

LONDON BOROUGH OF CROYDON

To: All Members of Council
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PUBLIC NOTICE OF KEY DECISIONS MADE BY CABINET MEMBER FOR FINANCE & RESOURCES ON 06 FEBRUARY 2020

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

In accordance with the Scrutiny and Overview Procedure Rules, the following decisions may be implemented from **1300 hours on 17 February 2020** unless referred to the Scrutiny and Overview Committee (ie after 13.00 hours on the 6th working day following the day on which the decision was taken). The call-in procedure is appended to this notice.

The following apply to the decision below:

Reasons for these decisions: As set out in the report.

Other options considered and rejected: As set out in the report.

Details of conflicts of interest declared by the decision maker: None

Note of dispensation granted by the Head of Paid Service in relation to a declared conflict of interest by that decision maker: None

The Leader of the Council has delegated to the decision maker the power to make the Key Decisions noted out below:

Decision Title: DEDICATED SCHOOLS GRANT SCHOOL FUNDING - 2020/21 FORMULA FACTORS

Key Decision No: 5519FR

Having carefully read and considered the Part A report and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the reports, the Cabinet Member for Finance & Resources in consultation with the Cabinet Member for Children, Young People & Learning

Details of decision:

Accept the recommendation of Croydon Schools Forum on the funding formula for Croydon schools for the financial year 2020/21 for maintained schools, and the academic year 2020/21 for academies.

Signed: Council Solicitor and Monitoring Officer

Notice Date: 07 February 2020

Scrutiny Referral/Call-in Procedure

1. The decisions may be implemented **1300 hours on 17 February 2020** (the 6th working day following the day on which the decision was taken) unless referred to the Scrutiny and Overview Committee.
2. The Council Solicitor shall refer the matter to the Scrutiny and Overview Committee if so requested by:-
 - i) the Chair or Deputy Chair of the Scrutiny and Overview Committee and 4 members of that Committee; or
 - ii) 20% of Council Members (14)
3. The referral shall be made on the approved pro-forma (*attached*) which should be submitted electronically or on paper to Victoria Lower by the deadline stated in this notice. Verification of signatures may be by individual e-mail, fax or by post. A decision may only be subject to the referral process once.
4. The Call-In referral shall be completed giving:
 - i) The grounds for the referral
 - ii) The outcome desired
 - iii) Information required to assist the Scrutiny and Overview Committee to consider the referral
 - iv) The date and the signatures of the Councillors requesting the Call-In
5. The decision taker and the relevant Chief Officer(s) shall be notified of the referral who shall suspend implementation of the decision.
6. The referral shall be considered at the next scheduled meeting of the Scrutiny & Overview Committee unless, in view of the Council Solicitor, this would cause undue delay. In such cases the Council Solicitor will consult with the decision taker and the Chair of Scrutiny and Overview to agree a date for an additional meeting. The Scrutiny & Overview Committee may only decide to consider a maximum of 3 referrals at any one meeting.
7. At the Scrutiny & Overview Committee meeting the referral will be considered by the Committee which shall determine how much time the Committee will give to the call in and how the item will be dealt with including whether or not it wishes to review the decision. If having considered the decision there are still concerns about the decision then the Committee may refer it back to the decision taker for reconsideration, setting out in writing the nature of the concerns.
8. The Scrutiny and Overview Committee may refer the decision to Full Council if it considers that the decision is outside of the budget and policy framework of the Council.
9. If the Scrutiny and Overview Committee decides that no further action is necessary then the decision may be implemented.

10. The Full Council may decide to take no further action in which case the decision may be implemented.
11. If the Council objects to the decision it can nullify the decision if it is outside of the policy framework and/or inconsistent with the budget.
12. If the decision is within the policy framework and consistent with the budget, the Council will refer any decision to which it objects together with its views on the decision. The decision taker shall choose whether to either amend / withdraw or implement the original decision within 10 working days or at the next meeting of the Cabinet of the referral from the Council.
13. The response shall be notified to all Members of the Scrutiny and Overview Committee
14. If either the Council or the Scrutiny and Overview Committee fails to meet in accordance with the Council calendar or in accordance with paragraph 6 above, then the decision may be implemented on the next working day after the meeting was scheduled or arranged to take place.
15. **URGENCY:** The referral procedure shall not apply in respect of urgent decisions. A decision will be urgent if any delay likely to be caused by the referral process would seriously prejudice the Council's or the public's interests. The record of the decision and the notice by which it is made public shall state if the decision is urgent and therefore not subject to the referral process.

Signed: Council Solicitor and Monitoring Officer

Notice Date: 07 February 2020

Contact Officers: victoria.lower@croydon.gov.uk and cliona.may@croydon.gov.uk

PROFORMA

**REFERRAL OF A KEY DECISION TO THE
SCRUTINY AND OVERVIEW COMMITTEE**

For the attention of: Victoria Lower, Democratic Services & Scrutiny
e-mail to
Victoria.lower@croydon.gov.uk and cliona.may@croydon.gov.uk

Meeting:
Meeting Date:
Agenda Item No:

Reasons for referral:

- i) The decision is outside of the Policy Framework
- ii) The decision is inconsistent with the budget
- iii) The decision is inconsistent with another Council Policy
- iv) Other: Please specify:

The outcome desired:

**Information required to assist the Scrutiny and Overview Committee to consider
the referral:**

Signed:

Date:

Member of _____ Committee

For General Release

REPORT TO:	CABINET MEMBER FOR FINANCE & RESOURCES
SUBJECT:	DEDICATED SCHOOLS GRANT SCHOOL FUNDING – 2020/21 FORMULA FACTORS
LEAD OFFICER:	Kate Bingham, (Interim) Head of Finance – Children, Families and Education
CABINET MEMBER:	Councillor Simon Hall, Cabinet Member for Finance and Resources
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON:

Corporate Plan 2018 - 2022

The recommendations in this report will contribute to the delivery of the following key priority / outcome: 'Our children and young people thrive and reach their full potential:

- Children and young people in Croydon are safe, healthy and happy, and aspire to be the best they can be
- Every child and young person can access high quality education and youth facilities

[Corporate Plan for Croydon 2018-2022](#)

FINANCIAL IMPACT

The school funding formula is used to determine how part of the Council's Dedicates Schools Grant allocation, in particular the Schools Block, is distributed to Croydon maintained schools and academies.

KEY DECISION REFERENCE NO.: 5519FR

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Cabinet has delegated to the Cabinet Member for Finance and Resources the power to make the decisions set out in the recommendations below (Ref 5519LR):

1. RECOMMENDATIONS

Having carefully read and considered this report and appendices, and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the report, the Cabinet Member for Finance and Resources, in agreement with Cabinet Member for Children, Young People and Learning agrees to:

- | | |
|-----|---|
| 1.1 | Accept the recommendation of Croydon Schools Forum on the funding formula for Croydon schools for the financial year 2020/21 for maintained schools, and the academic year 2020/21 for academies. |
|-----|---|

2. EXECUTIVE SUMMARY

- 2.1 In September 2019 the Education and Skills Funding Agency (ESFA) published the 2020/21 school revenue guidance for local authorities and schools forums. 2020/21 is the third year of the national funding formulae (NFF) for schools, high needs and central school services.
- 2.2 Croydon's Schools Forum has a statutory consultative and advisory role in respect of school funding while the responsibility for determining and approving the schools' funding formula rests with the local authority. The ESFA require the proposed formula for 2020/21 to be approved by mid-January 2020 in accordance with the Council's constitution and schemes of delegation. This paper therefore sets out the proposals, agreed by the Croydon Schools Forum on 11 November 2019, for Lead Member approval.

3. DETAIL

School Funding Formula

- 3.1 This is the third year of the NFF for schools, high needs and central services block. The schools block calculates a notional allocation at a school level and then aggregates these to produce the Local Authority level allocations. It remains the government's intention that a school's budget should be set on the basis of a single national formula, however for 2020/21, LAs will continue to be allowed to determine final funding allocations for schools through a local formula. The government has announced its intention to move to a 'hard formula' using the national rates for the year 2021/22.
- 3.2 Therefore, in 2020/21 LAs continue to have discretion over their schools funding formulae and, in consultation with schools, will ultimately determine allocations in their area. However, as a first step towards hardening the formula, from 2020/21 the government will make the use of the national minimum per pupil funding levels compulsory for LAs to use in their own funding formulae. The minimum levels of funding per pupil will be set at £3,750 for primary pupils and £5,000 for secondary pupils.
- 3.3 In addition, two important restrictions will continue:
- a) LAs will continue to set a Minimum Funding Guarantee in local formulae, which in 2020/21 must be between +0.5% and +1.84%. This allows them to mirror the real terms protection in the NFF, which is the Government's expectation.

- b) LAs can only transfer up to 0.5% of their School Block to other blocks of the DSG, with schools forum approval.
- 3.4 Croydon's School Forum was presented with two options: move to the NFF in 2020/21 or make a partial transition in 2020/21 to ease the potential turbulence of moving to a 'hard formula' in a single year. In all cases
- 3.5 Schools Forum considered a paper on the Dedicated Schools Grant (DSG) School Funding Formula – 2020/21 Formula Factors at their meeting on 11 November 2019 and recommend that the local formula should be set at the midpoint between the prior year local rate and the NFF where possible in order to smooth the transition for schools towards NFF.
- 3.6 In addition, whilst the mechanism remains in the regulations for the transfer of up to 0.5% from the schools block to the high needs block, with the approval of the School Forum, this flexibility has not been sought for 2020/21.
- 3.7 Croydon did not rely on any further transfers from the Schools Block to the High Needs Block in our DSG Deficit Recovery Plan as that was
- (i) counterproductive to the SEND strategy with the emphasis on increasing inclusivity in mainstream schools; and
 - (ii) any such transfer would require year on year approval and including any reliance of this in the recovery plan was presumptuous.
- 3.8 Both of those conditions remain present, in addition to the new consideration relating to significant increases in both the Schools Block and the High Needs Blocks for 2020/21. This latter consideration has enabled Croydon to review the current DSG Deficit Recovery Plan which now does not depend on any transfer from the Schools Block in future for the same reasons as outlined in (i) above.
- 3.9 The November 2019 School Forum report and the minutes are attached (and can be located) at [Appendix 1](#) and [Appendix 2](#) of this report.

DSG Deficit Recovery Plan

- 3.10 As a condition of the 2019/20 DSG, LAs with an overall DSG deficit of one per cent or more at the end of the previous financial year were required to submit recovery plans for the deficits by 30th June 2019.
- 3.11 Croydon submitted a plan to recover the 2018/19 in-year High Needs Block deficit of £5.612 million over a five year period to the DfE, as agreed with the School Forum and Chief Finance Officer and endorsed by this Sub Committee in July 2019.
- 3.12 At as the end of 2018/19, the High Needs block forecast overspend was £13.041 million (including previous years overspends). The 2019/20 Quarter 2 High Needs Block forecast overspend is £5.351 million, bringing the cumulative deficit to £17.154 million.
- 3.13 Table 1 illustrates previous year's movements between the schools block and

the high needs block and year end overspend.

Table 1: High Needs Block Cumulative Deficit

Years	In year Overspend £ million	Brought Forward £ million	Transfer from Schools Block £ million	Carry Forward £ million
2015/16	2.569	0	0	2.569
2016/17	4.619	2.569	-1.468	5.720
2017/18	5.175	5.720	-2.246	8.649
2018/19	5.611	8.649	-1.219	13.041
2019/20 draft	5.351	13.041	-1.238	17.154

- 3.14 Management of the high needs block and reducing the overspend requires that together there is an approach that manages reliance on Education, Health and Care Plans for children with lower levels of SEN, reduces demand and ensure placements of children are delivered through the continuum of state-funded education provision at efficient values.
- 3.15 The five-year recovery period is in line with the five-year SEND strategy with key areas to be targeted. The intention is to improve our SEND provision while reducing the expenditure in order to ensure that we can fulfil our statutory duty to be meet the needs of all pupils with special education needs.
- 3.16 The DfE letter of response informed Croydon that as the High Needs Block allocation for 2020/21 would be increased and that subsequent year's allocations for 2021/22 and 2022/23 were under review, the Council would need to review and revise the previously submitted recovery plan.
- 3.17 A detailed breakdown of the revised recovery plan, including High Needs Block budget setting for 2020/21 will be submitted to the Schools Forum for agreement in late January 2020. It is anticipated that the Council will receive clarification about future High Needs Block funding allocations early in the new year, which will inform strategic deployment of resources with greater certainty.

4. CONSULTATION

- 4.1 Croydon Schools Forum has a statutory consultative and advisory role in respect of school funding and consultation took place at the meeting of 11 November 2019. The responsibility for determining and approving the funding formula rests with the LA.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 The school funding formula is used to determine how part of the Council's DSG allocation, in particular the Schools Block, is distributed to Croydon maintained schools and academies. The individual school budget shares determined by the formula represent a significant proportion of the annual revenue funding for

maintained schools for the financial year, and funding for academies for the academic year. The funding for maintained schools is distributed through the LA, while the ESFA uses the formula to allocate funding direct to Croydon academies.

5.2 In September 2019, the outcomes of 2020/21 Spending Review were announced, confirming:

- a) £7.1 billion increase in funding for schools by 2022/23 (£4.6 billion above inflation), compared to 2019/20 funding levels.
- b) per pupil funding for all schools rising in line with inflation (1.8%).
- c) schools funding increase includes over £700 million more in 2020/21 for children and young people with special educational needs;
- d) increased early years spending by £66 million to increase the hourly rate paid to childcare providers through the government's free hours offers; and
- e) £400 million in 2020-21 for Further Education.

5.3 The final 2020/21 DSG allocation was published on the 19th December 2019, following the spending round announcements in September and provisional allocation notification in October 2019.

5.4 The total 2020/21 DSG allocation for Croydon is £364.306 million, an increase in the level of DSG funding of £21.326 million compared to 2019/20, and is detailed in Table 2 below:

Table 2: DSG allocation (before recoupment)

Financial Year	Schools Block	High Needs Block	Central Schools Services Block	Early Years Block	Total DSG Allocation
	£ million	£ million	£ million	£ million	£ million
2020/21 Final	262.963	66.804	5.831	28.707	364.306
2019/20 Final	247.512	61.086	6.117	28.264	342.979
Movement between 2019/20 and 2020/21	15.451	5.718	-0.286	0.443	21.326

Approved by: Lisa Taylor, Director (Finance, Investment and Risk) and Section 151 Officer.

6. LEGAL CONSIDERATIONS

- 6.1 The Solicitor to the Council comments that the Council is under a duty to ensure that it maintains a balanced budget and to take any remedial action as required in year. Details of the national funding formula are contained in various DfE publications.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of Sean Murphy Interim Director of Law and Monitoring Officer.

7. HUMAN RESOURCES IMPACT

- 7.1 There are no direct Human Resources considerations arising from this report. If there are subsequent proposals that affect the workforce as a result of the budget limit set, consultation and planning must be in line with HR policies and procedures and HR advice must be sought from the assigned provider. Council HR should be kept informed of proposals.

Approved by: Sue Moorman Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 The funding allocations and formulae are set nationally and are therefore already subject to an equality assessment. The Council is also committed to the governments vision - an education system that works for everyone. No matter where they live, whatever their background, ability or need, children should have access to an excellent education that unlocks talent and creates opportunity. We want all children to reach their full potential and to succeed in adult life.
- 8.2 In setting the Education Budget 20120/21, the Council has taken into account the need to ensure targeted funding is available for work on raising the attainment of disadvantaged pupils who are likely to share a “protected characteristic” (as defined in the Equality Act 2010) and close the gap between them and their peers.
- 8.3 The Council will ensure that the system for distributing funding is fair in order to support the life chances of our most vulnerable children and young people; a fairer funding system will help provide all schools and all areas with the resources needed to provide an excellent education for all pupils irrespective of their background, ability, need, or where in the country they live.
- 8.4 This will help the Council meet its equality objective “to improve attainment levels for white working class and Black Caribbean heritages, those in receipt of Free School Meals and Looked After Children, particularly at Key Stage 2 including those living in six most deprived wards.”

Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

9.1 There are no direct implications contained in this report.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no direct implications contained in this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The Education and Skills Funding Agency require the proposed 2020/21 school funding formula to be politically approved by mid-January 2020, prior to the submission of the authority pro-forma tool, which specifies Croydon's schools funding formulae, by 21st January 2020. There is no direct action requested at this point.

12. OPTIONS CONSIDERED AND REJECTED

12.1 Given the provisional allocations there is no requirement for additional action at this time.

13. DATA PROTECTION IMPLICATIONS

13.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

CONTACT OFFICER: Kate Bingham, (Interim) Head of Finance – Children, Families and Education

APPENDICES TO THIS REPORT:

- Appendix 1: Dedicated Schools Grant (DSG) School Funding Formula – 2020/21 Formula Factors
- Appendix 2: Schools Forum Minutes of Meeting held on Monday 11 November 2019
- Appendix 3: Equality Analysis

BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972

School Forum Papers <https://www.croydon.gov.uk/education/schools-new/statnotice-consult/croydon-schools-forum/csforum>

ITEM 3 - Dedicated Schools Grant (DSG) School Funding Formula – 2020/21 Formula Factors

Schools Forum –

Recommendation

The Schools Forum is asked to:

- (1) To agree on the formula factors to be used in the setting of the 2020/21 schools budgets set out in Table 2 below

Members of Forum allowed to vote: - All school and academy members are able to vote. Only early years representatives from the non-schools members are able to vote. Non-school members even if represented by school staff are not eligible to vote.

1. Background

- 1.1** This is the third year of the National Funding Formula (NFF) for schools, high needs and central services block. The schools block NFF calculates a notional allocation at a school level and then aggregates these to produce the LA level allocations. It remains the government's intention that a school's budget should be set on the basis of a single national formula, however for 2020/21, local authorities will continue to be allowed to determine final funding allocations for schools through a local formula. The government has announced its intention to move to a 'hard formula' using the national rates for the year 2021/22. This paper sets out two options: move to the NFF in 2020/21 or make a partial transition in 2020/21 to ease the potential turbulence of moving to a 'hard formula' in a single year.
- 1.2** The Department for Education (DfE) has announced an increase of the minimum levels of funding per pupil in 2020/21 to £3,750 for primary schools and £5,000 for secondary schools.
- 1.3** This paper sets out each of the factors that are used in the Croydon local formula, the rate/amounts in the NFF and rates at the midpoint between the two.

2. Provisional funding allocation

- 2.1** The NFF provisional allocation for 2020/21 is below in Table 1. The funding is an indicative allocation and subject to change following pupil numbers adjustments after the October census. Final allocations have in prior years been issued in late December. The movement shows an indicative increase of £12.3m from the 2019/20 final allocation against the indicative 2020/21 funding.

Table 1: Schools Block provisional allocation 2020/21

	Total 2019/20 final allocation	Provisional funding in 2020/21	Movement
Schools block allocation	£247,511,510	£259,759,425	£12,247,915

3. Formula factors

The formula factors used in Croydon and which require Schools Forum approval are set out below and Table 2 summarises these.

Table 2: Formula factors requiring approval

Para No.	Formula factor	Approval type 2020/21
3.1	Minimum per pupil funding	To note (compulsory factor and rate)
3.2	Age weighted pupil unit	To note (compulsory factor and local rate)
3.3.1	Deprivation - IDACI	To agree to existing methodology (compulsory factor / discretionary rate)
3.3.2	Deprivation - FSM	To agree to the use of both of the rates per pupil to be implemented (compulsory factor / discretionary rate)
3.4	Low prior attainment	To agree (optional factor / discretionary rate)
3.5	English as an additional language	To agree (optional factor / discretionary rate)
3.6	Looked after children	To agree (optional factor / discretionary rate)
3.7	Lump Sum	To agree (optional factor / discretionary rate)
3.8	Mobility	To agree (optional factor / discretionary rate)
3.9.1	Private Finance Initiative - RPI	To agree (optional factor / discretionary rate)
3.9.2	Private Finance Initiative – base rate increase	To agree (optional factor / discretionary rate)
3.10	Minimum Funding Guarantee	To agree (optional factor / discretionary rate)
3.11	Growth	To agree

3.1 Minimum per pupil level funding

The NFF introduced this as a new factor in 2019/20 to be implemented over two years. Croydon achieved the full rate for all schools in 2019/20. Whilst always a compulsory factor in the DfE's calculation of the NFF, the government intends for these amounts to be a compulsory element of calculating the funding per school for 2020/21 and is currently in the process of consultation about implementation. ('Implementing mandatory minimum per pupil funding levels' launched 10/09/2019. Responses are due by 22/10/2019.) The response is due to be published in November 2019.

Table 3: Rates for Minimum per pupil level funding

School phase	Local rate per pupil 2019/20	NFF rate per pupil 2020/21	Croydon proposed rate per pupil 2020/21
Primary school	£3,500	£3,750	£3,750
Secondary school	£4,800	£5,000	£5,000

3.1.1 Schools Forum are requested to note that the potentially mandatory minimum per pupil level funding rates for 2020/21.

3.2 Age weighted pupil unit (AWPU)

The funding formulae will calculate a rate of AWPU after all the other factors amounts have been allocated. The amount will be flexed dependent on our final allocation from the DfE in December. The AWPU rates for prior years are below. Our initial modelling of the indicative allocations shows an expected increase in the AWPU rates for 2020/21

Table 4: AWPU rates

School phase	Rate per pupil 2018/19	Rate per pupil 2019/20	proposed rate per pupil 2020/21
Primary (Yrs. R-6)	£3,156.35	£3,151.22	TBC
Key Stage 3 (Yrs. 7-9)	£4,093.86	£4,088.66	TBC
Key Stage 4 (Yrs. 10-11)	£4,377.43	£4,372.23	TBC

3.2.1 Schools Forum are requested to note that the AWPU can only be determined after the LA receives the final allocation.

3.3 Deprivation

This is a compulsory factor and is made up of 3 elements; free school meals (FSM), free school meals 6 (FSM6) and the income deprivation affecting children index (IDACI). Schools Forum can choose to use free school meals (FSM and FSM6) and/or IDACI.

The introduction of the 'hard formula' in 2021/22 will introduce nationally consistent factor values.

(1) IDACI

Proposal to retain the IDACI methodology as prior years.

Table 5: IDACI rates

School phase	Croydon IDACI rate per primary pupil	2020/21 national rate per primary pupil	Midpoint IDACI rate per primary pupil	Croydon IDACI rate per secondary pupil	2020/21 national rate per secondary pupil	Midpoint IDACI rate per secondary pupil
IDACI Band F	£168.18	£210.00	£190.00	£215.24	£300.00	£258.00
IDACI Band E	£240.47	£250.00	£245.00	£350.62	£405.00	£378.00
IDACI Band D	£337.59	£375.00	£356.00	£480.36	£535.00	£443.00
IDACI Band C	£408.19	£405.00	£407.00	£561.22	£580.00	£520.00
IDACI Band B	£539.75	£435.00	£487.00	£693.04	£625.00	£659.00
IDACI Band A	£1,026.14	£600.00	£813.00	£1490.49	£840.00	£1,165.00

**3.3.1 (a) Move to the national average rate set by in the NFF rate per pupil or
(b) Move to the midpoint rate between Croydon local rates and NFF.**

(2) Free School Meals (FSM)

Schools received funding for all FSM eligible pupils through this factor. The rate for free school meals has historically been set locally. In the 2019/20 allocation Croydon distributed £14.4m through this factor. The rates per school phase varies from the national average rates of which there are two elements (FSM rates and FSM6). Based on 2019/20 school data and using the NFF rates, Croydon would distribute £5.1m for FSM and £11.2m for FSM6.

Table 6: FSM rates

School phase	Rate per pupil 2019/20	NFF rate per pupil 2020/21	FSM6 NFF rate per pupil 2020/21
Primary school	£986.92	£450	£560
Secondary school	£1,027.07	£450	£815

3.3.2 Schools Forum are requested for the free school meals rate to:
(a) Move to the national average rate set by in the NFF rate per pupil for FSM and FSM6.

3.4 Low Prior Attainment

This is an optional factor which Croydon applies. It is a rate per pupil per school phase which has previously been set locally. In the 2019/20 allocation Croydon distributed £9.2m through this factor. The NFF rates are considerably higher and would result in £19m being distributed through this factor (based on 2019/20 school data), offsetting reductions in Deprivation funding should the lower NFF deprivation rates be used. The midpoint would result in £14m being distributed.

Table 7: Low Prior Attainment rates

School phase	Local rate per pupil	NFF rate per pupil 2020/21	Midpoint rate per pupil 2020/21
Primary school	£376.69**	£1,065.00	£721.00
Secondary school	£1,166.65*	£1,610.00	£1,388.00

* automatically provided number of pupils by the DfE that should be funded

**Using 100% of eligible pupils the NFF rate assumes that a % of pupils will be funded

3.4.1 Schools Forum are requested for the Low Prior Attainment rate to:

- (a) Move to the national average rate set by in the NFF rate per pupil or**
(b) Move to the midpoint rate between Croydon local rates and NFF.

3.5 English as an Additional Language (EAL)

This is an optional factor used in the Croydon local formula. This rate per pupil per phase has been set locally. In the 2019/20 allocation Croydon distributed £5.1m through this factor. Using the NFF rate and the midpoint rate, this would be virtually unchanged.

Table 8: EAL rates

School phase	Local rate per pupil	NFF rate per pupil 2020/21	Midpoint rate per pupil 2020/21
Primary school	£521.03	£535.00	£528.00
Secondary school	£1,600.70	£1,440.00	£1,520.00

3.5.1 Schools Forum are requested for EAL rate to

- (a) Move to the national average rate set by in the NFF rate per pupil or**
(b) Move to the midpoint rate between Croydon local rates and NFF.

3.6 Looked after Children

This rate per pupil per school phase is set locally. Using the local rate Croydon distributed £153k through this factor. There is no guided NFF rate. This would remain unchanged.

Table 9: Looked after Children rate

School phase	Proposed rate per pupil 2020/21
Primary school	£500
Secondary school	£500

3.6.1 Schools Forum are requested for Looked after Children to
(a) Agree to maintain the existing rates per pupil and
(b) Agree to allocate the funding to Virtual Schools directly

3.7 Lump Sum

Each school receives a lump sum. In 2019/20, the local lump sum per school was increased from £110,000 to £140,000. This resulted in a distribution of £15.4m in 2019/20. The published NFF rate is £114,400. Using the NFF would result in a distribution of £12.5m, a reduction of £2.9m through this factor. Distribution using the midpoint rate would total £14m.

Table 10: Lump sum rates

School phase	Local rate per school	NFF rate per pupil 2020/21	Midpoint rate per pupil 2020/21
Secondary school	£140,000	£114,400	£127,200
Primary school	£140,000	£114,400	£127,200

3.7.1 Schools Forum are requested for lump sum to:

- (a) Decrease the amount per school to the NFF rate (£114k) for 2020/21 or**
(b) Decrease the amount per school to the midpoint rate of £127,200.

3.8 Mobility

The mobility factor allocates funding to schools with a high proportion of pupils who first join on a non-standard date. Mobility funding was previously allocated on the basis of historic spend. However, for 2020/21, the DfE has developed a new methodology that will enable calculation of allocations of this funding on a formulaic basis.

Rather than relying on a single census, the new methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are considered a mobile pupil.

To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%. A per pupil amount will then be allocated to all mobile pupils above that threshold. As this is an optional factor, the LA will be able to decide whether or not to include this factor in their formula.

The data needed to apply the new methodology will be available in the new APT.

Table 11: Mobility rates

School phase	Local rate per school	NFF rate per pupil 2020/21	Midpoint rate per pupil 2020/21
Secondary school	£975.68	£1,250.00	£1,113.00
Primary school	£552.28	£875.00	£714.00

3.8.1 Schools Forum are requested to note the changes in mobility funding methodology, the NFF rates and midpoint rates.

3.9 Private Finance Initiative

Croydon has one PFI school and therefore uses this factor. The purpose of the factor is to fund the additional costs to a school of being in a PFI contract. The cost is 10.5% of the schools budget. As a comparison we have taken an average of all our schools premises costs against their funding which is 5%. In 2019/20, the School Forum agreed to:

(1) increase annually the base rate of funding by RPI (2.4% @ Oct19) **and**

(2) increase the base rate funding by £220k over 2 years to adjust for the flat funding for the prior years and to reflect in some part the actual costs to the school of being in a PFI contract. The table below shows the cost to the school and the amount of funding received to offset the cost.

The additional funding will be used to meet increasing in year costs and to contribute to the sinking fund for support in later years of the contract.

As part of the next steps in NFF, the DfE is reviewing the PFI factor and the funding that is attributed to it.

Table 12: PFI funding

Year	Funding	Costs to school *
2013/14	£66,127	£571,162
2014/15	£150,000	£708,153
2015/16	£310,632	£714,558
2016/17	£360,632	£747,417
2017/18	£360,632	£799,583
2018/19	£360,632	£855,390**
2019/20	£486,163	£876,775**
2020/21	£607,831	£898,160**

* Costs to school does not include the library & music service costs. These are additional to the above

** Estimated cost based on the prior on year actual % increases

3.9.1 Schools Forum are requested to note the changes in PFI funding

3.10 Minimum funding Guarantee (MFG)

MFG protects schools' budgets from large changes in funding based on factor changes. It protects on £/per pupil basis it does not protect against a fall in pupil numbers. For the last four years, the MFG in Croydon's formula has been set at -1.5%. For 2020/21, the DfE has changed the levels at which the MFG may be applied in local formulae to between +0.5% and +1.84%. All of Croydon schools have reached and exceeded these increases using the NFF rates.

Table 13: MFG rates

Year	MFG
2016/17	£11,425,730
2017/18	£3,861,329
2018/19	£2,362,522
2019/20	£1,143,179

3.10.1 Schools Forum are requested to agree to set the MFG at + 0.5%.

3.11 Growth

The NFF introduced for 2019/20 a formulaic approach to allocating growth funding to LA's. Growth allocations for 2020/21 will be based on the growth of pupil numbers between the October 2018 and October 2019 censuses. The LA will be informed in December what the growth allocation will be. The funding will form part of its overall schools block allocations.

As the date of return for the October census is 30th October and the technical note on how to calculate growth funding has not yet been issued, no growth figures are currently available. Once this information is received, the budget will be set in conjunction with the Schools Place Planning & Admissions Team.

The figure below is an indicative budget for growth in 2020/21 based on current growth funding and using 2019/20 AWPU.

Table 14: Growth rates

Year	Growth
2017/18	£3,002,894
2018/19	£3,365,680
2019/20	£2,279,811
2020/21	£1,734,910*

*includes KS4 Pupils in Alternative Provision £625k

3.11.1 Schools Forum are requested to note the above and agree the growth criteria for 2020/21, as attached at Appendix A, B and C.

Recommendation

The Schools Forum is asked to:

- (1) To agree on each of the formula factors to be used in the setting of the 2020/21 schools budgets set out in Table 2.

Appendix A - Growth Funding Criteria**Growth Factors**

Criteria	2020/21 Criteria
Start Up	£150k for both primary and secondary
Split Site	£150k in the first year
Inefficiency Factors	To reduce the current lump sum in equal instalments over the remaining forms post year 1. As laid out in tables two and three below.
Bulge	Allocate based on 30 pupils x APWU
Expansion Classes	As Above
Contingency	If numbers were below 30 in January census to look to adjust funding to a cap of 25
Equipment	£5k

Appendix B - Start Up - Inefficiency factor for new build schools

The principle is that when Schools get to a total of 7 classes Schools are funded entirely from formula factors – AWPU & Lump sum. The funding would be based on the number of classes unfilled before Schools reach 7 (primary) or 5 (secondary) as a percentage of the initial sum.

Years after establishment	Primary	
Year 1	Start up	£150K
Year 2	5/6 – Inefficiency	£125K
Year 3	4/6 - Inefficiency	£100K
Year 4	3/6 - Inefficiency	£75K
Year 5	2/6 - Inefficiency	£50K
Year 6	1/6 - Inefficiency	£25K
Year 7	0 - Inefficiency	£0

Years after establishment	Secondary	
Year 1	Start up	£150K
Year 2	3/4 - Inefficiency	£112.5K
Year 3	2/4 – Inefficiency	£75K
Year 4	1/4 - Inefficiency	£37.5K
Year 5	0 - Inefficiency	£0

Appendix C - Start-Up Inefficiency factor for annexes

The principle is that the inefficiency factor reduces until it reaches the same level as split site factor.

Years after establishment	Split Site Primary Annex	
Year 1	Start up	£150K
Year 2	5/6 – Inefficiency	£125K
Year 3	4/6 - Inefficiency	£100K
Year 4	3/6 - Inefficiency	£75K
Year 5	Split site factor (distance dependent)	£30 / (£35k)
Year 6	Split site factor (distance dependent)	£30 / (£35k)

Years after establishment	Split Site Secondary Annex	
Year 1	Start up	£150K
Year 2	3/4 - Inefficiency	£112.5K

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Year 3	2/4 – Inefficiency	£75K
Year 4	1/4 - Inefficiency	£37.5K
Year 5	Split site factor (distance dependent)	£30/ (£35k)

The differences between split site and start up funding in years 1 to 4 would be funded from the growth fund.

APPENDIX 1

Appendix D: HISTORICAL PER PUPIL FUNDING														
ISB per pupil	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21		
												LBC	AVERAGE	NFF
<i>Note 1</i>														
Primary	3,568	3,609	4,151	4,092	4,050	4,049	4,294	4,250	4,350	4,216	4,274	4,562	4,633	4,599
Secondary	4,832	4,443	4,977	5,265	5,146	4,570	5,421	5,185	5,012	5,432	5,457	5,795	5,667	5,728
All schools	4,013	3,911	4,455	4,469	4,432	4,241	4,690	4,580	4,589	4,645	4,699	5,005	5,005	5,005
Absolute per pupil funding increase	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21		
												LBC	AVERAGE	NFF
Primary		1.1%	15.0%	-1.4%	-1.0%	0.0%	6.0%	-1.0%	2.4%	-3.1%	1.4%	8.2%	9.9%	9.1%
Secondary		-8.1%	12.0%	5.8%	-2.3%	-11.2%	18.6%	-4.3%	-3.3%	8.4%	0.5%	6.7%	4.3%	5.5%
All schools		-2.6%	13.9%	0.3%	-0.8%	-4.3%	10.6%	-2.3%	0.2%	1.2%	1.2%	7.7%	7.7%	7.7%
			<i>Note 2</i>			<i>Note 3</i>	<i>Note 4</i>			<i>Note 5</i>				<i>Note 6</i>
Real term per pupil funding variance (year on year)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21		
												LBC	AVERAGE	NFF
Primary		-0.2%	13.5%	-2.7%	-2.3%	-1.3%	4.7%	-2.3%	1.0%	-4.3%	0.1%	5.4%	7.0%	6.2%
Secondary		-9.3%	10.6%	4.4%	-3.5%	-12.4%	17.1%	-5.6%	-4.6%	7.0%	-0.9%	4.8%	2.5%	3.6%
All schools		-3.8%	12.4%	-1.0%	-2.1%	-5.5%	9.1%	-3.6%	-1.1%	-0.1%	-0.2%	5.1%	5.1%	5.1%
Real term per pupil funding variance (2009/10 base year)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21		
												LBC	AVERAGE	NFF
Primary		-2.0%	11.4%	-4.5%	-4.1%	-3.1%	2.8%	-4.1%	-0.8%	-6.1%	-1.8%	3.4%	5.0%	4.3%
Secondary		-10.9%	8.5%	2.5%	-5.3%	-14.0%	14.9%	-7.3%	-6.3%	5.0%	-2.7%	2.9%	0.6%	1.7%
All schools		-5.6%	10.4%	-2.8%	-3.9%	-7.3%	7.2%	-5.4%	-2.9%	-1.9%	-2.0%	3.2%	3.2%	3.2%
Pupil Numbers	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 (Oct 18)		
Primary	26,863	26,942	27,163	27,083	29,678	30,251	31,548	32,372	32,292	33,227	32,986	32,986		
Secondary	14,598	15,270	15,800	12,810	15,869	17,645	17,078	17,634	18,245	18,128	18,488	18,488		
All schools	41,461	42,212	42,963	39,893	45,547	47,896	48,626	50,006	50,537	51,355	51,474	51,474		

APPENDIX 1

Notes	
1	Per Pupil = Individual School Budgets for each phase / applicable census data
2	Overall increase attributable to Standards Fund being rolled into the Dedicated School Grant
3	Introduction of: - new flexibilities to provide different amounts of funding to cover the fixed costs of primary and secondary schools; & - targeted support for deprived and vulnerable pupils in addition to the pupil premium, and extra funding to those under-attaining.
4	Fairer funding: additional £350 million school funding available to areas that were currently the 'least fairly funded'
5	First year of 'soft' National Funding Formula - application of Minimum Funding Guarantee to secondary schools
6	As per DSG Formula factors 2020-21

Schools Forum

(Extract of) Minutes of Meeting held on Monday 11 November 2019
9.30am – 12 noon, F10, Town Hall

Full minutes can be located @

<https://www.croydon.gov.uk/education/schools-new/statnotice-consult/croydon-schools-forum/schools-forum-minutes-and-agendas>

Members Present:	Nicholas Dry Patrick Shields Jenny Adamson Dave Harvey Soumick Dey Roger Capham Dave Winters Lorraine Slee Joe Flynn	Diana Agyepong Tina Price Keran Currie Sharon Oliver Rob Veale Jaqi Stevenson Clare Wingrave Cllr Joy Prince Dan Bowden
Observers Present:	Cllr Shafi Khan Cllr Margaret Bird Deborah Calliste Mandy Friend Emma Wilson Natasha Ferguson	Orlagh Guarnori Michael McKeaveney Denise Bushay Andrew Rendle John Fennell David Cooper
Apologies:	Kate Bingham Linda O'Callaghan Alison Farmer Shelley Davies Vivienne Esparon	Josephine Copeland Jane Charman Kevin Standish David Garrido Kate Bingham
Chair:	Jolyon Roberts	
Vice Chair:	Theresa Staunton	
Clerk:	Heather Beck/Geraldine Truss	

	Declaration of Interest There were none.	
	Dedicated Schools Grant (DSG) School Funding formula 2020/21 Orlagh Guarnori (OG) presented this paper This is the third year of the NFF for schools, high needs and central	

services block. The government has announced its intention to move to a hard formula using the national rates for the year 2021/22.

There is an increase of £12.3m on the 2019/20 final allocation against the indicative 2020/21 funding.

Table 2 illustrates the approvals required by Schools Forum. There are 11 factors in total.

Consultation on the minimum per pupil funding level was completed but due to the December 2019 election this is now subject to 'purdah' arrangements. The Forum then considered each factor in turn.

3.1 – Minimum per pupil funding

No decision was needed here as these are nationally agreed arrangements.

Patrick Shields pointed out that the minimum per pupil funding for primary schools had advanced slightly further than the figure for secondary schools.

3.2 - Age weighted pupil unit

No decision was needed here as the AWPU rate is determined by the monies left once all other factors have been applied.

3.3.1 – Deprivation – IDACI

The meeting raised the following questions and points:-

a) Jaqi Stevenson said Croydon is an outer London borough with inner London issues

Q1. Dave Harvey said he was cautious about calculations involving the NFF if it was not going to become a full hard formula in 2021/22;

A1. OG said we are now moving towards NFF which may become a hard formula in 2020-21. In order to avoid huge changes at that point many of the recommendations from the Schools Block working party were to get to the midway point this year.

b) David Winters said he supported both above statements and that moving away from a carefully calculated formula is a backward step. There was uncertainty as to what will happen in future regarding national funding.

c) Jenny Adamson asked if there was a third way beside the two options given – perhaps leaving the factor as it is for the time being?

Q2. Patrick Shields said a third way was not given much

consideration in the Schools Block working party meeting at which each of these factors had been scrutinised in turn. With regard to deprivation there are a number of factors in play of which IDACI was only one. Free school meals (at 3.3.2) are proposed to be funded at a higher rate in 2020-21 and may be a better way of getting deprivation money into schools fairly. If you take these factors together it gives greater resources to needy pupils in the school;

A2. OG said the rate for free school meals had been set as a combined rate in the local formula. In the present 2019/20 allocation Croydon distributed £14.4m through this factor. In the proposal the NFF rate and the FSM6 rate are shown separately but when combined they exceed the present rate.

d) Theresa Staunton said IDACI takes time to catch up. The changing landscape of Croydon is not a true representation of the figure, it is always going to be contentious.

Option 1 – those in favour = 0

Option 2 – those in favour = 14

Option 3 – leave it as it is = 1

3.3.2 – Deprivation – FSM

Those in favour = 14

Those against = 0

Abstention = 1

3.4 - Low Prior Attainment

Jolyon Roberts drew attention to the figures presented which showed that there will be more money for these pupils as the new NFF rate is considerable higher than that previously used by Croydon. The proposal is that £19m will be distributed through this factor this year.

OG said the schools census will show the actual pupils who need the funding. This will be distributed to the schools the following year.

Q1. Theresa Staunton asked if the percentage predicted was done locally;

A1. OG said no as the percentage is done at equity.

OG to find out the percentage. Pick up in POST MEETING. **ACTION**

Those in favour = 0

Those against = 15

Abstention = 0

3.5 - English as an additional language

Last year £5.1m was distributed through this factor and it remains

virtually unchanged.

Option c: Those in favour = 3
 Option d: Those in favour = 12
 Abstention: = 0

3.6 - Looked after children

The rate per pupil is set locally. Croydon distributed £153k. The figure remains unchanged. This funds the Virtual School.

Option a + b were considered together as one decision.
 Those in favour = 15
 Abstentions: =0

3.7 - Lump Sum

The following points were raised by OG and others:

- a) Initial modelling strongly suggests that small schools would see an increase even if we took the decision to decrease the funds paid through this factor;
- b) Six Croydon schools fall into the 'small school' category;
- c) Supporting the current methodology will reduce turbulence over time;
- d) 1 form entry schools are popular with parents and this would give them another year of security.

Rob Veale said he was surprised not to see a third option, being to leave the lump sum at its present rate. Jolyon Roberts agreed to consider this option at the point of voting.

Dan Bowden said we should leave the lump sum alone for this year.

Dave Harvey said we should pay attention to Dan Bowden's thoughts as he is closer to the situation with small schools.

Jolyon Roberts said that the money had to come from somewhere and that leaving the lump sum at its present rate meant that there would be a consequence for schools with more than 438 pupils.

Jaqi Stevenson said this is around a wider decision – do we want small schools? It raised the nursery decision again, do we want small nurseries to survive?

Option a: Those in favour = 0
 Option b: Those in favour = 5
 Option c: Those in favour = 10

3.8 – Mobility

In 2020/23 the DfE will be using a new methodology for tracking

individual pupils by their Unique Pupil ID. Croydon has the option of whether to opt to use this function. £396,000 was distributed via this factor last year.

OG to investigate which schools were entitled to this factor last year.

ACTION:

Dave Harvey said close tracking will give us confidence that money was going to the right place and asked if there was a migration mobility fund, in particular, as this LA welcomes unaccompanied asylum seekers.

OG said this is why there is a 6% threshold, after this has been topped it is just about schools having more pupils than accounted for.

Jolyon Roberts asked for clarification that this funding didn't apply to those schools where there were children going out and the same number coming in which is what most schools understand by the term 'mobility'. OG confirmed that this factor did not apply in those circumstances.

Q1. Dave Harvey asked if there was a way in which this kind of mobility could be factored in?;

A1. OG said Low Prior Attainment would assist in this case. Also monies underspent in the past from the growth fund had been distributed to schools who had this kind of mobility factor. This was to fund pupils who joined after census date but had left before the next census date.

Patrick Shields said there is a proposal to do the same with secondary schools.

Q2. Rob Veale asked for an explanation on how schools would benefit from this factor. Pupils and pupils out would seem not to be funded. Is this in fact just for additional pupils?

A2. OG said these pupils are new to your school – we may have an influx of pupils i.e. UASC and some schools will be asked to enrol them on or after census date. This funding would cover that.

Patrick Shields said upward movement in numbers was not the challenge for in year admission; this should be covered off in other factors. Current funding does not cover allow for pupils who come and go without increasing a school's overall numbers despite the fact that these are usually pupil's in need.

Q3. Sharon Oliver used an example that if a school had 208 pupils on roll, then lost a pupil before census, for the following year you have 207 pupils – when does the money come in?;

A3. Jolyon Roberts said it only comes into play if there are more 208 pupils. There does need to be a recognition of the degree of

input these children require when they arrive, often from abroad, but without increasing numbers overall. In the past this was called 'churn' and was unfunded in these formula factors

Q4. Joe Flynn asked whether pupil numbers needed to increase by 6% or over in a year to trigger this funding?

A4. OG said you have to look at the date from one census to the next census;

Q5. Theresa Staunton asked if this was a voluntary factor;

A5. OG said it was and that it did not need to be used if that was Forum's decision.

Jolyon Roberts said we are seeking to establish whether this voluntary factor is required in Croydon at all? If it is abolished the money goes back into AWPU.

Q6. Dave Harvey asked whether the DfE used this methodology;

A6. OG said yes. The 10% threshold is now moving to 6% using a different methodology.

Q7. Diana Agyepong asked if this would put schools off if they had low numbers;

A7. Mike McKeaveney said Schools Forum had voted to retain mobility for small schools who are not full.

Jolyon Roberts said he would like to have a look at what the biggest amounts paid to individual schools under this factor last year. Bring back to POST MEET. **ACTION**

Option c: those in favour = 0
 Option d: those in favour = 13
 Abstention = 2

3.9.1 – Private Finance Initiative - RPI

Jolyon Roberts said a paper on PFI will be presented as an agenda item today.

Croydon has 1 PFI school. The cost of the PFI agreement is 10.5% of the schools budget. In 2019/20 Schools Forum agreed to increase annually the base rate by RPI and increase the base rate funding over 2 years.

Jolyon Roberts said it was interesting to note the changes in PFI funding and the effect it was having on what the school themselves had to pay. This figure seemed to be falling over time.

Patrick Shields said Schools Block have asked for sight of the original governance for the PFI and what, if anything, Forum could do to influence the contract at various points in its life.

Jolyon Roberts said he agreed. The contract has been signed – can we get out of this contract at any point? It would be interesting to

	<p>know.</p> <p>Q1. Dave Winters asked if there could be any input from the LA into the review. We need to pay attention to the review as the LA need to know; A1. OG said she doubted a review could be carried out.</p> <p>3.10 – Minimum Funding Guarantee (MFG)</p> <p>In the last 4 years the MFG has been sitting at -1.5%. For 2020/21 the DfE have changed this to a positive to reflect £12.3M in Schools Block.</p> <p>The Schools Forum were asked to agree to set the MFG at +0.5%.</p> <p>Those in favour =15 Abstentions = 0</p> <p>3.11 - Growth</p> <p>Growth allocations for 2020/21 will be based on the pupil numbers gained from the October 2018 and October 2019 censuses.</p> <p>Nicholas Dry said that historically per pupil funding does not include special schools and he will raise this at the High Needs meeting.</p> <p>Appendix A illustrates the growth factors.</p> <p>Those in favour = 14 Those against = 0</p> <p>Jolyon Roberts directed the meeting to Appendix D covering the changes in each sector (primary and secondary) over time and said this is an incredible, useful and valuable table. He thanked officers for their work in producing it.</p>	
8:	Next meeting 9 December 2019	

Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	Resources
Title of proposed change	Dedicated Schools Grant School Funding – 2020/21
Name of Officer carrying out Equality Analysis	Kate Bingham

2.1 Purpose of proposed change

Our statutory obligation is to run a local funding formula for schools that calculates the annual revenue budget for each school in Croydon.

The Department for Education (DfE) introduced the National Funding Formula (NFF) in 2018-19 after significant consultation and published a full equalities impact assessment, located [here](#). As the department are broadly continuing the implementation of the original version of the NFF, an additional equalities impact assessment undertaken in October 2019 focused primarily on the key policy changes that were made for the 2020-21 NFF allocations and can be located [here](#).

This is not a new policy. The proposals we consulted Schools Forum on are merely a refinement of the existing arrangements for allocating funding to schools via the local funding formula. The proposals concern the number of factors, in accordance with school finance regulations, as well as how much funding is provided through each factor and essentially, in anticipation of the government intending to move to a 'hard formula' using the NFF rates for the year 2021/22, make a partial transition to the NFF rates in 2020/21 to ease the potential turbulence of moving to a 'hard formula' in a single year.

These are transitional proposals, as the LA is expected to move its funding formula in 2021/22 to the government's national funding formula, under which the LA will no longer have a choice over the funding of individual schools.

The formula allocates funding to school governing bodies. It is the governing body of each school that is then responsible for making decisions on how that funding is to be spent. The governing body is expected to meet their duty under the Equality Act 2010 and its associated guidance.

3. Impact of the proposed change

3.1 Deciding whether the potential impact is positive or negative

Table 1 – Positive/Negative impact

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence
Age	More funding provided to secondary school age pupils (compared to primary school age pupils) as a consequence of higher activity required to deliver the national curriculum and examinations at secondary school.		By virtue of the differential 2020/21 NFF rates for the minimum per pupil level funding set by the DfE for all schools at £3,750 and £5,000 for primary and secondary schools, respectively.
Disability	<p>School budgets contain a notional amount of funding for Special Educational Needs and Disability (SEND) and this is made up of a basket of factors, including low prior attainment and deprivation.</p> <p>Pupils with more complex needs are funded from a separate budget (High Needs Block) and are not in scope of this analysis.</p>		Notional SEND funding is calculated on October 2019 Individual Schools' Pupil Census data based on a DfE formula.
Protected characteristic	Positive impact	Negative impact	Source of evidence

group(s)			
Gender	Croydon applies an optional funding factor for low prior attainment for all pupils, irrespective of gender, and for 2020/21 this funding has increased to bring it closer to the NFF level which Croydon. Prior attainment of pupils is a consideration that schools will need to look at in the funding formula.		October 2019 Individual Schools' Pupil Census data
Gender Reassignment	N/A	N/A	No data collected by schools in respect of statutory school age pupils
Marriage or Civil Partnership	N/A	N/A	No data collected by schools in respect of statutory school age pupils
Religion or belief	N/A	N/A	The funding formula applied to faith and non-faith schools is exactly the same.
Race	Croydon will increase funding for pupils with English as an Additional Language to bring it closer to the NFF level in 2020/21 with a final increase to the NFF level in 2021/22.		October 2019 Individual Schools' Pupil Census data
Sexual Orientation	N/A	N/A	No data collected by schools in respect of statutory school age pupils
Pregnancy or Maternity	N/A	N/A	No data collected by schools in respect of statutory school age pupils

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

Additional information needed and or Consultation Findings	Information source	Date for completion
N/A		

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Table 3 – Impact scores

Column 1 PROTECTED GROUP	Column 2 LIKELIHOOD OF IMPACT SCORE 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 3 SEVERITY OF IMPACT SCORE 1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact	Column 4 EQUALITY IMPACT SCORE Equality impact score = likelihood of impact score x severity of impact score .
Age	2	1	2
Disability	2	1	2
Gender	2	1	2
Gender reassignment	no data	no data	
Marriage / Civil Partnership	no data	no data	
Race	2	1	1
Religion or belief	1	1	1
Sexual Orientation	no data	no data	
Pregnancy or Maternity	no data	no data	

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council’s ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

- Advancing equality of opportunity between people who belong to protected groups
- Eliminating unlawful discrimination, harassment and victimisation
- Fostering good relations between people who belong to protected characteristic groups

5. Action Plan to mitigate negative impacts of proposed change

Table 4 – Action Plan to mitigate negative impacts

There are no proposals within the consultation that will reduce the amount of funding schools will receive and therefore we do not believe there is any negative impact on any other protected groups. As a result of the funding formula proposals, schools will attract differing levels of additional funding depending on their pupil characteristics. Changes to individual school budget shares are a routine annual event and schools are used to managing their service delivery according to the variations in funding, with the largest variance due to changes in pupil numbers.

It is the impact of local school policies and governing body decisions on resource allocation that will affect individual pupils. The LA has no power to impose restrictions on how the local Funding Formula should be spent.

The impact on school pupils is unknown and cannot be quantified as individual school governing bodies determine how their resources will be used. The impact on school budgets cannot be quantified precisely as the factors that determine them change annually in line with changes in school pupil data.

These proposals will have no direct impact on individual staff, although as a result of falls in budget some schools may need to consider resourcing and staffing structures. Individual schools must ensure that they do not discriminate against staff with protected characteristics if selecting staff for redundancy.

6. Decision on the proposed change

Based on the information outlined in this Equality Analysis enter X in column 3 (Conclusion) alongside the relevant statement to show your conclusion.		
Decision	Definition	Conclusion - Mark 'X' below
No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review.	X
	<p>Croydon's Funding Formula is essentially an internal resource allocation mechanism aimed at providing a fair share of the available school budget to each Croydon school. It is not a service provision policy; neither does it dictate how money is to be spent. It is for individual governing bodies to make spending decisions, therefore, for them to consider whether there is a potential for adverse or illegal impacts arising from their decisions.</p> <p>The funding system must always, according to regulations, treat each pupil of the same age and characteristics equally. Some positive action for disadvantaged groups (e.g. from deprived backgrounds, pupils with low prior attainment and English as an Additional Language) is allowable and is already a feature of the formula.</p> <p>Additional funding is provided to schools through the Notional SEND budget, which consists of a basket of factors that recognise pupils' additional educational needs. As indicated above, however, what is provided for in the formula is not an indication of how the governing body must then use it.</p>	
Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet	No, Member's Delegated Decision 17/01/2020	

7. Sign-Off

Officers that must approve this decision		
Equalities Lead	Name: Yvonne Okiyo Position: Equalities Manager	Date: 16 th January 2020
Director	Name: Shelley Davies Position: Director of Education	Date: 20 th January 2020