



## **Schools Forum**

Date: 17 January 2019

Time: 8:30 a.m.

Venue: Shrewsbury  
Training and Development  
Centre

Paper

# **B**

Public

## **SCHOOLS REVENUE FUNDING SETTLEMENT AND SCHOOL FUNDING ARRANGEMENTS 2019-20**

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### **Summary**

This report provides information on the schools revenue funding settlement for 2019-20 and the dataset information provided by the Education and Skills Funding Agency (ESFA) based on the schools' October 2018 census.

This report is for information only

### **Recommendation**

That Schools Forum notes Shropshire's schools revenue settlement for 2019-20.

## **REPORT**

### **Schools Revenue Funding Settlement 2019-20**

1. Detailed information on Shropshire's school revenue funding settlement for 2019-20 was announced by the Department for Education (DfE) on 17 December 2018.
2. The total 2019-20 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 2019-20 DSG allocation, as announced on 17 December 2018, is shown in the table below alongside the 2018-19 DSG allocation (before recoupment for academies and deductions for direct funding of high needs places by the ESFA).

	<b>2018-19 £m</b>	<b>2019-20 £m</b>	<b>Variation £m</b>
Schools Block	157.872	160.063	2.191
Provisional Early Years Block	15.001	15.155	0.154
Provisional High Needs Block	25.077	26.056	0.979
Central School Services Block	3.160	3.190	0.030
<b>Total</b>	<b>201.111</b>	<b>204.465</b>	<b>3.354</b>

### **2019-20 Schools Block key financial headlines**

4. Shropshire's school pupil numbers at October 2018 are 35,723. This compares to 35,446 at October 2017 – an increase of 277 pupils.
5. Shropshire's 2019-20 Schools Block allocation is based on the NFF which provides for Shropshire a primary unit of funding of £4,058.84 (18-19 £4,046.86), and a secondary unit of funding of £4,906.25 (18-19 £4,882.99), along with funding for premises costs based on actual 2018-19 spend levels (£1.973m). The 2019-20 Schools Block funds the budget shares delegated to Shropshire schools and academies through the local funding formula.
6. In addition, the 2019-20 Schools Block includes growth funding which Schools Forum agreed in November to top-slice and hold centrally to allocate specifically to individual schools and academies meeting the agreed growth funding criteria. Shropshire's actual growth funding in 2019-20 is £506.5m.

### **2019-20 Early Years Block key financial headlines**

7. The 2019-20 Early Years Block allocation is provisional at this stage as it is based on January 2018 Early Years census data. This provisional allocation will be updated in July 2019 and July 2020 with the final allocation based on 5/12ths of January 2019 pupil numbers and 7/12ths of January 2020 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 (EYPP) 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 remains at £4.30 in 2019-20. The amount per PTE 2 year olds from the most disadvantaged backgrounds remains at £5.20 in 2019-20.

## **2019-20 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 2019-20 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 £0.804m.
12. The Education Secretary announced on 17 December 2018 an additional £250m of funding nationally for high needs across the two financial years 2018-19 and 2019-20 based on ONS projections for the 2 to 18 year old population in each local authority. Shropshire's 2019-20 High Needs Block includes additional high needs funding of £627,055. Shropshire's current year, 2018-19, High Needs Block will also receive an additional £627,055.

## **2019-20 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).

## **School Funding Arrangements 2019-20**

14. The Schools Block element of the DSG for 2019-20 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 published in July 2018 using October 2017 total pupil numbers.
15. Allocating funding to schools in 2019-20 through the NFF using October 2018 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.
16. In 2018-19, after calculating individual school budgets in Shropshire in line with the NFF, there remained an underspend against the Schools Block of ££784k and, as this was within the 0.5% threshold for transferring funding from the Schools Block to other blocks of the DSG, Schools Forum agreed to transfer the underspend to the High Needs Block where increasing cost pressures had been identified.
17. At the point of writing this report there is not expected to be an underspend on the Schools Block in 2019-20 after calculating school budget shares through Shropshire's local funding formula, in line with the NFF. If there is an underspend on the Schools Block, once the calculation of 2019-20 school budget shares is completed, this will be transferred to the High Needs Block to offset ongoing cost pressures, as agreed by Schools Forum in November.