
Final Schools Funding Formula 2019/20

Committee considering report: Executive on 25 July 2019

Portfolio Member: Councillor Jeff Cant

Date Portfolio Member agreed report: 16 July 2019

Report Author: Melanie Ellis

Forward Plan Ref: EX3783

1. Purpose of the Report

- 1.1 The Council's Executive must agree on an annual basis the school funding formula for primary and secondary schools. This report sets out the proposal for 2019/20.
- 1.2 The report was approved by Executive in February 2019, but due to a calculation error the formula needs to be approved again. It became apparent after sending out the final allocations to schools on 1.3.2019 that there had been a significant change in the total allocation. Schools received a detailed explanation as to what had happened and this is covered in the report.
- 1.3 The corrected formula was approved by Schools Forum on 17th June 2019.

2. Recommendation

- 2.1 To recommend the report to Executive to approve the funding formula.

3. Implications

- 3.1 **Financial:** Schools are funded by the ring fenced Dedicated Schools Grant (DSG) and the school formula allocations do not impact on the Council's own resources. However, the cost of unmanageable school deficits or closing schools may fall on the Council.
- 3.2 **Policy:** n/a
- 3.3 **Personnel:** Real term reductions in funding allocations will inevitably lead to staffing restructures and possible redundancies in schools.
- 3.4 **Legal:** The allocation of funding to schools must comply with The Schools and Early Years Finance Regulations 2019.
- 3.5 **Risk Management:** For many schools their funding allocation will not increase by anywhere near the amount required to cover current increases in costs; the number of schools at risk of deficit will increase, and the non-viability of small schools may become a reality. It is imperative that the work which commenced in 2017/18 on supporting schools in financial difficulty continues.
- 3.6 **Property:** n/a

3.7 **Other:** n/a

4. Other options considered

4.1 N/a

Executive Summary

- 4.2 The following recommendations were agreed upon on by Schools' Forum on 9th December 2018:
- (1) Use the National Funding Formula (NFF) rates for every formula factor, applying a minimum funding guarantee of 0% and a funding cap on gains of 2% per pupil.
 - (2) If required after the above has been applied, scale every formula factor upwards or downwards in order to match the final funding allocation available for distribution to schools.
 - (3) Use the School Finance Regulations calculation of the sparsity factor, rather than the NFF calculation.
- 4.3 The report was approved by Executive in February 2019, but due to a calculation error the formula needs to be approved again. It became apparent after sending out the final allocations to schools on 1.3.2019 that there had been a significant change in the total allocation. Schools were provided with a detailed explanation on 15.3.2019.
- 4.4 When the final Dedicated Schools Grant (DSG) allocation was announced, there was a difference in affordability between the amount of funding available to allocate to schools and the amount it would cost to apply the factors as agreed in 4.2. The agreed factors should therefore have been altered to ensure affordability, as per 4.2(2).
- 4.5 This report has revised the formula to ensure affordability, and was approved by Schools' forum on 17th June 2019.

5. Proposal

- 5.1 To approve the final formula rates and allocations to schools. These have been made according to the principles agreed by Schools' Forum in December and in relation to the total funding available from the Schools Block DSG allocation.
- 5.2 The final allocation has required a change, altering the Minimum Funding Guarantee (MFG) from 0.5% to 0.215% and reducing the cap on gains from 2% to 0.215%. If we had applied the previous MFG and Capping, there would have been a shortfall on the grant of £360k. The funding allocations were submitted to ESFA and approved on 28.2.2019.
- 5.3 The final schools block Dedicated Schools Grant funding allocation for 2019/20 is £100m. After deducting £0.55m for the growth fund this leaves £99.45m to be allocated to schools.

6. Conclusion

- 6.1 Using the NFF rates gives West Berkshire schools certainty and stability on their funding allocations for the next couple of years.

- 6.2 There continues however to be significant concern about the shortfall in funding, and the ability of schools to balance their budget without having an impact on pupils. The table in Appendix A illustrates that for most schools gaining funding, the gain is not significant. Many schools will still have difficulty in balancing their individual budgets given current cost pressures.
- 6.3 Going forwards, in calculating the school formula, a greater level of checking will be undertaken, using both the Schools Accountancy Team and a selection of schools to assist in this.

7. Appendices

- 7.1 Appendix A – Data Protection Impact Assessment
- 7.2 Appendix B – Equalities Impact Assessment
- 7.3 Appendix C – Supporting Information
- 7.4 Appendix D – 2019/20 School Formula Allocations - Final

Appendix A

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	Resources
Service:	Finance and Property
Team:	Accountancy
Lead Officer:	Melanie Ellis
Title of Project/System:	School funding formula
Date of Assessment:	12.7.19

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
Will you be processing SENSITIVE or “special category” personal data? Note – sensitive personal data is described as “ <i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i> ”		<input checked="" type="checkbox"/>
Will you be processing data on a large scale? Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both		<input checked="" type="checkbox"/>
Will your project or system have a “social media” dimension? Note – will it have an interactive element which allows users to communicate directly with one another?		<input checked="" type="checkbox"/>
Will any decisions be automated? Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?		<input checked="" type="checkbox"/>
Will your project/system involve CCTV or monitoring of an area accessible to the public?		<input checked="" type="checkbox"/>
Will you be using the data you collect to match or cross-reference against another existing set of data?		<input checked="" type="checkbox"/>
Will you be using any novel, or technologically advanced systems or processes? Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised		<input checked="" type="checkbox"/>

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

Appendix B

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; this includes the need to:**
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Executive to make:	Approve the funding formula for schools
Summary of relevant legislation:	Schools regulations
Does the proposed decision conflict with any of the Council's key strategy priorities?	No
Name of assessor:	Melanie Ellis
Date of assessment:	12.7.19

Is this a:		Is this:	
Policy	No	New or proposed	Yes
Strategy	No	Already exists and is being reviewed	No
Function	No	Is changing	Yes
Service	No		

1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	To fund schools
Objectives:	
Outcomes:	
Benefits:	

2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
Age		
Disability		
Gender Reassignment		
Marriage and Civil		

Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
Further Comments relating to the item:		

3 Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	No
Please provide an explanation for your answer:	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	No
Please provide an explanation for your answer:	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

4 Identify next steps as appropriate:	
Stage Two required	No
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name: Melanie Ellis

Date: 12.7.19

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) (rachel.craggs@westberks.gov.uk), for publication on the WBC website.