**Message sent on behalf of Sarah Hammond – Corporate Director for Children, Young People and Education**

To:  Headteachers and School Business Managers

Dear Colleague,

# **2023-24 School Budgets**

I am pleased to inform you that on Tuesday 28th February 2023 the 2023-24 School Budgets were published on KELSI; [2023-24 School Budgets](https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2023-24).  We have also provided a separate budget template for Kent Academies which provides details of the relevant payments the Council is responsible for making, which can be accessed via the same link.

This year’s school budget for primary and secondary schools reflects the Government’s multi-year commitment to increase school funding, with an additional £40m in the schools’ block for 2023-24 to increase schools core budgets by an average of 2% per pupil. Separately, the Government has also confirmed it will provide mainstreams schools with an additional mainstream grant totalling approximately £40m for Kent primary and secondary schools (increasing the overall average per pupil funding increase to just under 5.5%). This grant will be known as “Mainstream Schools Additional Grant” (MSAG).

**The good news is that all primary and secondary schools will see an increase in their per pupil funding**.

Kent is also expected to receive an additional £30m of funding in the High Needs block however this is still insufficient to meet our deficit on the High Needs block and we will continue to work with the Schools Funding Forum, along with the Department of Education, to develop robust plans in how Kent will deliver a balanced budget in future.

The key headlines this year are as follows:

* We are continuing to provide a falling roll fund to offer temporary protection to mainstream schools who experience a sudden reduction in their pupil numbers, and the school places in that area are needed in the next three years.
* The 2022-23 Mainstream supplementary funding grant will be rolled into the main budget allocations in 2023-24 and will no longer be received separately. Schools will receive a new grant called “Mainstream Schools Additional Grant” in 2023-24.
* We are transferring 1% of the Schools budget into the High Needs budget to help to support the system of SEN support across the county including ensuring sufficient funding for the [County Approaches to Inclusive Education](https://www.kelsi.org.uk/special-education-needs/inclusion/countywide-approach-to-inclusive-education).
* The Schools Funding Formula has been set in the context of moving further towards the Schools National Funding Formula which is expected to implemented in full by 2027-28 and to ensure all schools contribute towards the High Needs transfer. These proposals were supported by schools, the Schools Funding Forum and the Secretary of State (where appropriate).
* We have moved the primary and secondary schools funding formula closer towards the National Funding Formula with all funding factors more equally contributing towards the High Needs transfer in comparison to the NFF rates;
* A new funding factor has been introduced to the formula known as “Mobility” this allocates additional funding to schools with a high proportion of pupils who join on a non-standard date based on censuses from the past three years.
* The minimum per pupil funding levels for Primary and Secondary Schools will be set at 0.5% lower than the Government’s National rate with an average of £4,384 in Primary schools and £5,687 in Secondary schools;
* The Minimum Funding Guarantee will be set at 0%
* We are increasing the Formula Funding Rates for Mainstream Top Up and Specialist Resource Provisions by 4.3%.
* The Government has stipulated the presentation and calculation of uplifts for Special Schools. A total uplift of 4.3% has been applied with 0.9% applied to the Special School Formula Funding Rates and a further 3.4% uplift provided separately. In addition, the minimum funding guarantee has been set at 3% based on a comparison between 2021-22 and 2023-24 funding rates.
* For PRUs/Alternative Provision. The total budget for alternative provision has been increased by 4.3%. For PRUs, the PRU standard funding rate has been increased by 0.9% with a further uplift of 3.4% provided separately (as published by the DFE).
* Kent will continue to provide additional funding for primary and secondary schools to support the costs for the first £6,000 of additional need for High Needs Funded Pupil for schools with significant numbers of High Needs Funded Pupil (Pupils who receive Mainstream Top Up Funding). The threshold for accessing this funding is increasing. From 2023-24, Schools will now receive additional funding when the total value of the first £6,000 of High Needs Funded Pupils identified in their school exceeds 40% of a Schools Notional SEN budget.

Many thanks to all who responded to our school’s budget consultation completed during the autumn term. This year’s budget incorporates these views along with the views of the Schools’ Funding Forum.

We have produced a separate guidance note explaining the calculation of school funding in more detail which can also be accessed here [Schools Funding Guidance 2023-24.](https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2023-24)

In accordance with the Scheme for Financing Schools, maintained schools are required to submit their Three-Year Financial Budget Plan to the Council (via The Schools Financial Services team within The Education People) by 31 May 2023.

Although the government have published planned increases to the overall national Schools’ budget for 2024-25, we do not yet know the detail of what this will mean for individual schools nor any details for 2025-26. In terms of future cost increases, we also do not know future pay awards for teachers or support staff. Therefore, after careful consideration, we have provided recommendations to support future budget planning. Further details can be found on the [budget planning](https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2023-24) page on KELSI.

Schools will be able to revise their medium-term planning assumptions as and when further information is released. The three-year financial planning tool is interactive and allows schools to provide their own pupil forecasts for both 2024-25 and 2025-26.

If you experience difficulties when setting the budget for your school, please contact Ian Hamilton on 03301 651 001 or email via schoolsfinancialservices@theeducationpeople.org

The [budget planning](https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2023-24) page on KELSI include a list of contact names for specific queries. Please contact Karen Stone, Finance Business Partner on 03000 416733 or email via karen.stone02@kent.gov.uk if you have any questions on overall policy issues.

Yours sincerely

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**Sarah Hammond**

Corporate Director for Children, Young People and Education