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Ref: School Budget Forecasts 2023-24, 2024-25

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Dear

**Date: 21s April 2022**

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

Dear Colleague

**INDICATIVE SCHOOL BUDGET SHARES FOR 2023-24 AND 2024-25**

As highlighted in my letter of 28th February, regarding 2022-23 School Budget allocations, we have now prepared indicative forecasts for 2023-24 and 2024-25 at individual school level. Schools should use these figures when submitting their 3 year budget plans. These figures have been added to the 2022-23 Annex A in the columns for 2023-24 & 2024-25 and an updated Annexe A accompanies this letter. In addition a spreadsheet providing a detailed breakdown of the 2022-23 budget allocations and splitting 2022-23 budgets by CFR category area is now available on the SIL website. This is presented in a new format from previous years enabling individual schools to access all their information on one page. I am aware that the version issued last week had some errors on certain schools a corrected version has now been issued.

In addition, please note that 2022-23 allocations are slightly different from that initially published for early years and Post 16. Following receipt of Post 16 allocations for 22-23 Academic years these are now included in the Annex A figures. Early years figures have been updated to reflect the most recent numbers available following receipt of spring term data.

The indicative budgets for 2023-24 and 2024-25 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’ 2022-23 budget has been used to calculate a budget based on an MFG of +2% and using forecast pupil numbers for both 2023-24 and 2024-25.

Currently, DfE has not issued any detailed information on the likely increase in DSG funding to local authorities for 2023-24 and beyond. The recently issued White and Green papers indicate that they will be undertaking a review of the approach to funding both for School Block and SEN funding, however at this stage the implications and timing 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 2% per pupil.

If any specific proposals emerge then indicative budgets will be reviewed and if there are significant variations to the current methodology indicative budgets will be re-run to accommodate this. In addition, we will review pupil numbers in the autumn term and if significant produce revised indicatives taking account of changes in pupils numbers at individual school level.

In any event, consultation will be undertaken with the Schools Forum Formula Working Group and Schools Forum before actual school budgets are run for 2023-24 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 classes in the primary sector numbers enrolled in September 2021 have been repeated. Year 7 figures in secondary schools are based on the school admissions data available on offer day in March 2022 for September 2022 entry.

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

Where schools are expanding as part of a local authority 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 2022-23.

**Minimum Funding Guarantee (MFG)**

The MFG for 2022-23 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 has been adjusted to take account of the new supplementary grant which has been allocated to schools this year. It is the DfE’s intention that this will be built into base DSG funding in future years. So, allocations include the continuation of additional funding received through the Supplementary grant. Therefore, as the supplementary grant allocation is included in future years this grant should only be a separate allocation in 2022-23 financial year in your budget forecasts.

The authority has used the current MFG level as the basis for projecting forward in future years so has set MFG at 2% per pupil for 2023-24 and 2024-25 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 2021-22 financial year as used in the final 2021-22 figures. Therefore, the 2022-23 allocation is repeated for 2023-24 and 2024-25.

The government have indicate that protection funding for maintained nursery schools will continue although exact methodology in future years is still uncertain. For the purpose of producing indicative budgets, it is assumed that it will continue at current levels in these indicative budgets. If any further information is released we will inform Nursery schools and amend indicatives if required.

**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 the recently released Green paper suggests a national approach to banding be adopted. However, no specific details on how or when this would be implemented is included in the paper. It has been assumed, as with the Schools Block, that there will be an increase in funding of 2% after allowing for known changes in place numbers. As with mainstream funding the funding distributed through the HN supplementary grant in 2022-23 has been incorporated into the base funding and is included in the estimates provided. Therefore, as the supplementary grant allocation is included in future years this grant should only be a separate allocation in 2022-23 financial year in your budget forecasts.

The full year impact of place changes from September 2022 has been accounted for in 2023-24 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 2022-23. As highlighted above a national approach to banding has been suggested by the DFE. Further information is awaited on this and the implication of this on allocations at individual school level will be reviewed if required once detailed proposals are received. 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 2022-23 financial year includes 4 months of 2021-22 academic year and 8 months of 2022-23 academic year. The 2022/23 academic year allocations have been used as the basis for both 2023-24 and 2024-25 indicative budgets.

**Pupil Premium**

Detailed allocations of Pupil Premium funding for 2022-23 have recently been announced. The Annex A has been updated to reflect this. For the purposes of providing indicative forecasts the initial 2022-23 allocations Pupil Premium should be repeated for all three years.

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 Assistant Director - Finance***