

KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

Rory Love,

Cabinet Member for Education and Skills

DECISION NO:

23/00006

For publication [Do not include information which is exempt from publication under schedule 12a of the Local Government Act 1972]

Key decision: YES

Key decision criteria. The decision will:

- a) Change the budget for the service or function in excess of £1,000,000; and
- b) It effects the community living or working within two or more electoral divisions.

Subject Matter / Title of Decision

Changes to the KCC local funding formula for schools

Decision:

As Cabinet Member for Education and Skills, I agree to:

- a. Transfer 1% of the Schools Block (which equates to approximately to £12m) into the High Needs Block for 2023-24.
- b. In relation to the Kent local funding formula for schools in 2023-24:
 - i. Continue with the Falling Roll fund.
 - ii. Set the local Minimum Funding Guarantee percentage at 0% for primary and secondary schools.
 - iii. Set the Minimum Per Pupil Funding Level (MPPFL) as per the value in the table below:

	2023-24 (£ per pupil)
Primary	£4,405
Secondary (KS3)	£5,503
Secondary (KS4)	£6,033

- iv. All other factors within the current local funding formula to be set as per the National Funding Formula (NFF) less 1.7%.
- c. In relation to Kent's High Needs formula:
 - i. 4.3% inflationary increase for High Needs Formula budgets including SEN Inclusion Fund, Mainstream Top Up Funding, Specialist Resource Provisions in mainstream

schools, Special Schools, Alternative Provision, FE Colleges and Specialist Post 16 Provisions.

- ii. The Special School Minimum Funding Guarantee to be set at 3% for the period between 2021-22 and 2023-24 in line with government statutory guidance.
 - iii. The threshold for the additional mainstream top up funding (also known as SEN Notional Budget top Up) to be set at 40% of a schools notional SEN budget.
- d. In relation to Kent's Early Years Funding Formula for 2023-24:
- i. The Base Rate for three- and four-year olds free entitlement to be set at £4.55 per hour and the Free for Two-year old hourly rate to be set at £5.68 per hour.
 - ii. The Quality Supplement for three- and four-year old to be set at £1.05 per hour for those settings with a nominated leader with a Qualified Teacher Status and employed on and paid under the Statutory Teachers' Terms and Conditions.
 - iii. The Disability Access Fund criteria to be extended to include two-year olds as well as three- and four-year olds (and to be reviewed for 2025-26)
- e. Delegate authority to the Corporate Director of Children, Young People and Education to make any further necessary changes to funding rates in light of any final affordability issues.

Reason(s) for decision:

Background:

In response to the Government confirming the additional funding for schools, Kent County Council is set to receive approximately £24m in 2023-24 to increases in funding rates for primary and secondary school budgets, along with £16m to reflect changes in pupil numbers. The Government has also indicated a further £29.8m for High Needs in 2023-24. The funding available for Early Years Providers is set to increase by £5.3m. This decision will confirm how this additional funding will be distributed to schools and early years providers in line with Government guidelines.

The Government's intention remains to have all primary and secondary school budgets to be based on a single formula set nationally by Government, with no Local Government involvement. For 2023-24 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 Formula which limits the variables within the formulae, and some rates, where local decisions can be made.

Within the current soft NFF arrangements, Local Authorities are able to transfer funding from the Schools Block to the High Needs Block with the agreement of Schools' Funding Forum and in certain circumstances the Secretary of State.

The Government requires schools to be consulted on an annual basis regarding any proposed changes to Local Funding Formula for all schools and the request to transfer funding from the school's block to high needs block.

The Council is responsible for setting the funding formula rates for High Needs funded school places including mainstream top-up funding, specialist resource provisions, maintained and academy special schools, post 16 providers.

The Council is also responsible for setting the Early Years Local Funding Formula which is used for setting the rate paid to early years providers for the Free Entitlement Early Years Funding Rate and Free for Two Rate.

Financial Implications:

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

Legal implications:

There are no legal implications, but the Council is required to set the schools budget in accordance with Education Act 2002 and the Conditions of DSG Grant 2023-24.

The Secretary of State has agreed the 1% transfer of the Schools Block to the High Needs Block and the Minimum Per Pupil Funding Rate.

Equalities implications:

An EqIA assessment has been undertaken.

Other Alternatives Considered and risks if decision isn't taken:

The Council has a legal obligation to set the schools budget each year.

Cabinet Committee recommendations and other consultation:

The Children's and Young People Cabinet Committee considered the decision on 17 January 2023.

An all-schools consultation took place in November 2022. This was open to all Kent schools.

<https://letstalk.kent.gov.uk/kent-school-funding-formula-2023-24>.

Recommendations were shared with the Schools' Funding Forum on 6 December 2022 and 3 February 2023.

Any alternatives considered and rejected:

All options were considered in the consultation that took place in November 2022. Proposed changes to the primary and secondary schools funding formula have been limited to avoid any excessive deviation from the National Funding Formula (NFF) used by Government to allocate school funding to local authorities for distribution to schools. This is in line with previous recommendations from both schools & the Schools Funding Forum who have supported the general principle that "our Local Funding Formula should move towards the NFF, but at the same time continue to utilise local flexibility to address areas of local concern".

The consultation document, an illustration tool showing the impact of proposals on individual school budget, an on-line response form and an equality impact assessment can be access via the following link: <https://letstalk.kent.gov.uk/kent-school-funding-formula-2023-24>.

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 6 December 2022 & 3 February 2023.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

None



Roy Love



Signed

22 February 2023.....
date