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

To:  Headteachers and School Business Managers

Dear Colleague,

# **2024-25 School Budgets**

I am pleased to inform you that on Thursday 29th February 2024 the draft 2024-25 School Budgets have been published on KELSI; [2024-25 School Budgets](https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2024-25).  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 will reflect the final year of the Government’s multi-year commitment to increase school funding, with an increase in schools core budgets by an average of 1.9% per pupil (due to a mix of both rate increases and demographic changes). It is proposed all primary and secondary schools will see an increase in their per pupil funding.

Kent is also expected to receive an additional £12m of funding in the High Needs block, this increase is less than the annual increase we have received in recent years and will be insufficient to meet our current deficit on the High Needs block. The Local Authority has secured £140m from the Department of Education (DfE), through the Safety Valve programme, and committed to contribute a further £82m over the same 5-year period to fund the High Needs historic deficit. This agreement avoids the Council having to consider high levels of savings on SEN services to pay off the historic deficit, however, this money is still contingent on Kent delivering a balanced budget in the future (by the end of March 2028). We believe this is achievable through system wide changes. We are continuing to work with schools, the Schools Funding Forum, along with the Department of Education and other stakeholders, to develop robust plans to achieve a balanced budget in future. We know many of you have and continue to be involved in helping to develop and deliver these plans. We thank you all for your efforts in helping to support these changes. Whilst we are focused on moving to a more financially sustainable position in the future, we are still proposing to increase funding rates for SEN services delivered in state-funded schools, colleges and early years by 2% in 2024-25.

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. The eligibility criteria for when these school places in that area are needed has been increased from three to five years. Local planning data and advice from the Assistant Directors of Education for your area will still be used to support final eligibility.
* The 2023-24 Mainstream Schools Additional Grant (MSAG) will be rolled into the main budget allocations in 2024-25 and will no longer be received separately. There are no indications from Government there will an equivalent grant in 2024-25.
* We are proposing to transfer 1.2% 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). This proposal has been supported by schools, the Schools Funding Forum and the Secretary of State.
* We are proposing our Schools Funding Formula will continue to mirror the principles of the Schools National Funding Formula, in terms of funding factors & rates, which is expected to be implemented in full by 2027-28. We are also continuing to set funding rates on the principle that ensures all schools are contributing as equally as possible towards the High Needs transfer. These proposals were supported by schools, the Schools Funding Forum and the Secretary of State (where appropriate).
* The minimum per pupil funding levels for Primary and Secondary Schools is proposed to be set at 0.9% lower than the Government’s National rate with an average of £4,568 in Primary schools and £5,941 in Secondary schools (and necessary approvals have been received by the Secretary of State).
* The Minimum Funding Guarantee is proposed to be set at 0.5% to ensure every school receives an uplift (this is the maximum amount allowable by the DfE).
* The calculation of the SEN notional budget is proposed to change by incorporating feedback from the consultation in November. The SEN Notional budget is not a separate funding stream, it is an estimate of your core budget that could be notionally attributed to SEN. From 2024-25, it is proposed the SEN notional budget will be calculated based on 5% Basic Entitlement, 70% of Ever 6 Free School Meal, Deprivation and Mobility Factors, and 100% Low Prior Attainment Factor, and 43% Minimum Per Pupil Level & Minimum Funding Guarantee Factors. Further work will take place over the next year to determine whether any further changes are necessary taking into account government guidance.
* We are proposing to increase the Formula Funding Rates for Mainstream Top Up and Specialist Resource Provisions by 2%.
* We are proposing an uplift of 2% to be applied to the Special School Formula Funding Rates.
* For PRUs/Alternative Provision. The total budget for alternative provision is being proposed to be increased by 2% mirrored with a 2% uplift for PRUs funding.
* Kent is proposing to 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 thresholds for each year are based on affordability with a ring-fenced pot of £2.5m. From 2024-25, it is proposed 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 either 40%, 45% or 50% of a Schools Notional SEN budget dependent on the size of a primary school (under 175 pupils, 176 to 315 pupils, or over 315 pupils respectively). Secondary schools’ threshold will be set at 50%.

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 2024-25.](https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2024-25)

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 2024.

We have now reached the end of the Government’s multi-year settlement for schools funding, and we do not have any further details of planned increases to the overall national Schools’ budget for 2025-26 onwards nor details of future year National Funding Formula. 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-2024-25) 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 2025-26 and 2026-27.

If you experience difficulties when setting the budget for your school, please contact Schools Financial Services on email via [schoolsfinancialservices@theeducationpeople.org](mailto:schoolsfinancialservices@theeducationpeople.org)

The [budget planning](https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2024-25) page on KELSI include a list of contact names for specific queries. Please contact the schools funding team via email [schoolsfunding@kent.gov.uk](mailto:schoolsfunding@kent.gov.uk) if you have any questions on overall policy issues.

Yours sincerely

**Sarah Hammond**

Corporate Director for Children, Young People and Education