**Three Year Plan’s**

**Guidance provided for the period 2020-21 to 2022-23**

Formula Income 2021-22 (Year 2) & 2022-23 (Year 3)

In the Summer of 2019, the Education Skills and Funding Agency set out its three-year funding commitment for total schools’ funding between April 2020 and March 2023, equivalent to an approximate 5% increase per year. However, no details have been issued as to exactly how much of this funding will be passed to schools’ budgets in 2021-22 or 2022-23 except for a Government pledge to increase the minimum per pupil level (MPPL) for primary aged pupils from £3,750 to £4,000 in 2021-22. The Government also reinforced its intention to move towards a Hard-National Funding Formula (NFF) in the future but again no details of when this might be. With this in mind, and in the absence of any further information, our advice assumes the Government will ensure the future funding rates used to calculate schools’ budgets will increase roughly in line with the estimated future salary awards with a few specific exceptions.

The schools’ individual budget for 2020-21 has been published. For 2021-22 (Year 2) and 2022-23 (Year 3) we are basing our recommendations on the following principles:

* The factors within the school budget calculation increase by a minimum of 3% per year (in line with estimated increases in salary see below) therefore it is assumed the overall per pupil funding will increase by a minimum of 3% per year with the following exceptions;
* The Primary minimum per pupil level (MPPL) is expected to increase from £3,750 to £4,000 in 2021-22; the Government has provided no further commitment in relation to the MPPL in 2022-23 suggesting the MPPL will remain at £4,000 in 2022-23.
* The Secondary MPPL increased to £5,000 in 2020-21 and the Government has provided no further commitments in relation to increasing the MPPL further in 2021-22 or 2022-23 therefore suggesting the MPPL will remain at £5,000 for the next few years.
* It is expected the minimum funding guarantee will be set at 0% (this is the minimum year on year increase in per pupil funding the school would expect to receive). For the small number of schools receiving funding through the minimum funding guarantee factor (you can check this on your Year 1 template) the future percentage increase in per pupil funding will be unique to the school depending on whether this protection still applies.

To help schools determine the percentage uplift they should assume when setting Years 2 & 3 of their budget an additional section on these pages in the second version of the schools funding template has been added (see below) which calculates your minimum per pupil level funding and a suggested percentage uplift to be applied based on the assumptions above. Please note, this information is for budget setting purposes only and the exact percentage uplift for Years 2 & 3 will change once further information is known. It is ultimately at the discretion of the school what the percentage is chosen.

*Extract from the Schools Funding Template:*



Teachers & Non-Staffing Staffing Costs

The latest announcement from the ESFA suggests that the teachers’ pay award from September 2020 will around 3%. The Government has confirmed its intention to raise the salary of a new starter to £26,000 from September 2020 (approximately 6.4% increase), increasing to £30,000 by September 2022. Experienced teachers are set to receive 2.5% increase from September 2020.

There is no further detail on future increases in teachers’ pay in September 2021 & 2022 therefore it is assumed the average increase will continue to be around 3% each year, this assumes the salary of a new starter would rise by £2,000 per year to approximately £28,000 in September 2021 (7.7% increase) and to £30,000 by September 2022 (7.1% increase); and an experienced teacher of 2.5% per year.

For non-teaching staff, the Council agreed a number of changes to the Kent Scheme Range from April 2020. Information on this can be found [here](https://www.kelsi.org.uk/hr-information-and-guidance-for-kent-maintained-schools/terms-and-conditions-for-kent-maintained-school-staff). Proposals for future increases for non-teaching staff have not been confirmed and therefore we recommend an average increase of 3% from April 2021, and a further 3% from April 2022.

Other Grants:

Teachers’ Pay Grant (TPG) & Teachers’ Pension Employer Contribution Grant

In the last two years, the ESFA have provided some additional funding for teachers’ pay increases via the teachers’ pay grant for the pay rise from September 2018 and September 2019. The funding for these historic increases is expected to continue along with the grant to fully fund the increase in the Teachers’ employee contributions from 16.48% to 23.68% in September 2019. However, we are not expecting any additional grants to cover any future rises in salaries (from September 2020) as we believe the Government will assume there will be sufficient increases in the formula budget income to compensate.

This means schools should continue to assume they will receive both TPG to cover historically increases and TPECG but the school will need to build in the additional costs of future increases into their three-year plans (as set out above) with no extra TPG income to help fund these future increases.

Summary of calculations are below (this is automated in the budget template):

Teachers’ Pay Grant Increase from September 2018 & 2019 – To be included at the 2019-20 published rates X No. of pupils taken from the relevant years census.

Teachers’ Pension Increase September 2019 – To be included at the full estimated cost of implementation estimated at 7.2%. The initial grant amount will be calculated automatically in the template but eligible schools will need to add any extra income they may expect to receive through the supplementary fund claim (this should be based on their claim in January 2019).

Pupil Premium

This is expected to continue in Year 2 and Year 3 under the same terms and rates as in 2020-21.

Universal Infant Free School Meals

This is academic year grant. The Government has confirmed this will continue to the end of August 2020. The Government has not confirmed its intention to continue with this policy but at this stage we are advising schools to assume this will continue in 2021-22 and 2022-23 but that schools should start to consider exit strategies in case this grant is stopped in future.

Year 7 Catch Up

This is academic year grant. The Government has confirmed this will continue to the end of August 2020. The Government has not confirmed its intention to continue with this policy but at this stage we are advising schools to assume this will continue in 2021-22 and 2022-23 but that schools should start to consider exit strategies in case this grant is stopped in future.

Primary PE and Sports Premium Grant

This is academic year grant. The Government has confirmed this will continue to the end of August 2020. As part of the Government’s recent budget statement they confirmed their intention increase this grant further but with no details at this stage. Therefore, we are advocating schools should continue to assume they will receive this grant (at the same level as in previous years) in 2021-22 and 2022-23.

Arts Premium Grant

The Government also announced as part of their budget statement an additional £90 million per year to introduce an Arts Premium from September 2021 to help schools provide high-quality arts programmes and extracurricular activities for pupils. We have no further details of this grant at this stage therefore are advising schools not to include this grant or any associated extra spend.

Free School Meals (FSM) Supplementary Grant

It is assumed this grant will not continue in 2020-21 and beyond.

Post 16 Allocation

This should be included in line with the most recent Government advice.