

**Thursday, 20 March 2025, 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  
Sam Ud-din  
Robert Waring  
Tim Young

**Primary School Headteachers**

Daniel Ballard (*LSF chair*)  
Neil Gurman  
Deanne Marsh  
Sarah Robson  
Anna Yates

**Secondary School Governors**

Janice Astley  
Brian Rollo

**Secondary School Headteachers**

Oliver Handley  
Jan Marshall

**Academy Governor**

John Davey

**Academy Secondary Principal**

James Keulemans

**Special School Governor**

Mandy Howarth

**Special School Headteacher**

Claire Thompson (*HN chair*)

**Short Stay Governor**

Sharon Bennett

**Nursery School Headteacher**

Jan Holmes

**PVI Members**

Sharon Fenton  
Philippa Perks (*EY chair*)

**Alternative Provision Academy Head**

Stephanie Carter

**Voting Members**

Rosie Fearn  
George Krawiec

**Observers - Non-Voting Representatives**

Alison Day  
Paula Evans  
Kate Walker  
Ian Watkinson

**Officers in Attendance**

Matthew Dexter  
Aby Hardy  
Sapphire Murray  
Toni Rafferty  
Paul Turner



## Agenda

### 1. Attendance and Apologies for Absence

Apologies were received from the following members:

Sarah Barton, Jenny Birkin, Abigale Bowe, Steve Campbell, Ivan Catlow, Thelma Cullen, Rebecca Lindley, CC Sue Hind, Bill Mann, Sarah McGladrigan, CC Jayne Rear, Carl Roscoe, Rafeal Schiel, Helen Shaw, Kirsty Sutton, John Tarbox

### 2. Substitute Members

Lindsey Dudaniec [for Ivan Catlow], Faye Cooper [for Jenny Birkin], Sarah Meredith [for Sarah Barton]

### 3. Minutes of the Last Meeting

The minutes of the last meeting held on 10 January 2025, were agreed as the correct record.

### 4. Matters Arising

LA brought up School Forum Staffing Changes:

Alex Cullingford – has stepped away from Forum Clerk role and moved back to previous post.

Toni Rafferty – will be increasing involvement to give more schools forum support.

Millie – has had her baby girl, both are healthy and well.

#### The Forum:

##### a) Noted the information.

### 5. Forum Membership

#### Forum Membership Numbers

The Schools Forum regulations require that the balance of Forum membership for maintained primary schools, maintained secondary schools and academies is reviewed to ensure that the number of Forum representatives in these groups is proportionate to the pupil populations across the schools.

Now that the final October 2024 census numbers are available, the Forum membership has been reviewed against the latest pupil data, academy conversions post census date and conversions anticipated up until 31st March 2025. An analysis is provided below:

<i>Phase</i>	<i>Current Membership</i>	<i>NOR January</i>	<i>% of NOR January 2025</i>	<i>Membership</i>	<i>Membership September 2025 (rounded)</i>	<i>Variance</i>
Maintained Primary schools	22	86,244	50%	20.14	20	0.14
Maintained Secondary schools	10	32,490	19%	7.59	8	-0.41
Academies	8	52,527	31%	12.27	12	0.27
<b>Total</b>	<b>40</b>	<b>171,260</b>	<b>100%</b>	<b>40</b>	<b>40</b>	<b>0</b>



Members will recall that the Forum membership for maintained primary schools, maintained secondary schools and academies is rounded to the nearest even number, so that an equal number of Headteacher/Principal and Governorship representatives can be appointed.

Due to the number of academy conversions in 2024/25, the data shows that a reduction in the number of maintained representatives and an increase of academy representatives is required from September 2025. It is envisioned this will be achieved naturally during the annual review process. If the reduction does not occur through the annual review, then schools members wish to continue, appointment date and term of office will be taken into account, and if necessary, lots will be drawn to identify which members are no longer able to serve on the Forum.

The county council is aware that there are a number of academy conversions planned during 2025 and will keep the membership balance under review ahead of the annual membership refresh for September 2025.

### Annual Forum Membership Review

The annual membership review was distributed to members on 5<sup>th</sup> March 2025, this gives members the opportunity to continue or leave their Forum post from September 2025.

As part of the membership review, members requested the geographic membership distribution across the authority to be reviewed. This showed each district within the county is represented by a maintained voting member on the Forum. The review will be shared to members at the Working group.

District	NOR % per district	Current Forum members per district	Forum membership based on NOR	Variance
1	11%	3	4	-1
2	8%	1	3	-2
4	5%	1	2	-1
6	14%	7	6	1
7	10%	6	4	2
8	9%	5	4	1
9	9%	4	4	0
11	12%	4	5	-1
12	9%	2	4	-2
13	8%	5	4	1
14	7%	4	3	1
<b>Total</b>	<b>100%</b>	<b>42</b>	<b>42</b>	<b>0</b>



In addition, please note voting members who failed to attend three consecutive meetings, without good reason or apologies, the Forum have the power to disqualify that member from continuing to hold office on the Forum. This will be reviewed following the March 2025 cycle of meetings, in line with the Operational Arrangements.

Please use the link below to let us know if you wish to continue as a forum member from September 2025, the deadline for submissions is 28th March 2025.

The outcome of the review will be communicated to the Schools Forum in the Summer Term.

**The Forum:**

- a) Noted the report,
- b) Members brought up about difference in Academy representation and how they converge with Forum

## **6. Pupil Premium Grant & National Insurance Grant 2025/26**

Schools The education skills and funding agency (ESFA) published details of the pupil premium grant (PPG) and National Insurance Contribution Grant for 2025/26 on Tuesday 18 March 2025.

### **Pupil Premium Grant 2025/2026**

Pupil premium funding rates for the 2025 to 2026 financial year for schools are increasing by 2.39% compared to the 2024 to 2025 financial year, in line with inflation forecasts. Please see comparison tables.

#### **Funding rates for the 2024 to 2025 financial year**

This table shows how the pupil premium grant is allocated to schools and local authorities in the 2024 to 2025 financial year, based on per pupil rates.

<b>Funding criteria</b>	<b>Amount of funding for each primary-aged pupil per year</b>	<b>Amount of funding for each secondary-aged pupil per year</b>	<b>Funding is paid to</b>
Pupils who are eligible for free school meals, or have been eligible in the past 6 years	£ 1,480	£ 1,050	School



<b>Funding criteria</b>	<b>Amount of funding for each primary-aged pupil per year</b>	<b>Amount of funding for each secondary-aged pupil per year</b>	<b>Funding is paid to</b>
Pupils previously looked after by a local authority or other state care	£ 2,570	£ 2,570	School
Children who are looked after by the local authority	£ 2,570	£ 2,570	Local authority

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Pupils who are eligible for free school meals, or have been eligible in the past 6 years	£1,515	£1,075	School
Pupils previously looked after by a local authority or other state care	£2,630	£2,630	School
Children who are looked after by the local authority	£2,630	£2,630	Local authority

Please note early years premium grant funding levels were announced in December and communicated to all early years settings in budget letters sent by the local authority on 27 February 2025.



## National Insurance Contributions (NICs) grant 2025/2026

The ESFA are providing schools and high needs settings with over £930 million in financial year 2025 to 2026 to support them with their increased NICs costs. The ESFA are also providing £25 million in respect of schools with early years provision and £155 million for post-16 schools and academies and further education colleges. Taken together, this is an increase of over £1 billion in financial year 2025 to 2026.

The funding provided through the grant will be to support settings with NICs costs relating to both teachers and support staff, as they are both affected by the increase to NICs. The NICs grant funding rates are based on factors used in previous pay and pensions grants.

Mainstream school allocations will be determined by the ESFA.

The ESFA have confirmed the authority will be funded at a per place allocation for Special and PRU schools as part of the Core Schools Budget Grant (CSBG). Therefore, the authority will allocate funding per place to Special and PRU's to mirror the grant received. In line with the ESFA methodology, funding for the NIC element of the CSBG will initially be funded on 2024/25 academic year places at £496 per place. This will then be adjusted in March 2026 based on five-twelfths of the 2024/2025 academic year place numbers, plus seven-twelfths of the 2025/2026 academic year place numbers

For the Early Years NICs grant, the approach to distribution of funding has been developed in line with previous grants. As with both the early years core entitlements funding and previous early years grants, NICs funding will be distributed at local authority level, with the grant providing additional funding to school-based settings only. As with previous early years grants, the authority will allocate the grant based on January census data.

It is anticipated that from 2026/27 onwards the funding will then be rolled into the national funding formula.

Limited information has been released in relation to the post-16 element of the NIC grant, with information available on the ESFA website - <https://www.gov.uk/government/publications/post-16-national-insurance-contributions-nics-grant/post-16-national-insurance-contributions-nics-grant-2025-to-2026>

In advance of the allocations being published, mainstream schools can use a calculator tool to estimate their funding for 5 to 16-year-olds through the NICs grant - <https://www.gov.uk/government/publications/national-insurance-contributions-nics-grant-and-early-years-national-insurance-contributions-ey-nics-grant-for-2025-to-2026>

Full details of the funding rates and methodology can be found on the ESFA website - <https://www.gov.uk/government/publications/national-insurance-contributions-nics-grant-and-early-years-national-insurance-contributions-ey-nics-grant-for-2025-to-2026>



**The Forum:**

- a) **Noted the update.**
- b) **There is a calculator that has now been corrected so maintained schools can use to work out their grants.**
- c) **January Census/Allocated places will be used for Early Years sector to work out allocations, these will be shared once all is sorted and agreed.**

**7. Recommendations from the Schools Block Working Group**

To consider the recommendations from the Schools Block Working Group from 11 March 2025.

**7.1 Schools Forum Membership**

**Forum Membership Numbers**

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date and term of office will be taken into account, and if necessary, lots will be drawn to identify which members are no longer able to serve on the Forum.

The county council is aware that there are a number of academy conversions planned during 2025 and will keep the membership balance under review ahead of the annual membership refresh for September 2025.

### Annual Forum Membership Review

The annual membership review was distributed to members on 5<sup>th</sup> March 2025, this gives members the opportunity to continue or leave their Forum post from September 2025.

As part of the membership review, members requested the geographic membership distribution across the authority to be reviewed. This showed each district within the county is represented by a maintained voting member on the Forum. The review will be shared to members at the Working group.

In addition, please note voting members who failed to attend three consecutive meetings, without good reason or apologies, the Forum have the power to disqualify that member from continuing to hold office on the Forum. This will be reviewed following the March 2025 cycle of meetings, in line with the Operational Arrangements.

Please use the link below to let us know if you wish to continue as a forum member from September 2025, the deadline for submissions is 28th March 2025.

The outcome of the review will be communicated to the Schools Forum in the Summer Term.

The Working Group:

- a) Noted the information.
- b) Expressed the concern for Academy involvement, that governors have different hierarchy and how Academies may not see the relevance of Schools Forum for them

## 7.2 Schools Block Budget 2025/26

At the Schools Forum on 10th January 2025, decisions and recommendations about the 2025/26 Schools Budget were agreed.

In connection with the Schools Block, the Forum unanimously supported the 2025/26 Schools Block proposals, including:

- The DfE's National Funding Formula (NFF) methodology should continue to be used as the Lancashire formula for 2025/26.
- The Minimum Funding Guarantee (MFG) be set at +0.0% for 2025/26, mirroring the National Funding Formula.
- Confirm the use of the Minimum Pupil Funding (MPF) rates contained in the NFF for any new Growth Fund allocations from April 2025
  - Primary £4,955 per pupil



- Secondary £6,465 per pupil
- Balancing schools block using the methodology that was consulted on with schools in 2025/26 without the use of DSG reserves.

On 16th January 2025, the County Council's Cabinet formally approved the Schools Budget for 2025/26.

The Authority Proforma Tool (APT), setting out the agreed Schools Block proposals for 2025/26, was then submitted to the ESFA for compliance checking ahead of the 22 January 2025 deadline.

Some elements of the Schools Budget require compliance checking by the ESFA and approval was received on 25 February 2025.

Budget statements for 2025/26 were prepared and issued on 27 February 2025.

Since 2022/23, the DfE now calculate the PPG allocations based on October school census data, rather than the January school census.

Once we receive the confirmed 2025/26 PPG allocations from the DfE, we will inform schools of their actual PPG allocation for 2025/26 later in the financial year.

Academy schools will receive their PPG allocations directly from the ESFA.

The Working Group:

- c) Noted the information.

### **7.3 2026/27 Schools Block Transfer to HNB 2025/2026**

The Regulatory framework continues to allow local authorities to be able to transfer up to 0.5% (c£5.2m) 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 the current and most significant pressures within the High Needs 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 Dedicated Schools Grant 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 by not passporting through the full increase on the NFF basic entitlement factor. If any headroom was available after this methodology, schools forum approval was given to transfer to the High Needs Block

To mirror the NFF and to be within the NFF regulations, the revised factor value must be within 2.5% of the respective NFF value.



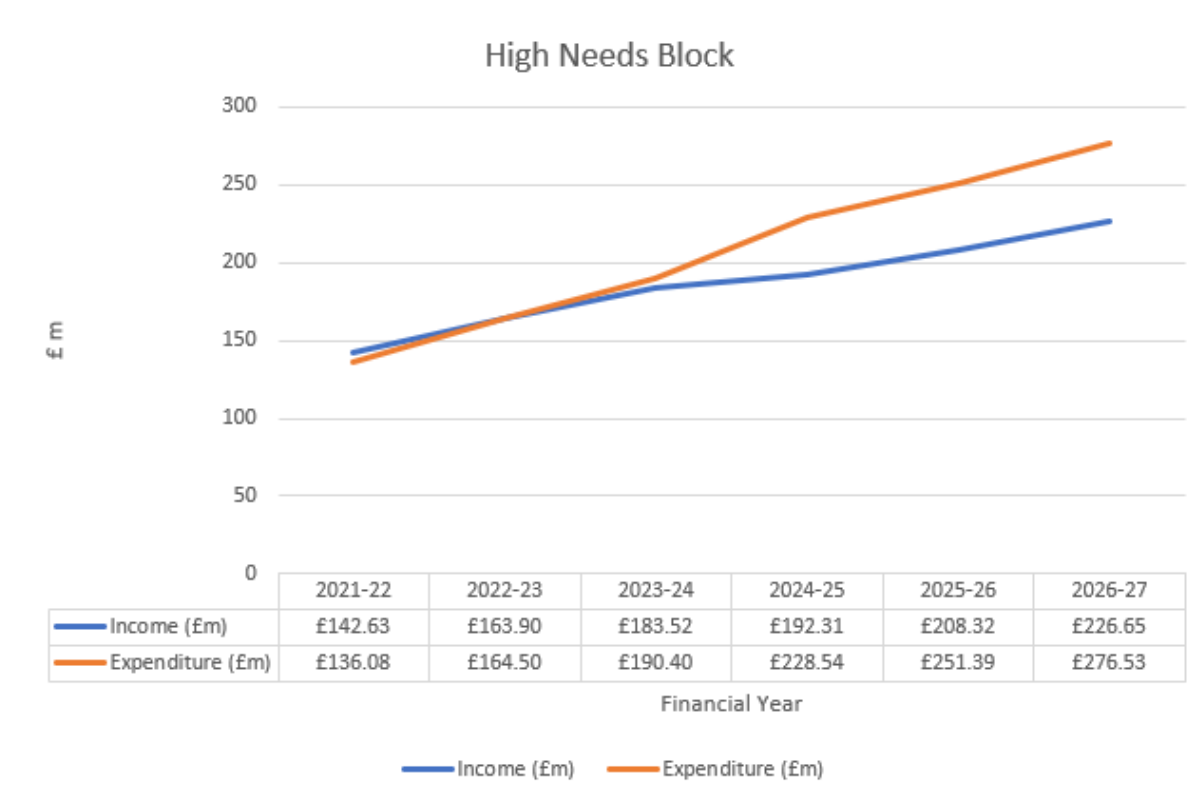
Following the modelling and application of the methodology agreed, the revised basic entitlement factor was 99.33% of the 2025/26 NFF factor and within the 2.5% allowable. This allowed a balanced budget position within schools block to be set in 2025/26, however no further headroom was available to transfer to the High Needs Block.

Without the application of the agreed methodology there would have been a £3.33m deficit on schools block in 2025/26.

## 2026/27

Historically there hasn't been a transfer from schools block to HNB, however due to the pressures on the High Needs Block this is likely to be needed for 2026/27.

The recognition of SEND reform is welcome by the government with additional funding received in 2025/26, however it is not enough to keep pace with current demand. Based on the current projections, an estimated £40-50m of additional HNB funding annually is required for Lancashire to keep up with current demand.



## 2026/27 Modelling

Using 2025/26 data, modelling has been undertaken to show the impact of a possible transfer in line with the NFF regulations using the basic entitlement reduction of up to 2.5%. The table below shows the 2025/26 NFF basic entitlement factor, the minimum basic entitlement factor, maximum basic entitlement factor and the agreed 2025/26 basic entitlement factor agreed within the 2025/26 schools budget.



Factor	2025/26 NFF Basic Entitlement	2025/26 NFF Min Basic Entitlement	2025/26 NFF Max Basic Entitlement	2025/26 Agreed Basic Entitlement
Primary basic entitlement	£3,847	£3,751	£3,943	£3,821
KS3 basic entitlement	£5,422	£5,286	£5,558	£5,385
KS4 basic entitlement	£6,113	£5,960	£6,266	£6,072

The ranges of a possible transfer and impact across schools block are listed below. The maximum allowable transfer in line with the factor values would be 0.42%, equivalent to £4.3m, with the minimum transfer 0.12%, equivalent to £1.2m.

The total number of primary, secondary, and all-through schools are listed below.

Primary – 481  
Secondary – 80  
All through – 2  
Total – 563

1% Reduction (0.12% Transfer)		
Basic Age Weighted Pupil Unit (AWPU)		Entitlement
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,809		
	£5,368	£6,052

1% Reduction (0.12% Transfer)		
	Difference in Funding	Average Impact
Primary	£559,034	£1,162
Secondary	£658,051	£8,226
All-Through	£3,400	£1,700
Total Impact/Average	£1,220,485	£2,168

1.25% Reduction (0.2% Transfer)		
Basic Age Weighted Pupil Unit (AWPU)		Entitlement
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,799		
	£5,354	£6,037

1.25% Reduction (0.2% Transfer)		
	Difference in Funding	Average Impact
Primary	£976,115	£2,029
Secondary	£1,070,995	£13,387
All-Through	£6,160	£3,080
Total Impact/Average	£2,053,270	£3,647



1.5% Reduction (0.25% Transfer)		
Basic Age Weighted Pupil Unit (AWPU)		Entitlement
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,789		
	£5,341	£6,021

1.5% Reduction (0.25% Transfer)		
	Difference in Funding	Average Impact
Primary	£1,342,161	£2,790
Secondary	£1,394,910	£17,436
All-Through	£8,898	£4,449
Total Impact/Average	£2,745,969	£4,877

1.75% Reduction (0.3% Transfer)		
Basic Age Weighted Pupil Unit (AWPU)		Entitlement
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,780		
	£5,327	£6,006

1.75% Reduction (0.3% Transfer)		
	Difference in Funding	Average Impact
Primary	£1,626,835	£3,382
Secondary	£1,625,094	£20,314
All-Through	£11,523	£5,762
Total Impact/Average	£3,263,452	£5,797

2% Reduction (0.35% Transfer)		
Basic Age Weighted Pupil Unit (AWPU)		Entitlement
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,770		
	£5,314	£5,991

2% reduction (0.35% Transfer)		
	Difference in Funding	Average Impact
Primary	£1,896,431	£3,943
Secondary	£1,797,512	£22,469
All-Through	£14,223	£7,112
Total Impact/Average	£3,708,166	£6,586

2.5% Reduction (0.41% Transfer)		
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Basic Age Weighted Pupil Unit (AWPU)		Entitlement
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,751		
	£5,286	£5,960

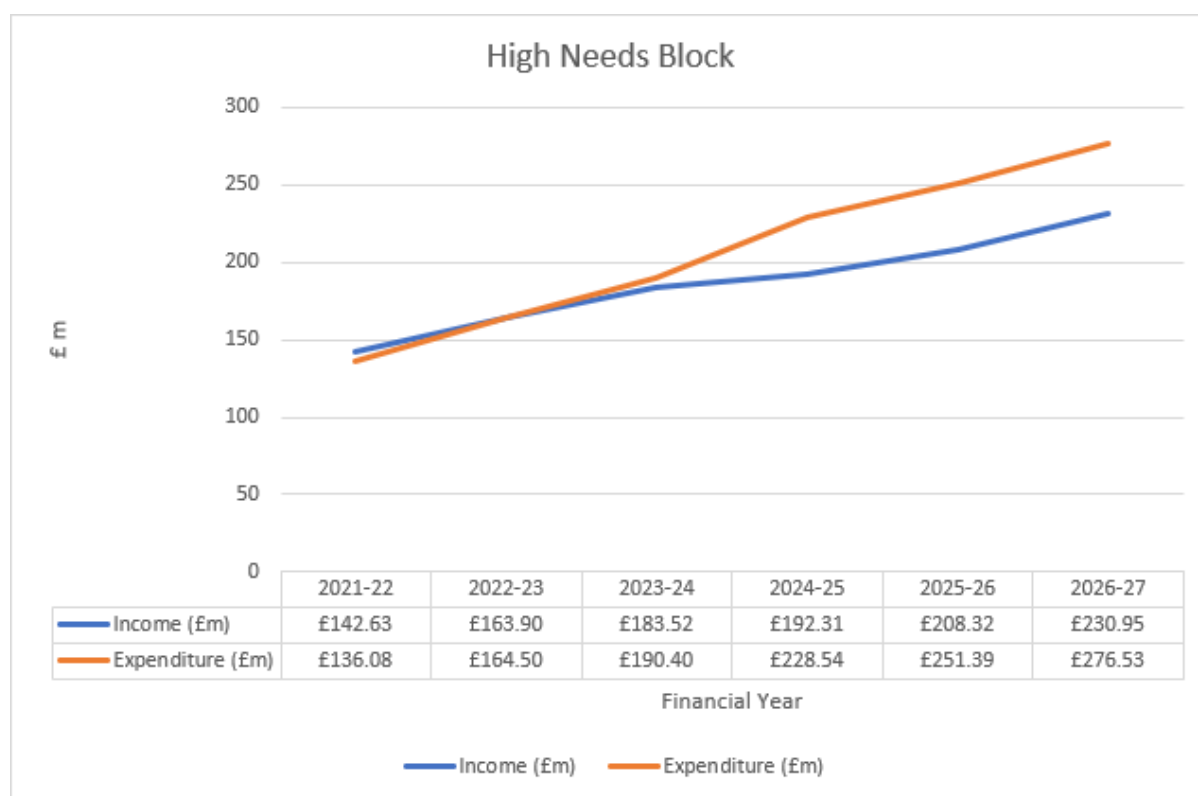
2.5% reduction (0.41% Transfer)		
	Difference in Funding	Average Impact
Primary	£2,302,584	£4,787
Secondary	£2,025,180	£25,315
All-Through	£18,049	£9,024
Total Impact/Average	£4,345,813	£7,719

Based on current data, it should be noted that if the maximum 0.50% transfer from schools block to high needs block is sought, then a further 0.09% (c£1m) would be required. To achieve this, the proposal would be to reduce the lump sum element in line with the NFF regulations.

Using the basic entitlement and lump sum factors to achieve this, provide consistency and equitably across schools.

#### Impact of 0.41% (£4.3m) Transfer

The below graph shows the financial impact of a 0.41% (£4.3m) transfer from schools block to the high needs block in 2026/27.



In a wider context, it is worth noting that the pressures on Dedicated Schools Grant (DSG) budgets is of national concern. The DfE have indicated that there are an increasing number of local authorities that are now incurring a deficit on their overall DSG accounts, because of overspends on the High Needs Block. Lancashire, at the start of the current financial year, retained a positive DSG reserve, which is forecasted to be fully exhausted by March 2025. Any DSG deficits will need to be repaid in future years, putting even greater pressure on the funding available for schools.

Any decision taken about a Schools Block transfer would only relate to 2026/27 will be consulted with schools as part of the annual budget setting process and will be voted on by schools forum in autumn 2025.

Whilst the funding regulations allow schools forum to approve a maximum of 0.5% transfer from schools block to the high needs block, local authorities can submit a disapplication to the secretary of state if they wish to transfer above 0.5%

The Working Group:

- a) Noted the report.
- b) Members expressed the importance of the Consultations that are sent out, also emboldened the importance of engagement from schools and the need for more academies getting involved as they are also included in outcome of these decisions.
- c) Also noted that this is a single year proposal as it is dependant of future funding and needs.

#### 7.4 Inclusion Hub Funding 2025/26

Following a consultation with schools in the autumn term 2024, the Forum again voted to de-delegate funding for primary inclusion hubs in 2025/26. The de-delegation cost has increased from £11.00 to £11.50 per pupil for maintained primary schools and generates circa £1m for inclusion hub activities in Lancashire.

The distribution methodology has used pupil numbers and a deprivation factor to calculate the allocations for each district. For 2025/26, it is proposed to continue this methodology, and the table below provides information on the allocations calculated for each district from April 2025:

District	NOR (90%) £	Deprivation (10%) £	Total £
01 - Lancaster	94,601	10,907	105,508
02 - Wyre	68,977	7,452	76,429
04 – Fylde	43,579	3,723	47,302
06 – Preston	132,481	15,339	147,820
07 – South Ribble	76,638	7,251	83,889
08 – West Lancashire	77,440	8,236	85,676
09 – Chorley	89,790	7,724	97,514
11 – Hyndburn	103,149	11,209	114,358
12 – Burnley	77,062	11,141	88,203
13 – Pendle	80,647	11,401	92,048



14 - Rossendale	55,636	5,617	61,253
	<b>900,000</b>	<b>100,000</b>	<b>1,000,000</b>

District allocations are similar to those for 2025/26, with 3 district receiving a marginally higher allocation and 8 slightly lower allocations. The largest change for a single district is a circa £5.8k increase in funding and the smallest change is circa £339.

Further updates will be presented to the Forum in due course about the operation of the hubs, and the Forum will need to make formal decisions in October 2025 about de-delegation options for 2026/27.

The Working Group:

- a) Noted the report.

## 7.5 Any Other Business

It is noted that due to traffic issues on the day, the meeting was below the 40% quota of Voting members needed for decisions [15/16]. Although no decisions were made or requested.

The Working Group:

- a) Noted the issue.

**The Forum ratified the working group's recommendations.**

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

To consider the recommendations from the High Needs Block Working Group from 4 March 2025.

### 8.1 Schools Forum membership Forum Membership Numbers

The Schools Forum regulations require that the balance of Forum membership for maintained primary schools, maintained secondary schools and academies is reviewed to ensure that the number of Forum representatives in these groups is proportionate to the pupil populations across the schools.

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Due to the number of academy conversions in 2024/25, the data shows that a reduction in the number of maintained representatives and an increase of academy representatives is required from September 2025. It is envisioned this will be achieved naturally during the annual review process. If the reduction does not occur through the annual review, then schools members wish to continue, appointment date and term of office will be taken into account, and if necessary, lots will be drawn to identify which members are no longer able to serve on the Forum.

The county council is aware that there are a number of academy conversions planned during 2025 and will keep the membership balance under review ahead of the annual membership refresh for September 2025.

### **Annual Forum Membership Review**

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As part of the membership review, members requested the geographic membership distribution across the authority to be reviewed. This showed each district within the county is represented by a maintained voting member on the Forum. The review will be shared to members at the Working group.

In addition, please note voting members who failed to attend three consecutive meetings, without good reason or apologies, the Forum have the power to disqualify that member from continuing to hold office on the Forum. This will be reviewed following the March 2025 cycle of meetings, in line with the Operational Arrangements.

Please use the link below to let us know if you wish to continue as a forum member from September 2025, the deadline for submissions is 28th March 2025.

The outcome of the review will be communicated to the Schools Forum in the Summer Term.

The Working Group is asked to:  
a) Note the information



b) Noted the lack of Academy Representation and that Academies have different format for Governors, i.e. Trustees in Law

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

Due to the cost and demand led pressures on the High Needs Block budget, arrangements were introduced from 2018/19 to provide the Forum with termly budget HNB monitoring.

Period 1 to 10 2024/25 data is now available, and the monitoring and analysis is provided at Appendix A.

The HNB budget is currently forecasting a circa £35.44m overspend at 31 March 2025.

The monitoring is an estimate of the full year forecast, based on expenditure that has occurred in the period between April 2024 – January 2025.

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

### **The Working Group:**

#### **a) Noted the Report**

## **8.3 High Needs Block Budget 2025/26**

At the Schools Forum on 10th January 2025, decisions, and recommendations about the 2025/26 Schools Budget were agreed.

In connection with the High Needs Block, the Forum unanimously supported the 2025/26 High Needs Block proposals, including:

- The increased HNB allocation being utilised to cover the growth in High Needs expenditure from April 2025.
- Special School and PRU/AP School Specific factors uplifted by 0.5% in line with schools block funding increases.
- No increase to the weighted pupil number/banding top up values supporting all high needs pupils, and to remain at the 2024/25 value due to the pressures within the high needs block.

On 16th January 2025, the County Council's Cabinet formally approved the Schools Budget for 2025/26.

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.



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.

Some elements of the Schools Budget required compliance checking by the ESFA, and approval was received on 25th February 2025. Individual School Budgets were released on 27th February 2025.

Since 2022/23, the DfE now calculate the PPG allocations based on October school census data, rather than the January school census.

Once we receive the confirmed 2025/26 PPG allocations from the DfE, we will inform schools of their actual PPG allocation for 2025/26 later in the financial year.

Academy schools will receive their PPG allocations directly from the ESFA

#### **The Working Group:**

##### **a) Noted the report and Presentation.**

##### **b) Members noted comments:**

- a. Schools forum members encouraged to contact MP's etc. individually to raise concerns on historic funding, ongoing funding issues etc**
- b. Clawback guideline currently 12% - does this need to be reviewed to encourage spend**
- c. Change of legalities – inclusivity in schools and the impact on the funding – rebalance across High Needs Block and Schools Block**
- d. LA reforms impacted funding – Blackpool not a part of Lancashire, changed the dynamic of the LA - deprivation/need**

#### **8.4 2026/27 Schools Block Transfer to the High Needs Block 2025/2026**

The Regulatory framework continues to allow local authorities to be able to transfer up to 0.5% (c£5.2m) 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 the current and most significant pressures within the High Needs 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 Dedicated Schools Grant 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 by not passporting through the full increase on the NFF basic



entitlement factor. If any headroom was available after this methodology, schools forum approval was given to transfer to the High Needs Block

To mirror the NFF and to be within the NFF regulations, the revised factor value must be within 2.5% of the respective NFF value.

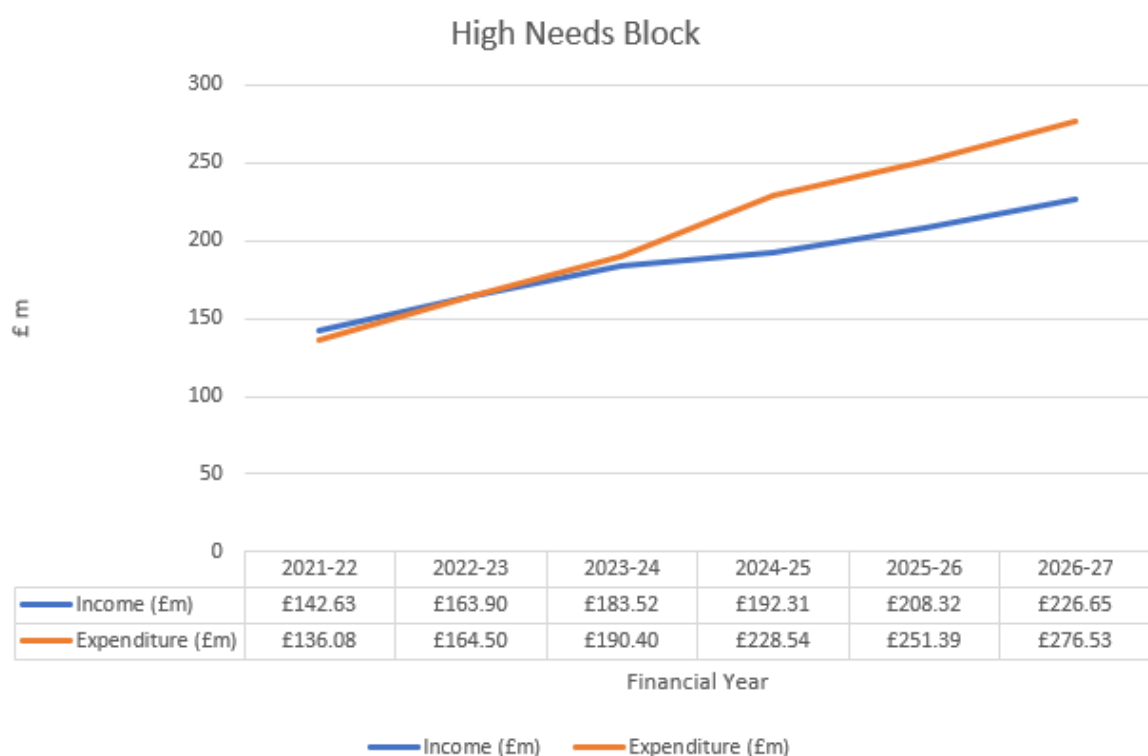
Following the modelling and application of the methodology agreed, the revised basic entitlement factor was 99.33% of the 2025/26 NFF factor and within the 2.5% allowable. This allowed a balanced budget position within schools block to be set in 2025/26, however no further headroom was available to transfer to the High Needs Block.

Without the application of the agreed methodology there would have been a £3.33m deficit on schools block in 2025/26.

## 2026/27

Historically there hasn't been a transfer from schools block to HNB, however due to the pressures on the High Needs Block this is likely to be needed for 2026/27.

The recognition of SEND reform is welcome by the government with additional funding received in 2025/26, however it is not enough to keep pace with current demand. Based on the current projections, an estimated £40-50m of additional HNB funding annually is required for Lancashire to keep up with current demand.



## 2026/27 Modelling

Using 2025/26 data, modelling has been undertaken to show the impact of a possible transfer in line with the NFF regulations using the basic entitlement reduction of up to 2.5%. The table below shows the 2025/26 NFF basic entitlement factor, the minimum basic entitlement factor, maximum basic entitlement factor and



the agreed 2025/26 basic entitlement factor agreed within the 2025/26 schools budget.

Factor	2025/26 NFF Basic Entitlement	2025/26 NFF Min Basic Entitlement	2025/26 NFF Max Basic Entitlement	2025/26 Agreed Basic Entitlement
Primary basic entitlement	£3,847	£3,751	£3,943	£3,821
KS3 basic entitlement	£5,422	£5,286	£5,558	£5,385
KS4 basic entitlement	£6,113	£5,960	£6,266	£6,072

The ranges of a possible transfer and impact across schools block are listed below. The maximum allowable transfer in line with the factor values would be 0.42%, equivalent to £4.3m, with the minimum transfer 0.12%, equivalent to £1.2m.

The total number of primary, secondary, and all-through schools are listed below.

Primary – 481  
Secondary – 80  
All through – 2  
Total – 563

1% Reduction (0.12% Transfer)		
Basic Entitlement Age Weighted Pupil Unit (AWPU)		
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,809		
	£5,368	£6,052

1% Reduction (0.12% Transfer)		
	Difference in Funding	Average Impact
Primary	£559,034	£1,162
Secondary	£658,051	£8,226
All-Through	£3,400	£1,700
<b>Total Impact/Average</b>	<b>£1,220,485</b>	<b>£2,168</b>

1.25% Reduction (0.2% Transfer)		
Basic Entitlement Age Weighted Pupil Unit (AWPU)		
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,799		
	£5,354	£6,037

1.25% Reduction (0.2% Transfer)		
	Difference in Funding	Average Impact
Primary	£976,115	£2,029
Secondary	£1,070,995	£13,387



All-Through	£6,160	£3,080
<b>Total Impact/Average</b>	<b>£2,053,270</b>	<b>£3,647</b>

1.5% Reduction (0.25% Transfer)		
Basic Entitlement Age Weighted Pupil Unit (AWPU)		
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,789		
	£5,341	£6,021

1.5% Reduction (0.25% Transfer)		
	Difference in Funding	Average Impact
Primary	£1,342,161	£2,790
Secondary	£1,394,910	£17,436
All-Through	£8,898	£4,449
<b>Total Impact/Average</b>	<b>£2,745,969</b>	<b>£4,877</b>

1.75% Reduction (0.3% Transfer)		
Basic Entitlement Age Weighted Pupil Unit (AWPU)		
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,780		
	£5,327	£6,006

1.75% Reduction (0.3% Transfer)		
	Difference in Funding	Average Impact
Primary	£1,626,835	£3,382
Secondary	£1,625,094	£20,314
All-Through	£11,523	£5,762
<b>Total Impact/Average</b>	<b>£3,263,452</b>	<b>£5,797</b>

2% Reduction (0.35% Transfer)		
Basic Entitlement Age Weighted Pupil Unit (AWPU)		
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,770		
	£5,314	£5,991

2% reduction (0.35% Transfer)		
	Difference in Funding	Average Impact
Primary	£1,896,431	£3,943
Secondary	£1,797,512	£22,469
All-Through	£14,223	£7,112
<b>Total Impact/Average</b>	<b>£3,708,166</b>	<b>£6,586</b>

2.5% Reduction (0.41% Transfer)		
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Basic Entitlement Age Weighted Pupil Unit (AWPU)		
Primary (Years R-6)	Key Stage 3 (Years 7-9)	Key Stage 4 (Years 10-11)
£3,751		
	£5,286	£5,960

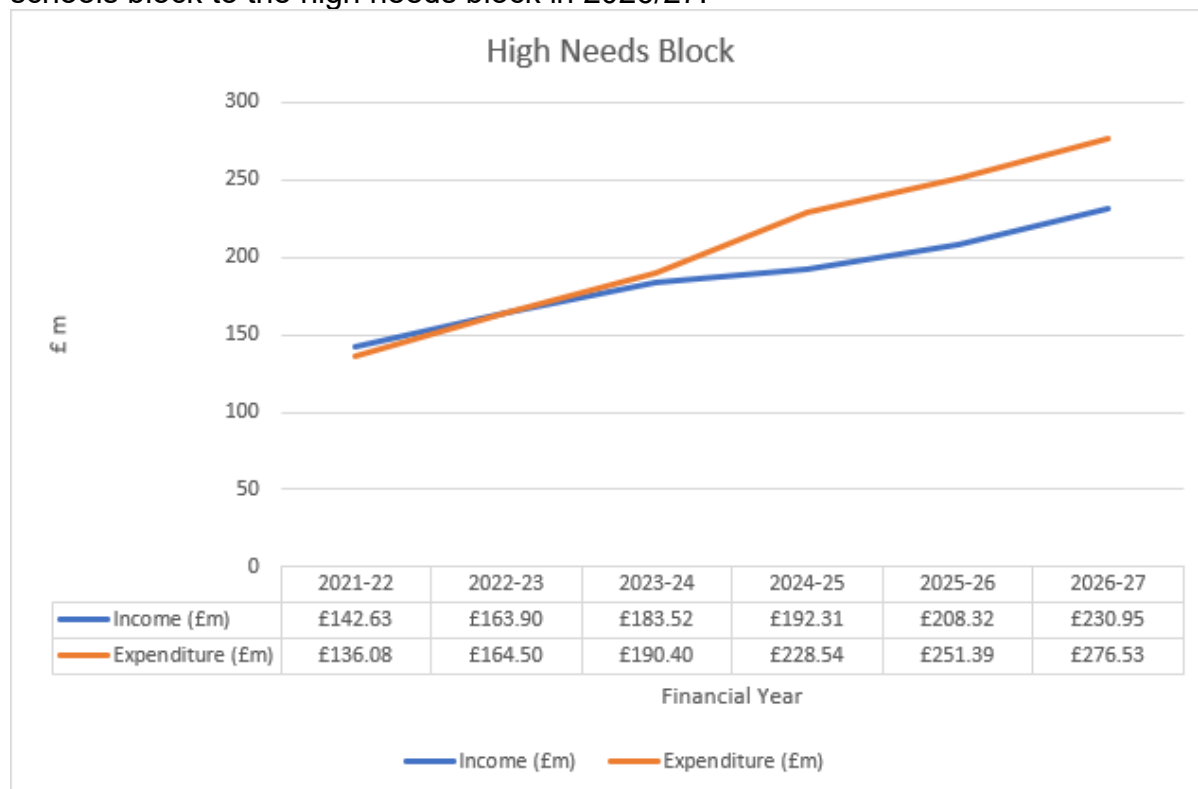
2.5% reduction (0.41% Transfer)		
	Difference in Funding	Average Impact
Primary	£2,302,584	£4,787
Secondary	£2,025,180	£25,315
All-Through	£18,049	£9,024
<b>Total Impact/Average</b>	<b>£4,345,813</b>	<b>£7,719</b>

Based on current data, it should be noted that if the maximum 0.50% transfer from schools block to high needs block is sought, then a further 0.09% (c£1m) would be required. To achieve this, the proposal would be to reduce the lump sum element in line with the NFF regulations.

Using the basic entitlement and lump sum factors to achieve this, provide consistency and equitably across schools.

### Impact of 0.41% (£4.3m) Transfer

The below graph shows the financial impact of a 0.41% (£4.3m) transfer from schools block to the high needs block in 2026/27.



In a wider context, it is worth noting that the pressures on Dedicated Schools Grant (DSG) budgets is of national concern. The DfE have indicated that there are an increasing number of local authorities that are now incurring a deficit on their overall DSG accounts, because of overspends on the High Needs Block. Lancashire, at the start of the current financial year, retained a positive DSG reserve, which is forecasted to be fully exhausted by March 2025. Any DSG deficits will need to be repaid in future years, putting even greater pressure on the funding available for schools.

Any decision taken about a Schools Block transfer would only relate to 2026/27 will be consulted with schools as part of the annual budget setting process and will be voted on by schools forum in autumn 2025.

Whilst the funding regulations allow schools forum to approve a maximum of 0.5% transfer from schools block to the high needs block, local authorities can submit a disapplication to the secretary of state if they wish to transfer above 0.5%.

**The Working Group:**

**d) Noted the Report.**

**e) Members noted ongoing issues:**

**a. Lagged funding e.g. FSM**

**b. 0.5% transfers are a short term solution – need to get to the bottom of the underlying issues**

**8.4 Alternative Provision**

Sapphire presented Appendix B

Noted mentions:

More trials and evidence for primary schools would be useful

Safeguarding responsibility to remain with school

Needs to be clear that it is a short term option and clear contract with regards to financing and obligations to ensure that costs do not spiral for individual schools and expectations are managed for all parties

Funding from AP / HNB – unknown impact at the moment but there is a reporting mechanism available to show use of funds which is to be reported back to forum

**The Working Group:**

**a) Noted the report.**

**The Forum ratified the working group's recommendations.**

**Members noted comments:**

**Anna Yates has previously written to MP Ashley Daulton and raised issues**

**It was discussed about the importance for Forum and the need to review policies to ensure they are compliant and tightened in this climate, especially those that relate to the release of funding from High Needs Block**



**Aby Hardy will be going round for consultations for New Section19 policy in due course.**

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

To consider the recommendations from the Early Years Block Working Group from 6 March 2025.

### **9.1 Schools Forum membership**

#### **Forum Membership Numbers**

The Schools Forum regulations require that the balance of Forum membership for maintained primary schools, maintained secondary schools and academies is reviewed to ensure that the number of Forum representatives in these groups is proportionate to the pupil populations across the schools.

Now that the final October 2024 census numbers are available, the Forum membership has been reviewed against the latest pupil data, academy conversions post census date and conversions anticipated up until 31st March 2025. An analysis is provided below:

<i>Phase</i>	<i>Current Membership</i>	<i>NOR January</i>	<i>% of NOR January 2025</i>	<i>Membership</i>	<i>Membership September 2025 (rounded)</i>	<i>Variance</i>
Maintained Primary schools	22	86,244	50%	20.14	20	0.14
Maintained Secondary schools	10	32,490	19%	7.59	8	-0.41
Academies	8	52,527	31%	12.27	12	0.27
Total	40	171,260	100%	40	40	0

Members will recall that the Forum membership for maintained primary schools, maintained secondary schools and academies is rounded to the nearest even number, so that an equal number of Headteacher/Principal and Governorship representatives can be appointed.

Due to the number of academy conversions in 2024/25, the data shows that a reduction in the number of maintained representatives and an increase of academy representatives is required from September 2025. It is envisioned this will be achieved naturally during the annual review process. If the reduction does not occur through the annual review, then schools members wish to continue, appointment date and term of office will be taken into account, and if necessary, lots will be drawn to identify which members are no longer able to serve on the Forum.

The county council is aware that there are a number of academy conversions planned during 2025 and will keep the membership balance under review ahead of the annual membership refresh for September 2025.

Annual Forum Membership Review



The annual membership review was distributed to members on 5<sup>th</sup> March 2025, this gives members the opportunity to continue or leave their Forum post from September 2025.

As part of the membership review, members requested the geographic membership distribution across the authority to be reviewed. This showed each district within the county is represented by a maintained voting member on the Forum. The review will be shared to members at the Working group.

In addition, please note voting members who failed to attend three consecutive meetings, without good reason or apologies, the Forum have the power to disqualify that member from continuing to hold office on the Forum. This will be reviewed following the March 2025 cycle of meetings, in line with the Operational Arrangements.

Please use the link below to let us know if you wish to continue as a forum member from September 2025, the deadline for submissions is 28th March 2025.

The outcome of the review will be communicated to the Schools Forum in the Summer Term.

### **The Working Group.**

#### **a) Noted the report**

### **9.2 Early Years Block Budget 2025/26**

At the Schools Forum on 10th January 2025, decisions, and recommendations about the 2025/26 Schools Budget were agreed.

In connection with the Early Years Block, the Forum unanimously supported the 2025/26 Early Years Block proposals, including:

#### *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:*

<i>2024/25 Base rate</i>	<i>£5.41 per hour</i>
<i>2025/26 DfE uplift</i>	<i>£0.24 per hour</i>
<i>2025/26 Additional funding from within the Early Years Block</i>	<i>£0.05 per hour</i>
<i>2025/26 Base rate</i>	<i>£5.70 per hour</i>

#### *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:*

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

#### *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:*

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

#### *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.

On 16th January 2025, the County Council's Cabinet formally approved the Schools Budget for 2025/26.

Some elements of the Schools Budget require compliance checking by the ESFA and approval was received on 25 February 2025.

Early Years budget statements for 2025/26 were prepared and issued on 27 February 2025.

**The Working Group.**



- a) Noted the report
- b) Members discussed the impact of the wage and NI uplift and possibilities of settings closing.
- c) No update or guidance for National Insurance at this stage.

### 9.3 Early Years Rates 2025/26

Presentation given by Matt Dexter.

Gave overview of Funding Rates for Under 2's, 2 year old's and 3-4 year old's.

**The Working Group.**

- a) Noted the Presentation.
- b) Members discussed the concern of outdated Market data, questioned if this could be raised with councillors or politicians.

The Forum noted that Lancashire is one of lowest funding authority in the country and is such a financial impact on the sector.

If members and/or schools can raise these issues with local MP's, and above to help focus this issue [although noted that sending letters before the election may not be viable due to reduction in political activity]

### 9.4 DfE Statutory Guidance Update – Charging

Verbal Update from Mel Foster about the update to Charging guidance.

The New Guidance comes into effect on 1<sup>st</sup> April 2025, shared *The Early Education and Childcare Entitlements Statutory Guidance - Frequently Asked Questions about charging* as Appendix A.

An email was sent to the sector also as Appendix B.

The team will be looking to share FAQ and more defined information once they have completed their research and checks.

**The Working Group.**

- f) Noted the report.

Forum Members noted the tremendous concern this is causing within the sector.

### 9.5 Any Other Business

Matt Dexter brought up about the Early Years Expansion Grant, which is a standalone grant. The DfE guidance for the 1.8m states it is up to the LA to distribute, £958k to under 2 year old's and £842k to 2 year olds.

**The Working Group.**

- a) Noted the information.

The Forum ratified the working group's recommendations.

## 10. Any Other Business

## 11. Date of Future Meetings



To note that the next scheduled Forum meeting will be held at 10.00 am on Tuesday 01 July 2025. Arrangements for the meeting will be confirmed in due course.

- School Forum is asked to approve dates for 2025/26 meetings.

The Forum brought up that in the Spring both Schools Block and Forum meetings are within the same week. LA will look into this and ensure enough time between meetings.

