

DRAFT EQUALITIES REVIEW

MINOR SCHOOLS FUNDING CHANGES PROPOSED FOR 2022/23

Changes to the definition of notional SEND funding

Notional SEN funding is part of the school's budget share, ie it is funding which the school is expected to spend on children with 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 spend on children with SEN should increase as its budget increases, even if the incidence of SEN (as measured by proxy indicators) remains the same.

This should be beneficial to pupils with SEN for whom this notional SEND funding is intended. We recommend that the proposal is implemented on the basis that it is a reasonable and proportionate response to recent changes and increases 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 based on funding allocated by the LA to "combined services" (primary school confederations and some school improvement functions) in 2017/18, the last year before the NFF was introduced. DfE is currently reducing this allocation to Surrey (and to all other LAs in a similar position) by 20% each year, it does not form part of the government's national schools funding formula. The intention of DfE is to remove this funding entirely. The basis of distribution in Surrey has been as a mixture of pupil numbers and levels of deprivation funding. The proposal is that these are the factors that are used to scale down the funding. The planned reduction by DfE for Surrey in 2022/23 is £0.139m, of which £0.050m is in deprivation funding and the remainder distributed based on pupil numbers. The reduction is proportionate to the way in which the total funding is currently allocated.

Maintaining this funding in 2022/23 would require moving away from the government's national funding formula, in effect redistributing funding from the overall Dedicated Schools Grant. As this could only be a very short term measure it is not considered prudent.

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.

An analysis of available data suggests that in 2021/22, primary schools with high incidence of ethnic minorities, SEND and deprivation, receive a higher average amount per pupil than all schools. This reflects some of the existing combined services funding being distributed using indicators of deprivation. But on average schools in the top 25% for ethnic minorities and/or SEN would lose only 34p/pupil more than the average for all schools under this proposal. 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.

Changes to sparsity funding

No detailed equalities assessment has been undertaken as this directly follows changes implemented by DfE in the national funding formula and intended to support small rural schools, which in Surrey, as elsewhere, face particular financial challenges to their continuing viability under the NFF.

The majority of the six primary schools expected to receive sparsity funding in 2022/23 have below average incidence of non white and non British ethnicity and also of children with SEND. However, the overall sum involved (estimated at £0.2m or around 0.3% of total schools funding) is unlikely to have a material impact on children in priority groups if shared out across all of the other factors in the formula, any variation can only be short term because the factor will be compulsory under a “hard NFF”, and it is one of only a few possible measures to support the smallest schools.

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.

General notes

These changes are being made 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, over and above the NFF, has not been considered.

Where the proposal is for a continuation of funding arrangements agreed for 2021/22 (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.

We do not have data for schools on gender reassignment, religion/belief (except in so far as some schools are church aided schools, marriage/civil partnerships or sexual orientation. None of the permitted formula funding factors for schools are linked to these factors.