



Lancashire Schools Forum

CC Phillippa Williamson, Leader, Lancashire
County Council and CC Jayne Rear, Cabinet
Member for Education and Skills

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Date 13 January 2022

C. CC Michael Goulthorp, Lead Member for Education and Skills

Dear Phillippa and Jayne,

Schools Budget 2022/23

As you will be aware, at a meeting on 13 January 2022, the Schools Forum was presented with information about the latest proposals for setting the Schools Budget from April 2022.

Following consideration of the proposals, the Forum agreed a number of recommendations for your consideration in finalising the Schools Budget for 2022/23. Where applicable these recommendations follow the outcomes of consultations with schools and early years providers.

The Forum:

Supported the Schools Block proposals, as follows:

- The DfE's National Funding Formula (NFF) methodology should continue to be used as the Lancashire formula for 2022/23;
- The Minimum Funding Guarantee (MFG) be set at +2.0% for 2022/23, mirroring the National Funding Formula;
- The use of the circa £2.2m of the Growth Fund allocation to ensure that the National Funding Formula (NFF) methodology can be applied in full in 2022/23;
- The transfer of circa £1.7m (0.19%) of Schools Block funding to the High Needs Block for the revised payment arrangements needed for the contractual school PFI contribution in relation to the former Hameldon site, as it is being taken over by a Lancashire special school.

Supported the High Needs Block proposals, as follows:

- The increased HNB allocation being utilised to cover the forecast growth in High Needs expenditure from April 2022;
- The increase in HNB allocation to broadly match uplifts in the mainstream sector, including:
 - Increasing the Weighted Pupil Numbers (WPN) rate by 4% to £4,567;



Chair Shaun Jukes

C/O The Clerk to the Schools Forum, • Financial Management (Development and Schools)
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- Special School and PRU School Specific factors uplifted by 2% to match Schools Block MFG;
- Rate for Excluded Pupils, Medical and Other pupils uplifted to match increased WPN:
 - in the secondary PRU formula, 1 WPN;
 - in the primary PRU formula, 2/3 of 1 WPN.

Supported the Early Years Block proposals, as follows:

- The use of £1m Schools Budget reserves being used in 2022/23, to mitigate transitional pressures in the Early Years Block budget to support the 3 and 4 year old base rate, as the Schools Block headroom transfer is not available;
- The £1m contribution would allow 4p per hour to be added to the base rate and be available for 2022/23 only to support the 3 and 4 years olds, meaning the rate would increase by 13p per hour from 2021/22, providing a £4.48 per hour 3 and 4 years olds rate from April 2022 (compared to £4.35 in 2021/22)
- The passporting of other DfE Early Years funding increases to providers:
 - + £0.21 per hour 2 year olds providing £5.37 per hour from April 2022
 - + £0.17 per hour for the maintained nursery schools supplementary funding providing £3.67 per hour from April 2022;
 - + £0.07 per hour for Early Years Pupil Premium providing £0.60 per hour from April 2022, equivalent to up to £342 per eligible child per year;
 - + £185 per eligible child the disability access fund (DAF) providing £800 per eligible child per year from April 2022;
- The continuation of Deprivation Supplements on the existing methodology for 2022/23;
- The continuation of the SEN Inclusion Fund at £500k for 2022/23.

Supported the Central School Services Block proposals, as follows:

- The transfer of £0.350m from Central School Services Block to the High Needs Block from 2022/23 to enable continued support for MASH and Emotional Health and Wellbeing Service;
- The proposals for the Central School Services Block in 2022/23, including uplifts for cost and demand led pressures.

Supported the Schools Supplementary Grant 2022/23 proposals, as follows:

- The proposed mechanisms for allocating the high needs funding supplementary grant in 2022/23:
 - Health and Social Care Levy (Increased NI contribution in 2022/23 for social care) - For special schools and AP only, to be calculated on 80% of total budget per school x 1.25% based on 2022/23 School Budget data, with an adjustment for exceptional place changes in year at special schools and increased exclusions at AP later in the year;
 - Wider costs pressures – Paid across all sectors and calculated on basis of WPNs in 2022/23 School Budget data, estimated at circa £600 per WPN

The Dedicated Schools Grant Reserve underwriting the uncertainties around the 2022/23 DSG Schools Budget, across Schools Block, High Needs Block, Early Years Block and CSSB.

The Forum also approved a number of budget lines and arrangements using our decision making powers. These are set out at Annex1.

I hope that you will be able to accommodate our recommendations and decisions when you set the Schools Budget for 2022/23.

With best wishes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'SJ', with a large, sweeping flourish underneath.

Shaun Jukes
Chair, Lancashire Schools Forum

SPECIFIC APPROVALS NEEDED FROM THE SCHOOLS FORUM

The School and Early Years Finance (England) Regulations require certain proposals by the Local Authority relating to the Schools Budget to be approved by the Schools Forum. .

An indication of the specific proposals that have previously been considered and approved by the Forum is included together with proposals now put forward that require approval.

Function	LA proposals 2022/23	Proposed Expenditure: 2022/23 £m
Consultation on Formula Changes		
<ul style="list-style-type: none"> No local formula factor changes are proposed for 2022/23 in any funding block, beyond incorporating the DfE National Funding Formula (NFF) alterations into the local Schools Block formula 	The Forum have previously agreed to use the DfE's NFF as the Lancashire funding formula for the Schools Block budget, and NFF updates for 2022/23 introduced by the DfE are incorporated in the Schools Budget proposals for 2022/23, including revised sparsity and school business rates factors	
De-delegation for mainstream schools	LA proposals for: <ul style="list-style-type: none"> Schools in financial difficulty; Museum service (primary only); Staff Costs Public duties/Suspensions; Primary Inclusion Hubs Approved by the Schools Forum on 19 October 2021	3.468
Movement of up to 0.5% from the schools block to other blocks	Proposal to transfer £1.680m from the School Block to the High so that contractual school PFI contributions can be met from the relevant funding block in 2022/23, when	1.680

	the former Hameldon school premises will be used to permanently relocate a Lancashire special school	
Contracts (where the LA is entering a contract to be funded from the schools budget)	No Proposals at this time	
Financial issues relating to:		
<ul style="list-style-type: none"> arrangements for pupils with special educational needs, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding 	Proposals contained in the High Needs Block Working Group recommendations report to the Forum and the Forum budget papers	111.392
<ul style="list-style-type: none"> arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding 	Proposals contained in the High Needs Block Working Group recommendations report to the Forum and the Forum budget papers	11.601
<ul style="list-style-type: none"> arrangements for early years provision 	Proposals contained in the Early Years Block Working Group report to the Forum and the Forum budget papers	81.655
<ul style="list-style-type: none"> administration arrangements for the allocation of central government grants 	No Proposals at this time beyond passporting DfE allocations to schools	
Minimum funding guarantee (MFG)	Consultation responses on MFG reported to Forum on 19 October 2021 and recommended that the level of MFG to be used in the Lancashire funding formula for 2021/22 be set at +2.0%. This is incorporated into the Forum budget papers	
General Duties for maintained schools Contribution to responsibilities that local authorities hold for maintained schools	No Proposals at this time	

Central spend on and the criteria for allocating funding from:		
<ul style="list-style-type: none"> • funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy 	<p>Policy previously agreed by the Schools Forum. Proposal to increase the growth fund unit values in line with increased NFF Minimum Pupil Funding levels each year</p> <p>Final budget proposals are contained in the Schools Budget 2022/23 report</p>	2.000
<ul style="list-style-type: none"> • funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years 	No Proposals at this time	
Central spend on:		
<ul style="list-style-type: none"> • early years block provision 	Final budget proposals are contained in the Schools Budget 2022/23 report	0.500
<ul style="list-style-type: none"> • funding to enable all schools to meet the infant class size requirement 	No Proposals at this time	
<ul style="list-style-type: none"> • back-pay for equal pay claims 	No Proposals at this time	
<ul style="list-style-type: none"> • remission of boarding fees at maintained schools and academies 	No Proposals at this time	
<ul style="list-style-type: none"> • places in independent schools for non-SEN pupils 	No Proposals at this time	
<ul style="list-style-type: none"> • admissions 	Final budget proposals are contained in the Schools Budget 2022/23 report	1.400
<ul style="list-style-type: none"> • servicing of schools forum 	Final budget proposals are contained in the Schools Budget 2022/23 report	0.188

<ul style="list-style-type: none"> • Contribution to responsibilities that local authorities hold for all schools 	No Proposals at this time	
<ul style="list-style-type: none"> • contribution to responsibilities that local authorities hold for maintained schools 	No Proposals at this time	
Central spend on:		
<ul style="list-style-type: none"> • capital expenditure funded from revenue: projects must have been planned and decided on prior to April 2013 so no new projects can be charged 	No Proposals at this time	
<ul style="list-style-type: none"> • contribution to combined budgets: this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources 	For 2022/23, £0.350m from the historic commitments element has been transferred to the High Needs Block to ensure continuation of valued services to schools, as recommended by Forum on 6 July 2021	
<ul style="list-style-type: none"> • existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged) 	No Proposals at this time	
<ul style="list-style-type: none"> • prudential borrowing costs – the commitment must have been approved prior to April 2013 	No Proposals at this time	
<ul style="list-style-type: none"> • SEN transport where the schools forum agreed prior to April 2013 a contribution from the schools budget (this is now treated as part of the high needs block but still requires schools forum approval as a historic commitment) 	No Proposals at this time	
Central spend on:		

<ul style="list-style-type: none"> • high needs block provision 	2022/23 funding level presented as part of the Schools Budget setting proposals	36.423
<ul style="list-style-type: none"> • central licences negotiated by the Secretary of State 	2022/23 funding level presented as part of the Schools Budget setting proposals	1.016
Funding of brought forward deficits	No Proposals at this time	