



Schools Forum

Date: 27 January 2022

Time: 8:30am – 10:30am

Venue: Microsoft TEAMS meeting

Paper

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Public

SCHOOLS REVENUE FUNDING SETTLEMENT AND SCHOOL FUNDING ARRANGEMENTS 2022-23

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Summary

This report provides information on the schools revenue funding settlement for 2022-23 and the dataset information provided by the Education and Skills Funding Agency (ESFA) based on the schools' October 2021 census.

This report is for information only.

Recommendation

That Schools Forum notes Shropshire's schools revenue settlement for 2022-23 and school funding arrangements.

REPORT

Schools Revenue Funding Settlement 2022-23

1. Detailed information on Shropshire's school revenue funding settlement for 2022-23 was announced by the Department for Education (DfE) on 16 December 2021.
2. The total 2022-23 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 2022-23 DSG allocation, as announced on 16 December 2021, is shown in the table below alongside the 2021-22 DSG allocation (before recoupment for academies and deductions for direct funding of high needs places by the ESFA).

	2021-22 £m	2022-23 £m	Variation £m
Schools Block	183.383	189.815	6.432
Provisional Early Years Block	17.028	16.809	-0.219
Provisional High Needs Block	31.527	34.412	2.885
Central School Services Block	2.599	2.388	-0.211
Total	234.537	243.424	8.887

2022-23 Schools Block key financial headlines

4. Shropshire's school pupil numbers at October 2021 are 36,459. This compares to 36,230 at October 2020 – an increase of 229 funded pupils (0.63%).
5. Shropshire's 2022-23 Schools Block allocation is based on the national funding formula (NFF) which provides for Shropshire a primary unit of funding of £4,747.30 (2021-22 was £4,596.95), and a secondary unit of funding of £5,687.14 (2021-22 was £5,537.28), along with funding for premises costs based on actual 2021-22 spend levels of £1.475m. The 2022-23 Schools Block funds the budget shares delegated to Shropshire schools and academies through the local funding formula.
6. In addition, the 2022-23 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 2021-22 growth funding was £0.959m. The full allocation in 2022-23 is £0.910m.

2022-23 Early Years Block key financial headlines

7. The 2022-23 Early Years Block allocation is provisional at this stage as it is based on January 2021 Early Years census data. This provisional allocation will be updated in July 2022 and July 2023 with the final allocation based on 5/12ths of January 2022 pupil numbers and 7/12ths of January 2023 pupil numbers.
8. 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 and the Disability Access Fund.
9. 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 £4.44 in 2021-22 to £4.61 in 2022-23. The amount per PTE 2 year olds from the most disadvantaged backgrounds increases from £5.36 in 2021-22 to £5.57 in 2022-23.

2022-23 High Needs Block key financial headlines

10. The High Needs Block includes funding for local authority high needs pupils/students aged 0-25.
11. For 2022-23 Shropshire's High Needs Block is based on the high needs NFF 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 £0.936m in 2022-23.
12. The funding floor factor in the high needs NFF for 2022 to 2023 will continue at 8% per head of 2 to 18 population. This is based on what local authorities received in high needs funding in 2021 to 2022.

2022-23 Central School Services Block (CSSB) key financial headlines

13. 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).
14. In 2022-23 the Government continues to reduce local authorities' funding for historic commitments by 20% compared to the 2021-22 baseline, with a protection so that no local authority loses more than the equivalent of 0.5% of its 2021-22 schools block allocation. Shropshire's historic commitments funding has reduced by 20% (£0.274m) compared to 2021-22, resulting in an overall CSSB allocation in 2022-23 of £2.388m.

School Funding Arrangements 2022-23

15. The Schools Block element of the DSG for 2022-23 is based on a primary unit of funding and secondary unit of funding calculated by the Department for Education (DfE) from the individual school notional NFF allocations using October 2020 total pupil numbers.
16. Allocating funding to schools in 2022-23 through the NFF using October 2021 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.
17. 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 was 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.
18. For 2022-23, after calculating individual school budgets in line with the NFF and retaining sufficient Growth Fund (£0.366m) for expected need in 2022-23, it has been possible to transfer £0.949m (the full 0.5% allowable) from the Schools Block to the High Needs Block to continue to support the ongoing cost pressures in this area.