

### Equalities Impact Assessment

Source: Department for Education: The national funding formulae (NFF) for schools and high needs 2021-22 (July 2020)

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: 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 2021-22.

#### Schools NFF

##### **Increasing the minimum per pupil levels**

Increasing the minimum per pupil levels for primary schools to £4,180 and secondary schools to £5,415 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. 65. However, 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 for 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.

### **Increasing the funding floor**

The increase to the funding floor in line with inflation 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.

### **Supporting small schools**

We are directing more funding to small remote schools. These schools tend to have lower proportions of pupils with additional needs than average. As additional needs funding contains proxies to direct funding towards pupils with special educational needs and disabilities (SEND), support for small remote schools will generally benefit schools with lower proportions of pupils with disabilities more than average. Likewise, small remote schools have a lower proportion of pupils with ethnic minorities than average.

However, the overall distribution of funding in the schools and high needs NFF still significantly favours schools with high levels of additional needs, and therefore with higher incidence of pupils with certain protected characteristics, notably disability and ethnicity. Furthermore, analysis has shown that small schools face higher per pupil costs than larger schools, which is compounded in remote areas by an inability to achieve efficiencies such as shared senior leadership teams with other small schools. The increased funding will help meet those costs, which can include the costs of supporting pupils with more complex SEN, and those who are disabled.

### **Increasing the remaining NFF factors by 3%**

We are increasing the remaining core NFF factors by 3%, which affects the majority of schools. As the same 3% uplift would cover both the basic per pupil amount (AWPU) and the factors for additional needs, the balance between the factors remains broadly unchanged from before. There would therefore not be any disproportionate impact (either positive or negative) on pupils with protected characteristics.

### **Rolling in the teachers' pay and pension grants**

We are rolling in the teachers' pay grant (TPG) and teachers' pension employer contribution grant (TPECG) to the schools and the central school services NFF in such a way that the additional NFF funding schools and LAs receive is as similar as possible to the funding they would receive if the grants were not rolled in. We recognise that the rolling in will never perfectly reflect the current allocations, but do not believe that the schools affected by the discrepancies have a higher proportion of pupils with protected characteristics than average. There would therefore not be any disproportionate impact (either positive or negative) on pupils with protected characteristics from the rolling in of grants.

### **Moving from using IDACI 2015 to IDACI 2019**

We will (i) switch from using IDACI 2015 to IDACI 2019, and in conjunction with that (ii) update the IDACI banding methodology used in the schools and high needs NFFs:

Switching to using the updated IDACI 2019 data will ensure that deprivation funding is directed more accurately at those areas which are most deprived – as opposed to those areas which *were* most deprived in 2015. This shift would not be expected to have any significant impact on groups with protected characteristics.

The change in the banding methodology aims to ensure that the proportion of deprivation funding allocated through the NFF remains broadly unchanged. Without this change, the total amount of deprivation funding would decrease significantly. As there is a significant overlap between areas of high deprivation and the proportion of pupils from an ethnic minority background, the change in banding methodology would be expected to have a positive impact on equalities.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/901889/FINAL\\_2021-22\\_NFF\\_Policy\\_Document\\_MB.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901889/FINAL_2021-22_NFF_Policy_Document_MB.pdf)

### SEN related changes

#### **Targeted Funding**

The targeted funding criteria for supporting schools where they have a disproportionate number of pupils with more complex needs will continue to be in place. Moving to an approach of using the actual amount of notional SEN determined through the NFF formula to identify whether a school has sufficient notional SEN funding to support pupils will ensure targeted funding is directed more accurately reflecting the school characteristics and funding it receives through its schools budget shares delegated funding.

The targeted funding approach is a funding mechanism supported through the High Needs block, and it is a Local Authority decision whether to have such an approach in place. The approach is established where it is determined a school cannot reasonably meet these additional SEN costs out of their budget shares. The Local Authority fully supports inclusive practice and will continue to apply the targeted funding approach to support mainstream schools from not being financially disadvantaged by having a disproportionate number of pupils with more complex needs.

The planned changes reflect the increased notional SEN allocations held within schools budgets, which will ensure fair funding is provided to schools through targeted funding. It is not expected to have a significant impact on groups within protected characteristics since this is responding to the increased notional SEN allocations held within schools budget shares. The approach is fair, equitable, transparent, efficient, and aligns to the NFF.

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