Childcare Programme is a government initiative aimed at increasing the availability of wraparound childcare, such as breakfast and after-school clubs, for primary-aged children. This programme is designed to support working parents by providing reliable childcare options from 8am to 6pm during term time.

The government has allocated £289 million over two academic years to support this programme.

The funding is intended to help local authorities ensure there is sufficient wraparound childcare in their areas. This includes both expanding existing services and creating new ones.

Local authorities, schools, trusts, and private, voluntary, and independent (PVI) providers can apply for this funding to support their wraparound childcare services.





The funds can be used for various purposes, such as increasing capacity, improving facilities, and ensuring the provision of high-quality childcare that meets the needs of working parents.

Lancashire's funding received to date is £2,187,228, final allocations are yet to be confirmed by the DfE. It is anticipated that will be allocated to schools and settings this financial year.

To date, 57 schools have had revenue funding agreed. The range of this funding for schools is £1,750 up to a maximum of £36,000.

Currently, grant agreements are being drawn up and schools receive the funding once these are completed by school and the LA. Therefore, the allocation timescales will vary for each school.

In addition, the number of schools will continue to increase as the LA have deferred a number of applications that require further work and the LA working with more schools who will submit applications to panel in December, January and February.

The local authority is therefore proposing to exempt the revenue wraparound funding from the clawback policy at 31 March 2025. Members should be aware, if this exemption is agreed, it will be exempt for one year only.

The Working Group:

- a) Noted the report.
- b) Supported the proposal to exempt National Wraparound Childcare Programme Funding from clawback for 31 March 2025.

### **Any Other Business**

Officers raised the following item under any other business.

#### *Transfer of Clawback retained to the High Needs Block*

Considering the increasing High Needs deficit, officers are looking into transferring amounts retained as clawback minus any Schools In Financial Difficulty bids to the HNB. This process would not have a large impact on the HNB deficit, however it would show the LA are moving balances to offset HNB difficulties.

Members should be mindful of the message sent to the DfE when combined school balances remain high, as this could suggest schools are not facing financial difficulties. The clawback policy will be reviewed for 2025/26.

The Working Group:

- a) Noted the information.



## High Needs Block commissioned Places 2025/26

### Special Academy Schools - Pre 16

Sch No	School Name	2024/25 Academic Pre 16 Place Numbers	2025/26 Academic Pre 16 Place Numbers	Movement in Pre 16 Place Numbers	% Change
14580	Tor View Community Special School	203	200	- 3	-1%
	<b>Total Special Academy Schools Pre 16 Place Numbers</b>	<b>203</b>	<b>200</b>	<b>- 3</b>	

### Special Academy Schools - Post 16

Sch No	School Name	2024/25 Academic Post 16 Place Numbers	2025/26 Academic Post 16 Place Numbers	Movement in Post 16 Place Numbers	% Change
14580	Tor View Community Special School	59	59	-	0%
	<b>Total Special Academy Schools Post 16 Place Numbers</b>	<b>59</b>	<b>59</b>	<b>-</b>	



### Alternative Provision Academies

Sch No	School Name	2024/25 Revised Place Numbers	2025/26 Revised Place Numbers	Movement in Post 16 Place Numbers	% Change
12504	Coal Clough Academy	140	143	3	2%
	<b>Total</b>	<b>140</b>	<b>143</b>	<b>3</b>	

### Mainstream Academy Schools - Post 16

Sch No	School Name	2024/25 Revised Place Numbers	2025/26 Revised Place Numbers	Movement in Post 16 Place Numbers	% Change
01502	Lancaster Royal Grammar	3	3	0	0%
01503	Ripley St Thomas CE Academy	0	0	0	0%
11502	Clitheroe Royal Grammar School	3	3	0	0%
11505	Accrington St Christopher's CE High School	25	25	0	0%
	<b>Total</b>	<b>31</b>	<b>31</b>	<b>0</b>	



## FE Colleges - Post 16

Institution Name	2024/25 Revised Place Numbers	2025/26 Revised Place Numbers	Movement in FE College Place Numbers	% Change
Accrington and Rossendale College	0	0	0	0%
Burnley College	100	125	25	25%
Cardinal Newman College	46	49	3	7%
Lancaster and Morecambe College	137	157	20	15%
Myerscough College	395	395	0	0%
Nelson and Colne College	110	125	15	14%
Preston College	139	182	43	31%
Runshaw College	90	90	0	0%
<b>Total</b>	<b>1017</b>	<b>1123</b>	<b>106</b>	

## Maintained Special Schools - Pre 16

Sch No	School Name	2024/25 Academic Pre 16 Place Numbers	2025/26 Academic Pre 16 Place Numbers	Movement in Pre 16 Place Numbers	% Change
00133	Bleasdale School	31	65	34	110%
00134	Royal Cross Primary School	27	27	-	0%
00139	Hillside Specialist School and College	98	101	3	3%
01130	Morecambe And Heysham Morecambe Road School	195	213	18	9%
01131	The Loyne Specialist School	100	100	-	0%
02130	Great Arley School	106	107	1	1%
02131	Brookfield School. Poulton-Le-Fylde	79	80	1	1%
02132	Thornton Cleveleys Red Marsh School	121	101	- 20	-17%
04133	Kirkham Pear Tree School	89	91	2	2%
06131	Moorbrook School	52	75	23	44%
06134	Acorns Primary School	88	88	-	0%
06135	Sir Tom Finney Community High School	165	160	- 5	-3%
07130	Moor Hey School - A Specialist Mathematics And Computing College	159	159	-	0%
07131	The Coppice School	51	53	2	4%



**Maintained Special Schools - Pre 16 continued.**

08135	Hope High School	90	109	19	21%
08136	Kingsbury Primary School	120	130	10	8%
08137	West Lancashire Community High School	112	112	-	0%
08138	Elm Tree Community Primary School	143	143	-	0%
09130	Chorley Astley Park School	166	166	-	0%
09131	Mayfield Specialist School	105	105	-	0%
11130	Oswaldtwistle White Ash School	111	115	4	4%
11131	Broadfield Specialist School For Sen (Cognition And Learning)	172	192	20	12%
12134	The Rose School	66	71	5	8%
12135	Holly Grove School	120	120	-	0%
12136	Ridgewood Community High School	138	157	19	14%
13133	Pendle View Primary School	126	128	2	2%
13134	Pendle Community High School And College	116	116	-	0%
14132	Rawtenstall Cribden House Community Special School	90	90	-	0%
	<b>Total Maintained Special Schools Pre 16 Place Numbers</b>	<b>3,036</b>	<b>3,174</b>	<b>138</b>	

## Maintained Special Schools - Post 16

Sch No	School Name	2024/25 Agreed Post 16 Place (no change allowable)	2025/26 Post 16 Place	Movement in Post 16 Place Numbers	% Change
00133	Bleasdale School	4	10	6	150%
00134	Royal Cross Primary School	-	-	-	0%
00139	Hillside Specialist School and College	15	17	2	13%
01130	Morecambe And Heysham Morecambe Road School	-	-	-	0%
01131	The Loyne Specialist School	23	23	-	0%
02130	Great Arley School	-	-	-	0%
02131	Brookfield School. Poulton-Le-Fylde	-	-	-	0%
02132	Thornton Cleveleys Red Marsh School	23	23	-	0%
04133	Kirkham Pear Tree School	21	19	- 2	-10%
06131	Moorbrook School	-	-	-	0%
06134	Acorns Primary School	-	-	-	0%
06135	Sir Tom Finney Community High School	80	85	5	6%
07130	Moor Hey School - A Specialist Mathematics And Computing College	8	8	-	0%



**Maintained Special Schools - Post 16 continued.**

07131	The Coppice School	13	13	-	0%
08135	Hope High School	-	-	-	0%
08136	Kingsbury Primary School	-	-	-	0%
08137	West Lancashire Community High School	40	48	8	20%
08138	Elm Tree Community Primary School	-	-	-	0%
09130	Chorley Astley Park School	-	-	-	0%
09131	Mayfield Specialist School	24	25	1	4%
11130	Oswaldtwistle White Ash School	-	-	-	0%
11131	Broadfield Specialist School For Sen (Cognition And Learning)	38	38	-	0%
12134	The Rose School	-	-	-	0%
12135	Holly Grove School	-	-	-	0%
12136	Ridgewood Community High School	38	38	-	0%
13133	Pendle View Primary School	-	-	-	0%
13134	Pendle Community High School And College	43	43	-	0%
14132	Rawtenstall Cribden House Community Special School	-	-	-	0%
	<b>Total Maintained Special Schools Post 16 Place Numbers</b>	<b>370</b>	<b>390</b>	<b>20</b>	

## Alternative Provision

AP No	AP Name	2024/25 Academic Place Numbers	2025/26 Academic Place Numbers	Movement in AP Place Numbers	% Change
	<b>Primary</b>				
01141	Stepping Stones	32	32	0	0%
07141	Golden Hill Leyland Centre	50	50	0	0%
	<b>Secondary</b>				
01149	Chadwick Centre	85	85	0	0%
02143	Mckee College House	124	120	-4	-3%
08147	The Acorns School	75	80	5	7%
09145	Shaftesbury High School	125	125	0	0%
06141	Larches House School	125	125	0	0%
11142	Oswaldtwitlse School	95	95	0	0%
	<b>Total AP Place Numbers</b>	<b>711</b>	<b>712</b>	<b>1</b>	

### Maintained Mainstream Provision - SERF & SEN Units

School No	School Name	2024/25 Academic SERF & SEN Unit Places	2025/26 Academic SERF & SEN Unit Places	Movement in SERF Place Numbers	% Change
<b>SERF</b>					
06012	Holme Slack Community Primary School	0	4	4	0%
11025	Oswaldtwistle Moor End Community Primary School	5	6	1	20%
06104	Ashton Community Science College	13	10	-3	-23%

<b>SEN Unit's</b>					
01044	Carnforth North Road Community Primary School	8	16	8	100%
01051	Morecambe Bay Community Primary School	8	8	0	0%
02008	Fleetwood Chaucer Primary School	8	8	0	0%
02018	Fleetwood Flakefleet Primary School	8	8	0	0%
02035	Thornton Primary School	0	8	8	0%
07025	Seven Stars Primary School	16	16	0	0%
07504	Northbrook Primary School	0	8	8	0%
07506	Wellfield Academy	0	8	8	0%
08054	Delph Side Community Primary School	8	16	8	100%
08080	St Francis of Assisi School	8	8	0	0%
09510	Highfield CP Academy	16	16	0	0%
09053	Clayton Brook Primary School	8	8	0	0%
11514	St Augustine's RC High School	16	16	0	0%
12008	Padiham St Leonard's Voluntary Aided CofE Primary School	16	16	0	0%
12012	Barden Primary School	16	16	0	0%
12013	Burnley Brunshaw Primary School	8	8	0	0%
13016	Barrowford School	32	32	0	0%
06104	Ashton Community Science College	8	16	0	0%
<b>Total SERF &amp; SEN Unit Places</b>		<b>202</b>	<b>244</b>	<b>42</b>	

**Special Post 16  
Institutions**

Year	North Day	North Residential	Central Day	Central Residential	East Day	East Residential	Total
1	18	0	12	0	14	0	44
2	6	0	20	0	10	1	37
3	5	1	9	1	4	1	21
4	2	1	1	1	1	1	7
5	0	0	1	0	0	1	2
6	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>31</b>	<b>2</b>	<b>43</b>	<b>2</b>	<b>29</b>	<b>4</b>	<b>111</b>

**Item 10**

**Recommendations of the Schools Block Working Group**

Contact for further information:  
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**Brief Summary**

On 3 December 2024, the Schools Block Working Group considered several reports, including:

- **Schools Block Funding Arrangements 2025/26**
- **School Funding and De-delegation Consultation 2025/26**
- **Growth Fund Policy**
- **National Non-Domestic Rates**
- **Clawback Exemption Requests 2024/25**
- **National Wraparound Childcare Programme Funding Clawback Exemption 2024/25**
- **Supply Cover Insurance and Maternity Scheme for Lancashire Schools Arrangements 2025/26**
- **Redistribution of Welfare Officer Service Funding**

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 Schools Block Working Group held on 3 December 2024.
- b) Ratify the Working Group's recommendations.

**Detail**

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

**10.1 School Block Funding Arrangements 2025/26**

The Department published the 2025-26 NFF on 28 November 2024. Within the October budget, the government announced an additional £2.3 billion for mainstream schools and young people with high needs in 2025 to 2026. This means that core school funding will total almost £63.9 billion next financial year.



Included in this increase, £1 billion is being allocated as high needs funding in 2025 to 2026, recognising the continued increase in costs. This brings total high needs funding to £11.9 billion.

The further £1.3 billion will cover the remaining costs of the 2024 teachers' pay award in mainstream schools, so that the full 12 months of salary costs are fully funded at a national level; an increase to the mainstream schools national funding formula (NFF) and increases to the pupil premium and other elements of core funding.

Funding through the mainstream schools national funding formula (NFF) is increasing by 2.23% per pupil on average in 2025 to 2026, compared to 2024 to 2025. This includes a 1.28% increase to ensure that the 2024 teachers and support staff pay awards continue to be fully funded at national level in 2025 to 2026.

The announcements also confirmed that Dedicated Schools Grant (DSG) allocations will be published in December 2024. As a result, the LA does not currently anticipate any delays to the schools budget process for 2025/26.

Key changes to the schools NFF in 2025 to 2026 are:

- rolling the 2024 to 2025 teachers' pay additional grant (TPAG), the teachers' pensions employer contribution grant (TPECG) 2024, and the core schools budget grant (CSBG) into the NFF. For TPAG and TPECG this is done by:
  - adding amounts representing what schools receive through the grants into their baselines
  - adding the value of the lump sums, basic per pupil rates and free school meals Ever6 (FSM6) parts of the grants onto the respective factors in the NFF
  - uplifting the minimum per pupil values by the TPAG and TPECG basic per-pupil values and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants

The methodology for rolling in the CSBG into the NFF is the same as for TPAG and TPECG, except that the CSBG 2024 to 2025 grant rates are uplifted to make them annualised before they are rolled in to the NFF. (This is not necessary for TPAG and TPECG, as they were already provided on a full year basis in 2024 to 2025).

- further increases to NFF factor values (on top of the amounts we have added for the TPAG, TPECG and annualised CSBG), as can be afforded following the settlement of the core schools budget for 2025 to 2026
- amending the private finance initiative (PFI) factor such that:
  - the lower of the local authority's 2024 to 2025 PFI premises factor (as given on the 2024 to 2025 authority proforma tool (APT)) and the school's PFI funding from the 2024 to 2025 NFF will now be taken as the baseline for calculating the 2025 to 2026 PFI factor
  - where PFI contracts expire part way through the financial year, the 2025 to 2026 PFI factor value is pro-rated accordingly



- exceptions to the above are made for local authorities that have provided the department with an affordability model which demonstrate that a different amount is required
- some technical changes to the split sites factor which was first introduced in the 2024 to 2025 NFF. In particular, the transitional floor protection that was included in 2024 to 2025 has now been removed. That protection was only needed in 2024 to 2025 to ensure that any school losing out from the formularisation itself was protected through the NFF floor. Some further, technical changes to the operation of the split sites factor in relation to mergers, amalgamations and de-amalgamations are covered in the [split sites](#) section of this guidance

The department has confirmed the following aspects of the high needs NFF for 2025 to 2026:

- the funding floor is set at 7% so each local authority will see an increase of at least 7% per head of their 2 to 18 population (as estimated by the Office for National Statistics (ONS))
- the gains limit is set at 10%, allowing local authorities to see gains up to this percentage increase under the formula, again calculated on a per head basis of their 2 to 18 population

### **Minimum Pupil Funding**

The DfE announcements included the relevant minimum pupil funding (MPF) levels for primary and secondary schools, which incorporate the 2.23% uplift for 2025/26:

- The primary schools, the MPF level will be £4,955 per pupil in 2025/26 compared to £4,610 per pupil in 2024/25.
- For secondary schools, the MPF level will be £6.465 per pupil from 2025/26 compared to £5,995 per pupil in 2024/25.

Members are reminded that the MPF levels are not the same as the Age Weighted Pupil Unit (AWPU) or the basic pupil element in your school funding. AWPU is the rate set to allocate the basic entitlement of funding for pre-16 pupils in mainstream schools that is provided for all pupils. This is then supplemented by other formula factors based on the characteristics of your pupils and the school, including your lump sum allocation. The MPF funding ensures that schools receive a minimum level of funding calculated by dividing all your pupil led factors plus the lump sum allocation by the number of pupils on roll. This calculation excludes other factors, for example rates.

### **Local Schools Block Formula 2025/26**

Even though Lancashire has adopted the national funding formula methodology as the local funding formula, a degree of local discretion remains about the Schools Block arrangements in 2025/26. Further information is provided below.

### *Minimum Funding Guarantee (MFG)*

For 2025/26, during the transition to the direct NFF, there remains local discretion around the level of Minimum Funding Guarantee (MFG). LAs have the freedom to set the MFG in local formulae between -0.5% and 0.0% per pupil.

Views have been sought from Lancashire primary and secondary schools and academies in a recent consultation. The LA proposal included in the consultation was for the MFG to be set at the maximum funding floor allowable, as this provides the highest allowable protection for Lancashire schools and academies and matches the funding floor protection included in the NFF. The outcome of this consultation is provided in Item 6, and members will be requested to formally vote of the MFG.

### *Notional SEN*

Local authorities are required to identify a notional budget for their mainstream schools which helps them comply with their duty to use their 'best endeavours' to meet the special educational needs (SEN) of their pupils. **The notional SEN budget is not a separate budget or funding allocation** but is identified within a maintained school's delegated budget share, or an academy's general annual grant, and is calculated by each LA using their local mainstream schools funding formula factors.

The DfE's 2025/26 operational guidance emphasised that LAs should keep their notional SEN budget under review to make sure that their schools' notional SEN budget is a realistic amount, and that any shortfall in this notional budget can be appropriately met from additional high needs targeted funding. High needs top-up funding is allocated in addition to the notional SEN budget.

Alongside the operational guidance for 2025/26, the DfE have published additional information about notional SEN. This information confirms that there is currently no national approach to the calculation of schools' notional budget for pupils with SEN through the NFF. The guidance does provide data about the notional SEN calculations nationally. It notes that most LAs calculate their schools' notional SEN budget using a combination of funding from the basic entitlement factor, the deprivation factors, and the low prior attainment factors in the local funding formula.

DfE indicate that overall percentage of formula allocations which are designated as the notional SEN budget across all local authorities is 12% in 2024 to 2025. Lancashire's notional SEN figure in 2024/25 equates to 17.17%.

Members will recall that the Lancashire notional SEN calculation was reviewed ahead of the 2020/21 financial year, and following a consultation with schools, the Forum supported the introduction of a simplified notional SEN calculation from April 2020.

After reviewing the Lancashire position ahead of FY 2025/26, the LA is proposing a minor change to the notional SEN methodology from April 2025, which is listed below:

- Removal of English as an Additional Language (EAL) from notional SEN.

All remaining notional SEN factors will remain as per the 2024/25 methodology. This is because;

- The DfE benchmarking shows that Lancashire's calculation is identifying a notional SEN figure at the higher end of the range nationally;



- It seems likely that the DfE will in future issue national guidance about notional SEN calculations as part of a direct NFF.

The Working Group are asked to consider this position and support the proposal to the notional SEN calculation for the 2025/26 financial year.

The LA will keep the notional SEN calculation under review in future years, especially in the light of any national guidance from the DfE.

### **Dedicated schools grant (DSG) transfers**

Local authorities continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval.

Any DSG underspend brought forward from the previous year can be used to support the growth or falling rolls fund in the schools block, the central school services block, the high needs block, or the early years block.

In recent years, no transfers were possible, as there was no headroom available in the schools block. Further local modelling may be required to assess the 2025/26 position. If required, an urgent consultation about any possible Schools Block transfer will be held with schools and academies once final 2025/26 DSG allocations are received from DfE and have been assessed.

### **Deficit management**

The DfE recognises that there may well be some local authorities which, despite their best efforts and the increased funding for the high needs block, will still not be able to pay off their historic deficit from the DSG over the next few years. In these cases, the department expects to work together with the local authority to agree a plan of action to enable the local authority to pay off its deficit over time.

To date, Lancashire has managed to maintain a surplus DSG reserve, it is forecasted that these reserves will be fully utilised by the end of the 2024/25 financial year. The LA is currently producing a DSG management plan in preparation of a forecasted DSG deficit in future years.

ESFA continues to provide support and guidance nationally to LAs with highest historic deficits.

### **Central School Services Block (CSSB)**

As members are aware, the Central School Services Block (CSSB) is made up from a formulaic 'ongoing responsibilities' element that relates to responsibilities that local authorities continue to have for all schools, and a 'historic commitments' element that relates to certain commitments entered into before April 2013.

The total funding for the current responsibilities is £342 million in 2025/26. This funds all local authorities for functions that they have a statutory obligation to perform for all students in the schools and academies they maintain.

In 2025 to 2026, for those local authorities that receive it, historic commitments funding has been reduced by 20%.

## Provisional Allocations for 2025/26

Government NFF announcements in November 2024 were accompanied by provisional data on the allocations LAs will receive for 2025/26 and notional allocations at individual school level. The data is available [here](#) and contains all primary and secondary schools and academies nationally.

It must be noted that the provisional allocations are calculated using pupil numbers from the October 2023 census. Final allocations, to be issued to schools in February 2025, will be based on pupil numbers from the October 2024 school census.

Even though schools are guaranteed an increase in funding per pupil for their pupil-led funding in the NFF in 2025/26, allocations may still reduce at an individual school level if a school has fewer pupils than before.

## Lancashire Position

The government announcements contain the actual units of funding for primary and secondary schools that will be used to calculate the 2025/26 Schools Block allocations. Information for Lancashire is provided below, including 2024/25 SUF and PUF values for comparison:

Unit of Funding	2024/25	2025/26
Actual primary unit of funding (PUF)	£5,203	£5,627
Actual secondary unit of funding (SUF)	£6,538	£7,088

Announcements also contained provisional 2025/26 allocations for all DSG funding blocks, except early years. The Lancashire information is provided in the table below and it should be noted that the early years block figures for 2024/25 have been replicated for 2025/26 to complete the 2025/26 DSG estimate.

Forecast DSG Income	2024/2025 £m's	DfE notional 2025/26 allocation (using Oct 24 data) £m's	Difference £m's	Difference %
Schools Block	1030.40	1054.27	23.60	2.32%
High Needs Block	202.15	218.15	16.00	7.9%
Early Years Block (NOT UPDATED)	82.47	82.47	0	0%
CSSB	8.88	8.7	-0.208	0%
<b>Total</b>	<b>1,324</b>	<b>1,363.60</b>	<b>39.60</b>	<b>3.0%</b>



With the pay awards now included within the 2025/26 NFF for schools block, the current forecast shows a total increase of circa 2.32% in the Schools Block from April 2025, however, it must be remembered that actual DSG allocations in Lancashire, to be published in December 2024, could be lower than those in the provisional notification from the DfE, dependant on pupil data from the October 2024 school census.

The Schools Block figures are also shown without the Growth Fund allocations, as these are calculated outside the NFF methodology.

The Schools Block funding increase is welcomed, but members will be aware that there are considerable costs pressures within this funding block with plans in to balance this funding block in 2025/26

The High Needs Block is forecast to increase by circa 7.9% for 2025/26. In HNB, demand growth over the last few years has been circa £20million per year. The expected growth along with the current pressures in the sector will only add to the cost increases for the sector going forward. Therefore, considerable strain on the HNB is expected in 2025/26.

### *Falling Rolls*

For the first time in 2024/25 DfE allocated funding based on growth and falling rolls.

Funding will be allocated based on the reduction in pupil numbers that medium super output areas (MSOA) within each local authorities experience for each year. It is based on the observed differences between the primary and secondary number on roll in each MSOA in a local authority between the most recent October pupil census and the census in the previous October.

Local authorities will continue to have discretion over whether to operate a falling rolls fund. Where local authorities operate a fund, they will only be able to provide funding where the most recent school capacity (SCAP) survey shows that school places will be required in 2025/26, or the subsequent two years.

In 2024/25, Lancashire did not receive a falling rolls allocation, therefore, the authority does not have a falling rolls policy in place. In addition, the LA is not proposing to implement a fall in rolls policy due to pressures expected in the Schools Block expected in 2025/26. Once final DSG allocations have been received in December 2024, the LA will consult the Schools Forum.

The Working Group:

- a) Noted the report.

## **10.2 Backdating of Educational Healthcare Plans Funding**

Millie Parkinson, Schools Forum Officer, provided a verbal update at the working group around the Backdating of Educational Healthcare Plans (EHCP) Funding.

Information about the backdating of EHCP Funding has been made available to schools through the Inclusion Sway, confirming that if there is a delay in issuing an EHCP, funding will be backdated to the term it should have been issued, or on the



SEN data delegation count date. Any funding prior to April 2024 will not be backdated.

The Working Group:

- a) Noted the information.

### **10.3 School Funding and De-delegation Consultation 2025/26**

At the October 2024 working group meeting, initial proposals for 2025/26 de-delegations were presented for consideration. Proposals included a continuation of the service de-delegations that had been approved by the Forum for 2024/25.

The proposed de-delegations relate to:

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

The working group supported the five services being included in annual de-delegation consultation with schools. The proposals included changes to per pupil charges, marginal increases are proposed for Staff costs – Public Duties/Suspensions, Inclusion Hubs and Children's Champions due to increased staffing costs plus a reduction in schools numbers due to academisation. Charges for Heritage Learning Service is to remain the same as 2024/25, and charges for Schools Requiring additional Support is to reduce reflecting the financial position of the service.

Due to the delay in the school funding announcements for 2025/26, a consultation was issued to schools in November. The consultation assumed the National School Funding Formula will continue to allow local discretion of the Minimum funding guarantee rate and service de-delegations.

The closing date for the consultation was 18 November 2024 and final analysis were provided. Due to the timing of the consultation and the annual budget setting process, the voting took place at the Schools Block Working Group on 3<sup>rd</sup> December 2024.

The Working Group:

- a) Noted the report.
- b) Members voted on funding and de-delegation arrangements for 2025/26, as set out below:

- i. **(21) School members voted that any available headroom in Schools Block should be transferred to the High Needs Block in 2025/26 following the funding methodology proposed regarding basic entitlement.**
- ii. **(21) School members voted that the Minimum Funding Guarantee (MFG) level should mirror the National Funding Formula in the Lancashire formula in 2025/26.**
- iii. **(12) Primary school members voted to de-delegate Staff costs – Public Duties/Suspensions for primary schools in 2025/26, at 2024/25 levels.**





- iv. **(4) Secondary school members voted to de-delegate Staff costs – Public Duties/Suspensions for secondary schools in 2025/26, at 2024/25 levels.**
- v. **(12) Primary school members voted to de-delegate the Heritage Learning Service for primary schools in 2025/26.**
- vi. **(12) Primary school members voted to de-delegate Support Requiring additional Support, for primary schools in 2025/26.**
- vii. **(4) Secondary school members voted to de-delegate Schools Requiring additional Support, for secondary schools in 2025/26.**
- viii. **(12) Primary school members voted to de-delegate the Primary Inclusion Hubs for primary schools in 2025/26.**
- ix. **(10) Primary school members voted to de-delegate Children's Champions, for primary schools in 2025/26**  
**(1) Primary school member voted against de-delegate Children's Champions, for primary schools in 2025/26**  
**(1) Primary school member abstained from answering.**
- x. **(3) Secondary school members voted to de-delegate Children's Champions, for Secondary schools in 2025/26**  
**(1) Secondary school member voted against de-delegate Children's Champions, for Secondary schools in 2025/26**

#### **10.4 Growth Fund Policy 2024/25**

Paula Durrant, School Planning Manager, attended the working group meeting to provide an overview on the changes required to the growth fund policy and the reasoning behind them.

The county council has a responsibility under section 14 of the education act 1996 to ensure that there are sufficient primary and secondary school places in the county.

Since 2014, the Schools Forum has had in place a Growth Fund Policy to assist schools/academies commission by the LA for basic need growth. The policy ensures that a transparent and formulaic process is used for allocating additional funds that takes account of expanding schools' needs whilst minimising the effect on the Dedicated Schools Grant (DSG).

The policy has been amended from time to time since its introduction, to take account of various developments. The last substantive amendment of the policy was agreed by the Forum in March 2021, to support the establishment and growth of a new school in Lancashire. This amendment was limited to the establishment and growth of a one form entry Primary school. This limitation has been brought to attention as the LA are considering the establishment of a two form entry Primary school, as well as a four form entry Secondary school.





The proposed change to the policy is in Section 6. New Schools. This amendment allows for the creation of new schools without a limit on the school form entry for both Primary and Secondary schools.

Members questioned why the LA are considering establishing new schools considering the overall falling roll numbers, and whether a 4 form entry secondary school is efficient. The LA are basing these decisions on the data provided, with a focus on areas that have rising roll numbers.

The Working Group:

- a) Noted the report.
- b) Supported the changes to the growth fund policy.

### **10.5 National Non-Domestic Rates**

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'.

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. In 2024/25, four out of the twelve districts opted to implement the centralised NNDR process.

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

Ahead of the DfE deadline for billing authorities to sign up for the centralised NNDR process, a letter from Daniel Ballard, Schools Forum Chair, on behalf of Schools Forum, was distributed to the district councils' Chief Finance Officers on 28<sup>th</sup> October 2024. The letter alerted local council officers of the implications on the Schools budget if Lancashire do not collectively agree to implement the NNDR changes.

As a result, the ESFA have recently confirmed that nine out of the twelve districts in Lancashire opted in to receiving NNDR directly from the ESFA for 2025/26. Therefore, due to not all billing authorities opting in, Lancashire will remain on lagged funding for 2025/26.

Officers will continue to raise awareness of this in advance of the 2026/27 budget setting process.

Members asked how further awareness could be made. It was suggested that members contact their MPs and to request that the LA's CFO apply some pressure to districts that did not sign up. The original letter sent out to CFOs will be redistributed to members to assist with raising awareness.

The Working Group:

- a) Noted the report



## 10.6 Clawback Exemption Requests 2024/25

In July 2024, the Forum considered the School Balances and Clawback Policy for 2024/25 and agreed that clawback should be reintroduced on excessive revenue balances at March 2025.

The working group considered two requests for clawback exemption at March 2025.

### *Request A*

A Lancashire Secondary School is requesting £80,000 to be exempt from clawback at March 2025. The school have been saving annually for the recarpeting of the all weather pitches.

The total cost of the project is expected to be circa £324,000. The school are requesting this exemption to start saving reserves ahead of the project start date.

### *Request B*

A Lancashire Secondary School is requesting a full exemption at March 2025. A letter providing an overview of the project from the school is provided below.

*The DfE confirmed that our school would be included in the 'Schools Rebuilding Programme.' The project is now well underway and we are nearing the end of the feasibility phase with regular meetings ongoing with the DfE, technical advisors and architects. We now know that all blocks will be rebuilt with the exception of the Sixth Form. We also know that certain elements of the project will need to be met from school funds, for example furniture.*

*This, in turn, means that we are operating in a period of time where we will spend significantly less on certain aspects of the site than we would have, had we not been included in the SRP.*

The Working Group:

- a) Noted the report.
- b) Supported both clawback exemption requests.

## 10.7 National Wraparound Childcare Programme Funding Clawback 2024/25

The National Wraparound Childcare Programme is a government initiative aimed at increasing the availability of wraparound childcare, such as breakfast and after-school clubs, for primary-aged children. This programme is designed to support working parents by providing reliable childcare options from 8am to 6pm during term time.

The government has allocated £289 million over two academic years to support this programme.

The funding is intended to help local authorities ensure there is sufficient wraparound childcare in their areas. This includes both expanding existing services and creating new ones.

Local authorities, schools, trusts, and private, voluntary, and independent (PVI) providers can apply for this funding to support their wraparound childcare services.



The funds can be used for various purposes, such as increasing capacity, improving facilities, and ensuring the provision of high-quality childcare that meets the needs of working parents.

Lancashire's funding received to date is £2,187,228, final allocations are yet to be confirmed by the DfE. It is anticipated that will be allocated to schools and settings this financial year.

To date, 57 schools have had revenue funding agreed. The range of this funding for schools is £1,750 up to a maximum of £36,000.

Currently, grant agreements are being drawn up and schools receive the funding once these are completed by school and the LA. Therefore, the allocation timescales will vary for each school.

In addition, the number of schools will continue to increase as the LA have deferred a number of applications that require further work and the LA working with more schools who will submit applications to panel in December, January and February.

The local authority is therefore proposing to exempt the revenue wraparound funding from the clawback policy at 31 March 2025. Members should be aware, if this exemption is agreed, it will be exempt for one year only.

The Working Group:

- a) Noted the report.
- b) Supported the proposal to exempt National Wraparound Childcare Programme Funding from clawback for 31 March 2025.

## **10.8 Supply Cover Insurance and Maternity Scheme for Lancashire Schools Arrangements 2025/26**

Each year reports are presented to the Forum about the arrangements for the School Teaching and Support Staff Supply Reimbursement Scheme. This report sets out proposals for the 2025/26 Scheme changes for consideration.

### **Outturn Position 2023/24**

The Supply Insurance Scheme had been underspent by £37,080 for the year 2023/24. The Schools Forum agreed to hold this underspend within the Supply Reimbursement Scheme reserve. The reserves are currently held at £1,537,080.

### **Scheme Arrangements 2024/25**

The scheme arrangements agreed with the Forum looked to increase premiums in line with increasing the reimbursement rates.

Following the finalisation of the supply scheme arrangements with the Forum in January 2024, individual offers were issued to schools and academies for consideration.

In 2024/25, 1 additional school joined the scheme in comparison to the previous year. For reference, 35 fewer schools signed up for the scheme in 2023/24 than were involved in 2022/23.



### April 2024 to October 2024 Monitoring

In 2023/24, the processing of claims moved to within the Schools Finance team, this has allowed us to monitor the scheme closely. The claims processed from April 2023 to October 2023 was 41% of the total claims for the year 2023/24. Using this methodology for the 2024/25 scheme, it is assumed that 41% of the total number of claims were submitted by October 2024 and therefore c60% of the scheme expenditure is yet to be utilised. On this basis, the scheme is forecasting a circa £144,000 underspend at March 2025. This is also based on the trend that the LA received a large influx of claim submissions prior to the year end deadlines. Modelling is provided in the table below.

Year	Number of claims submitted April - October	Number of claims submitted April - March	Percentage of claims submitted by October	Scheme Outturn Position
2023/24	1378	3342	41%	£37,080
2024/25	1418	3459 Forecast	41%	£144,304 Forecast

Members should be aware that the scheme outturn for 2024/25 may subject to change if the number of claims is lower or higher than anticipated.

As per usual practice, the scheme outturn for this financial year, will be presented to the working groups during the summer term meetings.

### Scheme Proposals 2025/26

#### *Scheme Operation*

The operation of the scheme has been flexible in recent years. It is proposed that the existing scheme rules operating in 2024/25 should remain in place for 2025/26, subject to the following amendments:

- Simplified the Shared Parental Leave (SPL) sections in the Service Level Agreement for teachers maternity and paternity.
- Introduced a clear methodology for calculating teachers paternity SPL.

#### *Scheme Premiums*

A 5.5% increase had been awarded for teaching staff from September 2024, for support staff an average of 5% had been awarded from April 2024. It is usual practice to increase teaching and support staff premiums annually so that reimbursement rates can also increase in line with pay rises for the different categories of staff.

#### *Reimbursement rates*

It is proposed that the reimbursement rates be increased for 2025/26 in line with the proposed increase in scheme premiums.

#### *Options for Consideration*

- For simplicity, to increase charges and reimbursements by 5.5% for both Teaching and Support supply schemes.



- To keep in line with the recent pay awards, increase charges and reimbursements by 5.5% for the Teaching supply scheme and 5% for the Support supply scheme.
- Apply no changes to the charges or reimbursement rates and keep this static at the 2024/25 rates.

### **Service Offer to Schools**

Once scheme arrangements and charging/reimbursement rates are finalised by the Forum in January 2025, a formal individualised 2025/26 scheme offer will be issued to all schools and academies.

The Working Group:

- a) Noted the report.
- b) Recommended the Teaching supply scheme charges and reimbursements increase by 5.5%.
- c) Recommended the Support supply scheme charges and reimbursements increase by 5%.
- d) Supported the proposed SPL amendments.

### **10.9 Redistribution of the Welfare Officer Service Secondary Funding**

Aby Hardy, Head of Education Improvement presented The following proposal has been provided by Aby Hardy, Head of Education Improvement.

As members are aware, 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.

At the 1 October 2024 Schools Block Working Group meeting, members were asked to consider a proposal to use the funding that is 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, it 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.

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.

All secondary schools who access the funding have been notified that we are considering a proposal to remove this funding. We asked for their feedback on this



change and how it would impact their school. Many responses showed concern over their budgets and the impact it would have on their attendance support staff.

### **Proposal**

In light of this feedback, we are therefore proposing to forum that we do not change the funding for April 2025 and will allow schools to receive the funding for that financial year. This should allow them to prepare for the removal of this funding and use their school budgets to support attendance moving forward. However, the funding will be removed from April 2026 and will be used to create a case work team for attendance. This will also give us more time to consult and deliver on the attendance strategy and where case work would be best utilised following the implementation of the strategy.

Members questioned what the difference would be between the new attendance case workers with the current attendance officers, it was highlighted that current attendance officers do not do casework. This item will be included as part of the next School Block Working Group meeting.

School members voted in favour of deferring this change to 2026/27, with (1) member voting against.

The Working Group:

- a) Noted the report.
- b) Supported the deferral of the redistribution to 2026/27.

### **Any Other Business**

Officers raised the following items under any other business.

#### *Transfer of Clawback retained to the High Needs Block*

Considering the increasing High Needs deficit, officers are looking into transferring amounts retained as clawback minus any Schools In Financial Difficulty bids to the HNB. This process would not have a large impact on the HNB deficit, however it would show the LA are moving balances to offset HNB difficulties.

Members should be mindful of the message sent to the DfE when combined school balances remain high, as this could suggest schools are not facing financial difficulties. The clawback policy will be reviewed for 2025/26.

The Working Group:

- a) Noted the items.

