

School Budget Update 2019-20

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Sections

Section 1 – Update Schools Block funding 2019-20

Section 2 – High Needs Block Transfer

Section 3 – Other items.

Guidance

- School Budgets were issued on Thursday 28 February
- The following documents have been generated:
 - Message from Matt Dunkley providing an overview on 28 February, also replicated in the E-bulletin on 1 March
 - Delegated Funding Guidance - detailed guidance on the changes for 2019-20 (published on KELSI)
 - Primary and Secondary School Funding Guidance 2019-20 - detailed guidance
 - Funding Templates (published on KELSI)
 - Guidance on how to complete Templates (published on KELSI)
- Please read

Section 1 - Introduction

- Not much has changed from 2019-20
- Main story is what has not been said by Government about future School funding settlements

School Budgets 2018-19 (Reminder)

- Government introduced a National Funding Formula (NFF) for schools
- Soft NFF
 - Step 1 - Funding allocated to government to Local Authority (LA)
 - Step 2 - Funding allocated to schools using a Local Funding Formula (LFF) - Factors used to allocate funding must be within a framework of factors determined by the Education Skills Funding Agency (ESFA)
- Hard NFF
 - Funding allocated by ESFA direct to School - same factors and rate for all schools in the country

School Budgets 2018-19 - continued

- ESFA Guidance for 2018-19
- Soft NFF for 2018-19 and 2019-20
- For 2020-21 we were told that more would be said in 2019-20
- The guidance inferred/suggested that the Hard NFF would be introduced during 2020-21

School Budgets 2018-19 - continued

- Individual allocations for each school in the country were calculated and published by the ESFA for the period 2018-19, 2019-20 and when NFF fully implemented (date not stated)
- LA allocations for 2018-19 and 2019-20 were the aggregated value of the individual school budgets (Step 1 Soft NFF)
- What this meant for Kent:

	£'m	%	£'m	%
	Annual increase		Cumulative increase	
2018-19	£27.6m	3.3%	£27.6m	3.3%
2019-20	£22.3m	2.6%	£49.9m	5.9%
Once NFF has been fully implemented	£12.2m	1.4%	£62.1m	7.4%

School Budgets 2019-20

- ESFA issued guidance in August 2018 for 2019-20
- There will be a Soft NFF 2020-21 (inference was that there would be a Hard NFF)
- No details on when a Hard NFF will be introduced
- Still long-term aim to move to a Hard NFF - further update after the Government Spending Review (GSR) in Autumn 2019 on Future funding settlements

School Budgets 2019-20 - continued

- LFF - 2019-20 indicative funding rates honoured and implemented in full
- Kent at full NFF rates except:
 - Factor 2 - Ever 6 Free School Meals (Primary 60% and Secondary 60%)
 - Factor 6 - Low Prior Attainment (Primary 71% and 77%)
- Minimum Funding Level (Primary 97% and Secondary 98%)
- Lump Sum – LFF £120,083 – NFF £110,076 = (109%)

School Budgets 2019-20 - continued

Increase per pupil -2017-18 to 2018-19 and 2018-19 to 2019-20				
Primary	%			No. of schools 2019-20
	Movement 2017-18 to 2018-19	Movement 2018-19 to 2019-20	Overall movement 2017-18 to 2019-20	
Below 50 pupils	-	4.2%	-	1
51 to 105 pupils	2.1%	1.9%	4.0%	51
106 to 140 pupils	1.3%	1.5%	2.8%	30
141 to 175 pupils	0.9%	1.7%	2.6%	40
176 to 220 pupils	0.9%	1.6%	2.5%	117
221 to 330 pupils	0.3%	1.4%	1.7%	63
311 to 775 pupils	0.5%	2.6%	3.1%	153
Overall	0.70%	2.20%	2.90%	455
Secondary				
Selective Schools	6.2%	4.4%	10.6%	32
Non-selective Schools	4.3%	1.6%	5.9%	66
	4.8%	2.4%	7.2%	98
Note- Average calculated Total Formula less Lump Sum, NNDR and PFI				

School Budgets 2019-20 - continued

- The table below shows where Kent is ranked nationally out of 152 LAs in respect of how much SB funding it receives per pupil from the Government

	Primary Unit of Funding (PUF)	Secondary Unit of Funding (SUF)	Combined PUF and SUF
2019-20	139	134	139
2018-19	139	141	143
2017-18			135

- The above table excludes premises related factors

School Budgets 2019-20 - continued- Split Site

- Have also introduced a Split Site Factor - from 2019-20
- LAs are allowed to have an SSF in its LFF. The Education Skills Funding Agency (ESFA) have not set a prescriptive National Funding Formula (NFF) criteria for Split Sites, but have provided the following guidance:
 - The factor is optional and if included in an LFF the factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites
 - Allocations must be based on objective criteria for the definition of a split site, and for how much is paid
- In the summer of 2018 the SFF set up a working group to review whether Kent should introduce an SSF

School Budgets 2019-20 - continued- Split Site

At the SFF meeting on the 30 November, members of the SFF recommended that an SSF should be introduced into the LFF using the following criteria:

Definition of a Split Site

- Must be a mainstream Primary, Secondary or All through school that has 750 or less pupils on roll as per October census (Age range year R to year 11)
- The two or more sites must belong to a single school that has one DfE number
- The two or more standalone sites cannot be physically connected nor accessed from another part of the school; they must, however, be separated by a highway and be a minimum of 0.2 miles apart
- Over 30% of the school's total curriculum must be taught and delivered on each individual site

School Budgets 2019-20 - continued- Split Site

Elements of funding that make up the factor:

- Reception Staff - £8,000
- Premises Staff - £5,000
- Senior leadership costs - £10,000
- Non-salary expenditure - £10,000
- Total value of SSF = £33,000
- Methodology – Lump sum

School Budgets 2019-20 - continued- Split Site

- School budgets have now been issued for 2019-20 therefore any further schools meeting the above criteria will not qualify for funding in 2019-20
- If your school meets the above criteria, please contact Robin Goldsmith (Schools, High Needs and Early Years Team) email Robin.Goldsmith@kent.gov.uk by the 31 October 2019 to confirm entitlement to funding for 2020-21
- For further details on the process and work carried out in determining the introduction of SSF, click on the following links [SFF Meeting 30 November 2018 – Item 6 – Split Site Factor](#) and [Draft SFF Minutes 30 November 2018](#)

Advice on Three Year Planning

- Teachers Pay Grant (TPG) from September 2018 - 2.5% - rate X census count, confirmed funding April 2019 to March 2020
- Teachers pay rise September 2019 - Latest information from School Teachers' Review Body (STRB) is 2% increase, with suggestion of no TPG as view is it has already been funded
- Teachers Pension increase from September 2019:
 - Increase from 16.48% to 23.68% (to be confirmed)
 - Government have said they will fully fund
 - Awaiting methodology - needs to be more sensitive than TPG

Advice on Three Year Planning - continues

		2019-20		2020-21		2021-22	
		April to August	September to March	April to August	September to March	April to August	September to March
Formula Budget		Budget issued		0%		0%	
Teachers Pay Increase September 2018	Income	2.50%					
	Expenditure	3.50%					
Teachers Pay increase September 2019	Income		0%				
	Expenditure		2%				
Teachers Pay increase September 2020	Income			0%			
	Expenditure			1%			
Teachers Pay increase September 2021	Income					0%	
	Expenditure					1%	
Teachers Pensions increase September 2019	Income		0.00%				
	Expenditure		0.00%				

Advice on Three Year Planning - continued

- Non-teaching increase - TCP rates ?, expecting a decision after the 14th March
- Living Wage £9 per hour minimum pay rate from April 2019
- Kent Scheme pay band KR2 with effect from 1 April 2019
- What impact ? initial cost, implication of narrowing the pay gap between jobs

Section 2 – 1% Transfer Schools Block (SB) to High Needs Block (HNB)

High Needs Expenditure Pupil Budgets 2013-14 to 2018-19

	2013-14	2014-15	2015-16	2016-17	2017-18		2018-19
	Actual	Actual	Actual	Actual	Actual	Actual adjusted	Forecast September
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Special Schools	67,048	68,543	68,118	70,460	74,108	74,108	78,689
Resource Provision	13,118	14,919	15,274	16,009	15,710	12,443	12,849
Mainstream Schools	8,755	8,899	14,398	23,797	22,084	22,084	19,000
Independent and Non-Maintained ISP Post 16 Colleges	17,581 6,000	19,840 5,359	22,588 4,281	24,384 4,561	29,461 5,225	29,461 5,225	35,800 5,548
Sub Total - Independent provision	23,581	25,199	26,869	28,945	34,686	34,686	41,348
OLA Maintained	2,295	2,531	2,661	3,160	4,165	4,165	4,874
FE Colleges	4,229	4,980	6,867	8,081	8,724	8,724	9,002
SPI and ILP (WIP - requires further work)	0	0	0	366	1,728	1,728	1,818
TOTALS	119,026	125,071	134,186	150,817	161,205	157,938	167,580
Increase from previous year		6,045	9,115	16,631	10,388		9,642
% increase from previous year		5.1%	7.3%	12.4%	6.9%		6.1%

1% Transfer Schools Block (SB) to High Needs Block (HNB) - continued

Forecast High Needs Block

	2018-19	2019-20
	£'m	£'m
Start of the year	2	8
In year position (from table 1 above)	6	12
End of year	8	20

1% Transfer Schools Block (SB) to High Needs Block (HNB) - continued

Deficit to be met in three ways:

- Lobbying central government to obtain more funding (in both the short term i.e. in the current financial year and the medium term within the next spending review) and to see structural policy changes
- Transfer funding between SB and HNB
- Review the LA's policies and processes to deliver savings locally

1% Transfer Schools Block (SB) to High Needs Block (HNB) - continued

- Must get Secretary of States permission to transfer more than 0.5% from SB to HNB
- Consultation with Schools Autumn 2018
- Kent requested 0.5% transfer relating to 2018-19 and a further 0.5% for 2019-20
- 66% of schools that responded to consultation supported transfer
- Schools Funding Formula (meeting 30 November) with exception of 1 member who abstained, supported the transfer
- 16 December government announced additional high needs funding, Kent share £3.5m 2019-20 and 2020-21

1% Transfer Schools Block (SB) to High Needs Block (HNB) - continued

- As part of announcement, the ESFA requested LAs to review whether amount of transfer should be reviewed, this involved consulting with the SFF
- Extra SFF meeting arranged 15 January, outcome was that the 15 members that attended, all except 1 who abstained voted for 1% transfer to remain
- ESFA provided confirmation to the LA on the 13 February that the 1% had been agreed

Section 3

Pupil Growth

Pupil Growth Funding

- Must be a Basic Need school - The DfE define Basic Need as new pupil places which are requested by the LA because there are insufficient places available for pupils in the area. Area Education Officers (AEOs) determine if schools meet eligibility for the DfE basic need criteria
- Emails sent out to schools confirming growth funding week beginning the 25 February

Pupil Premium (PP)

Same rates as 2019-20 except Children in Care PP:

- Ever 6 Free School meal (E6FSM) - Primary £1,320 and Secondary £935
- Ever 6 Service Children (E6SC) £300
- Post Looked After Children (PLAC) £2,300
- Based on January count, indicative budgets for E6FSM and E6SC (April to June) - adjustment in July

Pupil Premium - continued

- Children In Care PP goes direct to The Virtual Schools Kent (VSK) and not school, amount per pupil £2,300
- An allocation of £1,200 per eligible pupil will be paid to schools in 3 instalments of £400 each. In addition to this, schools can bid for additional amounts based on evidenced levels of need
- Remember- can only get a maximum of E6SC + one of the following CiC, PLAC and E6FSM
- Remember- adjustment in January - where a E6FSM is subsequently identified as CiC

Universal Infant Free School Meals (UIFSM)

- The UIFSM grant funding is allocated on an academic year basis (September to August) and therefore straddles two financial years, guidance for 2019-20 not issued yet
- On the basis that the underlying methodology for calculating the grant will continue, we are advising schools to base future funding forecasts on the underlying calculation for 2018-19 and adjust for change in eligible pupil numbers

Devolved Capital Formula (DCF)

- Indicative budgets for 2019-20 that are based on pupil numbers collected in the January 2018 census and the current years funding rates. Final allocations will be confirmed by The Education and Skills Funding Agency (ESFA) in March/ April although we are not expecting any material changes

Year 7 Catch UP 2018-19

- The year 7 catch-up premium allocations for 2018 to 2019 have been allocated to schools using the same approach as last year (2017-18) - will be in March advances - amounts will be published on KELSI

(number of year 7 pupils recorded on the October 2017 schools census / number of year 7 pupils recorded on the October 2018 school census)

X the 2017 to 2018 allocation

- Conditions of grant published on KELSI - no guidance 2019-20 - assume funding will be allocated on the same basis

Primary PE and Sport Premium Grant

- Schools received their funding for the period September 2018 to March 2019 in November 2018. The final payment for the period April 2019 to August 2019 will be made to schools in May 2019
- Conditions of grant published on KELSIS - no guidance 2019-20 - assume funding will be allocated on the same basis

Free School Meals (FSM) supplementary grant

- The ESFA introduced a new grant for FSMs in 2018-19. The purpose of the grant is to recognise the increase in FSMs children due to the roll-out of Universal Credit. For 2018-19 schools will receive funding for the increase in FSM pupils (£440 per pupil) between the October 2017 census and the October 2018 census
- This grant will also apply to the financial year 2019-20, where the increase in pupil numbers will be based on the difference between the October 2018 census and the October 2019 census
- The ESFA are going to review this guidance in Spring 2019. Due to the complexity of forecasting future years FSMs and the pending review of the grant, the LAs advice is to not include an estimate for this grant in 2020-21 and beyond

Early Years 3 & 4 Year Old Free Entitlement

- The funding rates paid to Kent County Council (KCC) by Central Government for both Free Entitlements for three and four year olds and two years olds has remained at the same level since 2017-18
- Therefore no changes to Early Years Funding rates 2019-20 - except Deprivation that get re-calculated annually
- No announcement of future funding, will be considered as part of Government Spending Review in Autumn 2019

Any Questions ?