

From: Matt Dunkley, CBE, Corporate Director of Children, Young People and Education

To: Richard Long, TD, Cabinet Member for Education and Skills

Subject: **School Funding Arrangements for 2020-21**

Classification: **Unrestricted**

Decisions Number: **19/00075**

Past Pathway of Paper: N/A

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: All

Summary:

On 4 September 2019, the Chancellor announced details of a three-year Spending Round for schools' commencing on the 1 April 2020. We estimate that Kent County Council will receive an additional £52m of Schools Block Dedicated Schools Grant in 2020-21 to distribute to Kent schools (and academies via the Education and Skills Funding Agency). Details of future year increases at Local Authority level has not yet been provided.

The distribution to schools is calculated through the operation of a Local Funding Formula (LFF) and this paper advises Members about the proposals to change to the LFF which are contained within the School Funding Formula Consultation 2020-21. The consultation was launched on 14 October and closes on 18 November 2019. This paper is an opportunity for Members of this Committee to comment on these proposals ahead of a key decision being taken by the Cabinet Member in December.

Recommendation(s):

The **Cabinet Member for Education and Skills** is asked to:

- a) Consider and comment, in order to inform the decision of the Cabinet Member for Education and Skills, on the proposals set out within the Kent Schools' Local Funding Formula 2020-21 consultation.
- b) Note that the Cabinet Member will take the relevant Key Decision in December 2019, following engagement with the Schools' Funding Forum.

1. Introduction

- 1.1 Since 2010, the Government has been reforming the school funding system so that it is fairer, simpler and more transparent. Their aim has been to create a system where schools and local authorities will be funded on up-to-date assessment of need that reflects the characteristics of their pupils.
- 1.2 In 2013-14, the school funding system was simplified and made easier to understand. In 2018-19 the *soft* National Funding Formula (NFF) was introduced, alongside an additional investment of £50m for Kent by 2019-20. This investment has been distributed to Kent schools through our Local Funding Formula (LFF).
- 1.3 The Chancellor announced on 4 September further increases to school funding from 1 April 2020, and there is now a requirement to consult all schools on how our LFF should change from 1 April 2020.

2. Background

- 2.1 The Dedicated Schools Grant (DSG) funding is allocated through 4 separate blocks, with each block calculated using its own nationally set formula (known as a National Funding Formula). The block allocations for Kent for 2019-20 are set out in table 1 below:

Schools Block (SB)	High Needs Block (HNB)	Early Years Block (EYB)	Central Schools Services Block (CSSB)
£918.759m	£205.120m	£81.410m	£13.692m

- 2.2 The allocations for 2020-21 will not be confirmed until December and will reflect the latest pupil characteristics as recorded on the October 2019 school census.
- 2.3 We anticipate receiving an increase of at least £52m in the Schools Block and this paper and the associated consultation proposals focus on the distribution of this money through the Local Funding Formula in 2020-21.

3. Consultation proposals for 2020-21

- 3.1 The Kent Schools' Local Funding Formula 2020-21 consultation was launched on 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.

- 3.2 The consultation document contains full details of the proposals and we have decided not to replicate the content of the consultation document within this report. **We therefore strongly recommend that Members of this Committee read the consultation document alongside this paper.**
- 3.3 The consultation contains several proposals which can be grouped into the following summary categories:
- a) General principle which we should adopt
 - b) Areas of local concern
 - c) Increases to factor funding rates
 - d) Other issues (pupil mobility and minimum funding guarantee)

4. **Conclusions**

- 4.1 The estimated increase of £52m for Kent schools in 2020-21 is most welcome. It represents a significant increase (on top of the 2018-20 increases) and starts to improve the funding provided to Kent, which has traditionally been a lower funded Education Authority.
- 4.2 The distribution of the additional funding presents some difficult choices in setting the Local Funding Formula for school budgets: choosing between mirroring the methodology used in the NFF or continuing to move towards the NFF whilst at the same time recognising and addressing local areas of concern. The consultation seeks views on these choices.
- 4.3 Due to the timing of this meeting, we have not attached a Proposed Record of Decision to this report. This is because we have not finalised proposals yet and consequently cannot confirm exactly what combination of factor and rate changes will apply to the LFF from 1 April 2020. The detailed proposals will not be confirmed until due consideration can be given to the all-school consultation (closing on 18 November), feedback from this Cabinet Committee and the outcome of discussions with the Schools' Funding Forum. It is therefore necessary to seek the Cabinet Committee's views on the full range of options outlined in the consultation document.
- 4.4 The consultation responses, as well as any comments provided by this Cabinet Committee, will be collated and presented to the Schools' Funding Forum on 29 November. The Forum will consider all responses and be asked to make a series of recommendations back to the Cabinet Member for Education and Skills prior to a key decision being taken in December. A decision must be taken in December so that school budget calculations can commence in late December in readiness for formal publication at the end of February 2020.
- 4.5 As the consultation will still be live at the date of this Committee meeting, we intend to provide a verbal update at the meeting, outlining a summary of the responses received to date. An initial DPIA was completed and identified no risks to data protection protocols and an Equality Impact Assessment (EqIA) has been completed and can be found via this link: https://kccconsultations.inconsult.uk/consult.ti/kentschools2020_21/consultationHome

4.6 We can provide an update on the decision at the next or at a future Cabinet Committee meeting if this is something that Members would find useful.

5. Recommendation(s):

5.1 The **Cabinet Member for Education and Skills** is asked to:

- a) Consider and comment, in order to inform the decision of the Cabinet Member for Education and Skills, on the proposals set out within the Kent Schools' Local Funding Formula 2020-21 consultation; and
- b) Note that the Cabinet Member will take the relevant Key Decision in December 2019, following engagement with the Schools' Funding Forum.

6. Background Documents

6.1 The Kent Schools' Local Funding Formula 2020-21 Consultation documentation can be found in the link below:

www.kent.gov.uk/schoolfundingconsultation

7. Contact details

Report Authors:

Simon Pleace, Revenue and Tax Strategy Manager, Strategic and Corporate Services (03000 416947/simon.pleace@kent.gov.uk)

Janice Venn, Finance Business Partner for CYPE, Strategic and Corporate Services (03000 413196/janice.venn@kent.gov.uk)

Relevant Director:

Matt Dunkley, CBE, Corporate Director of Children, Young People and Education (03000 416991/matt.dunkley@kent.gov.uk)