
Schools Funding Formula 2020/21

Committee considering report:	Executive on 16 January 2020
Portfolio Member:	Councillor Ross Mackinnon
Date Portfolio Member agreed report:	19 December 2019
Report Author:	Melanie Ellis
Forward Plan Ref:	EX3784

1. Purpose of the Report

- 1.1 Political ratification by the Council's Executive must be obtained on an annual basis for the school funding formula for primary and secondary schools. In 2020/21, as in previous years, each Local Authority (LA) has discretion over their schools funding formulae, in consultation with local schools. The LA is responsible for making the final decisions on the formula.
- 1.2 This report sets out the funding proposals for 2020/21 after consultation with all schools.

2. Recommendations

- (1) To replicate the DfE's National Funding Formula to calculate the funding allocations and to introduce the mobility factor into the local formula
 - (2) To address any surplus or shortfall in funding by a combination of reduced AWPU (age weighted pupil unit) rates and a cap on gains
 - (3) Apply a top slice of 0.25% to the schools' funding, in order to support High Needs, which would provide £261k additional funding for high needs.
- 2.2 If the Schools Forum do not agree with the proposals, the Local Authority can make the final decision on funding allocations, and can appeal to the Secretary of State to make a block transfer.

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. The schools funding formula allocates £104.5m of Dedicated Schools Grant to the Schools Block. It is allowed, subject to Schools Forum approval, to transfer up to 0.5% of this to another DSG Block, such as the High Needs Block.

- 3.2 **Policy:** n/a
- 3.3 **Personnel:** Any reductions in funding allocations for individual schools could 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 could increase, and the non-viability of small schools may become a reality. The Council has in place a dedicated resources supporting schools in financial difficulty.
- 3.6 **Property:** n/a
- 3.7 **Other:** n/a

4. Other options considered

- 4.1 A number of options were considered and consulted on for formula allocation.

Executive Summary

5. Introduction / Background

- 5.1 The Government announced in August that funding for schools and high needs will rise by 2.6 billion for 2020/21. For the West Berkshire Schools' Block allocation, this is an increase of £5.3m (including growth fund). The minimum per pupil level (MMPL) is being increased to £3,750 for primary and £5,000 for secondary in 2020/21, and is being further increased to £4,000 for primary schools in 2021/22.
- 5.2 All mainstream (academies and maintained) school funding is allocated to the Local Authority (LA) through the Dedicated Schools Grant (DSG). The grant is split into four funding blocks: Schools, Early years, High needs and Central Schools Services.
- 5.3 The Schools Block is ring fenced, but up to 0.5% can be transferred to other funding blocks subject to consultation with all schools and Schools' Forum agreement. Secretary of State approval is required for transfers above this limit or where the Schools' Forum has opposed the transfer but the Local Authority wishes to appeal.
- 5.4 2020/21 is the third year of the National Funding Formula (NFF). The government has confirmed its intention to move to a single 'hard' NFF to determine every school's budget, and will work closely with local authorities and other stakeholders in making this transition in the future. In 2020/21, as in previous years, each LA will continue to have discretion over their schools funding formulae, in consultation with local schools. The LA is responsible for making the final decisions on the formula. Political ratification by the Council's Executive must be obtained before the 21 January 2020 deadline.
- 5.5 Provisional 2020/21 NFF allocations were published at a local authority level by the Department for Education (DfE) in October 2019, including notional school level allocations. Funding levels and allocations were announced later than in previous years, giving LA's less time for modelling and consultation.

6. Consultation

- 6.1 West Berkshire Council replicates the NFF as far as possible. However, after funding business rates uplifts, pupil characteristic changes and any transfers of funding, the formula has to be altered to ensure we remain within the total funding available. There are a number of options for ensuring affordability, which effectively means deciding on a methodology for allocating any funding shortfall or block transfer. The authority modelled a number of scenarios to determine the impact of these options on individual school budgets, and consulted with all schools on this.
- 6.2 A consultation document went out to schools containing the above proposals, and seeking views on a transfer to the High Needs Block. Due to the short timescales, the results cannot go to the Schools Forum until the 20 January 2020 meeting.
- 6.3 16 responses were received to the following questions:
 - (1) Do you agree that, subject to final affordability, West Berkshire should mirror the DfE's 2020/21 NFF and that this formula should be used to calculate funding allocations?

16 responses, 15 agree, 1 disagree

- (2) Do you agree that West Berkshire should introduce the mobility factor into the local formula in order to mirror the NFF?

16 responses, 16 agree

- (3) Do you agree that any shortfall in funding is addressed by using a combination of reduced AWPU values and applying a cap on gains?

16 responses, 13 agree, 3 disagree

- (4) Which of the following options would you support regarding a transfer from the Schools Block to the High Needs Block for 2020/21?
a) 0% b) 0.125% c) 0.25% d) 0.5%

16 responses, a) 7, b) 0, c) 4, d) 3 plus 2 responders supporting a transfer but not saying which percentage.

Overall against a transfer 7, supporting a transfer 9.

7. Proposals

7.1 Based on the results of the consultation:

- (1) It is proposed to replicate the NFF as far as possible (as was the case for 2019/20).
- (2) It is proposed to use a combination of a cap on gains and a reduced Age Weighted Pupil Unit (AWPU) to calculate the distribution of any reduction in funding.
- (3) It is proposed to transfer 0.25% from the Schools Block to the High Needs Block, which would provide £261k additional funding for high needs.

8. Conclusion

- 8.1 Since the government intends to move towards a “hard” NFF formula it is logical for West Berkshire to replicate these rates as far as possible and to follow the same methodology as last year in the formula setting.

9. Appendices

- 9.1 Appendix A – Data Protection Impact Assessment
- 9.2 Appendix B – Equalities Impact Assessment
- 9.3 Appendix C, D and E – Consultation documents

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:	Communities
Service:	DSG
Team:	Schools Block
Lead Officer:	Melanie Ellis
Title of Project/System:	20/21 Schools Funding Formula
Date of Assessment:	27.11.19

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

	Yes	No
<p>Will you be processing SENSITIVE or “special category” personal data?</p> <p>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>”</p>	<input type="checkbox"/>	No <input type="checkbox"/>
<p>Will you be processing data on a large scale?</p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	No <input type="checkbox"/>
<p>Will your project or system have a “social media” dimension?</p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	No <input type="checkbox"/>
<p>Will any decisions be automated?</p> <p>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?</p>	<input type="checkbox"/>	No <input type="checkbox"/>
<p>Will your project/system involve CCTV or monitoring of an area accessible to the public?</p>	<input type="checkbox"/>	No <input type="checkbox"/>
<p>Will you be using the data you collect to match or cross-reference against another existing set of data?</p>	<input type="checkbox"/>	No <input type="checkbox"/>
<p>Will you be using any novel, or technologically advanced systems or processes?</p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	No <input 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:	Agree the school funding formula for primary and secondary schools as proposed in the report.
Summary of relevant legislation:	
Does the proposed decision conflict with any of the Council's key strategy priorities?	No
Name of assessor:	Melanie Ellis
Date of assessment:	27.11.19

Is this a:		Is this:	
Policy	Yes	New or proposed	Propos
Strategy	No	Already exists and is being reviewed	Yes
Function	Yes	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:	
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	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name:

Date:

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.