



Condition funding allocations

The Aqua Book guidance on producing quality analysis for government- How the model meets the guidelines

This document provides information on the quality assurance processes applied to the models used to calculate Devolved Formula Capital and the School Condition Allocations and on how these processes meet the guidelines set out in the Aqua Book guidance, on producing quality analysis for government.

Model names and description

Devolved Formula Capital and School Condition Allocations - SQL and Spreadsheet calculations.

Description

The purpose of the models is to calculate annual allocations of Devolved Formula Capital (DFC) to schools and School Condition Allocations (SCA) to bodies responsible for school buildings ('responsible bodies').

The DFC budget has been set at approximately £200m a year. Every school gets a fixed lump sum and a variable amount based on pupil numbers, derived from the annual school census. The lump sum and per pupil rates will stay the same for the next 3 years.

The main allocations for local authorities, voluntary aided partnerships, multi-academy trusts and sponsors, non-maintained special schools and specialist post-16 providers, together with funding allocated to academies and sixth-form colleges through the Condition Improvement Fund, are made via School Condition Allocations. In February 2015, indicative allocations totalling £1.2bn a year for each of 2015-16, 2016-17 and 2017-18 were announced. This year's models update the allocations for 2016-17 and 2017-18 based on new and closed schools and those school moving between responsible bodies.

The School Condition Allocation consists of three strands:

1. A core condition component based on pupil numbers. These are taken from the January school census or the Individualised Learner Record (adjusted to reflect type and location of schools);
2. A high condition needs component reflecting that some responsible bodies have disproportionately high condition needs (as identified by the Property Data Survey), given their size based on pupil numbers; and
3. A floor protection so that no responsible body received less than 80% of the funding it received in the 2014-15 maintenance allocations in 2015-16; and any reductions in 2016-17 and 2017-18 will be the result of changes to the schools which the body is responsible for e.g. closures, opening schools, academy conversions etc.

The models are SQL based and moderately complex. They incorporate data from a range of sources, including a number of unpublished administrative sources.

Why models are business critical

They distribute capital funding totalling £1.4bn a year in each of 2016-17 and indicatively for 2017-18.

Summary of quality assurance

The development was overseen by the Senior Responsible Officer (SRO) and the quality assurance process was overseen by the analytical assurer. There were the following strands to the quality assurance:

- Policy decisions and assumptions: e.g. The SRO signed off the decision/assumptions log and the model technical specifications and the analysts demonstrated where each decision was applied in the model;
- Data inputs: e.g. data inputs were sense checked and assurance was provided by the relevant senior civil servant (or explicitly delegated to another responsible official);
- Validation: Analysts talked through the whole models with the policy leads to show the methodology was applied correctly; changes in the allocations since last year were checked; and an independent analyst performed sense checks on the models to ensure that they reflected the intended methodology;
- Verification: The lead analyst undertook a variety of technical checks to ensure the models work as intended. An independent analyst built their own models based on the technical specifications and the results were checked against the original models to ensure that identical allocation amounts were obtained; and
- Sign off meetings: This included meetings with the project SRO, analytical assurer, Permanent Secretary, Chief Analyst and relevant directors general and directors to scrutinise our approach. There was also external scrutiny of our quality assurance plan.

The models have not been through internal or external audit. Other parts of our quality assurance process achieve the same outcomes of such an audit:

- To verify that the QA plan is fit for purpose: The plan has been scrutinised by a range of internal and external experts from other government departments;
- To verify that the QA plan has been adhered to: That role was assigned to the analytical assurer; and
- To verify that the methodology is accurately translated into the model outputs: The validation and verification activities listed above perform this function.

The models were not externally peer reviewed i.e. by someone from outside of the Department for Education. However, the models have been reviewed by a number of experts from outside of the allocations team, in the form of the chief analyst run-through and third modeller checks.

Approach to Quality Assurance

Element of quality assurance	Undertaken
Developer Testing	Yes
Internal Peer Review	Yes
External Peer Review	No
Use of Version Control	Yes
Internal Audit	No
Quality Assurance guidelines	Yes
External Audit	No
Governance	Yes
Transparency(published results)	Yes
Periodic Review	Yes

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