

## 1. Topic of assessment

<b>EIA title:</b>	Changes to local schools formula funding: 2018/19 Transitional measures towards implementation in Surrey schools of the DfE's national funding formula (NFF) for schools
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<b>EIA author:</b>	David Green Senior Principal Accountant (Schools Funding)
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## 2. Approval

	Name	Date approved
<b>Approved by<sup>1</sup></b>		

## 3. Quality control

<b>Version number</b>	1 <sup>st</sup> draft	<b>EIA completed</b>	
<b>Date saved</b>	20 Nov 2017	<b>EIA published</b>	

## 4. EIA team

Name	Job title (if applicable)	Organisation	Role
David Green	Senior Principal Accountant	Surrey County Council CSF Finance	

<sup>1</sup> Refer to earlier guidance for details on getting approval for your EIA.

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## 5. Explaining the matter being assessed

<p><b>What policy, function or service is being introduced or reviewed?</b></p>	<p>The DfE is introducing a national funding formula ((NFF) for schools, which will mean changes to the funding of individual Surrey schools. The DfE expects the LA to make changes to its local school funding formula over the next two years, in order to converge on the.NFF by 2020/21. This will affect the way in which Surrey schools are funded in 2018/19 (and indeed in 2019/20)</p>
<p><b>What proposals are you assessing?</b></p>	<p>Surrey’s primary and secondary schools are funded by a formula, which distributes approximately £580m in 2017/18. Changes to this formula are being proposed in order to converge on the DfE’s proposed national funding formula by 2020/21, in line with DfE expectations: The total funding allocated to schools in 2018/19 will be £14m higher in 2018/19 than in 2017/18 (excluding technical adjustments)</p> <p>In 2018/19 we are proposing to use a combination of 58% of NFF formula factors and 42% of existing Surrey formula factors, but transitional “floor protection” funding at 0% will mean that no school sees a reduction in average funding per pupil. We are also proposing to implement minimum average funding per pupil of £3,300,per primary pupil and £4,600 per secondary pupil Those schools whose average funding per pupil increases as a result of the change will see those gains restricted to around 4% per pupil, in order to ensure affordability, except where higher increases are necessary in order to deliver the minimum.</p> <p>In general the NFF distributes more funding based on low prior attainment (low incidence SEND) and children with English as an Additional Language than its Surrey predecessor, but distributes less funding on deprivation.</p> <p>The proposals are transitional ie the issue is how fast we move to the NFF, rather than whether we move to it. The proposals affect the way in which funding is distributed to schools and not the total sum distributed to schools.</p> <p>We also considered two other options, which involved a slower transition towards the national funding formula These are set out in the report to Cabinet (14 Dec 2017)</p> <p>.</p>
<p><b>Who is affected by the proposals outlined above?</b></p>	<p>The proposals will affect the budgets of Surrey maintained primary and secondary schools and primary and secondary academies . Thus it will potentially affect pupils, staff, parents and carers at those schools As funding is delegated to schools, the impact on individuals will be determined by decisions made by individual schools</p>

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## 6. Sources of information

Engagement carried out
<p>The proposal has been shared with the elected Schools Forum (which includes representatives of schools/academies and of parent groups) and with all schools in a three week consultation . The consultation paper was also published on the council's website. The proposed option was the most popular of three options shared with schools. 209 schools (53.6%) responded to the consultation.</p>
Data used
<ul style="list-style-type: none"><li>Initial data analysis is largely taken from the School Census We have only limited data on the incidence of specific equality priority groups in individual schools. We have modelled the impact of the redistribution using data on SEND incidence, deprivation, EAL and ethnicity. We concluded that none of the three options considered consistently disadvantages any of these groups relative to any of the other options.</li></ul> <p>Setting the minimum funding guarantee at zero (the highest allowable level), rather than at a reduction of 1.5% per pupil, will benefit those schools whose current funding levels exceed the proposed formula and which thus receive minimum funding guarantee. The median incidence of SEND is appreciably higher in schools on the minimum than in schools as a whole (as is the incidence of non White/non British ethnicity in primary schools on the minimum) and thus using the highest allowable level for minimum funding guarantee protection is likely to benefit schools with a higher incidence of priority groups).</p> <p>Implementing the Minimum per pupil funding levels generally benefits schools with low levels of additional need, but this will have to happen anyway in 2020/21 and the overall impact on other schools of implementation from 2018;/19 (and thus the potential for avoidable impact on priority groups) is small, at only 0.1% of delegated funding.</p> <p>..</p>

# Equality Impact Assessment

## 7. Impact of the new/amended policy, service or function

### 7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic <sup>2</sup>	Potential positive impacts	Potential negative impacts	Evidence
Age	Minimal	Minimal.	Only affects school pupils aged 4-15
Disability	Small	Small	There is some link between the incidence of SEND and disability, although this is more likely to affect high cost SEND, which is funded separately outside the school funding formula There is little statistical evidence that any of the three options considered create a stronger link between funding and SEND than any of the others.
Gender reassignment	Unlikely		Schools and school pupils
Pregnancy and maternity	N/a (school pupils)	N/a (school pupils)	
Race	Minimal	Minimal	There is no allowable formula factor for ethnicity Modelling funding against ethnicity data suggests that there is little consistent difference between the options considered
Religion and belief	N/a	N/a	Again this would depend on choices made by particular areas and schools No data
Sex	N/a	N/a	Formula factors are gender neutral
Sexual orientation	Unlikely	Unlikely	No data available

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<sup>2</sup> More information on the definitions of these groups can be found [here](#).

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<b>Marriage and civil partnerships</b>	N/a	N/a	School pupils 4-15
<b>Carers<sup>3</sup></b>			No data available While we have no data on the number of children in each school who are carers, it should be noted that the NFF distributes less funding on deprivation than the old Surrey formula. It may be expected that carers might be in families with relatively low incomes and thus to be disadvantaged by a reduction in deprivation funding. Against this, no school sees reduced average funding per pupil and many of the most deprived schools see no increase in funding under any of the three options considered.

### 7b. Impact of the proposals on staff with protected characteristics

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Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
<b>Age</b>			This is an issue for individual schools. None of the proposals involve a reduction in per pupil funding for any school., although it is accepted that a cash freeze per pupil is actually a real terms reduction and that for many schools the increases in funding under the NFF transition may still not be sufficient to cover pay and price inflation. It will be up to schools to ensure that in any staffing reductions they have regard to protected characteristics.
<b>Disability</b>			
<b>Gender reassignment</b>			

<sup>3</sup> Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that 'carers look after family; partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.'

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<b>Pregnancy and maternity</b>			
<b>Race</b>			
<b>Religion and belief</b>			
<b>Sex</b>			
<b>Sexual orientation</b>			
<b>Marriage and civil partnerships</b>			
<b>Carers</b>			

# Equality Impact Assessment

## 8. Amendments to the proposals

Change	Reason for change
The consultation and analysis has not so far identified any need to change the proposals	

## 9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
No significant impact identified at this stage-but impact will be kept under review			

## 10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected

## 11. Summary of key impacts and actions

<b>Information and engagement underpinning equalities analysis</b>	Consultation with Schools Forum and schools Publication of the consultation proposals.
<b>Key impacts (positive and/or negative) on people with protected characteristics</b>	None identified at present but risk recognised
<b>Changes you have made to the proposal as a result of the EIA</b>	N/a

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<b>Key mitigating actions planned to address any outstanding negative impacts</b>	N/a
<b>Potential negative impacts that cannot be mitigated</b>	N/a

# Equality Impact Assessment

## Minor Proposals (Q6-9/11/12 of Annex 2 of Cabinet Report)

### Justification for not undertaking a full Equalities Impact Assessment of these proposals

#### Background

In 2020/21, the DfE expects to introduce a school level national funding formula, which will distribute funding directly to individual schools. The DfE has published that formula and local authorities are expected to change their local school funding arrangements over the next two years to converge on that national formula (See main Cabinet report).

A number of minor changes to local funding arrangements are being proposed in order to move towards the national formula or to minimise the local impact of the national changes. Additionally, a refund of surplus school specific contingency funding to primary schools is proposed.

#### **Consultation Proposal C1 /Annex 2 Q6 Proposed Changes to the funding of top up in SEN centres (in mainstream schools)**

This is largely a technical proposal intended to offset the impact of technical changes being made by DfE to the funding of SEN centres and thus maintain stability of funding for those centres. As such it will preserve the current level of funding for children in these centres and thus should have no impact on priority groups.

#### **Consultation Proposal C2 /Annex 2 Q7 To cease the reception uplift (for year R in primary schools)**

The reception uplift is additional funding given to schools admitting additional pupils to the reception year between October and January. It will not be allowed from April 2020 and so the proposal concerns whether to cease it now or two years later. In principle reception uplift could benefit schools with vulnerable pupils, and some priority groups may be expected to have higher mobility and thus to benefit from such a factor. In practice the way in which this factor interacts with other factors in the formula means that it cannot support schools consistently as intended. DfE refused a request to improve the local operation of the factor in Surrey last year. We have concluded that, as the factor cannot be made to operate as intended, ceasing it will have no consistent impact on equality priority groups..

#### **Consultation Proposal C3/Annex 2 Q8 Changes to the formula funding of looked after children**

Surrey has a local formula factor for looked after children but this will no longer be allowed from April 2020. This proposal is to reduce the value of the local factor from April 2018 to reflect the increase in the Pupil Premium Plus for looked after children from that date, so that the total level of funding for looked after children remains the same in 2018/19 as in 2017/18. While it is true that funding for looked after children would have increased in 2018/19 had the local factor remained the same, it is considered that there is little useful purpose in increasing the level of funding for this group only to reduce it two years later when the full "hard" NFF is introduced.

#### **Consultation Proposal C4/Annex 2 Q9 Changes to the definition of the level 2 notional SEN budget**

This is a technical change. The notional SEN budget is defined in terms of deprivation and low prior attainment factors and the definition of these factors is changing as part of the move to the NFF. The definition of the level 2 notional SEN budget has been changed for consistency with the main funding formula. The notional SEN budget is a sum earmarked within an individual school's budget and thus the proposed change does not affect the amount of formula funding received by any individual school.

The proposed change may affect the amount of additional SEN funding received by individual schools but no change is proposed to the total amount of that funding.

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## **Consultation Proposal D2 /Annex 2 Q11 Method of delegation of residual former combined services School Improvement funding**

This proposal is to delegate £430,000 which in 2017/18 was held centrally to fund additional school improvement funding, on the basis of pupil numbers. The budget no longer meets the criteria for central funding and so the issue is how it is delegated and not whether it is delegated. This is the remainder of £1.292m previously held for this purpose, of which £862,000 was delegated in 2017/18 and the basis of delegation is the same as proposed in 2017/18. An equalities impact assessment was undertaken prior to the 2017/18 delegation, comparing distribution on the basis of pupil numbers (as preferred by Schools Forum ) with distribution partly on the basis of deprivation and SEN indicators. The analysis concluded that those schools with OFSTED rankings of Requires Improvement and below at that time (which would thus have benefited most from central school improvement budgets had they been retained) generally had higher than average incidence of SEN and deprivation (and thus potentially of priority groups) than the average ,but that the financial impact of the proposed change was small and that Surrey already allocated higher levels of funding on deprivation than many similar LAs. That impact analysis has been reviewed and is considered still valid as the total sum involved is too small to justify more targeted means of distribution.

## **Proposal D3/Annex 2 Q12 Redistribution of surplus de-delegated primary school specific contingency to maintained (or formerly maintained) primary schools**

The surplus school specific contingency which has accumulated over the last few years, originated from funds de-delegated from maintained primary schools. It is proposed that the surplus should be refunded to those schools which contributed to the funds initially, in proportion to their contributions. This maintains the credibility of the contingency process, in that funds are only taken from schools to the extent that they are required.

To distribute the funds in any other way would be to use them for a purpose other than that for which they were originally taken.

## 1. Topic of assessment

<b>EIA title:</b>	Changes to local schools formula funding: 2018/19 Delegation of former confederation funding to individual primary schools) (ref proposal D1 of schools funding consultation paper/Q10 of annex 2 to Cabinet report,)
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<b>EIA author:</b>	David Green Senior Principal Accountant (Schools Funding)
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## 2. Approval

	Name	Date approved
<b>Approved by<sup>4</sup></b>		

## 3. Quality control

<b>Version number</b>	1 <sup>st</sup> draft	<b>EIA completed</b>	
<b>Date saved</b>	20 Nov 2017	<b>EIA published</b>	

## 4. EIA team

Name	Job title (if applicable)	Organisation	Role
David Green	Senior Principal Accountant	Surrey County Council CSF Finance	

<sup>4</sup> Refer to earlier guidance for details on getting approval for your EIA.

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## 5. Explaining the matter being assessed

<p><b>What policy, function or service is being introduced or reviewed?</b></p>	<p>Funding previously devolved directly to area confederations of schools is to be delegated instead to individual primary schools. This funding must be delegated because it no longer satisfies the DfE “combined services” criteria for central funding. The LA has a choice of how the funding is delegated to individual schools and it is that choice which is being reviewed, not the decision to delegate.</p>
<p><b>What proposals are you assessing?</b></p>	<p>£657,000 of Surrey’s Dedicated Schools Grant funding is currently allocated directly to confederations of schools on behalf of primary schools, using a formula based 40% on pupil numbers, 30% on deprivation using free school meals and 30% on deprivation using the IDACI index which is a measure of area deprivation. (ie a child is deemed deprived if there is a high level of deprivation in the area in which the child lives)</p> <p>In delegating this funding to primary schools we may only use factors approved by the DfE for inclusion in the delegated formula. We are proposing to continue to allocate 60% of funding based on deprivation, but to change the method to use 55% Ever 6 Free School Meals (FSM6) which is the preferred DfE method of measuring pupil deprivation and 5% IDACI which is the preferred DfE method of measuring area deprivation. IDACI would be used in the same way as in the DfE’s National funding formula ie six different funding bands. Several methods were considered and the proposed method was the method which created least movement of funding between confederation areas. The corresponding funding for secondary schools was delegated in 2013/14.and thus the newly delegated funding would be distributed only to primary schools.</p>
<p><b>Who is affected by the proposals outlined above?</b></p>	<p>As we are no longer able to allocate funding direct to confederations, they will now be wholly dependent for their income on the willingness of individual schools to contribute to their costs. That is a consequence of government funding policy over which we have no control This will affect staff directly employed by confederations and children and families benefiting from the services which confederations provide. The nature of the activities of confederations varies from area to area and over time and thus the impact will vary from area to area depending on the present services and on the willingness of schools to contribute to their costs. The LA cannot eliminate this risk, but has tried to mitigate the risk by minimising the change in funding within each local area, so that the funding is still available to be used for confederations if schools wish to continue to support them.</p> <p>The proposal does not change the total funding available to all schools, but only the distribution among schools (subject to some technicalities concerning academies, which again are beyond the LA’s control)</p> <p>Ultimately the impact on individuals will depend on how individual schools choose to use the funding and on how confederation</p>

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	management committees respond to choices of individual schools
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## 6. Sources of information

<b>Engagement carried out</b>
The proposal has been shared with the elected Schools Forum (which includes representatives of schools/academies and of parent groups) and with all schools in a consultation paper, which was also published on the council's website to allow wider consideration. The proposed distribution method was supported by the majority of schools which responded and by the Schools Forum
<b>Data used</b>
<ul style="list-style-type: none"><li>Initial data analysis is largely taken from the School Census We have limited data on the incidence of specific equality priority groups in individual schools.</li></ul>

## 7. Impact of the new/amended policy, service or function

# Equality Impact Assessment

## 7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic <sup>5</sup>	Potential positive impacts	Potential negative impacts	Evidence
Age	Unlikely	Unlikely	The funding is currently allocated on behalf of primary schools and is being distributed to primary schools There would only be an impact on age if schools in an area chose to target specific services benefiting particular age groups (eg pre school)
Disability	Small	Small	Again this would depend on choices made by particular areas and schools
Gender reassignment	Unlikely		Again this would depend on choices made by particular areas and schools
Pregnancy and maternity	N/a (school pupils)	N/a (school pupils)	
Race	Minimal	Minimal	The distribution method does not involve any significant movement of funding to or from confederation areas with higher incidence of non British or non white pupils
Religion and belief	N/a	N/a	Again this would depend on choices made by particular areas and schools
Sex	N/a	N/a	
Sexual orientation	Unlikely	Unlikely	No data available
Marriage and civil partnerships	N/a	N/a	School pupils 4-15
Carers <sup>6</sup>			No data available

<sup>5</sup> More information on the definitions of these groups can be found [here](#).

<sup>6</sup> Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that 'carers look after family; partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.'

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## 7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age			<p>While it is quite likely that there will be job losses as a result of these changes, which may impact disproportionately on older staff or on those with higher barriers to future employment, the issue to be considered is whether the basis of distribution of funding disproportionately affects those staff. There is no reason to suggest that it should have that effect.</p>
Disability			
Gender reassignment			
Pregnancy and maternity			
Race			
Religion and belief			
Sex			
Sexual orientation			
Marriage and civil partnerships			
Carers			

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## 8. Amendments to the proposals

Change	Reason for change
No equalities issues were identified in feedback to the consultation	

## 9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
No significant impact identified at schools consultation stage			

## 10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
The main potential negative effect is that of a reduction in scale of confederation activities, potentially affecting priority groups, if schools prefer to spend the delegated funding on their own core activities rather than to support the confederations' work. In practice there is little that we can do about this, as explained above, and this risk will arise however we choose to delegate the funds.	

## 11. Summary of key impacts and actions

<b>Information and engagement underpinning equalities analysis</b>	Consultation with schools and with Schools Forum
<b>Key impacts (positive and/or negative) on people with protected characteristics</b>	None identified at present but risk recognised

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<b>Changes you have made to the proposal as a result of the EIA</b>	N/a
<b>Key mitigating actions planned to address any outstanding negative impacts</b>	N/a
<b>Potential negative impacts that cannot be mitigated</b>	N/a

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