

## **Main Assumptions on Medium Term Financial Strategy (MTFS) projections**

### **Income**

Funding is only announced 1 year at a time. For 2024/25 there is an increase of the maximum 5%. Previous advice from ESFA is to assume a 3% increase in funding in future years, which is consistent with the minimum increase in 2024/25. If the assumption is changed to assume the 2024/25 increase continues, this would result in additional income of £2.5m in 2025/26 and £5.2m in 2026/27.

There is no reason to assume that the supplementary funding received in 2022/23 and 2023/24 will continue.

Since the MTFS was produced, indications are that there will be an increase in places at Luminare (the group of colleges based at Leeds City College), which will reduce income available in 2024/25. Most of the increase is due to colleges in other local authority areas. Although this will be compensated for in the import / export adjustment, this adjustment is lagged and so won't take effect until 2025/26.

### **Expenditure**

**Special school places** - assumptions on special school places available are based on known increases at existing schools plus the expansion of the new special free school. In September 2023, there was an increase in places available of 108 with a further increase of 86 from September 2024 and another 108 from September 2025.

**Mainstream top-ups** - despite the increase in places from September 2023, top ups to mainstream schools are still projected to be 33.45% higher in 2023/24 compared to 2022/23. There are no indications that the rate of increase is slowing, so it is reasonable to assume there will be a similar increase in future years.

**Additional £6k blocks** - the increased number of pupils in mainstream schools has resulted in significant increases on the additional £6k blocks budget. Projections are that the number of eligible Reception to Year 11 pupils receiving FFI will increase by 970 (33%) between April 2022 and March 2024. Although the increase in pupils is only 33%, the increase in costs over the same period is 91.44%. This is because the additional high needs pupils are more likely to attend schools that are already inclusive and so have a higher number of pupils already. The projected increase in future years has been set at 33%. Given previous years increases, without changes to the funding calculations, it is likely that the actual increase will be higher.

**Other budgets** - the High Needs Block funds a number of staff (e.g. the Sensory Service, SENIT, STARS), some of whom are teachers. All pay budgets have been assumed to increase by 4% in line with the Leeds City Council overall MTFS. However, given that the 2023 teachers pay award was 6.5%, there is a risk this may not be enough. In addition, it has recently been announced that teachers pension contributions will increase from April 2024 from 23.6% to 28.6%, which is an increase of 21%. This was not known about when the MTFS was completed and so will add further costs to future years.