

KENT COUNTY COUNCIL –RECORD OF DECISION

DECISION TAKEN BY:
Richard Long,
Cabinet Member for Education and Skills

DECISION NO:
19/00075

For publication

Key decision: Yes

Reason Key: Affects 2 or more electoral divisions

Subject: School Funding Arrangements for 2020-21

Decision: As Cabinet Member for Children, Young People and Education Services I agree to:

- a. transfer 1% of the Schools Block (which equates to approximately £9.6m) into the High Needs Block for 2020-21.
- b. in relation to the Kent local funding formula for schools;
 - i. Continue to provide a Primary lump sum rate of £120,000 (before area cost adjustment) and reduce the lump sum for secondary schools to the NFF rate.
 - ii. introduce a Falling Roll fund from 1 April 2020.
 - iii. set the local Minimum Funding Guarantee percentage at 0.5% for 2020-21 for all primary and secondary schools. (For 2020-21 the DfE have set a range between +0.5% and +1.84%, allowing local authorities to set a percentage within this range).
 - iv. set the Minimum Funding Level per pupil for Primary and Secondary schools at £50 lower than the NFF. The per pupil rates would be set at the following values (subject to Secretary of State approval):

	2020-21
Primary	£3,700
Secondary	£4,950

- v. set the Ever 6 Free School Meal factor for 2020-21 as per the value in the table below.

	2020-21
Primary	59% of NFF
Secondary	74% of NFF

These rates represent further progress towards fully implementing the NFF but also allows the LA to address local areas of concern (which was supported by an all school consultation and by the Schools' Funding Forum).

The total quantum available for distribution may be slightly different once the actual allocation has been provided.

- d) Delegate authority to the Corporate Director of Children, Young People and Education to make any necessary changes to these funding rates once final affordability is known after provisional school budgets have been calculated.
- e) Increase the base rates paid to Early Years providers from by 8p for two-year olds, and for three- and four-year olds.
- f) Increase the funding rates paid from the High Needs budget for 2020-21 to support children with high needs in Special Schools, FE Colleges, Specialist Resource Provisions (SRPs) and mainstream settings by 3%.

Reason(s) for decision:

The Government's long-term intention remains to have all school budgets set on the basis of a single formula set nationally by Government, with no Local Government involvement.

On 4 September 2019, the Chancellor set out details of a three-year Spending Round for schools' commencing on 1 April 2020, which confirmed national school funding will increase by £7.1 billion (compared to 2019-20) by 2022-23 with £2.6 billion announced for 2020-21. Kent County Council estimates that in 2020-21 it will receive an additional £52m of School Block funding.

For 2020-21 the Government is continuing with a *soft* NFF. This means that Local Authorities will continue to set a local funding formula to distribute their schools block funding, in consultation with their local schools and their Schools' Funding Forum, however, there have been further movements towards the hard-National Funding formulae which limits the variables within the formulae where local decisions can be made.

The proposed changes to the NFF allow an additional 1% transfer of funding from the Schools Block to the High Needs Block. We estimate this to be £9.6m.

Unlike previous years where we have requested a transfer to help reduce the deficit, this time we want to do something different. This transfer would be used to support much greater inclusion of children and young people with Education, Health and Care Plans in mainstream schools and whilst this funding will initially be retained by KCC, it will be paid to schools who operate inclusively to incentivise inclusion. This is in line with the the SEN Written Statement of Action requirements (if the fund is not used in full, this will be allocated to the High Needs Block to reduce the deficit).

Financial Implications:

The costs of the new funding formula will be fully met from the Dedicated Schools Grant and will not be a cost to Council funding.

Equality Implications

An EqIA assessment has been undertaken.

Cabinet Committee recommendations and other consultation:

This matter was initially considered by the Children, Young People and Education Cabinet Committee on 15 November 2019 prior to it being discussed at the Schools' Funding Forum on 29 November 2019. The Minute extract is as follows:

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(Item 9)

Mr Pleace (Revenue and Tax Strategy Manager) was in attendance for this Item

(1) Mr Pleace briefly introduced the report which set out information relating to the proposals to change to the Local Funding Formula (LFF) which were contained within the School Funding Formula Consultation 2020-21.

Officers then responded to comments and questions from Members, including the following: -

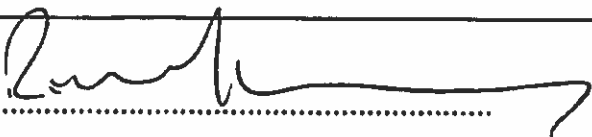
- a) Mr Pleace referred to the introduction of the soft National Funding Formula in 2018-19 and highlighted one area of concern that Kent had been able to address in the Local Funding Formula through the continuation of a lump sum of £120k which was paid to all Kent schools. He talked about the concerns that the relatively small increases in funding for smaller primary schools and confirmed that one of the proposals in the consultation is for Kent to continue to pay a lump sum of £120k to Kent primary schools. This would offer protection to Kent's smaller schools.
- b) Mr Pleace confirmed that further information would be distributed to Committee Members outside of the meeting in relation to the school funding formula consultation and equality impact assessment.
- c) Mr Pleace confirmed that the schools funding formula consultation was live and he provided information which related to the consultation responses that had been received to date.
- d) Mr Pleace explained the reasons behind the proposals set out in the consultation to repeat the 1% transfer to high needs in 2020-21 and discussed plans to use the transfer to incentivise inclusion of children and young people with Education, Health and Care Plans into mainstream settings. In addition, he added that the Schools' Funding Forum needed to agree whether a Falling Roll Fund should be introduced from 2020-21, taking into consideration the views of the schools through the consultation. Mr Dunkley explained the decision-making process and confirmed that the proposed decision to repeat the 1% transfer to high needs would be taken by the Lead Member, not the Schools' Funding Forum.
- e) Mr Pleace referred to the consultation document and provided further information in relation to local areas of concern and each of the scenarios and their estimated funding rates. He added that one of the scenarios (number three in the consultation document) would require approval from the Secretary of State.
- f) Mr Pleace confirmed that he could provide further information to Committee Members at a later date in relation to the discussions that would take place at the Schools' Funding Forum on 29th November 2019, once the consultation had closed.
- g) Mr Long (Cabinet Member for Education and Skills) and Mr Dunkley confirmed that as the consultation had not yet closed, Members could submit their comments and views in relation to the consultation by 29th November 2019.
- (2) RESOLVED that the proposed decision to be taken by the Cabinet Member for Education and Skills in December 2019, following engagement with the Schools' Funding Forum, to agree to the proposals set out within the Kent Schools' Local Funding Formula 2020-21 consultation, be endorsed.

Any alternatives considered and rejected:

All options were considered in the that consultation that took place from 14 October 2019. The consultation document, an illustration tool showing the impact of the proposals on individual school budget, an on-line response form and an equality impact assessment can be accessed via the following link: www.kent.gov.uk/schoolfundingconsultation. Please note that you need to scroll down to the bottom of the web page to see some of these documents.

The consultation document contains full details of the proposals and this decision is based on the feedback from respondents and detailed discussions at the Schools' Funding Forum on 29 November 2019"

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None



15 Jan ~~2019~~ 2020

signed

date

