



Headteacher

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Dear Colleague

School Budgets

I am pleased to inform you that the 2014-15 Delegated Formula and Pupil Premium budget templates are now available on Kent Education Learning and Skills Information (KELSI) via the following link:

http://www.kelsi.org.uk/school_management/schools_financial_services/budgets_2014-15.aspx

(Devolved Formula Capital allocations have not yet been announced and are not expected from the DfE until April / May

We are now in the final year of the current public funding settlement where the Dedicated Schools Grant (DSG) is a flat cash settlement. The flat cash settlement means that there is no capacity to increase school funding rates for inflationary pressures.

Key points for 2014-15 budgets are:

- The Government's Minimum Funding Guarantee (MFG) has been set at -1.5%. This has been applied to ensure no school has a cut in its budget of more than 1.5% per pupil (excluding exempt items and high needs funding) before any pupil premium is allocated.
- The gains cap that restricted some schools from realising their full formula funding last year has been removed. This means that schools will now receive their full formula funding.
- The DfE have decided that pupil premium funding for looked after children will initially be retained by the Virtual School Kent (VSK) headteacher in the local authority rather than passed down to schools as previously. The DfE expect that VSK will agree an appropriate programme of activity with the school and then any agreed funding will be passed to them.
- The Schools' Funding Forum have agreed to continue de-delegating some specific budgets for 2014-15 with the exception of MCAS(non-traded element) and Education Assessment Service (ESA). This means that schools will receive an additional £4.78 per pupil for these services.

- Free School Meals for infant aged pupils. We are waiting for the detailed information and allocation from the DfE following David Laws letter to schools on the 24 January. The letter leaves many unanswered questions which the DfE have acknowledge and said more information will be provided shortly.
- Teachers Pay – we are awaiting the national decision.
- In previous years KCC has agreed a cost of living award for all staff in the Kent Scheme. This has been in addition to staff receiving a performance reward through the Total Contribution Pay (TCP) process. For 2014-15 the County Council has agreed a single pay and reward package for Kent Scheme staff. The new Kent Scheme salary scales will not be confirmed until Monday 10th March, and the salary calculator element of the Financial Planning Tool (FPT) will be delayed until this information has been released.

A more detailed note explaining the significant changes can be accessed through the above link.

In relation to future years, the coalition government have publicised that 2015-16 will see the introduction of a national funding formula for schools. We had anticipated an announcement on this prior to Christmas, however nothing has been forthcoming and we have been told that the delay is due to inter department discussions. The Secretary of State has indicated that a consultation on the introduction of a national funding formula will be issued shortly. We can only surmise the makeup of a national funding formula and the impact it will have on Kent schools. However the coalition government has made a clear statement that protection will be provided, suggesting that as a minimum there will be stability in funding for schools in 2015-16.

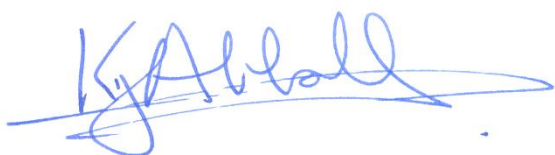
To provide schools with some initial basis for planning we have assumed that the MFG rate for 2015-16 and 2016-17 will be set at -1.5%.

Your three year financial plan submission due to the LA by the end of May should be based on the LA assumptions. We know that our assumptions may need adjusting, but for now we want Kent schools to be able to plan on a consistent basis. As soon as we receive any information from the Department for Education about future years school funding we will let you know, but we are not anticipating anything until later this year.

This budget ensures that there is sufficient funding to meet the year on year cost increases that schools are likely to face. If you experience difficulties when setting the budget for your school please contact Yvonne King on 0845 365 5368 or email via schoolsfinancialservices@kent.gov.uk.

The detailed budget guidance notes accessible on [KELSI](#) include a list of contact names dependent on the nature of your query. Please contact me if you have any questions on overall policy issues.

Yours sincerely



Keith Abbott
Director, School Resources