

Message sent on behalf of Matt Dunkley CBE - Corporate Director For Children, Young People and Education.

To: Headteacher and School Business Manager

Dear Colleague,

School Budgets

I am pleased to inform you that the 2018-19 Delegated Local Funding Formula (LFF) and indicative Pupil Premium and Devolved Formula Capital budget templates are now available on-line for all maintained schools via the following link: [2018-19 School Budgets](#). We have also provided a separate budget template for Kent academies with shows details of the relevant payments we are responsible for, which can be accessed via the same link.

Introduction of the National Funding Formula (NFF)

After seven years of flat cash settlements it is pleasing to announce that Kent is set to gain an overall +7.4% increase to its Dedicated Schools Grant (DSG) as a direct result of the Government's decision to introduce a NFF. The first instalment of this new money is arriving in 2018-19, with a +3.3% increase, followed by a further increase of +2.6% in 2019-20. It is unclear when the remaining balance of +1.5% will be received, other than it will form part of the Government's next Spending Review plans.

The Government has confirmed its long-term ambition is to introduce a hard NFF for all schools nationally. A hard NFF means all schools funded using a consistent formula administered by the Education and Skills Funding Agency with no local involvement. Precisely when this will happen is unclear as this would require a change in Primary legislation.

In determining Kent's local funding formula for 2018-19 we undertook an all schools' consultation during November to seek views on the move towards a NFF and the operation of the LFF for the next two years considering this additional funding. The consultation responses were shared with the Schools' Funding Forum on 1 December before arriving at a consensus in all aspects of the decision-making process. The key changes to the LFF for 2018-19 are as follows:

- That we should introduce a Minimum Funding Level (MFL) and for 2018-19 set the rate at £3,200 per pupil for primary schools and £4,500 per pupil for secondary schools. For 2019-20 the MFL would be increased to £3,400 per pupil for Primary Schools and £4,700 per pupil for Secondary Schools.
- The Lump Sum will continue to be set at £120,000 per annum for both 2018-19 and 2019-20 and not reduced in line with the NFF to £110,000.
- The Minimum Funding Guarantee (MFG) would be set at minus 1.5% per pupil for both 2018-19 and 2019-20.
- We are transferring 0.5% (c. £4.4m) of the Schools Block to the High Needs Block to help meet some of the unfunded pressures arising from increased demand in the number of High Needs pupils and students.

- Increase Kent's Growth funding budget by £2m to help meet some of the additional costs arising from the growth in mainstream pupil numbers expected during 2018-19.

Details of the LFF factors and agreed rates for 2018-19 and our LFF indicative rates for 2019-20 can be accessed via the above link. We do not have any information beyond 2019-20 and we will update you as soon as this information is released by the Department for Education (DfE).

Other key changes

The 1 April 2018 also sees the start of the new process for funding High Needs pupils in mainstream schools, which attracts an annual budget of £23m. We have agreed to introduce Needs Specific Top Up payments which are graduated to reflect the severity of an individual pupils needs.

The Looked After Children (LAC) factor has been removed from the LFF, in line with this factor not featuring within the Governments NFF. The national quantum of funding previously allocated for this factor has been transferred into the LAC Pupil Premium (PP), which has now increased from £1,900 to £2,300 per eligible pupil.

We have produced two separate guidance notes explaining the changes to Kent school funding in more detail, one for maintained schools and one for academies. Both can be accessed via the above link.

Maintained schools are required to submit their three-year financial budget plan to the Local Authority (LA) by 31 May 2018. Indicative funding rates have been provided for 2019-20. In relation to 2020-21, the DfE has not provided any information as this year falls within the next Spending Review period. To assist our schools with three-year financial planning, we have assumed that there will be no change to the 2019-20 funding factors in 2020-21. We have also assumed a 0% Minimum Funding Guarantee. The tool will be interactive and allow schools to provide their own pupil forecasts for both 2019-20 and 2020-21 years.

If you experience difficulties when setting the budget for your school, please contact Siobhan Cheeseman on 03000 415415 or email via schoolsfinancialservices@kent.gov.uk.

The detailed budget guidance notes accessible on KELSI include a list of contact names which I urge you to contact if you have a specific query. Please contact Simon Pleace, Finance Business Partner on 03000 416947 or email via simon.pleace@kent.gov.uk if you have any questions on overall policy issues.

Yours sincerely

Matt Dunkley CBE

Corporate Director for Children, Young People and Education