

**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 2020-21

**Responsible Owners/ Senior Officer:** Matt Dunkley CBE, Corporate Director for Children, Young People and Education and Zena Cooke, Corporate Director of Finance

**Version:** 3

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**Pathway of Equality Analysis:**

Corporate Director of CYPE and Cabinet Member for CYPE

**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 2020-21. The Consultation paper seeks the views of Headteachers, Chairs of Governors and

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Bursars of all Kent schools (both maintained and academies) and can be found here: [www.kent.gov.uk/schoolfundingconsultation](http://www.kent.gov.uk/schoolfundingconsultation).

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 2020-21 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 £9.6m in total). At the same time as this transfer is proposed, a significant increase of over 5% c.£50m will be distributed to Kent schools through the LFF. This does not mean each school will receive a 5% 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 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

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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 2020-21. I agree with risk rating and the actions to mitigate any adverse impact(s) that has /have been identified.

### **Head of Service**

Signed:

Name: Dave Shipton

Job Title: Head of Finance

Date: 11 October 2019

### **DMT Member**

Signed:

Name: Zena Cooke

Job Title: Corporate Director of Finance

Date: 11 October 2019

## 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
<b>Age</b>	N/A	N/A	N/A	N/A
<b>Disability</b>	N/A	N/A	N/A	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 notional SEN funding each school receives, enabling them to provide more support to disabled children and young people
<b>Sex</b>	N/A	N/A	N/A	Prior attainment of pupils is

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				a consideration that schools will need to look at in the funding formula. Kent data suggest that across all key stages, boys progress is lower than girls. This consultation proposes to increase the amount of funding provided to schools through the low prior attainment factor, thereby allowing schools to consider spending more funding on improving attainment.
<b>Gender identity/ Transgender</b>	N/A	N/A	N/A	N/A
<b>Race</b>	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.
<b>Religion and Belief</b>	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
<b>Sexual Orientation</b>	N/A	N/A	N/A	N/A
<b>Pregnancy and Maternity</b>	N/A	N/A	N/A	N/A
<b>Marriage and Civil Partnerships</b>	N/A	N/A	N/A	N/A
<b>Carer's Responsibilities</b>		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.		

## **Part 2**

### **Equality Analysis /Impact Assessment**

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 2019-20 school budget calculation.

### **Protected groups**

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 2019-20 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/q8273/Public%20reports%20pack%2028th-Jun-2019%2010.00%20Childrens%20Young%20People%20and%20Education%20Cabinet%20Committee.pdf?T=10>

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This document is available in other formats, Please contact  
alternativeformats@kent.gov.uk or telephone 03000 421553 (text relay number: 18001 03000 421553)

### **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, the Kent Schools' Funding Forum, the Kent Association of Headteachers and Kent and Medway Grammar School Association.

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

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## 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

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

### Equality Impact Analysis/Assessment Action Plan

Protected Characteristic	Issues identified	Action to be taken	Expected outcomes	Owner	Timescale	Cost implications
ALL	Ensure that assumptions of no impact are correct.  Explore where	Statutory consultation with all schools and academies.	Better understanding of the impact of the funding formula proposals.	<b>Matt Dunkley</b>	<b>14 October to 18 November</b>	<b>Business as usual</b>

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	partners may have identified adverse equality impact.					
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 children	Improved funding provided by Government	<b>Matt Dunkley</b>	<b>On-going</b>	<b>Business as usual</b>

**Have the actions been included in your business/ service plan? (If no please state how the actions will be monitored)**

No, as they are business as usual