

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

Present

Primary School Governors

Stephen Booth (*LSF Vice-chair*)
Gerard Collins
Sam Ud-din
Robert Waring
Tim Young

Primary School Headteachers

Daniel Ballard (*LSF chair*)
Sarah Baryon
Sarah Robson
Kirsty Sutton
Anna Yates

Secondary School Governors

Janice Astley
Brian Rollo

Secondary School Headteachers

Oliver Handley
Jan Marshall

Academy Secondary Principal

James Keulemans

Special School Governor

Mandy Howarth

Special School Headteacher

Claire Thompson (*HN chair*)

Short Stay Governor

Sharon Bennett

Short Stay Headteacher

Abigale Bowe

Nursery School Headteacher

Jan Holmes

Nursery School Governor

Thelma Cullen

PVI Members

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

Alternative Provision Academy Head

Stephanie Carter

Voting Members

George Krawiec

Observers - Non-Voting Representatives

Alison Day
Paula Evans
Vanessa Nice
CC Jayne Rear
Kate Walker
Ian Watkinson

Officers in Attendance

Alex Cullingford
Matthew Dexter
Toni Rafferty
Paul Turner



Agenda

1. Attendance and Apologies for Absence

Apologies were received from the following members: Steve Campbell, Stephanie Carter, Ivan Catlow, Holly Clarke, Kathleen Cooper, John Davey, Jull Donahoe, Rosie Fearn, Aby Hardy, CC Sue Hind, Linda King, Mary Lyle, Bill Mann, Deanne Marsh, Sarah McGladrigan, Michael Nolan, Jacqui Old, Carl Roscoe, Rafeal Schiel, Helen Shaw, John Tarbox and Cerys Townend.

2. Substitute Members

Hilary Sharples attended as a substitute for Sarah McGladrigan.

3. Forum Membership

Details on Forum membership issues that have arisen since the last Forum meeting 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

The Forum:

- a) Noted the report.**
- b) Gave thanks to previous members.**
- c) Welcomed new members.**

4. Minutes of the Last Meeting

The minutes of the last meeting held on 16 October 2024, were agreed as the correct record.

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.



Members raised the topic of the historic spend factor as part of the High Needs Block, asking whether Forum members have raised awareness of the historic spend factor continuing to be based on 2017-2018 data.

One member noted that they have written to their MP, the Forum chair has also raised this topic with their MP. The chairs group held a meeting with Mark Wynn, Interim Chief Executive, and Noel O'Neil, Director of Finance on 4 December 2024 where this topic had been raised.

An update on National Non-Domestic Rates had also been provided, at the time of the agenda additional district councils have agreed to the new payment process, however it was worth noting a consensus had not been agreed in time for the 2025-2026 financial year.

The Forum:

- a) **Noted the information.**
- b) **Thanked members for raising awareness of the two issues discussed.**

6. Consideration of the Schools Budget 2025/2026

A presentation setting out information about the Schools Budget for 2025/26 had been provided to members. This included information from the original report to the Forum and subsequent information from the Chairs' Working Group meeting held on 8 January. The overall DSG allocations were provided as set out in the table below and the report provided further details on how the funding blocks were calculated using the DfE's national funding formulae.

Forecast DSG Income for 2024/25

Forecast DSG Income	£m's
Schools Block	1,051.778
High Needs Block	219.910
Early Years Block	201.544
Central Schools Services Block	8.633
Gross Total forecast DSG Income	1,481.865
Total deduction for national schools non-domestic rates (academies)	- 1.552
Total deductions for direct high needs payments made by the ESFA	- 10.424
Net Total forecast DSG Income	1,469.889

It was noted the gross Dedicated Schools Grant allocation is some £149m higher than 2024/25. 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 due to the extended entitlements of 2-year-olds and under within the early years block.



An initial estimate of the Schools Budget 2025/26 was also provided, as set out in the table below. The schools budget proposals forecast a balanced Dedicated Schools Grant funding position in 2025/26.

	£m's
Total forecast Dedicated Schools Grant Income 2025/26	1,469.889
Total Forecast Dedicated Schools Grant Allocations 2025/26	1,469.889

Members considered the information provided and discussed the proposals for each funding block and made a number of observations and comments, including pressures on high needs and the early years sector, the reduced central schools services block expenditure, and the upcoming National Insurance grant.

The Forum:

- a) Noted the report, including the 2025/26 Dedicated Schools Grant (DSG) allocations and the budget proposals for each of the 4 funding blocks.**
- b) Noted the information from the Forum Chairs' Group meeting on 8 January 2025.**
- c) Voted on the 2025/26 Schools Budget Proposals, as follows:**

Unanimously supported the Schools Block proposals, as follows:

- Confirm that the DfE's NFF methodology should continue to be used as the Lancashire formula for 2025/26
- Confirm the 2025/26 MFG set at 0.0%
- The use of the circa £0.9m of the Growth Fund allocation to ensure that the NFF, MPF and MFG can be applied in full in 2025/26
- 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

Unanimously supported the High Needs Block proposals, as follows:

- The increased HNB allocation being utilised to cover the forecast growth in High Needs expenditure from April 2025
- Special School and PRU School Specific factors uplifted by 0.5% to match Schools Block MFG.
- The Weighted Pupil Numbers (WPN) rate to remain at £5,440.
- An updated intervention cap methodology for Alternative Provision/Pupil Referral Units to reflect October 2024 census data.
- Agreed on the commissioned places.

Unanimously supported the Early Years Block proposals, as follows:

- The passporting of other DfE EY funding increases to providers as detailed in the table below.
- The continuation of the SEN Inclusion Fund at £1.65m for 2025/26.



Funding	Basis	2025/26
3 and 4-year-old entitlements	Per Hour	£5.70
2-year-old entitlement	Per Hour	£7.46
Under 2-year-old entitlement	Per Hour	£10.21
Supplementary funding for maintained nursery schools	Per Hour	£5.83
Early Years Pupil Premium	Per Child Per Year	£570
Disability Access Fund	Per Child Per Year	£938
Early Years SEN Inclusion Fund	Full Year Allocation	£1.65m

Unanimously supported the Central School Services Block and High Needs Central Service proposals, as follows in the tables below:

Central Schools Service Block		2025/26	
	Prior Year Approved Budget	Central School Services Block	Variance
	£m	£m	£m
<u>Central School Services Block</u>			
ESG Retained Duties (transferred to DSG)	2.591	2.591	-
Overheads	0.851	0.875	0.024
Rates appeals	(0.075)	(0.111)	(0.036)
Copyright Licence	1.203	1.210	0.007
Pupil Access (Admissions)	1.400	0.868	(0.533)
School Forum	0.188	0.188	-
Subtotal CSSB	6.158	5.620	(0.526)
<u>Historic Costs</u>			
PFI - Sixth Form	0.650	0.682	0.032
PFI – Special	2.023	2.332	0.309
Subtotal Historic Cost	2.672	3.013	0.341
Total	8.830	8.633	(0.197)



High Needs Central Expenditure		2025/26	
	<u>Prior Year Budget</u>	<u>High Needs Budget</u>	<u>Variance</u>
	£m	£m	£m
Early Intervention	0.350	0.00	(0.350)
Private Finance Initiative (PFI)	1.436	1.594	0.157
Commissioned Alternative Provision services	1.236	1.650	0.414
Hospital Provision	1.167	1.167	-
Independent Specialist Provision - Pre 16	27.500	34.500	7.000
Independent Specialist Provision - Post 16	6.400	4.750	(1.650)
Out of County Top Up - Mainstream / academies places	2.500	3.500	1.000
SEND - Specialised Equipment	0.700	0.700	-
SEND Projects - Inclusion Engagement Support Team (IEST)	0.750	0.750	-
SEND - Specialist Teaching Service	4.000	4.350	0.350
Multi Agency Development	0.075	0.00	(0.075)
Support for Vulnerable Pupils - Elective Home Education	1.000	0.00	(1.000)
Overheads	0.598	1.504	0.906
Total HNB Commissioned Services	47.712	54.464	6.752

d) Unanimously approved the budget lines requiring Forum agreement, as set out below:

Function	LA proposals 2025/26	Proposed Expenditure : 2025/26 £m
Consultation on Formula Changes		
<ul style="list-style-type: none"> 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 	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	



De-delegation for mainstream schools	LA proposals for: <ul style="list-style-type: none"> • Schools Requiring additional Support • Museum service (primary only); • Staff Costs Public duties/Suspensions; • Primary Inclusion Hubs (primary only); • Childrens Champions Approved by the Schools Forum on 3 December 2024	2.272
Contracts (where the LA is entering a contract to be funded from the schools budget)	No Proposals currently	
Financial issues relating to:		
<ul style="list-style-type: none"> • 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 	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"> • 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 	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"> • arrangements for early years provision 	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"> • administration arrangements for the allocation of central government grants 	No Proposals at this time beyond passporting DfE allocations to schools	
Minimum funding guarantee (MFG)	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	
General Duties for maintained schools Contribution to responsibilities that local authorities hold for maintained schools	No Proposals at this time	
Central spend on and the criteria for allocating funding from:		
<ul style="list-style-type: none"> funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy 	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"> funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years 	No Proposals at this time	
Central spend on:		
<ul style="list-style-type: none"> early years block provision 	Final budget proposals are contained in the Schools Budget 2025/26 report	1.65
<ul style="list-style-type: none"> funding to enable all schools to meet the infant class size requirement 	No Proposals at this time	
<ul style="list-style-type: none"> back-pay for equal pay claims 	No Proposals at this time	
<ul style="list-style-type: none"> remission of boarding fees at maintained schools and academies 	No Proposals at this time	
<ul style="list-style-type: none"> places in independent schools for non-SEN pupils 	No Proposals at this time	
<ul style="list-style-type: none"> admissions 	Final budget proposals are contained in the Schools Budget 2025/26 report	0.868



<ul style="list-style-type: none"> servicing of schools forum 	Final budget proposals are contained in the Schools Budget 2025/26 report	0.188
<ul style="list-style-type: none"> Contribution to responsibilities that local authorities hold for all schools 	No Proposals at this time	
<ul style="list-style-type: none"> contribution to responsibilities that local authorities hold for maintained schools 	No Proposals at this time	
Central spend on:		
<ul style="list-style-type: none"> capital expenditure funded from revenue: projects must have been planned and decided on prior to April 2013 so no new projects can be charged 	No Proposals at this time	
<ul style="list-style-type: none"> contribution to combined budgets: this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources 	No Proposals at this time	
<ul style="list-style-type: none"> 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) 	No Proposals at this time	
<ul style="list-style-type: none"> prudential borrowing costs – the commitment must have been approved prior to April 2013 	No Proposals at this time	
<ul style="list-style-type: none"> SEN transport where the schools forum agreed prior to April 2013 a contribution from the schools budget (this is now treated as part of 	No Proposals at this time	



the high needs block but still requires schools forum approval as a historic commitment)		
Central spend on:		
<ul style="list-style-type: none"> high needs block provision 	2025/26 funding level presented as part of the Schools Budget setting proposals	54.464
<ul style="list-style-type: none"> central licences negotiated by the Secretary of State 	2025/26 funding level presented as part of the Schools Budget setting proposals	1.210
Funding of brought forward deficits	No Proposals at this time	

7. Transfer of Clawback to the High Needs Block

Schools Forum were presented a report to support the transfer of clawback from the Schools Requiring additional Support (SRaS) reserves to the High Needs Block.

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.

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.

The Forum:

- a) **Noted the report.**
- b) **Supported the proposal to transfer clawback accumulated to the High Needs Block.**

8. Recommendations from the Early Years Block Working Group

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

8.1 Matters Arising

Members raised one item of matters arising regarding Portage.

It was 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.

8.2 SEND Programme Update

Members received a verbal update stating a thorough review of SEND 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.

8.3 Educational Health Care Plan Funding

A verbal update was provided regarding Educational Health Care Plan Funding.

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.

8.4 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.

8.5 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.

The Forum ratified the working group's recommendations.



9. Recommendations from the High Needs Block Working Group

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

9.1 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. 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.

9.2 Backdating of Educational Healthcare Plans Funding

Similar to the Early Years Working Group recommendations, the working group received a verbal update regarding the backdating of EHCP funding,

The Working Group:

- a) Noted the information.

9.3 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:

- b) Noted the report.

9.4 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 had been provided.

Local Place Changes

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

Information provided to the working group also included 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 were provided to the working group.

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.

The Working Group:

- a) Noted the report.

9.5 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.

9.6 High Needs Block Central Expenditure Update 2025/26

The working group had been provided with proposed changes to central HNB and Central Schools Services Block expenditure in line with the ESFA regulations and recent School Forum decisions, which have been factored in with the proposed budget discussed earlier (item 6).

The Working Group:

- d) Noted the report.

9.7 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, plus 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 31st 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.

9.8 School Teaching and Support Staff Supply Reimbursement Scheme 2025/26

The working group were presented the same supply insurance scheme report as discussed as part of the Early Years Working Group recommendations (item 8).

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.

9.9 National Wraparound Childcare Programme Funding Clawback 2024/25

The working group were presented the same wraparound childcare programme report as discussed as part of the Early Years Working Group recommendations (item 8).

The Working Group:

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

9.10 Any Other Business

Officers raised the *transfer of Clawback retained to the High Needs Block as covered in item 7.*



The Working Group:

- a) Noted the information.

The Forum ratified the working group's recommendations.

10. Recommendations from the Schools Block Working Group

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

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.

As mentioned as part of the HNB Working Group recommendations, £1 billion of which 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, such as the rolling of grants into the NFF, and Minimum Pupil Funding rates, were discussed as part of item 6.

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 covered later within the school block working group recommendations, 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, the 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 was 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.

The working group were provided information on Dedicated schools grant (DSG) transfers, Deficit management, Central School Services Block (CSSB) and Lancashire's position, which have been provided as part of the 2025/26 budget report (item 6).

The Working Group:

- b) Noted the report.

10.2 Backdating of Educational Healthcare Plans Funding

Similar to the Early Years Working Group recommendations, the working group received a verbal update regarding the backdating of EHCP funding,

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 3rd 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. **School members voted in favour 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. 21 for, 0 against.**
 - ii. **School members voted in favour that the Minimum Funding Guarantee (MFG) level should mirror the National Funding Formula in the Lancashire formula in 2025/26. 21 for, 0 against.**
 - iii. **Primary school members voted in favour to de-delegate Staff costs – Public Duties/Suspensions for primary schools in 2025/26, at 2024/25 levels. 12 for, 0 against.**
 - iv. **Secondary school members voted in favour to de-delegate Staff costs – Public Duties/Suspensions for secondary schools in 2025/26, at 2024/25 levels. 4 for, 0 against.**
 - v. **Primary school members voted in favour to de-delegate the Heritage Learning Service for primary schools in 2025/26. 12 for, 0 against.**
 - vi. **Primary school members voted in favour to de-delegate Support Requiring additional Support, for primary schools in 2025/26. 12 for, 0 against.**
 - vii. **Secondary school members voted in favour to de-delegate Schools Requiring additional Support, for secondary schools in 2025/26. 4 for, 0 against.**
 - viii. **Primary school members voted in favour to de-delegate the Primary Inclusion Hubs for primary schools in 2025/26. 12 for, 0 against.**
 - ix. **Primary school members voted in favour to de-delegate Children's Champions, for primary schools in 2025/26. 10 for, 1 against, 1 abstained.**
 - x. **Secondary school members voted in favour to de-delegate Children's Champions, for Secondary schools in 2025/26. 3 for, 1 against.**

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 28th 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 as *the school are included in the 'Schools Rebuilding Programme.'*

They are operating in a period of time where they will spend significantly less on certain aspects of the site than if they had not been included in the SRP, though certain elements of the project will need to be met from school funds.

The Working Group:

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

10.7 National Wraparound Childcare Programme Funding Clawback 2024/25

The working group were presented the same wraparound childcare programme report as discussed as part of the Early Years Working Group recommendations (item 8)

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

The working group were presented the same supply insurance scheme report as discussed as part of the Early Years Working Group recommendations (item 8).

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

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 showed concern over their budgets and the impact it would have on their attendance support staff.



Proposal

In light of this feedback, it was proposed 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:

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

10.10 Any Other Business

Officers raised the *transfer of Clawback retained to the High Needs Block as covered in item 7.*

The Working Group:

Noted the information.

The Forum ratified the working group's recommendations.

Based on the working groups' recommendations, the Supply Cover Insurance and Maternity Scheme's charges and reimbursements will increase by 5.5% for teachers and 5.0% for support staff from 2025/26.

11. Forum Correspondence

There was no items of correspondence received.

12. Any Other Business

Members brought up that there are expected changes to the legal SLA via the education bulletin. If settings wish to continue with the SLA they are required to respond by 31 January 2025.

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.

