

Item 8

National School Funding Position

Update for Schools' Funding Forum
8 July 2016

Schools Funding - General

- Schools are in the sixth year of flat cash, they receive increased funding for additional pupils but not for inflationary pressures.
- Government intention that this will continue until the end of current parliament to 2020
- Flat cash is now catching up with many schools who are expected to cover inflation via efficiencies
- More than ever in recent years, schools have to take tough decisions in order to balance their budget

National Funding Formula for Schools

- The proposal is that from 2019–20 there will be a national funding formula for schools
- Currently, Local Authorities receive their funding for education through a ring fenced grant from the government called the Dedicated Schools Grant (DSG) and is split into three blocks, Schools Block, High Needs Block and Early Years Block
- There are two steps in the current process, Government to LA and then LA to School
- Under the new proposal, the first stage will no longer exist and schools will receive their funding direct from government using national funding rates

National Funding Formula for Schools

- DfE consulted earlier this year on the key principles and the factors they would like to see in a national funding formula
- Proposal is to move to a soft NFF for 2017-18 – still allow local discretion
- Then move to a hard NFF for 2019-20 – no local discretion
- We hope to gain funding from the move to NFF but its not guaranteed
- LA will remain responsible for distribution of High Needs

National Funding Formula for Schools

- Summary of Kent's response to the 1st consultation
 - We welcome the introduction of a fairer distribution of the national funding for schools
 - We do not support the introduction of a hard NFF and favour an approach that allows local discretion with Forum involvement – this is a concern as having local knowledge enables funding to be targeted fairly
 - We do not agree with the ring fencing of the blocks
 - We are concerned with the prospect of funding being directed via MATs (rather than individual schools)
 - We are concerned about arrangements for LAs with PFI schools like Kent
 - We believe ring-fencing schools block will leave no incentive for schools to be inclusive

National Funding Formula for Schools

- Currently the LA can move funding between blocks to meet pressures
- In the future this ability will be removed
- The funding will be based on number of pupils in the LA and standard national rates – this is an area of concern
- Future of Early Years Funding unknown, consultation to be run later in the year

Probable Sequence of Events & Timeline

Stages	Date
DfE Consultation of principles & likely factors (1 st stage)	April - Completed
DfE Consultation of weightings between factors and rates	Expected July with a possible close in late September
Minister decisions following consultation	Expected in November
Consultation with Kent Schools' Funding Forum and possibly with all Kent Schools'	November/December
Confirmation of Kent Schools' Formula for 2017-18 submitted to DfE	Third week in January 2017
2017-18 School Budgets constructed	February
2017-18 School Budgets issued	End of February 2017