



Schools Forum

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SCHOOLS REVENUE FUNDING SETTLEMENT AND SCHOOL FUNDING ARRANGEMENTS 2021-22

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Summary

This report provides information on the schools revenue funding settlement for 2021-22 and the dataset information provided by the Education and Skills Funding Agency (ESFA) based on the schools' October 2020 census.

This report is for information only

Recommendation

That Schools Forum notes Shropshire's school revenue settlement for 2021-22 and the school funding arrangements.

REPORT

Schools Revenue Funding Settlement 2021-22

1. Detailed information on Shropshire's school revenue funding settlement for 2021-22 was announced by the Department for Education (DfE) on 17 December 2020.
2. The total 2021-22 Dedicated Schools Grant (DSG) is allocated under four main blocks: a Schools Block, an Early Years Block, a High Needs Block and a Central School Services Block (CSSB).
3. A summary of the 2021-22 DSG allocation, as announced on 17 December 2020, is shown in the table below alongside the 2020-21 DSG allocation (before recoupment for academies and deductions for direct funding of high needs places by the ESFA).

	2020-21 £m	2021-22 £m	Variation £m
Schools Block	168.480	183.383	14.903
Provisional Early Years Block	16.796	17.028	0.232
Provisional High Needs Block	28.016	31.527	3.511
Central School Services Block	2.791	2.599	-0.192
Total	216.083	234.537	18.454

2021-22 Schools Block key financial headlines

4. Shropshire's school pupil numbers at October 2020 are 36,230. This compares to 36,012 at October 2019 – an increase of 218 funded pupils.
5. Shropshire's 2021-22 Schools Block allocation is based on the national funding formula (NFF) which provides for Shropshire a primary unit of funding of £4,596.95 (2020-21 - £4,252.32), and a secondary unit of funding of £5,537.28 (2020-21 - £5,104.95), along with funding for premises costs based on actual 2020-21 spend levels of £1.555m. The 2021-22 Schools Block funds the budget shares delegated to Shropshire schools and academies through the local funding formula.
6. In addition, the 2021-22 Schools Block includes growth funding which Schools Forum agreed to top-slice and hold centrally to allocate specifically to individual schools and academies meeting the agreed growth funding criteria. Shropshire's 2020-21 growth funding was £977m. The full allocation in 2021-22 is £959.933m.
7. From 2021-22 the teachers pay and pension grants are now included in the Schools Block funding and allocated to schools via the NFF. A total of £8.139m is protected Schools Block funding for the pay and pension grants.

2021-22 Early Years Block key financial headlines

8. The 2021-22 Early Years Block allocation is provisional at this stage as it is based on January 2020 Early Years census data. This provisional allocation will be updated in July 2021 and July 2022 with the final allocation based on 5/12ths of January 2021 pupil numbers and 7/12ths of January 2022 pupil numbers.
9. The provisional Early Years Block allocation includes funding for the universal 15 hours free entitlement funding for 3- and 4-year olds, the additional 15 hours free entitlement for 3- and 4-year olds of working parents, and the 2-year old free entitlement funding. In addition, the Early Years Block includes funding for the Early Years Pupil Premium (EYPP) and the Disability Access Fund.
10. For 3- and 4-year olds, the amount per part time equivalent (PTE) pupil for the universal 15 hours free entitlement and the additional 15 hours free entitlement for pupils of working parents increases from £4.38 in 2020-21 to £4.44 in 2021-22. The amount per PTE 2-year old from the most disadvantaged backgrounds increases from £5.28 in 2020-21 to £5.36 in 2021-22.

2021-22 High Needs Block key financial headlines

11. The High Needs Block includes funding for local authority high needs pupils/students aged 0-25.
12. For 2021-22 Shropshire's High Needs Block is based on the high needs national funding formula and includes an imports/exports adjustment to reflect place funding of pupils educated in other local authority areas. Shropshire is a net exporter of high needs pupils and the imports/exports adjustment to Shropshire's High Needs Block is a provisional loss of £1.206m in 2021-22.
13. The funding floor factor in the high needs national funding formula for 2021-22 provides for every local authority to receive an increase of at least 8% per head of 2 to 18 population based on local authorities' high needs allocations in 2020-21.
14. For 2021-22, the teachers' pay grant and the teachers' pension employer contribution grant amounts have been incorporated within the formula by increasing the basic entitlement factor value to £4,660 for special schools. Through an additional factor in the formula, the local authority will receive funding equivalent to the teachers' pay and pension grant they they received in 2020-21 for AP settings. The 2021-22 allocation for Shropshire is £0.275m.

2021-22 Central School Services Block (CSSB) key financial headlines

15. The CSSB within the DSG includes funding for local authorities to carry out central functions on behalf of pupils in maintained schools and academies. The CSSB is split into funding for historic commitments and funding for ongoing responsibilities and includes funding previously allocated to the local authority through the retained duties element of the Education Services Grant (ESG). In 2021-22 the Government is reducing local authorities' funding for historic commitments by 20% compared to the 2020-21 baseline, with a protection so that no local authority loses more than the equivalent of 0.5% of its 2020-21 schools block allocation. Shropshire's historic commitments funding has reduced by 20% (£0.343m) compared to 2020-21, resulting in an overall CSSB allocation in 2021-22 of £2.599m.

School Funding Arrangements 2021-22

16. The Schools Block element of the DSG for 2021-22 is based on a primary unit of funding and secondary unit of funding calculated by the DfE from the individual school notional NFF allocations using October 2019 total pupil numbers.
17. Allocating funding to schools in 2021-22 through the NFF using October 2020 pupil data will therefore not be an exact match to the Schools Block funding received by using the pre-calculated primary and secondary units of funding.
18. In 2020-21, after calculating individual school budgets in line with the NFF and retaining sufficient Growth Fund (£0.667m) for 2021-22, it was possible to transfer £0.842m (the full 0.5% allowable) from the Schools Block to the High Needs Block to continue to support the on-going cost pressures in this area.

19. In 2021-22, after calculating individual school budgets in line with the NFF and retaining sufficient Growth Fund (£0.438m) for expected need in 2021-22, it has been possible to transfer £0.876m (the full 0.5% allowable) from the Schools Block to the High Needs Block to continue to support the on-going cost pressures in this area.