

DRAFT EQUALITIES REVIEW

MINOR SCHOOLS FUNDING CHANGES PROPOSED FOR 2021/22

Changes to the definition of notional SEND funding

Notional SEN funding is part of the school's budget share, i.e. it is funding which the school is expected to spend on SEN. The proposal is that the notional SEN funding per pupil should increase in line with the general increase in the value of funding factors within the funding formula, in effect that the amount which a school should be expected to find from its budget to fund SEN should increase as its budget increases.

For most schools this should be beneficial to pupils with SEN. However, for a small number of schools the change may mean a reduced entitlement to additional SEN funding. These schools generally have above average incidence of EHCPs, but schools with above average incidence of ethnic minority pupils or staff or of deprived pupils are not disproportionately affected. We recommend that the proposal is implemented on the basis that it is a reasonable and proportionate response to recent changes in mainstream schools funding.

Reduction in delegated former combined services funding for local confederations and for additional school improvement work.

This funding was part of a historic funding allocation from DfE which DfE is currently reducing by 20% each year and which does not form part of the government's national schools funding formula. Therefore in the longer term schools will lose it. The actual basis of distribution was determined by Surrey as a mixture of pupil numbers and deprivation funding and the proposal is that all factors used to distribute the historic funding are scaled down equally. The planned reduction is £173,920 of which £63,072 is in deprivation funding and the remainder distributed based on pupil numbers. The proposed reduction is proportionate to the way in which the total funding is currently allocated.

The alternative would be for Surrey to preserve this funding stream and to make reductions elsewhere in the funding formula in order to make the £173,920 saving required. But this would involve moving away from the government's national funding formula, which can only be a short term measure.

Ultimately it will be for individual schools to determine how these reductions are managed in such a way as not to disadvantage groups with protected characteristics.

A quick analysis of available data suggests that

*schools with high incidence of ethnic minorities lose no more than others

*schools with high incidence of SEN lose no more than others

*schools with above average deprivation lose more than others (which is to be expected given that some of the existing funding is distributed using indicators of deprivation). But the average difference is around £1.30 per pupil. It is considered that this is acceptable given that in the medium term this funding will have to be removed anyway as part of the introduction of the national funding formula, although it should be noted that there will be a cumulative impact of successive annual reductions.

We do not have data on the incidence of other protected characteristics in schools.

Changes to funding for eligible rents and to split site funding

This proposal is that funding for eligible premises rents and for additional costs of schools using two or more sites should be excluded from the minimum funding guarantee calculation (which requires a minimum increase in average funding for every school). It recognises that both costs are largely fixed costs arising from historical factors, and is largely aimed at two categories of school:

- Schools where part of the accommodation is rented and there is a large increase in rent: the variation allows this increase to be funded without counting towards the minimum increase, ie schools would see the rent increase over and above the minimum increase;
- Schools where a second site is closed, so that funding for the second site can be removed without being protected by the minimum per pupil increase.

In either case there would be a change in fixed costs, unrelated to pupil numbers or characteristics, and the impact of the proposed change would be that the fixed cost funding could be amended without being offset by other changes.

There are six schools funded for rent and nine funded for split sites. They have a range of characteristics and of incidence of identifiable protected groups. The proposed variation could affect several schools or none in any year and we do not at present know whether it will apply to any school in 2021/22. The overall effect of this proposal on other schools is also likely to be small because the net change in funding due to the variation (which would be given to or taken from other schools) is likely to be small.

As such, we don't think this proposal has a significant identifiable impact on protected groups.

Refund of part of surplus primary school contingency

The proposal is that part of the accumulated surplus on the school specific contingency is refunded to primary schools on the basis of a sum per pupil. The funding for the contingency was initially deducted from schools as a sum per pupil, so the method of refund and the original method of deduction are the same. As such we think the impact on protected groups, taking both stages together, is minimal.

NOTE: These changes are being made in within the context of a national schools funding formula, in which funding is allocated to schools using a small number of factors defined by the DfE. DfE expects local authorities' formulae to move towards its national formula over the next few years and thus the issue of whether additional funding should be targeted on protected groups has not been considered.

Where the proposal is for a continuation of funding arrangements agreed for 2020/21 (but the arrangements require annual approval either legally or by local custom and practice) no further equalities review has been undertaken. This applies to funding for looked after children and de-delegation of funding.

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