



Basic need allocations 2018 to 2019

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 basic need funding for local authorities 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

Basic need funding allocations - Spreadsheet calculations.

Description

The model is used to calculate annual allocations of basic need funding to local authorities for the provision of school places. The latest model calculated allocations for financial year 2018-19 with funding totalling around £1.16 billion. The Education Funding Agency conducted the 2015 School Capacity Survey (SCAP) which collects data from local authorities for each primary and secondary planning area on current school capacity and forecast pupil numbers; these are the key data inputs.

The principle of the calculation is to:

1. determine each planning area's shortfall (the difference between forecast pupil numbers and future school capacity) and then sum these shortfalls for each local authority; and
2. multiply these shortfalls by a rate per place (weighted for primary and secondary places and to take account of regional differences) to get each local authority's allocation.

A number of adjustments take place within this calculation. For example, the future capacity includes additional school places in local authorities which will be made available through central capital programmes (e.g. targeted basic need, free schools) but which are not yet shown in the SCAP returns. To avoid double funding, the allocations account for previous basic need funding provided, and the allocations also recognise the difference in costs associated with location and phase (primary/secondary).

In September 2016, we have also updated the 2018-19 allocations announced in March 2016 to update one of the data inputs (see accompanying methodology note for more detail).

Why model is business critical

Distributes basic need funding to local authorities (totalling around £1.16 billion for this allocations round).

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 specification 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;
- Validation: Analysts talked through the whole model 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 model based on the technical specification and the results were checked against the original model to ensure that identical allocation amounts were obtained; and
- Scrutiny: This included sign off meetings with the project SRO, analytical assurer, Permanent Secretary, Chief Analyst and relevant directors general and directors to scrutinise our approach. There was external scrutiny of the quality assurance plan, including by internal audit who rated the processes as adequate and effective – the top rating.

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.

The update published in October was a change to data inputs only; the model remained unchanged. The majority of the above quality assurance was repeated for the update. To reflect the lower level of risk (as the model structure remained unchanged) sign off was from the SRO and analytical assurer only. Further sign off from the Permanent Secretary, Chief Analyst and directors general was not sought. In addition any outstanding actions from Internal Audit were addressed for the update.

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	Yes
Quality Assurance guidelines	Yes
External Audit	No
Governance	Yes
Transparency (published results)	Yes
Periodic Review	Yes

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