

**Kent County Council
Equality Analysis/ Impact Assessment (EqIA)**

Directorate/ Service: Children, Young People and Education

Name of decision, policy, procedure, project or service: Kent Schools' Local Funding Formula Consultation 2021-22

Responsible Owner/ Senior Officer: Matt Dunkley CBE, Corporate Director for Children, Young People and Education

Version: 1

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Pathway of Equality Analysis: David Adams, Director for Education and Matt Dunkley, Corporate Director of Children, Young People and Education

Summary and recommendations of equality analysis/impact assessment.

- **Context**

We have a statutory duty to run a Local Funding Formula (LFF) for schools that calculates the annual revenue budget for each school in Kent.

The School and Early Years Finance (England) Regulations 2018 provide for how local authorities are to set their education budgets and set out how they are to allocate funding from the individual schools' budgets through a locally determined LFF. The Department for Education allocates the Dedicated Schools Grant (DSG) to local authorities. This comprises four blocks – for schools, high needs, early years, and the central schools services block. 2018-19 saw the introduction of new national funding formulae for schools, high needs and central school services. The national funding formulae determines how the DSG is allocated to local authorities.

The 2018 Regulations are made under chapter 4 of Part 2 of the School Standards and Framework Act 1998 which concern the financing of maintained schools.

Local authorities must comply with these Regulations when allocating their schools budget and determining budget allocations for schools and amounts for early years providers.

- **Aims and Objectives**

KCC is consulting with Kent schools on proposed changes to the Schools' Local Funding Formula (LFF) from 1 April 2020, including a transfer of resources from the schools' block (SB) to the high needs block (HNB) in 2021-22. The Consultation paper seeks the views of Headteachers, Chairs of Governors and Bursars of all Kent schools (both maintained and academies) and can be found here: www.kent.gov.uk/schoolfundingconsultation.

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This is not a new policy. The proposals we are consulting schools on are merely 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. 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 will be expected to expedite their Equality Duties under the Equality Act 2010 and its associated Guidance.

- **Summary of equality impact**

The adverse impact of the proposed changes in the Schools' Local Funding Formula Consultation 2021-22 are rated as low, because the proportion of the overall schools' budget that we are seeking to transfer from the Schools' Block to the High Needs Block is only 1% (which we estimate to be approximately £10m in total) and is the same as amount as in previous years. It is also proposed to fund this transfer in a similar way as last year. Therefore, schools will receive the full increase of any extra funding given by Government for schools' budgets. This equates to approximately 3% or £36m, of additional funding will be distributed to Kent schools through the LFF. This does not mean each school will receive a 3.6% increase, some will receive more, some less, but every school is set to receive an increase. Precisely how much funding each school will receive next year will depend on the consultation and the views of the Schools' Funding Forum and ultimately the decision(s) taken by the Cabinet Member for Children, Young People and Education in December. We do not envisage any negative impact on any specific protected group from this decision as we already fully fund schools at the National Funding Formula level for pupils with English as an Additional Language, there is no difference between the rates we pay for boys or girls. The proposal to amend the calculation of the Notional SEN budget is intended to ensure schools of similar size and budget are treated more equally when accessing funding to support children with high needs.

The transfer of 1% budget is being used to specifically target support for our most vulnerable SEND children and young people, and it is proposed that this funding is used to support inclusion within our mainstream schools.

With demand for SEND support rising and the Council becoming increasingly fiscally constrained, meeting need is becoming ever more challenging.

Greater numbers of statutory assessment requests for EHCPs, a greater proportion of pupils with SEND attending special and independent schools in and out of the county, the growing cost of high needs funding to support children with complex needs, requires us to review demand and available resources. Alongside this, the Council is responding to an Ofsted Written Statement of Action.

To address these issues, we have developed a series of actions to better address the relationship between learner need, outcomes, provision and cost. These actions are not about cutting the budget. It is instead designed to ensure that the whole school system is as inclusive as possible, ensuring children can access appropriate local provision and we make the most efficient use of the available resources being able to demonstrate value for money.

KCC will continue to work with school leaders, the LGA and the f40 Group (the 41 lowest funded education authorities) to lobby Government to accept that the current funding settlement for High Needs is insufficient to address the needs of the most vulnerable children.

KCC believes that the National Funding Formula (NFF) does not take sufficient account of the interaction between school funding and High Needs Funding. The 0.5% flexibility provided at present is only short-term and if the full 'hard' NFF is implemented in the near future as planned, this will provide significant challenges to many local authorities given the current pressures on the high need block and the under-funding position they are in. It is our view that each block should be funded sufficiently, thus removing any need to make transfers between them. KCC wants Government to recognise the clear correlation between funding and level of need, so that the future distribution of HNB funding matches our level of need. We would like government to recognise this and we believe this should include undertaking an equality impact assessment.

Adverse Equality Impact Rating Low

Attestation

I have read and paid due regard to the Equality Analysis/Impact Assessment concerning Kent Schools' Local Funding Formula Consultation 2021-22. I agree with risk rating and the actions to mitigate any adverse impact(s) that has /have been identified.

Head of Service

Signed: _____ Name: David Adams

Job Title: Director of Education Date: 22/10/2020

DMT Member

Signed: _____ Name: Matt Dunkley

Job Title: Corporate Director of Children's Young People and Education

Date: 22/10/2020

Part 1 Screening

Could this policy, procedure, project or service, or any proposed changes to it, affect any Protected Group (listed below) less favourably (negatively) than others in Kent?

Could this policy, procedure, project or service promote equal opportunities for this group?

Protected Group	Please provide a <u>brief</u> commentary on your findings. Fuller analysis should be undertaken in Part 2.			
	High negative impact EqIA	Medium negative impact Screen	Low negative impact Evidence	High/Medium/Low Positive Impact Evidence
Age	N/A	N/A	N/A	N/A
Disability	N/A	N/A	N/A	<p>School budgets contain a notional amount of funding for SEN and this is made up of a basket of factors, including low prior attainment and deprivation. The proposals within the consultation will increase the amount of funding in relation to these factors in line with changes to the national funding formula.</p> <p>The consultation proposes to widen the basket of factors used to calculate whether a school should receive additional funding to support children with High Needs. This will help to ensure that schools with higher proxy factors</p>

				relating to SEN (i.e. deprivation, low prior attainment, FSM) are not disadvantaged when compared to schools who do not have these characteristics but are of a similar size.
Sex	N/A	N/A	N/A	We currently fund pupils with prior attainment at the National Funding Formula level, and we expect to continue to do this through this consultation. Kent data suggest that across all key stages, boys progress is lower than girls. This consultation proposes to increase this the amount of funding provided to schools through the low prior attainment factor in line with changes in national funding formula.
Gender identity/ Transgender	N/A	N/A	N/A	N/A
Race	N/A	N/A	N/A	We currently fund pupils with English as an

				Additional Language at the NFF level, and we expect to continue to do this through this consultation.
Religion and Belief	N/A	N/A	N/A	The Formula budget applied to faith schools is exactly the same as non-faith schools therefore faith schools are not adversely impacted by these funding proposals
Sexual Orientation	N/A	N/A	N/A	N/A
Pregnancy and Maternity	N/A	N/A	N/A	N/A
Marriage and Civil Partnerships	N/A	N/A	N/A	N/A
Carer's Responsibilities		There is nothing in the current or proposed formula to allow additional or less funding for young carers – any impact would be at individual school level – we do not have data on this group to determine the		

		level of impact.		
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Part 2

Equality Analysis /Impact Assessment

Protected groups

As a result of the consultation 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. The consultation will include an individual school modelling spreadsheet which will show the impact of the proposals based on the same pupil data as used in the 2020-21 school budget calculation.

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.

Information and Data used to carry out your assessment

We have used the same data used to calculate the 2020-21 school budgets, and modelled this using information published by the Department for Education affecting the National Funding Formula rates from 1 April 2020.

We have also considered the funding allocation alongside the most recent equality and diversity data reported to the CYPE Cabinet Committee on 28 June 2019. A copy of the report can be accessed via the following link:
<https://democracy.kent.gov.uk/documents/g8273/Public%20reports%20pack%2028th-Jun-2019%2010.00%20Childrens%20Young%20People%20and%20Education%20Cabinet%20Committee.pdf?T=10>

Who have you involved consulted and engaged?

Kent County Council has a statutory duty to consult with all Kent schools and academies. We are encouraging responses from all Headteachers, Governors & Trustees and School Business Managers.

In addition to this, KCC will seek to consult with the CYPE Cabinet Committee, and the Kent Schools' Funding Forum.

The consultation will be open to the public through the KCC website and open to anybody or group that may wish to respond to the consultation.

The EqIA will be updated with feedback concerning equality matters following consultation

Analysis

Initial modelling suggested that there is no negative impact on protected groups

There is potential positive impact for all schools as additional funding will be provided to all schools.

Adverse Impact,

We do not believe there is an adverse impact from these proposals as all schools will receive an increase

Positive Impact:

See above

JUDGEMENT

The Council's Local Funding Formula is essentially an internal resource allocation mechanism aimed at providing a fair share of the available school budget to each Kent 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.

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. Additional funding is provided to schools through the Notional SEN 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.

Internal Action Required YES

There is potential for adverse impact on particular groups and we have found scope to improve the prop

Equality Impact Analysis/Assessment Action Plan

Protected Characteristic	Issues identified	Action to be taken	Expected outcomes	Owner	Timescale	Cost implications
ALL	<p>Ensure that assumptions of no impact are correct.</p> <p>Explore where partners may have identified adverse equality impact.</p>	Statutory consultation with all schools and academies.	Better understanding of the impact of the funding formula proposals.	Matt Dunkley	October to 22 November	Business as usual
Disability	Insufficient funding to meet current/future demand for High Needs	Work with school leaders, the LGA and the f40 Group (the 41 lowest funded education authorities) to lobby Government to accept that the current funding settlement for High Needs is insufficient to address the needs of the most vulnerable	Improved funding provided by Government	Matt Dunkley	On-going	Business as usual

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Have the actions been included in your business/ service plan?

No – Business as Usual

Appendix

Please include relevant data sets

Please forward a final signed electronic copy and Word version to the Equality Team by emailing diversityinfo@kent.gov.uk

If the activity will be subject to a Cabinet decision, the EqIA must be submitted to committee services along with the relevant Cabinet report. Your EqIA should also be published.

The original signed hard copy and electronic copy should be kept with your team for audit purposes.

