

Item 6

Recommendations of the Schools Block Working Group

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

Brief Summary

On 18 September 2025, the Schools Block Working Group considered several reports, including:

1. **Dedicated Schools Grant Monitoring 2025/26 and 2026/27 Forecast**
2. **School Block Funding Arrangements 2026/27**
3. **Service De-delegations 2026/27**
4. **National Non-Domestic Rates 2026/27**
5. **Redistribution of the 2026/27 Welfare Officer Service Secondary Funding**
6. **Strategic Support Partnership Handbook - SRAS De-delegation Criteria 2026/27**

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 18 September 2025,
- b) Ratify the Working Group's recommendations.

Detail

On 18 September 2025, the Schools Block Working Group considered several reports. A summary of the information presented, and the Working Group's recommendations are provided below:

1. Dedicated Schools Grant Monitoring 2025/26 and 2026/27 Forecast

Detail

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.



Following the reporting of the council's DSG deficit of £22m at March 2025, monitoring has been provided showing the period 1-5 budget monitoring position of the full DSG and longer-term financial forecast.

The DSG is currently forecasting a **£54.036m** overspend at 31 March 2026, with a forecast cumulative DSG deficit total of **£76.453m**. **There are however additional forecast financial implications on DSG due to the SEND recovery plan, which are included in this report.**

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

The remaining DSG funding blocks are forecast to remain near to the agreed budget line.

A full monitoring breakdown of the HNB has been provided at **Appendix A**.

DSG Period 1-5 Budget Monitoring 2025/26

DSG Monitoring 2025/26 - High Level Summary			
	Budget (£)	Forecast (£)	Variance (£)
High Needs Block	£208,328,762	£261,936,945	-£53,608,183
Early Years Block	£202,149,983	£202,060,288	£89,695
Schools Block	£1,051,778,166	£1,052,188,174	-£410,008
Central School Services Block (CSSB)	£8,633,102	£8,491,697	£141,405
Early Years Block DSG Adj 2024/25	£0	£248,456	-£248,456
Total	£1,470,890,013	£1,524,925,560	-£54,035,547



High Needs Block 2025/26			
	Budget (£)	Forecast (£)	Variance (£)
Mainstream Schools	40,534,901	59,146,448	18,611,547
Special Schools	94,617,441	96,114,727	1,497,286
Alternative Provision	14,432,767	17,056,312	2,623,545
Further Education - Post 16	5,801,448	7,534,260	1,732,812
Early Years	500,000	3,526,446	3,026,446
Exclusions	- 1,500,000	- 1,777,335	- 277,335
Commissioned Services	54,464,373	80,336,086	25,871,713
Total Expenditure	208,850,930	261,936,945	53,086,015
Total Grant	- 208,850,930	- 208,328,762	522,168
Total Variance	- 0	53,608,183	53,608,183

Early Years Block 2025/26			
	Budget (£)	Forecast (£)	Variance (£)
Under 2YO	57,342,256	57,342,256	-
2YO	51,328,199	51,328,199	-
3_4 YO	87,101,163	87,709,062	607,898
Early Years DAF	970,830	970,830	-
Early Years PPG	3,161,301	3,161,301	-
SEN Inclusion Fund	1,650,000	1,548,640	- 101,360
Total Expenditure	201,553,750	202,060,288	- 506,538
Total Grant	- 201,553,749	- 202,149,983	596,234
Total Variance	- 0	- 89,696	89,695

Schools Block 2025/26			
	Budget (£)	Forecast (£)	Variance (£)
Maintained Schools	703,875,895	688,302,665	15,573,230
Growth	1,501,534	2,150,812	-649,278
Academy Recoupment	342,576,091	357,273,718	-14,697,627
Academy Recoupment NNDR	1,552,481	2,067,843	-515,362
De-Delegations	2,272,165	2,393,136	-120,971
Total Expenditure	1,051,778,166	1,052,188,174	-410,008
Total Grant	-1,051,778,166	-1,051,778,166	0
Total Variance	0	410,008	-410,008



CSSB 2025/26			
	Budget (£)	Forecast (£)	Variance (£)
ESG Retained Duties (transferred to DSG)	2,591,000	2,591,000	0
Overheads	875,160	875,160	0
Copyright Licence	1,209,749	1,311,844	-102,095
School Forum	188,000	188,000	0
Pupil Access (Admissions)	867,500	867,500	0
Rates appeals	-111,441	-111,441	0
PFI - Sixth Form	3,013,134	2,769,634	243,500
Total Expenditure	8,633,102	8,491,697	141,405
Total Grant	-8,633,102	-8,633,102	0
Total Variance	0	-141,405	141,405



SEND Priority Action Plan – DSG Impact

Whilst the monitoring position shows current DSG spend to date, the implementation of the SEND Priority Action Plan (PAP) is forecast to further increase the financial pressure on the HNB DSG.

With an additional 3,818 EHCPs forecast to be completed by December 2025, the Lancashire rate of children with EHCP in special schools is currently 48.4%, which is almost 10% higher than the national figure of 38.6%. Assuming the same rate of pupils that are assessed in this calendar year will require a special school placement, there will be a requirement for 1,848 additional places across our estate to secure appropriate provision and name it in the final EHCP. For context, there are currently 3,918 pupils occupying a place at Lancashire special schools.



Due to Lancashire special schools being at full capacity, there will be a further need to utilise the independent sector at an average placement cost of £57,000. This will also increase our current reliance on independent schools from 5.1%, which is already over the national level of 4.8%. The remaining 51.6% (1,970) are assumed to be placed within mainstream schools at an average placement cost of £9,100, however **the financial implications will only be known once all EHCPs are finalised.**

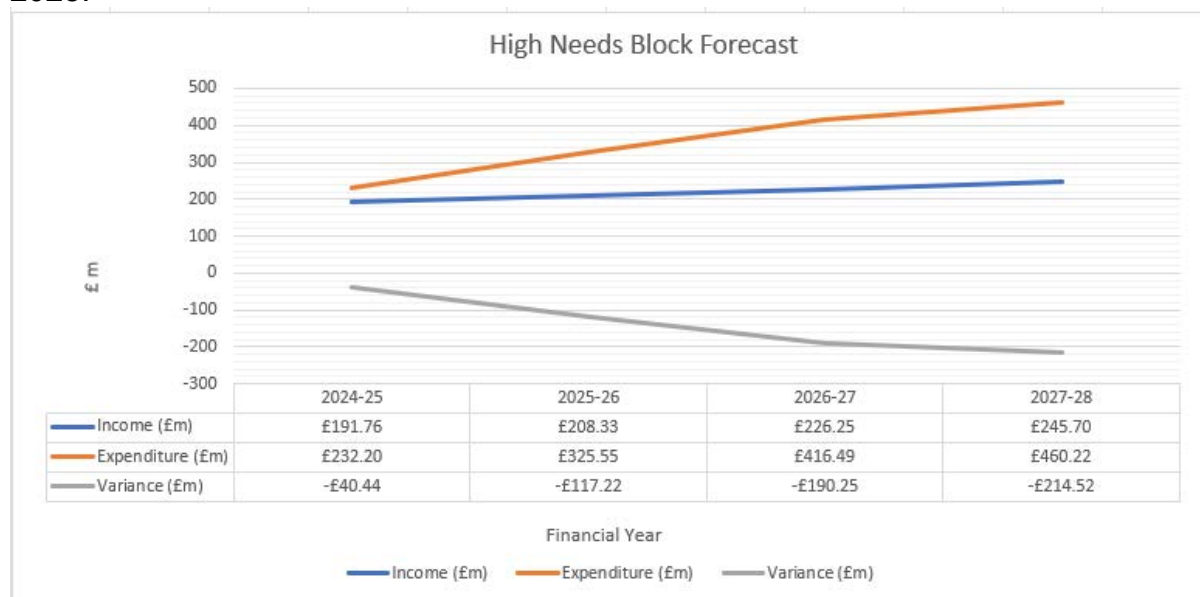
With our current total EHCP level 13,402 as of the end of June 2025, the additional 3,818 will take our total number of EHCPs to 17,220 by the end of December 2025. It is assumed that these additional plans will remain in the system and not be ceased, as such significantly increasing our HNB expenditure annually. In addition, a growth factor of 10.50% has been forecasted from January 2026, which is forecast to take the total EHCPs to 17,673 by March 2026.

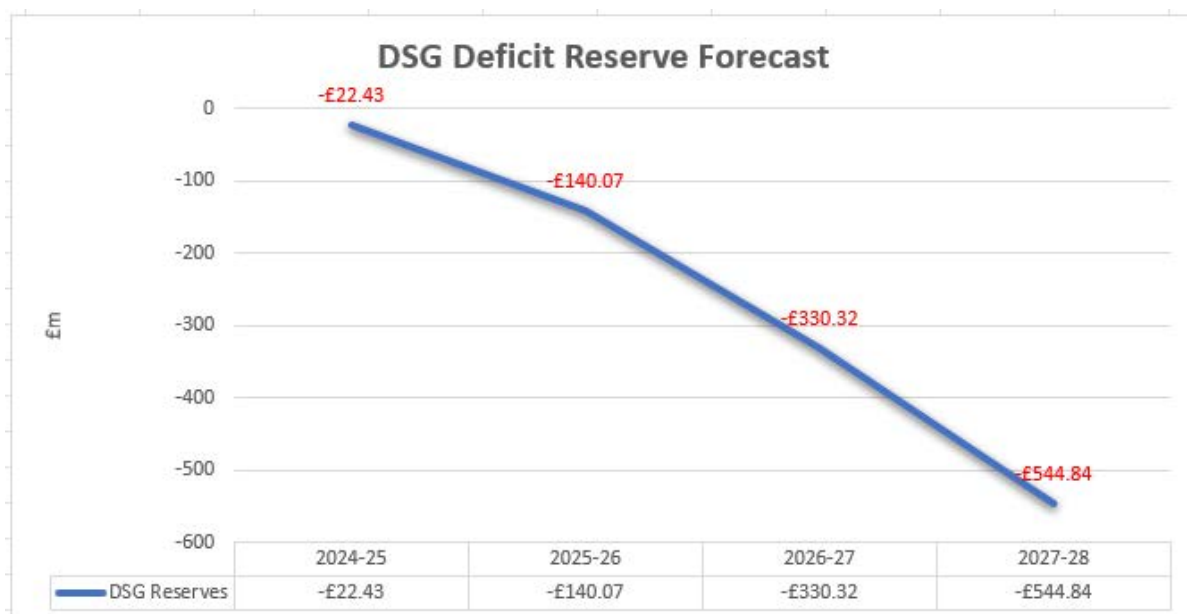
£57,000 x 1,848 (rounded) = **£105,330,984 (Annual)**
 £9,100 x 1,970 (rounded) = **£17,927,801 (Annual)**
Total - £123,258,785

The modelling assumes that all 3,818 EHCPs remaining at mainstream provision until the end of October 2025, with 48.40% then placed at independent provision from November 2025.

The impact of this is a forecasted overspend of **£117m within the HNB in 2025/26, and a total DSG deficit of £140m by March 2026.**

Based on average annual growth in EHCPs at 10.50%, and forecasted HNB income received from DfE, the DSG deficit would continue to rise to £328 by March 2027, and **£545m by March 2028.** This would have significant and wider impacts for the council due to the statutory override, which is due to end by March 2028.





The impact of the SEND PAP is being regularly monitored, and an updated forecast position will be presented at the next working groups

Statutory Override

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

Whilst the impact of a DSG deficit on the council's revenue budget is mitigated by the statutory override, the council is still required to finance the deficit as expenditure is being incurred without the cash being received to fund it. Ordinarily councils are not allowed to borrow for revenue expenditure. Under the Local Government Act 2003 local authorities are however able to borrow for the purpose of prudent management of their financial affairs.

According to the County Councils Network, local authorities are collectively carrying over £6 billion in DSG deficits, which is forecasted to rise to £10 billion by March 2028.

The statutory override has been a necessary stopgap, but it is not a solution. The conclusion of the sector is that without decisive reform and sustainable funding, local authorities will face escalating financial pressures that threaten both SEND provision and wider council services.

The working group:
Noted the Report
Discussed:



- **Monitoring now includes all four DSG blocks, not just High Needs.**
- **Many EHCPs will require costly independent placements, increasing the deficit.**
- **A statutory override is in place until March 2028, shielding the council’s revenue budget from the DSG deficit—but concerns remain if it’s not extended.**
- **Paul Turner updated on mitigation efforts: new SEND units, capital funding for mainstream schools, a new banding document, and 3,600 EHCP assessments commissioned to reduce backlog.**

Further updates expected before January 2026.

2. School Block Funding Arrangements 2026/27

Detail

In recent announcements, the Department for Education (DfE) confirmed the school funding arrangements for 2026/27 will be published in the autumn term and issued an initial [summary policy document for 2026 to 2027](#).

Therefore, the DfE has not been able to publish the schools and high needs operational guides in July as per normal practice.

2026/27 National Funding Formula (NFF) Summary

The DfE have however confirmed that starting from September 2026, free school meals (FSM) will be extended to all children in households receiving Universal Credit. For 2026 to 2027, the DfE confirmed that there are no changes to the schools NFF to allocate funding for the expansion of FSM. Instead, the funding needed for the FSM expansion will be provided through a separate grant. Further details on how this grant will be calculated will be published separately in due course

The structure of the NFF for 2026/27 has been confirmed, with provisional values provided below, and will operate in the same way as in 2025/26.

A	Basic per pupil funding	Basic entitlement						
B	Additional needs funding	Deprivation		Low prior attainment		English as an additional language		Mobility
C	School-led funding	Lump sum	Sparsity	Premises				Growth
				Rates	PFI	Split sites	Exceptional premises	
D	Geographic funding	Area cost adjustment						
E	Protection funding	Minimum per pupil level				Funding floor		



The DfE have also confirmed that the schools budget support grant (SBSG) and the National Insurance contributions (NICs) grant will also be rolled into the NFF for 2026 to 2027.

For these two grants, the funding will be rolled in following a very similar approach to previous grants. That is:

- adding cash amounts to the primary, key stage 3 and key stage 4 per pupil funding factors in the schools NFF, to represent the equivalent amounts in the grants
- adding cash amounts to the primary and secondary FSM6 factors, and the lump sum, in the schools NFF, to represent the equivalent amounts in the grants
- adding cash amounts to the MPPLs for primary, key stage 3 and key stage 4 respectively, to reflect the average per pupil amount of funding that schools attracted through the preceding grants
- adding an amount representing the total funding each school received through the preceding grants on to its baseline, which is used to calculate funding protection for the schools through the funding floor

For the NICs grant, the funding rolled in to the NFF will use the published funding rates directly.

For SBSG, however, the DfE will take a slightly different approach to rolling in this funding to the NFF. This is because the total funding in the SBSG in 2025 to 2026 is calculated regarding the full-year cost of the support staff pay award, as well as the part-year cost of the 2024 teachers' pay award (from September 2025). Therefore, to roll in this funding, we will calculate the full year equivalent of the whole of the SBSG and then calculate new (higher) full-year equivalent funding rates from this new total. The cash values rolled into the NFF in 2026 to 2027 will then reflect these full-year equivalent funding rates. This is the same approach taken when rolling the previous core schools budget grant (CSBG) into the 2025 to 2026 NFF.

Please see table below showing the factor uplifts from the rolling in of the grants.

Factor	NICs	SBSG	Total
Primary basic per-pupil	£78	£55	£133
Key stage 3 basic per-pupil	£68	£78	£146
Key stage 4 basic per-pupil	£77	£88	£165
Primary FSM6 per-pupil	£75	£49	£124
Secondary FSM6 per-pupil	£60	£72	£132
Lump sum	£2,400	£2,086	£4,486



MPPL	NICs uplifts	SBSG uplifts	Total
Primary MPPL	£93	£66	£159
Secondary MPPL	£83	£91	£174

The DfE plan to publish the NFF allocations and supporting documentation (including operational guidance) in autumn 2025 due to the multi-year spending review concluding in June 2025. We expect that the DSG allocations using the NFF will be published in December 2025 as in previous years.

The authority proforma tool (APT) will be released for local authority submissions in mid-December 2025 with a deadline return date towards the end of January 2026. This is like previous years. The APT will again be populated from schools block data, primarily drawn from the autumn 2025 schools census

2026/27 Exceptional Circumstances Factor

The exceptional circumstances factor must relate to premises costs and is only applicable where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the local authority's area.

This factor has been utilised by Lancashire for several years and in 2025/26 supported 4 schools for a 'rents' payment where the schools needed to rent premises to deliver the curriculum. Guidance states that where agreement was received from the DfE in 2025/26 a further disapplication request would be needed to be submitted in future years. The 4 schools involved will continue to rent premises in 2026/27 and initial modelling indicates that the criteria for the value of the factor to be more than 1% of a school's budget and applicable to fewer than 5% of the schools in the area are still met.

The disapplication deadline has been confirmed by the DfE as **17 November 2025**.

The Working Group is asked to support the disapplication to the DfE to request the continued use of an Exceptional Factor in the Lancashire formula, to provide allocations to 4 schools to cover the costs of renting premises for the schools.

At the Schools Forum on **14 October 2025** members will be asked to formally vote on supporting the submission of disapplication request to the DfE, as this will form part of the disapplication request.

Minimum Funding Guarantee 2026/27

Even though Lancashire has adopted the national funding formula methodology as the local funding formula, a degree of local discretion remains about the Schools Block arrangements in 2026/27. Further information is provided below.

For 2026/27, during the transition to the direct NFF, there remains local discretion around the level of Minimum Funding Guarantee (MFG). LAs have the freedom to set the MFG in local formulae, which in 2025/26 was between -0.50% to 0.00%



per pupil, with schools forum voting to apply the maximum 0.00% MFG and mirroring the NFF funding floor.

Views will be sought from Lancashire primary and secondary schools and academies in the upcoming 2026/27 school funding consultation. The LA proposal included in the consultation will be for the MFG to mirror the NFF funding floor, as this provides the maximum allowable protection for Lancashire schools, and academies and matches the funding floor protection included in the NFF.

2026/27 Schools Block 0.5% Transfer to High Needs Block

At the 11 March 2025 schools block working group meeting, initial proposals and modelling for a proposed 2026/27 block transfer of 0.5% from the schools block to the high needs block was presented for consideration and discussion.

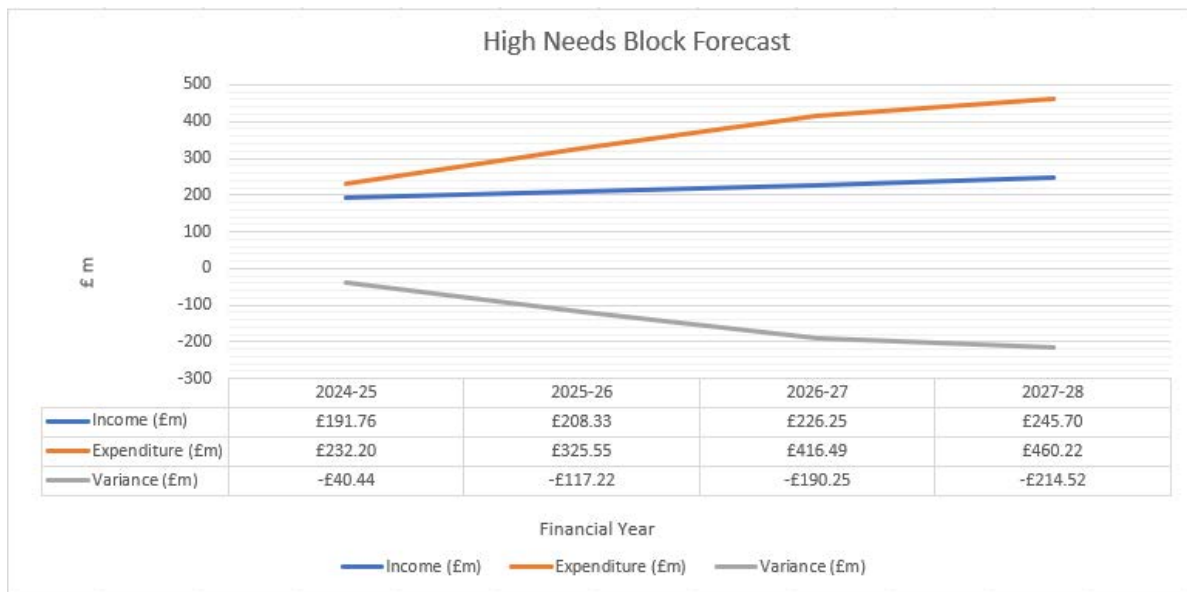
The DfE have since confirmed that as in previous years, local authorities will be allowed to transfer up to and including 0.5% of the schools block into another block, with schools forum approval, without submitting a disapplication request. For a transfer exceeding 0.5%, or without schools forum approval, a disapplication request must be submitted to the Secretary of State as is allowable within the regulations with schools forum approval.

Due to the continuing pressures on the high needs block, which are both of local and national concern, the local authority will be consulting with schools and academies and will be asking schools forum to support a 0.5% transfer to the HNB. As a reminder, the current HNB position and reason for proposed transfer is detailed below.

As recently reported to cabinet and to schools forum, for the first time the DSG reserve has become a negative balance (termed a deficit) of **£22m** due to pressures on the High Needs Block, reflecting pressures in Special Educational Needs, which reflects the national picture amongst local authorities of insufficient grant resources to meet increasing need. Whilst the Council has plans to improve SEND services in 2026/27, these will not reverse the pressure on the High Needs Block. Projections based on current growth and the implementation of the SEND recovery plan show that the HNB is forecasted to further overspend by **£117m** in 2025/26, with a forecast negative/deficit cumulative DSG balance of **£140m** by March 2026.

A transfer of 0.5% (circa £5.1m) from the schools block to the high needs block would help to mitigate some of the pressure within the high needs block in 2026/27 (below shows current position without transfer)





To achieve this and remain with the NFF regulations, the schools block operational guidance states local factor values within 2.5% of the respective NFF values are deemed to be mirroring the NFF and within the NFF regulations. Modelling has been undertaken meaning that the LA would be unable to fully pass through the factor values in 2026/27 and would be reduced as necessary to achieve the 0.5% block transfer.

To apply this consistently the LA are proposing to reduce the basic entitlement and lump sum factors by the full 2.5% as is allowable within the NFF regulations. If the 0.5% block transfer is not achieved by using the basic entitlement and lump sum factors, the remaining factors within the NFF will be reduced accordingly. The LA do however need to emphasise that modelling can only currently be undertaken using 2025/26 data, and 2026/27 data will only be available in late December. If there is any natural headroom with the schools block following the 2026/27 DSG allocation this will be used in the first instance to support the block transfer. Unfortunately, however, in recent years no headroom has been



available, and it is assumed at this time that to achieve the 0.5% transfer, the LA will need to utilise the 2.5% reduction in NFF formula factors.

2.5% Schools Block to High Needs Block Transfer			
School/Academy Type	No of Schools/Academies	Difference in Funding	Average Impact
Primary	481	£2,929,262	£6,090
Secondary	80	£2,172,677	£27,158
All-Through	2	£17,978	£8,989
Average Impact	563	£5,119,917	£9,094

A copy of the 2026/27 schools funding arrangements consultation is to be issued to schools shortly and copies of the full consultation document and the summary document are attached as **Appendix B** and **Appendix C** to this report. Copies will be forwarded to members under separate cover.

It is extremely important to note that block transfers impact on both local authority schools and academies, with both schools and academies on the same local funding formula.

The working group:

Noted the Report

Discussed:

- **Pay Award Grants: Will be rolled into the funding formula for 2026/27, including SBSG and NICs grants.**
- **0.5% Block Transfer Proposal:**
 - **A transfer from Schools Block to High Needs Block is proposed to help address HNB pressures.**
 - **Some schools may lose funding, but MFG protection will limit impact for many.**
 - **Modelling uses reductions in basic entitlement and lump sum factors, within NFF regulations.**
 - **Final modelling depends on 2026/27 data, expected in December.**
- **Consultation: Opens on 19 September 2025 via the schools portal. Forum members are encouraged to participate and share widely.**
- **Forum Chair Query: Asked about effectiveness of transfers in other LAs. Response noted that while direct comparisons are difficult, transfers do help ease HNB pressures.**

3. Service De-delegations 2026/27

Detail

At the July 2025 working group meeting, initial proposals for 2026/27 de-delegations were presented for consideration. The following proposals have been received from the relevant services, with a change to the Schools Requiring Additional Support de-delegation, however there is no proposal from the service in relation to the inclusion hubs and as such this will cease to be a de-delegation in 2026/27:

- Staff costs – Public Duties/Suspensions
- Heritage Learning Service (Museum Service) - Primary Schools Only



- Schools Requiring additional Support
- Children's Champions

The working group supported the four services being included in annual de-delegation consultation with schools. The consultation document also provides information on all the proposed de-delegation service offers and charging structures from April 2026, and possible service options where these are available. Supplementary information providing additional details around the proposals are included in various appendices. A copy of the 2026/27 service de-delegations consultation is to be issued to schools shortly and copies of the full consultation document and the summary document are attached as **Appendix B** and **Appendix C** within the papers. Copies will be forwarded to members under separate cover.

The closing date for responses is **3 October 2025** and a final analysis and comments will be provided to the Schools Forum meeting on **14 October 2025** when maintained primary and secondary schools members will be asked to formally vote on the 2026/27 de-delegation proposals.

Decisions 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.

The working group:

Noted the Report

Discussed:

- **All service de-delegations were previously presented to Schools Forum in the summer term.**
- **These proposals will be included in the consultation for maintained schools only, launching on the school's portal on 19 September 2025, with letters sent on 18 September.**

Children's Champion de-delegation will now be referred to as AP Officers, focusing on support for children who have been permanently excluded from school.

4. National Non-Domestic Rates 2026/27

Detail

In 2022/23 the Department for Education (DfE) introduced a streamlined payment process for NNDR to reduce burdens on local authority maintained schools and academies. This centralised payment process remains optional and requires all LA's in a county to agree to move to their process.

Each year the DfE allocate funding to LA's for NNDR which is funded on a lagged basis using the previous year's NNDR estimates. As NNDR costs increase on an annual basis then each year there is a resulting gap in the funding that must be found from the schools block DSG. By moving to the central process, the DfE resolve the lag centrally.

In 2 tier local authority areas (like Lancashire), all billing authorities need to agree to implement the NNDR changes before they are introduced and if mutual consent is



not reached it will not be possible for any billing authority to adopt the revised payment process.

Following the report taken to schools block working group last October, the LA can now confirm that all billing authorities are now in agreement and Lancashire will look to move towards and implement the central NNDR process for schools ahead of the 2026/27 financial year. This change will reduce administrative burdens for schools and simplify the existing process. In addition, it will mean that the schools block DSG is funded appropriately.

Once the formal agreement has been finalised later in the autumn term, the LA will write to schools.

The working group:

Noted the Report

Discussed:

- **Lancashire County Council (LCC) plans to move from a lagged NNDR system to a centralised system, following verbal agreement from all 12 district councils.**
- **This change is expected to save £500,000 within the Schools Block, as funding will align with actual-year costs rather than prior-year estimates.**
- **Under the new system, rates funding for maintained schools will be handled centrally by the DfE, rather than through local allocations.**
- **A formal update on the NNDR process will be shared with the Forum once available.**
- **Matt and the Chair thanked members for their support in progressing this change.**

5. Redistribution of the 2026/27 Welfare Officer Service Secondary Funding

Detail

There has been an historic agreement for at least eight years to fund attendance support through the central schools block. Primary schools chose to use this funding to fund the team of attendance support workers. Up until 2023 this team provided case work for primary schools. Secondary schools decided that the funding should be allocated directly to the schools via a formula linked to deprivation and pupil numbers. As more schools have become academies, the allocated funding has become larger for each secondary school as the amount of funding has remained the same but the schools accessing it have become fewer.

In September 2023 Working Together to Improve Attendance guidance was published [Working together to improve school attendance \(applies from 19 August 2024\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/118422/Working_together_to_improve_school_attendance_(applies_from_19_August_2024).pdf) (publishing.service.gov.uk). This insists that local authorities must provide advice and support through an attendance team to all schools. This means that the funding originally assigned for primary schools for case work is funding attendance support for all schools.

Therefore, due to the changes in statutory guidance, this historic agreement is no longer fair to all schools. Secondary schools receive between £8K - £30K a year to support their attendance.



Year	No of Schools	Budget	No of Pupils	No of FSM	Lump sum	Per Pupil	Per FSM Eligibility	Per IMD Eligibility
2016	60	529,375	47,163	6,447	838.00	1.57	29.97	17.62
2017	59	535,675	47,153	6,538	863.00	1.59	29.91	17.75
2018	57	540,655	45,685	6,349	901.00	1.66	31.08	18.49
2019	53	546,675	41,792	6,582	980.00	1.83	30.32	20.38
2020	47	552,675	40,171	7,043	1,117.00	1.93	28.64	21.57
2021	46	558,675	39,741	8,143	1,154.00	1.97	25.04	22.36
2022	43	564,675	37,431	8,312	1,248.00	2.11	24.80	23.91
2023	41	570,675	36,043	8,585	1,322.00	2.22	24.26	24.76
2024	37	576,675	33,702	8,189	1,481.00	2.40	25.70	26.90

Steps taken so far

All secondary schools who access the funding have been notified that we are considering a proposal to remove this funding. We asked for their feedback on this change and how it would impact their school.

A summary of these are below:

Feedback from secondary schools

School A: I would like an extension please, we employ our own attendance function, and this would allow us to restructure our team for the 25/26 academic year.

School B: I do understand the need for the LA to expand its capacity to deliver its functions under 'working together to improve school attendance.' For us it would be a reduction of funding of approximately £26 000, essentially the salary of our new Attendance Officer. We already have an in year deficit of £66 000 and so this post would have to go. The benefit we get from the new team of 10 may or may not have a bigger impact, that is impossible to predict at this point. Our Attendance Officer does a significant proportion of our daily phone calls and home visits.

School C: My concern is that this year we received just shy of £13k - all of which goes towards the costs of our attendance support team. We have, in the last year, appointed an additional full-time Attendance Improvement Officer and so that is supporting improvements in our attendance - the £13k covers half her salary. As a result of improvements that we have made, we are now at risk of losing the funding



for the equivalent of half a member of staff and then receiving very little, if any support. At a time when improving attendance is a top priority for all schools, this would appear to be a retrograde step and one to which my Governors are vehemently opposed.

School D: my overriding concern is that attendance is arguably the most pressing obstacle for the sector currently. It impacts directly on safeguarding, the right to and quality of education and we know it is linked directly to outcomes and ultimately, a child's future prospects. We are all working desperately hard (including the authority) to overcome this post covid issue and there is a long way to go. In your email you mention that the £500k+ figure is now shared across fewer schools given the number of schools who have converted to academies, however, given that the scale of the problem is much greater than it ever was, we could collectively make an argument that it should be even more money but certainly not less. I appreciate being given the opportunity to share our views and hope that the strength of feeling offered is worthy of further consideration and that alternative strategies can be explored before a final decision is made.

School E: I would like to record my opposition to this change on the basis that it essentially amounts to a budget cut for our school, which is already poorly funded (our spend per pupil is very close to the bottom of the DfE dashboard). Just a further point to add to my feedback, which I am happy for you to share. On a couple of occasions in recent years the question has been raised at our District Headteacher's meeting as to whether the local authority could provide more direct 'caseworker' type support for pupils/families where attendance is a significant issue, as had been the case historically. On these occasions it has (quite reasonably) been pointed out by the EPO that the funding for this was passed back to schools to use as they saw fit (as you describe below). It appears that what is being proposed here is that our school would lose the funding but would not be prioritised for the intervention/support that the money is going to be used to provide. This does not seem fair.

School F: To lose a further £10,000 would be damaging. Our attendance team are both full time, permanent members of staff. They are a brilliant team, as shown by the fact that our attendance figures are so strong. As you have intimated in your email, the removal of such a significant amount of money would mean that we would have to restructure our attendance team leading to a potential redundancy. It sounds as though this is more of a problem for primary schools, many of whom are not large enough to employ their own attendance teams. Therefore, my concern is that your proposal would potentially help primary schools but this would be at a great cost to high schools. In summary, my view is that your proposal could significantly impact attendance at my school. It would also reduce the number of staff in my team, which would also have a knock-on impact on the safeguarding visits that our attendance team carry out in the community.

School G: I am concerned about the potential negative impact these changes may have on our school, as we currently rely on this funding to employ an Attendance Improvement Worker (AIW). When the funding was devolved, we established the position of Attendance Improvement Worker for 8 hours per week, with the funding covering the costs. This year, we received £10,988, with the AIW's grade 6 x 8 hours



costing £6,872 and her additional grade 4 x 6 hours costing £4,135. Therefore, the funding fully supports this position. Attendance is a top priority for our school, and we have seen the detrimental effects of severe absence on our progress figures, particularly among PP/SEND and CLA students. I suspect our attendance rates are slightly higher than those of other schools which would limit our access to attendance case workers. I am concerned that without access to case workers, we may struggle to support students and families address barriers to attending school. We have worked diligently to foster a strong sense of school community to ensure all students feel welcome. However, losing the support of the AIW to engage with families due to the lack of funding would be a significant setback.

School H: To remove a significant portion of our budget - which we use to fund staffing to support attendance, at a time when attendance is such a high priority is shocking and concerning us all.

We have pastoral staffing which supports attendance in a really clear and focussed way, we have made positive improvements since these roles were created, and a new strategy employed. For the first time we are now above national data as a result.

I fail to see how 10 attendance workers covering all of Lancashire will provide the same level of service we are able to achieve in school. I am presuming they will only cover the most extreme cases and will involve us having to provide significant information and complete referrals to acquire. My staff form good working relationships with families, know the children well and are able to work with all those who have lower than desired attendance, rather than wait for the cases to become extreme.

We are facing a deficit budget without this loss of £12700 and also do not want to have to make redundancies. We know OFSTED will continue to prioritise attendance and feel strongly that LCC should be supporting us, not removing support at such a crucial time. The current system with our attendance support worker supporting us is working well, and is still relatively new - it seems counterintuitive to unpick this so soon after it has been put in place. (NB : This will not be removed)

Proposal 25/26

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

Proposal 26/27

As discussed in previous years, the EWO funding for secondary schools is ineligible fund and cannot continue to be funded from the DSG. There is no council core budget or department for education funding external to this that could be given to schools instead of this funding.

Therefore, we will cease the EWO funding to secondary schools in April 26.



It is acceptable to use DSG funding for attendance and admission core functions and therefore we propose to spend the funding to create:

- Fair Access Protocol officers to assist in placing children more quickly and the primary pop up FAPs that are becoming more regularly used
- In year admissions officer to support with the increase in school admissions
- Technical support staff to assist with the processing, recording and data of admissions processing
- CME officers to manage children back into school more quickly
- Attendance officers to support schools who require enhanced support, managing and supporting part time timetable submissions, sickness returns, etc

The working group:

Aby Hardy presented the Redistribution of Welfare Officer Service Funding and what the funding will be utilised on.

The working group supported the proposal.

6. Strategic Support Partnership Handbook - SRAS De-delegation Criteria 2026/27

Detail

The Schools Requiring Additional Support (SRAS) criteria are kept under regular review. To be eligible for some elements of the support, the policy requires that schools in deficit have a Recovery Plan agreed with the authority. Any support from SRAS must be in line with the Schools Requiring Improvement handbook (to be renamed *Strategic Support Partnership SSP Handbook*), with the policy agreed by schools forum where any changes in support criteria are proposed. The statutory framework however for all schools to adhere to, is set out in the Scheme for Financing Schools.

Officers have been reviewing the current handbook, and the proposed changes are to reflect the proposed changes to the SRAS de-delegation proposal to schools which includes the advisers/consultants that undertake the SSP being funded from the Schools Requiring Additional Support fund for 2026/27. The summary is included in this report as **Appendix A**.

The Lancashire SRAS process also includes an action chart, which sets out some key dates and actions that take place through the year for schools and the LA. A copy is provided at **Appendix B**. The action chart includes reference to an ongoing policy where a Notice of Concern (NOC) in Respect of Financial Delegation will be issued to any school due to convert under a forced academy notice, or any school that is not complying with the scheme.

If the Forum approves these amendments to the SRAS arrangements this will be implemented from April 2026. It should also be noted that the policy change is subject to de-delegation approval from forum, and also requires approval from the school improvement group (SIG). The revised SSP handbook is included as **Appendix D**



Schools Requiring Additional Support Criteria

The SRAS support criteria is administered through the School Improvement Group Board (SIG).

The current support arrangements have been developed by the Authority for schools that may be experiencing exceptional financial difficulty. Financial difficulty can arise from a number of causes which lead either to budget reductions for example due to falling rolls, or from the need for short term increases in expenditure. Examples include:

- Being placed in special measures or requiring significant improvement as identified by Ofsted;
- Identified by the School Advisor/Area Team Leader as requiring additional support for serious educational difficulties or failure to meet attainment targets;
- Subject to intervention by the Authority;
- Faced with serious personnel difficulties.
- Falling roll situations because of demographic changes.

The consequences of these are that the school can experience serious financial difficulty. The Schools Forum has agreed that the SRAS can provide support to schools requiring additional support that has resulted from the above.

In addition, the SRAS 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 Financial Services 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 not exceed 33% of the relevant deficit, but many may be lower.
- The delegation will also fund the salaries of the SSP team who provide the professional advice and guidance to the schools that require support, and the advisors who provide financial and governance support outside of the SLA arrangements that schools sign-up for individually

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



FINANCIAL SUPPORT FOR SCHOOLS REQUIRING ATTENTION

The funding for the SSP team work and salaries for their work come from the delegated Schools Requiring Additional Support funding which is agreed by forum each year.

The salary costs for the advisers/consultants that undertake the SSP work will be funded from the Schools Requiring Additional Support fund for 2026/27, and this arrangement will be reviewed annually in consultation with Schools Forum. The costs for April 26/27 financial year will be:

SSP adviser staff	£481,953
Part salaries of Adviser staff for statutory visits	£195,395
Part salaries of LPDS staff who support SSP work	£243,399

The Lancashire Schools Forum has agreed the criteria whereby financial support will be provided to schools from the Schools Requiring Additional support budget. The formula and assumptions used in this assessment will be reviewed annually by the Forum.

This applies to all funding decisions agreed by the School Improvement Group e.g. contracts, additional funding bids, associate and acting arrangements. Separate arrangements apply to Voluntary Redundancy, Compulsory Redundancy and Severance payments (see below).

It should be noted that the Schools Requiring Additional Support fund will not be used to pay off a school's deficit budget.

The formula

Financial support will be provided to schools where their reserves are not sufficient for the school to meet the full cost of the intervention or restructuring costs themselves. To ensure fairness and equity across all phases and size of schools, the following formula will be used to determine the contribution the school will be required to make. Where:

Schools are in deficit or have a surplus balance below their floor balance:

- The full cost of the support will be met from the Schools Requiring Additional Support fund.

Schools have balances above their floor balance but below their ceiling balance:

- Schools will pay the lower of:
 - The full cost of the support, or



- 50% of their balance above their floor balance
- Any difference between the school contribution and the cost of the support will be met by the Schools Requiring Additional Support fund.

Schools have balances above their ceiling balance:

- Schools will pay the lower of:
 - The full cost of the support, or
 - The balance above their ceiling balance, plus 50% of their balance above their floor balance and ceiling balance
- Any difference between the school contribution and the cost of the support will be met by the Schools Requiring Additional Support fund.

For the purpose of this formula:

- A school's floor balance is set at the greater of £20,000 or 1% of CFR income.
- A school's ceiling balance is set at the greater of £60,000 or 4% of CFR income.
- The level of support from the Schools Requiring Additional Support fund will be calculated based on the year end position in the preceding financial year.
- Any allocation made to Schools in Deficit or Schools in Surplus that qualify for support under the agreed formula will not be reduced. All bids will be re-calculated once the final outturn for the current financial year is known. Any additional support required, after applying the agreed formula to the final outturn will be funded to the school before financial close.

Schools in deficit or forecasting to move into deficit by 31 March are required to:

- Agree a Recovery Plan with the Local Authority.
- Provide termly I&E submission with a revised forecast closing balance, and
- Provide a copy of the termly management accounts that are submitted to the governing body.

Procedures are in place to challenge schools where the approved recovery plan is not on target.

Financial Support for Voluntary Redundancy, Compulsory Redundancy and Severance payments

Financial support for VR, CR and severances is treated separately to other **Schools Requiring Additional Support** (SRAS) decisions. Financial support is not based on cumulative figures throughout the year, nor is it re-calculated* once the final outturn for the current financial year is known.



Financial support for VR, CR must have prior approval from the School Improvement Group (SIG). Any VR or CR payments arising without SIG prior approval will be charged in full to the school budget.

Financial support for severances must have prior HR approval.

The formula (for VR, CR and severances)

Financial support will be provided to schools where their reserves are not sufficient for the school to meet the full cost of the intervention or restructuring costs themselves. To ensure fairness and equity across all phases and size of schools, the following formula will be used to determine the contribution the school will be required to make. Where:

Schools are in deficit or have a surplus balance below their floor balance:

- The schools will pay 20% of the cost with the remaining 80% being met from the Schools Requiring Additional Support fund.

Schools have balances above their floor balance but below their ceiling balance:

- Schools will pay 50% of the cost with the remaining 50% being met from the Schools Requiring Additional Support fund.

***Schools have balances above their ceiling balance:**

- The schools will pay 80% of the cost with the remaining 20% being met from the Schools Requiring Additional Support fund.

*where schools have balances above their ceiling balance, SICB reserve the right to recharge any Schools Requiring Additional Support fund contributions towards VR, CR or severances made during the year if balances remain above their ceiling balance at the end of the current year.

For the purpose of this formula:

- A school's floor balance is set at the greater of £20,000 or 1% of CFR income.
- A school's ceiling balance is set at the greater of £60,000 or 4% of CFR income.
- The level of support from the Schools Requiring Additional Support fund will be calculated on the basis of the year end position in the preceding financial year.

Appendix B

Schools Requiring Additional Support (SRAS) – Action Chart 2026/27

School Action	Deadline	LA response
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Year end closure process for previous financial year	Determined date prior to 31 March	LA monitors position and contacts schools with unlicensed deficit or in breach of recovery plan
Income and Expenditure (I&E) return to be submitted	Before May half term	LA monitors submissions
Non- submission of I&E	June	LA writes to HT and CoG requesting I&E and recovery plan if required
Budget Anticipation/Recovery Plan to be submitted, if required, or Income and Expenditure return to be re-submitted showing balanced position	30 June	LA approves recovery plan and requesting termly outturn submissions. Where appropriate, issue Notice of Concern in Respect of Financial Delegation
Termly outturn submitted showing the same or better position than the approved recovery plan	termly	No Action
Non- submission of revised I&E or recovery plan despite reminder	September	Issue Notice of Concern in Respect of Financial Delegation
	Autumn term	SIG to invite school into county hall for a meeting, and SIG to attend full governors meeting
Non- submission of I&E or recovery plan despite Notice of Concern in Respect of Financial Delegation and SIG attendance at Full Governors Meeting	Autumn term	LA work with Regional schools Commissioner (RSC) to discuss where they judge that a warning notice is necessary
	January	Issue 'early warning' letters to schools triggering financial thresholds indicating the possibility that the school is heading towards financial difficulty
	Spring term	Performance and Standards Warning notice for withdrawal of delegation issued to CoG and Headteacher, which will specify action to be taken if failure to comply
	Spring term	Copy of the warning notice to be provided to Ofsted, and appropriate diocesan authority if necessary
	1 April	Withdraw Delegation / Intervention enforced Consideration of Interim Executive Board (IEB)

Throughout the year, a Notice of Concern in Respect of Financial Delegation, will be issued to any school due to convert under a forced academy notice, in order to safeguard the long term financial position of the school and the academy trust going forward and in recognition that where a maintained school becomes a sponsored academy any budget deficit that accrues remains with the Authority.

The working group:

Aby Hardy presented the new Strategic Support Partnership. This is a new team which will replace MIT.



**The service has been redesigned, and the new handbook explains the rights around intervention and support for schools. Processes are now also in place for schools to show what intervention they have in place if they have initially refused the support from the SSP team.
The working group supported the proposal.**

