Report to the Lancashire Schools Forum
Meeting to be held on Friday 3 July 2026

Item 3

Minutes of the Last Meeting

Contact for further information:
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Brief Summary
The minutes of the last Lancashire Schools Forum meeting held on 20 March 2026.

Recommendation

The Working Group is asked to:

a) Note the minutes and agree as a correct record, subject to any amendments from members.

Lancashire County Council - Lancashire Schools Forum
Friday, 20 March 2026, 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
Micheal Nolan
Tim Young
Sam Ud-din

Primary School Headteachers
Daniel Ballard *(LSF chair)*
Sarah Barton
Jenny Birkin
Sarah Robson
Carl Roscoe
Kirsty Sutton

Secondary School Governors
Janice Astley

Academy Representatives
James Keulemans

Special School Governor
Mandy Howarth

Short Stay Headteacher
Abigale Bowe

Nursery School Headteacher
Jan Holmes

Nursery School Governor
Thelma Cullen

PVI Members
Sharon Fenton
Philippa Perks *(EY chair)*
Rafeal Schiel

Voting Members
George Krawiec
CC Ian Duxbury
Bill Mann

Observers - Non-Voting Representatives
Ian Watkinson
Kate Walker
Nicola Whyte
Alison Daly
Paula Evans
CC Matthew Salter

Member of the Public
Lesley Penrose

Officers in Attendance
Matthew Dexter
Toni Rafferty
Millie Parkinson
Amber Burton
Paul Turner

1. Attendance and Apologies for Absence
Apologies were received from the following members Aby Hardy, Oliver Handley, John Davey, CC Marion Atkinson, Neil Gurman, Deanne Marsh, Jan Marshall, Lindsey Ingham, Rebecca Lindley, CC Andy Blake, Claire Thompson, Anna Yates, Sarah McGladrigan, Andrew Proctor, Ivan Catlow, Mary Lyle, Robert Waring, Sharon Bennett, Richard Davis.

2. Substitute Members
Rafael Schiel attended as a substitute member for Sarah McGladrigan.

3. Minutes of the Last Meeting
The minutes of the last meeting held on 9 January 2026, were agreed as the correct record.

4. Matters Arising
To consider any matters arising from the minutes of the meeting held on 9 January 2026 that are not covered elsewhere on the agenda.

The Forum:
Noted the information.

5. Forum Membership
Members considered the latest membership report. 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 2025 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 2026. An analysis was provided for members.

Due to the number of academy conversions in 2025/26, the data shows that a reduction in the number of maintained representatives and an increase of academy representatives is required from September 2026. 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. This will also be reviewed to ensure there is equitable representation for maintained schools.

As part of the review, members have previously 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 annual membership review was recently sent to members, this gives members the opportunity to continue or leave their Forum post from September 2026. The outcome of the review will be communicated to the Schools Forum in the Summer Term.

The Schools Forum
a) Noted the information

6. Update from CC Salter
CC Salter attended the meeting to provide an update on ongoing lobbying activity relating to High Needs funding. He outlined the administration's continued commitment to investment in inclusion and SEND provision and noted that

government policy signals a stronger expectation for mainstream inclusion, recent national announcements have lacked sufficient detail.
He expressed his appreciation for the work of Lancashire's special schools and emphasised the value of visits undertaken to schools and early years settings. He confirmed his willingness to continue engaging directly with leaders to understand local challenges.
Members raised concerns regarding national funding arrangements, including the distribution of High Needs Block funding and the reliance on the DSG stability grant. In response to a question from regarding High Needs Block funding formula with government, CC Salter acknowledged the complexity of addressing long-standing funding factors but agreed to explore how this might be progressed further.
Paul Turner, Director of Education, noted that some funding is expected to be channelled into mainstream inclusion through an inclusion fund and that the government is reviewing the High Needs Block formula.

The Schools Forum

a) **Noted the information**
b) **Thanked CC Salter for attending and contributing to the meeting.**

7. Banding Document

Amber Burton, Inclusion Service, attended to briefly present the revised banding document. Service has been working with the working group to reshape the system, drawing on input from a cross-section of sectors and specialists. The aim was to strengthen the framework.
The previous banding system lacked clarity and a clear rationale, particularly in relation to early support before an EHCP is issued. It is a revision of the existing system to improve coherence and transparency. Banding will be moderated according to need, with increments applied in a more rational and consistent way.
A key focus has been the financial impact, ensuring that funding is aligned with the right types of provision while maintaining a balanced approach throughout the document. Implementation of the revised system will begin in April, with a gradual transition to protect schools and funding. All new EHCPs will use the revised system, and existing plans will transition gradually.
The document has been reviewed with the upcoming SEND reforms in mind. It will be classed as a time limited document until 2028, when it will be refreshed in line with the expected national reforms.

Questions were raised about alignment with LGR, and DfE projections for EHCP growth. It was noted that the system must remain responsive to rising demand and the reforms ahead.
A survey to collate views on the revised document will be circulated more widely to PVIs and SENDCOs. The schools forum clerk will distribute it to members, and it will also be sent out via the schools bulletin. The deadline is currently the end of March but can be extended if required. Members are asked to share more widely within sector groups.
Amber noted that a similar system has been implemented successfully in another SENDCOs are not yet aware of the changes, but the revised system should not impact their current practice. The Head of Inclusion aims to strengthen communication with SENDCOs and provide supportive tools ahead of early reviews in the summer term. Service welcomes suggestions for additional tools.

Paul Turner comment that the process was commissioned in July 2024 and should provide much needed clarity for schools. He also noted that charges were removed from SENDCO forums to ensure the seminars widely attended. While there is national pressure for standardised banding, this local model is seen as a stronger and more effective approach. LGR concerns were discussed, with ongoing work across neighbouring authorities.
The Schools Forum expressed their thanks for the document, noting that it is very clear and thorough. Appreciation was also given for attending the meeting.
Thanks were expressed to the working group for their contributions.

The Schools Forum

a) Noted the information
b) Thanked Amber for attending the meeting.

8. Dedicated Schools Grant Management Plan

Many local authorities are carrying DSG deficits, and Lancashire's is comparatively high. Developing a sustainable and effective plan is therefore essential, ensuring needs are met and budgets are managed responsibly.
The DfE requires every authority to produce a DSG Management Plan outlining the current position, spending, projected demand, and a set of clear actions supported by strong governance. A robust plan is still needed to ensure Lancashire can meet SEND needs within budget.
Lancashire has previously commissioned CIPFA to analyse the financial position and provide a DSG forecast.
The next stage of work focuses on identifying additional actions that could make a meaningful difference, while managing within financial constraints. Priorities include improving inclusion, increasing responsiveness, ensuring EHCPs are processed in a timely and proportionate way, and identifying further opportunities to reduce DSG pressures.
Current workstreams include reviewing the SEND pathway, analysing key cost drivers, engaging with services and stakeholders, and exploring further opportunities to strengthen sustainability.
Members thanked Mark for his presentation.
Questions raised included:

- How the plan will support mainstream provision and whether findings will feed into Schools Block planning.
- Whether addressing the deficit means cutting funding—officers stated this is about reducing *unnecessary* spend (e.g. costly tribunals) and improving systems, not cutting services.
- Whether mitigations such as block transfers are having the intended effect.
- Concern that Schools Block transfers reduce schools' capacity to deliver inclusion, and that the whole system must be considered.
- Whether early years feedback includes PVIs.
- The increased likelihood of tribunals due to insufficient specialist places.

Mark agreed these issues pose significant risks and confirmed they are being factored into the plan.
Paul Turner emphasised the urgency of the plan, the authority must submit a credible plan by June. All members will be invited to contribute over the next 10 weeks. Failure to meet expectations could result in intervention by the DfE. A draft plan will be shared with members.

Schools Forum members noted that Lancashire has historically been robust in managing its budget and has only recently entered deficit. Members expressed frustration at the situation and a strong desire for solutions.

9. Recommendations from the High Needs Block Working Group

The working group met on the 3 March 2026. Members considered the following reports and made a number of recommendations.

9.1 Schools Forum Powers and Responsibilities

Members were presented a report outlining the Schools Forums serve as a vital link between local authorities and educational institutions, ensuring that funding and resources are allocated effectively to support the educational needs of students. Their powers and responsibilities are defined by regulations[1], and they play a significant role in shaping educational policy at a local level.

The role of the Schools Forum
Representatives from schools and academies make up the Schools Forum. There is also some representation from non-school organisations. The Schools Forum Regulations [2] provide a framework for the appointment of members, allowing a considerable degree of discretion to accommodate local priorities and practice. A summary of the structure of the Schools Forum can be accessed here. Schools Forums generally have a consultative role. However, there are situations in which they have decision making powers. The respective roles of Schools Forums, local authorities and the DfE are summarised in Schools Forum powers and responsibilities.

The overarching areas on which Schools Forums make decisions on local authority proposals are:

- De-delegation from mainstream maintained schools budgets (separate approval will be required by the primary and secondary phase members of Schools Forum), for prescribed services to be provided centrally
- Funding for significant pupil growth to support the local authority's duty for place planning (basic need), including pre-opening and diseconomy of scale costs, and agree the criteria for maintained schools and academies to access this fund
- Funding for falling rolls for good or outstanding schools if the schools' surplus capacity is likely to be needed within the next three years to meet rising pupil numbers and agree the criteria for maintained schools and academies to access this fund
- Agreeing other centrally retained budgets, including for local authority statutory responsibilities (where these relate to maintained schools only, voting is by the primary, secondary, special and PRU members of Schools Forum)

[1] The School and Early Years Finance (England) Regulations 2025
[2] The Schools Forums (England) Regulations 2012

- Funding for central early years expenditure, which may include funding for checking eligibility of pupils for an early years place, the early years pupil premium and/or free school meals
- Movement of up to 0.5% from the schools block to other blocks.

In each of these cases, the local authority can appeal to the Secretary of State if the Schools Forum rejects its proposal.

The forum acts in a consultative role for:

- Changes to the local funding formula (the local authority makes the final decision)
- Proposed changes to the operation of the minimum funding guarantee
- Changes to or new contracts affecting schools
- Arrangements for pupils with special educational needs, needs in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding
- Arrangements for early years provision
- Administrative arrangements for the allocation of central government grants paid to schools via the authority

There's no specific definition of these consultation requirements over and above the wording in the regulations. It's a matter for the local authority to decide on the appropriate level of detail it needs to generate a sufficiently informed response from Schools Forum.

The working group:
Noted the report

Discussed:

- **The Forum role feels similar to a governing body, where members should listen to debate and vote, not only act as representatives. It was questioned whether clearer individual role guidance is needed.**
- **It was suggested that induction for new members should be strengthened, though it was acknowledged that the voluntary nature of the Forum means expectations can be recommended rather than enforced.**
- **An officer noted low levels of interaction in meetings, emphasising that challenge, questioning, and strong debate are encouraged and necessary.**
- **Members highlighted the importance of receiving papers in advance, as this allows time to read, share, and discuss. Relying solely on information provided during the meeting makes it difficult to process and ask informed questions.**

This report was also presented at the Early Years Block Working Group and Schools Block Working Group.

9.2 Dedicated Schools Grant Monitoring 2025/26 and 2026/27 Forecast

Members considered the most recent Dedicated Schools Grant Monitoring report. Following the reporting of the Council's DSG deficit of £22.43m at March 2025, monitoring has been provided showing the period 1-10 budget monitoring position of the DSG and longer-term financial forecast.

Due to escalating DSG deficit forecast projections, the Council recently commissioned CIPFA to produce a forecast of the DSG based on current demand, which includes the backlog clearance of Education Health, and Care Plans (EHCPs), spend projections and an initial view of the impact of the HNB Mitigations as previously agreed by Schools Forum. The revised mitigated DSG forecast is currently projecting a **£74.95m** overspend at 31 March 2026, with a forecast total DSG deficit total of **£97.38m.**

There remains significant ongoing financial pressure facing the HNB block as the demand and costs continue to rise as the number of children and young people with EHCPs continues to grow, but the HNB Block funding from DfE has not kept pace and increased in line with this growth. Over the years, this has created financial pressures on a national level resulting in many authorities holding deficit DSG balances.

The remaining DSG funding blocks are forecast to remain near to the agreed budget line. A full monitoring breakdown of the HNB was also provided to members.

DSG Period 1-10 Budget Monitoring 2025/26

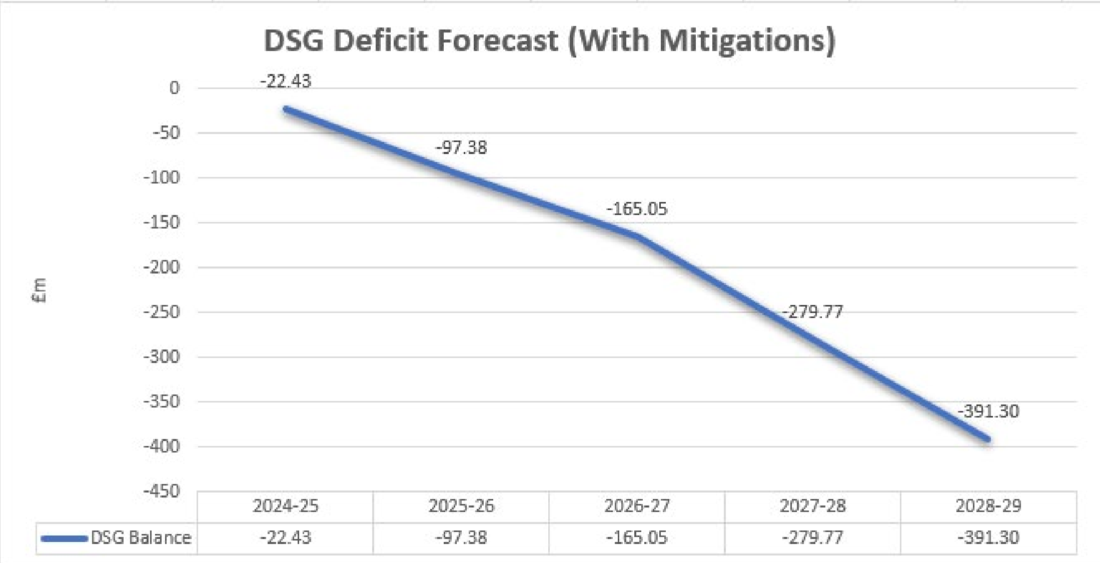
DSG Monitoring 2025/26			
	Budget (£m)	Forecast (£m)	Variance (£m)
	Under (-) Over (+)		
High Needs Block	£ 206.04	£ 279.32	£ 73.28
Early Years Block	£ 205.00	£ 205.82	£ 0.82
Schools Block	£ 1,051.78	£ 1,052.10	£ 0.32
Central School Services Block	£ 8.63	£ 8.50	-£ 0.14
Early Years Block DSG Adj 2024/25	£ -	£ 0.25	£ 0.25
Inclusion Hub Adjustment	£ -	£ 0.42	£ 0.42
Total	£ 1,471.45	£ 1,546.40	£ 74.95

High Needs Block 2025/26			
	Budget (£m)	Forecast (£m)	Variance (£m)
	Under (-) Over (+)		
Mainstream Schools	£ 40.53	£ 61.82	£ 21.28
Special Schools	£ 94.62	£ 97.50	£ 2.89
Alternative Provision	£ 14.43	£ 14.47	£ 0.04
Further Education - Post 16	£ 5.80	£ 8.01	£ 2.21
Early Years	£ 0.50	£ 3.30	£ 2.80
Exclusions	-£ 1.50	-£ 1.72	-£ 0.22
Commissioned Services	£ 54.46	£ 95.93	£ 41.47
Total Expenditure	£ 208.85	£ 279.32	£ 70.47
Total Grant	-£ 208.85	-£ 206.04	£ 2.82
Total Variance	-£ 0.00	£ 73.28	£ 73.28

Early Years Block 2025/26			
	Budget (£m)	Forecast (£m)	Variance (£m)
	Under (-) Over (+)		
Under 2 Year Olds	£ 57.34	£ 61.53	£ 4.19
2 Year Olds	£ 51.33	£ 52.06	£ 0.73
3 to 4 Year Olds	£ 87.10	£ 87.89	£ 0.79
Early Years Disability Access Fund	£ 0.97	£ 0.23	-£ 0.74
Early Years Pupil Premium Grant	£ 3.16	£ 1.94	-£ 1.22
Early Years SEND Inclusion Fund	£ 1.65	£ 2.16	£ 0.51
Total Expenditure	£ 201.55	£ 205.82	£ 4.26
Total Grant	-£ 201.55	-£ 205.00	-£ 3.44
Total Variance	£ 0.00	£ 0.82	£ 0.82

Schools Block 2025/26			
	Budget (£m)	Forecast (£m)	Variance (£m)
	Under (-) Over (+)		
Maintained Schools	£ 703.88	£ 686.70	-£ 17.17
Growth	£ 1.50	£ 2.15	£ 0.65
Academy Recoupment	£ 342.58	£ 358.84	£ 16.27
Academy Recoupment NNDR (Rates)	£ 1.55	£ 2.07	£ 0.52
De-Delegations	£ 2.27	£ 2.33	£ 0.05
Total Expenditure	£ 1,051.78	£ 1,052.10	£ 0.32
Total Grant	-£ 1,051.78	-£ 1,051.78	£ 0.00
Total Variance	£ 0.00	£ 0.32	£ 0.32

Central Schools Services Block 2025/26			
	Budget (£m)	Forecast (£m)	Variance (£m)
	Under (-) Over (+)		
Education Service Grant Retained Duties	£ 2.59	£ 2.59	£ -
Overheads	£ 0.88	£ 0.88	£ -
Copyright Licence	£ 1.21	£ 1.31	£ 0.10
School Forum	£ 0.19	£ 0.19	£ -
Pupil Access (Admissions)	£ 0.87	£ 0.87	£ -
Rates appeals	-£ 0.11	-£ 0.11	£ 0.00
Private Finance Initiatives	£ 3.01	£ 2.77	-£ 0.24
Total Expenditure	£ 8.63	£ 8.50	-£ 0.14
Total Grant	-£ 8.63	-£ 8.63	£ -
Total Variance	£ -	-£ 0.14	-£ 0.14



The impact of the clearance of the EHCP backlog is being regularly monitored, and any substantial variances to the forecast will be presented to the working group as necessary.

Statutory Override
Currently there is a statutory override in place, which specifically allows councils to exclude deficits related to HNB DSG from their main revenue accounts. This means these deficits do not count against the council's general fund and councils are not required to immediately balance these deficits by reducing budgets to finance the shortfall. The override was introduced in financial year 2019/20 and has recently been extended again, until March 2028 due to the growing scale of SEND-related financial pressure.

Whilst the impact of a DSG deficit on the council's revenue budget is mitigated by the statutory override, the council is still required to finance the deficit as expenditure is being incurred without the cash being received to fund it.

Ordinarily councils are not allowed to borrow for revenue expenditure. Under the Local Government Act 2003 local authorities are however able to borrow for the purpose of prudent management of their financial affairs.

According to the County Councils Network, at March 2025 the debt accrued by councils stood at £4bn. With SEND costs rising 23% over the last twelve months, and with demand showing no sign of abating, these deficits are projected to grow to a total and cumulative deficit of **£17.8bn by 2029**.

High Needs Stability Grant

The High Needs Stability Grant is a new government measure announced in February 2026 to help local authorities manage substantial deficits in their High Needs (SEND) budgets. Its purpose is to stabilise council finances and support reforms to the SEND system.

The government have announced this grant will cover 90% of councils accumulated high needs deficits by the end of the current financial year with further announcements expected. To be eligible for the grant, councils must secure DfE approval of a local SEND Reform plan to ensure long-term stability. The LA is currently reviewing the guidance and working towards submitting the SEND reform plan to the DfE. Further updates will be provided at a later date.

The working group:
Noted the report

Discussed:

- **Clarification was sought on the rationale behind the 90% coverage level within the High Needs Stability Grant. It was noted the LA are awaiting further announcements from the DfE.**
- **Members discussed the fairness of the grant allocation model and concerns over councils with larger deficits potentially benefiting disproportionately.**
- **The need to ensure that future spend does not generate ineligible expenditure or contribute to further deficits was highlighted.**
- **It was confirmed that a SEND Reform Plan must be submitted and approved for funding eligibility, with payment expected in autumn.**
- **The plan will require collaboration with schools and partners before submission.**

This report was also presented at the Early Years Block and Schools Block Working Group.

9.3 Schools Requiring additional Support Financial Monitoring 2025/26

The current financial position and longer-term forecast for the Schools Requiring Additional Support (SRAS) de-delegation, with the SRAS support criteria administered through the School Improvement Group Board (SIG) was provided to members.

The SRAS de-delegation currently holds a high level of reserves, forecast to be c£5.9m by March 2026, due to historic levels of de-delegation income, and reduced use of the SRAS fund by schools.

In recent years the per-pupil de-delegation charge to schools has been reduced to recognise the reserves held, with SRAS currently projecting anticipated in-year overspends due to this. In addition to the reduced per-pupil charge to schools, the SRAS policy has recently been amended for the 2026/27 financial year, with SRAS being used to fund the work of the Strategic Support Partnership Officers (Previously MIT).

As a result of the forecast additional expenditure and reduced income, reserves are being depleted quickly and forecast to be nearly exhausted by 2029/30, meaning the de-delegation charges to schools are anticipated to increase in future years.

The working group:
Noted the report

This report was also presented at the Early Years Block and Schools Block Working Group.

9.4 High Needs Block Budget 2026/27
At the Schools Forum on 9 January 2026, decisions, and recommendations about the 2026/27 Schools Budget were agreed. In connection with the High Needs Block, the Forum unanimously supported the 2026/27 High Needs Block proposals, including:

- The increased HNB allocation being utilised to cover the growth in High Needs expenditure from April 2026.
- 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 2025/26 value due to the pressures within the high needs block.
- The use of the updated intervention cap methodology for Alternative Provision/Pupil Referral Units
- Agreed the Central High Needs Block central expenditure

The Cabinet met on 22 January 2026 and recommended that the Schools Budget is approved and referred the report to Full Council on 26 February 2026 as part of the overall Council budget.

As reported at the January meeting, the Department for Education (DfE) have temporarily suspended the high needs national funding formula, which previously was used to calculate local authorities' high needs allocations. Instead, local authorities' allocations will be based on their 2025/2026 allocations. This therefore means there will be no inflationary uplift for the High Needs Block. The DfE will review the methodology for allocating high needs funding so that it supports the wider SEND reforms. The LA will provide updates to Forum when available.

Some elements of the Schools Budget required compliance checking by the Department for Education, and approval was received on 11th February 2026. Individual School Budgets were released on 27 February 2026.

The working group:
Noted the report

Discussed:
- **Concern was raised about the freezing of High Needs funding and the potential effect for school budgets.**
- **Approximately £1.6m is expected to be used to support inclusive practice, though this remains provisional.**
- **The role of OFSTED and the Inclusion Framework in monitoring inclusion practices was highlighted.**
- **Members noted the lack of questions raised at Cabinet regarding this issue. An elected member is scheduled to provide an update to the Forum if further lobbying activity had occurred.**

9.5 High Needs Block Mitigations
At the meeting on 17th December 2026, the Schools Forum voted in favour of the proposal for Lancashire's strategic approach to mitigating High Needs Block (HNB) pressures, utilising the school's forum agreed 0.50% transfer from schools' block to HNB (c £5.5m). The aim of the proposal was for financial sustainability and improved outcomes for children and young people with Special Educational Needs and/or Disabilities (SEND) and vulnerable learners.

As agreed with service and members, updated reports were presented to members on the mitigations. Further reports will also be presented at future meeting to update members on the progress.

The working group:
Noted the report

Discussed:
Work is ongoing to develop the mitigation model, incorporating local knowledge and priorities.
- **All PRUs currently have an offer in place, though there is no secondary-specific provision, and the East area lacks primary PRU provision entirely.**
- **Collaborative work is underway with local primary schools to develop reintegration options and reduce permanent exclusions.**
- **Queries were raised regarding how information and practice will be shared, and whether work risks duplicating Inclusion Hub activity. It was clarified that the model complements existing hub work but focuses specifically on pupils already excluded.**
- **An expression of interest will be issued shortly for those wishing to contribute to SEND-focused workstreams.**
- **Discussions are ongoing in relation to sensory provision, with concerns raised regarding interpretation of EHCP data.**

- **Members asked about timeliness of support for individual pupils; it was confirmed that where available, provision can be arranged quickly, but alternative options will be discussed if capacity is limited.**
- **It was agreed that Inclusion Hub reserves will remain within hubs, subject to strengthened monitoring.**
- **Further updates will be provided at the June meeting.**

This report was also presented at the Early Years Block and Schools Block Working Group.
The Schools Forum ratified the High Needs Block Working Group recommendations.

9.6 Policy for Additional Revenue Funding for New Special Schools
The local authority must meet its statutory obligations with regards to school place provision, and it is important that schools that are supporting the Local Authority in meeting this requirement are not financially disadvantaged in doing so. As the demand for special school places increases, the LA is reviewing options to increase provision.

As a result, a transparent and formulaic process has been established for allocating additional funds, that takes account of the creation of a new special school whilst minimising the effect on the High Needs Block of the Dedicated Schools Grant.

The proposed policy was shared with members.

The working group:
Noted the policy.

Discussed:

- **It was questioned whether the proposed £65,000 pre-opening sum is sufficient.**
- **Feedback from other authorities suggests that costs can vary and early recruitment of headship is a significant driver.**
- **Further work is required on cost modelling (leadership, admin and support roles). A revised policy will be brought to a future meeting.**

9.7 Charlotte Humble CIPFA SEND Update
A representative provided a verbal update on the national financial landscape relating to SEND and the emerging DSG management expectations.

Discussion:

- **Initial analysis shows limited difference between mitigated and non-mitigated models; DfE continues to encourage comprehensive management plans.**
- **Development work is ongoing to produce a robust SEND financial model.**
- **The SEND workforce is not currently included in national planning frameworks; work is underway to address this gap.**
- **A sector survey has been issued via bulletin.**
- **Concerns were raised about communication challenges, particularly in the primary sector.**

- **Early years-aged children were noted as a rising cohort in demand trends.**

The Schools Forum ratified the High Needs Block Working Group recommendations.

10 Recommendations from the Early Years Block Working Group
The working group met on the 5 March 2026. Members considered the following reports and made a number of recommendations.

10.1 Schools Forum Powers and Responsibilities
This report was noted under Item 9.

The working group:
Noted the report

10.2 Dedicated Schools Grant Monitoring 2025/26 and 2026/27 Forecast
This report was noted under Item 9.

The working group:
Noted the update.

Discussed:

- **Members queried timescales for deficit write-off decisions and noted that further clarity is expected in the summer term.**

10.3 Schools Requiring additional Support Financial Monitoring 2025/26
This report was noted under Item 9.

The working group:
Noted the update.

10.4 Early Years Block Budget 2026/27
At the Schools Forum on 9 January 2026, decisions and recommendations about the 2026/27 Schools Budget were agreed and recommended to Cabinet. The Cabinet met on 22 January 2026 and recommended that the Schools Budget is approved and referred the report to Full Council on 26 February 2026 as part of the overall Council budget.

In connection with the Early Years Block, the Forum unanimously supported the 2026/27 Early Years Block proposals, with a summary of the Early Years Block funding rates received provided below. Some elements of the Schools Budget required further compliance checking by the DfE and approval was received on 11 February 2026.

Following the Schools Forum meeting on 9 January, it was stated to members that the final decision on the Schools Budget would be made by the Council as part of the wider 2026/27 Council budget.

Further to the 0.75% central retention, an additional 1% (c£2.25m) will be set aside from the Early Years Grant and held within the High Needs Block to support

HNB/SEND initiatives in Early Years, which will be ring-fenced for early years settings only.

The 1% transfer to the HNB does not require Schools Forum approval and has been a decision by the Council with permission from the Department for Education in line with the grant conditions, as this money will still benefit children in early years settings, but has been allocated in a different way to target those children more effectively with the highest needs. This is in line with the direction of travel for settings to be more inclusive and to receive proportionate funding to more effectively enable this.

Please see summary of the Early Years Block forecast expenditure for 2026/27:

2026/27 Budgeted Expenditure		£m
a) Allocated to settings	Base rate funding for Under 2s, 2-, 3- and 4-year-olds	214.357
	Maintained nursery school supplementary funding	5.406
	Deprivation for all entitlements	7.132
	SEN Inclusion Fund (SENIF) for all entitlements	1.650
	Contribution to High Needs Block, ring-fenced for Early Years	2.271
	EY Pupil Premium (EYPP)	3.054
	EY Disability Access Fund (DAF)	1.103
b) Central budgets	EY Central budgets	1.703
Total		236.676

Early Years budget statements for 2026/27 were prepared and issued on 27 February 2026, with the revised base rates across the entitlements summarised below.

Entitlement	2025/26 Base Rate Paid	2026/27 Forecast Base Rate	Increase
34YO	£5.70	£5.88	£0.18
34YO MNS	£5.83	£6.05	£0.22
2YO	£7.46	£7.79	£0.33
Under 2YO	£10.21	£10.71	£0.50
EYPP	£570.00	£655.50	£85.50
DAF	£938.00	£975.00	£37.00

Early Years Pass-Through Rates & Termly DfE Funding

The Early Years Operational Guidance 2026/27 confirmed the increased minimum pass-through requirement for local authorities in 2026/27 from 96% to 97%.

Local authorities must determine their funding formulae before the beginning of the financial year. Where a local authority proposes to make changes to the early years funding formula it used during the previous financial year, it must first consult its Schools Forum, maintained schools, and early years providers. Local authorities must also seek approval from their Schools Forum to agree any entitlements funding they intend to retain to fund central functions.

At the 17 December 2025 Schools Forum meeting, an Early Years Central Retention of 0.75% of the Early Years Block was agreed for 2026/27 financial year, with the Council deciding to transfer an additional 1% (c£2.25m) from the Early Years Block to the High Needs Block (HNB) to support HNB/SEND initiatives in Early Years, with a total Early Years Block retention of 1.75% in 2026/27, equivalent to c£3.95m.

From financial year 2026/27, the DfE have introduced a termly funding system to fund all the early years entitlements on termly census headcounts, as already done for the working parents' entitlements for 2-year-olds and under. This change will improve the accuracy of funding allocations and better align DfE funding patterns with those of local authorities. To support local authorities to plan their budgets for 2026/27, the DfE provided LAs with an additional 'termly funding hourly rate adjustment' for 2026/27 only within the 3- to 4-year-old entitlement, which for Lancashire is £0.19.

At the time of the 2026/27 budget setting process, it was unclear as to which rate would be used as the DfE calculation for pass-through, 'with' or 'without' termly funding adjustment. The DfE provided an update on 13 January 2026, confirming that the pass-through calculation will be based on the 'without' termly funding adjustment rate. This is to ensure the passthrough calculation for the 3-and-4-year-old entitlements takes place on a like-for-like basis as previous years and is not inadvertently impacted by the termly adjustment. This has no impact on the budget setting process, with the LA unable to fully pass-through the DfE increase due to the £2.6m forecast overspend this would've created within the EY Block.

The tables below show the updated pass-through calculations across all entitlements using the 'without' termly funding adjustment.

Note that the pass-through calculation includes the base rate, deprivation supplement, and SEN Inclusion Fund.

Early Years Pass-Through Rates Explainer 2026/27

Total funding received for the three EY entitlements in 2026/27 is £232.519m, split as below.

34YO - £94,151,726	40.49%
2YO - £63,430,995	27.28%
Under 2YO - £74,936,530	32.23%
£232,519,251	100.00%

Part of the 34YO entitlement is for the maintained nursery schools grant, which is not part of the pass-through calculation, so the revised EY total is £227.1m.

This is the starting point for allocating an EY central fund, providing clarity on the level of funding required to fund the relevant services, and for any block transfer to another DSG funding block.

This is then split across the three entitlements as below. Please note 2YO is split separately across the working parent (W) and families receiving additional support (F) as per the DfE requirement.

34YO - £1,609,251	40.49%
2YO (F) - £230,270	5.79%
2YO (W) - £853,899	21.49%
Under 2YO - £1,280,823	32.23%
£3,974,244	100.00%

Applying the DfE passthrough calculation which all local authorities must follow, leads to the following % split and reduces the pass through from previous years.

Please note that circa 79% of the expenditure within the 2-Year-old entitlement relates to the Working Parent (W), and 21% Families Requiring Additional Support (F).

Without Termly Funding Adjustment

	2024-25	2025-26	2026-27
34YO Pass-Through Hourly Funding Rate	£5.63	£5.88	£6.08
2YO (F) Pass-Through Hourly Funding Rate	£7.61	£8.02	£8.23
2YO (W) Pass-Through Hourly Funding Rate	£7.55	£7.81	£8.05
Under 2YO Pass-Through Hourly Funding Rate	£10.26	£10.63	£10.95
34YO DfE Rate Received	£5.47	£5.71	£6.01
2YO DfE Rate Received	£7.54	£7.83	£8.21
Under 2YO DfE Rate Received	£10.27	£10.63	£11.14
34YO Passthrough	102.78%	102.88%	101.11%
2YO (F) Passthrough	100.98%	101.40%	100.25%
2YO (W) Passthrough	100.16%	99.43%	98.05%
Under 2YO Passthrough	99.93%	99.98%	98.33%

Local authorities are best placed to determine how to use their total funding allocation. The DfE rates are a starting point with local authorities setting their own provider hourly rates using their own local formulae based on forecasted take up of the entitlements.

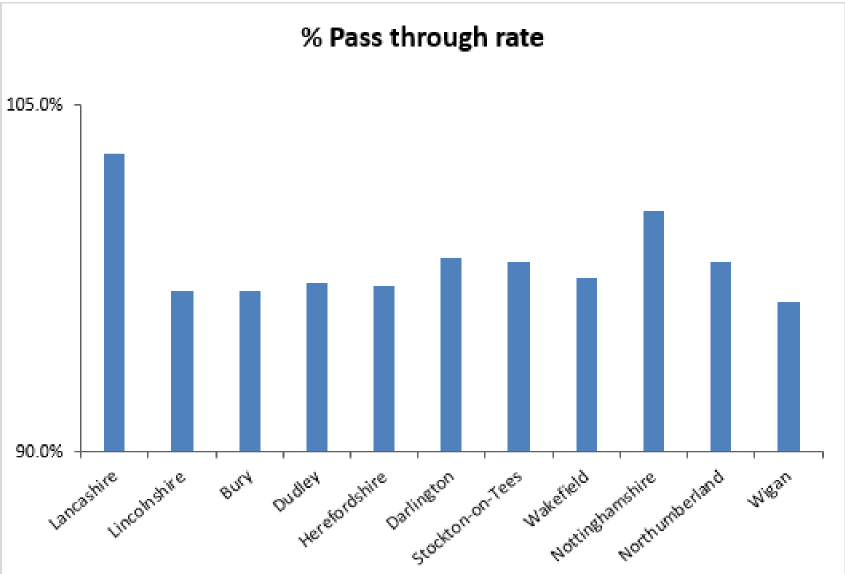
The tables show different levels of pass-through, with the differences relating to different levels of funding for the SEN Inclusion fund, deprivation factors, and the retention of 1.75% of the Early Years Block in 2026/27 further reducing the Council's pass through. The Council must also ensure that we do not fund more in our base rate than we are receiving, with this being an annual process ensuring we are managing within our EY DSG, and funding early settings with what is affordable.

Early Years Benchmarking 2025/26

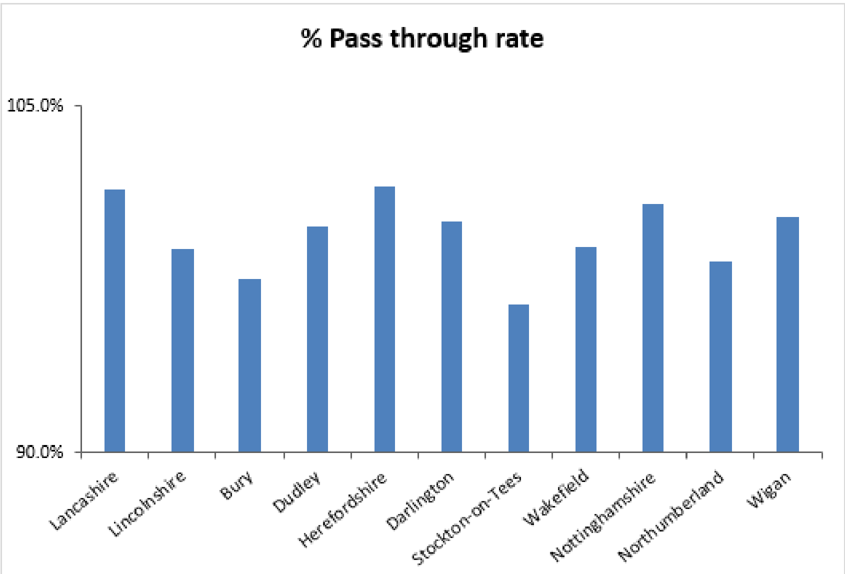
On 17 December 2025, the DfE released the updated 2025/26 Early Years benchmarking tool, showing that in 2025/26 there are only three LAs that do not hold an EY central fund, with circa 98% of LAs nationally holding a central fund.

The graphs below show a pass-through rate comparison to our statistical neighbours across the entitlements. In addition, a further table has been provided to show other LAs pass-through calculations who hold a central spend, some of which have a higher pass-through than Lancashire County Council

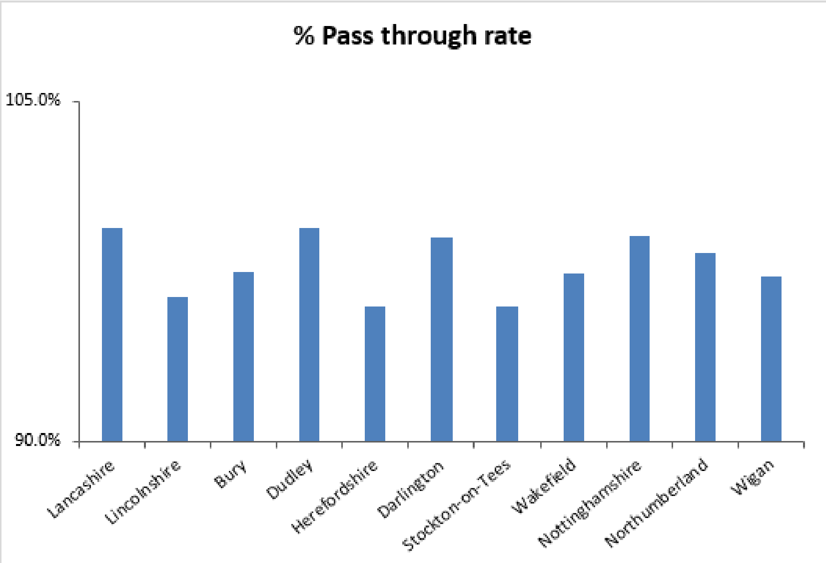
3- to 4-Year-Old



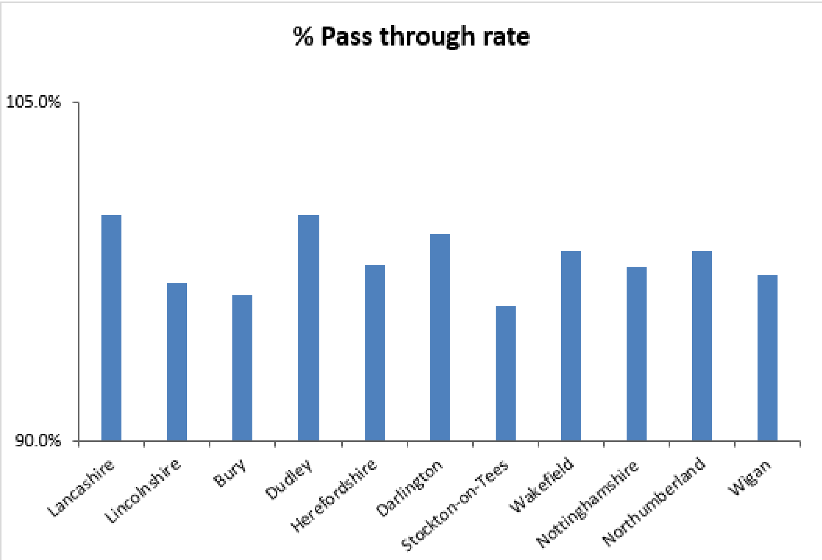
2-Year-Old (F)



2-Year-Old (W)



Under 2-Year-Old



Pass Through with Central Spend Table 2025/26 DfE Benchmarking

		3 and 4 year olds contingency funding & central	3 and 4 year olds	2 year olds (FRAS) contingency funding & central	2 year olds (FRAS)	2 year olds contingency funding & central spend (working parents)	2 year olds (working parents)	9mth - 2yr olds contingency funding & central	9mth - 2yr olds
LA Number	LA name	Central Spend	Pass Through Rate (%)	Central Spend	Pass Through Rate (%)	Central Spend	Pass Through Rate (%)	Central Spend	Pass Through Rate (%)
206	Islington	£596,340	101.2%	£145,655	96.1%	£159,655	96.4%	£240,503	96.0%
381	Calderdale	£415,669	101.8%	£86,746	107.3%	£190,728	98.3%	£374,209	97.2%
382	Kirklees	£626,342	101.6%	£81,860	99.6%	£247,124	99.6%	£231,620	98.7%
394	Sunderland	£680,000	100.5%	£0	100.2%	£60,000	98.9%	£60,000	99.4%
800	Bath and North East Somerset	£474,407	100.7%	£47,734	103.2%	£254,682	96.9%	£376,418	96.4%
813	North Lincolnshire	£227,040	102.9%	£23,756	102.2%	£102,532	97.4%	£181,513	96.6%
821	Luton	£231,868	108.5%	£57,967	103.7%	£144,918	103.5%	£0	98.7%
852	Southampton	£700,000	100.4%	£124,000	96.1%	£188,000	96.1%	£154,900	96.1%
865	Wiltshire	£619,024	100.4%	£33,162	101.7%	£210,026	98.0%	£243,188	96.8%
888	Lancashire	£0	102.9%	£0	101.4%	£0	99.4%	£0	100.0%
891	Nottinghamshire	£1,115,590	100.4%	£99,984	100.8%	£381,053	99.1%	£415,059	97.7%

The working group:
Noted the update.

Discussed:

- **Late notification of the increased retention and block transfer.**
- **Impact on settings' ability to inform parents of rate changes within required timescales.**
- **Transparency and decision-making processes.**
- **Operational considerations for use of the additional funding, including workforce capacity, SEN support, and monitoring arrangements.**
- **The block transfer has been an LA decision, and as such the LA will decide on best usage for this ring-fenced monies.**

10.5 Early Years Funding Compliance Audits

Members were presented an overview of a recent funding compliance audit review in the early years sector.

Draft ommunication to the early years sector was shared with emmbers for information and this will be cirulated to settings shortly.

The working group:
Noted the update.

Discussed:
Members discussed issues relating to hours claimed versus attendance patterns and how this should be managed for public funding purposes.

10.6 School Based Nurseries Phase 3

A verbal update was provided on the national expansion programme. Key information included:

- Previous rounds of applications have been submitted and several approved locally.
- Phase 3 will be led by the local authority with applications submitted directly to the Department for Education.
- Guidance is being reviewed to identify eligibility, gaps in provision and capacity constraints.
- The programme will run over three years with staggered allocations.
- Special schools are excluded, but inclusive mainstream nursery provision may be eligible.

The working group:
Noted the update.

The Schools Forum ratified the Early Years Block Working Group recommendations.

11. Recommendations from the Schools Block Working Group

The working group met on the 10 March 2026. Members considered the following reports and made a number of recommendations.

11.1 Schools Forum Powers and Responsibilities

The working group:
Noted the Report

Discussed:

- **Falling rolls funding is based on aggregated countywide numbers; growth funding and falling rolls are mutually exclusive.**
- **Indications suggest national reduction or withdrawal of falling rolls funding.**
- **Further clarification will be sought from Place Planning, with a report expected at full Forum in summer.**
- **Request for circulation of updated Place Planning contact list.**
- **Concerns raised about future cooperation between maintained and academy schools; LA retains responsibility for place planning.**
- **It was noted that the loss of growth funding may create future budgetary pressures within the schools block which is already under financial pressure**

11.2 Dedicated Schools Grant Monitoring 2025/26 and 2026/27 Forecast
This report was noted under Item 9.

The working group:
Noted the update.

Discussed:

- **Clarification sought on the High Needs Stability Grant: up to 90% of the historic DSG deficit could be addressed, provided a SEND Reform Plan is submitted.**
- **Members queried the cost of borrowing, the LA confirmed this responsibility is the LA core revenue budget.**
- **SEND Reform Plan submission expected in the summer and funding anticipated September/October 2026.**

11.3 Schools Requiring additional Support Financial Monitoring 2025/26
This report was noted under Item 9.

The working group:
Noted the Report

Discussed:

- **The potential impact of academy conversions on SRAS income and expenditure remain uncertain.**
- **Strategic Support Partnership Officers was reported as well-received and valuable support for schools.**
- **Local Government Reorganisation (LGR) may significantly affect future reserves and deficits.**
- **It was noted that de-delegations would need to be reviewed at the point of LGR.**

11.4 Schools Block Budget 2026/27 & 2027/28 Forecast
At the Schools Forum on 9 January 2026, decisions and recommendations about the 2026/27 Schools Budget were agreed and recommended to Cabinet. The Cabinet met on 22 January 2026 and recommended that the Schools Budget is approved and referred the report to Full Council on 26 February 2026 as part of the overall Council budget.

The Authority Proforma Tool (APT), setting out the agreed Schools Block proposals for 2026/27, was then submitted to the DfE for compliance checking ahead of the 22 January 2026 deadline. Approval was received on 11th February 2026 and individual School Budgets were released on 27th February 2026.

In connection with the Schools Block, the Forum unanimously supported the 2026/27 Schools Block proposals, including:

- The DfE's National Funding Formula (NFF) methodology should continue to be used as the Lancashire formula for 2026/27.
- The Minimum Funding Guarantee (MFG) be set at +0.0% for 2026/27, 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 2026
    - Primary £5,115 per pupil
    - Secondary £6,640 per pupil
- Balancing schools block using the methodology that was consulted on with schools in 2026/27.
- The transfer of circa £5.48m (0.50%) of Schools Block funding to the High
- Needs Block for block transfer by utilising the basic entitlement factor,
- with this being 98.44% of the 2026/27 NFF factor and within the 2.50%
- allowable.

2027/28 Block Transfer

Due to the continuing pressures on the High Needs Block, at this stage it is anticipated that a 0.50% Schools Block transfer to the High Needs Block will be proposed for 2027/28. Whilst the High Needs Block Stability Grant is welcome, current forecasts still show a substantial High Needs Block deficit in future years, with forecasts continuing to build in the Schools Block transfer.

It is anticipated that any Schools Block transfer would be utilised in a similar way as has been implemented for 2026/27 and will be used for spend to save initiatives within the High Needs Block.

A further update will be provided at the June working group meeting.

The working group:
Noted the report and expressed thanks to officers for the significant work undertaken in developing and finalising budgets.

11.5 High Needs Block Mitigations 2026/27
This report was noted under Item 9.

The working group:
Noted the Report

Discussed:

- **Members highlighted increasing need for bespoke SEMH provision and noted outreach proposals are being developed.**
- **No current plans to establish a PRU in the East, though discussions continue; location remains a key factor.**
- **Three primary schools have offered to support the mitigations work.**
- **Members requested identification of SENDCOs who may assist.**
- **The group noted transitional aid agreed in the previous year had been effective and were supportive of its continued use.**
- **Inclusion hubs were positively received; SEMH planning continues for next financial year.**
- **The Banding Document remains in draft; Amber will attend full Forum to discuss further.**

11.6 Clawback Exemption Requests 2025/26

In July 2025, the Forum considered the School Balances and Clawback Policy for 2025/26 and agreed that clawback should be reintroduced on excessive revenue balances at March 2026. Historically the guideline balance was set at 12% of Consistent Financial Reporting (CFR) income for all phases of maintained school with a minimum threshold of £75,000, however it was decided that the CFR threshold would be reduced to 8% for 2025/26 school balances. The 8% will be implemented with immediate effect and will be applied on school balances at 31 March 2026.

As a result, the authority has received two clawback exemption requests from Lancashire schools. As requested by members, a summary of the schools number on role and financial forecast were provided to members.

Request A

A Secondary School is requesting £100,000 to be exempt from clawback at March 2026. This request was presented to the working group in the autumn term and further information was required. Therefore, this information has been updated.

The school currently lacks outdoor sports facilities, relying on a multi-use hall for PE lessons, which often conflicts with other activities like dining, exams, and assemblies. To improve physical education, the school plans to create an outdoor PE area. The estimated project cost is around £100,000, design and tender is expected to be completed by June 2026, with work scheduled between 20 July 2026 and 28 August 2026. Completion date is expected is by September 2026. The full cost of the project is expected to be in the 2026/27 financial year, with the final payment due in approximately September 2026 upon completion. This information has been provided by an external project manager and architecture.

Request B
A Lancashire Secondary School is requesting £80,000 to be exempt from clawback at March 2026. The school is closing its Sixth Form provision in August 2026 to increase capacity for 11–16 students, aligning with local authority priorities to expand school places. Planned works include creating new classrooms, expanding dining facilities, improving internal layout, and enhancing site safety. These developments require significant capital investment. The school is working with the local authority's property services team on redevelopment and funding options, with discussions ongoing. The school has also met with the Property Services Capital Team to discuss capital funding for the building project and with the School Planning Team regarding growth funding for the planned increase in PAN from September 2026. At this stage, there are no plans or quotes available, as work with architects has only just begun following these initial meetings. The aim is to commence works in May/June 2026 to ensure completion by September 2026.

The working group:
Noted the Report

- **<u>Request A:</u> The Group unanimously recommended the exemption request be rejected, noting the school held sufficient reserves.**
- **<u>Request B:</u> The Group unanimously supported the request, given the planned expansion works and financial need.**

Discussed:

- **Members discussed concerns regarding mid-year changes to clawback policy and potential impact on school financial planning.**
- **Comparisons were raised between academy and maintained school reserves; questions posed about proportional clawback and de-delegation levels.**
- **Potential additional funding to schools from the SEND reform, announcements from DfE are expected shortly.**
- **It was noted that many schools could enter deficit within three years, implying clawback could cause more schools into deficit.**
- **It was noted that governors ultimately hold responsibility for budget oversight and accountability, and that school balances remain significantly higher than historical averages.**

12. Forum Correspondence

There were no items of correspondence received.

13. Any Other Business

The Forum:
Noted the information.

14. Date of Future Meetings

To note that the next scheduled Forum meeting will be held at 10.00 am on Friday 3 July 2026. Arrangements for the meeting will be confirmed in due course.