

Enquiries to: John Byrne:
Email: john.byrne2@liverpool.gov.uk

Ref: School Budget Forecasts 2022-23, 2023-24

Name of recipient
House number / name
Street name
City
Postcode

Date:

Dear

**Date: 12th April 2021**

**TO: CHAIR OF THE GOVERNING BODY & HEADTEACHER OF EACH LIVERPOOL MAINTAINED NURSERY, PRIMARY SECONDARY & SPECIAL SCHOOL**

Dear Colleague

**INDICATIVE SCHOOL BUDGET SHARES FOR 2022-23 AND 2023-24**

As highlighted in my letter of 3rd March, regarding 2021-22 School Budget allocations, we have now prepared indicative forecasts for 2022-23 and 2023-24 at individual school level. Schools should use these figures when submitting their 3 year budget plans. These figures have been added to the 2021-22 Annex A in the columns for 2022-23 & 2023-24’ and published on the School Improvement Liverpool website. In addition, spreadsheets detailing the breakdown of the 2021-22 budget allocations and splitting 2021-22 budgets by CFR category area also now available on the SIL website. In addition, please note that following receipt of Post 16 allocations there is a small increase to 2021-22 budgets for secondary special schools to reflect post 16 bursary allocations.

The indicative budgets for 2022-23 and 2023-24 have been prepared on a cautious basis making a number of assumptions which are detailed below.

**Schools Budget: Reception - Year 11, Mainstream Pupils**

For the purposes of constructing an indicative budget the schools’ 2021-22 budget has been used to calculate a budget based on an MFG of +1% and using forecast pupil numbers for both 2022-23 and 2023-24.

Currently, DfE has not issued an indication of the likely increase in DSG funding to local authorities for 2022-23 and beyond. They have indicated that they will be undertaking a review of the approach to funding both for both School Block and SEN funding, however at this stage the implications of this are not known. In the absence of any specific guidance, budgets have been calculated on an MFG basis assuming a rate of MFG increase of 1% per pupil.

When further information is issued by DfE, indicative budgets will be reviewed and if there is significant variations indicative budgets will be re-run to accommodate this and allow for potential changes in pupils numbers at individual school level as well.

In any event, consultation will be undertaken with the Schools Forum Formula Working Group and Schools Forum before actual school budgets are run for 2022-23

 on the formula factors and level of MFG.

The estimates provided are based on the following assumptions:

**Pupil Numbers**

For most year groups numbers have been rolled forward. However, for Reception in the primary sector generally numbers enrolled in September 2020 have been repeated. For Year 7 in secondary schools data is based on the school admissions data available on offer day in March 2021 for September 2021 entry.

It is appreciated that this may over or under state pupil numbers for some schools.

Where schools are expanding as part of an agreed Primary or Secondary expansion programme the expected impact of the additional pupil growth has been factored in.

Note: the pupil numbers shown in Annex A are those used for the School Block only. They do not include Nursery and Post-16 pupils.

**Delegation of Additional Services**

The decision on whether to de-delegate services is made annually and schools, via the Schools Forum, will need to consider whether to change the elements that are de--delegated each year. However, for the purposes of issuing indicative budgets it has been assumed that the same areas are de-delegated at the same rates as has been agreed for 2021-22.

**Minimum Funding Guarantee (MFG)**

The MFG for 2021-22 is plus 2%, meaning that the minimum gain to any school is at least 2% per pupil for the pupil elements only. The MFG base was adjusted to include Teachers pay and pension grants and this is now reflected in future years figures.

The authority is exercising a cautious approach for future years and has set MFG at 1% per pupil for 2022-23 and 2023-24 in calculating allocations.

**Early Years Single Funding Formula (EYSFF)**

EYSFF allocations are forecasts based on the number of hours of free early education entitlement provided during the three terms of the 2019-20 financial year (2020-21 data is unreliable due to variation due to lockdowns and wider impact of Covid), as included for the published 2021-22 forecasts. Therefore, the 2021-22 allocation is repeated for 2022-23 and 2023-24.

Protection funding for maintained nursery schools is currently only in place for 2021-22 but it is assumed that it will continue at current levels in these indicative budgets. Although the DfE has recognised the need for a long term approach to protection the level of any protection is unknown so indicative budgets for maintained nursery schools must be treated with a degree of caution. Nursery schools will be informed once the situation is clearer.

**High Cost Pupils**

The DfE has separated out funding for high cost pupils with SEN. The DfE definition of high cost is those pupils costing in excess of £10,000 per annum. This includes both the cost of basic educational provision every pupil receives which the DfE estimate to be £4,000 per pupil, plus the cost of additional support of £6,000. Schools are responsible for providing up to the first £6,000 of support for a pupil with low level or moderate SEN needs. The Authority has a banding system which enables additional funding to be allocated if a pupil’s needs exceed the £10,000.

As highlighted above there is still uncertainty over future funding levels for special schools and resourced units and a wider review of High Needs funding is due to be issued later this year. It has been assumed, as with the Schools Block, that there will be an increase in funding of 1% after allowing for known changes in place numbers. The full year impact of place changes from September 2021 has been accounted for in 2022-23 but no further changes in places have been assumed. Place requirements for future years are being considered and discussions will be held with schools when needs have been identified.

**SEN Resourced Provision**

In terms of mainstream provision the main areas where schools would have high cost pupils are where the school hosts resourced provision. The element 1 funding of £4,000 per pupil is paid within the Schools Block allocation. The element 2 funding of £6,000 per planned place plus a variable top up amount depending on the needs of the pupils in the base is paid from the High Needs Block. The top up will be paid based on the actual number of pupils in the base. This will be adjusted on a termly basis and schools provided with updated budget information. The indicative budgets presented have assumed that all the planned places in bases are occupied.

**Special Schools**

For special schools and PRUs a similar approach applies with a base funding of £10,000 per place, plus a variable top up based on the needs of the pupil. Commissioned Services are also included in the funding allocation. As in resourced provision, budgets will be adjusted on a termly basis and schools provided with updated budget information. The budgets presented have assumed that all the planned places are occupied. Schools should be aware that if actual numbers are below this level then budget top up allocations will be reduced.

These indicative budgets are based on the same methodology as that used in 2021-22. Work is ongoing to review this methodology in conjunction with schools and relevant SEN officers. Clearly, if a change is agreed to the methodology, the indicative budgets will be updated and reissued.

**Post 16 Funding**

Funding for school sixth forms is calculated on a national basis by the Education and Skills Funding Agency (ESFA) and 2021-22 financial year includes 4 months of 2020-21 academic year and 8 months of 2021-22 academic year. The 2021/22 academic year allocations have been used as the basis for both 2022-23 and 2023-24 indicative budgets.

**Pupil Premium**

Detailed allocations of Pupil Premium funding for 2021-22 have not yet been announced. The DfE have however confirmed that pupil premium allocations will be based on October Census data for 2021-22 and future years and that per pupil rates will not increase in 2021-22. For the purposes of providing indicative forecasts the final 2020-21 allocations for deprivation Pupil Premium have been used. Deprivation Pupil Premium figures should be repeated for all three years pending the release of the updated allocations which is now expected at end of June.

If you have any queries about the approach to indicative budgets please email schools.finance@liverpool.gov.uk with details of your query.

Yours sincerely



***Andrew Buck***

***Head of Finance – Children’s, Adult Social Care & Health***