

Lancashire County Council

Lancashire Schools Forum

Wednesday 17 December 2025, 10.00 am via Teams

Present

Primary School Governors

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

Primary School Headteachers

Daniel Ballard (*LSF chair*)
Sarah Barton
Carl Roscoe
Anna Yates
Sarah Robson
Neil Gurman
Helen Shaw

Secondary School Governors

Janice Astley
Brian Rollo

Secondary School Headteachers

Oliver Handley (*SB Chair*)
Jan Marshall

Academy Representatives

John Davey
Mary Lyle

Nursery School Headteacher

Jan Holmes

Nursery School Governor

Janet Davies

Short Stay Governor

Sharon Bennett

Short Stay Headteacher

Abigale Bowe (*HN Vice chair*)

Special School Governor

Mandy Howarth

Special School Headteacher

Claire Thompson (*HN chair*)

PVI Members

Sharon Fenton
Philippa Perks (*EY chair*)
Sarah McGladrigan

Voting Members

CC Andy Blake
Bill Mann

Observers - Non-Voting Representatives

CC Matthew Salter
Nicola Whyte (LGA)
Ian Watkinson
Alison Aylott
Rafael Schiel
Hilary Sharples
Mark Bradshaw

Officers in Attendance

Matthew Dexter
Toni Rafferty
Aby Hardy
Paul Turner
Caroline Morrison

Due to the use of Teams, not all attendees names came through so if you are missed, please let us know.



1. Attendance and Apologies for Absence

Apologies have been received from Rebecca Lindley, Deanne Marsh, CC Ian Duxbury, Paula Evans, Thelma Cullen and George Krawiec

2. Substitute Members

Alison Aylott for Paula Evans, Janet Davies for Thelma Cullen

3. Recommendations from the Early Years Block Working Group

Detail

On 8th December 2025, the Early Years Block Working Group had an extraordinary meeting to consider a report. A summary of the information presented, and the Working Group's recommendations are provided below:

1. Early Years Block Funding Arrangements 2026/27

Detail

At the last Early Years (EY) sector meeting, the sector did not support the 3% proposal for an EY central fund for 2026/27. This position was subsequently taken to the Schools Forum, where members voted in favour for **0% EY central retention**. Following the EYWG meeting on Tuesday 25 November, a verbal update was provided by local authority officers where a revised proposal was discussed. The discussions centred on a revised 1% EY central retention in 2026/27, of which a consensus of agreement was reached with the EYWG. The below formalises this proposal and provides the supporting information as requested by the EYWG.

Current Position

The council must still meet its statutory duties around **quality assurance** and **sufficiency**, with a significant administration burden put on all Local Authorities due to the recent increases in EY entitlement from under two-year old's, to 3-to 4-year-olds.

Following the vote at schools forum, the local authority exercised its right to appeal the decision in line with the schools forum regulations and operational guide, and a **disapplication request** was submitted to the Secretary of State. The Department for Education (DfE) has indicated that they are keen for us to reach a resolution with the sector, and recommended a revised proposal is taken to schools forum for a vote. The revised proposal is for the local authority to retain a reduced 1% of EY funding in 2026/27, which is anticipated to be achieved by not passing through the inflationary increase in EY funding once DSG settlement is received. Further details of the proposal for 2026/27, and proposed retention in future years is provided below.

1. Proposed Approach 2026 – Retain 1%

- The combined staffing costs for quality assurance, sufficiency, and to ensure effective administration of the EY entitlement funding totals are c **£1.9 million**. This equates to **1% of centralised funding**. This does not pay for any increase in staffing, with any further increase in staffing proposed to be funded from the core Education Improvement budget.
- This would also enable us to make the service non-traded.
- It would also ensure accurate funding to EY providers are made in a timely manner, as without this approval, this could be a risk to the sector.



- These staffing costs are commonly funded from EY central fund across many other local authorities
- The average percentage increase across the three entitlements in 2025/26 from the previous year was 3.90%. Whilst it is yet to be confirmed by the DfE of the increase in funding in 2026/27, if we were to receive a similar increase in 2026/27, it is anticipated that the 1% could be achieved by using the funding uplift and not passing this through to the sector in full. This is a mechanism we have used in EY in previous years when setting the base rates annually in line with affordability within the DSG.
- The local authority must emphasise that final modelling can only be completed in late December once DSG settlement has been received.

2. 2027 – Retain 2%

- Throughout the academic year, we will work with the sector to identify how we would utilise a 2% EY central retention.

3. 2028 – Retain 3%

- Again, we would work with the sector to prepare for LGR (Local Government Review). This would align us further with the neighbouring LGR local authorities Blackpool & Blackburn who both hold an EY central fund.

Modelling

The modelling shows the impact on the EY sector using the 2025/26 data if this was implemented in 2025/26, with a 1% retention being achieved by utilising the inflationary uplift in hourly rate funding. Once applied, the remaining headroom within the EY block would be applied to the base rate allowing an increase in funding to the previous year. A further table has also been provided to show the pass-through rates in both the 2024/25 and 2025/26 financial years.

Modelling Based on 2025/26						
Percentage Held Centrally	Total EY Central Fund	34YO Base Rate Impact	2YO Base Rate Impact	Under 2YO Base Rate Impact	Total Base Rate Impact	Total Average Annual Funding Impact on EY Providers
1%	£1,950,000	£0.06	£0.08	£0.11	£0.25	£1,858
Entitlement	24-25 Base Rate Paid	25-26 Base Rate Paid	Increase			
34YO	£5.41	£5.70	£0.29			
2YO	£7.10	£7.46	£0.36			
Under 2YO	£9.51	£10.21	£0.70			
Entitlement	24-25 Base Rate Paid	25-26 Base Rate Paid	Increase when 1% applied			
34YO	£5.41	£5.64	£0.23			
2YO	£7.10	£7.38	£0.28			
Under 2YO	£9.51	£10.10	£0.59			



	2024-25	2025-26
34YO Avg Rate	£5.63	£5.88
2YO Avg Rate	£7.57	£7.82
Under 2YO Avg Rate	£10.26	£10.63
34YO DfE Rate Received	£5.47	£5.71
2YO DfE Rate Received	£7.54	£7.83
Under 2YO DfE Rate Received	£10.27	£10.63
34YO Passthrough	102.78%	102.91%
2YO Passthrough	100.50%	99.89%
Under 2YO Passthrough	99.93%	99.98%

Average impact per setting of 1%

Summary	Funding Impact
Nursery School	£4,223
Nursery Class	£1,245
PVI	£3,252
Childminder	£331
Average	£1,858

Agreeing to an EY central fund also aligns with a consistent approach taken within schools block where a 0.50% transfer to the high needs block was agreed by schools forum due to the ongoing pressures facing the funding block.

It should be noted that the 0.50% transfer from schools block is estimated at circa £5.1m, which is significantly higher than the estimated EY ask of circa £1.9m for EY central services. The impact on the schools block, and the relevant primary and secondary schools and academies is listed below for information.

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

Next steps

- Call an extraordinary schools forum meeting w/c 15th December to vote on these proposals before the budget is drafted in December.
- Cabinet and the Department for Education will then make the final decision as to what funding if any, can be retained by the council. It may be that the department for education do not make their decision until after the funding rates are published.

Appendix A

Summary of Key Functions & Staffing for the Early Years Teams

1. Costs & FTE's Sufficiency

Staffing Details



Post Title	Number
Early Years Operational Lead – Funding & Sufficiency	1
Childcare Sufficiency Coordinator	1
Early Years Project Officer – Sufficiency & Systems	1
Early Years Project Officer – Funding Entitlements	1
Childcare Development Officer – Sufficiency & Sustainability	2
Childcare Development Officer – Funding	1
Data posts	2
Total FTEs	9
Total Staffing Costs	£450,051
Non-Staffing Costs (systems, communication costs etc)	£82,500
Total Cost Funding & Sufficiency Team	£532,551
*Note in addition to the above staffing there are 5FTE business support officers that sit outside of the Education Improvement Service/budget that support the team. Their costs have not been included in any of the options for how the centralised DSG could be used.	

Costs & FTE's Quality Assurance

Staffing Details	
Post Title	Number
Early Years Quality Assurance Lead	1
Early Years Consultants	10
Early Years Project Officers	3
Early Years Safeguarding Officer	1
Early Years HLTAs	3
Childcare Development Officers	4
Total FTE's	22
Total Staffing Costs	£1,318,313
Non-Staffing Costs (systems, communication costs etc)	£65,000
Total Cost Quality Assurance Team	£1,383,313
*Note in addition to the above staffing there are 5FTE business support officers that sit outside of the Education Improvement Service/budget that support the team. Their costs have not been included in any of the options for how the centralised DSG could be used.	

Core Duties of the Funding & Sufficiency Team

1. All aspects of administering the early years funded entitlements for children aged 9 months + (circa 35,000 children in summer 2025 compared to 24500 children prior to the expansion of the working families' entitlements. This includes:
 - Processing claims and assessing eligibility for the 2YO disadvantaged entitlements
 - Assessing eligibility and processing claims for Disability Access Funding
 - Assessing eligibility and processing claims for Early Years Pupil Premium
 - Assessing eligibility and processing applications for Foster Carers Working Families Entitlements
 - Validating eligibility and claims for 9months + working family entitlements



- Processing claims and paying providers monthly
 - Carrying out cross border checks with neighbouring authorities to ensure children are not being funded for more than their termly/annual entitlements
 - Maintaining and updating provider information e.g. change of bank details, address etc
 - Maintaining and updating user access to the on-line Provider Porta.
 - Processing Ofsted Inspection notifications, and issuing letters to providers and parents to explain impact on funding where setting is judged less than good/expected standards
2. Providing information, advice & guidance to providers, schools and parents on all aspects of the funded entitlements. This includes providing user guides, written processes
 3. Food vouchers for early years children – providing data to the Schools Catering Team of eligible children and dealing with all the parental enquiries when the vouchers are issued for each holiday period.
 4. Family Information Service (FIS) duties in relation to maintaining and updating provider registration details via the daily Ofsted Weblink feed.
 5. FIS duties in relation to maintaining and updating the on-line childcare service directory to ensure parents have access to up to date and accurate information about childcare in their area (e.g. availability, cost, etc), this involves contacting providers on a regular basis to review the information held on the FIS website.
 6. Providing a brokerage service to families struggling to find childcare.
 7. Providing outreach services with hard to reach families and communities to raise awareness of the funded entitlements.
 8. Working in partnership with internal services such as Family Hubs and 3rd sector organisations to deliver targeted interventions to support the take up of 2 year old places amongst vulnerable groups or communities where take up is low.
 9. Early Years data statutory data collections e.g. Census, EYFSP results. Census is moving to a termly data collection from Spring 2026 which is going to create a lot more additional work.
 10. Termly Maintained Funding Data Collections i.e. headcount, supplementary's and EYPP (i.e. Maintained schools other than MNS do not currently use Synergy therefore this is collected via the school census, and spreadsheets via Lancashire ROSE, and the data analysed in Access and Excel to enable schools to be paid each term.
 11. All aspects of early years data analysis and reporting e.g. termly performance dashboards, monthly reports about no's of providers, quality of providers etc.
 12. Childcare Sufficiency statutory duties
 - Delivering the statutory process for the annual Childcare Sufficiency Assessment.
 - Regular assessment of supply and demand to identify gaps in provision, including undertaking localised CSA's whenever there are setting closures to determine impact on availability of places.
 - Undertaking parent surveys to assess need.
 - Working with the sector to deliver initiatives to create or expand childcare in areas where gaps in sufficiency of places has been identified



13. Delivering business & sustainability support for the maintained and PVI sector e.g. support around cashflow, breakeven, staffing re-structures etc.
14. Undertaking support and challenge to new and existing early years settings to ensure they are delivering sufficient and sustainable childcare provision across Lancashire.
15. Providing advice guidance and support to schools in relation to the statutory process for developing and sustaining school-based nursery provision, wraparound and holiday provision.
16. Leading on strategies to improve the take up of funded places
17. Developing and delivering the communication strategy around early years funded entitlements
18. Ensure childcare providers fully comply with all aspects of the early education funding and childcare statutory guidance issued by the Department for Education, providing challenge and targeted support where non-compliance is identified.
19. Carrying out compliance audits and checks in relation to EEF delivery models and charging policies (this area of work has increased considerably since the EEF expansion)
20. Developing and implementing council policy in relation to the EEF Entitlements and other associated areas
21. Producing and issuing the Council's Funding Agreement in line with national policy and legislation.
22. System maintenance and development of the Synergy Suite (i.e. FIS, FSMB, Parent Portal, Portal) including termly upgrades.

2. Projects that are currently grant funded

- In addition to the above duties the Funding & Sufficiency Team are responsible for delivering the following Government programmes
 - School based Nursery Programme
 - Early Years Capital Programme
 - Wraparound Capital and Revenue Programme
 - Primary School Free Breakfast Clubs Programme
- Capacity grant funding has been made available to support these programmes, currently confirmed until the 31 March 2025. There is a possibility that additional grant funding will be made available until March 2027 however this has not been confirmed.
- At whatever point the grant funding ends, the work needs to be absorbed within the core team, as the support needed to deliver these functions will not disappear even though programme funding has ended.
- The grant funding is being used to fund the following temporary posts:

Staffing Details	
Post Title	Number
Wraparound and School Age Childcare Project Lead	1
Childcare Development Officer	4 (2 are currently vacant due to postholders gaining permanent



Summary of Key Functions & Staffing for the Early Years Quality Assurance Team

Core Duties of the Quality Assurance Team & the Early Years Team

Universal Support and Quality Improvement

- Deliver annual quality improvement visits and professional development conversations to all settings – 450 PVIs, 400 Out of school providers for wraparound and 350 childminders and other providers.
- Facilitate networking and update meetings for practitioners, leaders, and managers.
- Provide training and professional development opportunities.
- Share and explore materials and publications to enhance skills and knowledge.

Targeted Interventions

- Implement intensive support for settings with greater needs through consultant-based visits and training in setting.
- Deliver special programmes and interventions to close gaps for vulnerable groups.
- Facilitate and embed reflective practice and pedagogy through coaching and mentoring with leaders and managers.

Regular Engagement

- Maintain regular communication to build strong relationships, share learning, and respond to emerging needs.

Monitoring and Supporting Progress

- Explore outcomes for all children, focusing on vulnerable groups and priority areas.
- Use data (GLD scores, attainment gaps, WELLCOMM screening) to assess impact.
- Follow up on settings visit reports and action plans to support continuous improvement.

Reflecting, Learning, and Raising the Bar

- Gather feedback from settings, practitioners, and families.
- Evaluate the effectiveness of universal and targeted support through feedback.
- Refine strategies and interventions based on evidence and feedback.
- Share lessons learned and best practice across the county.
- Update resources and training to address new challenges and opportunities.

Team Roles and Functions

- Early Years Consultants: Support nurseries and reception classes through visits and training; each has a specialist area of knowledge to support settings county-wide.



- Early Years Project Officers: Lead new projects, support settings through pre-registration, develop and facilitate training, and create support documents and materials.
- Safeguarding Officer: Provide guidance and support around safeguarding children and offering early help to families.
- Higher Level Teaching Assistants: Deliver practical training workshops, additional visits, and support practitioners to improve skills and knowledge of child development.
- Childcare Development Officers: Support childminders and out-of-school clubs, including visits, clusters, and training.

Project Development

- Roll out Wellcomm across Lancashire.
- Develop mini projects to support 'Communication and Language' and 'Personal Social and Emotional Development'.
- Deliver targeted support plans for vulnerable learners.
- Provide training and support for deputy managers and room leaders.
- Run 'Managers Academy' for new managers.
- Map CPD journeys for new practitioners.
- Deliver 'Building Blocks' training to support understanding of child development.

Training and Professional Development

- Deliver a wide range of virtual and face-to-face training for leaders, managers, and practitioners.
- Organise guest speakers.
- Provide mandatory training such as Paediatric First Aid and Safeguarding.

Collaboration and Partnership

- Work collaboratively with other teams and services to ensure partners across education are aligned and informed.
- Navigate complex legislation and statutory requirements, ensuring settings remain compliant and confident.
- Be a key part of the CSAP partnership, SEND Improvement Board and Best Start in Life Board and enact their actions. E.g. Roll out of Operation Encompass, commissioning and roll out of Welcomm and the Balance system

Appendix B – The Statutory Duties for the Early Years Team

Summary of the key provisions in the Childcare Act 2006 and statutory guidance relating to early the Early Years

1. Childcare Act Sections 1 to 5

Requires local authorities and their partners to improve the outcomes of all children under 5 and reduce inequalities.

2. Childcare Act - Section 6



Places a duty on local authorities to secure sufficient childcare for working parents - section 6(3)

Statutory Guidance Part B

Outcome - Parents can work, study or train to assist them to obtain work, because childcare places are available, accessible and affordable and are delivered flexibly in a range of high-quality settings.

Local authorities are required by legislation to:

- B.1 Secure sufficient childcare, so far as is reasonably practicable, for working parents, or parents who are studying or training for employment, for children aged 0-14 or up to 18 for disabled children. This includes
 - encourage schools and other childcare providers in their area to offer childcare from 8.00am until 6.00pm and in school holidays
 - aim to identify and remove barriers that prevent existing providers from expanding their provision and new providers entering the local childcare market if needed
 - encourage providers to take a sustainable business approach to planning and signpost providers to resources to support them
- B.2 Report annually to elected council members on how they are meeting their duty to secure sufficient childcare and make this report available and accessible to parents.

3. Childcare Act Section 7

Places a duty on local authorities (in accordance with regulations) to secure free early years provision of the prescribed description for each young child in their area who is under compulsory school age and is of the prescribed description.

Statutory Guidance Part A - Section 1

Outcome: All children who meet the eligibility criteria can take up a free place if their parent wants one.

LA's are required by legislation to:

- Secure 'free' places under the Disadvantaged 2-Year-Old entitlement, the 3&4 Year Olds Universal entitlement and the Working Parents entitlements for children aged 9 months +. This includes:
 - Processing and administering all funding claims.
 - Assessing eligibility checks of families accessing the entitlements from 9 month+, including undertaking grace period audits twice termly.
 - Ensuring childcare providers are compliant and deliver the entitlements in line with the statutory guidance. LA's are required to act where they are not compliant.
 - Promoting equality and inclusion, particularly for disadvantaged families, looked after children, children in need and children with special educational needs and disability, by removing barriers of



- access to free places and working with parents to give each child support to fulfil their potential.
- Meeting their duties under the Equality Act 2010 and take account of the Special Educational Needs and Disability (SEND) Code of Practice 0-25 when securing free places.
- Identifying children who qualify for the Early Years Pupil Premium and the Disability Access Fund, promoting these to parents and paying childcare providers accordingly

Statutory Guidance Part A – Section 2 Flexibility

Outcome: Children can take up their full entitlement to a free place at times that best support their learning and development, and at times which fit with the needs of parents to enable them to work or increase their hours of work if they wish to do so

- Local authorities are required to secure flexible delivery, this includes:
 - Consult with parents and involve them in local assessments of demand for flexibility
 - Act as a broker between overall parental demand in the area and provider capacity
 - Encourage strong partnership working between providers from all sectors
 - Encourage providers to offer flexible packages of free hours and work with parents to enable them to take up places that meet their needs
 - Support parents to identify providers who can offer free places on the days and at the times needed by the parent.

Statutory Guidance Part A – Section 3 Quality

Outcome: All children can take up their free hours in a high-quality setting. Evidence shows that higher quality provision has greater developmental benefits for children, particularly for the most disadvantaged children, leading to better outcomes. This guidance reflects the government’s intention that, as far as possible, free places are delivered by providers who have achieved an overall rating of outstanding or good in their most recent Ofsted inspection report

- To secure quality, local authorities are required by legislation to:
 - Fund places for two-, three- and four-year-old children at any provider judged ‘good’ or ‘outstanding’ by Ofsted
 - Fund places for three- and four-year-old children at any provider judged ‘satisfactory’ or ‘requires improvement’ by Ofsted
 - Fund places for two-, three- and four-year old children at new providers registered with Ofsted until the provider’s first full Ofsted inspection judgement is published
- A3.5-A3.15 also outlines some should and should nots in terms of funding rules in case you need further details.

Statutory Guidance Part A – Section 4 Funding Places:



Outcome: Fair and transparent funding which supports a diverse range of providers to deliver free places on a sustainable basis and encourages existing providers to expand and new providers to enter the childcare market. This diversity enables parents to choose a provider that best meets the needs of their child and family

- The School and Early Years Finance (England) Regulations set out the framework for early years funding. These regulations are updated annually for each financial year.
- LA's are required by legislation to work within the Early Years National Funding Formula when funding providers.

4. Childcare Act Section 12

Places a duty on local authorities to establish and maintain a service providing information, advice and assistance to parents about childcare in the area.

Statutory Guidance Part C Information to Parents

Outcome: Parents and prospective parents can access online, or are provided with, comprehensive and up to date information about childcare, including school-aged childcare, and early education, including free places in their area, usually via the Family Information Service.

Local authorities must:

- Maintain a service that provides information for parents and prospective parents on the provision of childcare in their area as listed in Schedule 1 to the [Childcare Act 2006](#) (Provision of Information to Parents) (England) Regulations 2007) and publish this information electronically on the local authority website and update it at a minimum termly on 1 January, 1 April and 1 September.
- There is a lot of detail in the statutory guidance about what information must be made available for parents in addition to maintaining the directory of childcare services.

5. Childcare Act Section 13

Places a duty on local authorities to secure the provision of information, advice and training to childcare providers and childcare workers.

Part D: Information to childcare providers

Outcome: Availability of information, advice and training is focused on childcare providers, including wraparound childcare identified as needing to improve the quality of their provision and should promote high-quality provision. Local authorities have a power to impose reasonable charges when securing information, advice and training

Local authorities are required by legislation to:

- Secure information, advice and training for registered providers in their area on the following matters:
 - meeting the requirements of the Early Years Foundation Stage
 - meeting the needs of children with special educational needs and disabilities, vulnerable and disadvantaged children
 - effective safeguarding and child protection.
 -

Local authorities have the power to:



- Provide information, advice and training for all early years and childcare providers (including employees and prospective providers). Local authorities may provide information, advice and training if this is requested by the provider. Local authorities are able to offer support to settings rated good or outstanding if there is evidence of need but cannot require this support is taken up

Appendix C

Benchmarking against other local authorities

<u>Local authority</u>	<u>Staff FTE</u>	<u>Providers</u>	<u>Rate</u>
Lancashire	30	1200	40 settings per person
Halton	4	132	33 settings per person
Sefton	7	203	29 settings per person

The working group Discussed:

- **Funding Context**
 - The Department for Education (DfE) has delayed publishing new funding rates, creating uncertainty.
 - Local authority submitted a disapplication request to retain a percentage of the Early Years Block for administration, but DfE deferred adjudication until rates are released.
 - Current proposal: retain **1%** of the block (~£1.9M) to cover statutory duties and administration costs.
- **Statutory vs Non-Statutory Duties**
 - Officers explained statutory responsibilities include sufficiency planning, quality assurance, safeguarding, and training.
 - Concerns raised by sector representatives about:
 - Lack of clarity on which services are statutory vs discretionary.
 - Perceived inclusion of non-statutory services (e.g., enhanced quality improvement projects).
 - Impact on frontline settings if funding is reduced.
- **Sector Feedback**
 - Maintained nursery schools and private providers highlighted:
 - Lancashire's low base rate compared to other areas.
 - Disproportionate impact of 1% retention on smaller budgets.
 - Need for transparency and fairness in allocation.
 - Requests for clearer breakdown of costs and statutory obligations.
- **Alternative Proposals**
 - Initial feedback from the EYWG showed **no support for 1%**.
 - Discussion explored compromise options:
 - **0.50%** suggested as equitable but flagged as insufficient by officers.
 - **0.75%** proposed from EYWG members.



- EYWG agreed to recommend a **0.75% retention** as a positive steer to Schools Forum.

- **Next Steps**

Further discussion for the future plan of the proposal 27/28 2%, 28/29 3%, were said that was needed to be had in future meetings, closer to the time.

It was noted that Schools Forum will vote on the original **1% proposal**.

The group's recommendation is a 0.75% compromise.

If no agreement is reached, the matter will be escalated to the Secretary of State for adjudication.

The Schools Forum is asked to ratify the recommendation from the EYWG and vote on the level of early years funding to be retained centrally in 2026/27

The Forum discussed:

- It was noted that a decision was required at this meeting to support timely budget preparation.
- A sector representative supported 0.5% central retention, as costed in the consultation.
- Requested clarity on which statutory duties would be funded, noting the duties listed did not map clearly to statutory guidance and some appeared to go beyond requirements.
- Agreed minimum quality standards and statutory training are essential, but questioned the scope of the quality assurance model.
- Highlighted many settings need high levels of support and that local outcomes have declined.
- Stressed the need for value for money and called for annual impact reports, with 2025/26 as a baseline.
- why the cost for statutory duties had risen from 0.5% to 1%, and why 0.75% was now proposed despite the increase equating to almost £0.5m. They asked what additional administrative costs were included and whether some of these could be contracted out instead of funded through the DSG.
 - The increase in costs is partly due to pay rises, which, although modest, still impact overall staffing costs.
 - The original calculation did not include essential data team roles, which are required for the service to function effectively.
 - Benchmarking with other authorities showed that the full quality assurance function is commonly treated as part of statutory duties elsewhere.
 - The earlier paper was put together quickly, whereas the updated version was developed over the summer and provides a more accurate and complete costing.
 - The revised figures do not include Business Support Officers, as these are funded from the council's core budget.
- Due to the core issue facing the group is insufficient central government funding, which is lower locally than it should be. It is encouraged all members to write to their MPs to highlight the ongoing financial challenges and the difficult position this creates.



It was explained that the sector had given a clear steer that the two options for central retention should be 1% or 0.75%. The previous meeting ended amicably, and no one requested that 0.5% be included, either verbally or in the chat. The 0.75% option emerged during the meeting itself following discussion, rather than being proposed beforehand.

The Forum Ratified the report.

Voting Results:

1.00% EY central retention – No

0.75% EY central retention - Yes

4. Recommendations from the High Needs Block Working Group

Detail

On 9th December 2025, the High Needs Block Working Group had an extraordinary meeting to consider a report. A summary of the information presented, and the Working Group's recommendations are provided below:

1. High Needs Block Mitigations 2026/27

Detail

This report outlines Lancashire's strategic approach to mitigating High Needs Block (HNB) pressures, utilising the school's forum agreed 0.50% transfer from schools' block to HNB (c £5.5m). This centres around proposals that aim for financial sustainability and improved outcomes for children and young people with Special Educational Needs and/or Disabilities (SEND) and vulnerable learners.

The proposals in this paper do not constitute an additional request for investment but describe the proposed utilisation of the 0.50% transfer so that schools have a much better offer to support their inclusion.

Introduction

The High Needs Block (HNB) of the Dedicated Schools Grant (DSG) provides funding for SEND and inclusion support services for children and young people in the local authority.

Nationally, there have been insufficient resources to support children and young people with SEND and inclusion needs, which has been a growing problem since implementation of the SEND reforms in 2015. This is due to a combination of factors including increasing demand for services, increasing complexity of additional support needs and constraints in local government spending. This position is similar in many local authorities and is well documented and reported on nationally.

Lancashire's High Needs Block (HNB) is under significant financial pressure, requiring bold and strategic action to both mitigate the deficit and improve outcomes for children and young people. This is due to rising demand, which results in significant HNB overspend, and continuing growth that outstrips demand.

Local authorities must not allocate money designated in their schools' block part of their DSG settlement to items of spend other than budget shares for mainstream primary and secondary schools (excluding funding for nursery classes and for places reserved for pupils with SEND), or money retained centrally for growth and falling



rolls in schools. Local authorities may, however, transfer up to 0.50% of schools block funding to other funding blocks, with the consent of the school's forum.

At the 14 October schools forum meeting, the schools' forum approved a transfer of 0.50% of from schools block to the HNB for the 2026 financial year and this paper describes the proposals that can be implemented through this funding to contribute to ongoing improved outcomes for children and young people.

The following proposals set out a comprehensive approach to invest in preventative and inclusive strategies, strengthen oversight, and ensure value for money. Each proposal is designed to deliver measurable savings, enhance support for schools and settings, and fulfil statutory duties more effectively.

This will form part of Lancashire's wider HNB mitigation plan, which is a multi-faceted, evidence-based strategy focused on early intervention, local sufficiency, robust governance, and financial discipline. While cost reductions are projected, success depends on timely delivery, stakeholder engagement, and ongoing monitoring.

The plan aligns with national best practice and is designed to ensure children and young people with SEND achieve their potential, families regain trust in the system and that we collectively support financial sustainability.

Strategic objectives

- Early identification and intervention: Prevent escalation of needs through proactive support and reduce unnecessary escalation to EHC needs assessment request and subsequent EHCPs.
- Enhanced SEN support: Strengthen support for children without EHCPs.
- Inclusive cultures; Engage school leaders, SENCOs, and parents in shared goals.

Recent developments that are already in action include:

- Reviewing and updating the resource allocation system for EHCPs.
- Reviewing children and young people not in school and positing next steps to develop a mitigation plan to address this (linked with the actions identified here).
- SEND sufficiency and development of additional local Special school places, commissioned places through service level agreements (SLA) with mainstream schools and SEND unit places.

Outcomes

Through the proposals below, a positive culture of inclusion and multi-agency collaboration will become embedded. School/settings will be supported to identify needs early, provide early intervention. This will mean that there will be improved outcomes for all children and young people as they will be accessing the full offer in their local mainstream school.



The social cost to a child or young person will be mitigated as mainstream inclusion will be improved through them benefiting from a sense of belonging as they are part of local provision, along with their peers.

This will be done through a more robust, targeted offer, including professional development and key activities including:

- Direct support from specialist services and support teams.
- Support from PRU & Special School outreach support services.
- Education improvement support offers on a whole school or trust basis.
- Key working for specific cases.

Phase one of the HNB Sustainability Programme, based on the recently approved 0.50% of the schools' block to support improvements in SEND, will commence in 2026 and will focus on three key proposals:

1. Inclusion hubs.
2. Outreach support for social, emotional and mental health (SEMH).
3. Specialist Teaching Service new delivery model (transition support, focused support and sensory support).

Associated mitigating actions

1. Implementation of a new banding system, that will realign costs associated with EHCPs in a transparent and fair way. The proposed funding for top-up bandings will span phases one and two of the financial sustainability programmes.



Proposal 1: Inclusion hubs

This proposal will require a combined investment of **£1,050,000** covering the following projects. These will focus on reduction of primary PEX by 50%. 44 children in PRU placements for 2 years which is our current average at Primary age would be a saving of £1.6m. On average our primary children who are PEX are 50% likely to have an EHCP. Therefore if 10% of these children were then to go on to special school because their needs have escalated this would be 2 children at an average cost of £52,000 per year. If this is across 5 years in specialist provision on high school transition this would cost £520,000 in an independent placement for both children or £100,000 in a maintained special school setting. Therefore preventing 44 exclusions could result in savings of **£1.7m per year**.

District	Overview
1	A comprehensive programme, with schools expected to part-fund support where needed. The plan prioritises early intervention and outreach.
2	Programme focused on early intervention and targeted support to promote inclusion and reduce exclusions. The plan includes the Stepping Stones Universal Offer, providing advice, behaviour network meetings, and 10 Bronze support packages to upskill staff and address needs early.
4	Deliver a graduated, cost-effective programme of early intervention and targeted support across 24 schools. The plan includes universal access to inclusion mentors, network meetings, an annual conference and training workshop, and in-year admission support for high-need pupils.
6	Deliver a comprehensive programme of early intervention, behaviour support, and crisis management across Preston's schools. The plan includes the REACH Behaviour package (£75,810), providing specialist outreach, weekly drop-in sessions, staff training, and crisis support to manage challenging behaviours before they escalate.
7	Develop inclusive practices across South Ribble's primary schools. The plan includes half-termly behaviour consultation and TA support cluster meetings, bespoke behaviour support from Reach and GHIST consultants, and a comprehensive training and CPD offer for teaching assistants and early career teachers.
8	Aiming to support schools in a timely and bespoke way so that pupils at risk of exclusion can remain and thrive in mainstream education. The plan includes Tier 1 support visits (up to 180 pupils per year), SEND clinics, and a comprehensive training offer for staff, all fully funded for hub schools. Tier 2 and Tier 3 packages provide follow-up and intensive support, with costs partially subsidised by the hub.
9	A programme to expand the Chorley Inclusion Support Service (CISS), which is grounded in psychological theory and evidence-based practice. The plan includes intensive casework (£91,110 for staffing and £4,250 for resources), in-school training, solution circles, parent workshops, and psychological supervision for Assistant Educational Psychologists.
11	Programme, aiming to improve inclusion and reduce exclusions across the district. The plan includes a universal offer of Aspire CPD and training, resilience-focused conferences, and behaviour culture



	development, alongside early intervention support such as autism training, SENCO briefings, and specialist teacher input.
12	A holistic, evidence-based programme with a total cost of £103,320 plus £6,900 for administration, delivered in partnership with Acorn.
13	Programme focused on keeping every child included, engaged, and thriving. The plan offers multi-professional, intensive support through training packages (including de-escalation, positive handling, ADHD/ASC support, emotion coaching, and more), direct hub staff intervention, educational psychologist consultations, specialist teacher advice, and speech and language therapy.
14	Inclusion Hub will use its funding to provide individual pupil support through specialist teacher assessments and HLTA-led interventions, whole class and whole school staff training, and progress reviews.



Proposal 2: Outreach for Social, Emotional and Mental Health (SEMH)

This proposal will require a combined investment of **£1,381,321m** covering:

- **£832,500** for outreach (equivalent to five places in nine PRUs). This will focus mainly on Secondary (SEMH) support through targeted interventions. Delivered through Pupil Referral Units (PRUs). Reduction of 50 PEX or increase in reintegration into schools from the PRU by 50 (**£925,000** saving based on 50 less children requiring day 6 provision/AP).
- **£348,821** for Specialist SEMH Leads, working on an outreach basis to drive bespoke provision outside of PRUs to strengthen outreach provision (**£750,000** saving based on a 15% reduction in the **£5m EOTAS annual estimated cost**).
- **£200,000** for supporting a pilot district that has high secondary PEX for reducing exclusions. Reduction of 12 PEX or increase in reintegration into schools from the PRU by 50 (**£222,000** saving based on 12 less children requiring day 6 provision/AP).

The funding will be ringfenced to enable PRUs to provide targeted outreach work for children and young people with identified SEMH needs at risk of exclusion while they remain in mainstream schools, facilitate reintegration from PRUs into mainstream settings, and ensure the revolving door model outlined in the Alternative Provision strategy is supported with appropriate staffing and resources.

This approach will ensure consistent support across the county, helping children remain in mainstream education wherever possible, which would require:

Service area	Post name	Grade	FTE	Cost
SEMH Outreach	SEMH Outreach Lead	G9	1.00	70,911
SEMH Outreach	SEMH Outreach Support	G7	5.00	277,910
			Total cost	348,821

Priority issues

- In Lancashire Social Emotional Mental Health needs are under-identified or typically identified as behavioural as opposed to SEND.
- Schools require support to achieve the appropriate level of knowledge for early identification and intervention through continuing professional development (CPD) to support children and young people with social, emotional and mental health needs.

Key risks

- Lancashire is a high excluding local authority compared to national and statistical neighbours.
- Increased demand for PRU placements with few reintegrating back into mainstream.
- Increased number of children missing out on education and children and young people not fulfilling their outcomes.
- Financial risk of increasing numbers in PRU's waiting list resulting in high-cost alternatives



Proposal 3: Specialist Teaching Service: Increased core offer (supplementing traded offer)

The proposal is for support for a transition period based on investment in the Specialist Teaching Service (STS) so that a core offer can be delivered alongside the current traded offer.

This will require investment of **£3,601,429** covering additional capacity for:

1. Transition support - **£793,314**
2. Focused support - **£985,218**
3. Sensory support - **£1,822,897**

Support to schools for improving early identification and intervention, through a highly specialist service that has autonomy to support and challenge where practice requires improvement. Focused support will target (further details provided below):

1. Transition support aiming for a 10% reduction of children moving from mainstream to special at key transition phases, with a focus on:
 - a. KS2 to KS3: 30% reduction in those moving from mainstream primary Y6 to special Y7 at secondary. Based on **£16,000** (difference between average special cost at 25k and average element three cost at **£9,100** in mainstream) per child (30 targeted), this would lead to a cost avoidance **£480,000**.
 - b. Y1/Y2: in year moves from mainstream to special were 227 in the last year. A 10% reduction (22 children) would be a cost avoidance of **£350,000**.
2. Working with schools and parents/carers to support ordinarily available provision, Inclusive practice and at the point of a no to assess EHCNA to prevent them proceeding to mediation and tribunal.
 - a. Reduction in 192 (10%) of EHCNA will reduce the number of EHCP at an average cost of **£9,100** per EHCP, this would lead to a cost avoidance of **£1,747,200**.
3. Bringing back into the HNB **£3,490,000** for sensory support being delivered for EHCPs by offering services in line with the NATSIP guidance free at point of delivery and reducing the banding provided within EHCP to deliver this.

The current operating model of the STS drives requests for statutory assessment and results in supportive processes being utilised less. Key risks resulting from this include:

- Schools are not being supported to identify needs early and work better with parents/carers to ensure children and young people's needs are supported early.
- Financial risks due to poor oversight and accountability of all vulnerable cohorts.
- Vulnerable pupils are not supported in a timely way therefore exacerbating risks and increasing persistent and severe absence.
- Targeted support is sporadic due to lack of identifying where support is required.
- Lancashire remains a high excluding local authority.

All the risks outlined, increase the pressure on the HNB and doesn't support sufficiency of specialist placements for those who most require this provision.



Additionally, this results in other supportive offers being under-utilised to holistically support the child or young person's needs.

Focused Support

The proposal is to offer a core offer as part of the STS in addition to the current traded offer. This new approach will provide holistic, early identification and intervention support for in schools through local inclusion support model providing wrap around tailored support.

Each school will have access to a dedicated Specialist Teacher/Associate SENCO for tailored advice and support, which will be informed by data on SEN, EHCPs, attendance, exclusions, vulnerable cohorts and elective home education to promote mainstream inclusion. Children and young people identified as requiring transition support at key phase changes will receive an enhanced transition to ensure their needs are identified and supported via a relational approach.

Requirements

There will be an investment in the service to provide sensory Specialist Teacher involvement to support children with vision, hearing or multi-sensory needs at SEN Support or with an EHCP. This will require a review of sensory children with an EHCP to ensure funding is re-directed to provide this support routinely.

The Specialist Education Support model will be based on the equivalent of focused support across 630 schools. This equates to three, three hours, meetings per year. With oncosts (travel/prep time), this indicates 5,670 delivery hours, which would require:

Support area	Post name	Grade	FTE	Cost
1. Transitions	Senior Transition Officer	G8	2.00	126,330
	Transition Officer	G7	12.00	666,984
2. Focused	Associate SENCO	Variable	10.00	985,218
3. Sensory	QTVI	UPS3 + 2 SEN	10.00	985,218
	ToD	UPS3 + 2 SEN	5.00	492,609
	Manager	L5-9	1.00	115,159
	Senior Sensory HLTA	G8	1.00	63,165
	Sensory HLTA	G7	3.00	166,746
			Total	3,601,429

Benefits

- **EHCPs:** Reduction in EHCP needs assessments by 10% per year:
 - 26/27 reduction of 192 final EHCPs.
 - 27/28 and 28/29 reduction of 384 final EHCPs.
- **Transition support:** 10% reduction of children moving from mainstream to special at key transition phases
- **Sensory support:** The DSG will be positively impacted returning £3.49m into the HNB (total annual funding of £5.56m, reducing funding to E3 totals £2.07m, saving of £3.49m). This will for re-distributing sensory funded plans to provide a core offer for hearing, vision and multi-sensory impaired learners. This will initially be a pressure whilst annual reviews are processed although longer-term, this will be a more efficient use of resources.



Phase 1: Summary of costs, actions, and expected savings (related to 0.5% schools block transfer)

Proposal	Summary of actions	Intended impact	Investment (Estimates)	Savings/cost avoidance (pa)
Expenditure related to 0.50% schools block transfer to the high needs block				
1. Inclusion hubs	Projects delivered by education leaders and practitioners across county districts. Significant investment of time, expertise, and commitment from colleagues who have worked diligently to develop, evidence, and articulate plans for improving inclusion.	Reduction in suspensions and PEX. More inclusive practice in mainstream schools.	1,050,000	1,700,000
2. SEMH Outreach (PRUs & Special School)	Ringfenced outreach funding for PRUs and a special school; targeted SEMH support; reintegration; AP officers monitor impact.	Reduction in AP numbers.	1,381,321	925,000 750,000 222,000
3. Specialist teacher service model	Develop a free at the point of delivery model and expand STS team incorporating SENCOs/HLTAs as associate advisers. Create more targeted strategic provision that can: <ul style="list-style-type: none"> • Provide in-house sensory assessments. • Identify areas that require support and challenge. • Offer intense support where practice is impacting negatively on inclusive practice. 	Reduction in 192 (10%) of EHCNA final EHCP at an average cost of £9,100 per EHCP Sensory assessments will no longer need to be included in EHCPs. 10% (32) reduction in children transitioning to special between KS2 and 3. 10% (22) reduction in children transitioning to special school between KS1 and KS2	3,601,429	1,747,200 3,490,000 480,000 350,000
Totals			6,032,750	9,664,200

Whilst these areas will be explored to ascertain whether there is scope for cost reductions, they do not encompass significant immediate reductions to HNB expenditure that can be reflected in the 2026/27 HNB budget, nor do these measures prevent an underlying rising trend in the number of children requiring additional high needs support. However, the rate of growth can be impacted positively, given the right use of targeted resources.



The working group Discussed:

- **Overview of Proposals**
 1. **Inclusion Hubs** – Previously discussed and agreed in principle.
 2. **PRU & SEMH Support** – Five ring-fenced intervention places in Pupil Referral Units (PRUs) and additional outreach for social, emotional, and mental health needs.
 3. **Specialist Teaching Service (STS)** – Expansion of service to include in-house sensory provision, projected to save £3.4m by no longer funding sensory provision via EHCP top up.
- **Funding & Staffing**

The paper focused on agreeing funding allocations; staffing models (e.g., council vs. school-based outreach) will be finalized later.
- **Expected Benefits**
 - Early intervention to prevent escalation of needs and exclusions.
 - Improved capacity for schools to provide inclusive support.
 - Financial sustainability through cost avoidance and efficiency.
- **Monitoring & Accountability**
 - Proposals will be under continuous review; adjustments will be made if initiatives underperform.
 - Regular reports from LA officers will need to be presented to each HNBWG and Schools Forum and other oversight board, showing value for money and to track progress
 - Templates for consistent reporting from inclusion hubs will be developed to reduce administrative burden.
- **Concerns Raised**
 - Need for clear baselines and detailed data to measure success (e.g., reasons behind transitions from mainstream to special schools).
 - Capacity challenges for hub leaders managing reporting alongside their core roles.
 - Importance of child-level analysis to understand which interventions drive positive outcomes.
- **Next Steps**

Ratification of proposals at the upcoming Schools Forum meeting. Ongoing refinement of outreach models and accountability frameworks.

Future updates to include detailed baseline data and performance metrics.

Appreciation expressed for officers and contributors who prepared the paper.

The HNBWG supported the proposals

The Schools Forum is asked to ratify the recommendation from the HNBWG

The Forum Ratified the report.

5. Any Other Business

NNDR Update: an update confirming that all district councils have now formally agreed to move to a centralised national non-domestic rates (NNDR) process, which will remove the issue of lagged funding within the Schools



Block. This was described as a positive outcome after significant work over several years.

Thanks were expressed to the finance team member who led the coordination, and the Forum collectively recorded their appreciation for everyone involved—past and present—in achieving this agreement.

6. Date of Next Meeting

The next scheduled meeting of the School Forum is arranged for 10:00am 9th January 2026. Meeting arrangements to be confirmed in due course.

