

**Report to the Schools Forum
Meeting to be held on Friday 9th January 2026**

Item 3

Schools Forum Minutes 14th October 2025

Contact for further information:

Schools Forum Clerk
schoolsforum@lancashire.gov.uk

Brief Summary

The minutes of the last meeting to be agreed as a correct record, subject to any amendments.

Recommendation

The Working Group is asked to:

- a) Agree the minutes as a correct record



Lancashire County Council

Lancashire Schools Forum

Tuesday, 14 October 2025, 10.00 am in the Savoy Suite, The Exchange, County Hall, Preston

Present

Primary School Governors

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

Primary School Headteachers

Daniel Ballard (*LSF chair*)
Sarah Barton
Jenny Birkin
Neil Gurman
Deanne Marsh
Sarah Robson
Carl Roscoe
Kirsty Sutton

Secondary School Headteachers

Ivan Catlow
Oliver Handley (*SB Chair*)

Secondary School Governors

Janice Astley
Brian Rollo

Academy Rep

John Davey
James Keulemans
Andrew Proctor

Special School Governor

Mandy Howarth

Special School Headteacher

Claire Thompson (*HN chair*)

Short Stay Governor

Sharon Bennett

Short Stay Headteacher

Abigale Bowe (*HN Vice chair*)

Nursery School Headteacher

Jan Holmes

Nursery School Governor

Thelma Cullen

PVI Members

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

Voting Members

CC Andy Blake
CC Ian Duxbury

Observers - Non-Voting Representatives

CC Matthew Salter
Rafeal Schiel
Kate Walker
Ian Watkinson
Paula Evans

Members of the Public

Lauren Fraser
Lindsay Ingham
Nicola White
Lesley Pevrose
Peter Hindle



Officers in Attendance

Matthew Dexter
Sapphire Murray
Jo Frobisher
Laura Piper

Toni Rafferty
Aby Hardy
Paul Turner

1. Attendance and Apologies for Absence

Apologies were received from the following members, Michael Nolan, Louise Parrish, George Krawiec, Bill Mann, John Tarbox, Anna Yates and Mary Lyle.

2. Substitute Members

There were no substitute members in attendance.

3. School Forum Membership

This report provided information on the Forum membership that have arisen since the last meeting.

As part of the annual membership review process, several members left the Forum at the end of the 2024/25 academic year, with the thanks of their colleagues, and several new appointments have been made from September 2025.

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

Academy Primary Representatives

- Andrew Proctor – Highfield Community Primary School
- Melanie Furness – Belthorn Academy Primary School
- Richard Davies – Moorside Community Primary Academy School

Post -16 representative

- Paul Smith - The Lancashire Colleges

The Forum currently have the following vacancy which we are seeking representative for;

- Academy Secondary Representative

The Forum:

- a) **Noted the membership changes and welcomed new members.**

4. Minutes of the Last Meeting

The minutes of the last meeting held on 1st July 2025, were agreed as the correct record

5. Matters Arising

There were no matters arising from the minutes of the meeting held on 1 July 2025 that are not covered elsewhere on the agenda.



6. Recommendations from the Schools Block Working Group

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

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.

It was noted 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.

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.

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



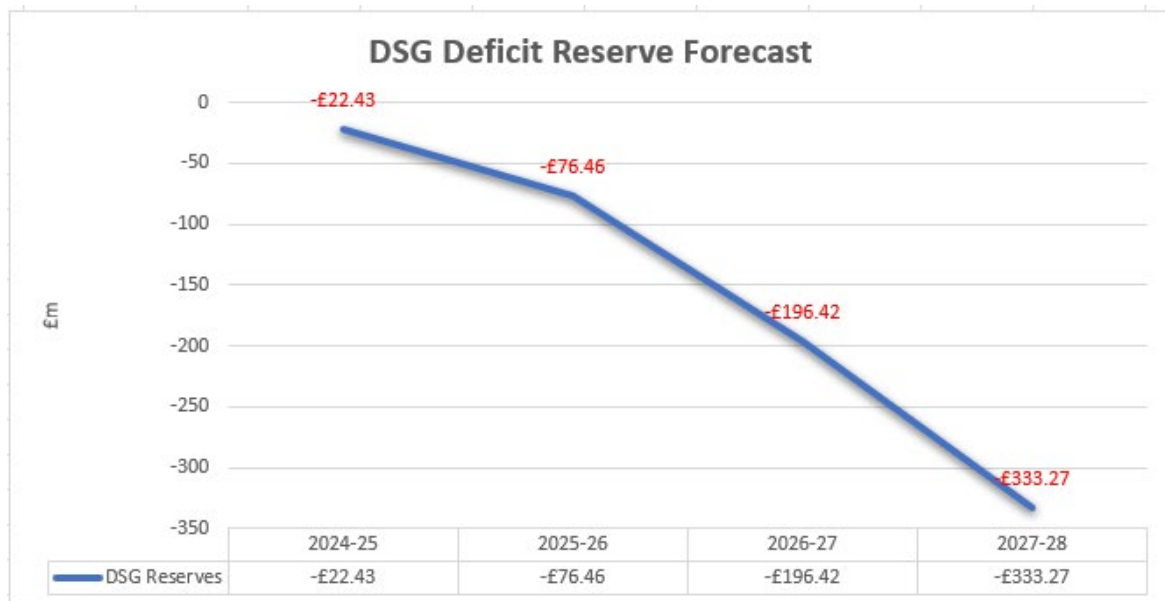
High Needs Block 2025/26			
	Budget (£)	Forecast (£)	Variance (£)
Mainstream Schools	40,534,901	59,146,448	18,611,547
Special Schools	94,617,441	96,114,727	1,497,286
Alternative Provision	14,432,767	17,056,312	2,623,545
Further Education - Post 16	5,801,448	7,534,260	1,732,812
Early Years	500,000	3,526,446	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



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%,

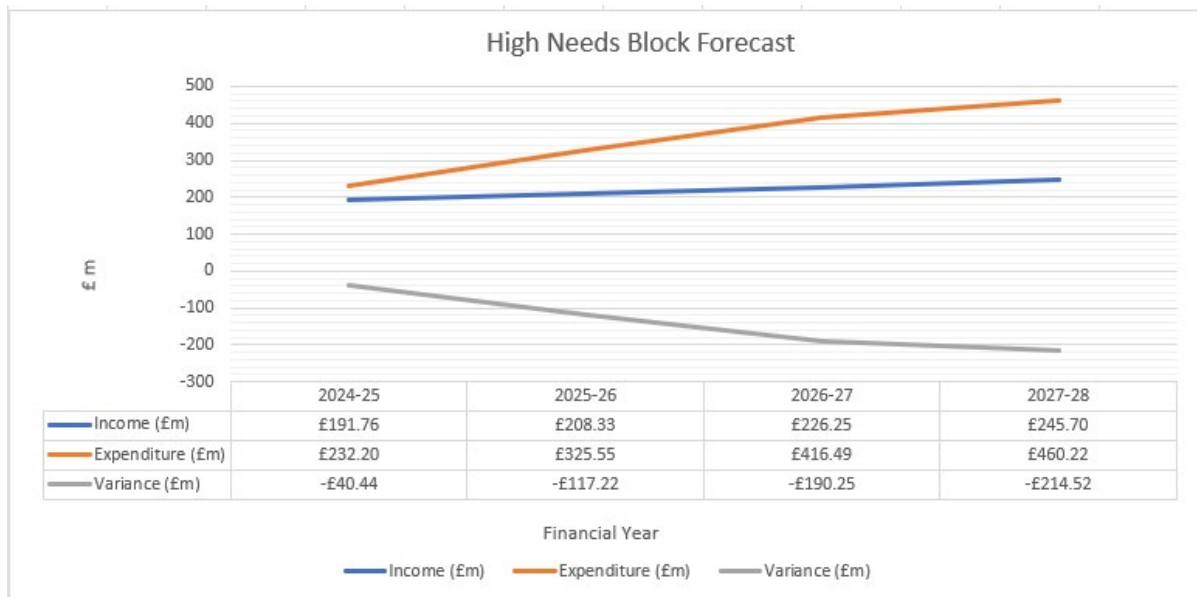


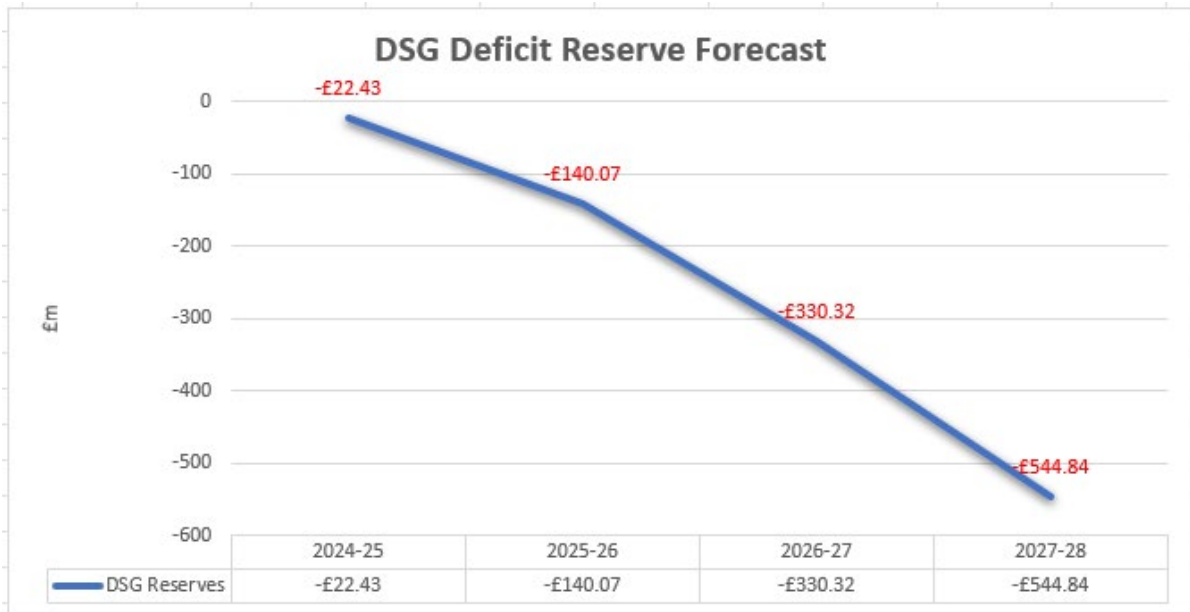
which is already over the national level of 4.8%. The remaining 51.6% (1,970) are assumed to be placed within mainstream schools at an average placement cost of £9,100, however the financial implications will only be known once all EHCPs are finalised.

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.

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

Currently there is a statutory override in place, which specifically allows councils to exclude deficits related to HNB DSG from their main revenue accounts. 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.

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, and is presented to all working groups.*
- *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. 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

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](#).

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

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.

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

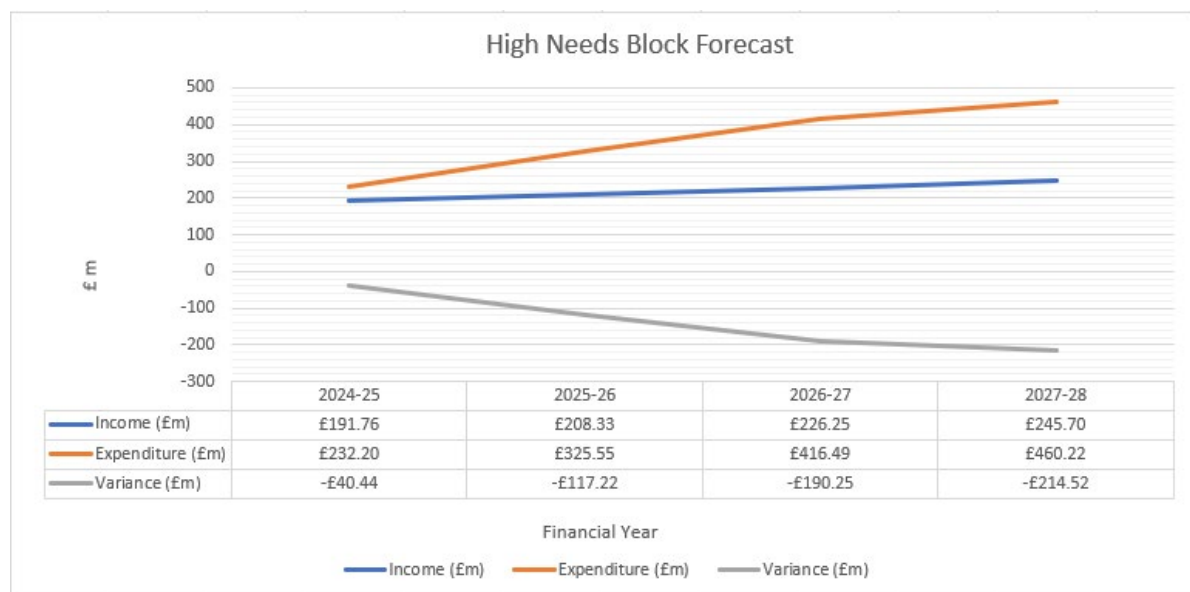


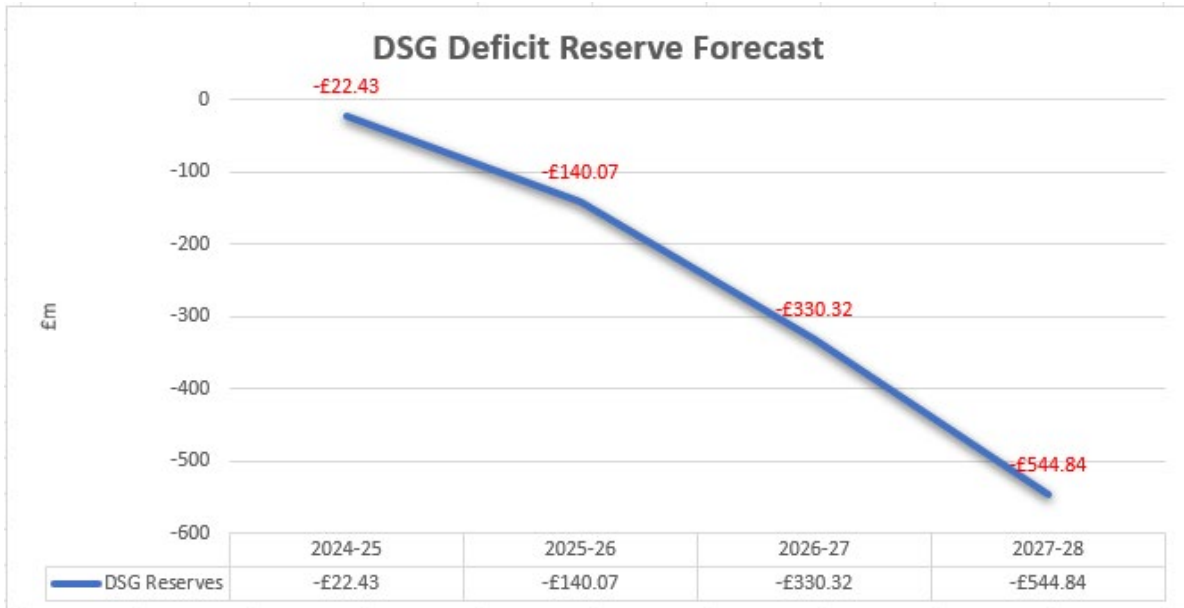
block, with schools forum approval, without submitting a disapplication request. For a transfer exceeding 0.5%, or without schools forum approval, a disapplication request must be submitted to the Secretary of State as is allowable within the regulations with schools forum approval.

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.*

This report was subsequently shared with all working groups.

3. Service De-delegations 2026/27

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 were shared in the papers.

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

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

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 \(applies from 19 August 2024\) \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/121441/Working_together_to_improve_school_attendance_(applies_from_19_August_2024).pdf). 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.

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 the feedback form schools was shared with members.

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

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 the report.

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 was provided to the group. 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 was provided to members.



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.

The Forum thanked Schools Block Chair for the update

7. Recommendations from the Early Years Block Working Group

Detail

On 25 September 2025, the Early Years 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

A summary of this report is provided in item 6.

The working group:

Noted the report

Discussed:

- Demand for special school places is rising faster than capacity; 200 places added yearly, but new builds take time.*
- £57M in building work planned; SEND units are quicker but depend on school willingness.*
- Parent choice and lack of capacity are pushing more children into independent provision (currently 900).*
- No formal projections for future SEND numbers; better data and early warning systems are needed.*
- Funding challenges: LA can't lobby, but forum members are encouraged to raise issues with MPs.*
- Budget review ongoing; focus on high-cost areas and planning improvements.*
- Awaiting Ofsted feedback next week.*

2. Early Years Block Funding Arrangements 2026/27

Following the report and modelling presented to the Early Years Working Group in June 2025, Lancashire County Council proposes retaining 3% of the Early Years Block centrally for the 2026/27 financial year. This strategic move aligns with national funding regulations and anticipates the Department for Education's (DfE) increase in



the minimum pass-through rate to 97%. The proposal aims to enhance service quality, inclusion, and sustainability across early years settings, while ensuring equitable access to professional development and specialist support. In addition, this will support pressures within the High Needs Block

Where a local authority proposes to make changes to the funding formulae it used during the previous financial year that will affect early years providers, it must first consult its school's forum, maintained schools, and early years providers. Local authorities must also seek approval from their school's forum to agree any entitlements funding they intend to retain to fund central functions. A summary of the proposal and consultation was provided to members.

It is extremely important to the County Council and the Schools Forum to be able to reflect the views of early years providers when making decisions about centrally retained early years funding for 2026/27, as these decisions are binding on all early years providers.

Please let us know your views on the proposals for 2026/27, by completing the consultation questionnaire available, **10 October 2025**, so that responses can be reported and voted on by the Schools Forum on **14 October 2025**.

Early Years Consultation Summary 2026/27

Modelling for retaining 3% centrally would equate to circa £6 million with the forecasted impact on the three individual entitlements listed below.

3- and 4-yearolds	Funding Impact £
Nursery school	£9,098
Nursery class	£2,666
PVI	£4,804
Childminder	£314
Average	£2,876
2-year-olds	
Nursery school	£2,982
Nursery class	£648
PVI	£1,710
Childminder	£182
Average	£1,002
Under 2-yearolds	
Nursery school	£1,190
Nursery class	£608



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PVI	£3,458
Childminder	£496
Average	£1,834

The forecast average impact across all entitlements for 3% retention is also demonstrated below.

Nursery school	£13,270
Nursery class	£3,924
PVI	£9,972
Childminder	£992
Average	£5,712

The forecast modelling of varying percentage rates that could be held centrally is below, which ranges from 0.5% to the full 3%.

	Percentage Held centrally	Total EY spend	3-to-4 reduction per hour in £	2-year reduction per hour in £	Under 2 reduction per hour in £	Total reduction per hour in £	Average reduction in funding per setting
A	0.5%	£975,000	0.02	0.03	0.03	0.08	£952
B	1%	£1,950,000	0.04	0.05	0.07	0.16	£1,904
C	1.5%	£2,925,000	0.06	0.08	0.10	0.24	£2,856
D	2%	£3,900,000	0.08	0.11	0.13	0.32	£,3808
E	2.5%	£4,875,000	0.10	0.13	0.17	0.40	£4,760
F	3%	£5,850,000	0.12	0.16	0.20	0.48	£5,712
G	0%	£0	0	0	0	0	0

Option A

Using 0.5% for central spend would fund the early years' sufficiency team posts and some of early years' quality assurance team. This would assist with Education Improvement budgets but would not provide improvement in the sector.

Option B

Using 1% for central spend would fund the quality assurance and sufficiency early years team posts. This would assist with Education Improvement budgets. It also means that all current training would become free and accessible to all settings.

Option C

1.5% has a wider range of benefits as captured below.



Financial Breakdown

Item	Cost (£m)
Sufficiency team staff	0.3
Quality Assurance current staff	0.9
Sufficiency uplift	0.15
Wellcomm	0.15
Early Maths	0.175
LPDS staff uplift	0.42
Quality Assurance staff uplift	0.652
Item	Cost (£m)
Early phonics	0.253
Total	3.0

The benefits of this would be :

- Recruitment of 6 HLTA and one senior HLTA to focus on ensuring ordinarily available provision is being used in settings and focus on SEND support
- Addresses gaps in specialist support and improves outcomes for vulnerable children.
- Removal of traded service fees; all training becomes free and accessible.
- Support settings in delivering high-quality care, especially in disadvantaged areas
- Expansion of both teams to provide proactive support, funding modelling, and on-site guidance.
- Enables more frequent and meaningful engagement with settings.
- Current traded service costs (up to £423.50 for early years settings) are a barrier for smaller providers.
- Central funding removes this burden, promoting equity and sustainability.
- This also provides sustainability for the early years service
- Funding high quality curriculum resources programmes such as Early Phonics and Early maths alongside funded training will increase number of children meeting their Early Learning Goals



- Funded training from LPDS and Quality Assurance staff on other aspects of the curriculum such as Understanding the World, Writing and Expressive Arts will also support ELG
- Funding Wellcomm programme including training for all settings will improve speech and language which will stop escalating SEND need and improve ELG
- Targeted projects from data – such as support to improve outcomes for boys, EAL learners, FSM
- Early literacy focus to improve mark making in preparation for writing
- PSED focus to improve managing emotions and social interactions
- Great teaching support around metacognition/cognitive load to improve outcomes
- Moderation support for assessment of early years settings

Option D

2% would provide all the advantages above, plus the ability to transfer £1million of early years services currently funded from the high needs block into the early years block, and supports the growing high needs block deficit.

Option E

2.5% would provide all the advantages above plus the ability to fund all the current budget on specialist teaching early years staff, moving this from high needs block into the Early Years Block. This would decrease the pressure on the high needs block by £3million.

Option F

3% has the same benefits as Option E but could also mean a further £1million investment in staffing for the quality assurance team to visit settings and spend more time with them training/modelling/supporting in settings or provide further savings to the high needs block.

Option G

0% means there will be no changes to funding for early years settings in 2026/27, and the training to early years will need to remain traded.

The local authority preference is that the full 3% is retained to support improved outcomes for pupils with SEND, administration of the extended entitlements, improved practice across the sector through fully funded training opportunities, and to support pressures within the High Needs Block

The working group:

Noted the report

Summary of Discussion Points:

Team Capacity & Sector Engagement

- *The local authority's early years teams are smaller than in other LAs, making it harder to keep up with demands.*



- *There's potential for greater involvement with the sector to better utilize funding and improve positioning.*
- *The proposed changes (1.5% D/E/F) mirror previous ones, but additional funding would come from the High Needs Block (HNB).*

Funding & Legislation

- *Local Government Reorganisation (LGR) could shift funding dynamics; most surrounding areas already take the full percentage from their block.*
- *Legislation allows the Secretary of State to approve up to 3% transfers, though some LAs exceed this via disapplication requests to the secretary of state (SoS)*
- *Previous promises of support were not fulfilled, leading to disappointment and concern over staff reductions.*

Impact on Quality & Staffing

- *A 3% transfer would force staff cuts, reducing quality, training, and capacity to support children.*
- *90% of the sector is currently rated good/outstanding—cuts risk lowering these standards.*
- *Reduced funding could worsen existing problems the sector is trying to address.*

Consultation & Transparency

- *Concerns raised about the lack of detailed breakdowns in the consultation—settings need more clarity to make informed decisions.*
- *EY block had a separate consultation due to different legislative limits.*
- *Simplicity of the consultation may hinder full transparency.*
- *Feedback was read anonymously*

Sector Sustainability & Equity

- *LA teams are underfunded (e.g., £250k funding vs £1m cost).*
- *Settings in low-deprivation areas struggle to stay open due to lack of parental contributions.*
- *April changes would disrupt academic year budgeting and planning.*

Quality Assurance & Role Duplication

- *Quality Assurance teams do more than training—they ensure compliance and support.*
- *Concerns about duplication with Stronger Inclusion Hubs.*
- *This is the first time such consultation has occurred, meaning feedback is crucial.*

Decision Process & Sector History

- *Forum must vote post-consultation; LA can appeal to Secretary of State by 17th November.*
- *Sector were reminded of historic block transfers from schools block to EYB, and consider that additional funding support is provided from the HNB for EY services.*
- *Blackburn LA passes through 96%—their outcomes are good/outstanding.*

Consultation Participation



- *Low response rates are a concern, but non-responses are not assumed to be agreement.*
- *0% transfer was unanimously supported by 11 members at the meeting*
- *Decision cannot be delayed due to budget timelines.*

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

A summary of this report was provided under Item 6.

The working group:

Noted the Report

- *Was previously MIT, the new Handbook sets out criteria, covering various levels of support.*

4. Early Years Payment Terms

Background

Currently, Early Education Funding (EEF) providers in Lancashire are offered two payment options:

- Option 1: Monthly payments
- Option 2: One large interim payment

This dual-option model was introduced following a formal sector-wide consultation in April 2024, in response to mixed preferences among providers. Of the 936 registered Private, Voluntary, and Independent (PVI) providers and childminders, 542 (58%) have opted for monthly payments, while 394 (42%) have chosen the large interim payment model. All providers receive final balance payments in the last month of each term.

The County Council's Treasury Management Team has identified that significant borrowing cost savings could be achieved if all providers were paid monthly rather than via large lump sums in advance. Monthly payments also align with government guidance encouraging local authorities to support provider cash flow and sustainability through regular payments. Additionally, managing two payment models adds complexity to administrative processes and error correction. A single monthly payment model would simplify operations and reduce the risk of payment delays.

If a decision is made to move to monthly payments for all providers, the Funding Agreement for the Provision of Early Education and Childcare, which outlines the terms and conditions of payment, would need to be updated to reflect the revised payment terms.

Impact on Settings

Transitioning to a single monthly payment model may affect settings that currently rely on the large interim payment for cash flow management. These providers would need to adjust their financial planning to accommodate regular monthly payments. This could affect budgeting, payroll scheduling, and financial planning, particularly for providers that rely on upfront funding to cover initial term expenses. Clear



communication and reasonable notice will be essential to support providers through this transition, should the proposal be implemented. Providers already on monthly payments will not be affected by these proposed changes.

The County Council proposes to implement this change when the next Funding Agreement is published, which is likely to be **1 January 2026** following the release of Ofsted's new inspection framework. We are not proposing to undertake a formal consultation. Instead, we ask the Early Years Working Block Group to note the contents of this report and provide any feedback to inform final decisions.

The working group:

Noted the Report

Discussed:

- *Treasury team identified auto-pay in 7th month; LA will change approach without consultation due to mixed feedback.*
- *Monthly payments likely to be introduced for all settings soon; this may be the last term under the current system.*
- *Concerns raised about delays in EHCP top-up payments and risks to SEND provision.*
- *Settings with capital plans may be impacted by funding changes.*
- *No fixed start date, but proposal aims for January 2026, with a recommended start of April 2026 of which the EYBG agreed.*
- *Monthly opt-in already available; aligns with maintained school payment schedules.*

5. New Ofsted Inspection Framework Funding Implications

In the event of an inadequate judgment under the current Ofsted Inspection Framework, settings continue to receive early education funding until next inspection in Lancashire. If a setting remains inadequate at the next re-inspection, funding ceases four weeks after the re-inspection report is published.

Based on the latest updates issued by the DfE, the County Council is proposing it applies the same principles to when funding would be withdrawn under the new inspection framework, specifically:

- Where a setting receives a '**Not met**' judgement for **Safeguarding** and/or an '**Urgent improvement**' for **Leadership and Governance**, funding will continue until the next inspection (as it does now).
- If either of those judgements remains unchanged at re-inspection, funding will cease four weeks after the re-inspection report is published (as it does now where the overall judgement remains inadequate).

The latest updates from the DfE do allow local authorities to remove funding for disadvantaged 2YO's if the leadership and governance is not 'expected standard' or above under the new framework. This is the same principle as the current guidance which allows local authorities to remove funding for disadvantaged 2YO's where the overall judgement is less than good. However, in Lancashire we have not previously differentiated between these scenarios, and it is proposed to continue with that



approach i.e. using only the **Safeguarding 'Not met'** and **Leadership and Governance 'Urgent improvement'** judgements as the trigger points for funding withdrawal at re-inspection

The working group:

Discussed:

- *Settings rated below 'Good' may lose access to under-2s funding.*
- *Updated e-guidance expected January; discussions ongoing around compliance.*
- *Settings can make changes if compliant, though parents have raised concerns.*
- *DfE under pressure to remove the 10-hour limit for large nursery chains.*
- *Meal payments: Parents can opt out; some large chains have refunded fees after changes.*
- *Parental confusion around meal charges is being reviewed.*
- *Free childcare is subsidised, not fully funded.*

6. Early Years Net Closure Update

Verbal update from Mel Foster, Operational Delivery Lead (Early Years Funding & Sufficiency).

Detail

- **Lancashire's early years sector remains positive overall.**
- **Since the last report: 2 fewer childminders, 1 fewer day nursery, an additional 11 school-based provision has opened.**
- **Admissions guidance: Schools should follow the national admissions code. LCC schools are guided by the council; others set their own criteria.**
- **Concern raised about parents being told they must agree to a one-year placement to gain admission to a linked school.**

The working group:

Noted the Update

7. Any Other Business

Sapphire has brought the below points for a verbal update:

- Informal arrangements between setting / parent or carer to delay entry to Reception.
- STS Inclusion Funding / Service offer update

Service & Inclusion Fund Update

- Link Visits: Positive feedback so far. Trial phase—feedback welcomed.
- Visit Options: Will follow options 2/3/4 unless child has specific needs. Individual visits still possible.



- Support Model: Longer-term cohort work planned, including half-day sessions in settings.
- Collaboration: Strong links with specialist teachers and settings.

Inclusion Fund Changes

- New process linked to funding speed.
- Doesn't apply to current open cases.
- RFI triaged; service sends letter to support eForm submission.
- No separate pots for A/B.
- Requests must include child info, demographics, referrer, outcomes, training needs.
- Existing cases stay as-is until review.
- Sapphire will send income details and write guidance.
- If Portage involved, they handle RFI.

The working group:

- *Noted the Update*

The Forum thanked Early Years Block Chair for the update

8. Recommendations from the High Needs Block Working Group

On 2 October 2025, the High Needs 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

A summary of this report was provided under item 6.

The Working Group:

Noted The Report

Discussed:

- *The EY funding update is expected in Jan/Feb due to ongoing data collection on extended entitlements. Figures remain provisional and subject to change.*
- *There was discussion around whether current actions could already be influencing forecasts, with suggestions to update figures as changes are confirmed.*
- *Concerns were raised about the ongoing deficit. Plans are in place to expand specialist and SEND provision, including PRU places, with a focus on reducing costs and improving outcomes.*
- *A six-week window was identified to review improvement projects before budget decisions, with the forum playing a key role in evaluating effectiveness.*
- *Monitoring within schools continues, and only substantial, confirmed changes are factored into financial projections.*
- *Questions were raised about whether informal SEND environments (e.g. classes not officially designated as units) are being captured in the data.*



- *A potential fund may be considered by Cabinet in November, linked to a “spend to save” programme. Once reviewed, more details can be shared.*

2. Clawback Exemption Request

D

In July 2025, the Forum considered the School Balances and Clawback Policy for 2025/26 and agreed that clawback should be applied on excessive revenue balances at March 2026 at a reduced threshold of 8% of CFR income. A copy of the agreed policy is provided at Appendix B.

A Lancashire Special School is requesting a full exemption at March 2026 to exempt Post 19 income for the financial year 2025 / 2026. A letter providing an overview of the project from the school was provided to the working group.

*The working group:
Supported this Request*

3. Inclusion Hubs

The Inclusion Hubs have been in place since 2019 and were created to:

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

The Inclusion hub funding initially gave all districts £80,000. This was revised post Covid to take account of the levels of deprivation and need within a particular area, with a total distribution of £1m.

Rather than place further pressures on school budgets as a de-delegation, LCC have proposed to centrally manage the Inclusion Hubs as a Cost Prevention model with a view to fund through the High Needs Block if Schools Forum agrees. Forum would need significant evidence of impact to be able to fund this programme and if this is not evident the programme will not be funded. The evidence would need to show a substantial reduction in exclusions / improvement in inclusive practices to be viable. It will need to be considered the number of children waiting for EHCPs and lack of outreach/specialist/AP provision in some areas.

Currently some inclusion hubs have significant surplus in their districts which will also need to be addressed. This surplus will continue to be held by the districts, but it would be expected that this would be spent by April 2026. Any unspent funds will be retrieved at the end of the financial year for future investment in initiatives.



Proposal

The inclusion hub lead should consult with the schools in their area to develop a proposal of funding from the high needs block, but this must be in line with previous inclusion hub de-delegation allocation, and as a collective must not exceed £1m. An ask for increased funding may be considered if the district could evidence the impact.

The proposal should also consider that the hubs are now available to academies as well as the maintained sector, and will need to consider the academy need, ensuring there is relevant engagement and representation from the sector within the district hub.

Education Improvement will continue to fund one Business Support Officer post to manage the Inclusion Hubs administrative functions, so this does not need to be included within the proposal. The High Needs Block cannot be used for administrative costs.

It may be that the proposal is very similar to what has been delivered in previous years as this has been successful, but it also may contain new ideas. The proposal should also consider whether any part of this work would constitute double funding. For example, if LCC commission a service for schools, schools should be accessing that service through the commission and not through hubs unless there is a valid reason for doing so.

Proposals should clearly set out the objectives of the hub, and should be evidence based which prevents and reduces expenditure from the High Needs Block by reducing the number of children requiring EHCPs, specialist placements, escalation into social care, alternative provision, independent placements in the long term. It should also set out what their key performance indicators will be to demonstrate success.

Due to the expected changes through the SEND Improvement plan and Education Strategy in 26/27 the proposals should only cover the 26/27 financial year. In the future it is hoped we could look at longer term proposals.

Each district should also explain in their document if they have a current inclusion hub surplus, providing the relevant information as to why this is the case. In addition, the LA would need to be assured on how any surplus will be spent by April 2026 for the purposes of the district inclusion hubs.

Proposals must be able to clearly evidence impact.

An example could be –

For an investment of £80,000 we will work with schools to prevent permanent exclusions rising above 1 per school within the area covered by this proposal. In previous years the rates have been 1.5 per school, resulting in costs to the High Needs Block of (insert cost based on 1.5 x number of schools x cost per exclusion at £20k). This will mean that we forecast a positive impact upon (insert number of



children) and a cost reduction of (insert cost reduction based upon previous costs minus expected cost).

Governance

The High Needs Working group will be asked to create a panel of its members to consider these proposals. The panel/s will need to take place at the end of September 2025. Therefore, all proposals will need to be submitted to aby.hardy@lancashire.gov.uk by Friday 26th September 25.

Each district will be asked to attend their timing at the panel and have an opportunity to discuss their proposal and provide further detail, but only a 30 minute slot can be offered due to the number of districts. The panel will be supported by LCC business support.

The panel will discuss each proposal and decide whether to fund part or the whole of the proposal. The panel chair with support from business support will then need to communicate this in writing to the inclusion hub lead and the reasons for their decision.

Each proposal and decision will then go to High Needs Working Block Group on Thursday 2nd October 2025 for discussion and recommendation to schools forum on the 14th October 2025.

It would then be expected that each district lead would submit a written report to High Needs Working Block for Thursday 18th June 2026 with their latest progress ready for a new proposal to go to the panel in September 2026 unless through the steering groups alternative decisions are made. Projects that do not deliver the expected impact will not be funded for additional years.

The working group:

Noted the Report

Discussed:

- *A pre-panel paper was shared outlining inclusion hub activities, spending, and future plans. The group was asked to consider whether funding should come from the High Needs Block or elsewhere.*
- *Engagement levels vary across districts. Data could help compare effectiveness and inform proposals.*
- *Some districts show higher exclusion rates, particularly among academies or schools not engaging with hubs.*
- *Inclusion hubs are voluntary and add workload for participating schools. Their impact includes reduced exclusions and improved outcomes.*
- *If funded via the High Needs Block, LA officers would be held accountable under its framework.*
- *Good practices should be shared across districts, though differences in settings and children affect outcomes. Some schools may not fully understand hub operations.*
- *A “spend to save” approach was discussed, with potential use of de-delegation funds and direct intervention. Any changes must comply with DfE regulations and be monitored by the LA.*



- *The group was asked to consider whether funding should be drawn from the High Needs Block. Current proposals may not yet offer a workable model and need review.*
- *Training and collaboration across inclusion districts were suggested to support funding and delivery.*
- *Inclusion hubs have shown positive impact, but funding changes won't bring immediate transformation. Continued support is needed for long-term improvement.*
- *SLAs will be established with each district. Reserves from SRAS was mentioned with questions about if/how funding could be distributed and it was stated that funds must be aligned with SRAS policy.*
- *New bids now include academies, which previously lacked access due to de-delegation rules.*
- *Due to missed deadlines, the group must decide quickly. If funding isn't agreed, there will be consequences for hub sustainability.*

Recommendation: Proceed with Option C – maintain current funding rate with a 5% uplift for staffing.

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

A summary of this report was provided under item 6.

The working group:

Noted the Update

Discussed:

- *The former MIT team is now the SSP team, and the updated handbook includes new Ofsted criteria.*
- *The service offer covers HR support and Schools in Financial Difficulty.*
- *If more schools use their balances to fund services, central reserves will reduce, potentially requiring cost increases to maintain service levels.*
- *All actions must remain aligned with agreed policy.*

The Forum thanked High Needs Block Chair for the update

The Forum also gave thanks to the Inclusion hub leads for their work on the bids, they were found to be extremely thorough and comprehensive

9. School Block Funding Arrangements 2026/27 (Attached)

At the September 2025 working group meeting, proposals for 2026/27 schools funding arrangements were noted and subsequent consultation documents sent to all schools and academies on 19 September 2025, with a deadline of 3 October 2025 for responses.

Part A of the consultation included the proposal to transfer 0.5% from schools block to the high needs block to assist with the ongoing pressures facing the



funding block. The consultation also asked for views from schools and academies regarding the level of MFG to be set in 2026/27, with the proposal to mirror the funding floor with the national funding formula (NFF).

Part B of the consultation included de-delegation proposals as supported by the schools block working group as below:

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

A copy and summary of the consultation document has been provided at **Appendices A & B**. The results of the consultation are provided at **Appendix C**.

In addition, the schools block working group were also asked to support the disapplication request to support four Lancashire schools who needed to rent premises to deliver premises, with the information regarding this NFF factor provided below

2026/27 Exceptional Circumstances Factor

The schools forum 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.

**Forum:
Thanked for the Report**

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

22 members voted Yes

Voted on the Transfer, MFG and De-delegations. As per below:

Question 1: Do you agree with the proposal of a 0.5% transfer from schools block to the high needs block to assist with pressures facing the high needs block?

22 members voted Yes, 4 voted No & 1 member chose to Abstain

Question 2: Do you agree that the Minimum Funding Guarantee (MFG) level should mirror the National Funding Formula in the Lancashire formula in 2026/27?

27 members voted Yes

Question 3: What is your preferred de-delegation option for the 'Staff Costs - Public Duties/Suspensions' in 2026/27?



12 Primary & 4 Secondary members voted to *Continue the 'Staff Costs - Public Duties/Suspensions' de-delegation using the 2025/26 policy*

Question 4: Do you support the de-delegation of the Heritage Learning Service (Museums Service) in 2026/27? (Primary Schools only)

12 Primary members voted Yes

Question 5: Do you support the de-delegation of Support for Schools Requiring Additional Support in 2026/27?

12 Primary & 4 Secondary members voted Yes

Question 6: Do you support the de-delegation for the Children's Champions 2026/27?

10 Primary & 4 Secondary members voted No

2 Primary members chose to Abstain

The Forum discussed:

Consultation Results:

- 54% said no to the transfer
- 63% overall not in favour

Concerns Raised:

- Impact on schools with SEND units and children in the maintained sector
- Poor engagement despite Forum efforts
- Short 2-week window limited district-level dissemination
- Some schools unaware – is the Schools Portal working?

Engagement Issues:

- Happens every year, yet schools still not involved
- National comparisons show better uptake
- Suggestion: Include Forum on governing body agendas

Understanding & Support:

- Schools need clearer info on what they're being asked to consult on
- Forum is happy to answer questions and support understanding
- Concern schools will react after decisions are made

Suggestions:

- Use LASH to help cascade information

Forum Role & Appeals (Paul's input):

- Forum votes on behalf of all education settings; and must decide even with low input
- Forum can vote against consultation
- If Forum disagrees, authority can appeal to Secretary of State (SoS)
- SoS usually supports authority, but response volume matters
- If Cabinet agrees with Forum, it does not go to appeal

Process Clarity:

- Forum responsibilities shown via [Schools forum powers and responsibilities](#)
- Appeals process needs clearer understanding



- **Officers can recommend an appeal to Cabinet, which would go to SoS for a decision**

Key Deadline:

- **17 November 2025 – for disapplication/appeals**

**10. Early Years Block Funding Arrangements 2026/27 (Attached)
Detail**

Following the report and modelling presented to the Early Years Working Group in June 2025, Lancashire County Council proposed retaining 3% of the Early Years Block centrally for the 2026/27 financial year at the Early Years Working Group on 25 September 2025. The funding arrangements were noted and subsequent consultation documents sent to all schools and early years providers on 26 September 2025, with a deadline of 10 October 2025 for responses.

This strategic move aligns with national funding regulations and the Department for Education's (DfE) increase in the minimum pass-through rate to 97%. The proposal aims to enhance service quality, inclusion, and sustainability across early years settings, while ensuring equitable access to professional development and specialist support. In addition, this will support pressures within the High Needs Block.

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

A copy of the consultation has been provided at **Appendix D**, with a supporting supplementary paper provided by the local authority at **Appendix E**. A further document has been included at **Appendix F** which is feedback received from the Early Years sector

Forum:

Noted the report,

Voted on the Transfer As per below:

Please let us know your preference regarding the percentage rate of early years funding proposed to be retained centrally by the local authority in 2026/27?

3 members voted for 0.5% EY Central Retention

24 members voted on 0.0% EY Central Retention

The Forum:

Peter Hindle, former Chair of the Early Years Block, raised serious concerns about the consultation process and its impact. He highlighted the lack of meaningful engagement, poor timing, and confusion around



the proposed £6m funding removal. The presentation emphasised the long-term consequences for frontline care, staffing, and quality standards in Early Years settings. Hindle criticised the lack of transparency, misleading financial assumptions, and the absence of sector input. He called for respect for the Early Years workforce and children, urging the Forum to vote against the proposal. Full presentation included in Appendix J.

Discussed:

- Strong support expressed for concerns raised by the maintained sector, particularly around the impact on frontline services and the inability to turn away children with SEND needs.
- Financial comparisons highlighted: nursery settings face reductions of up to £13,000, while schools average around £6,090.
- The proposed funding changes (approx. £3–4 million) only partially cover Early Years needs, raising concerns about future childcare availability for under-fives.
- The consultation process was criticised for being unclear and poorly communicated; some schools misunderstood the title and assumed it didn't apply to them.
- A union submitted questions to officers but had not received responses, which was noted as concerning.
- The consultation met only the minimum legal requirements; officers clarified their role was to facilitate the process, not make decisions.
- It was clarified that decisions are for Forum, and officers will respect and listen to sector feedback.
- Comparisons with other local authorities were mentioned, but it was stressed that Lancashire is not obligated to follow their lead.
- Officers reiterated that the DSG deficit and need for difficult decisions had been communicated clearly in previous meetings.
- The consultation focused on how funding would be spent, but many found this difficult to understand.
- A suggestion was made to consider a motion post-decision to reflect the sentiment expressed during consultation.

11. Schools Income Team Recharge (Attached)

Detail

For many years a Service Level Agreement (SLA) has been in place for processing and administering accounts payable of behalf of Lancashire schools.

Based on 2024/25 data, the average charge to schools was £545, with an additional average charge of £147 for those schools running an imprest account. The total from schools for the accounts payable SLA in 2024/25 was £257,000.

Whilst there has been a well-established agreement and SLA with schools for accounts payable transactions undertaken by the local authority, there has never been a SLA in place for the equivalent accounts receivable/income team.



Due to the recent transfer of schools income team officers being transferred from accounts receivable into the schools finance team, a review has been undertaken to align both the accounts payable SLA and schools income team, ensuring cost recovery for consistency of approach.

The local authority has reviewed options and have proposed the following options.

Option A – Utilise the unallocated income balance from 2023/24.

Previously we have distributed unallocated income to all LA non-bank account schools. The table below shows the total distribution and the average income distribution to schools. The unallocated income has been distributed on a 2-year lag basis to allow any schools to claim any monies from the previous financial year. Currently the unallocated income from 2023/24 is circa £275,000, and the proposal would be to utilise an element of this balance to ensure cost recovery of 2x grade 5 officers totalling circa £75,000, and the remaining unallocated income is distributed to schools on the same basis as has been undertaken in previous years. This would utilise the unallocated income effectively without any additional charges direct to individual schools

Financial Year	Total	Average	Comments
2023/24	£151,800	£325	Distribution of 2021/22 Unalloacted Income
2024/25	£291,235	£653	Distribution of 2022/23 Unalloacted Income

Option B – Introduce an SLA consistently charged to all schools from April 2026. This would likely be on the same average basis as the accounts payable charge and a further cost to non-bank account schools

Recommendation

The local authority is proposing to implement Option A and utilising the unallocated income balance. This ensures that there is no additional cost to schools by introducing a new SLA. This would continue to be the mechanism to utilise and distribute the unallocated income in future years, however it should be noted that if there is no balance held within the unallocated income in the future, then the LA will need to introduce a consistently applied SLA.

Whilst this is a local authority decision, the LA wants to be transparent with it's proposed use of the unallocated income reserve and seeks any views from schools forum members.

Forum:
Noted the report

Discussed:

- **Concern raised over the growing amount of unallocated income year-on-year, which needs urgent attention.**



- Schools should be encouraged to check for unclaimed funds, as some may be unaware. One setting was found to have £216,000 unclaimed, highlighting the scale of the issue.
- The two officers currently assigned are focused on addressing unallocated income, which is expected to reduce the need for a future SLA (Service Level Agreement) once resolved.

Option A was supported by the Forum.

12. Any Other Business

The Chair brought up a request for a District-Level Consultation Analysis Forum agreed to review consultation responses by geographic district to identify areas with low engagement. This will help target support and improve future consultation processes. District representatives may be involved in this work.

Responses by District						Total per District				
District No:	Primary	Secondary	Other	Grand Total		District No:	PRIMARY	SECONDARY	Other	Grand Total
01	26	2	1	29	44%	01	52	9	5	66
02	7	2	1	10	19%	02	42	7	4	53
04	7	1		8	29%	04	24	3	1	28
06	18	3	1	22	28%	06	61	12	7	80
07	14	6		20	38%	07	39	11	3	53
08	18			18	26%	08	56	7	6	69
09	13		3	16	26%	09	50	6	5	61
11	17	1	3	21	28%	11	60	10	6	76
12	9	1	5	15	32%	12	30	5	12	47
13	6	2	4	12	24%	13	37	6	7	50
14	6	2		8	19%	14	31	6	5	42
Grand Total	141	20	18	179		Grand Total	482	82	61	625

13. 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.

