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

To:  Headteacher and School Business Manager

Dear Colleague,

# **2020-21 School Budgets**

I am pleased to inform you that the 2020-21 delegated Local Funding Formula (LFF) and indicative Pupil Premium and Devolved Formula Capital budget templates are now available on KELSI for all Local Authority (LA) Maintained Schools via the following link:  [2020-21 School Budgets](https://www.kelsi.org.uk/__data/assets/excel_doc/0017/105164/2020-21-School-Budget-Templates.xlsm).  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 budget reflects the largest increase to the Dedicated Schools Grant in the last decade, with an additional £53m (before increases to pupil numbers are reflected) into the Schools’ block. **The good news is that all primary and secondary schools will see an increase in their per pupil funding**. In addition, Kent is receiving an additional £16m of funding in the High Needs block. The key headlines this year are as follows:

* We continue to maintain a higher lump sum for Primary schools of £120,000 to protect our smallest schools.
* We are introducing 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 near future.
* We are transferring 1% of the Schools budget into the High Needs budget to help incentivise greater inclusion of children and young people with Education, Health and Care Plans (EHCPs) into mainstream schools. Further details on how this will operate will be provided in the coming weeks.
* We have been able to increase the basic entitlement for all schools to ensure all school benefit from the additional funding.
* We have been able to increase the low prior attainment factor to 100% of the national funding formula, and this represents a significant increase in funding for those schools with the greatest additional educational needs challenge. The Council believes that this factor is the most accurate of all the formula factors in providing schools additional funding for special educational needs. Increasing the funding through this factor, as we have done, supports our strategic objective of trying to increase the number of children and young people with EHCPs into mainstream schools.
* We are providing the governments minimum per pupil funding levels of £3,750 in Primary schools and £5,000 in Secondary schools.
* We have set the Minimum Funding Guarantee at +0.5%, the first positive increase in many years.
* We are increasing the High Needs funding rates for Special Schools, Specialist Resource Provision, Observation and Assessment centres and for Mainstream Top Up by 4% from 1 April 2020.

This year’s budget incorporates the views of the schools who responded to our school budget consultation, launched in October 2019, and the views of the Schools’ Funding Forum. We have had to make some minor changes to the provisional factor rates that I included in my ebulletin update of [6 December 2019](https://www.kelsi.org.uk/news-and-events/directors-update/6-december-2019-weekly-update) to accommodate overall affordability concerns.

We have produced a separate guidance note explaining the calculation of school funding in more detail which can be accessed here [Primary and Secondary Schools Funding Guidance 2020-21](https://www.kelsi.org.uk/__data/assets/word_doc/0014/105116/Primary-and-Secondary-Schools-Funding-Guidance-2020-21.docx).

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 2020. Although the government have confirmed national increases to the overall national Schools’ budget for 2021-22 and 2022-23, we do not yet know the split between schools and high needs. In terms of future cost increases, we also do not know future pay awards for teachers or support staff. Therefore, after careful consideration, the Council is advising maintained schools to estimate future years funding based on an assumed +3% Minimum Funding Guarantee increase, and to assume future pay awards for all staff will also be at +3%. Schools will be able to revise their medium-term planning assumptions as and when information is released. The three-year financial planning tool is interactive and allows schools to provide their own pupil forecasts for both 2021-22 and 2022-23 years.

If you experience difficulties when setting the budget for your school, please contact Ian Hamilton on 03000 415 415 or email via schoolsfinancialservices@theeducationpeople.org

The detailed budget guidance notes accessible on KELSI include a list of contact names for specific queries. Please contact Karen Stone, interim 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

**Matt Dunkley CBE**

Corporate Director for Children, Young People and Education