

Tuesday, 17 October 2023, 10.00 am in the Savoy Suite, The Exchange, County Hall, Preston

Agenda

1. Attendance and Apologies for Absence

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

2. Substitute Members

To welcome any substitute Members.

3. Forum Membership (Enclosure)

To note the Forum membership report.

4. Minutes of the Last Meeting (Enclosure)

To agree on the minutes of the last meeting held on 4 July 2023.

5. Matters Arising

To consider any matters arising from the minutes of the meeting held on 4 July 2023 that are not covered elsewhere on the agenda.

6. Crown Commercial Services

David Carter will be attending to deliver an overview of the service.

7. Apprenticeship Levy Update

James Beardwood will be attending to provide an update on the Apprenticeship Levy.

8. Schools Funding 2024 – 2025 (Report to Follow)

To review recent DfE changes to funding.

9. Inclusion Report (Attached)

Sally Richardson will be attending to follow up on any questions regarding Inclusion Report in the de-delegation. Also, Head Teachers from the Inclusion Hubs are attending to present to the group.

10. Recommendations from the Schools Block Working Group (Enclosure)

To consider the recommendations from the Schools Block Working Group from 28 September 2023, including

- the vote on de-delegation and Minimum Funding Guarantee (MFG) proposals for 2024/25.

11. Recommendations from the High Needs Block Working Group (Enclosure)

To consider the recommendations from the High Needs Block Working Group from 3 October 2023.



12. Recommendations from the Early Years Block Working Group (Enclosure)

To consider the recommendations from the Early Years Block Working Group from 10 October 2023.

13. Teachers Pay and Pension Grant - Special Schools and PRU's

14. Forum Correspondence

There was no Forum related correspondence to consider at this meeting.

15. Any Other Business

16. Date of Future Meetings (Enclosure)

To note that the next scheduled Forum meeting will be held at 10.00 am on Thursday 11 January 2024. Arrangements for the meeting will be confirmed in due course.

A copy of the forum schedule of meetings for the 2023/24 academic year can be found [here](#).



Item 3

Schools Forum Membership

Contact for further information:
Schools Forum Clerk
schoolsforum@lancashire.gov.uk

Brief Summary

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

The Forum is asked to:

- a) Note the report,
- b) Welcome Michael Nolan to the Forum,
- c) Welcome Liz Laverty back to the Forum as an observer,
- d) Thank Helen Dicker, Liz Laverty and Emma Smurthwaite.

Background

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

Annual Membership Review

As part of the annual membership review process, several members left the Forum at the end of the 2022/23 academic year, with the thanks of their colleagues, and several new appointments have been made from September 2023.

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

Primary School Governors

- Michael Nolan, Burscough Village Primary School

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

- PRU Governor
- Secondary Academy Governor



Lancashire County Council

Lancashire Schools Forum

Tuesday, 4 July 2023, 10.00 am in the Savoy Suite, The Exchange, County Hall, Preston

Schools Members

Primary School Governors

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

Primary School Headteachers

Daniel Ballard
Sarah Barton
Deanne Marsh
Sarah Robson
Kirsty Sutton

Substitutes

Vicki Newsome - Substitute for Anna Smith

Nursery School Governor

Thelma Cullen

Nursery School Headteacher

Jan Holmes

PVI

Sharon Fenton
Philippa Perks

Secondary School Governors

John Davey
Brian Rollo

Secondary School Headteachers

Oliver Handley
Mike Wright

Academy Governor

Kathleen Cooper

Academy Principal

Steve Campbell
James Keulemans

Special School Governor

Mandy Howarth

Special School Headteacher

Claire Thompson

Short Stay Governor

Liz Lavery

Short Stay Headteacher

Abigale Bowe

Other Voting Members

Church Authorities

Bill Mann (Church of England)
Julie Jones (Catholic)

**Observers – Non-Voting
Representatives**

Sarah Troughton (NEU)
Alison Daly
Lorimer Russell-Hayes (LASGB)
Steve Jones (NASUWT)

Officers in Attendance

Matthew Dexter
Millie Dixon
Toni Rafferty
Emma Nicholson
Aby Hardy
Chris Warren
Roger Livesey
Steve Little
Diane Scarborough



1. Attendance and Apologies for Absence

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

Apologies were received from Janice Astley, Jenny Birkin, (Cllr) Anne Cheetham, Caroline Clayton, Stephanie Carter, Helen Dicker, Rosie Fearn, (Cllr) Stewart Jones, Michelle O'Neill and Anna Smith.

2. Substitute Members

Substitute members were welcomed to the meeting:

- Vicki Newsome attended as a substitute for Anna Smith

3. Forum Membership

This report provided information on membership changes since the last meeting:

Members leaving the Forum as part of the annual membership review included:

Helen Dicker Academy Governor
Liz Laverty PRU Governor
Emma Smurthwaite Primary School Governor

The LA is making arrangements to seek replacement representatives for September 2023. Members are asked to note that Liz Laverty will continue to attend Schools Forum meetings as an observer.

Members also welcomed the following new members to their first Forum Meeting

Stuart Booth - Primary School Headteacher
Kirsty Sutton - Primary School Headteacher
Julie Jones - Catholic Diocesan Representative
Lorimer Russell-Hayes - LASGB Observer

The Forum:

- a) Noted the report;**
- b) Expressed thanks to those members leaving the Forum**
- c) Welcomed new members to the Forum**

4. Minutes of the Last Meeting

The minutes of the last meeting held on 16 March 2023 were agreed as a correct record.

5. Matters Arising

Steve Little, Principal Estates Surveyor, attended the meeting to present an update on School Rates, following a request at the March 2023 Schools Forum meeting.

Currently, rates are based on 2015 valuations. The Valuation Office Agency (VOA) has recently updated the rateable values of all business, and other non-domestic, property in England and Wales and these rateable values took effect from 1 April 2023.

For any further queries, please contact the estates mailbox
EstatesNNDR@lancashire.gov.uk.

The Forum:



- a) **Noted the information.**
- b) **Thanked Steve for his presentation**

6. Financial Support Services to Schools

Roger Livesey and Emma Nicholson, Schools Finance Senior Accountants attended the meeting to present an overview of the Schools Financial Services, following a request at the March 2023 Schools Forum meeting.

The Schools Finance Team offers a wide range of professional support services to assist schools in managing their budgets.

The team has a reputation throughout Lancashire for high quality support, advice, and training. The team build strong working relationships helping to ensure the work with schools delivers improved financial management.

This ensures resources are spent wisely and properly allowing schools to provide high-quality teaching and learning and so raise standards and attainment for all pupils. The Service Level Agreement was shared to members and can be found on the Schools Portal.

For any further queries, please contact the Schools Finance mailbox schoolsfinanceSLA@lancashire.gov.uk.

The Forum:

- a) **Noted the information.**
- b) **Thanked Officers for their presentation**

7. Lancashire School Library Service

Diane Scarborough, School Library Service Manager attended to deliver a presentation around the services the team provide to Schools.

The Lancashire School Library service offers a traded subscriptions at varying levels tailored to the school needs. These include core collection of books, curriculum boxes to support teaching and various interactive sessions.

For any further queries, please contact lancashireschoollibraryservice@lancashire.gov.uk.

The Forum:

- a) **Noted the information.**
- b) **Thanked Diane for her presentation**

8. School Budget Outturn 2022 - 2023

This report provided details of the 2022/23 Schools Budget final financial outturn position, in relation to each funding block. A copy of the full report was provided for members.

Further details were provided in connection with each funding block and members concentrated on the High Needs Block position. It was noted that the outturn position for the 2022/23 High Needs Block revealed a circa £0.75m overspent. Some key issues were highlighted.



The Forum:

- a) **Noted the information.**
- b) **Welcomed further information around the**

9. School Balances 2022 - 2023 and Clawback

This report set out the year end position of schools' delegated budgets at 31 March 2023. A copy of the full report presented to the group was provided for members.

The report highlights that the overall school balances have decreased from c£95m to c£73m, an overall in the 2022/23 financial year.

Further details were provided, and members concentrated on the Schools Block schools. It was noted that, in total 42 schools were in deficit at March 2023, which is twice the amount at March 2022. This shows the number of schools in deficit at 31st March is similar to pre pandemic levels.

It was also noted that the year end position did include grant funding from DfE that was allocated on an academic year basis and analysis provided by schools about their year end position at 31 March 2023 indicated that circa £15m of total balances are classed as 'committed'.

Clawback Policy

Whilst clawback had been suspended on year end balances at March 2020, 2021 and 2022. In July 2022, the Forum voted to reintroduce clawback at March 2023 and increase the minimum balance thresholds, policy is as follows:

- 12% of Consistent Financial Reporting (CFR) income for all phases of maintained school
- A £75,000 minimum balance threshold will be applied.

The Forum are now asked to consider the school balances and clawback policy to be applied at 31 March 2024.

The Forum:

- a) **Noted the report;**
- b) **Noted the overall position on school balances at 31 March 2023, including the individual school level information provided in the report;**
- c) **On balance, recommended that clawback of revenue balances above the guideline figure should be reinstated at 31 March 2024, at previous levels:**
 - **A clawback rate of 50% is to be applied to any balance above guideline in the first year a school exceeds the guideline (after adjusting for exemptions);**
 - **A clawback rate of 100% is to be applied to any balance in excess of guideline where the guideline has been breached for two or more consecutive years (after adjusting for exemptions);**

10. Schools Forum Annual Report 2022 – 2023

Each year the Schools Forum publishes an annual report setting out items of business in which the Forum has been involved

A draft report for 2022/2023 was presented to the Working Groups and the Forum for consideration.



The Forum:

- a) **Noted the report;**
- b) **Approved the 2022/23 Annual Report be for publication.**

11. Early Years entitlement expansion and wraparound childcare pathfinder scheme

Since the Early Years Block Working Group, the LA has received notification around the funding of additional early years provision.

The additional funding will be issued via the Early Years Supplementary Grant rather than increasing the rate. More information should be provided before the Summer Break and will be reported at the next Schools Forum.

The Forum:

- a) **Noted the information**

12. Recommendations from the Schools Block Working Group

On 20 June 2023, the Schools Block Working Group considered a number of reports. A summary of the information presented, and the Working Group's recommendations are provided below:

1. Health and Safety Update

Jill Cornwell, Service Delivery Manager Health, Safety and Quality attended the meeting to provide information around hiring swimming pool on school grounds. The authority are aware of this and had been working with the provider to create a suitable risk assessment for schools risk assessment

Following the meeting it was noted that current providers are unable to accommodate children with mobility needs or disabilities and difficulties who are unable to access the pool via the stepladders provided. There are no accessible facilities, therefore any school considering this model of delivery will need to consider the impact on children who need support to access a pool and make alternative arrangements for them to be able to take part in swimming lessons. Schools are advised to comply the guidance and risk assessments available on the Schools Portal.

The Forum:

- a) **Noted the report and thanked Jill for the update**

2. De-Delegation Proposals 2024/25

In accordance with normal practice, it is envisaged that a de-delegation consultation will be issued to maintained primary and secondary schools in early September 2023, with responses being reported to the meeting on 17 October 2023, at which time the Forum will be asked to make formal decisions, by phase, on each de-delegation proposal.

In 2023/24, the Forum formally approved 4 service de-delegations, relating to:

- Staff costs – Public Duties/Suspensions
- Heritage Learning Service - Primary Schools Only
- Inclusion Hubs - Primary Schools Only



- Schools who Require Additional Support

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

For 2023/24, the LA is again proposing to consult on the continuation with some aspects of the services as de-delegations, and merging the Schools in Financial Difficulty and School Improvement de-delegation. Further information was provided on each service.

3. High Needs Block Supplementary Grant Task and Finish Group

Using the agreed methodology, £2.5m remained unallocated. During the Spring Term Forum meetings, it was agreed to set up a task and finish group to allocate the remaining funding.

In Summary the funding was allocated;

- £600k to create two central Inclusion Engagement Support Teams to support children without an Educational Health Care Plans, funded for one year.
- £400k allocated to Y11/12 transition teams for Alternative Provision schools, administered through SEND central team.
- £150k Support for transition between EYFS/Reception to be funded through the inclusion hub banker schools.
- £300k Support for transition between Y6/7 to be to be funded through the inclusion hub banker schools.
- £1,050,000 to be transferred back to Reserves for High Needs Block.

A letter was sent to all schools on 30th March and the minutes were provided to members in the working group papers.

This report was also presented and noted at the High Needs Block and Early Years Block.

The Forum:

- a) **Noted the information**

4. PFI updates

PFI historic Commitments

Following the submission of the Authority Proforma Tool (APT) in December 2022, the ESFA raised concerns in February 2023 around PFI funding. The Local authority were instructed to remove any historic PFI commitments by the ESFA. Unfortunately, this led to a reduction in PFI funding for six settings in Lancashire.

PFI Hameldon Site

Officers were finally successful in getting DfE to support the authority in transferring, and therefore retaining, the PFI Funding for the Hameldon Site. To note, the PFI Gap



funding will no longer grow each year as previously within the Schools Block, however, this is similar to the PFI Gap funding for all the other Special Schools.

The forum would like to pass on thanks to Paul Bonser and Kevin Smith for all their work in securing this funding.

The Forum:

- a) **Noted the information**
- b) **Thank Officers for their work on securing the funding**
- c)

13. Recommendations from the High Needs Block Working Group

To consider the recommendations from the High Needs Block Working Group from 13 June 2023.

1. High Needs Block Commissioned Places

No changes are proposed to the PRU process, with correspondence on indicative place numbers for 2024/25 being circulated in autumn term 2023, to include input from the service to refine the commissioned places, and the continuation of the additional place top up funding arrangements as a continued safety mechanism

Sapphire Murray shared a report around the current Alternative Provision service, this can be found in Appendix A.

The outcome of this report is to create a panel to make collective decision regarding allocation of intervention places at PRUs. Currently seeking representatives to set up a task and finish group to organise a more efficient process.

Thanks to those members who have volunteered to be part of the group. If any other members wish to be on the group, please let the Schools Forum Clerk know.

The Forum:

- a) **Noted the Information**
- b) **Thanked members who had volunteered to the group**

2. SEN Green Paper

The report was included in the working group papers for information. The LA are awaiting any further updates.

The Forum:

- a) **Noted the report**

3. EHCP funding challenges

Andrea Riley, Senior SEND Manager, presented a presentation to the Working Group around the challenges faced by schools around SEND funding.

It was noted that Lancashire follow the Nation Funding Formula and increase the WPN year on year were there is capacity to do so. Schools also receive Notional SEN funding which should be the starting point of any queries.



To resolve these issues going forward, Schools Finance Officers will attend an Inclusion team meeting to provide an overview of school funding.

The Forum:

- a) **Noted the information**

14. Recommendations from the Early Years Block Working Group

To consider the recommendations from the Early Years Block Working Group from 8 June 2023.

1. Matters Arising from the Last meeting

Early Years Recruitment

Recent Early Years recruitment advertising campaign has received over 3000 hits. However, it hasn't not led to any recruitment. A social media campaign is being arranged to widen the audience and posters advertising vacancies are also being sent to settings.

2. Early Years Funding Claims Internal Audit

The Working group were presented a report following an audit review of the school's early years funding claims for 2, 3 & 4 year old children

As a result, £16,636.52 will be recovered over two financial years from the school. Following the Audit review, the Early Years Parental Funding Agreement, Terms and Conditions and guidance notes have been reviewed

The Forum:

- a) **Noted the Information**

3. Any other Business

National Day Nurseries Association (NDNA) Conference

Potentially a further 60,000 children eligible for the additional early provision funding from September 2023 with approximately 10% of the children with need additional support. This was noted as a severe risk to the Local Authority across the Early Years Sectors.

The Forum:

- a) **Noted the Information and concerns**
- b) **Welcomed any future updates**

15. Urgent Business

No decisions have been taken using the Urgent Business Procedure since the last meeting.

16. Forum Correspondence

There is no Forum related correspondence to consider at this meeting.

17. Any Other Business



It's suggested that all presentations or reports to be presented at Forum meetings be sent to the Schools Forum Clerk two weeks prior to meeting to allow papers to be sent out on time.

The Forum:

a) Supported the introduction of deadlines

18. Date of Future Meetings

To note that the next scheduled Forum meeting will be held at 10.00 am on Tuesday 17 October 2023. Arrangements for the meeting will be confirmed in due course.

A copy of the forum schedule of meetings for the 2023/24 academic year included in the papers



1. Introduction

1.1 Background

De-delegation of funding to support Inclusion Hubs was first agreed by the High Needs Block Working Group in October 2019. The purpose of these Inclusion Hubs was to promote inclusion and reduce exclusions in mainstream primary schools through the creation of:

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

It was also anticipated that schools within each district would develop a local response to the particular challenges encountered within their geographical area. It is also the case that different approaches have been adopted to reflect the resources available within a particular district and which included for example support from neighbouring pupil referral units/short stay schools, special schools and other service providers. Schools Forum and District Inclusion Hub leads sought an evaluation of the effectiveness of the Lancashire District Inclusion Hubs in meeting the pre-determined objectives identified above. The project was completed by colleagues within the Educational Psychology teams with support from colleagues across Lancashire, including the head of the Inclusion Service, data services, the Education Improvement team, and colleagues within the District Inclusion Hubs.

1.2. The Offer

A number of the districts have organised and/or are in the process of organising conferences for all primary schools within the district with a view to publicising and involving schools in the development of the offer. These events also provided/provide an opportunity for networking, inter-school support and the sharing of good practice. Some districts have also developed their use of online tools, such as Padlet, to share training resources as well as information about District Inclusion Hub events, the support available via the hub and referral mechanisms.

Most of the District Inclusion Hubs offered training and resources accessible to all schools within a district. These included for example nationally accredited training programmes, with their own evidence bases, such as ELSA and ELKLAN as well as more bespoke training packages targeting specific aspects of development such as social skills or executive functioning. Other training programmes offered focused on methods that could be used to monitor progress and development, or support the identification of approaches to intervention, and which included for example training on the PSED PIVATs or functional behavioural analysis.

Different consultation models were used by districts, either separately or in combination, to assist with the identification of support for individual children by external specialists as well as support

meetings organised across different clusters of schools within a district and less formalised school to school support meetings.

In addition, support was provided for individual pupils in different ways. There were examples of support being offered as part of early intervention with a view to preventing the escalation of need. Other District Inclusion Hubs offered an approach that included a rapid response, often provided by external specialists, where a child/school was considered to be in 'crisis'. The support was provided in different ways that included the observation and assessment of a child by external specialists, which were either provided directly or schools were supported with funding to commission their own.

Graduated packages of support that could include out-reach work were offered by many District Inclusion Hubs, as well as time-limited respite placements in special or short stay schools, where these were available to local schools. Many of the respite placements also included support with reintegration as well as training for staff within the venue of the special or short stay school provider and/or within the originating school.

Some District Inclusion Hubs had developed links with local secondary schools and at least one secondary pupil referral unit was offering support with transition into the secondary phase of education for some of the most vulnerable pupils at the upper end of key stage 2. Much of the support provided at individual pupil level was subsidised to a greater or lesser extent through the funding made available to the District Inclusion Hub. It is also perhaps worth mentioning that academies within at least one of the District Inclusion Hubs contributed directly in order to be able to access the resources and support available. District Inclusion Hubs are generally engaging their own administrative support systems.

District name	Hub
1	Lancaster
2	Wyre
4	Fylde
6	Preston
7	South Ribble
8	West Lancashire
9	Chorley
11	Hyndburn/Ribble Valley
12	Burnley
13	Pendle
14	Rossendale

Table 1: District name hub correspondence

1.3. Funding

The £1m de-delegated funding is distributed across the 11 Inclusion Hubs using a weighted model that takes into account the number of pupils on roll in each of the primary schools within, and the level of deprivation across, the district. The relative weighting of each of these factors is 90% for pupil numbers and 10% for deprivation. This approach was also agreed by Schools Forum when the model was first established but does mean that the funding is not equally distributed across the Inclusion Hubs. The average amount of funding per hub is £90.9k and ranges from £47.5k (Flyde) to £142k (Preston).

Currently, 441 primary schools contribute to the financial support of the Inclusion Hub model through the de-delegation of individual school funding. Each school contributes £11 per pupil to make up the £1m that is distributed across the 11 Inclusion Hubs. It should be noted that the amount each school is asked to contribute per pupil has not increased since the introduction of the model.

The average amount of funding de-delegated from each school is £2,200 and the table below provides an estimate of the relative costs of the different types of direct support that is provided via the inclusion hub model. It should be noted, however that not all inclusion hubs offer this level of direct support although most do.

Provider	Cost
PRU placement	£3,250
Reintegration support from PRU to mainstream	£2,000
Educational psychologist	£600 daily
Behaviour specialist	£600 daily
Teaching assistant support	£3,000 half-termly

Table 2. Intervention costs

It can be seen the costs associated with intervention placements and additional teaching assistant support exceed the average individual contribution of each school. In addition, the funding required to secure external specialist support would be limited to fewer than four days per child based on the de-delegated funding for each school, which may not be sufficient for the pupils with the most complex needs over time. This approach could be seen then to target support to pupils with the greatest level of need across the whole of the school community in Lancashire. It could also be considered this funding arrangement serves to support fluctuations in need across schools and this is important because level and complexity of need varies over time.

2. Methodology

2.1 Data collection

Data was collected from:

- the evaluation used an online survey, created using Microsoft Forms (see Appendix 1), that was distributed via Hub Leads who were asked to cascade to member schools. It comprised six questions of both open and closed variety,
- data on engagement and inclusion was provided by the Inclusion Hubs cross-district lead headteacher,
- data was gathered via additional documents, reports and resources directly shared from the District Inclusion Hub heads within the same period.

3. Results

3.1 Engagement and Impact

The information presented in this section outlines school engagement in the hub model and the impact of the hub model at a child and systemic level.

Table 3 shows the percentage engagement in the hub by district and where available how this has changed over time. It can be seen that 77.1% of eligible schools from the nine districts that provided

a response have accessed support at some level from their inclusion hub. Two hubs were unable to provide this information due to recent structural changes in leadership.

It is evident from the data presented in the table below that overall there has been 35% increase in engagement between 2020-21 and 2022-2023 where this data was available. The data to support understanding of levels of engagement over time is limited and therefore caution is required in any interpretation of this data. It should be noted however, that anecdotally, district leads have observed increased levels of engagement, except in district 14 because of concerns regarding the offer which is being reviewed.

District	Number of schools in district	% engagement reported by district leads	Number of participating schools	Percentage increase in engagement from schools between 2020-21 and 2022-23
1	50	85	43	
2	38	78	30	17
4	23	71	16	
6	52	90	47	43
7	37	89	33	15
8	54	44	24	
9	49	92	45	66
11	56	74	41	
14	29	70	20	
	388		299	

Table 3. Engagement with the Hub model

The below table shows that direct support was provided for 469 pupils and indirectly to 1,069. Information obtained from the district leads indicates that support was provided to 464 of these pupils which enabled them to maintain their mainstream placement successfully. It is unlikely that all of these children would have been permanently excluded or transferred to another school, however the cost of a PRU placement is £17,500 and the average cost of a special school place within the maintained sector is £20,000 and in the independent non-maintained sector is £59,000. It can be seen then that if 10% of these pupils had transferred from their mainstream school into more specialist provision, the cost would have been in excess of £1 million.

District Inclusion Hub number	Number of pupils who received direct work over the year	Number of pupils where placement was maintained	Number of pupils receiving indirect support
1	50	40	100
2	108	108	150
4	9	9	17
6	74	74	300
7	44	44	72

8	40	52	12
9	64	76	180
11	33	31	50
14	47	30	188
	469	464	1,069

Table 4. Number of pupils receiving support and mainstream placement maintenance

It has not been possible to identify all of the individual schools who have participated in the inclusion hub. It has only been possible to relate the number of suspensions to schools from 5 districts, which are Chorley, Fylde, South Ribble, Lancaster and Wyre for the Autumn term 2022-23. The suspension rate for these schools was half that would have been predicted.

3.2 Type of support identified via survey and additional documentation

Hubs reported a diverse range of direct support being available to schools. The most frequently reported types of support were individual support from specialist professionals, e.g., educational psychologists, specialist HTLAs, specialist teachers, play therapists; out-reach support, from specialist schools or short stay schools; and additional staffing support. Other direct support available to schools included continued access to telephone advice and signposting, support around transition in Year 6 to Year 7, and behaviour support. A number of hubs shared that supporting the wellbeing of head teachers was becoming an increasing priority within the hub offer and that wider staff supervision was important.

The main types of indirect support provided by hubs to schools came in the form of training courses and District Inclusion Hub conferences. Most of which were provided free of charge to settings. Topics for training included autism spectrum disorder, social skills and social story training, positive handling, de-escalation, and trauma and attachment. Conferences appeared to be an increasingly common offer and were well-organised events with a number of specialist speakers, often educational psychologists. They offered support around attachment and trauma, solution focussed problem solving, emotional first aid, building relationships and behavioural approaches. In addition, the recent introduction of specified transition funding for the early years has been utilised by some hubs in order to access training and support from the Early Years team.

3.3 Impact at school level

Unsurprisingly, District Inclusion Hubs found it challenging to determine the systemic impact of both direct and indirect involvement. Notwithstanding this, it can be seen from the table below that 284 of the total number of maintained primary schools in Lancashire reported increased staff confidence and resilience in supporting children presenting with behaviour that challenges. This equates to over 64% of primary schools.

District Inclusion Hub number	Number of schools who report increased staff confidence in dealing with challenging pupils (staff resilience, increased strategies etc)
1	40
2	31
4	-

6	47
7	34
8	24
9	45
11	48

Table 5. Increased staff confidence

4 Conclusions

- Schools are increasingly seeking out support from their district inclusion hub.
- Over 1500 children have received support either directly or indirectly from their inclusion hub.
- More than 400 children have been supported to maintain their school placement thus enhancing their prospects of achieving positive outcomes that are associated with attendance at mainstream school. In addition, this will also have served to alleviate pressure on high needs funding.
- 64% of schools report increased staff confidence and knowledge as a result of support or training provided by the inclusion hub.
- The costs associated with external intervention or specialist support generally exceed the average amount of funding that is de-delegated from individual primary schools.
- This approach targets support to pupils with the greatest level of need across the whole of the school community in Lancashire and would seem to present a cost-effective approach to inclusion.
- At the current time there would not appear to be an alternative offer to inclusion hubs. There is evidence in Lancashire to indicate the challenges to schools are increasing in relation to the number and complexity of need presented by children with Social, Emotional and Mental Health (SEMH) needs. This is consistent with the national picture and reflected in increasing suspension and exclusion rates.

Item 10

Recommendations of the Schools Block Working Group

Contact for further information:
Schools Forum Clerk
schoolsforum@lancashire.gov.uk

Brief Summary

On 28 September 2023, the Schools Block Working Group considered a number of reports, including:

- **Schools Budget Outturn Report 2022/23**
- **School Balances and Clawback 2022/23**
- **Schools Block Funding Arrangements 2024/25**
- **Service De-delegations 2024/25**
- **Clawback Exemption Request 2023/24**

A summary of the information presented, and the Working Group's recommendations are provided in this report.

Recommendations

The Forum is asked to:

- a) Note the report from the Schools Block Working Group held on 28 September 2023;
- b) Ratify the Working Group's recommendations.

Detail

On 28 September 2023, the Schools Block Working Group considered a number of reports. A summary of the information presented, and the Working Group's recommendations are provided below:

1. Schools Budget Outturn Report 2022/23

This report provides information on the Schools Budget outturn position for 2022/23

The Overall Schools Budget outturn position for 2022/23 shows an underspend of circa £1.3m.



Further details are provided below in connection with each funding block.

Central Schools Services Block (CSSB)

CSSB 2022/23			
	Budget (£)	Actual (£)	Variance (£)
CSSB			
ESG Retained Duties (transferred to DSG)	2,591,000	2,591,000	0
Overheads	850,800	851,000	0
Copyright Licence	1,016,000	1,016,063	-63
School Forum	188,000	188,000	0
Pupil Access (Admissions)	1,400,000	1,400,000	0
Rates Rebates	-75,000	78,539	-153,539
PFI - Sixth Form	867,840	977,422	-109,582
Total Grant	-6,838,640	-6,838,441	199
Total Variance	0	263,583	263,383

Rates Rebates

The rates rebate budget estimated a £75k level of income from rateable value challenges throughout the year, but there was actually a net expenditure of around £78k against this budget line, giving a total variance of just over £153k. Expenditure relates to a contribution to the LCC Estates team to facilitate the school rateable value challenges and the payment of rates rebates to schools in accordance with the Forum policy.

As we are at the end of the current ratings cycle, there are reduced opportunities for rateable value appeals, but over the lifetime of the current schools forum policy, the arrangements have generated significantly more income than has been paid out.

PFI - Sixth Form

This budget line ended the year over £110k overspent. This was due to ongoing expenditure on the former Thomas Whitham Sixth Form PFI site, mainly attributable to utilities costs, that must continue whilst the sites are converted to use by other schools.

Other CSSB budget lines ended the year on or near the agreed budget level.



Schools Block

Schools Block 2022/23			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools	683,528,360	657,127,685	26,400,494
Academy Recoupment	193,069,885	220,973,729	-27,903,844
Total Expenditure	876,598,245	878,101,594	-1,503,350
Total Grant	-878,278,380	-878,278,380	0
Total Variance	-1,680,135	-176,786	-1,503,350

Maintained Schools/Academy Recoupment

The total Schools Block expenditure on maintained schools for 2022/23 overspent by circa £1.5m which is mainly due to the removal of the PFI funding. This funding has been reallocated in 2024/25. Academy recoupment increasing by circa £27.9m during the year, as schools converted to academies which is largely balanced out by the underspend of £26.4m in the maintained sector.

High Needs Block

High Needs Block			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools			
Mainstream Schools	15,499,953	22,764,192	7,264,238
Special Schools	69,311,571	76,737,451	7,425,881
Alternative Provision	10,438,784	12,756,191	2,317,407
Further Education - Post 16	11,000,000	9,857,055	-1,142,945
Commissioned Services	36,423,254	43,609,769	7,186,515
Exclusions	-400,000	-1,182,348	-782,348
High Needs Growth	17,142,970	0	17,142,970
Total Grant	-159,416,532	-164,542,310	5,125,778
TOTAL VARIANCE	0	643,154	643,153

The outturn position for the 2022/23 High Needs Block (HNB) revealed a circa £643,000 overspent. Further information is provided below:

Maintained Schools

Actual costs on all elements of maintained schools HNB expenditure, including mainstream schools, special schools and PRUs were above the budgeted figure. Please note, £6.2m of the overspend relates to the Additional High Needs



Supplementary Grant, which is reflected in the total grant figure. The most significant variance related to mainstream schools and represented a circa 50% growth in funding compared to the budget. Special Schools grew by over 10% and Alternative Provision by 20%.

Further Education - Post 16

The Further Education - Post 16 budget had a reduction of £1.1m or circa 10%.

Commissioned Services

The commissioned services expenditure ended the year with an overspend of over £6.8m. As per established practice, a more detailed breakdown of the HNB expenditure against the agreed budget lines is provided at Annex A. Of particular interest to the Forum on the commissioned services breakdown will be the £9.6m overspend on the Out-county budget. This overspend figure is a c£6m increase in expenditure compared to 2021/22. As members will be aware, strategies are being deployed to enhance maintained provision within the county, through the AP Strategy, SEN Units and increased special school capacity, but this will take time to feed through into the budget position.

Exclusions

The original 2022/23 budget estimated that £0.4m income would be generated for High Needs Block establishments as funding followed pupils who were excluded from mainstream schools during the year. The actual income was circa £1.1m, created a variance of just under £0.7m

High Needs Growth

When the 2022/23 Schools Budget was being set, provision was made for HNB growth, which was forecast at circa £17m for the year. This provision was utilised in year to offset the increased expenditure of circa £10m across HNB school budget lines. It should be noted that the level of in year HNB growth has been running at very roughly circa 10% of HNB budget for a number of years.

The year end deficit of £750k on the High Needs Block signifies the need for caution on High Needs funding levels and expenditure going forward. The levels of DSG increases are expected to reduce in future years, early indications are 3% in 2024/25 with future expenditure forecasted at 8%, which are likely to again place considerable pressure on high needs funding and reserves.

DSG grant

The DSG grant for the HNB in 2022/23, was circa £4.4m under budget, mainly due to the £6.2m Additional High Needs Supplementary Grant. A further £1.8m overspend relates to the Hameldon PFI allocation which was removed from the Schools Block and expected to be transferred to High Needs Block. Following confirmation from the ESFA, the funding will be reallocated in 2023/24 to the CSSB.



High Needs Funding Block Monitoring at Year End 2022 23 can be found in Appendix A.

Early Years Block (EYB)

Early Years Block			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools			
2YO	1,525,946	2,048,437	522,491
3 4 YO	20,541,451	19,142,146	-1,399,305
PVI			
2YO	7,016,599	8,617,177	1,600,578
3 4 YO	50,769,678	50,339,806	-429,872
Early Years DAF	363,200	240,000	-123,200
Early Years PPG	937,727	938,897	1,170
Commissioned Services			
SEND Inclusion Fund	500,000	1,005,885	505,885
Total Grant	-80,654,601	-83,008,399	-2,353,798
TOTAL VARIANCE	1,000,000	-676,051	-1,676,051

The Early Years Block outturn position for 2022/23 indicates a circa £1.6m underspend which means there would have been an underspend without the circa £1m transfer from reserves.

Further information is provided below:

Maintained Sector

Early Years Block expenditure relating to maintained providers overspent on 2 year olds but a significant underspend on 3&4 year old provision creating a £870k underspend overall.

PVI Providers

The PVI outturn position also revealed a similar pattern, however, an overspend on 2 year old provision and a slight underspend on 3&4 year old provision creating an overspend of circa £1.1m.

Disability Access Fund

This budget line was circa £123k below budget.

Early Years Pupil Premium

This budget line ended the year on or near the agreed budget level.



Commissioned Services

Commissioned Services in the Early Years Block relates to the Inclusion Fund and expenditure was circa £500k over budget.

Due to the full year effect of the changes introduced part way through 2021/22 has resulted in the inclusion fund expenditure exceeding the budget level.

DSG Grant

The actual grant income for the year was some £2.3m above the original budget, as early years take up was above the level forecast in the original 2022/23 budget. It should be noted that the LA are notified of the forecasted Early Years DSG in December 2021, however, final Early Years DSG was confirmed in July 2022.

Total Variance

The Early Years Block outturn position for 2022/23 indicates a circa £1.6m underspend which means there would have been an underspend without the circa £1m transfer from reserves.

The Working Group:

- a) **Noted the updated report.**

2. School Balances and Clawback

School Balances Outturn 2022/23

This report sets out the year end position of schools' delegated budgets at 31 March 2023.

The overall school balances have decreased from c£95m to c£73m, an overall reduction of £22m.

The tables below show analysis of school balances by phase at the end of the financial year 2022/23.

2022/23 School Balances - In-Year Movement of Balances by Phase

Phase	Balance Brought Forward as at 1 April 2022	In-year Increase / (Decrease) 22/23	Balance Carried Forward as at 31 March 23
	£m	£m	£m
Nursery	0.797	-(0.445)	0.352
Primary	53.537	-(13.314)	40.042
Secondary	27.372	-(3.353)	24.019
Special	10.049	-(2.633)	7.416



Short Stay	1.727	-(0.395)	1.332
Total	93.304	-(20.141)	73.162

As can be seen, all phases showed an overall decrease in their aggregate balance.

Increased levels of core funding were provided by the Government in 2022/23, with Lancashire's gross Dedicated Schools Grant (DSG) allocation some £54m higher than that received in 2022/23. This was partly due to increased funding nationally made available by Government.

In addition to the core Dedicated Schools Grant (DSG) funding allocations to schools, considerable additional funding was allocated during 2022/23 in the form of Government grants. For Lancashire maintained schools, grant allocations in the year totalled over £57m, £19m of this was the Mainstream Schools Supplementary Grant.

A number of the other grants were specifically to assist schools continue to respond to the challenges of supporting pupils catch up on learning. Some of these grants were allocated by the DfE on an academic year basis and will need to be spent by the end of the current school year, which may have had some impact on the level of balances held at 31 March 2023.

It should be noted that the aggregate school balances figure at 31 March 2023 includes a number of adjustments related to school academisations during the year. This included academisation of 14 primary schools, 3 secondary schools and a closure of one special school.

2022/23 School Balances –In-Year Movement Count of Schools by Phase

Phase	Count of deficit in year	Count of surplus in year
Nursery	16	6
Primary	323	119
Secondary	25	17
Special	20	8
Short Stay	4	4
Total	388	156

To Summarise, 388 schools operated an in year deficit in 2022/23, which equates to 71%, with 156 schools (29%) operating an in year surplus. In comparison, in 2022/23, 52% of schools operated an in year deficit.

2022/23 School Balances – Number of Schools in Surplus/Deficit by Phase

Phase	Count of deficit close balance	Count of surplus close balance
Nursery	8	16



Primary	29	413
Secondary	1	41
Special	3	25
Short Stay	1	7
Total	42	502

A total of 42 schools ended the 2022/23 financial year in deficit. The number of schools in deficit at 31 March 2023 has increased from 21 schools in deficit a year earlier.

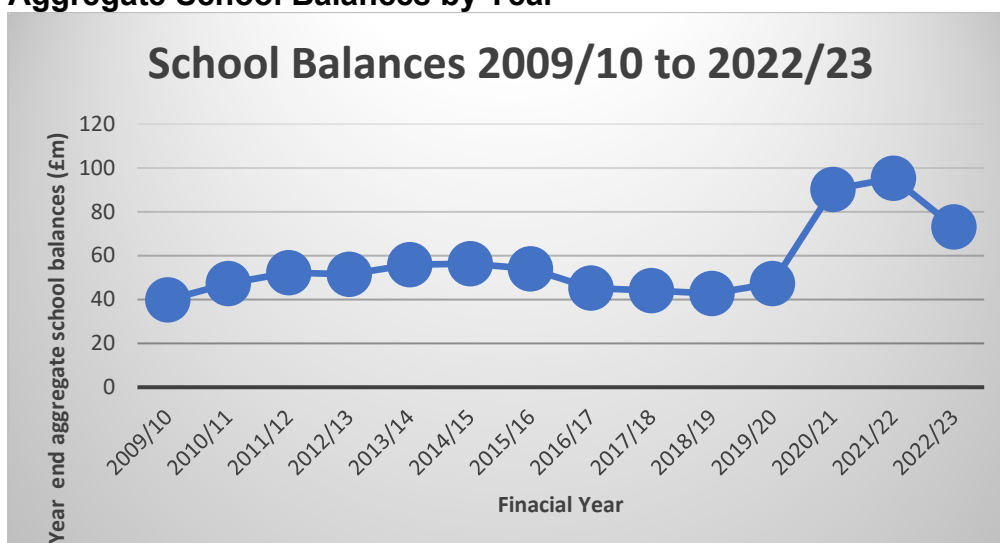
The nursery sector remains the most concerning phase highlighted through this table, with 8 out of 24 schools ending the financial year in deficit, representing 33% of schools in the sector.

A comparison showing the total number of schools in deficit across recent years is provided below:

Year End	Number of schools in deficit
31 March 2023	42
31 March 2022	21
31 March 2021	30
31 March 2020	41
31 March 2019	39
31 March 2018	47
31 March 2017	40

As noted in the table, the number of schools in deficit is significantly higher for 2022/23 than in recent years.

Aggregate School Balances by Year



The graph demonstrates the trend in aggregate school balances over a number of years and shows that following the increase in the balances held by schools at March 2022, school balances have significantly decreased at March 2023. Analysis provided by schools about their year end position at 31 March 2023 indicates that circa £15m of total balances are classed as 'committed'.

Support for Schools in Deficit

The county council, in consultation with the Lancashire Schools Forum, has continued to provide significant targeted support and enhanced monitoring and early warning to support schools that are in, or may be heading towards, financial difficulty. This includes monitoring the financial outlook of schools on the Schools in Financial Difficulty (SIFD) category warning system for maintained schools, issuing early warning letters to offer a 'heads-up' that financial pressures may be mounting and using the agreed SIFD procedures to provide additional support to some schools.

42 schools ended the 2022/23 financial year in deficit, compared to 21 schools a year earlier.

Individual School Balances 2022/23

Attached at **Annex A** are details about the movement in balances at an individual school level in 2022/23. As previously requested by the Forum, in addition to the year-end balance by school, information is included in this annex setting out:

- Balance as a % of CFR income.
- Balance per pupil.

School Balances and Clawback Policy 2022/23

Whilst clawback had been suspended on year end balances at March 2020, 2021 and 2022. In July 2022, the Forum voted to reintroduce clawback at March 2023 and increase the minimum balance thresholds, policy is as follows:

- 12% of Consistent Financial Reporting (CFR) income for all phases of maintained school
- A £75,000 minimum balance threshold will be applied.

The Forum are now asked to consider the school balances and clawback policy to be applied at 31 March 2024.

When considering the policy to be applied at March 2023, it was agreed that the clawback of excess balances would be reintroduced due to the consistently high balances.

Although the 2022/23 outturn positions have decreased by £22m since 2022/23, balances have remained significantly high. In financial terms, school balances still contain significant funding for covid catch up grants that were allocated by the DfE on an academic year basis. As referred to above, the Analysis of Balances return from maintained schools about their year end position at 31 March 2023 indicates that circa £15m of total balances are classed as 'committed'. This was across over 300 schools.



Whilst the level of committed balances has reduced from 2022/23, when the figure was £36m, it is still well above pre-pandemic levels, with the 2019/20 figure equating to only £6.8m.

In addition, members will be aware that there are significant and increasing costs pressure facing schools, with UK inflation jumping to 9% in the 12 months to April 2022, the highest level for 40 years, and expected to rise further.

A number of schools balances and clawback options are available to the Forum for 2024/25, which include:

- a) Apply the clawback policy in 2024/25, as per previous arrangements set out below, or with amended rates:
 - A clawback rate of 50% is to be applied to any balance above guideline in the first year a school exceeds the guideline (after adjusting for exemptions)
 - A clawback rate of 100% is to be applied to any balance in excess of guideline where the guideline has been breached for two or more consecutive years (after adjusting for exemptions)

(Note: As clawback was reintroduced in 2022/23, schools would be subject to the 100% clawback rate in 2024/25).

- b) Suspend the application of clawback at March 2024 due to the continued uncertainties around school funding and inflationary pressures;
- c) Other suggestions that members may have e.g., Raising the threshold percentage from the current 12% or increasing the threshold.

*Please Note, in July 2023, the Schools Forum voted to Implement the Clawback policy at March 2024

Clawback Outturn

In July 2022, the Schools Forum voted to implement the Clawback policy to excess balances at 31st March 2023. In line with the policy, circa £739,00 is due to be clawbacked from 18 schools. The final figure does not include two late exemption requests which are currently being considered by the Schools Forum Chair. Therefore, the final clawback figure may increase if these exemptions are accepted. Clawback will be processed in the Autumn Term and schools will receive communication via the Schools Portal.

The Local Authority propose to use the clawback funds to assist schools in Financial Difficulty and seek views from the working group.

The proposal is to support schools who currently have a Budget Recovery Three Year Plan, who are showing good financial practice within the plan and working with the authority, to submit a bid to the Schools Forum for funds for approval. The county council only submits a request to the Forum for a bid for one off support when there is confidence that any agreed funding will assist the school to return to a sustainable surplus position.



In line with the current SIFD policies, the proposal is to provide one off financial support to schools who otherwise would not be able to recover from a deficit position. As a general guide, the authority proposes to follow the Schools Improvement Challenge Board guide; that whilst individual circumstances will always need to be taken carefully into account, maximum allocations from the Schools in Financial Difficulty fund in response to an application from an individual school should generally not exceed 33% of the relevant deficit, but many may be lower. Following the authorities existing processes, Recovery Plans would be monitored termly, the proposal would stipulate those schools actively working with the authority and within their recovery plan would be eligible towards the end of the financial year to submit a bid to Schools Forum for funding.

A total of 42 Lancashire schools ended the 2022/23 Financial Year in a deficit. Currently, 19 schools are forecasting a deficit at March 2024 which totals circa £2m. An additional 13 schools are forecasting a minor surplus of below £1000. In the 2023/24 Financial Year, there is currently 14 schools working towards a Budget Recovery Plan school.

Schools Budget Reserves 2022/23

		£
<u>1</u>	<u>DSG Reserve</u>	
	Opening Balance	-24,488,731
	22/23 underspend	-1,322,624
	Closing Balance	-25,811,355
<u>2</u>	<u>Schools in Financial Difficulty Reserve</u>	
	Opening Balance	-3,891,016
	Academy School Balances	509,324
	Underspend 22/23	947,392
	Balancing adj	-66,335
	Closing Balance	-5,281,397
<u>3</u>	<u>De-delegated Reserves</u>	
	Opening Balance	-918,327
	Year End reserves movement 22/23	-95,209
	Closing Balance	-1,013,536
<u>4</u>	<u>Supply Teacher Reserve</u>	
	Opening Balance	-2,259,812
	Reserves Movement 22/23	-1,221,846
	Reimbursement of funds to 21/22 members	759,812
	Closing Balance	-2,721,846
<u>5</u>	<u>Schools Balances</u>	
	Opening Balance	-95,313,697
	Revenue surplus in year	-6,966,705



	Forced academy closing balance	-605,419
	Revenue deficits in year	-27,626,436
	Closing Balance	-74,048,547
6	<u>Total All Reserves</u>	
	Open Balance	-126,871,582
	Net In Year Movement	-17,994,903
	Closing Balance	-108,876,680

Further information about the year end reserves are provided below:

1. DSG Reserve

The overall Schools Budget for 2022/23, excluding individual school balances, was an underspend of £1.3m. Details of this figure are provided in the Schools Budget Outturn report 2022/23. This underspend has been added to the DSG Reserve as at 31 March 2023.

The outturn position for the DSG Reserve is therefore a balance of £25.811m.

This is the highest level of DSG Reserve held since the year ending March 2015.

2. Schools in Financial Difficulty Reserve

In order to maximise the funding available in the Schools in Financial Difficulty (SIFD) Reserve, a number of adjustments have been made to the reserve in 2022/23.

This includes unallocated schools income, which has been placed in the reserve at year end. This is money received and held in the county councils schools' income account, until it is identified and transferred to the appropriate school. Ongoing work continues to trace and allocate this income correctly, so the figures will reduce as income is identified and allocated.

As members will be aware, convertor academies take a surplus or deficit balance with them to their academy trust, whereas the balance at forced academies remains with the LA. Where balances have accrued due to academy conversions, these have been transferred to the SIFD reserve.

Including the above and underspends, the reserve has increased by £1.3m in year. The level of expenditure is expected to increase in 2023/24 due to due to significant inflation causing increased cost pressures.

These in year movements leave the final year end position on the reserve at circa £5.2m.

3. De-Delegation Reserve

The de-delegation reserve ended the year with a surplus of circa £1.3m.

Members will recall that for the Inclusion Hubs de-delegation the LA includes adjustments relating to inclusion hub funding that has been delegated to banker



schools at the start of the year. So that individual school balances at certain banker schools were not artificially high, which would impact on school year end balances reporting and national benchmarking, this funding was held by the LA for year end accounting purposes and then redistributed to the relevant banker schools in the new financial year.

4. School Teaching and Support Staff Supply Reimbursement Scheme

The staff reimbursement scheme ended the year with an underspend of circa £1.2m, leaving an outturn position of circa £2.7m.

The overall in year position includes a surplus on the teacher scheme of just under £1.3m, which was offset by a circa £0.6m deficit on the support staff scheme.

The Forum has previously agreed that any year end balance above £1.5m should be redistributed to scheme members. The working group may wish to consider if £1.5m remains an appropriate maximum level for the reserve. Whatever level is agreed, the Forum are asked to support the redistribution of the scheme reserve above that level back to scheme members.

Taking account of the deficit on the support staff element of the scheme, it is proposed that the 'excess' scheme reserve should be redistributed on the basis of the contribution levels to the teaching staff scheme only.

For 2024/25, members will need to consider a rise in the premiums charged for the support staff scheme, but it may be possible to hold the premiums on the teaching element of the scheme to 2023/24 levels. Further reports will be presented to the Forum in due course.

5. School Reserves

As set out earlier in the report, school balances decreased to just over £73m at the end of 2022/23, when school closure/academisation adjustments are taken into account. a decrease of nearly £22m.

The Working Group:

- b) Noted the updated report.**
- c) Recommended that the Schools Forum approve the proposal to use the Clawback 2022/23 funds to support school in Financial Difficulty through Bids to the Schools Forum**
- d) Recommended that the Schools Forum approve the proposed Supply scheme reimbursement based on members of the teachers scheme in 2022/23. Supported the reimbursements calculated on the basis of the NOR which was used to calculate the charges.**

This is a formal Schools Forum decision and members will be asked to formally approve at the 17 October 2023 meeting.



3. Schools Block Funding Arrangements

Please note due to the recent DfE announcements, this report has not been included and a revised report will be presented during the Schools Forum meeting. Item X for reference.

The Working Group:

- a) **Noted the report and that the final allocation for 2024/25 would be notified in December 2023.**
- b) **Noted that consultation responses on the level of MFG would be presented to the Forum meeting on 17 October 2023 and that the Forum would be asked to formally consider the 2024/25 rate.**
- c) **Supported the proposal to retain the current notional SEN calculation for the 2024/25 financial year.**
- a) **Supported the proposed voting arrangements as set out for consideration of the MFG proposals.**
- b) **Supported the disapplication to the DfE to request the continued use of an Exceptional Factor in the Lancashire formula, to provide allocations to 3 schools to cover the costs of renting premises for the schools.**

4. Service De-delegations 2024/25

Each year, the primary and secondary school members of the Schools Forum must decide on Service De-delegation proposals put forward by the Authority. Where appropriate, agreed de-delegations are then offered to nursery schools, special schools and PRUs as group buy-backs.

At the July 2023 working group meeting, initial proposals for 2023/24 de-delegations were presented for consideration. Proposals included a continuation of the Staff Costs and Heritage Learning service de-delegations that had been approved by the Forum for 2023/24, the removal of the School Improvement service de-delegation and an amendment to the Schools in Financial Difficulty name and funding allocations:

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

After the Summer Term Schools Forum meetings, a further De-delegation request was received from the Inclusion Service;

- Children's Champions

This De-delegation is to support the recruitment of 4 new children's champions to support maintained schools only. These are Grade 9 posts in line with the current structure and therefore would cost around £200,000 which our current budgets do not allow. The role of the children's champions is to support young people at risk of exclusion and those who are struggling to attend and work as an advocate for the child to support breakdown of relationships with schools.

At the working group, Jeanette Whitam from Schools HR attended to present the Staff costs Report. Sally Richardson, Head of Inclusion Service and Headteachers



from the Inclusion Hubs attended to give a brief overview of the work of the Inclusion Hubs. Aby Hardy attending to provide an overview on the Schools Requiring additional support and the additional Childrens Champions service de-delegations. The working group supported the 5 services being included in annual de-delegation consultation with schools.

At the time of the working group, the de-delegation consultation papers had not yet been approved for publication, but it was agreed to circulate the papers to members once they were cleared.

The closing date for consultation responses is 13 October 2023 and a final analysis and comments will be provided to the Schools Forum meeting on 17 October 2023 when maintained primary and secondary schools members will be asked to formally vote on the 2024/25 de-delegation proposals.

The working group supported the operation of the de-delegation voting at the Forum, which would take place at the meeting.

The Working Group:

- a) Noted the report;**
- b) Noted that de-delegation papers would be circulated to members after the meeting.**
- c) Noted that consultation responses would be presented to the Forum meeting on 17 October 2023 and that the Forum would be asked to formally consider de-delegation decisions for 2024/25.**
- d) Expressed concerns around the Inclusion Hub Report**
- e) Supported the proposed de-delegation voting arrangements.**
- f) Thanked colleagues for attending the meeting to present the de-delegations.**

Subsequent to the meeting, copies of the 2024/25 service de-delegations and schools block funding formula full consultation document and the summary document were circulated to members and copies are attached to this report as Appendix A and Appendix B.

Analysis and comments from the consultation responses will be presented to the Forum meeting on 17 October 2023.

5. Schools in Financial Difficulty Bid

Previous reports to the Forum have set out the support arrangements developed by the Authority for schools that may be experiencing exceptional financial difficulty. Financial difficulty can arise from several causes which lead either to budget reductions for example due to falling rolls, or from the need for short term increases in expenditure. Examples of these pressures on the school budget requiring short term financial support include:

1. Being judged by OfSTED as Inadequate or Requires Improvement.



2. Identified by the School Advisor/Senior Accountant as requiring additional support for serious educational difficulties or failure to meet attainment targets.
3. Subject to intervention by the Authority.
4. Faced with serious personnel difficulties.

Schools can also face falling roll situations because of demographic changes.

The consequences of these are that the school can experience serious financial difficulty. Schools Forum has agreed that the School Improvement Challenge Board (SICB) can provide support to schools in financial difficulty that has resulted from the above.

In addition, the budget is also used to:

- Mitigate the interest charges that would otherwise have to be met by schools that have implemented an agreed recovery plan (i.e. have implemented appropriate measures to ensure that they do not exceed agreed deficit limits);
- Meet the cost of contracting the School Finance Team at an enhanced level.
- Provide financial support to schools where their reserves are not sufficient for the school to meet the full cost of the intervention or restructuring costs themselves, in accordance with the financial support criteria agreed with the Forum.
- Provide one off financial support to schools who otherwise would not be able to recover from a deficit position. As a general guide, SICB suggested that whilst individual circumstances will always need to be taken carefully into account, maximum allocations from the Schools in Financial Difficulty fund in response to an application from an individual school should generally not exceed 33% of the relevant deficit, but many may be lower.

The budget for this support is obtained through the de-delegation, which is agreed annually by the Forum, following a consultation with schools.

In recent years, the number of bids for one off support have been limited, with support being primarily offered through the standard support options.

It should also be noted that a small number of schools at the extreme end of the Schools in Financial Difficulty (SIFD) spectrum have accumulated significant structural deficits, deemed as Category 1 on the county council's Schools in Financial Difficulty category warning system for maintained schools. These schools often have a range of difficulties, not simply a deficit budget, which can impact on their ability to recover financially.

It has not been considered appropriate to request one off SIFD support for a number of these schools, as it has been judged that they have a structural deficit with no prospect of financial recovery, and it has been necessary to pursue strategic solutions in respect of these schools.



Bid to Forum for one off financial support

As can be seen from the information above, the county council only submits a request to the Forum for a bid for one off support when there is confidence that any agreed funding will assist the school to return to a sustainable surplus position.

This bid relates to a Lancashire primary school that has been in and out of deficit during recent years, with a deficit of £55,574 as at 31st March 2023.

In the planning for 2023/24 and beyond, school leaders are working with considerable support from the schools' finance team, to produce a sustainable recovery plan.

Despite forecasting in-year savings for the next two years, the size of the deficit indicates that the school cannot repay the deficit over the required maximum period of three years.

If support from the Schools in Financial Difficulty Fund can be agreed, the recovery plan indicates that the school should return to a surplus position by 31st March 2025.

Key components of the recovery plan include:

- Revision of the staffing structure to remove at least one full time class teacher from September 2024;
- Reduction in support staff
- Income generation is maximised.
- Efficiency savings across all other budget headings continue to be maximised.

As mentioned earlier, the deficit at 31 March 2023 was £55,574 and in accordance with the agreed SIFD arrangements that one-off bids from individual support should not exceed 33% of the relevant deficit, a bid for £18,525 is now submitted.

This level of bid is reflective of the level of support needed to tackle the deficit at the school and is deemed appropriate to enable the school to return to surplus, without a significant impact on the educational provision at the school.

The School Improvement Challenge Board (SICB) considered this bid on 25 July 2023 and supported the proposed allocation.

Taking the recovery plan actions into account, and assuming the success of the SIFD bid with the forum bid contribution spread over 2023/24 and 24/25, the following budget position is forecast, which will bring the school out of deficit at 31st March 2025:

The Working Group is asked to support the allocation of £18,525 from the Schools in Financial Difficulty budget to assist with the recovery at a Lancashire primary school.

If approved, it is intended that the support will be distributed across the two years of the recovery plan, allocating £6,175 in 2023/24 and £12,350 in 2024/25.

The Working Group:



- a) **Noted the report;**
- b) **Recommended the Schools Forum support this Schools in Financial Difficulty Bid**

6. Clawback Exemption Request 2024/25

The Schools Forum unanimously voted to implement the Clawback Policy to balances at March 2024. This has continued to raise a particular issue for one Lancashire primary school and the views of the working group are now sought on a request to exempt the school from clawback in 2023/24.

The school in question is based on an army barracks in the county. This presents some peculiar challenges for the school, especially as and when the army changes the troops posted at the barracks, as this can mean that a significant proportion of the school's pupils leave en masse and then later a similar number of pupils are enrolled as a new regiment moves in.

Information about the planned troop movements at the barracks are continuing to cause some concern from the school.

The school's outturn position at 31 March 2023 was a balance of over £610k, against a guideline balance of circa £154k. A clawback exemption was approved for 2022/23.

The school's key financial challenge over the coming years is to manage the reduced income for the interim time when the NOR is lower due to the period without a regiment being stationed at the barracks. The school anticipate pupil numbers will begin to stabilise in September 2024.

If Forum were willing to confirm a 2023/24 exemption to clawback for the school, it would assist the school's planning with the aim of utilising reserves to operate a more stable staffing structure for the interim period when the NOR is reduced, ahead of the September 2024 pupil number increase. This would increase stability for the school and decrease the risk of compulsory redundancies providing a more established staffing base to assist the arrival of the new regiment and the anticipated increase in roll, the school expects to be full with 210 pupils on roll for the 2024/25 academic year. The clawback exemption would also allow the school to commit any savings to their reserves that accrue in the 2023/24 budget year, which is calculated on the 120 NOR, that will be generated by reduced costs when the pupil numbers fall from October 2023.

Other options to support the school with the challenges caused by the significant increase in the pupil population from September 2024 may be considered nearer the time, if necessary, for example a growth fund allocation. However, any future options of this kind relate to the 2025/26 financial year and would need to take account of appropriate DSG allocations and DfE funding regulations applicable at that time Further information may be presented in due course.

The views of the working group are sought on the proposal to exempt this Lancashire primary school from the application of clawback at 31 March 2024 due to



the unique circumstances described in the report. The School provided a letter, Appendix A below, to provide further detail.

Appendix A

18 September 2023

Dear School Forum

I wish to apply for an exemption from clawback at 31 March 2024 to help us to assist the school managing our financial position due the circumstances surrounding the troop movements at the barracks.

As I am sure you are aware, Primary School is situated on the army barracks at [REDACTED].

In summer 2022, 2Mercians left the barracks, and were not replaced. This had significant impact on our NOR (see below). 1Lancs are due to be posted to [REDACTED] in Summer 2024.

	NOR
July 2022	185
September 2022	123
September 2023	125
Summer 2024	150
September 2024	210

To mitigate our drop in NOR, we reduced our staffing costs significantly – through secondments to other schools, reduction in TA hours and natural loss. This enabled us to build up a healthy financial amount of reserves, ready for the extra staffing costs that we will face from September 2024.

Clawback would obviously cancel out any savings we have made since September 2022, and would leave us without the required funds to return our staffing levels similar to July 2022.

Schools Forum agreed for us to be exempt from clawback in March 2023, and I ask if this exemption could be extended again.

I understand this is an usual request. I am happy to expand further if needed. Yours sincerely
Headteacher

The Working Group:
a) **Noted the report.**



b) Requested further information to be presented at the Schools Forum due to the high level of balances held by the school

The Schools Forum have requested further information from the school and hope to present this to the Schools Forum on 17 October 2023.



Consultation on the Schools Block Funding Arrangements and Service De-delegations 2024/25

Executive Summary

The Government made various announcements in July 2023 about school funding for 2024/25. These announcements confirmed that the DfE have made limited changes to the funding arrangements from April 2024.

This means that the 'soft' National School Funding Formula (NFF) arrangements will continue for 2024/25, where the allocations for each Local Authority (LA) are calculated on the aggregated individual school National Funding Formula (NFF) amounts, but the LA's local formula still applies in making actual allocations to primary and secondary schools.

The soft NFF arrangements will allow the continuation of de-delegation arrangements in 2024/25, subject to consultation with primary and secondary schools and approval of the Schools Forum.

This consultation is seeking views about the continuation of services de-delegations in 2024/25, which are:

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

The main changes from 2023/24 relates to the new Children's Champion De-delegation proposal and the removal of the School Improvement delegation. Also, please note the Support for Schools in Financial Difficulty has been renamed to Schools Requiring additional Support with slight changes to the funding mechanism.

It is extremely important to the County Council and the Schools Forum to be able to reflect the views of Lancashire schools when making decisions about de-delegation arrangements for 2024/25, as these decisions are binding on all primary and secondary schools.

De-delegations are not permitted for academies, special schools, nursery schools or PRUs, however, some services will be offered as a buy-back and separate information will be provided about these options, where appropriate.

Please let us know your views on the de-delegations proposals for 2024/25, by completing the consultation questionnaire available [here](#), by **13 October 2023**.

Following a previous consultation with schools and the Schools Forum, Lancashire has adopted the NFF methodology as the local funding formula. This document also sets out the main formula changes that will be introduced for 2024/25 and seeks views on the level of Minimum Funding Guarantee (MFG) that should be applied in Lancashire from April 2024.

If there are any proposals to transfer funding from Schools Block to other funding blocks in 2024/25 that emerge once we have modelled allocations from the DfE on the schools funding arrangements, a further consultation will be issued seeking schools' views.



PART A 2024/25 DE-DELEGATION PROPOSALS

The school funding framework continues to allow service de-delegations in 2024/25. As per the funding arrangements in recent years, de-delegated services must be allocated through the formula but can be de-delegated for maintained mainstream primary and secondary schools, subject to consultation with schools and with Schools Forum approval.

De-delegations apply to a limited range of services where central provision for maintained schools (but not academies) may be argued for on the grounds of economies of scale or pooled risk. These services and their funding are delegated to schools and academies in the first instance, however if maintained primary and secondary schools if a phase agree, via a majority vote through the Schools Forum, the services can be provided centrally by returning the funding to the Local Authority. The final net delegated budget available to each school would then exclude these amounts.

For 2023/24, the Schools Forum approved a number of de-delegations, following consultation with schools. However, service de-delegations must be approved on an annual basis and this consultation document sets out proposals for 2024/25 and seeks your views.

Proposals for 2024/25 involve the 5 services that were approved by the Forum in 2023/24, plus the additional service which are:

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

This consultation document also provides information on all the proposed de-delegation service offers and charging structures from April 2024, and possible service options where these are available. Supplementary information providing additional details around the proposals are included in various appendices and annexes.

Decision taken by the primary and secondary school members of the Schools Forum will be binding on all schools in that phase, so it is important that members are aware of the views of schools when they are making the de-delegation decisions.

De-delegations are not permitted for academies, special schools, nursery schools or PRUs, however, some services will be offered as a buy-back arrangement and separate information will be provided about these options where appropriate.

1. Staff costs – Public Duties/Suspensions

The 2023/24 de-delegation consultation presented a number of Staff Costs options, particularly around the trade union duties following a review of the Trade Union Facilities Time Agreement.

In accordance with the most popular option from school responses, the Forum agreed to support the 2023/24 staff costs de-delegation at the level of service provided in previous years.



For the 2024/25 consultation, various options are again presented for consideration by schools and information on the different possibilities are included below and in the appendices.

Background information, which was shared with the Schools Forum in summer term 2023, provided an update about the Trade Union Facilities Agreement and a copy of this report is attached at [Appendix A](#). The report includes information about the historical position of the facilities time agreement, the legal requirements, recent union amalgamations and number of school staff supported from the de-delegation and how this has changed in recent years.

Further Information from Trade Unions

In response to the consideration of the de-delegation options for 2024/25 trade union colleagues have submitted further information setting out their positions on the facilities time issue and the advantages the agreement provides.

The teacher trade unions have produced two joint papers. The first is a paper titled 'In Defence of Pooled Facility Time' and provides a summary of the legal context and some practical advantages of the current system from the unions' perspective. This paper is attached at [Appendix B](#).

A second document on behalf of the teacher unions is a position paper that sets out the union's view about the benefits of the facilities time agreement in more detail, including some possible costings at school level if the agreement were not in place. This document is attached at [Appendix C](#).

2024/25 De-delegation Options

Having considered the information provided, the options available for this de-delegation in 2023/24 are:

- a) Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation using the same policy as 2023/24
- b) Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation but with a reduced Trade Union Facilities Time contribution to reflect a smaller workforce;
- c) Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation but without any Trade Union Facilities Time contribution;
- d) Completely discontinue the 'Staff Costs - Public Duties/Suspensions' de-delegation.

Further details on each of the options are provided in the following sections, which also includes the relevant adjustments to the de-delegation charges that are proposed for 2024/25 under each of the options.

a) Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation using the same policy as 2023/24

One option available in 2024/25 is to continue the existing de-delegation arrangements using the same policy as applied in 2023/24.

The 2024/25 'Staff Costs - Public Duties/Suspensions' de-delegation incorporated reimbursement to schools for staff costs associated with duties including:

- Magistrates/Justices of the Peace;



- Jury Service;
- Attendance at Court/Tribunal as a Witness;
- Teachers who are Governors of schools other than their own;
- Territorial Army/Royal Naval Reserve/Royal Air Force Reserve;
- Trade Union Duties under the County Council's Facilities Time Agreement.
- And, if a member of staff is suspended from duty.

The total 2023/24 de-delegation budget equated to circa £693k, including public duties, trade union duties and suspensions.

In order to respond to the previous years overspend, and to transition away from the lump sum element of the charge by reducing it by 50% from April 2023 (with the equivalent increase in the per pupil element) the revised de-delegation rates for 2024/25 are shown below:

	Primary	Secondary
Rate per pupil	£5.34	£6.13

Advantages of this option

- The Facilities Agreement for teacher trade unions demonstrates the commitment that the schools and Schools Forum have towards fostering and maintaining good relations with employee representatives;
- Continuing the 'Staff Costs - Public Duties/Suspensions' de-delegation will assist in maintaining the very positive relationships with the trade unions when dealing with issues affecting staff in schools in addition to financially supporting schools for staff undertaking other public service duties;
- In the current financial climate in the school sector, with significant numbers of schools facing financial difficulties, the input from trade union representatives to assist with school reorganisation proposals will be in continued demand and it may be counterproductive to reduce the support available by decreasing the level of the de-delegation;
- This option minimises the risks financially and otherwise on individual schools of needing to provide time off for school based trade union representatives during working time to deal with casework in their own school and of bearing such costs, which would need to be met from individual schools budgets.

Disadvantages of this option

- The number of school staff covered by the de-delegation has reduced in recent years as the number of academies in Lancashire has increased, but this option does not reflect that change (figures are provided below in option b);
- Other options for the Staff Costs de-delegation reduce its costs, which would release some funding back to individual school budgets;
- It does not take into account Trade Union members paying fees and subscriptions to their associations that provide for Regional Officials to deal with very serious casework matters;
- From 1 April 2018, the County Council withdrew all funding for trade union representatives. From this date, workplace representatives have been required to undertake the role within their service areas, supported by regionally/nationally funded colleagues. The continuation of any Facilities Time Agreement funded by the de-delegation is not necessarily consistent with the County Council's decision.



b) Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation but with a reduced Trade Union Facilities Time contribution;

A second option for consideration proposes to continue the Staff Cost de-delegation in 2024/25, but to reduce the Trade Union Facilities Time contribution.

FTE teacher numbers in Lancashire in 1999, the year after Blackpool and Blackburn LAs went unitary, are broadly similar to those in 2010. Since 2011, the number of teachers covered by the Facilities Time Agreement has been affected as schools convert to academies.

Based on the most recent School Workforce data, the number of teaching staff in Lancashire schools is 10,206. Of these, 20% (2,070) are based in academies. When a school converts to become an academy, they are no longer able to draw on the Facilities Agreement funding, unless they arrange a separate buy-in arrangement. Despite this, there has been no equivalent reduction in the number of funded FTE trade union representatives.

This option proposes to reduce the financial contribution to support the Facilities Time Agreement in line with the % of staff now employed in academies (20%)

A UNISON post, which provides support for support staff in schools, is also funded from this de-delegation, and this proposal would require a reduction in their allocation equivalent to 20%.

In 2023/24, the trade union budget represented circa £444k of the total Staff Costs de-delegation. A realignment of the trade union costs element of the de-delegation would equate to the following school level savings in 2023/24 compared to the cost of maintaining the de-delegation at 2023/24 service levels, as set out in a) above. (Based on 2023/24 pupil numbers):

- £0.68 per pupil in primary schools;
- £0.79 per pupil in secondary schools.

Advantages of this option

- This option realigns the costs of the 2024/25 Facilities Time Agreement to one equivalent to that when the agreement was originally created in terms of teaching staff supported and reflects the number of staff now employed in academies that are no longer covered by the agreement;
- All parts of the school sector are facing considerable costs pressures and this proposal shares that burden with the unions benefitting from the de-delegation;
- A significant level of funding would still be provided for the Facilities Time Agreement, so the existing benefits of the de-delegation arrangements should, for the most part, be able to continue;
- A reduced amount of funding would be deducted from individual schools budgets, as set out above;
- Going forward, if de-delegations remain allowable, the level of contribution for the Facilities Time Agreement could perhaps be reviewed annually on the basis of any changes to the number of staff being supported and the budget position of Schools Forum;



Disadvantages of this option

- The level of funding released on a school by school basis is relatively small, and given that demand for union support in budget driven reorganisations is likely to increase as school funding gets tighter, it may be a better use of resources to leave the de-delegation at the 2023/24 level;
- Any decrease in the level of funding provided for the Facilities Time Agreement risks increasing demand on individual schools to provide time off for school based trade union representatives.

c) Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation but without any Trade Union Facilities Time contribution

Another option for consideration is to continue the Staff Costs de-delegation, but without the Facilities Time Agreement contribution.

This option would release circa £444k costs associated with the Facilities Time Agreement into individual school budgets. This would equate to the following school level savings in 2024/25 compared to the cost of maintaining the de-delegation at 2023/24 service levels, as set out in a) above. (Based on 2023/24 pupil numbers):

- £3.42 per pupil in primary schools;
- £3.93 per pupil in secondary schools

Advantages of this option

- This option would provide a more substantial level of funding to release into individual school budgets;
- It would mirror the decision taken by the County Council to withdraw funding for trade union representatives;
- Regional Trade Union officials would still be available to provide support with serious casework matters;
- The de-delegation would still provide insurance type cover to schools for other 'public duties and suspensions'.

Disadvantages of this option

- The relationships with Lancashire level trade union officials could be lost; as would considerable local knowledge and expertise that benefits employee relations in Lancashire schools;
- There would be greater demand on individual schools to provide time off for school based trade union representatives during working time to deal with casework in their own school, the costs of which would need to be met from individual schools budgets;
- Delays could be caused in resolving HR issues in schools, particularly where the school must rely on the availability of regional officials to manage HR casework;
- The occurrence of costs on individual schools would not be even, and schools facing the prospect of reorganisations due to budgetary constraints would face a higher risk that their budgeted resources would be needed to release staff to undertake trade union duties and activities.



d) Completely discontinue the 'Staff Costs - Public Duties/Suspensions' de-delegation

A final option for consideration would be to discontinue this de-delegation completely. This would mean that no staff costs de-delegation funding is collected from schools in 2024/25 and would equate to the following school level savings in 2024/25 compared to the cost of maintaining the de-delegation at 2023/24 service levels, as set out in a) above. (Based on 2023/24 pupil numbers):

- £6.13 per pupil in secondary schools;
- £5.34 per pupil in primary schools;

However, it is important to note that if this service is not de-delegated the County Council has no proposals to develop a traded service and schools would need to make their own arrangements.

Advantages of this option

- This option provides the largest saving against the 2023/24 de-delegation costs;
- In a given year, some schools do not benefit from this de-delegation, if they have no cause for trade union involvement, no staff undertaking public duties and do not suspend anyone from duty;
- This option also mirrors the decision taken by the County Council to withdraw funding for trade union representatives;
- Regional Trade Union officials would still be available to provide support with serious casework matters;

Disadvantages of this option

- The relationships with Lancashire level trade union officials would be lost; as would considerable local knowledge and expertise that benefits industrial relations in Lancashire schools;
- There would be greater demand on individual schools to provide time off for school based trade union representatives during working time to deal with casework in their own school, the costs of which would need to be met from individual schools budgets;
- Delays could be caused in resolving HR issues in schools, particularly where the school must rely on the availability of regional officials to manage HR casework;
- The occurrence of costs on individual schools would not be even, and schools facing the prospect of reorganisations due to budgetary constraints would face a higher risk that their budgeted resources would be needed to release staff to undertake trade union duties and activities;
- The 'insurance' type cover offering protection for individual school budgets from this de-delegation would be lost, and some schools risk considerable additional costs if they have staff who undertake significant levels of public duties or who are suspended.

Q1. What is your preferred de-delegation option for 'Staff Costs - Public Duties/Suspensions' in 2024/25?



- Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation using the same policy as 2023/24;
- Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation but with a reduced Trade Union Facilities Time contribution to reflect academisations and union amalgamations;
- Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation but without any Trade Union Facilities Time contribution;
- Completely discontinue the 'Staff Costs - Public Duties/Suspensions' de-delegation;
- Not Sure.

Please note that charges quoted in this section may vary marginally, based on pupil numbers from the October 2023 school census.

2. Heritage Learning Team - Primary Schools Only

The Schools Forum have historically supported the work the Heritage Learning Team undertakes for primary schools to help meet the national curriculum and to support wider cultural learning and learning outside the classroom aims. With the emphasis being placed on cultural education by the government's Culture White Paper, it is proposed that this budget continues to be de-delegated in 2024/25 to ensure that this service is maintained.

The de-delegated budget is used by the Heritage Learning Team to pay for the creation, design, curriculum development and resourcing of the learning sessions provided across LCC's museums, schools outreach, Lancashire Archives and a range of partner museums across the county. Learning is therein offered both at the museums, cultural venues and as outreach into schools. The money also covers staff training for the freelancer delivery team and the on-going monitoring/evaluation of the quality standards. The funding also enables new sessions to be developed in response to fluid curriculum changes. Free monthly and whole school CPD events are offered to teachers at the Preston Conservations Studios or as sessions within school. The Heritage Learning Team also offer a free curriculum development service to help inspire and engage. The Heritage Learning Team holds five Sandford Awards for excellence in Heritage Education, recognising the high quality and relevance of the sessions it offers to schools. The service has also been able to offer long term projects to schools including music programmes 'Turns and Tunes' and 'The People Versus'. 'The Lancashire Schools Magic Fest' focussed on numeracy, literacy, self-confidence, creativity, and the now annual 'Lancashire Schools Storytelling Festival'. Recent developments include new STEAM sessions at the Lancaster Maritime Museum and Clitheroe Castle Museum, a range of new special events, and new funded projects covering a range of cross curricular themes.

The Heritage Learning Team also deliver a range of digital learning opportunities- Our Niche Academy packages include Shakespeare, Storytelling, Explorers and WWI. The 'Whole Lot of History Podcast' provides entertaining and exciting pathways into various historical topics designed solely for young people. We also offer a range of video guides and activities through our YouTube Channel.

The schools' loans service offered by the Heritage Learning Team is a subscription scheme, the charges are kept to a minimum, covering delivery and collection of loans boxes. Support from the de-delegated money enables development and resourcing of new loans boxes in line with the curriculum and teacher requests. During the last



academic year, this has included new resources linked to Prehistory, Anglo Saxons, WWI, Romans, Seaside, Vikings, and Explorers.

Schools will continue to receive a small charge for museum visits, but only to cover the cost of paying the freelance delivery staff. Continued de-delegation will mean current charges for school visits, outreach sessions and loans boxes will again be held during the coming academic year.

Due to museum transition the learning team have ensured Lancashire schools can still access high quality sessions at Helmshore and Queen Street mills, the Museum of Lancashire, Judges Lodgings and Fleetwood museum. The Heritage Learning Team work with a range of external educational associates as critical learning partner to bring the best of learning to schools. We are delighted to announce they will be delivering the learning provision at the Harris Museum and Art Gallery.

If delegated, this service would only allocate just under £2.00 per pupil. If a traded service were to be offered the central service would only remain viable if all schools entered into the arrangement. On this basis, the authority would suggest that if schools would wish to see the service continue, the primary school museums budget should be de-delegated.

The proposed cost of this de-delegation in 2024/25 is provided in the table below (based on 2023/24 pupil numbers)

Heritage Learning Team

	Primary	Secondary
Rate per pupil	£ 1.97	£ 0.00
Total De-delegation	£173,390	0

**Q2. Do you support the de-delegation of funding for the Heritage Learning Team in 2024/25?
(Primary schools only)**

- Yes;
- No;
- Not Sure.

3. Schools Requiring Additional Support (SRaS)



Formally the Support for Schools in Financial Difficulty (SIFD). Currently schools requiring additional support will be inline with the SIFD delegation, which is offered in a number of ways:

- Brokering school to school support with schools sharing expertise at various levels e.g. leadership, teaching, subject leadership, assessment, curriculum models;
- Providing teaching and learning support through teaching and learning consultants e.g. bespoke professional development for teachers;
- Providing financial management support for schools e.g. complex recovery plans;
- Providing HR and financial support to enable schools to reduce staffing;
- Providing one off financial support, via a bid to the schools forum to enable the school to develop a sustainable recovery plan.

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

The funds are not used to offset statutory monitoring school improvement support.

If Schools are classed as a School Requiring Additional Support as defined in the handbook, their current budget will impact how much of the fund they can access as in previous years.

- Schools who are in deficit or have a surplus balance below 1% CFR income pay 20% of the cost, the de-delegation provides 80%.
- Schools who have balances between 1% and 4% CFR Income pay 50% of the cost and the de-delegation provides 50%.
- Schools with a budget above 5% CFR pay 80% and the de-delegation provides 20%.

There are occasions when schools do not have sufficient resources available to meet the needs of their pupils and in these cases the Schools in Difficulty fund provides schools with the resources to help them overcome the challenges they are facing. There are clear, published eligibility criteria for access to these funds and these are managed on behalf of Schools Forum by the School Improvement Group (SIG), formally the Schools Improvement Challenge Board. The funds are provided in order to help schools to raise achievement and create sustainable improvements in the quality of provision.

The de-delegation also includes some Termination of Employment costs (formerly Premature Retirement Costs), which can be a useful mechanism to facilitate staffing reorganisations in schools, particularly when they are in financial difficulty.

Current evidence indicates that this approach is well received and highly valued by headteachers and governors. The partnership between schools and the local authority has also proved invaluable in helping schools to improve the quality of provision in a sustainable way.

It is important to note that if this service is not de-delegated, the County Council has no proposals to develop a buy-back service to support schools in financial difficulty and schools would need to make their own arrangements.



The proposed cost of this de-delegation in 2024/25, based on a continuation of existing provision, is provided in the table below at a reduced rate to reflect the financial position of the delegation (based on 2023/24 pupil numbers).

	Primary	Secondary
Rate per pupil	£6.00	£7.00
Total De-delegation	£528,090	£255,248

If the Support for Schools in Financial Difficulty de-delegation continues in 2024/25, it is anticipated that the charges would be calculated on a Number on Roll (NOR) only basis.

Q3. Do you support the de-delegation of Support for Schools in Financial Difficulty in 2024/25?

- **Yes;**
- **No;**
- **Not Sure.**

4. Primary Inclusion Hubs (Primary Schools only)

There is a shared vision in Lancashire to ensure children and young people achieve their potential, ambitions and aspirations. In order to achieve this we need to work together locally to ensure that schools are able to better meet the needs of all pupils.

It is proposed that the de-delegation allocations for 2024/25 continue to be calculated at individual school level on the basis of an amount per pupil and allocated to each district on the basis of pupil numbers and a deprivation factor (rather than a lump sum per district). This is to reflect the varying number of pupils being support in different districts.

The primary school Inclusion Hubs in each district are designed to:

- reduce the need for permanent exclusions;
- improve attendance of pupils;
- ensure that pupils' needs are better met by a 'local' offer;
- provide high quality training for staff in schools;
- share good practice and sign-post schools to expertise;
- develop an agreed set of principles within each district that promotes educational inclusion and reflects the local challenges and expertise;
- bring together schools and local authority teams (Social Care, Inclusion, School Improvement and the Children and Family Wellbeing Service) to work together to address particular issues in a locality.

The funding can be used in a range of ways to support inclusion, for example to provide staff training, advice and support packages and alternative provision.



Nominated headteacher members will report on the use of funding and impact to the Children and Young People's Partnership Board.

In the autumn term 2023, the Schools Forum received an update of the work of the Inclusion Hubs from the Inclusion Hubs.

A copy of this information is provided at [Appendix E](#).

A statement in support of the Inclusion Hubs from the Lead Headteacher is provided at Appendix F.

The proposed cost of this de-delegation in 2023/24 is set out below, with the rate per pupil remaining unchanged for 2024/25.

Primary Inclusion Hubs

	Primary	Secondary
	£	£
Rate per pupil	11.00	0
Total De-delegation	1,000,000	0

Q4. Do you support the de-delegation of funding for Primary Inclusion Hubs in 2024/25?

- **Yes;**
- **No;**
- **Not Sure.**

5. Children's Champion

Recruitment of 4 additional children's champions to service maintained schools only and posts to provide administrative support for these posts and the inclusion hubs.

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

The total for these posts would be £230,000 including on costs.

Of the 671 children supported by the current two children's champions 96% have maintained their placement at school and avoided permanent exclusion. Their work is vital in supporting schools to avoid suspensions and permanent exclusions and keeping children within their setting.



Referral into the new children's champions will be by the same referral mechanism as the current system where cases will be triaged and assigned appropriately. The proposal is to ask schools forum to support the recruitment of these posts to support our goals of inclusivity and to reduce permanent exclusions across Lancashire.

Children's Champions

	Primary	Secondary
Rate per pupil	£1.50	£2.50
Total De-delegation	£132,022	£91,160

Q5. Do you support the de-delegation of funding for Children's Champion Functions in 2024/25?

- **Yes;**
- **No;**
- **Not Sure.**

Responding to the consultation

It is extremely important to the County Council and the Schools Forum to be able to reflect the views of Lancashire schools when making decisions about de-delegation arrangements for 2024/25, as these decisions are binding on all primary and secondary schools.

Please let us know your views on the de-delegations proposals for 2023/24, by completing the consultation questionnaire available [here](#), by **13 October 2023**, so that responses can be reported to the Schools Forum on 17 October 2023.



PART B 2024/25 SCHOOLS BLOCK FUNDING ARRANGEMENTS

On 18 July 2023, the DfE made announcements about the 2024/25 school funding arrangements.

Overall, core schools funding (including funding for mainstream schools and high needs) is increasing by £2 billion in 2024/25 compared to the previous year.

Funding through the schools NFF is increasing by 2.4% overall in 2024-25, and 2.7% per pupil, compared to 2023-24.

Government announcements confirm that the DfE will move forward with its plans to implement a direct national funding formula (NFF). As part of the gradual transition to the direct NFF, in 2024/2025, local authorities will be required to start bringing their own formulae closer to the schools NFF, with the aim of moving to the direct NFF by the 2027 to 2028 funding year, or sooner.

As members will be aware, Lancashire has already adopted the NFF as the local funding methodology, so there are no implications in 2024/25 from DfE requirements.

National Funding Formula (NFF) 2024/25

The basic structure of the National Funding Formula (NFF) remains unchanged for 2024/25, but DfE have increased factor values and made some other changes to the arrangements. Further details are provided below:

Key changes to the schools NFF in 2024 to 2025 are:

- introducing a new formulaic approach to allocating split sites funding in the NFF in 2024 to 2025, replacing the previous locally determined split sites factor
- rolling the 2023 to 2024 mainstream schools additional grant (MSAG) into the NFF by:
 - adding an amount representing what schools receive through the grant into their baselines
 - adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF
 - uplifting the minimum per pupil values by the mainstream schools additional grant's basic per-pupil values and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants
- increasing NFF factor values (on top of the amounts we have added for the mainstream schools additional grant) by:
 - 2.4% to the following factors: basic entitlement, low prior attainment (LPA), FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility, sparsity and the lump sum
 - 2.4% to the minimum per pupil levels (MPPL)
 - 0.5% to the funding floor
 - 1.6% to the free school meals (FSM) factor value with the [gross domestic product \(GDP\) deflator forecast for 2024 to 2025](#)
 - 0% on the premises factors, except for: (i) Private Finance Initiative (PFI) which has increased by Retail Prices Index excluding mortgage interest payments (RPIX) which is 10.4% for the year to April 2023 and (ii) split sites funding which has been formularised
- introducing, for the first time, a methodology for calculating and allocating funding for falling rolls

The department has confirmed the following aspects of the high needs NFF for 2024 to 2025:

- the funding floor is set at 3% so each local authority will see an increase of at least 3% per head of their 2 to 18 population (as estimated by the Office for National Statistics (ONS))
- the gains limit is set at 5%, allowing local authorities to see gains up to this percentage increase under the formula, again calculated on a per head basis of their 2 to 18 population

There will be a separate pay grant for teachers' pay made to cover pay increases in 2023 to 2024 and 2024 to 2025. Further details on the TPAG can be found at [teachers' pay additional grant: 2023 to 2024](#).

Minimum Pupil Funding

The DfE announcements included the relevant minimum pupil funding (MPF) levels for primary and secondary schools, which incorporate the 2.7% uplift for 2023/24:

- The primary schools, the MPF level will be £4,655 per pupil in 2024/25 compared to £4,405 per pupil in 2023/24.
- For secondary schools, the MPF level will be £6,050 per pupil from 2024/25 compared to £5,715 per pupil in 2023/24.

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

Local Schools Block Formula 2024/25

For 2024/25, during the transition to the direct NFF, some local discretion remains around the level of Minimum funding guarantee (MFG). LAs have the freedom to set the MFG in local formulae between +0.0% and +0.5% per pupil.

Views will be sought from Lancashire primary and secondary schools and academies in the consultation to take place early in the autumn term 2022. The LA proposal included in the consultation will be for the MFG to be set at +0.5% in 2024/25, as this provides the maximum allowable protection for Lancashire schools and academies and matches the funding floor protection included in the NFF.

Please remember whilst the MFG will offer protection for per pupil funding levels between years, individual school budget allocations can still go down if your pupil numbers reduce.



Q5. Do you agree that the Minimum Funding Guarantee (MFG) level should be set at +0.5% in the Lancashire formula in 2024/25?

- **Yes;**
- **No;**
- **Not Sure.**

Please let us know your views on the de-delegations proposals for 2024/25, by completing the consultation questionnaire available [here](#), by **13 October 2023**, so that responses can be reported to the Schools Forum on 17 October 2023.

Schools Block Transfer to other funding blocks

In recent years, following consultations with schools, funding has been transferred from the schools block to help mitigate pressures in other funding blocks (High Needs and Early Years). If there are any proposals to transfer funding from Schools Block to other funding blocks in 2024/25 that emerge once we have modelled allocations from the DfE on the schools funding arrangements, further consultation will be issued seeking schools' views.



REPORT TO SCHOOLS FORUM - TRADE UNION FACILITIES AGREEMENT (JUNE 2023)

The Facilities Agreement for teacher trade unions demonstrates the commitment that the Schools Forum and Council have towards fostering and maintaining good relations with employee representatives. As an Authority, we enjoy very positive relationships with the trade unions when dealing with issues affecting staff in schools.

Each year a report is submitted to Forum for consideration of the level of trade union facilities agreement funding, set in 1998 and which had remained at the same level, despite the fact that each year a number of teachers transfer from maintained schools into academy schools that are not covered by de-delegation decisions, including access to paid local trade union officials via the Facilities Agreement.

Since October 2018 and on an annual basis, Forum voted on the staff costs de-delegation and decided to continue the de-delegation at the existing levels. This had also been the option receiving the highest overall response from schools during the Forum consultation process.

However, Forum members agreed to keep the contribution level of the facilities time agreement under review, as some members had supported the option to reduce the level in line with the teacher numbers/union reorganisation adjustment. This report has been prepared to provide the current position and allow Forum members to re-consider this issue.

Historical position

The current level of funding was set in 1998, when Blackburn and Blackpool became unitary authorities and 25% of Lancashire teachers transferred out of Lancashire Authority. At this time, the number of FTE facilities posts was reduced from 15 to 12.

In approximately 2010, the Council took a decision to reduce the number of centrally funded UNISON representative posts by 2 FTE. At that time, due to the increasing numbers of support staff in schools and the fact that the Equal Pay and terms and conditions reviews were ongoing, Schools Forum agreed to fund one post for a schools UNISON officer. This arrangement has remained in place ever since.

Funding position

On an annual basis, schools are asked whether they wish to de-delegate funding for Public Services duties. The large majority of this budget funds facilities time equating to 12 Full Time Equivalent (FTE) teaching posts for the four main teaching unions – NAHT, ASCL, NASUWT and NEU, and the 1 FTE post for UNISON.

In addition to the representatives funded by the Schools Forum, many schools have workplace representatives who may deal with HR casework for their school. The cost of any release for school representatives is met by the school budget and not by de-delegated funding.

Each trade union also has regional officials, funded by their association. Within Lancashire, regional officials deal with very serious casework matters, usually where a member's employment is at risk.

Contractual position



All LCC-funded trade union representatives retain the terms and conditions of employment associated with their substantive post, including their grading level, any contractual enhancements and access to the pension scheme that applied to their substantive post. There is not a single set rate for the role of trade union representative. The exception to this is those representatives that do not have a substantive school post and are therefore placed on casual contracts with the council. These representatives are paid at Main Pay Range 6 (£36,961 per annum) and have access to the Local Government Pension Scheme.

Current allocations

The current allocations to the teacher unions (from the 12 FTE) were determined as a result of membership numbers when the initial agreement was written in 1998, and were not changed following the amalgamation of NUT and ATL in 2017. These allocations are as follows:

Union	NAHT	ASCL	NEU	NASUWT	UNISON
No. of FTE representatives				1.6 FTE	
(13%)	1.2 FTE				
(10%)	6.0 FTE				
(50%)	3.2 FTE				
(27%)	1 FTE				
Membership numbers*			608		
(5%)	204				
(2%)	6,480				
(49%)	5,868				
(45%)	5,886				

* Membership numbers have been taken from historical reports over the period 2013-18

Each union determines how its allocation is split between its nominated representatives. Currently the representation is provided by 8 serving teachers, 12 retired teachers, 1 supply teacher and 1 member of support staff. 10 of the 22 representatives are currently engaged on facilities time for more than 50% of their working hours.

Based on the most recent School Workforce data, the number of teaching staff in Lancashire Schools is 12,925. Of these, 38% (4,883) are based in Academy (former maintained) schools. When a school converts to become an Academy, they are no longer able to draw on the Facilities Agreement funding, unless they arrange a separate buy-in arrangement. Despite this, there has been no equivalent reduction in the number of funded FTE trade union representatives.

Trade Union duties and activities

The legislation in relation to trade unions provides examples of Trade Union Duties and Trade Union Activities.

Trade Union Duties include:

Providing advice and guidance to trade union members relating to recruitment and selection, discipline, grievance, capability and attendance issues, and terms and conditions of employment

Formal and informal consultation and negotiation - this includes the County Union Secretaries forum

Restructures, reorganisations and redundancy consultation

Preparing for and representing trade union members at formal hearings

For representatives, Trade Union Activities may include:



Branch, area or regional meetings of the union where the business of the union is under discussion;

Meetings of official policy making bodies such as the executive committee or annual conference;

Meeting full-time officials to discuss issues relevant to the workplace;

The legal position in relation to trade union duties and activities and whether representatives are entitled to be paid for them is outlined below.

Legal position

There is no statutory requirement to provide specific funding solely for trade union duties and activities. The law requires that individual schools allow reasonable time off for trade union representatives during working time to be released from their workplace to undertake trade union duties and activities. If this occurs, the school will be compliant with the Trade Union and Labour Relations (Consolidation) Act 1992.

An employer who permits union representatives time off for trade union duties must pay them for the time off. However there is no statutory requirement that union representatives be paid for time off taken on trade union activities.

In addition, employees can take reasonable time off to undertake the duties of a Union Learning Representative (ULR), provided that the union has given the employer notice in writing that the employee is a ULR. The functions for which time off as a ULR is allowed include analysing, arranging, promoting and undergoing training.

The Conditions of Service for school teachers in England and Wales (Burgundy Book) requires individual local authorities to negotiate locally on the maximum amount of leave with pay that can be permitted for carrying out trade union duties.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on the 1 April 2017. These regulations placed a legislative requirement on relevant public sector employers to collate and publish on an annual basis:

Number of employees who were relevant union officials during the relevant period

The percentage of working time that employees who were relevant union officials spent on facility time

The percentage of the total pay bill that is spent on facility time

The time spent on paid trade union activities as a percentage of total paid facility time hours

Financial implications

The total annual budget provision for funding under the Trade Union Facilities Agreement amounts to approximately £472,000 including oncosts. If a decision is taken to reduce the current level of funding, it would result in a saving to the Schools Forum. However, there may be indirect costs incurred by schools, as they may need to release their school-based representatives to undertake trade union activity within their school, and provide representation to fulfil the statutory obligations.

Approximately 18% of the total allocated funding was not used during the 2020-21 academic year. This equates to over 2.1 FTE (415 days).

County Council's position

With effect from 1 April 2018, the County Council withdrew all funding for trade union representatives. From this date, workplace representatives have been required to



undertake the role within their service areas, supported by regionally/nationally funded colleagues.

HR implications

If Forum took a decision to reduce funding for the Facilities Agreement, then the serving teacher funded officers that would no longer be funded would return to their substantive posts in their schools. Any retired/supply teacher funded officers in that position would have their casual contracts brought to an end. The UNISON representative would return to their substantive role. It should be noted that some of the representatives have been away from a substantive teacher role for many years and therefore may require a period of re-introduction and/or training to enable them to transition back into a school-based role, in addition to being a workplace union representative.

Decision required

Forum are asked to consider whether the existing number of representatives (12 FTE) should be reviewed. Forum may wish to consider the fact that 38% of teachers now work in schools that do not fall under the facilities agreement, and that over 2.1 FTE facilities time was not used during the last academic year. This is despite the fact that overall HR casework statistics within the Schools HR Team remain high.





11th September 2023

In Defence of Pooled Facilities Time

Dear Colleagues

There are provisions within The Employment Provisions Act 1999, The Trade Union Relations (Consolidated) Act 1992 and The Safety Representatives and Safety Committees Regulations 1977 for paid time off for the following:

- Trade union representatives to accompany workers to disciplinary, capability, attendance or grievance hearings.
- Trade union representatives to consult and negotiate with employer bodies.
- Trade union health and safety representatives during working hours to carry out health and safety functions.
- Trade union representatives to attend accredited trade union training.
- Trade union learning representatives to carry out relevant learning activities; and
- Trade union representatives to carry out essential administrative trade union duties.

This is a Legal Entitlement for the Recognised Trade Unions **ASCL, NAHT, NASUWT & NEU**

Currently, Lancashire schools do not have to be separately billed by individual unions for these legal responsibilities to be fulfilled each time there is a problem or a consultation involving any, or all, of the four recognised unions.

The pooled arrangements in place, because of de-delegation of the monies involved, allows this to take place with no disruption and no extra work for individual schools.

- The extra workload on individual schools would be significant if we moved away from pooled arrangements.
- Imagine the costs to a school that had to have all its union representatives (including, of course, headteacher representatives) trained to a level that would allow them to negotiate with the Local Authority on policies and would



allow them to support their members in that school with complaints and grievances.

- What would happen, for example, if two members of staff from the same union were involved in the same dispute? Where would the other union representative come from?
- How many school representatives would want to take on the responsibility of defending a colleague when their employment or career progression was at risk? That would be an overwhelming responsibility.

The present arrangements also allow for experienced trade union representatives, who understand the local context, without necessarily working in the school, to resolve issues, often informally, before they impact on schools.

Lancashire has significantly fewer employment tribunal cases than similar authorities because of the excellent working relationships between Schools' HR and the recognised Trade Unions.

It is especially pleasing to note that most academy chains and some stand-alone academies are now buying into the Facilities Agreement. Other academies have also indicated that they will buy in from September 2023, further increasing the demand on recognised Trade Union representatives.

The Pooled Arrangements also support maternity leave and the release for public services, such as jury service and Councillor duties.

Effective negotiations and problem-solving would not be possible, in Lancashire, without the excellent industrial working relationships between the recognised trade unions and the employers. It is therefore imperative that facilities time is, at the very least, maintained at the current level.

Kind regards





2. POSITION PAPER ON BEHALF OF THE TEACHER TRADE UNIONS FOR LANCASHIRE SCHOOLS' FORUM ON THE FUNDING OF FACILITIES' TIME

1. INTRODUCTION

This paper provides detailed information about Facilities' Time for representatives from the teaching unions which we hope will serve as a reminder to those who currently pay into the facilities fund and persuade those who don't to reconsider their position, based on the huge benefits the system brings to schools. The Local Authority Facilities' Time Fund is currently collected by Lancashire Local Authority through the process of de-delegation by Schools' Forum for maintained schools and from Academies which decide to buy-in to the pooled arrangements rather than operate their own systems. This method of funding facility time for representatives is in place in all North West local authorities and is not only the most cost-effective method but also ensures smooth running of all employment related matters without delay and provides the foundation of professional, working relationships between employers and their employees' teacher trade unions.

This paper has been prepared following discussions at Schools' Forum meetings about future funding arrangements where further information has been requested. The current practice across the Local Authority enables schools to discharge their legal obligations in respect of release for trade union duties in a time-tested, practical and cost-effective way. It is also consistent with existing practice that is in place across the North West region.

2. THE LEGAL POSITION

Union representatives have had a statutory right to reasonable paid time off to carry out trade union duties since 1975, and most of the current provisions come under the Trade Unions and Labour Relations (Consolidation) Act 1992, introduced by the then Conservative government. Guidance on the practical application of these provisions is provided in the recently revised ACAS Code of Practice 'Time Off for Trade Union Duties and Activities'.

In Lancashire, local, elected trade union officials and representatives have used this legal entitlement to time off from their substantive posts to undertake trade union duties, including:

- negotiating with employers;
- resolving individual and collective casework;
- health and safety work; and
- training.



It is a legal requirement for all employers to provide a reasonable amount of time off with pay to undertake these very important trade union duties. It is not a question of whether an employer wishes to pay or not, but rather what the best mechanism is for employers to discharge this legal obligation.

3. THE BENEFITS OF FACILITIES TIME

Employers' organisations, including the CBI and NEOST, recognise the value of Facilities' Time and the work of trade union representatives using that Facilities' Time, estimating that for every £1 spent on Facilities' Time, the employer saves between £3 and £9 on reduced staff absence, informal early resolution of potential disputes, and avoidance of legal and industrial action (see Case Studies section later).

The Lancashire Facilities' Time arrangements have helped schools to save significant amounts of time and money through the pooled funding of Facilities' Time by de-delegation of school budgets money over the longer term. This is supported by a study carried out by the Department for Business, Enterprise and Regulatory Reform which found that:

- Dismissal rates are lower in unionised workplaces with union reps – this resulted in savings for employers related to recruitment costs of at least £107m per annum
- Workplace-related injuries are lower in unionised workplaces with union reps resulting in savings to employers of £126m-371m per annum.
- Employment tribunal cases are lower in unionised workplaces with union reps resulting in savings to government of £22m-£43m per annum.

Although the perception of employers is often that the trade unions exist simply to support employees who are under threat of a disciplinary procedure, many employees raise concerns in relation to whether their treatment by the employer is just and equitable. This is an area of employment relations over which the employer has significantly less control and if good employer/employee relations are not established and maintained, the employer can be surprised when the workforce expresses their discontent.

Employees who are dissatisfied with actions taken by their employer have the right, under Employment Law, to raise their concerns with their trade union and employer and this may be done individually, collectively or sometimes both. These concerns often relate to bullying and harassment, objections raised about restructuring proposals, claims of discrimination or that the employer has been negligent in their duty of care.

This report includes recently experienced case studies detailing an individual case of alleged discrimination, and a collective dispute case together with details of the costs that an employment tribunal awarded against one of the parties involved in another case.

These case studies show clearly that, in addition to the generally damaging issues for schools around the public arena that being taken to an Employment Tribunal represents, these situations can cost employers a great deal in time and money. The trade union representative has a vital role in working with the employer to achieve the best outcome and resolve issues as locally and informally as possible. This undoubtedly reduces the risks of litigation and is a benefit that assists all schools. We believe that the benefits of funding Facilities' Time centrally far outweigh the costs involved and are urging all schools and academies in Lancashire to make, or continue to make, this commitment in recognition of the universal benefits involved.



Although all unions employ regionally based staff to deal with high level cases, resolutions being found at the earliest opportunity are always the most beneficial to all parties. This is why supporting paid time off for local union representatives makes so much business sense. There would be no advantage to the employer in waiting for a paid official to become available every time a low-level negotiation needs to be carried out. Indeed, it is often a significant disadvantage because nothing can happen locally in the meantime and involving them prematurely tends to escalate any situation somewhat precipitously. Local union officers have a much better understanding of the schools in our area and can form positive working relationship with individual headteachers and key local authority officers such as the Schools' HR team.

Fortunately, in Lancashire, due to the tried and tested current Facilities' Time Agreement, the vast majority of cases are resolved at the informal, local level which prevents disputes escalating to the Employment Tribunal level, saving very significant amounts of time, money and stress for all concerned.

4. CASE STUDIES

Case Study 1 - Costs for a Discrimination Case in a North-West School

The North-West may be thought of as an area with few black and minority ethnic teachers and a relatively low level of equality issues on a more general level. However, experience has shown that the frequency of cases where these teachers feel that they suffer from discrimination is actually relatively high, particularly when assessed against the local demographics. Discrimination claims can include not only race discrimination but also discrimination on the grounds of faith or belief which can be quite wide ranging. The legislation also allows claims for alleged discrimination on grounds of sex, disability, sexuality and age, all of which may also be pursued as separately identified cases against a school. Employees can also pursue claims for victimisation where they have made a complaint of discrimination (whether internally or externally) and feel they received treatment that victimised them in response to that complaint.

Other key pieces of legislation that teachers pursue claims under include the Fixed Term Employee Regulations, the Part Time Worker Regulations, the Agency Worker Regulations, Unfair Dismissal and Unfair Selection for Redundancy. These are the commonest claims the trade unions generally handle for teachers, although there are other heads of law that could be relied upon.

This case study demonstrates the costs associated with a case where a teacher in a North-West school believed that he was being discriminated against on grounds of race and disability. This teacher raised the issue of race discrimination with the school but was not satisfied with the way in which his complaint was handled or resolved. This led to extreme stress and anxiety which after a period of time manifested itself in physical illness diagnosed as severe and chronic irritable bowel syndrome and severe migraines. This teacher was then off sick for a considerable length of time resulting in the school commencing procedures to dismiss the teacher on grounds of ill health. This teacher was convinced that his illness was caused by the racial discrimination he experienced in his workplace and intended to take a claim for unfair dismissal and discrimination on the grounds of race and disability to employment tribunal. There was medical evidence to support this view for legal purposes.

The case was eventually settled by way of a compromise agreement after more than 18 months of meetings and negotiation.



The local union representative spent in the region of 168 hours or approximately 24 days over 18 months on this case. The associated cost of release from normal duties at the respective supply rate is £2,340.

Had the member not had union representation, he would undoubtedly have taken the case to tribunal. The union would have covered the member's legal costs but the school would have had to prepare and defend themselves in an employment tribunal which would have been listed as a 5 day hearing. The legal costs for the school would have been solicitor's fees of approximately £20,000 plus VAT. Since the case involved two strands of discrimination, the school would have considered using a barrister. Barristers' fees are at least £1,500 per day (and may be much more) so including preparation time this could easily have been in the region of a further £10,000 plus VAT.

The potential costs of this case had it not been resolved by the intervention and support of the trade union concerned have been assessed as follows:

Union rep	24 days @ £130 per day supply rate	£ 3,120
Solicitor's fees		£ 24,000
Barrister's fees		£ 12,000
TOTAL		£ 39,120

Further associated costs for the school would have been the time for staff in the school in preparing for the case and being witnesses at the hearing. If we take conservative figures of:

Headteacher	12 days @ annual salary of £90,000	£ 2,959
Admin support	12 days	£ 657
Witnesses x 8	2 days per person @ supply rate	£ 2,080
TOTAL COST		£ 5,696

If the school in question had been a maintained school or an academy paying into the facilities budget, their annual rate for this would have been **£2,040**.

If the school were releasing their school rep to support this member at an hourly rate the cost would have been **£4,244**. This represents a saving of **£1,452** even with no additional costs as indicated above. However, a School Representative can neither advise on nor represent a member in an employment tribunal claim.

By settling via a compromise agreement rather than having to represent themselves at employment tribunal, **the school saved at least £39,120** before consideration is given to any award that would have been made if the member won his claim. The teacher would not have signed a compromise agreement without union support and would certainly have continued to pursue his intended course through the employment tribunal if not given timely and competent advice regarding case prospects and settlement terms by his trade union. The employment tribunal service is well-known for being inundated with claims from unrepresented claimants with little understanding of legal processes and



ultimately poor case prospects, whereas none of the teacher trade unions would ever support a member in pursuing a claim without reasonable prospects of success being clearly assessed and identified. The trade union rep's input into this at an early stage is a key element that needs to be supported properly by schools.

Paying into the facilities budget saved this school at least £40,572 after taking into consideration their contribution to the facilities budget.

Case Study 2 – Dispute Resolution Case

Whether they are an employer or a trade union representative, everyone is generally committed to transparent, effective and positive employment relations. This is stipulated under recognition agreements but, in any case, is a good practice model. Dispute issues do occasionally arise within a school, usually around working conditions or practices or the introduction of new measures, and the maintenance of positive employment relations in that context becomes especially critical.

It is in the interests of all employees and employers to resolve potential dispute issues as near to their point of origin as possible and with the minimum amount of conflict and disruption occurring. Schools want to see matters resolved in a timely and effective manner so that their focus can return to the proper business of teaching and learning and the management of their establishment. It is also the wish of every trade union to work in such a manner.

For these reasons, all parties always work hard to achieve agreement and constructively negotiated outcomes that are mutually beneficial and agreeable. If it is to be achieved successfully, this takes time (and therefore money.) Without that commitment to resources being given, any dispute that came to the attention of the unions, no matter how trivial it may be in its origins, would translate immediately into collective balloting activity and/or collective employment tribunal applications, which we do not see as being in the interests of schools or members. This is particularly relevant in the initial stages as all evidence demonstrates that disputes are most capable of constructive resolution at their early phase.

Below is an outline of a dispute issue that arose in a school which we have analysed for time spent and costs to illustrate how and why we believe the intervention of trade union representatives saves schools considerable time and money.

Context and Progress of Dispute:

The school wished to change its Directed Time formula to lengthen the school day. In addition, there was a wish to introduce one late finish per week (5pm) for teachers in exchange for leaving earlier (2pm) on a Friday afternoon once a month. Although the members understood the school's rationale and were not totally unhappy about all of the proposals, the effect of the school's proposal overall was to add 35 minutes to each teacher's contact time each week. This they were extremely unhappy about and the view of all three unions involved was that this would breach the relevant teacher conditions if implemented.

There was a mix of locally based representation, with two out of the three main teacher unions having a School Representative. Joint and separate members' meetings had been held to consult and discuss the issues and, in the case of the represented unions, indicative ballots had been conducted because there was a strong request made for



industrial action in response to the proposal from members almost immediately. These meetings had demonstrated virtually unanimous support for action to oppose the proposals being requested and both the local reps were asked to take this up with the Headteacher immediately. There had been one local meeting to discuss the situation but this had not gone well: the reps had essentially refused to discuss the proposals because it was outside of their union defined remit to do so, but had informed the Headteacher that everyone was upset, ballots were being requested and he had no prospect of implementing his proposal. The Headteacher had become extremely defensive and had stated that he intended to complain about the behaviour of both reps to their respective unions.

At this point, the matter was referred to the Local Secretaries, all of whom worked at other schools. There was also consultation with the Regional Officers of the unions, both paid and elected. A joint Secretaries' letter was produced detailing the concerns expressed by members and sent to the Headteacher and Chair or Governors. A meeting was requested as a matter of urgency to discuss the situation and see if it might be resolved. In the case of one union, there was also 'behind the scenes' involvement from their National Officers because of the potential for a formal dispute.

In tandem with this, the Headteacher wrote a letter to each of the unions formally complaining about the attitude of the local reps. This greatly complicated the situation and led to an almost irretrievable break down in relations locally because of the entrenchment of positions. However, it was believed he may have done this in the heat of the moment, so the Headteacher was contacted by telephone by one of the Local Secretaries and was persuaded to withdraw these complaints in favour of assistance towards a dispute resolution process, since no progress could ever have been made otherwise.

An initial dispute meeting was held with the Headteacher, three Governors, a Personnel Officer from the school and a HR Adviser from the relevant Local Authority. At the first meeting, the key issues from each side were explored in a controlled and appropriate manner, agreement was reached regarding how the negotiating process would be facilitated and barriers to progress each side felt existed were identified. This meeting took 4 hours and included specifications from each side for a joint document to agree how the resolution process would go forwards. This was drafted and shared afterwards, outside of the meeting process and it was used to inform all the meetings that followed. The document took around 6 hours to produce, consult and come to agreement upon.

There followed a series of six further meetings, all of around 3 hours duration, in which negotiations continued and progress was achieved. The trade union side also held a joint pre-meeting for an hour before each of these to ensure continuity and assist progress of the dispute. Eventually, it was possible to come up with a re-negotiated proposal that met the needs of both the school and its teacher employees, and the school was able to implement this positively for the following September after an effective consultation exercise to complete the process.

Commentary and Costing

The involvement of the locally based Association/Branch contacts in this dispute was crucial to its successful resolution. Without it, there could not have been the same level of commitment to a joint process and partnership to succeed in getting to a satisfactory resolution. The local representatives at the school were under significant pressure from their members and the Headteacher found it very difficult to negotiate on his original proposal because of the way in which it had been introduced and responded to right at



the beginning. All of the reps' time was funded via the existing facilities arrangement, which would not be possible without the LAFTP continuing in Trafford Authority.

There was also considerable activity involved outside of the meeting schedule, to ensure good liaison and communication at all levels and a continuing commitment to the process. This time also included the drafting and sharing of documents, for both the school and the members the school was under an obligation to consult with. In this case, the three Secretaries met together and undertook those activities jointly, to maximise the best use of their available facilities time.

As travel time also had to be factored in reps were absent from their schools for longer than just their contact time, for several this was a whole day at a time just to attend the meetings in themselves.

Had the local representatives been unable to assist the situation because of the lack of appropriate facilities support, then the situation would have relied on the employed officials of the three unions becoming involved in the alternative. This would have inevitably made the dispute appear much more serious and high-level than it needed to be, particularly at the outset. In the case of at least one union involved, it would also have necessitated the direct involvement of the General Secretary because a dispute was declared and then the procedure outlined in the Burgundy Book would have been invoked, meaning nothing could be changed or negotiated upon until there had been a National/Local Deputation meeting. That involves a large number of people and can take months to see through to fruition. It is also likely there would be a simultaneous ballot for industrial action if this route were to be taken.

Had it been adopted, that approach would have severely limited capacity for resolution on both sides, it ran the risk of missing locally-based knowledge and intelligence and the whole situation would have taken much longer, become intractable and would have remained extremely difficult to resolve.

In addition, owing to their wider level of functioning and resulting commitments, it is highly probable that all the employed officials would struggle to find many days and times on which they could all be available which would also suit the school. The school would then have had to meet with each union separately (in the case of at least one union after the National/Local Deputation process had taken place.) In that circumstance, assuming the pattern of meetings above, the Governors, the Headteacher, the Personnel Officer and the HR representative would have to attend three times as many dispute meetings – even if there were only the seven above that were actually needed to resolve this case, this would amount to twenty-one meetings to resolve the issue overall. That has a significant cost implication for the school, even without anything else being accounted for.

As it was, since facilities funding was available to the key local activists of each union, the costs to the school were as follows:

3 x secretaries attending 7 meetings, inc. pre-meets Facilities funded – 84 hours total	NIL COST
2 x local reps attending 7 meetings, inc. pre-meets Facilities funded – 58 hours total, inc. 1 hour for liaison/prep	NIL COST
Secretaries (3) and reps (2) consulting with employees Facilities funded 4 mtgs – 80 hours total	NIL COST



Secretaries drafting reports, agreements, updates etc Facilities funded – 30 hours total	NIL COST
Time spent travelling to/from school (assuming 1 hour each way) for Secretaries x 3 Facilities funded – 66 hours total	NIL COST

Had the school not been part of its local authority's LAFTP, and assuming supply cover costs at a figure of £130 per day (approx. £21.66 per hour), these costs would have been:

3 x secretaries attending 7 meetings 84 hours total	£ 1,819
2 x local reps attending 7 meetings 58 hours total	£ 1,256
Secretaries (3) and reps (2) consulting with employees 80 hours total	£ 1,733
Secretaries drafting reports, agreements, updates etc 30 hours total	£ 650
Time spent travelling to/from school 66 hours total (assuming 1 hour each way)	£ 1,429
GRAND TOTAL COST TO SCHOOL	£ 6,887

(NOTE: Both tables assume that the consultation with employees is a cost that falls to the employer because of the legal obligation to consult where new contractual proposals are being negotiated in recognised workplaces.)

Had the school been an academy paying into the facilities fund to support the resolution activity by the local trade union reps, their costs for this would have been the schools delegated sums – this would range from £633 for 300 pupils up to £1,899 for 900 pupils in a school.

On the figures above, this would represent a saving of between £6,254 and £4,988 in a single year after taking into account the school's contribution to the fund.

Costs Not Included Above

These figures only represent costs for trade union and/or member consultation time, they do not include any time that was required for school or Local Authority representatives to engage in and seek to resolve the dispute amicably, so the true business costs would have been considerably higher, probably at least twice the amount indicated above. For the purposes of this case study, we have only assessed the trade union time and costs as these are the figures we would present to any school that decided not to purchase the facilities of the Local Union Representatives as invited.



Further to the costs indicated above, without local union secretarial intervention, it is extremely likely that this dispute would have proceeded into a legal arena at a very early stage, with the possibility of failure to consult claims being lodged by all three unions on behalf of each and every member (almost every teacher working there in this case.) Instead of this, the facilities fund enabled constructive attempts to be made by our secretaries to resolve it as locally as possible. Had that not been available, the spectre of accumulating legal costs is raised immediately for any school, even before any tribunal process takes place, as in the case study example given above. Had such claims been lodged and won by the three unions involved, the award for failure to consult may have been quite considerable in a dispute case, as it is calculated based on the amount awarded for each member who is part of the relevant bargaining group.

This case study was costed only based on the real trade union time taken to resolve it. We believe it demonstrates clearly that the benefits to a school of purchasing facilities time far outweigh the costs of any significant dispute resolution activity, even where no recourse is taken to legal proceedings by either party. In that context, it represents very good value for money to a school.

5. FACILITIES TIME POTS VERSUS ALTERNATIVE MODELS

As explained earlier, it is not a question of whether an employer wishes to pay or not, but rather what the best mechanism is for employers to discharge this legal obligation.

It has been suggested that alternative systems of fulfilling the legal obligation to provide Facilities' Time for union duties should be explored. A common misconception is that local union officers are employed by their unions and funded by membership subscriptions – this is not the case. Local Officers are elected and are employed by local schools and released to undertake union work which is mutually beneficial to the employer.

a. 'Pay As You Go' System

One Multi-Academy Trust has suggested that schools/academies could be billed at an hourly rate of £30-40 per hour for any casework done in their establishments, perhaps with the option to book time in blocks of 10 hours and/or pay a small annual retainer (e.g., £200). We do not believe that this system is viable for the following reasons:

- It will not be possible for schools to budget for such costs as it cannot be predicted how much time will be needed for cases each year;
- Casework (like maternity leave) does not fall evenly between schools and between years. Some years schools may find they save money and do not need the service of union reps at all but in other years the costs could vastly exceed the current formula allocations;
- The time spent doing cases that involves meetings with Heads and HR etc is only the tip of the iceberg with union officers spending a great deal of extra time meeting with members and preparing for meetings;
- There is also a lot of time spent resolving members' concerns informally and management will not be aware that this has taken place until unions have to account for the time spent on these;
- There is a risk that it will create a perverse incentive to escalate rather resolve cases in order to ensure that there is sufficient funding to meet the current FT bill;
- This will create a great deal of extra administration in operating this invoicing system;
- This system does not provide any funding for the other duties of union reps such as meetings with the LA, Policy Development, Health & Safety etc.



b. 'Home Grown' Reps

Other MATs have suggested their preferred model is that, rather than paying into their LA Facilities' Time pots, members of their own schools' staff could become 'chain reps' and be given time out of class to undertake union duties on behalf of their colleagues. This suggestion has some merit and is supported in principle by some unions.

However, there are some serious obstacles to making this work in practice:

- All the unions are struggling to find volunteers to act as official School Representatives, because many staff are afraid to 'put their heads above the parapets' and see becoming union reps as potentially detrimental to their personal career progression, let alone wishing to become 'super reps' for whole MATs;
- School/Chain Reps will need considerable training to develop the level of knowledge and expertise of our current team of local officers. A minimum of 10 days per year will be required for every rep for every union in every school for this to even begin to be feasible;
- There is a frequent turnover of school reps as staff move jobs which means finding and training new school-based reps is always going to be a constant battle;
- Some casework is simply not appropriate for school-based reps to undertake, such as redundancy situations where reps have a vested interest in the outcome of staffing reduction consultations for example, or when reps themselves are involved in sensitive situations or concerns about confidentiality arise.

6. TRAINING

Should schools choose not to buy in to collective facilities arrangements, each school rep will need to be trained to an appropriate level. All reps are entitled to paid time off for training.

The ACAS code for training of trade union reps' states, "It is necessary for union representatives to receive training to enable them to carry out their duties. Such training will enable them to undertake their role with greater confidence, efficiency and speed and thus help them work with management, build effective employment relations and represent their members properly."

The Burgundy Book states that accredited representatives of recognised teachers' organisations are entitled time off for functions connected with the training of teacher representatives including attendance at training courses arranged by the recognised teacher organisations at national, regional or authority level for this purpose.

We would anticipate that each school would need a union rep, health and safety rep and union learning rep (ULR) for each union, although it is likely that the head teacher unions will not have a ULR or H&S rep in each school as well as a workplace rep. Whilst the provision of training for an equality rep has not been included, it is possible that there would be at least one equality rep from each union within the trust. These reps would need to be released for training as follows and this pattern reflects the costs in the table below:

Union Role	Year 1	Year 2 onwards
School Representative	10 days	4 days
School Union Learning Rep.	5 days	2 days



School Health & Safety	5 days	3 days
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Table of associated costs for release of reps for training*:

Year 1	Days per rep per teaching union	Cost of supply @£189/day per teaching union	Days for four teaching unions	Cost of teaching supply per school
Union rep	10	£1890	40	£7560
ULR	5	£945	10	£1890
H&S rep	5	£945	10	£1890
Total	20	£3780	60	£11340
Support Staff	Days per rep per support staff union	Cost of Cover @£64/day per support staff union	Days for three support staff unions	Cost of support staff cover per school
Union rep	10	£640	30	£1920
ULR	5	£320	15	£960
H&S	5	£320	15	£960
Total	20	£1280	60	£3840
Grand Total Year 1	40	£5060	120	£15180

Subsequent years † (approx.)	Days per rep per teaching union	Cost of supply @£189/day per teaching union	Days for four teaching unions	Cost of teaching supply per school
Union rep	4	£756	16	£3024
ULR	2	£378	4	£756
H&S rep	3	£567	6	£1134
Total	9	£1701	26	£4914
Support Staff Unions	Days per rep per support staff union	Cost of Cover @£64/day per support staff union	Days for three support staff unions	Cost of support staff cover per school
Union rep	4	£256	12	£768
ULR	2	£128	6	£384
H&S rep	3	£192	9	£576

Total	9	£576	27	£1728
Grand annual total subsequent years	18	£2277	78	£6642

*These figures represent minimum costs **per school** based on M6 and are subject to variation as the release of representatives of the Heads unions will be substantially more.

† These figures are for representatives who remain in post after year one. Should a new rep be elected each year then the year one figure would apply.

7. NATIONAL EXECUTIVE MEMBERS

Whilst the work of National Executive Members can be undertaken outside of Lancashire, the benefits of this work are reaped by Lancashire schools and the LA. Our ongoing efforts campaigning nationally to fight cuts to school funding have had a positive impact locally.

Likewise, over the years there have been a number of national funding streams we have helped LA officers to access, such as the Schools' Access Initiative, which have benefitted Lancashire schools.

We would support a joint funding agreement with other LAs in the North-West to spread the cost of National Executive Members more fairly and would encourage Lancashire to explore such a system with its NW neighbours.

8. CONCLUSION

We firmly believe that the current system of shared funding of FT, through de-delegation by Schools' Forum, remains the most cost effective and viable way of meeting this legal entitlement and will continue to benefit the schools, staff and pupils of Lancashire.

We hope that the case studies described above will provide sufficient detail for Principals, Headteachers and Governors to appreciate the real cost savings that paying into local authority facility time pots brings. The costs of de-delegation/buy-in are very modest compared to the very real risk of disputes escalating, and represent the most affordable, best-value option for schools. We believe that it is an essential investment to secure peace of mind and positive employment relations.

We are asking you to commit your schools to funding this agreement on an annual basis so the local officers of all unions can work with you in the best interests of the schools, the pupils, and our members across Lancashire Local Authority, for the future.

Thank you for taking the time to read this report we hope it has been useful to you and your school or academy.





1. Introduction

1.1 Background

De-delegation of funding to support Inclusion Hubs was first agreed by the High Needs Block Working Group in October 2019. The purpose of these Inclusion Hubs was to promote inclusion and reduce exclusions in mainstream primary schools through the creation of:

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

It was also anticipated that schools within each district would develop a local response to the particular challenges encountered within their geographical area. It is also the case that different approaches have been adopted to reflect the resources available within a particular district and which included for example support from neighbouring pupil referral units/short stay schools, special schools and other service providers. Schools Forum and District Inclusion Hub leads sought an evaluation of the effectiveness of the Lancashire District Inclusion Hubs in meeting the pre-determined objectives identified above. The project was completed by colleagues within the Educational Psychology teams with support from colleagues across Lancashire, including the head of the Inclusion Service, data services, the Education Improvement team, and colleagues within the District Inclusion Hubs.

1.2. The Offer

A number of the districts have organised and/or are in the process of organising conferences for all primary schools within the district with a view to publicising and involving schools in the development of the offer. These events also provided/provide an opportunity for networking, inter-school support and the sharing of good practice. Some districts have also developed their use of online tools, such as Padlet, to share training resources as well as information about District Inclusion Hub events, the support available via the hub and referral mechanisms.

Most of the District Inclusion Hubs offered training and resources accessible to all schools within a district. These included for example nationally accredited training programmes, with their own evidence bases, such as ELSA and ELKLAN as well as more bespoke training packages targeting specific aspects of development such as social skills or executive functioning. Other training programmes offered focused on methods that could be used to monitor progress and development, or support the identification of approaches to intervention, and which included for example training on the PSED PIVATs or functional behavioural analysis.

Different consultation models were used by districts, either separately or in combination, to assist with the identification of support for individual children by external specialists as well as support meetings organised across different clusters of schools within a district and less formalised school to school support meetings.

In addition, support was provided for individual pupils in different ways. There were examples of support being offered as part of early intervention with a view to preventing the escalation of need. Other District Inclusion Hubs offered an approach that included a rapid response, often provided by external specialists, where a child/school was considered to be in 'crisis'. The support was provided in different ways that included the observation and assessment of a child by external specialists, which were either provided directly or schools were supported with funding to commission their own.

Graduated packages of support that could include out-reach work were offered by many District Inclusion Hubs, as well as time-limited respite placements in special or short stay schools, where these were available to local schools. Many of the respite placements also included support with reintegration as well as training for staff within the venue of the special or short stay school provider and/or within the originating school.



Some District Inclusion Hubs had developed links with local secondary schools and at least one secondary pupil referral unit was offering support with transition into the secondary phase of education for some of the most vulnerable pupils at the upper end of key stage 2. Much of the support provided at individual pupil level was subsidised to a greater or lesser extent through the funding made available to the District Inclusion Hub. It is also perhaps worth mentioning that academies within at least one of the District Inclusion Hubs contributed directly in order to be able to access the resources and support available. District Inclusion Hubs are generally engaging their own administrative support systems.

District name	Hub
1	Lancaster
2	Wyre
4	Fylde
6	Preston
7	South Ribble
8	West Lancashire
9	Chorley
11	Hyndburn/Ribble Valley
12	Burnley
13	Pendle
14	Rossendale

*Table 1:
District
name hub*

correspondence

1.3. Funding

The £1m de-delegated funding is distributed across the 11 Inclusion Hubs using a weighted model that takes into account the number of pupils on roll in each of the primary schools within, and the level of deprivation across, the district. The relative weighting of each of these factors is 90% for pupil numbers and 10% for deprivation. This approach was also agreed by Schools Forum when the model was first established but does mean that the funding is not equally distributed across the Inclusion Hubs. The average amount of funding per hub is £90.9k and ranges from £47.5k (Flyde) to £142k (Preston).

Currently, 441 primary schools contribute to the financial support of the Inclusion Hub model through the de-delegation of individual school funding. Each school contributes £11 per pupil to make up the £1m that is distributed across the 11 Inclusion Hubs. It should be noted that the amount each school is asked to contribute per pupil has not increased since the introduction of the model.

The average amount of funding de-delegated from each school is £2,200 and the table below provides an estimate of the relative costs of the different types of direct support that is provided via the inclusion hub model. It should be noted, however that not all inclusion hubs offer this level of direct support although most do.



Provider	Cost
PRU placement	£3,250
Reintegration support from PRU to mainstream	£2,000
Educational psychologist	£600 daily
Behaviour specialist	£600 daily
Teaching assistant support	£3,000 half-termly

Table 2. Intervention costs

It can be seen the costs associated with intervention placements and additional teaching assistant support exceed the average individual contribution of each school. In addition, the funding required to secure external specialist support would be limited to fewer than four days per child based on the de-delegated funding for each school, which may not be sufficient for the pupils with the most complex needs over time. This approach could be seen then to target support to pupils with the greatest level of need across the whole of the school community in Lancashire. It could also be considered this funding arrangement serves to support fluctuations in need across schools and this is important because level and complexity of need varies over time.

2. Methodology

2.1 Data collection

Data was collected from:

- the evaluation used an online survey, created using Microsoft Forms (see Appendix 1), that was distributed via Hub Leads who were asked to cascade to member schools. It comprised six questions of both open and closed variety,
- data on engagement and inclusion was provided by the Inclusion Hubs cross-district lead headteacher,
- data was gathered via additional documents, reports and resources directly shared from the District Inclusion Hub heads within the same period.

3. Results

3.1 Engagement and Impact

The information presented in this section outlines school engagement in the hub model and the impact of the hub model at a child and systemic level.

Table 3 shows the percentage engagement in the hub by district and where available how this has changed over time. It can be seen that 77.1% of eligible schools from the nine districts that provided a response have accessed support at some level from their inclusion hub. Two hubs were unable to provide this information due to recent structural changes in leadership.

It is evident from the data presented in the table below that overall there has been 35% increase in engagement between 2020-21 and 2022-2023 where this data was available. The data to support understanding of levels of engagement over time is limited and therefore caution is required in any interpretation of this data. It should be noted however, that anecdotally, district leads have observed



increased levels of engagement, except in district 14 because of concerns regarding the offer which is being reviewed.

District	Number of schools in district	% engagement reported by district leads	Number of participating schools	Percentage increase in engagement from schools between 2020-21 and 2022-23
1	50	85	43	
2	38	78	30	17
4	23	71	16	
6	52	90	47	43
7	37	89	33	15
8	54	44	24	
9	49	92	45	66
11	56	74	41	
14	29	70	20	
	388		299	

Table 3. Engagement with the Hub model

The below table shows that direct support was provided for 469 pupils and indirectly to 1,069. Information obtained from the district leads indicates that support was provided to 464 of these pupils which enabled them to maintain their mainstream placement successfully. It is unlikely that all of these children would have been permanently excluded or transferred to another school, however the cost of a PRU placement is £17,500 and the average cost of a special school place within the maintained sector is £20,000 and in the independent non-maintained sector is £59,000. It can be seen then that if 10% of these pupils had transferred from their mainstream school into more specialist provision, the cost would have been in excess of £1 million.

District Inclusion Hub number	Number of pupils who received direct work over the year	Number of pupils where placement was maintained	Number of pupils receiving indirect support
1	50	40	100
2	108	108	150
4	9	9	17
6	74	74	300
7	44	44	72
8	40	52	12
9	64	76	180
11	33	31	50
14	47	30	188
	469	464	1,069

Table 4. Number of pupils receiving support and mainstream placement maintenance



It has not been possible to identify all of the individual schools who have participated in the inclusion hub. It has only been possible to relate the number of suspensions to schools from 5 districts, which are Chorley, Fylde, South Ribble, Lancaster and Wyre for the Autumn term 2022-23. The suspension rate for these schools was half that would have been predicted.

3.2 Type of support identified via survey and additional documentation

Hubs reported a diverse range of direct support being available to schools. The most frequently reported types of support were individual support from specialist professionals, e.g., educational psychologists, specialist HTLAs, specialist teachers, play therapists; out-reach support, from specialist schools or short stay schools; and additional staffing support. Other direct support available to schools included continued access to telephone advice and signposting, support around transition in Year 6 to Year 7, and behaviour support. A number of hubs shared that supporting the wellbeing of head teachers was becoming an increasing priority within the hub offer and that wider staff supervision was important.

The main types of indirect support provided by hubs to schools came in the form of training courses and District Inclusion Hub conferences. Most of which were provided free of charge to settings. Topics for training included autism spectrum disorder, social skills and social story training, positive handling, de-escalation, and trauma and attachment. Conferences appeared to be an increasingly common offer and were well-organised events with a number of specialist speakers, often educational psychologists. They offered support around attachment and trauma, solution focussed problem solving, emotional first aid, building relationships and behavioural approaches. In addition, the recent introduction of specified transition funding for the early years has been utilised by some hubs in order to access training and support from the Early Years team.

3.3 Impact at school level

Unsurprisingly, District Inclusion Hubs found it challenging to determine the systemic impact of both direct and indirect involvement. Notwithstanding this, it can be seen from the table below that 284 of the total number of maintained primary schools in Lancashire reported increased staff confidence and resilience in supporting children presenting with behaviour that challenges. This equates to over 64% of primary schools.

District Inclusion Hub number	Number of schools who report increased staff confidence in dealing with challenging pupils (staff resilience, increased strategies etc)
1	40
2	31
4	-
6	47
7	34
8	24
9	45
11	48

Table 5. Increased staff confidence

4 Conclusions

- Schools are increasingly seeking out support from their district inclusion hub.
- Over 1500 children have received support either directly or indirectly from their inclusion hub.



- More than 400 children have been supported to maintain their school placement thus enhancing their prospects of achieving positive outcomes that are associated with attendance at mainstream school. In addition, this will also have served to alleviate pressure on high needs funding.
- 64% of schools report increased staff confidence and knowledge as a result of support or training provided by the inclusion hub.
- The costs associated with external intervention or specialist support generally exceed the average amount of funding that is de-delegated from individual primary schools.
- This approach targets support to pupils with the greatest level of need across the whole of the school community in Lancashire and would seem to present a cost-effective approach to inclusion.
- At the current time there would not appear to be an alternative offer to inclusion hubs. There is evidence in Lancashire to indicate the challenges to schools are increasing in relation to the number and complexity of need presented by children with Social, Emotional and Mental Health (SEMH) needs. This is consistent with the national picture and reflected in increasing suspension and exclusion rates.



Primary Inclusion Hubs in Lancashire 2022-23

Since the launch of the Primary Inclusion Hubs in 2019 a number of Head teachers have been working hard to establish local support networks across all Lancashire Districts with the aim of helping colleagues manage the increase in complex and challenging behaviours in many of our Primary aged pupils.

Some obstacles have faced this work over the last few years, not least the pandemic and the subsequent impact on the children's Development seen in so many of our cohorts, as well as the mental and emotional challenges faced by both staff in schools and families in our communities.

Yet in the face of this the Inclusion Hubs in each District have sought to collaborate and innovate, with participating schools, to find solutions, share good practice, offer support and evolve systems that will attempt to help all the children of each local area engage in learning and succeed in life.

Each District has developed its own unique approach in response to its local challenges and it has been inspiring to see the many efforts of Hub Leaders across the county explore new ways of working and offer a lifeline to many schools and pupils at crisis point, drawing on local experience, expertise and support.

The District Inclusion Hubs have continued to review the effectiveness of their offers and have reported regularly to a termly Cross-District meeting of colleagues and professionals sharing good practice across the County.

Over the last year (the first full year since the pandemic) there has been growing momentum across the District Inclusion Hubs work with:

- i. an increase in engagement by schools (maintained and Academies) across each District. This has been partly due to Inclusion Hub Leads developing new ways of communicating (e.g. padlets, conferences, workshops and clusters) to get the message of their offer across to more schools.
- ii. nearly 500 pupils (those vulnerable to suspension and exclusion) directly supported by the Inclusion Hubs, and in the vast majority of cases being supported to remain in their mainstream school places (with many of these pupils learning to regulate emotions, decreasing disruption to learning, increasing attendance, re-engaging in learning and reducing their vulnerability to exclusion)
- iii. an increased number of staff in participating schools reporting higher levels of confidence in managing challenging behaviours through the strategies, training, workshops, resources, mentoring and support of the Inclusion Hubs
- iv. increasingly effective reintegration of pupils to mainstream schools from either school absence/Emotional Based School Avoidance (EBSA), alternative short-term placement or from other settings, with the pupils re-engaging successfully in mainstream learning.
- v. an increase in collaboration between participating schools and professionals across services with colleagues sharing good practice, improved signposting to services, offering local advice and more 'real-time' support in a crisis

There is still more work to do including:



- a) Building on the initiatives already started in each District (drawing on local or county-wide resources) continuing to overcome barriers for the sake of all our children
- b) Creating a county-wide data-base that will measure the work of the Hubs against key criteria where this is useful and possible over a period of time (including seeking the views of children and parents)
- c) Identifying additional support for the Leads of the Hubs to increase capacity for developing their work further both strategically and in a way that is sustainable for the long term

A huge thank you to every school who has participated in any way in their Inclusion Hub offer and supported their colleagues across the District, and many thanks to the District Lead Head teachers who have freely given up their valuable time to facilitate the Inclusion Hub work with such determination and resilience.

The hope is that this work will continue to receive funding as projects are embedded and further developed for the sake of all pupils in all of our communities across Lancashire. Thank you for your continuing support.



Consultation on the Schools Block Funding Arrangements and Service De-delegations 2024/25

Summary Document

Summary

- The Government made various announcements in July 2023 about school funding for 2024/25. These announcements confirmed that the DfE have made limited changes to the funding arrangements from April 2024 and confirmed that de-delegation arrangements continue to be allowable from April 2024.
- This consultation is seeking views about the continuation of services de-delegations in 2024/25, and one supplementary which are:
 - Staff costs – Public Duties/Suspensions – Proposals remain the same as 2023/24 and charges held at the same level.
 - Heritage Learning Service (Museum Service) - Primary Schools Only – Proposals remain the same 2023/24 and charges are held at the same level.
 - Schools Requiring additional Support – Formally the Support for Schools in Financial Difficulty – Arrangements are similar to 2023/24 with a slight change to the funding mechanism and a reduction in the cost.
 - Primary Inclusion Hubs – Proposals are similar to 2023/24 and the charge remains as per the current year.
 - Children's Champions – New De-delegation proposal to support the role of the children's champions to support young people at risk of exclusion and those who are struggling to attend and work as an advocate for the child to support breakdown of relationships with schools.
- It is extremely important to the County Council and the Schools Forum to be able to reflect the views of Lancashire schools when making decisions about de-delegation arrangements for 2024/25, as these decisions are binding on all primary and secondary schools.
- De-delegations are not permitted for academies, special schools, nursery schools or PRUs, however, some services will be offered as a buy-back and separate information will be provided about these options, where appropriate.
- Following a previous consultation with schools and the Schools Forum, Lancashire has adopted the NFF methodology as the local funding formula. The main document also sets out the main formula changes that will be introduced for 2024/25 and seeks views on the level of Minimum Funding Guarantee (MFG) that should be applied in Lancashire from April 2024.
- Please let us know your views on the de-delegations proposals for 2024/25, by completing the consultation questionnaire available [here](#), by **13 October 2023**.
- If there are any proposals to transfer funding from Schools Block to other funding blocks in 2024/25 that emerge once we have modelled allocations from the DfE on the schools funding arrangements, further consultation will be issued seeking schools' views.



Item 11

Recommendations of the High Needs Block Working Group

Contact for further information:
Schools Forum Clerk
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Brief Summary

On 3 October 2023, the High Needs Block Working Group considered a number of reports, including:

- **Schools Budget Outturn Report 2022/23**
- **School Balances and Clawback 2022/23**
- **High Needs Block Budget Monitoring 2023/24**
- **High Needs Block Funding Arrangements 2024/25**
- **High Needs Block Indicative Commissioned Place Number 2024/25**
- **MASH Educational Annual Report**
- **Lancashire Hospital Educational Service Annual Report**

A summary of the information presented, and the Working Group's recommendations are provided in this report.

Recommendations

The Forum is asked to:

- a) Note the report from the High Needs Block Working Group held on 3 October 2023;
- b) Ratify the Working Group's recommendations.

Detail

On 3 October 2023, the High Block Working Group considered a number of reports. A summary of the information presented, and the Working Group's recommendations are provided below:

1. Schools Budget Outturn Report 2022/23

This report provides information on the Schools Budget outturn position for 2022/23

The Overall Schools Budget outturn position for 2022/23 shows an underspend of circa £1.3m.



Further details are provided below in connection with each funding block.

Central Schools Services Block (CSSB)

CSSB 2022/23			
	Budget (£)	Actual (£)	Variance (£)
CSSB			
ESG Retained Duties (transferred to DSG)	2,591,000	2,591,000	0
Overheads	850,800	851,000	0
Copyright Licence	1,016,000	1,016,063	-63
School Forum	188,000	188,000	0
Pupil Access (Admissions)	1,400,000	1,400,000	0
Rates Rebates	-75,000	78,539	-153,539
PFI - Sixth Form	867,840	977,422	-109,582
Total Grant	-6,838,640	-6,838,441	199
Total Variance	0	263,583	263,383

Rates Rebates

The rates rebate budget estimated a £75k level of income from rateable value challenges throughout the year, but there was actually a net expenditure of around £78k against this budget line, giving a total variance of just over £153k. Expenditure relates to a contribution to the LCC Estates team to facilitate the school rateable value challenges and the payment of rates rebates to schools in accordance with the Forum policy.

As we are at the end of the current ratings cycle, there are reduced opportunities for rateable value appeals, but over the lifetime of the current schools forum policy, the arrangements have generated significantly more income than has been paid out.

PFI - Sixth Form

This budget line ended the year over £110k overspent. This was due to ongoing expenditure on the former Thomas Whitham Sixth Form PFI site, mainly attributable to utilities costs, that must continue whilst the sites are converted to use by other schools.

Other CSSB budget lines ended the year on or near the agreed budget level.



Schools Block

Schools Block 2022/23			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools	683,528,360	657,127,685	26,400,494
Academy Recoupment	193,069,885	220,973,729	-27,903,844
Total Expenditure	876,598,245	878,101,594	-1,503,350
Total Grant	-878,278,380	-878,278,380	0
Total Variance	-1,680,135	-176,786	-1,503,350

Maintained Schools/Academy Recoupment

The total Schools Block expenditure on maintained schools for 2022/23 overspent by circa £1.5m which is mainly due to the removal of the PFI funding. This funding has been reallocated in 2024/25. Academy recoupment increasing by circa £27.9m during the year, as schools converted to academies which is largely balanced out by the underspend of £26.4m in the maintained sector.

High Needs Block

High Needs Block			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools			
Mainstream Schools	15,499,953	22,764,192	7,264,238
Special Schools	69,311,571	76,737,451	7,425,881
Alternative Provision	10,438,784	12,756,191	2,317,407
Further Education - Post 16	11,000,000	9,857,055	-1,142,945
Commissioned Services	36,423,254	43,609,769	7,186,515
Exclusions	-400,000	-1,182,348	-782,348
High Needs Growth	17,142,970	0	17,142,970
Total Grant	-159,416,532	-164,542,310	5,125,778
TOTAL VARIANCE	0	643,154	643,153

The outturn position for the 2022/23 High Needs Block (HNB) revealed a circa £643,000 overspent. Further information is provided below:

Maintained Schools

Actual costs on all elements of maintained schools HNB expenditure, including mainstream schools, special schools and PRUs were above the budgeted figure.



Please note, £6.2m of the overspend relates to the Additional High Needs Supplementary Grant, which is reflected in the total grant figure. The most significant variance related to mainstream schools and represented a circa 50% growth in funding compared to the budget. Special Schools grew by over 10% and Alternative Provision by 20%.

Further Education - Post 16

The Further Education - Post 16 budget had a reduction of £1.1m or circa 10%.

Commissioned Services

The commissioned services expenditure ended the year with an overspend of over £6.8m. As per established practice, a more detailed breakdown of the HNB expenditure against the agreed budget lines is provided at Annex A. Of particular interest to the Forum on the commissioned services breakdown will be the £9.6m overspend on the Out-county budget. This overspend figure is a c£6m increase in expenditure compared to 2021/22. As members will be aware, strategies are being deployed to enhance maintained provision within the county, through the AP Strategy, SEN Units and increased special school capacity, but this will take time to feed through into the budget position.

Exclusions

The original 2022/23 budget estimated that £0.4m income would be generated for High Needs Block establishments as funding followed pupils who were excluded from mainstream schools during the year. The actual income was circa £1.1m, created a variance of just under £0.7m

High Needs Growth

When the 2022/23 Schools Budget was being set, provision was made for HNB growth, which was forecast at circa £17m for the year. This provision was utilised in year to offset the increased expenditure of circa £10m across HNB school budget lines. It should be noted that the level of in year HNB growth has been running at very roughly circa 10% of HNB budget for a number of years.

The year end deficit of £750k on the High Needs Block signifies the need for caution on High Needs funding levels and expenditure going forward. The levels of DSG increases are expected to reduce in future years, early indications are 3% in 2024/25 with future expenditure forecasted at 8%, which are likely to again place considerable pressure on high needs funding and reserves.

DSG grant

The DSG grant for the HNB in 2022/23, was circa £4.4m under budget, mainly due to the £6.2m Additional High Needs Supplementary Grant. A further £1.8m overspend relates to the Hameldon PFI allocation which was removed from the Schools Block and expected to be transferred to High Needs Block. Following confirmation from the ESFA, the funding will be reallocated in 2023/24 to the CSSB.



High Needs Funding Block Monitoring at Year End 2022 23 can be found in Appendix A.

Early Years Block (EYB)

Early Years Block			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools			
2YO	1,525,946	2,048,437	522,491
3 4 YO	20,541,451	19,142,146	-1,399,305
PVI			
2YO	7,016,599	8,617,177	1,600,578
3 4 YO	50,769,678	50,339,806	-429,872
Early Years DAF	363,200	240,000	-123,200
Early Years PPG	937,727	938,897	1,170
Commissioned Services			
SEND Inclusion Fund	500,000	1,005,885	505,885
Total Grant	-80,654,601	-83,008,399	-2,353,798
TOTAL VARIANCE	1,000,000	-676,051	-1,676,051

The Early Years Block outturn position for 2022/23 indicates a circa £1.6m underspend which means there would have been an underspend without the circa £1m transfer from reserves.

Further information is provided below:

Maintained Sector

Early Years Block expenditure relating to maintained providers overspent on 2 year olds but a significant underspend on 3&4 year old provision creating a £870k underspend overall.

PVI Providers

The PVI outturn position also revealed a similar pattern, however, an overspend on 2 year old provision and a slight underspend on 3&4 year old provision creating an overspend of circa £1.1m.

Disability Access Fund

This budget line was circa £123k below budget.

Early Years Pupil Premium

This budget line ended the year on or near the agreed budget level.



Commissioned Services

Commissioned Services in the Early Years Block relates to the Inclusion Fund and expenditure was circa £500k over budget.

Due to the full year effect of the changes introduced part way through 2021/22 has resulted in the inclusion fund expenditure exceeding the budget level.

DSG Grant

The actual grant income for the year was some £2.3m above the original budget, as early years take up was above the level forecast in the original 2022/23 budget. It should be noted that the LA are notified of the forecasted Early Years DSG in December 2021, however, final Early Years DSG was confirmed in July 2022.

Total Variance

The Early Years Block outturn position for 2022/23 indicates a circa £1.6m underspend which means there would have been an underspend without the circa £1m transfer from reserves.

The Working Group:

- a) **Noted the updated report.**

2. School Balances and Clawback

School Balances Outturn 2022/23

This report sets out the year end position of schools' delegated budgets at 31 March 2023.

The overall school balances have decreased from c£95m to c£73m, an overall reduction of £22m.

The tables below show analysis of school balances by phase at the end of the financial year 2022/23.

2022/23 School Balances - In-Year Movement of Balances by Phase

Phase	Balance Brought Forward as at 1 April 2022	In-year Increase / (Decrease) 22/23	Balance Carried Forward as at 31 March 23
	£m	£m	£m
Nursery	0.797	-(0.445)	0.352
Primary	53.537	-(13.314)	40.042
Secondary	27.372	-(3.353)	24.019
Special	10.049	-(2.633)	7.416
Short Stay	1.727	-(0.395)	1.332
Total	93.304	-(20.141)	73.162



As can be seen, all phases showed an overall decrease in their aggregate balance.

Increased levels of core funding were provided by the Government in 2022/23, with Lancashire's gross Dedicated Schools Grant (DSG) allocation some £54m higher than that received in 2022/23. This was partly due to increased funding nationally made available by Government.

In addition to the core Dedicated Schools Grant (DSG) funding allocations to schools, considerable additional funding was allocated during 2022/23 in the form of Government grants. For Lancashire maintained schools, grant allocations in the year totalled over £57m, £19m of this was the Mainstream Schools Supplementary Grant.

A number of the other grants were specifically to assist schools continue to respond to the challenges of supporting pupils catch up on learning. Some of these grants were allocated by the DfE on an academic year basis and will need to be spent by the end of the current school year, which may have had some impact on the level of balances held at 31 March 2023.

It should be noted that the aggregate school balances figure at 31 March 2023 includes a number of adjustments related to school academisations during the year. This included academisation of 14 primary schools, 3 secondary schools and a closure of one special school.

2022/23 School Balances –In-Year Movement Count of Schools by Phase

Phase	Count of deficit in year	Count of surplus in year
Nursery	16	6
Primary	323	119
Secondary	25	17
Special	20	8
Short Stay	4	4
Total	388	156

To Summarise, 388 schools operated an in year deficit in 2022/23, which equates to 71%, with 156 schools (29%) operating an in year surplus. In comparison, in 2022/23, 52% of schools operated an in year deficit.

2022/23 School Balances – Number of Schools in Surplus/Deficit by Phase

Phase	Count of deficit close balance	Count of surplus close balance
Nursery	8	16
Primary	29	413
Secondary	1	41
Special	3	25
Short Stay	1	7



Total	42	502
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A total of 42 schools ended the 2022/23 financial year in deficit. The number of schools in deficit at 31 March 2023 has increased from 21 schools in deficit a year earlier.

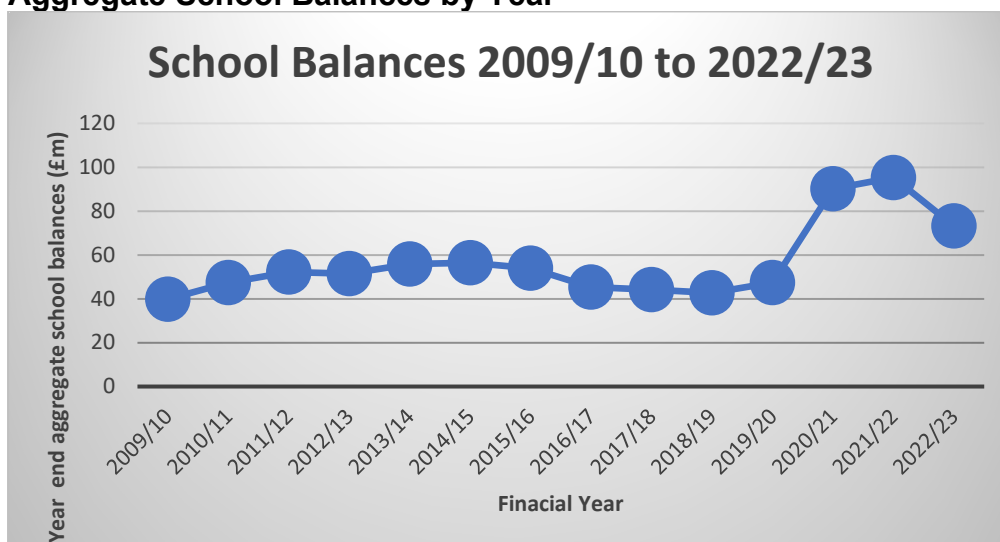
The nursery sector remains the most concerning phase highlighted through this table, with 8 out of 24 schools ending the financial year in deficit, representing 33% of schools in the sector.

A comparison showing the total number of schools in deficit across recent years is provided below:

Year End	Number of schools in deficit
31 March 2023	42
31 March 2022	21
31 March 2021	30
31 March 2020	41
31 March 2019	39
31 March 2018	47
31 March 2017	40

As noted in the table, the number of schools in deficit is significantly higher for 2022/23 than in recent years.

Aggregate School Balances by Year



The graph demonstrates the trend in aggregate school balances over a number of years and shows that following the increase in the balances held by schools at March 2022, school balances have significantly decreased at March 2023. Analysis provided by schools about their year end position at 31 March 2023 indicates that circa £15m of total balances are classed as 'committed'.



Support for Schools in Deficit

The county council, in consultation with the Lancashire Schools Forum, has continued to provide significant targeted support and enhanced monitoring and early warning to support schools that are in, or may be heading towards, financial difficulty. This includes monitoring the financial outlook of schools on the Schools in Financial Difficulty (SIFD) category warning system for maintained schools, issuing early warning letters to offer a 'heads-up' that financial pressures may be mounting and using the agreed SIFD procedures to provide additional support to some schools.

42 schools ended the 2022/23 financial year in deficit, compared to 21 schools a year earlier.

Individual School Balances 2022/23

Attached at **Annex A** are details about the movement in balances at an individual school level in 2022/23. As previously requested by the Forum, in addition to the year-end balance by school, information is included in this annex setting out:

- Balance as a % of CFR income.
- Balance per pupil.

School Balances and Clawback Policy 2022/23

Whilst clawback had been suspended on year end balances at March 2020, 2021 and 2022. In July 2022, the Forum voted to reintroduce clawback at March 2023 and increase the minimum balance thresholds, policy is as follows:

- 12% of Consistent Financial Reporting (CFR) income for all phases of maintained school
- A £75,000 minimum balance threshold will be applied.

The Forum are now asked to consider the school balances and clawback policy to be applied at 31 March 2024.

When considering the policy to be applied at March 2023, it was agreed that the clawback of excess balances would be reintroduced due to the consistently high balances.

Although the 2022/23 outturn positions have decreased by £22m since 2022/23, balances have remained significantly high. In financial terms, school balances still contain significant funding for covid catch up grants that were allocated by the DfE on an academic year basis. As referred to above, the Analysis of Balances return from maintained schools about their year end position at 31 March 2023 indicates that circa £15m of total balances are classed as 'committed'. This was across over 300 schools.

Whilst the level of committed balances has reduced from 2022/23, when the figure was £36m, it is still well above pre-pandemic levels, with the 2019/20 figure equating to only £6.8m.

In addition, members will be aware that there are significant and increasing costs pressure facing schools, with UK inflation jumping to 9% in the 12 months to April 2022, the highest level for 40 years, and expected to rise further.



A number of schools balances and clawback options are available to the Forum for 2024/25, which include:

- a) Apply the clawback policy in 2024/25, as per previous arrangements set out below, or with amended rates:
 - A clawback rate of 50% is to be applied to any balance above guideline in the first year a school exceeds the guideline (after adjusting for exemptions)
 - A clawback rate of 100% is to be applied to any balance in excess of guideline where the guideline has been breached for two or more consecutive years (after adjusting for exemptions)

(Note: As clawback was reintroduced in 2022/23, schools would be subject to the 100% clawback rate in 2024/25).

- b) Suspend the application of clawback at March 2024 due to the continued uncertainties around school funding and inflationary pressures;
- c) Other suggestions that members may have e.g., Raising the threshold percentage from the current 12% or increasing the threshold.

*Please Note, in July 2023, the Schools Forum voted to Implement the Clawback policy at March 2024

Clawback Outturn

In July 2022, the Schools Forum voted to implement the Clawback policy to excess balances at 31st March 2023. In line with the policy, circa £739,00 is due to be clawbacked from 18 schools. The final figure does not include two late exemption requests which are currently being considered by the Schools Forum Chair. Therefore, the final clawback figure may increase if these exemptions are accepted. Clawback will be processed in the Autumn Term and schools will receive communication via the Schools Portal.

The Local Authority propose to use the clawback funds to assist schools in Financial Difficulty and seek views from the working group.

The proposal is to support schools who currently have a Budget Recovery Three Year Plan, who are showing good financial practice within the plan and working with the authority, to submit a bid to the Schools Forum for funds for approval. The county council only submits a request to the Forum for a bid for one off support when there is confidence that any agreed funding will assist the school to return to a sustainable surplus position.

In line with the current SIFD policies, the proposal is to provide one off financial support to schools who otherwise would not be able to recover from a deficit position. As a general guide, the authority proposes to follow the Schools Improvement Challenge Board guide; that whilst individual circumstances will always need to be taken carefully into account, maximum allocations from the Schools in Financial Difficulty fund in response to an application from an individual school should generally not exceed 33% of the relevant deficit, but many may be lower. Following the authorities existing



processes, Recovery Plans would be monitored termly, the proposal would stipulate those schools actively working with the authority and within their recovery plan would be eligible towards the end of the financial year to submit a bid to Schools Forum for funding.

A total of 42 Lancashire schools ended the 2022/23 Financial Year in a deficit. Currently, 19 schools are forecasting a deficit at March 2024 which totals circa £2m. An additional 13 schools are forecasting a minor surplus of below £1000. In the 2023/24 Financial Year, there is currently 14 schools working towards a Budget Recovery Plan school.

Schools Budget Reserves 2022/23

		£
<u>1</u>	<u>DSG Reserve</u>	
	Opening Balance	-24,488,731
	22/23 underspend	-1,322,624
	Closing Balance	-25,811,355
<u>2</u>	<u>Schools in Financial Difficulty Reserve</u>	
	Opening Balance	-3,891,016
	Academy School Balances	509,324
	Underspend 22/23	947,392
	Balancing adj	-66,335
	Closing Balance	-5,281,397
<u>3</u>	<u>De-delegated Reserves</u>	
	Opening Balance	-918,327
	Year End reserves movement 22/23	-95,209
	Closing Balance	-1,013,536
<u>4</u>	<u>Supply Teacher Reserve</u>	
	Opening Balance	-2,259,812
	Reserves Movement 22/23	-1,221,846
	Reimbursement of funds to 21/22 members	759,812
	Closing Balance	-2,721,846
<u>5</u>	<u>Schools Balances</u>	
	Opening Balance	-95,313,697
	Revenue surplus in year	-6,966,705
	Forced academy closing balance	-605,419
	Revenue deficits in year	-27,626,436
	Closing Balance	-74,048,547
<u>6</u>	<u>Total All Reserves</u>	
	Open Balance	-126,871,582
	Net In Year Movement	-17,994,903



Closing Balance	-108,876,680
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Further information about the year end reserves are provided below:

1. DSG Reserve

The overall Schools Budget for 2022/23, excluding individual school balances, was an underspend of £1.3m. Details of this figure are provided in the Schools Budget Outturn report 2022/23. This underspend has been added to the DSG Reserve as at 31 March 2023.

The outturn position for the DSG Reserve is therefore a balance of £25.811m.

This is the highest level of DSG Reserve held since the year ending March 2015.

2. Schools in Financial Difficulty Reserve

In order to maximise the funding available in the Schools in Financial Difficulty (SIFD) Reserve, a number of adjustments have been made to the reserve in 2022/23.

This includes unallocated schools income, which has been placed in the reserve at year end. This is money received and held in the county councils schools' income account, until it is identified and transferred to the appropriate school. Ongoing work continues to trace and allocate this income correctly, so the figures will reduce as income is identified and allocated.

As members will be aware, convertor academies take a surplus or deficit balance with them to their academy trust, whereas the balance at forced academies remains with the LA. Where balances have accrued due to academy conversions, these have been transferred to the SIFD reserve.

Including the above and underspends, the reserve has increased by £1.3m in year. The level of expenditure is expected to increase in 2023/24 due to due to significant inflation causing increased cost pressures.

These in year movements leave the final year end position on the reserve at circa £5.2m.

3. De-Delegation Reserve

The de-delegation reserve ended the year with a surplus of circa £1.3m.

Members will recall that for the Inclusion Hubs de-delegation the LA includes adjustments relating to inclusion hub funding that has been delegated to banker schools at the start of the year. So that individual school balances at certain banker schools were not artificially high, which would impact on school year end balances reporting and national benchmarking, this funding was held by the LA for year end accounting purposes and then redistributed to the relevant banker schools in the new financial year.

4. School Teaching and Support Staff Supply Reimbursement Scheme



The staff reimbursement scheme ended the year with an underspend of circa £1.2m, leaving an outturn position of circa £2.7m.

The overall in year position includes a surplus on the teacher scheme of just under £1.3m, which was offset by a circa £0.6m deficit on the support staff scheme.

The Forum has previously agreed that any year end balance above £1.5m should be redistributed to scheme members. The working group may wish to consider if £1.5m remains an appropriate maximum level for the reserve. Whatever level is agreed, the Forum are asked to support the redistribution of the scheme reserve above that level back to scheme members.

Taking account of the deficit on the support staff element of the scheme, it is proposed that the 'excess' scheme reserve should be redistributed on the basis of the contribution levels to the teaching staff scheme only.

For 2024/25, members will need to consider a rise in the premiums charged for the support staff scheme, but it may be possible to hold the premiums on the teaching element of the scheme to 2023/24 levels. Further reports will be presented to the Forum in due course.

5. School Reserves

As set out earlier in the report, school balances decreased to just over £73m at the end of 2022/23, when school closure/academisation adjustments are taken into account. a decrease of nearly £22m.

The Working Group:

- b) Noted the updated report.**
- c) Recommended that the Schools Forum approve the proposal to use the Clawback 2022/23 funds to support school in Financial Difficulty through Bids to the Schools Forum**
- d) Recommended that the Schools Forum approve the proposed Supply scheme reimbursement based on members of the teachers scheme in 2022/23. Supported the reimbursements calculated on the basis of the NOR which was used to calculate the charges.**

This is a formal Schools Forum decision and members will be asked to formally approve at the 17 October 2023 meeting.

3. High Needs Block Budget Monitoring

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

Summer term 2023/24 data is now available, and the monitoring and analysis was provided to the working group.



The HNB budget is currently forecasting a circa £2.5m overspend at 31 March 2024.

The monitoring is an estimate of the full year forecast, based on expenditure that has occurred in the 2023 summer term.

There remains significant ongoing financial pressure facing this block despite the current monitoring position, as the demand and costs continue to rise.

It is anticipated that the final outturn position will come in significantly higher than the current forecast based on historic trends.

The Working Group:

- a) **Noted the report**

4. High Needs Block Funding Arrangements

Please note due to the recent DfE announcements, this report has not been included and a revised report will be presented during the Schools Forum meeting. Item X for reference.

The Working Group:

- b) **Noted the report**

5. High Needs Block Indicative Commissioned Place number 2024/25

In recent years, the Working Group supported some changes to the system for PRUs but agreed to leave the special schools process unaltered, as set out below:

PRU Process 2024/25

It was agreed that correspondence on indicative place numbers for 2024/25 to PRUs should not be issued in July 2023, but is instead circulated in autumn term 2023, by which time it is hoped that indicative data will include input from the service to refine the commissioned places to figures that will be more closely aligned to the final budget places and can take account of the latest recommendations from the AP strategy group.

Special School Process 2024/25

It was agreed that correspondence on indicative place numbers for 2024/25 to Special Schools should not be issued in July 2023, but is instead circulated in autumn term 2023. May 2023 census data has been used to produce the indicative commissioned places for 2024/25 academic year. Experience suggested that these indicative numbers should be closely aligned to likely places that will be included in the final budgets for the sector, however further input is required from the service to align indicative places to current demand.

In addition, the additional place top up funding arrangements for pre 16 will continue to operate in 2024/25, where the actual number of pupils at each redetermination is greater than the number of places commission on the budget forecast, so a continued safety mechanism remains built into the system.



A copy of the indicative commissioned place number for each special school for 2024/25, based purely on the calculation methodology, was provided at the working group. A total of 3,063 places are included in the indicative commissioning process at July 2023.

The Inclusion Service have been working on agreeing the commissioned PRU/Alternative Provision places and will provide an update. A copy of the indicative place number for each PRU was provided at the working group.

The Working Group:

- a) **Noted the report**

Since the High Needs Block Meeting, letters to all Special and PRUS outlining indicative places based on the below;

PRU's – Place numbers have been calculated using the historic commissioned places methodology and is calculated on the average of the previous 3 PRU census points.

Special Schools - Place numbers have been calculated initially using the number of places included in the summer term 2023 redetermination and has been revised following discussions with colleagues within the inclusion service.

The Letter encourages schools to contact the inclusion service to discuss commissioned place numbers no later than 8th November 2023.

6. Multi-Agency Safeguarding Hub (MASH) Annual Report

The Forum will be aware that the funding for the Multi-Agency safeguarding Hub (MASH) was transferred to the HNB in 2022/23, as the DfE were reducing the historic commitments costs included in the Central school Services Block (CSSB). For 2023/24, £150k was included in the HNB budget, and a similar allocation will be included in initial budget proposals for 2024/25.

The service has now provided their annual report for 2023 and this is provided at Appendix A.

The Working Group:

- a) **Noted the report**
- b) **Supported the annual funding from the High Needs Block in 2024/25**

7. Lancashire Hospital Education Service: Annual Report, Academic Year 2022/23

Members will be aware that the Lancashire Hospital Education Service (LHES) is a centrally managed service that is funded from the DSG High Need Block. In Financial Year 2022/23 the service was allocated £1.3m.



The aim of the service is to provide access to high quality education that is appropriate to the child's needs and to support them to return to school or college as soon as they are well enough to do so.

The service is delivered in a number of settings:

- ELCAS: located on Burnley Hospital site:
- The Cove: located in Heysham.
- Hospital Classrooms at Royal Preston and Lancaster General Hospitals
- Home Teaching.

Each setting completes an annual report- and a summary is produced by Audrey Swann, Head of Virtual School for CLA and previously CLA and Hospital Education Service.

A copy of the summary is provided at Appendix A.

The Working Group:

- a) **Noted the report**



Item 12

Recommendations of the Early Years Block Working Group

Contact for further information:
Schools Forum Clerk
schoolsforum@lancashire.gov.uk

Brief Summary

On 10 October 2023, the Early Years Block Working Group considered a number of reports, including:

- **Schools Budget Outturn Report 2022/23**
- **School Balances and Clawback 2022/23**
- **Early Years Block Funding Arrangements 2024/25**
- **Extended Entitlements Rollout and Wraparound Expansion Programme**

A summary of the information presented, and the Working Group's recommendations are provided in this report.

Recommendations

The Forum is asked to:

- a) Note the report from the Early Years Block Working Group held on 3 October 2023;
- b) Ratify the Working Group's recommendations.

Detail

On 10 October 2023, the Early Years Working Group considered a number of reports. A summary of the information presented, and the Working Group's recommendations are provided below:

1. Growing Up Well Project

Chris Hayes attended to provide an overview of the project and query how to engage the Early Years Sector.

The project is creating a digital platform to allow organisations to utilise and collate the data held on current systems across a number of organisations. Members were advise to contact the working group chair if they wish to be involved in the project.

2. Schools Budget Outturn Report 2022/23

This report provides information on the Schools Budget outturn position for 2022/23

The Overall Schools Budget outturn position for 2022/23 shows an underspend of circa £1.3m.

Further details are provided below in connection with each funding block.

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Rates Rebates	-75,000	78,539	-153,539
PFI - Sixth Form	867,840	977,422	-109,582
Total Grant	-6,838,640	-6,838,441	199
Total Variance	0	263,583	263,383

Rates Rebates

The rates rebate budget estimated a £75k level of income from rateable value challenges throughout the year, but there was actually a net expenditure of around £78k against this budget line, giving a total variance of just over £153k. Expenditure relates to a contribution to the LCC Estates team to facilitate the school rateable value challenges and the payment of rates rebates to schools in accordance with the Forum policy.

As we are at the end of the current ratings cycle, there are reduced opportunities for rateable value appeals, but over the lifetime of the current schools forum policy, the arrangements have generated significantly more income than has been paid out.

PFI - Sixth Form

This budget line ended the year over £110k overspent. This was due to ongoing expenditure on the former Thomas Whitham Sixth Form PFI site, mainly attributable to utilities costs, that must continue whilst the sites are converted to use by other schools.

Other CSSB budget lines ended the year on or near the agreed budget level.



Schools Block

Schools Block 2022/23			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools	683,528,360	657,127,685	26,400,494
Academy Recoupment	193,069,885	220,973,729	-27,903,844
Total Expenditure	876,598,245	878,101,594	-1,503,350
Total Grant	-878,278,380	-878,278,380	0
Total Variance	-1,680,135	-176,786	-1,503,350

Maintained Schools/Academy Recoupment

The total Schools Block expenditure on maintained schools for 2022/23 overspent by circa £1.5m which is mainly due to the removal of the PFI funding. This funding has been reallocated in 2024/25. Academy recoupment increasing by circa £27.9m during the year, as schools converted to academies which is largely balanced out by the underspend of £26.4m in the maintained sector.

High Needs Block

High Needs Block			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools			
Mainstream Schools	15,499,953	22,764,192	7,264,238
Special Schools	69,311,571	76,737,451	7,425,881
Alternative Provision	10,438,784	12,756,191	2,317,407
Further Education - Post 16	11,000,000	9,857,055	-1,142,945
Commissioned Services	36,423,254	43,609,769	7,186,515
Exclusions	-400,000	-1,182,348	-782,348
High Needs Growth	17,142,970	0	17,142,970
Total Grant	-159,416,532	-164,542,310	5,125,778
TOTAL VARIANCE	0	643,154	643,153

The outturn position for the 2022/23 High Needs Block (HNB) revealed a circa £643,000 overspent. Further information is provided below:



Maintained Schools

Actual costs on all elements of maintained schools HNB expenditure, including mainstream schools, special schools and PRUs were above the budgeted figure. Please note, £6.2m of the overspend relates to the Additional High Needs Supplementary Grant, which is reflected in the total grant figure. The most significant variance related to mainstream schools and represented a circa 50% growth in funding compared to the budget. Special Schools grew by over 10% and Alternative Provision by 20%.

Further Education - Post 16

The Further Education - Post 16 budget had a reduction of £1.1m or circa 10%.

Commissioned Services

The commissioned services expenditure ended the year with an overspend of over £6.8m. As per established practice, a more detailed breakdown of the HNB expenditure against the agreed budget lines is provided at Annex A. Of particular interest to the Forum on the commissioned services breakdown will be the £9.6m overspend on the Out-county budget. This overspend figure is a c£6m increase in expenditure compared to 2021/22. As members will be aware, strategies are being deployed to enhance maintained provision within the county, through the AP Strategy, SEN Units and increased special school capacity, but this will take time to feed through into the budget position.

Exclusions

The original 2022/23 budget estimated that £0.4m income would be generated for High Needs Block establishments as funding followed pupils who were excluded from mainstream schools during the year. The actual income was circa £1.1m, created a variance of just under £0.7m

High Needs Growth

When the 2022/23 Schools Budget was being set, provision was made for HNB growth, which was forecast at circa £17m for the year. This provision was utilised in year to offset the increased expenditure of circa £10m across HNB school budget lines. It should be noted that the level of in year HNB growth has been running at very roughly circa 10% of HNB budget for a number of years.

The year end deficit of £750k on the High Needs Block signifies the need for caution on High Needs funding levels and expenditure going forward. The levels of DSG increases are expected to reduce in future years, early indications are 3% in 2024/25 with future expenditure forecasted at 8%, which are likely to again place considerable pressure on high needs funding and reserves.

DSG grant

The DSG grant for the HNB in 2022/23, was circa £4.4m under budget, mainly due to the £6.2m Additional High Needs Supplementary Grant. A further £1.8m overspend relates to the Hameldon PFI allocation which was removed from the Schools Block



and expected to be transferred to High Needs Block. Following confirmation from the ESFA, the funding will be reallocated in 2023/24 to the CSSB.

High Needs Funding Block Monitoring at Year End 2022 23 can be found in Appendix A.

Early Years Block (EYB)

Early Years Block			
	Budget (£)	Actual (£)	Variance (£)
Maintained Schools			
2YO	1,525,946	2,048,437	522,491
3_4 YO	20,541,451	19,142,146	-1,399,305
PVI			
2YO	7,016,599	8,617,177	1,600,578
3_4 YO	50,769,678	50,339,806	-429,872
Early Years DAF	363,200	240,000	-123,200
Early Years PPG	937,727	938,897	1,170
Commissioned Services			
SEND Inclusion Fund	500,000	1,005,885	505,885
Total Grant	-80,654,601	-83,008,399	-2,353,798
TOTAL VARIANCE	1,000,000	-676,051	-1,676,051

The Early Years Block outturn position for 2022/23 indicates a circa £1.6m underspend which means there would have been an underspend without the circa £1m transfer from reserves.

Further information is provided below:

Maintained Sector

Early Years Block expenditure relating to maintained providers overspent on 2 year olds but a significant underspend on 3&4 year old provision creating a £870k underspend overall.

PVI Providers

The PVI outturn position also revealed a similar pattern, however, an overspend on 2 year old provision and a slight underspend on 3&4 year old provision creating an overspend of circa £1.1m.



Disability Access Fund

This budget line was circa £123k below budget.

Early Years Pupil Premium

This budget line ended the year on or near the agreed budget level.

Commissioned Services

Commissioned Services in the Early Years Block relates to the Inclusion Fund and expenditure was circa £500k over budget.

Due to the full year effect of the changes introduced part way through 2021/22 has resulted in the inclusion fund expenditure exceeding the budget level.

DSG Grant

The actual grant income for the year was some £2.3m above the original budget, as early years take up was above the level forecast in the original 2022/23 budget. It should be noted that the LA are notified of the forecasted Early Years DSG in December 2021, however, final Early Years DSG was confirmed in July 2022.

Total Variance

The Early Years Block outturn position for 2022/23 indicates a circa £1.6m underspend which means there would have been an underspend without the circa £1m transfer from reserves.

The Working Group:

- a) **Noted the updated report.**
- b) **Raised concerns around the overspend of the Early Years Inclusion Fund and the overall underspend in the Early Block**
- c) **Recommended caution when setting the 2024/25 Early Years Block Budget**

3. School Balances and Clawback

School Balances Outturn 2022/23

This report sets out the year end position of schools' delegated budgets at 31 March 2023.

The overall school balances have decreased from c£95m to c£73m, an overall reduction of £22m.

The tables below show analysis of school balances by phase at the end of the financial year 2022/23.

2022/23 School Balances - In-Year Movement of Balances by Phase



Phase	Balance Brought Forward as at 1 April 2022	In-year Increase / (Decrease) 22/23	Balance Carried Forward as at 31 March 23
	£m	£m	£m
Nursery	0.797	-(0.445)	0.352
Primary	53.537	-(13.314)	40.042
Secondary	27.372	-(3.353)	24.019
Special	10.049	-(2.633)	7.416
Short Stay	1.727	-(0.395)	1.332
Total	93.304	-(20.141)	73.162

As can be seen, all phases showed an overall decrease in their aggregate balance.

Increased levels of core funding were provided by the Government in 2022/23, with Lancashire's gross Dedicated Schools Grant (DSG) allocation some £54m higher than that received in 2022/23. This was partly due to increased funding nationally made available by Government.

In addition to the core Dedicated Schools Grant (DSG) funding allocations to schools, considerable additional funding was allocated during 2022/23 in the form of Government grants. For Lancashire maintained schools, grant allocations in the year totalled over £57m, £19m of this was the Mainstream Schools Supplementary Grant.

A number of the other grants were specifically to assist schools continue to respond to the challenges of supporting pupils catch up on learning. Some of these grants were allocated by the DfE on an academic year basis and will need to be spent by the end of the current school year, which may have had some impact on the level of balances held at 31 March 2023.

It should be noted that the aggregate school balances figure at 31 March 2023 includes a number of adjustments related to school academisations during the year. This included academisation of 14 primary schools, 3 secondary schools and a closure of one special school.

2022/23 School Balances –In-Year Movement Count of Schools by Phase

Phase	Count of deficit in year	Count of surplus in year
Nursery	16	6
Primary	323	119
Secondary	25	17
Special	20	8
Short Stay	4	4
Total	388	156



To Summarise, 388 schools operated an in year deficit in 2022/23, which equates to 71%, with 156 schools (29%) operating an in year surplus. In comparison, in 2021/22, 52% of schools operated an in year deficit.

2022/23 School Balances – Number of Schools in Surplus/Deficit by Phase

Phase	Count of deficit close balance	Count of surplus close balance
Nursery	8	16
Primary	29	413
Secondary	1	41
Special	3	25
Short Stay	1	7
Total	42	502

A total of 42 schools ended the 2022/23 financial year in deficit. The number of schools in deficit at 31 March 2023 has increased from 21 schools in deficit a year earlier.

The nursery sector remains the most concerning phase highlighted through this table, with 8 out of 24 schools ending the financial year in deficit, representing 33% of schools in the sector.

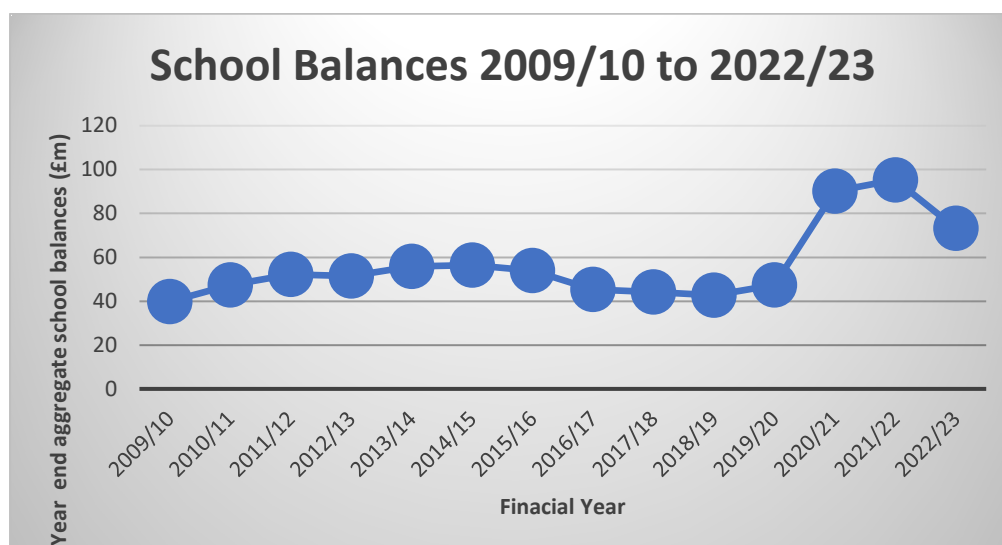
A comparison showing the total number of schools in deficit across recent years is provided below:

Year End	Number of schools in deficit
31 March 2023	42
31 March 2022	21
31 March 2021	30
31 March 2020	41
31 March 2019	39
31 March 2018	47
31 March 2017	40

As noted in the table, the number of schools in deficit is significantly higher for 2022/23 than in recent years.



Aggregate School Balances by Year



The graph demonstrates the trend in aggregate school balances over a number of years and shows that following the increase in the balances held by schools at March 2022, school balances have significantly decreased at March 2023. Analysis provided by schools about their year end position at 31 March 2023 indicates that circa £15m of total balances are classed as 'committed'.

Support for Schools in Deficit

The county council, in consultation with the Lancashire Schools Forum, has continued to provide significant targeted support and enhanced monitoring and early warning to support schools that are in, or may be heading towards, financial difficulty. This includes monitoring the financial outlook of schools on the Schools in Financial Difficulty (SIFD) category warning system for maintained schools, issuing early warning letters to offer a 'heads-up' that financial pressures may be mounting and using the agreed SIFD procedures to provide additional support to some schools.

42 schools ended the 2022/23 financial year in deficit, compared to 21 schools a year earlier.

Individual School Balances 2022/23

Attached at **Annex A** are details about the movement in balances at an individual school level in 2022/23. As previously requested by the Forum, in addition to the year-end balance by school, information is included in this annex setting out:

- Balance as a % of CFR income.
- Balance per pupil.

School Balances and Clawback Policy 2022/23

Whilst clawback had been suspended on year end balances at March 2020, 2021 and 2022. In July 2022, the Forum voted to reintroduce clawback at March 2023 and increase the minimum balance thresholds, policy is as follows:

- 12% of Consistent Financial Reporting (CFR) income for all phases of maintained school



- A £75,000 minimum balance threshold will be applied.

The Forum are now asked to consider the school balances and clawback policy to be applied at 31 March 2024.

When considering the policy to be applied at March 2023, it was agreed that the clawback of excess balances would be reintroduced due to the consistently high balances.

Although the 2022/23 outturn positions have decreased by £22m since 2022/23, balances have remained significantly high. In financial terms, school balances still contain significant funding for covid catch up grants that were allocated by the DfE on an academic year basis. As referred to above, the Analysis of Balances return from maintained schools about their year end position at 31 March 2023 indicates that circa £15m of total balances are classed as 'committed'. This was across over 300 schools.

Whilst the level of committed balances has reduced from 2022/23, when the figure was £36m, it is still well above pre-pandemic levels, with the 2019/20 figure equating to only £6.8m.

In addition, members will be aware that there are significant and increasing costs pressure facing schools, with UK inflation jumping to 9% in the 12 months to April 2022, the highest level for 40 years, and expected to rise further.

A number of schools balances and clawback options are available to the Forum for 2024/25, which include:

- a) Apply the clawback policy in 2024/25, as per previous arrangements set out below, or with amended rates:
 - A clawback rate of 50% is to be applied to any balance above guideline in the first year a school exceeds the guideline (after adjusting for exemptions)
 - A clawback rate of 100% is to be applied to any balance in excess of guideline where the guideline has been breached for two or more consecutive years (after adjusting for exemptions)

(Note: As clawback was reintroduced in 2022/23, schools would be subject to the 100% clawback rate in 2024/25).

- b) Suspend the application of clawback at March 2024 due to the continued uncertainties around school funding and inflationary pressures;
- c) Other suggestions that members may have e.g., Raising the threshold percentage from the current 12% or increasing the threshold.

*Please Note, in July 2023, the Schools Forum voted to Implement the Clawback policy at March 2024



Clawback Outturn

In July 2022, the Schools Forum voted to implement the Clawback policy to excess balances at 31st March 2023. In line with the policy, circa £739,00 is due to be clawbacked from 18 schools. The final figure does not include two late exemption requests which are currently being considered by the Schools Forum Chair. Therefore, the final clawback figure may increase if these exemptions are accepted. Clawback will be processed in the Autumn Term and schools will receive communication via the Schools Portal.

The Local Authority propose to use the clawback funds to assist schools in Financial Difficulty and seek views from the working group.

The proposal is to support schools who currently have a Budget Recovery Three Year Plan, who are showing good financial practice within the plan and working with the authority, to submit a bid to the Schools Forum for funds for approval. The county council only submits a request to the Forum for a bid for one off support when there is confidence that any agreed funding will assist the school to return to a sustainable surplus position.

In line with the current SIFD policies, the proposal is to provide one off financial support to schools who otherwise would not be able to recover from a deficit position. As a general guide, the authority proposes to follow the Schools Improvement Challenge Board guide; that whilst individual circumstances will always need to be taken carefully into account, maximum allocations from the Schools in Financial Difficulty fund in response to an application from an individual school should generally not exceed 33% of the relevant deficit, but many may be lower. Following the authorities existing processes, Recovery Plans would be monitored termly, the proposal would stipulate those schools actively working with the authority and within their recovery plan would be eligible towards the end of the financial year to submit a bid to Schools Forum for funding.

A total of 42 Lancashire schools ended the 2022/23 Financial Year in a deficit. Currently, 19 schools are forecasting a deficit at March 2024 which totals circa £2m. An additional 13 schools are forecasting a minor surplus of below £1000. In the 2023/24 Financial Year, there is currently 14 schools working towards a Budget Recovery Plan school.

Schools Budget Reserves 2022/23

		£
<u>1</u>	DSG Reserve	
	Opening Balance	-24,488,731
	22/23 underspend	-1,322,624
	Closing Balance	-25,811,355
<u>2</u>	Schools in Financial Difficulty Reserve	
	Opening Balance	-3,891,016
	Academy School Balances	509,324
	Underspend 22/23	947,392
	Balancing adj	-66,335



	Closing Balance	-5,281,397
3	<u>De-delegated Reserves</u>	
	Opening Balance	-918,327
	Year End reserves movement 22/23	-95,209
	Closing Balance	-1,013,536
4	<u>Supply Teacher Reserve</u>	
	Opening Balance	-2,259,812
	Reserves Movement 22/23	-1,221,846
	Reimbursement of funds to 21/22 members	759,812
	Closing Balance	-2,721,846
5	<u>Schools Balances</u>	
	Opening Balance	-95,313,697
	Revenue surplus in year	-6,966,705
	Forced academy closing balance	-605,419
	Revenue deficits in year	-27,626,436
	Closing Balance	-74,048,547
6	<u>Total All Reserves</u>	
	Open Balance	-126,871,582
	Net In Year Movement	-17,994,903
	Closing Balance	-108,876,680

Further information about the year end reserves are provided below:

1. DSG Reserve

The overall Schools Budget for 2022/23, excluding individual school balances, was an underspend of £1.3m. Details of this figure are provided in the Schools Budget Outturn report 2022/23. This underspend has been added to the DSG Reserve as at 31 March 2023.

The outturn position for the DSG Reserve is therefore a balance of £25.811m.

This is the highest level of DSG Reserve held since the year ending March 2015.

2. Schools in Financial Difficulty Reserve

In order to maximise the funding available in the Schools in Financial Difficulty (SIFD) Reserve, a number of adjustments have been made to the reserve in 2022/23.

This includes unallocated schools income, which has been placed in the reserve at year end. This is money received and held in the county councils schools' income account, until it is identified and transferred to the appropriate school. Ongoing work continues to trace and allocate this income correctly, so the figures will reduce as income is identified and allocated.



As members will be aware, convertor academies take a surplus or deficit balance with them to their academy trust, whereas the balance at forced academies remains with the LA. Where balances have accrued due to academy conversions, these have been transferred to the SIFD reserve.

Including the above and underspends, the reserve has increased by £1.3m in year. The level of expenditure is expected to increase in 2023/24 due to significant inflation causing increased cost pressures.

These in year movements leave the final year end position on the reserve at circa £5.2m.

3. De-Delegation Reserve

The de-delegation reserve ended the year with a surplus of circa £1.3m.

Members will recall that for the Inclusion Hubs de-delegation the LA includes adjustments relating to inclusion hub funding that has been delegated to banker schools at the start of the year. So that individual school balances at certain banker schools were not artificially high, which would impact on school year end balances reporting and national benchmarking, this funding was held by the LA for year end accounting purposes and then redistributed to the relevant banker schools in the new financial year.

4. School Teaching and Support Staff Supply Reimbursement Scheme

The staff reimbursement scheme ended the year with an underspend of circa £1.2m, leaving an outturn position of circa £2.7m.

The overall in year position includes a surplus on the teacher scheme of just under £1.3m, which was offset by a circa £0.6m deficit on the support staff scheme.

The Forum has previously agreed that any year end balance above £1.5m should be redistributed to scheme members. The working group may wish to consider if £1.5m remains an appropriate maximum level for the reserve. Whatever level is agreed, the Forum are asked to support the redistribution of the scheme reserve above that level back to scheme members.

Taking account of the deficit on the support staff element of the scheme, it is proposed that the 'excess' scheme reserve should be redistributed on the basis of the contribution levels to the teaching staff scheme only.

For 2024/25, members will need to consider a rise in the premiums charged for the support staff scheme, but it may be possible to hold the premiums on the teaching element of the scheme to 2023/24 levels. Further reports will be presented to the Forum in due course.

5. School Reserves



As set out earlier in the report, school balances decreased to just over £73m at the end of 2022/23, when school closure/academisation adjustments are taken into account. a decrease of nearly £22m.

The Working Group:

- a) **Noted the updated report.**
- b) **Expressed concerns around the number of Maintained Nursery Schools in a deficit position at March 2023 and the continued historic deficits in the sector. Members requested this issue to be raised to Directors**
- c) **Recommended that the Schools Forum approve the proposal to use the Clawback 2022/23 funds to support school in Financial Difficulty**
- d) **Recommended that the Schools Forum approve the proposed Supply scheme reimbursement based on members of the teachers scheme in 2022/23. Supported the reimbursements calculated on the basis of the NOR which was used to calculate the charges.**

This is a formal Schools Forum decision and members will be asked to formally approve at the 17 October 2023 meeting.

7. Early Years Block Funding 2023/24

On 18 July 2023, the DfE made announcements about the 2024/25 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 allocation from April 2024.

Working Group members will know that historically, following consultation with schools and academies, the Forum agreed to transfer Schools Block headroom to support pressures in the Early Years Block. This transfer equated to £2m in each year in 2020/21 and 2021/22.

In 2022/23, no transfer was possible, as there was no headroom available in the Schools Block. However, to help support the transition away from the £2m transfer, the Forum agreed that £1m of DSG reserves could be utilised to support the Early Years block budget in 2022/23. No support was available in 2023/24.

Further local modelling will be needed to assess the 2024/25 position, but at this point it is not expected that headroom will be at available due to ongoing pressures on the funding blocks. Once the final allocations have been received in December 2023, any headroom within the funding blocks will be reported to Forum.

DfE announcements included Schools Block Operational Guidance for 2023/24, and this confirmed that LAs continue to be allowed to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval. If required, an urgent consultation about any possible transfers could be held with schools and academies once the final DSG allocations from DfE and have been assessed.



The option of utilising some reserves to support the early years block may again be considered in 2024/25. Members will recall that the EYB outturn position for 2022/23 showed a circa £2m underspend.

Whilst a number of uncertainties remain before any final decisions can be taken about the early years block funding for 2024/25, the group may wish to express any initial views on the early years block budget for 2024/25.

Additional Funding for Early Years Funding

In the Government’s Spring Budget 2023, an additional £204 million of early years funding was announced for 2023-24 to uplift the rates for existing entitlements nationally, rising to £288 million in 2024-25, with further uplifts beyond this. By 2027-28 the Government expects to be spending in excess of £8bn every year on the early years.

From April 2024, working parents of 2-year-olds will be able to access 15 hours of free childcare per week for 38 weeks of the year from the term after their child’s 2nd birthday. This will be extended to working parents of 9 month to 3-year-olds from September 2024. From September 2025, all working parents of children aged 9 months up to 3 years will be able to access 30 hours of free childcare per week.

A letter outlining the rates uplift for 2023/24 was circulated to all providers in the Summer Term 2023. A summary is provided below.

	Current Base Rate Apr-Mar	Additional Uplift Sep-Mar	Combined Base Rate Sep-Mar
2YO	£5.43	£1.67	£7.10
34YO	£4.75	£0.33	£5.08
34YO MNS	£4.31	£0.24	£4.55
EYPP	£0.62	£0.04	£0.66
DAF (Lump Sum)	£828.00	£30.92	£858.92

Summer 2023 Consultation

In July 2023, the DfE launched an Early Years Funding – Extension of the Entitlements Consultation.

The consultation included several proposals for early years entitlements for 2-year-olds and under from 2024-25 and was set out in three sections.

Section 1 set out proposals in relation to the national funding formula to distribute funding to local authorities for 2-year-olds and under from April 2024 in light of the new entitlements. It also outlined proposals to extend eligibility for the disability access fund (DAF) and early years pupil premium (EYPP).



Section 2 sets out the overall illustrative impact that these proposals will have on funding rates for local authorities in 2024-25. Alongside this consultation document we have also published illustrative modelling which sets this out in more detail, accompanied by a technical note.

Published modelling by DfE, provides illustrative 2024-25 funding rates and allocations for the entitlements for 2-year-olds and under. This gives an early indication of the funding rates that local authorities can expect to receive, but it is important to note that these are illustrative only. Final 2024-25 funding rates will be confirmed in autumn 2023.

The illustrative modelling suggests a national average funding rate for 2-year-olds of £8.17 and 9-month-old up to 2-year-old entitlement of £11.06.

Section 3 then sets out proposals regarding the framework of rules for the distribution of all entitlements funding by local authorities.

The existing framework relates mainly to the current 3-and-4-year-old entitlements and is set out in secondary legislation and operational guidance. It is proposed the same framework is applied to 2 year olds. The key features of this framework are summarised below:

- Universal base rate – LAs must set a universal base rate of funding for all providers, regardless of type, to create a level playing field.
- Pass through rate – Requires LAs to pass through at least 95% of their 3-and 4- year-old entitlement funding to providers. The remaining 5% can be retained centrally to be spent on activities such as central SEND support and eligibility checking.
- Supplements – In recognition that certain providers face greater costs than others, LAs can use a restricted number of supplements to channel additional funding to providers meeting criteria set by the LA.
- SEN inclusion fund – LAs are required to establish a SEN Inclusion Fund to support children who are taking up the free entitlements, targeted at children with lower level and emerging SEN.
- Contingency funding – LAs can set aside contingency funding as part of their local budgetary process to help manage fluctuations in take-up. Any underspend from an LA's early years budget must remain within the education budget.

The deadline for submissions was 8th September 2023. Responses from Forum members were collated, and a Lancashire Schools Forum response was submitted. A DfE response and outcome of the consultation is expected later in the Autumn Term

The Working Group:

- a) Noted the report.
- b) Thanked colleagues who submitted a response.



8. Early Years SEN Inclusion Fund

There was no update provided by the Inclusion service for this item. The last SEN Inclusion Fund meeting scheduled in June 2023 was also cancelled by the service.

The Working Group:

- a) Recommended an SEN Inclusion Fund meeting to be scheduled for 3rd November 2023 and for Inclusion officer to be attendance to provide an update**
- b) Recommended the impact of meeting the needs of an increasing number of early years children with significant levels of SEND for all provider types to be raised with Directors.**

9. PVI Payment Terms

After receiving a small number of requests to change the PVI funding payment schedule, this matter was brought to the Working Group for discussion

During the Pandemic, in order to support the sustainability and cash flow of early years providers instead of 3 payments each term, the local authority made 2 payments instead.

After the pandemic, a consultation was launched which showed that most early years providers favoured the pre-covid 9 month payment model.

The Working Group:

- a) Recommended no changes to the current payment Terms**

10. Extended Entitlements Rollout and Wraparound Expansion Programme

Following a number of DfE announcements and webinar which Officers have recently attended, a report was presented to the working group to outline the main changes. The report was provided to members of the working group with caution that sections of the report should remain confidential.

To summarise the Report;

- As detailed in the Chancellor's budget announcements earlier this year the early years funded entitlements are being expanded to enable working parents of younger children to access funded childcare as follows:
 - From April 2024, eligible working parents of 2-year-olds can access 15 hours per week.
 - From Sept 2024, eligible working parents of children aged 9 months up to 3 year olds can access 15 hours per week.
 - From Sept 2025, eligible working parents of children aged 9 months up to 3 years old can access 30 hours free childcare per week.



- Eligibility – it is expected that all three entitlements will continue to work on a termly basis, so children of eligible working parents will be able to receive the entitlement from the termly date (1 September, 1 January, or 1 April) after they reach the relevant age.
 - HMRC will continue to determine eligibility via the Childcare Service for working families (i.e. the process for parents claiming the working entitlements will be the same as under the current system for 34YO extended entitlements)
 - Eligibility checks for disadvantaged 2 year olds will continue to be processed by local authorities.
- Model Agreement - The DfE will be reviewing the model agreement and will provide further information in due course.
 - This means the current local authority funding agreement will need to be updated in line with the new model agreement for April 2024.
- Statutory guidance - the DfE only plan to publish updated statutory guidance in early spring alongside the amended regulations coming into force.
- Provider charging rules – the DfE have stated there are no plans to change the rules around what additional charges providers can/cannot use but are keeping this under review through the expansion rollout.
- Delivery fund - Alongside the £204m Early Years Supplementary Grant, £12m for local authority support funding was announced to support LAs as they prepare for the expansion to the EY entitlements from April 2024.
 - The DfE are planning to share details of the LA-level allocations in October, as well as further information about the conditions on funding.
 - They have also stated they will be keeping future years funding under consideration and will update LAs, as necessary.
- Capital funding to support sufficiency – The DfE have stated they know that local authorities and providers will need support to deliver these reforms and are working with the sector to fully understand the support needed. They will keep the need for capital funding under review as part of that.



Funding Consultation

- The DfE launched a consultation on 21 July 2023, on the proposed approach to funding for 2-year-olds and under from 2024-25. The consultation proposed several key changes to the current funding model as follows:
 - EYPP will be paid against the universal hours to all eligible children (not just 3&4 YO's),
 - DAF will be paid to all eligible children (not just 3&4 YO's)
 - Deprivation will be paid to all children, based on postcode of child (not just 3&4 YO's).
 - There will be an Inclusion Fund for all children, (not just 3&4 YO's).
 - Increasing the 95% pass through rate to 97%.
- The funding consultation closed on 8 September 2023 and the DfE have not yet published the outcome/confirmed what the new funding formula will be for 2 year olds and under from April 2024.
- We will only find out our 2024-25 rates in December so it will be January 2024 before anything can be confirmed for the sector.
- Illustrative rates -The DfE have stressed that the rates published as part of the consultation are illustrative only and will change in the autumn following the consultation and once the DfE have the latest available data.
 - £7.44 for 2 year olds
 - £10.11 for under 2's.
 - The DfE have not published any illustrative rates for 3&4 year olds from April 2024 onwards as they are not proposing any changes to the 3&4 year old funding formula.

Wraparound Expansion Programme

- The government will invest £289m over two academic years, from September 2024, to enable schools and local areas to set up wraparound childcare provision from 8am – 6pm.
- This funding will be for schools and local authorities to:
 - Introduce or expand childcare provision on either side of the school day and enable them to develop flexible ways of providing childcare.
 - Increase availability of term-time wraparound childcare for children in year groups from reception to Year 6.



- While primary schools may offer some provision, other delivery models could include partnerships between schools and PVI, either on or off the school site, community-based models with no link to a specific school, and childminders.
- Most of this funding will be grant funded to LAs to deliver the programme.
 - The funding will enable LAs to support growth of demand both through creating new wraparound provision and expanding existing provision to establish additional capacity and ensure sufficiency of places.
- LAs will be able to decide how best to use the grant funding to achieve the programme outcomes in line with delivery model(s) adopted by the LA.
 - This could include allocating funding to schools and/or Private, Voluntary, and Independent (PVI) providers, including childminders, to contribute to the start-up, expansion and running costs of provision, as well as costs for staffing, training, and resources.
 - Funding can be used to contribute towards running costs while demand is growing, before provision is made self-sustainable through parental payments, taking away any short-term financial risk to providers.
- This funding is not for:
 - Childcare provision for children below reception age outside of core school hours.
 - Holiday provision, though the DfE want to explore potential linkages with other DfE programmes to understand the needs of parents.
 - Increasing availability of flexible childcare provision outside the hours of 8am-6pm.
- The DfE are working to the following timeline:
 - October 2023 - DfE publish programme handbook.
 - November 2023 - LA's receive funding allocations.
 - January 2024 – Funding released to LA's.
 - Summer 2024 - Expanded/new provision in some early adopter LAs.
 - September 2024 – National roll out of Wraparound Programme
 - March 2026 Funding for national roll out ends.



Early Years Entitlement System Changes

- Changes to eligibility criteria will be on the HMRC side. The eligibility checking for the expansion will be administered via HMRC/Childcare Choices as it is now for the 3&4 year old extended/30 hour entitlements.
- Codes will be issued in the same format (11 digits starting '50..') and carry through for the same child from 9 months to 4 years, regardless of whether they drop in and out of eligibility.
- The existing 2 year old disadvantage entitlement application process will remain as is i.e.
 - disadvantaged 2 year old parents will apply via their local authority
 - working parents of 2 year olds will apply through HMRC/Childcare choices like they do now for 3&4 year old extended entitlements.
- The '30 hour code' will be renamed to 'Eligibility code'.
- Working parents of 2 year olds will be able to apply for codes from 2 January 2023.
- DfE are working with 3rd party suppliers (e.g. The Access Group/Synergy) to ensure they can make the technical changes.
 - Feedback from some suppliers (including ours) is that timescales are very tight, and they may not meet the January timescales, and codes may have to be checked later in the term via Provider Portal systems.

Local Authority Planning/Next Steps

- We have established a core project team to start to plan key areas of work.
- A detailed project/action plan is being developed, which includes key areas of work such as:
 - Marketing and communications to parents and providers.
 - Review of existing publicity materials and resources for parents and providers (e.g. the 234YO resources toolkit, flyers, banners etc).
 - Review of the current PVI Funding Agreement and Schools Memorandum of Understanding.
 - LA systems and process changes.
 - Supply and demand mapping, to identify gaps in provision to support planning for new places where needed.
 - Rollout of the wraparound programme and associated funding to expand out of school provision where needed.
- We will be undertaking a parent survey after half term to help assess the potential increase in demand for wrap around provision in primary age children.



- Until the DfE have published the response to the funding consultation and published the individual local authority allocations it is not possible to undertake any financial modelling for the 2023-24 base rates.
- Information will be provided to the EYWB group on the options for funding rates in 2023-24 once the modelling has been undertaken, but this is not likely to be until mid January, as the DfE have stated allocations will not be published until December 2023.
- At this stage it is difficult to plan timescales and resources needed to support the implementation as there is so much that is still unknown.
- There is likely to be a significant impact on local authority capacity, even with the additional Local Authority Delivery Fund allocations and recruiting individuals that have working knowledge and experience to support the implementation programme will be a challenge.

The Working Group:

- a) Noted the Report**
- b) Raised concerns around the potential increase in staffing level that will be required with the extended entitlements.**
- c) Raised concerns around the lack of information and guidance available**

11. Early Years EHCP

Members raised concerns around the payments of early Years EHCPs as these can often be very sporadic across the authority.

In addition to this, members raised issues that payments can often be grouped together and therefore difficult to monitor when the payment has been.

The Working Group:

- a) Requested the publication of a detailed handbook around the processing of early years EHCP's and Inclusion Fund allocations**
- b) Recommended that an Inclusion should attend the early years block meetings going forward.**



Item 13

Teacher Pay Additional Grant 2023/24

Contact for further information:
Schools Forum Clerk
schoolsforum@lancashire.gov.uk

Brief Summary

Recommendation

The Working Group is asked to:

- a) Note the report.
- b) Express views on the Teacher Pay Additional Grant 2023/24 proposed allocations

Detail

Following the Teachers Pay Additional Grant (TPAG) funding announcements in the Summer Term, the Local Authority are writing to confirm the anticipated plan for Special and AP Schools, following agreement from school's forum.

Following DfE guidance and the conditions of grant, the authority are proposing the funding will be based on 2023/24 academic year commissioned places at £260 per place to cover the period September 2023 – March 2024. As the initial funding the local authority will receive will be based upon the agreed commissioned places for 2022/23, initial allocations to providers in the Autumn term 2023 will be based on 2022/23 commissioned places. This will then be adjusted in March 24, based on the 2023/24 academic year commissioned places.

For 2024/25, this will continue as a grant, and will be processed in two payments per year, pro rata to a full year rate of £445. It is anticipated that from 2025/26 onwards the funding will then be rolled into the core budget allocation as part of the high needs national funding formula.

Conditions of the grant can be found [here](#).

