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

To:  Headteacher and School Business Manager

Dear Colleague,

# **2021-22 School Budgets**

I am pleased to inform you on Friday the 2021-22 School Budgets were published. The 2021-22 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:  [2021-22 School Budgets](https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2021-22).  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 Government’s commitment to increase school funding between 2020 and 2023, with an additional £38m (before increases to pupil numbers are reflected) into the Schools’ block for 2021-22. **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 £21m 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 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 near future.
* We are transferring 1% of the Schools budget into the High Needs budget to help support inclusive practices in our mainstream schools. This funding will be added to the transfer made last year to help support the outcomes of the countywide approach to inclusive education due to be consulted on shortly.
* We have been able to increase all the factors values in the formula for all schools to ensure all schools benefit from the additional funding.
* The Teachers Pay Grant and Teachers Pension Employer Contribution Grant is now included within the main school budget and will no longer be received as a separate grant.
* We are providing the governments minimum per pupil funding levels of £4,000 in Primary schools and £5,180 in Secondary schools (before adjustments for Teachers Pay & Pension Grants).
* We are continuing to set the Minimum Funding Guarantee at +0.5%, to ensure all schools receive an increase.
* We are increasing the Formula Funding Rates for Special Schools, in line with primary and secondary schools from 1 April 2021 in addition to removing the lower funding banding for pupils with Social and Emotional Mental Health Needs to recognise the additional costs of this group of children.
* We have updated the calculation for notional SEN budget to ensure greater parity between schools when triggering notional SEN top-up funding (contribution towards the first £6,000 of additional costs).

Many thanks to all who responded to our school’s budget consultation, launched in November 2020. This year’s budget incorporates these views along with the views of the Schools’ Funding Forum. We have had to make some minor changes to the provisional factor rates published in the consultation to accommodate overall affordability concerns.

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 2021-22](https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2021-22).

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 published planned increases to the overall national Schools’ budget for 2022-23 we do not yet know the split between schools and high needs, nor do we have any indication as to the Government’s intention in 2023-24. 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% Formula Funding settlement and +0.5% Minimum Funding Guarantee, and to assume future pay awards for teaching staff are set in line with the recent DFE recommendations and +3% for future years. It is suggested non-staffing pay awards reflect the national average wage increase as forecast by the Office of Budget Responsibility. Further information can be accessed here [Three-Year Plan](https://www.kelsi.org.uk/__data/assets/file/0009/118593/Three-Year-Plan-advice-to-schools.pdf). 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 2022-23 and 2023-24 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](mailto:schoolsfinancialservices@theeducationpeople.org)

The detailed budget guidance notes accessible 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](mailto: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