



Equality Impact Assessment (EIA)

1. Topic of assessment

EIA title	Schools funding formula proposals for 2019/20
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EIA author	David Green
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2. Approval

	Name	Date approved
Approved by	Liz Mills	18 October 2018

3. Quality control

Version number	001	EIA completed	
Date saved	18 October 2018	EIA published	

4. EIA team

Name	Job title	Organisation	Team role
David Green	Senior Principal Accountant	Surrey County Council	
Julie Stockdale	SEND & School Organisation Strategic Lead	Surrey County Council	

5. Explaining the matter being assessed

What policy, function or service is being introduced or reviewed?

The setting of the schools funding formula for primary and secondary schools in 2019/20, in particular

- * whether to transfer £3m of schools funding to the high needs block (SEN budgets) (Annex 4 s2)
- * the level of the minimum funding guarantee (the minimum increase in average funding per pupil),
- * the level of the ceiling (the maximum increase in average funding per pupil for any school) The level of the ceiling is a consequence of the other discussions.
- * whether to introduce the minimum per pupil funding level in full (Annex 3 s7)

These are transitional proposals, as the LA is expected to move its funding formula over the next few years towards the government's national funding formula, under which the LA will no longer have a choice over the funding of individual schools.

What proposals are you assessing?

The LA is required to fund primary and secondary schools according to a formula, and to review this formula annually. In 2019/20 it is expected that the funding allocated by DfE for this purpose in 2019/20 will be £11m higher than in 2018/19.

In particular, the LA is required to

- set a minimum funding guarantee level (the minimum average increase/maximum average decrease in funding per pupil), which must be between 0.5% and -1.5%.
- set a ceiling (the maximum allowable per pupil increase), which is needed in order to make the formula affordable.

The LA's formula is expected to converge over the next few years onto the "national funding formula" developed by the Department for Education. This includes a "minimum per pupil level" (MPPL), an absolute minimum level of average funding per pupil. The LA introduced this in part in 2018/19 and now needs to consider whether to increase this to its maximum permitted value during 2019/20.

The LA may transfer up to £3.1m of schools funding to add to the funding for high needs SEN, if the Schools Forum, or the Secretary of State, approves the transfer. The Schools Forum rejected the LA's proposal for such a transfer, so the LA needs to consider whether to appeal to the Secretary of State. If this transfer is agreed then schools' funding will increase by £8m, otherwise it will increase by £11.1m. The £3.1m transfer would mean a lower ceiling (ie a lower maximum increase in funding per pupil) and a lower level of MPPL. Other formula factors would be unchanged.

	<p>The proposals will not themselves reduce the funding of any school, although some schools' funding will reduce if there is a reduction in pupil numbers, as has always been the case, and many schools may see a "real terms" reduction in funding (ie funding will increase by less than costs).</p> <p>The proposals are for one year and the funding formula will be reviewed prior to 2020/21.</p> <p>Funding for schools may only be allocated using factors permitted by the DfE. Specifically, the incidence of most equality priority groups cannot be directly recognised in the funding formula.</p>
<p>Who is affected by the proposals outlined above?</p>	<p>The proposals affect schools and the pupils and staff within them, although the impact on individual staff and pupils will be a matter for individual schools because the budgets are delegated.</p> <p>The proposals do not directly remove funds from individual schools which are earmarked for specific pupils or categories of pupils within schools. The issue to be considered is whether a lower increase in funding for schools, allocated in the way proposed, is likely to have an indirect impact on priority groups, e.g. because schools whose gains are reduced happen to have a higher incidence of such groups. This assessment considers only the impact on schools increasing schools' funding by £8m and transferring £3m to high needs, rather than increasing schools' funding by £11m. It does not consider the impact of finding savings elsewhere if the £3m transfer is not implemented.</p>

6. Sources of information

<p>Engagement carried out</p>
<p>Proposals for changes to the schools funding formula were published in a consultation paper which was sent to all schools and was available on the council's website, during September. 198 responses were received from schools, a response rate of 50.5%</p> <p>The consultation responses were discussed with Surrey's elected Schools Forum on 28 September 2018</p>
<p>Data used</p>
<p>Data is largely drawn from the school census and from LA records of the number of "high needs" pupils. Data on many of the equality priority groups is not available for schools.</p>

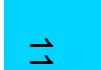
7. Impact of the new/amended policy, service or function

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	Unlikely	Unlikely	
Disability	Unlikely	Possible via link to SEN but marginal	See table below
Gender reassignment	No data	No data	
Pregnancy and maternity	No data	No data	
Race	Unlikely	Possible but marginal	See table below
Religion and belief	No data	No data	
Sex	Unlikely	Unlikely	
Sexual orientation	No data	No data	
Marriage and civil partnerships	No data	No data	
Carers (protected by association)	No data	No data	

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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>These proposals will have no direct impact on individual staff, although as a result of falls in budget some schools may need to consider resourcing and staffing structures</p> <p>Individual schools must ensure that they do not discriminate against staff with protected characteristics if selecting staff for redundancy</p>
Disability			
Gender reassignment			
Pregnancy and maternity			
Race			
Religion and belief			
Sex			
Sexual orientation			
Marriage and civil partnerships			
Carers (protected by association)			

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Data for sections 7a and 7b

% of primary schools on	Ceiling (if 3m transferred to high needs)	MPPL (if 3m transferred to high needs)
Of all	44.30%	7.38%
With above average non white	41.61%	4.03%
With above upper quartile non white	42.67%	2.67%
In Top10% for non white	52.63%	2.63%
above average for EHCPs	45.95%	5.41%
above upper quartile for EHCPs	48.65%	1.35%
In top10% for EHCPs	39.47%	2.63%
Above average for %SEN	46.62%	2.03%
Above upper quartile for %SEN	34.67%	0.00%
Top10% for %SEN	21.05%	0.00%

% of secondary schools on	Ceiling (if £3m transferred to high needs)	MPPL (if £3m transferred to high needs)
All	1.79%	32.14%
Above average non white	0.00%	35.71%
Above upper quartile non white	0.00%	35.71%
Top10% for non white	0.00%	14.29%
Above average for EHCPs	3.57%	25.00%
Above upper quartile for EHCPs	7.14%	21.43%
Top10% for EHCPs	0.00%	14.29%
Above average for %SEN	3.57%	14.29%
Above upper quartile for %SEN	7.14%	21.43%
Top10% for %SEN	0.00%	0.00%

The ceiling deduction is greater, and the MPPL funding lower, if £3m is transferred to high needs, and thus schools on the ceiling and schools on MPPL will lose

The table shows that the proportion of primary schools with above average incidence of ethnic minorities and with ceiling deductions is below the proportion of all primary schools on the ceiling (although those with the highest incidence of ethnic minorities are more likely to be on the ceiling). Schools with above average incidence of EHCPs are slightly more likely to be on the ceiling (and hence disadvantaged by a lower ceiling, and by higher ceiling deductions).

Only one secondary school is on the ceiling anyway.

Primary schools with above average incidence of ethnic minorities, or of EHCPs, or of SEN, are less likely to receive MPPL funding than other primary schools (although the situation is less clear in

11 secondary schools). Therefore reducing MPPL funding in order to release funding for SEND/high needs pupils should not disproportionately disadvantage those groups.

8. Amendments to the proposals

Change	Reason for change
None yet	

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
None yet			

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

<p>Information and engagement underpinning equalities analysis</p>	<p>Analysis of school census data and consultation with schools and with the Schools Forum</p>
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>If school funding increases by £8m rather than £11m, the “ceiling” on increases in funding per pupil will be lower, and the proportion of schools with high incidence of SEN subject to the ceiling is slightly higher than the proportion of all schools. Thus the lower increase might have a slightly greater impact on schools with high SEN however it would be for individual schools to manage this.</p>
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>None as yet</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	
<p>Potential negative impacts that cannot be mitigated</p>	