

Equalities Impact Assessment

Source: DfE: The national funding formulae (NFF) for schools and high needs 2020-21 (October 2019)

The Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010 requires the Secretary of State to give due regard to achieving the following objectives in exercising their functions:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

We have considered the impact on persons who share any of the protected characteristics (these are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation). We have focused on those protected characteristics for which the impact is largest, and which are most closely tied to the distributional policy choices we are making. We use incidence of SEND as a proxy for disability in this analysis, as the two are highly correlated, and ethnicity as a proxy for race.

We introduced the NFF in 2018-19 after significant consultation and published a full equalities impact assessment. We are broadly continuing the implementation of this version of the NFF. Therefore, we have focused this assessment primarily on the key policy changes that are being made in 2020-21.

Schools NFF

Increasing the minimum per pupil levels

Increasing the minimum per pupil levels for primary schools to £3,750 (on the way to £4,000) and for secondaries to £5,000 will benefit the lowest funded schools that do not otherwise attract these levels of funding through the other formula factors (i.e. for additional needs). As a result, the schools with the highest proportions of pupils with SEND will typically gain less as a result of this element of the formula, because these schools are likely to attract additional funding through other factors in the formula, and will therefore not be among the lowest-funded schools. Schools with the highest proportions of pupils from low-performing ethnicities and ethnic minorities will also typically gain less than other schools, because these characteristics in general correlate with higher overall funding at school-level. However, it is important to note that there are individual pupils with both these characteristics who are currently in the lowest-funded schools and they will benefit from this policy. Furthermore, the overall policy of the NFF continues to allocate the greatest share of resources to pupils with additional needs, and therefore those most likely to have these protected characteristics. This specific element of the formula is also set alongside a very significant increase to high needs funding – channelling resources specifically towards pupils with SEND.

We plan to make it mandatory for local authorities to use the minimum per pupil funding levels in local formulae. This will 'lock in' this aspect of the schools national formula at a local level, where relevant. The current consultation on implementing mandatory minimum levels is specifically exploring the equalities impact of this change.

Increasing the funding floor

The increase to the funding floor will disproportionately benefit schools that have been more highly funded historically. These tend to be in urban areas, and have a higher proportion of children from low-performing ethnicities and ethnic minorities because these areas are more ethnically diverse. They also have a higher occurrence of non-Christian faith schools. We assess that this will have a positive impact on these pupils.

Changing the methodology for the mobility factor

During the first stage of the NFF consultation, respondents were concerned that our proposal to exclude a mobility factor from the NFF would disproportionately impact Gypsy/Roma pupils and pupils of Irish traveller heritage. We acknowledged these concerns and decided to include a mobility factor in the final NFF. Our improvements to the mobility factor means that we will now be extending mobility funding to all LAs, and not just the LAs who previously used the factor. This means that all schools with high proportions of mobile pupils, including pupils with these protected characteristics, will attract mobility funding, enabling them to better support these pupils and manage the costs incurred by high levels of pupil mobility. We do not anticipate that our changes to the mobility factor will have any further impacts on pupils with other protected characteristics.

Increasing the remaining NFF factors by 4%

We have increased the key remaining NFF factors by 4%, which affects the majority of schools. We have also removed the gains cap, so that schools will attract the full gains they are due. This benefits schools which were underfunded under the previous funding system, so all pupils attending these schools will benefit. Addressing historic underfunding moves closer to a fairer system where funding is based entirely on need.

As the balance between the factors remains broadly the same, the equalities impact of the overall 2020-21 formula will be consistent with the assessment published in 2017 (apart from those differences noted above).

https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/supporting_documents/NFF_EqualityImpactAssessment.pdf