

**SURREY COUNTY COUNCIL****CABINET****DATE: 28 NOVEMBER 2023****REPORT OF CABINET MEMBER: CLARE CURRAN - CABINET MEMBER FOR CHILDREN, FAMILIES AND LIFELONG LEARNING****LEAD OFFICER: RACHAEL WARDELL, EXECUTIVE DIRECTOR OF CHILDREN, FAMILIES AND LIFELONG LEARNING****SUBJECT: SURREY SCHOOLS FUNDING 2024-25****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT****Purpose of the Report:**

The funding of all Surrey schools (including academies) and the free entitlement to early years nursery provision is provided from the council's allocation of Dedicated Schools Grant (DSG). Each local authority is required to consult on and maintain local formula arrangements to allocate DSG to mainstream schools and early years providers. This report sets out the recommended funding formula for Surrey mainstream schools in 2024/25.

The Safety Valve agreement includes a 1% block transfer from the Schools' block DSG to the High Needs block in each year of the five-year term of the agreement. Although schools do not have formal approval over the request, the Council is required to consult and share the outcome with the Secretary of State.

By proposing equitable funding arrangements for schools, this helps Surrey County Council meet its priority to grow a sustainable economy and support the 'Surrey way' purpose as a council to tackle inequality and make sure that no one is left behind.

**Recommendations:**

It is recommended that Cabinet approves the proposals below, namely that:

1. The Council implements the Department for Education's (DfE) recommended Minimum Per Pupil funding Level in full;
2. The Schools Forum's formula recommendations for schools as set out in Annex 3, be approved; and the decisions in Annex 4 implemented;
3. The transfer of 1.0% (estimated at £8.2m) from the Schools' block DSG to the High Needs DSG (subject to approval by Secretary of State).
4. Authority is delegated to the Director of Education and Lifelong Learning in consultation with the Executive Director of Children, Families and Lifelong Learning and the Cabinet Member for Children, Families and Lifelong Learning to approve amendments to the funding rates in the schools formula as appropriate, following receipt of the DSG settlement and DfE pupil data in

December 2023. This is to ensure that total allocations to schools under this formula remain affordable within the council's DSG settlement.

#### Reason for Recommendations:

To comply with DfE regulations requiring formal council approval of the local funding formula for Surrey's primary and secondary schools.

#### Executive Summary:

#### BACKGROUND

1 Dedicated Schools Grant (DSG) funding is provided to the county council in four blocks covering:

- Schools
- Schools' Central Services
- High Needs: special educational needs and disabilities (SEND)
- Early Years

The services provided within these blocks and indicative 2024/25 funding are summarised below. Final funding allocations for 2024/25 will be published in December 2023 and will take into account pupil number changes between October 2022 and October 2023. Figures included are therefore indicative until final funding allocations are released.

a) **Schools £830.6m** (*indicative 2024/25 based on October 2022 pupil numbers and excluding growing schools' allocation*)

The Schools' block provides the funding for pupils aged 4-15 in all Surrey's mainstream schools, including academies. Individual schools' budgets are allocated on the basis of a formula currently determined locally, albeit within DfE parameters.

The DfE is phasing in a national funding formula (NFF) for schools. Local authorities are expected to manage this transition by adjusting their own local formulae in the direction of the NFF. In 2023/24, Surrey's formula factors are close to the NFF. The main exceptions being:

- that the lump sums were set slightly higher than the NFF and the basic entitlement rates correspondingly lower, to offer a little protection to small schools.
- that formula factors are 1.5% below NFF to fund the transfer to the High Needs block (although the block transfer is 1%, schools on Minimum Funding Guarantee and/or Minimum Per Pupil funding Level do not contribute to the block transfer, so other schools must contribute more than 1%).

Funding is allocated separately by DfE for growing schools (schools which have more classes in October 2024 than in October 2023). The criteria for allocation of this funding requires approval by Schools Forum and will be considered at the Forum's January meeting.

b) **Schools' Central Services £6.6m** (*2024/25 indicative*)

This block funds local authorities for their strategic Education responsibilities for all schools (including academies). These responsibilities include whole

service planning and leadership, school admissions, management of the capital programme, education welfare, and management of schools' formula funding. This is £0.110m more than the 2023/24 grant.

c) **High Needs SEND £223.8m** (2024/25 indicative)

The High Needs block funds pupils with special educational needs and disabilities (SEND). It funds Surrey's special schools, SEND centres in mainstream schools, alternative provision including pupil referral units (PRUs), post 16 SEND provision and education for those pupils with complex or severe needs requiring support in a non-maintained or independent special school (NMI). It provides additional funding to primary and secondary schools for pupils with Education Health and Care Plans (EHCPs). It also funds specialist support services (e.g. physical and sensory support, speech & language therapies). The 2024/25 indicative allocation is £5.5m more than that for 2023/24.

d) **Early Years £84.4m** (provisional 2023/24 allocation)

The Early Years block funds nursery education for two, three and four-year olds in maintained schools, maintained nurseries, academies and private, voluntary and independent (PVI) settings. Funding for three – four -year olds is expected to be £79.9m in 2023/24, with £4.5m provided for two year olds. Funding is based on consecutive January counts so final figures for 2023/24 will not be published until summer 2024. No indicative allocation has been published for 2024/25.

### Focus of this report

- 2 This report concentrates on Cabinet decisions relating to schools funding. It does not address pupil premium or sixth form funding as these are central government allocations, distributed to schools via formula mechanisms determined by the DfE. Budgets for services funded by the High Needs and Central Schools Services blocks are subject to a separate Cabinet Report in line with the council's budgeting process. As discussed in paragraph 19 below, proposals for principles to be adopted in the funding of early years in 2024/25 will be reported to Cabinet at a later date.

### Schools Forum

- 3 The Schools' Forum is a statutory body which must be consulted on the allocation of DSG. Membership is prescribed by regulations, and comprises head teachers, governors, academy representatives and 'non-school' representatives from early years providers, diocesan bodies, teaching unions, post-16 providers and representatives of families whose children have additional needs (Family Voice in Surrey). The Forum has a largely consultative role but has decision making powers in specific areas, including the transfer of funding from the Schools' block. Voting on some issues is restricted to members in the affected sector. For example, academies cannot vote on issues relating to maintained schools only.

## SCHOOLS FUNDING

- 4 All mainstream schools (maintained schools and academies) are funded from the Schools' block of the DSG. Funding is allocated to Surrey schools using a local formula that is reviewed annually by the council. Annex 1 details the funding allocated to each funding factor in 2023/24.
- 5 In 2024/25, the DfE is increasing schools funding nationally by 1.9% per pupil for mainstream pupils and 4.3% per pupil for SEND. Minimum (average) per pupil funding levels (MPPL) are being increased from £4,405 per primary pupil to £4,610 and from £5,715 per secondary pupil to £5,995 in 2024/25. These minimum funding levels are mandatory at local level, and the Secretary of State will generally consider requests for variations on the grounds of affordability. These changes are estimated to mean an increase, to Surrey, of £16.7m in NFF schools funding and £5.5m in high needs block funding in 2024/25 before the impact of changes in pupil numbers but after assimilation of Mainstream Schools Additional Grant (a separate grant allocated to mainstream schools in 2023/24 which is being merged into DSG in 2024/25).
- 6 Since 2020 the DfE has no longer allowed LAs to meet overspends on DSG budgets from the General Fund. In Surrey this currently affects the high needs block as this has a cumulative and annual deficit. This change increases the pressure to reduce the high needs overspend within DSG. The High Needs DSG deficit is likely to be around £108m by 31 March 2024. The SEND transformation programme aims to reduce costs whilst providing excellent SEND services. The programme is on track with continued action to reduce costs in future years. In order to ensure stability of the Council's balance sheet, the High Needs block deficit has been matched by a General Fund reserve. Surrey has entered into a "safety valve" agreement whereby the DfE will contribute towards the cost of the high needs deficit, alongside contributions from the general fund reserve and from schools (see paragraph 15 below).
- 7 The DfE is continuing to phase in a National Funding Formula (NFF) to replace the individual school funding formulae of 151 local authorities. The government has expressed the intention to move to a "direct" national funding formula for schools, meaning no local discretion over formula factors, and has implemented changes which limit the extent by which LA formula factors may differ from the NFF.
- 8 Local authorities are expected to manage a smooth transition to the NFF that avoids unnecessary turbulence at individual school level by amending their local formula over time.

### **Consultation with Surrey schools on changes from April 2024**

- 9 In July 2023, the DfE published its NFF funding rates and provisional allocations for 2024/25. During September 2023 all Surrey primary and secondary schools (including academies) were consulted on a number of options for the 2024/25 local schools funding formula.
- 10 The key issues for schools to consider were:

- i. The local schools' funding formula - including the transfer of 1.0% of the total Schools budget (now estimated at £8.2m) to the high needs block to support the safety valve agreement
  - ii. De-delegated services: the services for which maintained schools would consider an automatic deduction from their school's budget
  - iii. The level of the notional SEN budget, which is a guide to the amount which schools ought to spend on SEN from their own budgets.
- 11 On Friday 6 October, 3 days after Surrey Schools Forum considered the results of the Surrey schools funding 2024/25 consultation, the DfE announced that it had made an error in estimating the national total of 2024/25 pupil numbers used in the provisional schools national funding formula for 2024/25, initially published in July 2023. The number of pupils had initially been underestimated and so, in order to make the formula affordable at the national level, the per pupil funding rates used to fund local authorities in 2024/25, and the NFF formula rates, will now be lower than those published in July 2023, which were used in Surrey's recent funding consultation.
- 12 The revised published DfE figures showed that Surrey schools would now receive £7.5m less in 2024/25 than estimated in July 2023. This would mean a 1.6% increase in funding rates, rather than the 2.6% increase illustrated as part of the consultation, most schools would therefore see lower funding than in the original illustrations. The changes did not appreciably affect the equalities impact assessment.
- 13 Following consultation with the Chair, Vice-chairs, and then more widely Schools Forum, schools were advised that the council propose to maintain the principles set out in the September consultation paper, but with a smaller increase in formula funding rates, in line with the changes made by DfE. All mainstream schools were provided with updated illustrations of the impact of the consultation options based on the amended (lower) NFF. Schools were invited to submit any comments on the revised proposals. A summary of comments will be provided as Annex 6.

### **The local schools' funding formula**

- 14 Schools were consulted on a number of proposed changes to the local formula. Annex 2 summarises the responses of schools and the Schools Forum to the consultation, noting these were based on the DfE's July published estimates of funding rates which subsequently were reduced on 6 October (paragraph 11).

### Transfer of funds to high needs block

- 15 Council has already approved the Safety Valve agreement under which 1% of the Schools Block funding is to be transferred to the high needs block annually in each year of the agreement (2023/24 - 2027/28). However, the transfer still requires annual approval by Secretary of State and therefore Cabinet is asked to approve a proposed set of formula factors, plus a "reserve" set, to be used only if the transfer proposal is rejected by Secretary of State.

It should be noted that:

- Consultation results show that the block transfer proposal was opposed by primary schools by 58-34 and by secondary schools by 29-1, with comments largely reflecting concerns over affordability and there had been some suggestions that the LA should renegotiate in view of increased cost of living etc.
- At the subsequent schools forum discussion, the Chair summarised that the Forum noted that schools' responses did not support the proposal, although it recognised that there were few other options available and understood that the LA would have to apply to the Secretary of State despite the lack of support.
- Those schools which receive additional funding to comply with the minimum per pupil level requirement (26% of schools in 2023/24) will not see a lower increase in funding as a result of the proposed transfer to high needs block. Therefore, the cost of the transfer would be borne by the remaining schools and will cost those schools more than 1% of budget each.

#### Other Schools Funding issues

16 Schools' views were sought on a number of other issues as follows:

a) Minimum Funding Guarantee (MFG).

The MFG protects schools that might otherwise see a fall in average funding per pupil and can be set at a range between +0% and +0.5% by local authorities in 2024/25 (the same range as in 2023/24). In 2023/24 Surrey adopted a 0.5% MFG (the highest permissible). For 2024/25, Surrey is proposing an 0.5% MFG, whether or not the proposed transfer from Schools Block to High Needs Block is approved. Schools on MFG do not contribute to the cost of the block transfer.

b) Formula funding rates

In 2023/24 Surrey formula funding rates were generally set at 1.5 % below NFF rates (except that the lump sum was set slightly higher than that and the basic entitlement slightly lower, in order to protect small schools).

In 2024/25 schools were asked to support a proposal of a 2.6% increase (subsequently updated to 1.6% per paragraph 11) in formula rates, which does not require a ceiling on large per pupil gains based on October 2022 data. A possible alternative was outlined, although not recommended as modelling suggested it would result in only a very small proportion of schools being funded entirely on formula. A majority of schools supported the proposal (see Annex 2, noting the 2.6% increase was based on the July DfE funding rates). This includes the introduction of the new NFF split site funding factor, in lieu of Surrey's former local arrangements,

Schools were also asked if they would support the use of NFF formula factors +0.15%, should the proposed transfer from schools block to high needs block not be approved by the Secretary of State. Schools supported this 'reserve proposal' in 2024/25.

c) Ceiling on per pupil gains

The local authority is allowed to impose a ceiling on per pupil funding gains,

so that schools which would see large per pupil gains do not see those gains in full. In 2023/24, Surrey adopted a ceiling of 1.562% per pupil, largely in order to manage the combined impact of a transfer of funding to high needs block and a considerable increase in incidence of pupils with EAL and pupils qualifying for deprivation funding. In 2024/25 Surrey's initial proposals do not require the use of a ceiling on gains. However, if the cost of additional need increases between Oct 2022 and Oct 2023, Surrey will need either to impose a ceiling on high gains or to set a smaller increase in formula factors than described above, or a combination of both. Schools forum deferred a recommendation on this issue until the impact of the data update on individual schools could be assessed (in January). In particular a low ceiling may be disadvantageous to small schools, but too low an increase in the formula funding rates could leave a huge number of schools on minimum funding guarantee. Either way means many schools are not funded on current need, as the NFF intends.

d) Level of the lump sum

In 2023/24 Surrey increased the lump sum factor for both primary and secondary schools by 2.4%, even though Surrey's lump sum was already higher than the NFF lump sum. The LA proposed, and schools supported, an increase in lump sums in line with the increase in other formula factors (now 1.4%) in 2024/25 in order to assist small schools. (In fact DfE constraints limit the increase in the secondary sector lump sum to 0.8%).

e) Notional SEND funding

The county council must define a notional SEN budget for every mainstream school, which is a guide to the amount which each school is expected to spend on SEN, though described by DfE as "neither a target nor a constraint" on the level of SEND spending, Changes in the notional SEN budget therefore affect the amount which schools may be expected to spend on SEN from their NFF formula allocation. They do not affect the total funding available to any school.

Individual councils decide how to define their notional SEN budgets, and historically Surrey's notional SEN budgets have been set at a lower proportion of school budgets than the national average. The LA proposes to raise notional SEN funding to the national average, in equal steps in 2024/25 and 2025/26. This proposal was supported by the Schools Forum.

- 17 Annex 3 summarises the recommendations of the Schools' Forum. Decisions made by the Schools' Forum are listed in Annex 4. The Surrey schools funding formula factors and their proposed provisional values for 2024/25 are set out in Annex 5.

**B. De-delegated services**

- 18 The Schools' Forum can agree on behalf of all Surrey maintained primary and secondary schools to automatically deduct funding from individual maintained schools' budgets to provide specific services. These include behaviour support, free school meals eligibility checking and Trade Union Facility time. Prior to this decision – which must be made annually – all schools are consulted. All such proposals received majority support from schools. One proposal, Trade Union Facility time for Secondary schools, was opposed at

Schools Forum and the Chair agreed to defer the vote to allow the opportunity for wider engagement with the sector. All other proposals were agreed by the Schools' Forum. The outcome of schools' responses and the Forum's decisions are summarised in Annex 2 and 4 respectively. De-delegation arrangements are not permitted to be introduced for academies or special schools, and thus will cease in time as all schools convert to academies.

## **EARLY YEARS**

- 19 From 2024/25 there will be a major expansion of funded early years provision. The 15 hour funded entitlement for two year olds will be extended to children of working parents meeting specified criteria from 1 April 2024. From 1 September 2024 eligible working parents will also be entitled to 15 hours of funded early education and childcare each week for children aged 9 months-2 years. Surrey County Council will consult separately during the autumn on proposals for local allocation of funding for the new entitlement, to allow time for discussions with provider representatives first. As a result, the proposals for principles to be adopted in the funding of early years in 2024/25 will be reported to Cabinet at a later date.

## **SPECIAL SCHOOLS AND PUPIL REFERRAL UNITS**

- 20 Special schools and pupil referral units are funded from High Needs DSG, on a per place and per pupil basis. Currently, each school receives:
- £10,000 for every place, this is known as 'place funding' as set out by the DfE;
  - an additional sum per place in lieu of the former teachers' pay and pensions grant;
  - an additional sum per place, representing 3.4% of average 2022/23 place and top up funding per place
  - an additional amount per pupil, based on the needs of the pupil as determined by the Special Schools banding matrix (flat rate per place for pupil referral units).

Funding rates for special schools and pupil referral units are normally reviewed annually, taking into account inflation pressures on schools (in particular cost of pay increases) and overall pressures on the high needs budget.

### **Consultation:**

- 21 Following receipt of the DfE's updated guidance and illustrative funding for 2024/25 in late July 2023, a Schools Funding Consultation paper was distributed to all schools in early September detailing options for the funding of Surrey schools in 2024/25. A total of 130 schools submitted responses by the deadline, representing 33.1% of schools, a small increase compared to last year's response rate of 29%. Schools' collective responses and comments were discussed at the Surrey Schools Forum on 3 October when recommendations / decisions were made. These are set out in this report noting that these were based on the DfE's July published estimates (based on higher per pupil funding rates).

- 22 Following the DfE announcement that there had been an error in estimating the national total of 2024/25 pupil numbers in schools, resulting in lower formula rates, schools were advised that the council propose to maintain the principles set out in the September consultation paper, but with a smaller increase in formula funding rates, in line with the changes made by DfE. A summary of comments by schools is provided in Annex 6.

#### **Risk Management and Implications:**

- 23 Schools are funded by DSG. Primary and Secondary schools are funded from the Schools block within DSG, with the High Needs block funding special schools.
- 24 Schools' financial challenges and reduced funding to local authorities to intervene in weak schools are creating risks that more schools may accumulate deficits and also be judged inadequate by OFSTED. Challenging budgets may lead to a reduction in the quality of provision. Inadequate schools are forced to convert to sponsored academies, leaving any accumulated deficits as a cost to the council.

#### **Financial and Value for Money Implications:**

- 25 In line with Surrey's Safety Valve agreement the latest 2023/24 High Need Block (HNB) DSG forecast is an overspend of c£40m. This would result in a c£108m cumulative HNB DSG overspend at the end of the year. The SEND transformation programme is on track to contain the overspend as planned.
- 26 Schools are expected to operate within the funding provided. Where an individual maintained school faces financial problems, the local authority can approve a licensed deficit and will expect the school to develop a recovery plan for repayment in a specified term – usually from one to three years. If a maintained school became financially unviable then the council would be required to step in to address issues. This could involve a review of the school's management and/or a review of wider educational provision in the area. Schools are subject to regular monitoring and the local funding formula is reviewed on an annual basis to assess scope for potential amendments within DfE controls.
- 27 As at 1 October 2023, a total of 204 schools have converted to academy status (146 primary, 43 secondary and 12 special and three alternative provision academies) and there are eight free schools in Surrey. Responsibility for the financial viability of academies and free schools lies with the Government's Education & Skills Funding Agency (ESFA) rather than the county council.

#### **Section 151 Officer Commentary:**

- 28 Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.

In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority, in order to ensure the stable provision of services in the medium term.

- 29 As such, the Section 151 Officer supports the Schools funding proposals for 2024/25.

#### **Legal Implications – Monitoring Officer:**

- 30 The School and Early Years Finance (England) Regulations 2023 set out the process that must be followed by the local authority for consulting on and maintaining the local formula arrangements to allocate funding to mainstream schools and early years providers. The Schools Revenue Funding Operational Guide published by the Education and Skills Funding Agency provides additional guidance.
- 31 The process has been followed and the local authority has carried out a consultation on the proposal which is in accordance with statutory requirements. Such consultation involved those directly affected by the changes together with relevant representative groups.
- 32 There is a clear expectation in public law that the Cabinet should give due regard to the responses to the consultation before considering the recommendations put before Cabinet. The responses to the consultation will need to be conscientiously taken into account when Cabinet makes a decision.
- 33 The best value duty is contained in s3 of the Local Government Act 1999 as a result of which the Council is under a duty to make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The relevant guidance states that Councils should consider overall value, including economic, environmental and social value when reviewing service provision.
- 34 The public sector equality duty (Section 149 of the Equality Act 2010) applies to the decision to be made by Cabinet in this report. There is a requirement when deciding upon the recommendations to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups, and eliminate any unlawful discrimination. These matters are dealt with in the equalities paragraphs of the report and in the attached equalities impact assessment.

#### **Equalities and Diversity:**

- 35 Equality Impact Assessments (EIA) have been completed and set out in Annex 7.

## Other Implications:

- 36 The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

### Area assessed:

Corporate Parenting/Looked After Children

### Direct Implications:

DfE no longer allows us to provide formula funding for Looked After Children as of 2023/24. To mitigate this looked after children receive additional funding via the pupil premium plus, the value of which was increased between 2017/18 and 2018/19 from £1,900 to £2,300. In 2023/24 it is £2,530.

Safeguarding responsibilities for vulnerable children and adults

No significant implications arising from this report

Environmental sustainability

No significant implications arising from this report

Compliance against net-zero emissions target and future climate compatibility/resilience

No significant implications arising from this report.

Public Health

No significant implications arising from this report

## What Happens Next:

The next steps are as follows:

### Schools' Funding Formula

- 37 The DfE will provide local authorities with updated pupil data at school level during December 2023 and confirm the council's DSG funding. The council may then make fine-tuning adjustments to its schools' funding formula to ensure it is deliverable within the updated funding, by 22 January 2024.
- 38 Surrey maintained schools will receive their individual schools budgets from the council by the end of February 2024. Academies will be notified of their funding separately by the Education and Skills Funding Agency (ESFA). This will be based on the council's funding formula.

**Report Author:**

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**Consulted:**

Leigh Whitehouse, Executive Director of Resources

The Surrey Schools Forum

All Surrey schools – via the Schools Funding Consultation, issued September 2023

**Annexes:**

- Annex 1 Allocation of Schools Funding Across Formula Factors (2023/24)
- Annex 2 Responses to Surrey Schools' Funding Consultation September 2023
- Annex 3 Recommendations of Schools Forum
- Annex 4 Schools Forum Decisions
- Annex 5 Proposed Surrey Schools Funding Formula Factors 2024/25
- Annex 6 Summary of schools responses following revised overall funding rates
- Annex 7 Equalities Impact Assessment

**Sources/background papers:**

The National Funding Formula for Schools and High Needs. Policy document. Department for Education, Sept 2017

The National Funding Formula for Schools and High Needs 2024/25. Department for Education, revised October 2023

2024/25 Schools Operational Guide. DfE, revised October 2023.

The School & Early Years Finance (England) Regulations 2023

The Education Act 2002

The Education Act 2011

The Schools Standards & Framework Act 1998

Schools' Funding Consultation: Proposals for Changes in 2024/25  
Surrey County Council, September 2023

Early Years Entitlements: Local Authority Funding of Providers, Operational Guide  
2022/23, Department for Education November 2021

The Dedicated Schools Grant conditions of grant, DfE January 2023 and Sept 2023

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## Annex 1

### ALLOCATION OF SCHOOLS FUNDING ACROSS FORMULA FACTORS

The table below lists the funding allocated to the schools funding formula factors in 2023/24 and the recommended allocations for 2024/25 based on Oct 2022 pupil numbers and characteristics. The amounts, and the total DSG, will change in December due to updated pupil numbers.

	Allocated to Surrey schools 2023/24	Recommended allocations to Surrey schools (with 1% transfer to high needs block) 2024/25
	£m	£m
Basic Entitlement	627.6	659.8
Deprivation funding	36.9	40.4
Lump sum (flat rate)	49.1	51.4
Low prior attainment (SEND indicator)	44.2	45.0
English as an Additional Language	7.6	7.7
Split site funding	0.5	1.1
Rates, rent and other premises factors	6.8	7.6
Pupil mobility	0.6	0.6
Sparsity	0.1	0.1
Additional funding to reach minimum per pupil level (MPPL) (new factor)	6.4	6.1
Minimum Funding Guarantee	3.5	2.6
Ceiling deduction	-1.7	0
<b>Total</b>	<b>781.6</b>	<b>822.4</b>
Growing schools	<b>3.4</b>	<b>TBC</b>
Transfer to high needs block	<b>7.9</b>	<b>8.2</b>
<b>NFF schools block</b>	<b>792.9</b>	<b>830.6</b>

**SURREY SCHOOLS' FUNDING CONSULTATION**

**September 2023**

130 Surrey schools responded to the consultation by the deadline, comprising 33.1% of all schools. Not all schools responded to every question.

The views of schools and the recommendations of Schools Forum are set out below.

Where the Schools Forum has decision making powers, this is indicated by 'D'.

Schools expressing no views are excluded.

A summary of comments will be made available to Cabinet members. For Q7 all responses are considered. For Q8-12/14/15 (which affect only mainstream schools), only the responses of mainstream schools are shown.

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Questions		Schools' views		Schools Forum recommendation / decision (D)	Officer Recommendation to Cabinet
		Yes	No		
7	Do you support the transfer of 1% of the schools block allocation to the high needs block in 2024/25, in order to support the implementation of the safety valve agreement, which secures additional funding towards the historic high needs deficit? (Section C1 of consultation paper)	40	87	Forum recognised schools' concerns	Implement
8	Do you support the recommended option of setting formula funding rates at 98.7% NFF factors (Section C2.1)	75*	28*	Yes	Yes
9	Do you support the proposed "reserve" proposals for MFG and formula factors, in the event that no transfer to high needs block is approved (by DfE)?	66	17	Yes	Yes, if necessary

		Schools' views		Schools Forum recommendation / decision (D)	Officer Recommendation to Cabinet
		Yes	No		
10/11	Do you support (a combination of) reduced NFF rates and ceiling (on per pupil gains) in order to manage any increase in costs when data is updated in Dec 2023(a)?	62	n/a	Yes	Yes
	OR just a ceiling on per pupil gains?	10	n/a		
	OR just a further reduction in formula funding rates (relative to NFF)?	25	n/a		
	OR some other method?	12	n/a		
12	Do you support increasing the current lump sums in line with the increase in other formula factor rates, in order to assist small schools (as described in section C2.3 of the consultation paper)	80	34	Yes	Yes
13	De-Delegation of funds from maintained schools' budgets Do you support de-delegation of...?: <u>Primary schools only:</u> a) Behaviour support b) Teaching Association time c) Other special staff costs d) Free school meals eligibility checking e) Traveller support f) Non statutory school improvement <u>Secondary schools only:</u> c) Teaching Association time d) Other special staff costs e) Free school meals eligibility checking	36 21 25 42 28 33  3 4 5	8 11 9 3 10 6  2 1 0	Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D)  Deferred Yes (D) Yes (D)	Yes Yes Yes Yes Yes Yes  Follow SF decision in Jan Yes Yes

		Schools' views		<b>Schools Forum recommendation / decision (D)</b>	Officer Recommendation to Cabinet
		Yes	No		
14	Do you agree that it is appropriate that the proportion of core funding in Surrey deemed notional SEN funding is brought into line with national averages? (See section D of the consultation paper)	86	19	Yes	Yes
15	(If you support the previous proposal) should the change be made in one year?	39	n/a	Yes	Yes
	Or phased over two years?	47	n/a		

NOTE Q1-6 simply asked for details of the respondents.

**RECOMMENDATIONS TO CABINET**

1. That the Cabinet approve the following formula recommendations from the Schools Forum:

Schools Formula Funding

- a) The minimum funding guarantee (MFG) for schools should be set at 0.5% (the maximum permissible) and the minimum per pupil funding delivered in full.
- b) Formula funding factor rates should increase by 1.6%,
- c) Full NFF rates should be adopted in the event that a transfer to high needs block is not approved by the Secretary of State (although this is seen to be unlikely).
- d) That lump sum funding should be increased by the same percentage as other formula factors (where permissible), in order to protect small schools.

Notional SEND budgets

- e) That the proportion of basic entitlement, deprivation and low prior attainment funding deemed notional SEN funding is raised to national averages in equal steps in 2024/25 and 2025/26.

**SCHOOLS FORUM DECISIONS**

At its meeting on 3 October 2023, the Schools Forum made the following decisions:

Schools Funding

1. That specific services are approved for automatic de-delegation from maintained primary and secondary schools' budgets (as shown in Annex 2).

## PROPOSED SURREY SCHOOLS' FUNDING FORMULA FACTORS 2024/25

The table lists the proposed values of the Surrey formula factors for 2024/25, assuming a transfer of £8.2m to the high needs block: These will require review in December when October 2023 pupil numbers and characteristics are known.

	2023/24 values (incl block transfer)		2024/25 provisional values (with block transfer)	
	Primary £	Secondary £	Primary £	Secondary £
<b>Basic entitlement per pupil</b>				
• Key stages 1 & 2	3,536.52	-	3,716.84	-
• Key stage 3		4,980.92	-	5,238.15
• Key stage 4		5,614.84		5,905.48
<b>Deprivation:</b>				
Per pupil on free school meals	500.23	500.23	511.72	511.72
Per "Ever 6" FSM pupil	746.20	1073.41	856.35	1253.19
Per pupil in IDACI band F <sup>1</sup>	240.64	349.12	245.42	355.07
Per pupil in IDACI band E	292.94	463.76	297.63	469.95
Per pupil in IDACI band D	460.34	646.13	464.72	657.92
Per pupil in IDACI band C	502.18	708.66	506.50	720.58
Per pupil in IDACI band B	533.58	760.77	537.82	772.80
Per pupil in IDACI band A	700.96	969.20	710.14	986.89
<b>Lump sum per school</b>	136,241	142,874	143,145	148,965
<b>Low prior attainment:</b>				
Per low attainer based on Foundation Stage Profile	1,203.68		1,221.86	
Per secondary pupil scoring below level 4 in either maths or English or both at key stage 2		1,823.76		1,853.67
<b>English as an Additional Language:</b>				
Per pupil with EAL in school system less than 3 years	604.45	1,630.96	616.15	1,655.25
<b>Pupil mobility:</b>				
Per mobile child above 6% of roll	984.83	1,417.32	1002.55	1,441.17
<b>Sparsity lump sum</b>	58,673	85,352	59,631	86,679
<b>Split site-basic lump sum</b>	n/a*	n/a*	56,114.97	56,114.97
<b>Split site-additional lump sum if distance between sites &gt; 500m</b>	n/a*	n/a*	28,057.49	28,057.49
<b>Minimum per pupil funding level</b>	4,405	5,715	4,610	5,995

Notes

1 *IDACI Income deprivation affecting children index (Bands defined by DfE)*

In addition, schools will also receive funding for rates at actual costs. A small minority of schools will also receive funding for exceptional rents. These are calculated individually for each school, based on actual costs. In 2023/24 a small number of schools received split site funding based on a local formula. In 2024/25 this is being replaced by a national formula.

The provisional amounts above are likely to require amendment once the outcome of the October 2023 pupil census is known in December, to ensure they are still affordable within the available funding.

Note: Basic Entitlement, Ever 6 FSM deprivation and lump sum factors include an increase for the assimilation of Mainstream Schools Additional Grant in addition to the 1.6% increase.

**SCHOOLS' COMMENTS ON IMPACT OF THE 1% REDUCTION IN ESTIMATED 2024/25 FORMULA FACTOR RATES FOLLOWING FROM THE DFE ANNOUNCEMENT OF 6 OCTOBER 2023**

No comments were received from schools by the deadline of Friday 20 October.

**EQUALITIES IMPACT ASSESSMENT:**

**PROPOSED CHANGES TO MAINSTREAM SCHOOLS' FORMULA FUNDING 2024/25**

**1. Explaining the matter being assessed**

**This is a change to an existing strategy or policy**

**9 Summarise the strategy, policy, service(s), or function(s) being assessed. Describe current status followed by any changes that stakeholders would experience.**

Changes to the mainstream schools funding formula 2024/25. The main proposals being considered are:

- (a) to set the level of the minimum funding guarantee (a protection for schools where the average increase in funding per pupil from 2023/24 to 2024/25 is small), at the highest level permitted by legislation (0.5%).
- (b) to make a small increase in the level of the lump sum factor, even though that would mean it remains higher than the national funding formula (NFF) lump sum
- (c) to set other formula factors at 98.7% of DfE national funding formula rates

The proposals affect HOW funding is distributed to schools and not how much in total is distributed. The total is constrained by government funding allocations, legislation, and the existing high needs "safety valve" agreement with the DfE, which requires 1% of schools funding to be transferred to high needs block annually between 2023/24 and 2027/28 (subject to annual approval by the Secretary of State). In particular, funding may only be distributed using variables on a list specified by the DfE, and the local authority's schools funding formula factor values are expected to converge on those in the national formula by 2027/28.

The three issues described above are the main factors to be considered in setting the mainstream schools funding formula for 2024/25. None of them are directly linked to the incidence of protected characteristics, and none are linked to specific service changes. However, it is possible that any or all of the choices could have a disproportionate impact on schools with a high incidence of pupils in specific protected groups. Legally the management of budget shares is delegated to individual schools. Thus it is for individual schools to decide how to deploy their resources and in so doing to have regards to the needs of protected groups. But in allocating funds to schools we recognise that their spending decisions are affected by the total funding available. Therefore the following analysis largely concentrates on whether the distribution of funding disadvantages schools with a high incidence of pupils or staff who are, or may be, in protected groups, relative to other options which were considered. The proposals could also have an indirect impact on parents/carers but the impact is seen as small, and thus that aspect has not been considered further.

The assessment is largely based on October 2022 and January 2023 data. The impact of the changes may be different when updated for October 2023 data.

**Note: there are other proposals in this Cabinet paper which have not been subjected to a full assessment. The note at the end of this annex explains why they are not considered to disadvantage protected groups.**

## How does your service proposal support the outcomes in [the Community Vision for Surrey 2030](#)?

Everyone benefits from education, skills and employment opportunities which help them succeed in life.

### Are there any specific geographies in Surrey where this will make an impact?

- County-wide

### Detail here who you have involved with completing this EIA. For each include:

- David Green-Surrey County Council (Finance)

A summary of the data was shared with schools as part of the schools consultation. Few comments were received on equalities issues.

9

## 2. Service Users / Residents

### Who may be affected by this activity?

There are 9 protected characteristics (Equality Act 2010) to consider in your proposal. These are:

1. Age including younger and older people
2. Disability
3. Gender reassignment
4. Pregnancy and maternity
5. Race including ethnic or national origins, colour or nationality
6. Religion or belief including lack of belief
7. Sex
8. Sexual orientation
9. Marriage/civil partnerships

Though not included in the Equality Act 2010, Surrey County Council recognises that there are other vulnerable groups which significantly contribute to inequality across the county and therefore they should also be considered within EIAs. If relevant, you will need to include information on the following vulnerable groups (Please **refer to the EIA guidance** if you are unclear as to what this is).

- Members/Ex members of armed forces and relevant family members (in line with the Armed Forces Act 2021 and [Statutory Guidance on the Armed Forces Covenant Duty](#))
- Adult and young carers\*
- Those experiencing digital exclusion\*
- Those experiencing domestic abuse\*
- Those with education/training (literacy) needs
- Those experiencing homelessness\*
- Looked after children/Care leavers\*
- Those living in rural/urban areas
- Those experiencing socioeconomic disadvantage\*
- Out of work young people)\*
- Adults with learning disabilities and/or autism\*
- People with drug or alcohol use issues\*
- People on probation
- People in prison
- Migrants, refugees, asylum seekers
- Sex workers
- Children with Special educational needs and disabilities\*
- Adults with long term health conditions, disabilities (including SMI) and/or sensory impairment(s)\*
- Older People in care homes\*
- Gypsy, Roma and Traveller communities\*
- Other (describe below)

# Equality Impact Assessment

(\*as identified in the Surrey COVID Community Impact Assessment and the Surrey Health and Well-being Strategy)

# Equality Impact Assessment

## 2.1 Age

The proposals, and any possible alternatives, only affect school pupils aged 4-15 as the funding streams under consideration are only for pupils in that age range.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

N/a.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

N/a

**Any negative impacts that cannot be mitigated?**

n/a

## 2.2 Disability

The nearest proxy which the council has for disability in schools is the incidence of pupils with SEND. Pupils with high levels of SEND are likely to have Education Health Care Plans, which require the school to make specified provision available, and which generally come with some additional funding. The impact of any relative reduction in funding will therefore largely be on other pupils, with lower level or no SEND.

### Minimum funding guarantee

The table below shows the proportion of primary and secondary schools with different levels of SEND which were on minimum funding guarantee in 2023/24 (using data from school funding records and school census)

Proportion of schools receiving additional funding under the minimum funding guarantee in 2023/24

	Primary	Secondary
all schools	34.45%	20.69%
Above average for EHCPs	40.00%	25.00%
Above upper quartile for EHCPs	42.67%	35.71%
Above average for %SEN	37.33%	17.86%
Above upper quartile for %SEN	38.67%	35.71%

This suggests that a higher proportion of schools with high levels of SEND benefit from the minimum funding guarantee and therefore will benefit from the proposal to set the minimum funding guarantee at the highest permissible level.

Setting formula factors at the proposed level (compared to the alternative of a higher level of formula rates but a ceiling or limit on average per pupil gains. Proportion of schools gaining.

	Primary gain>0.1%	Secondary gain>0.1%	Primary lose>0.1%	Secondary lose>0.1%

## Equality Impact Assessment

All schools	30.43%	13.79%	36.45%	62.07%
Above average for EHCPs	28.67%	17.86%	41.33%	50.00%
Above upper quartile for EHCPs	26.67%	7.14%	42.67%	57.14%
Above average for SEND	29.33%	17.86%	37.33%	53.57%
Above upper quartile for SEND	30.67%	14.29%	38.67%	57.14%

Conclude the impact on “high SEND schools” is inconclusive.

### Increasing the lump sum

The table below summarises the impact of increasing the lump sum, as proposed, compared to reducing it towards the NFF level with a corresponding increase in per pupil funding.

	Primary gain>0.1%	Secondary gain>0.1%
All schools	39.13%	1.72%
Above average for EHCPs	36.00%	3.57%
Above upper quartile for EHCPs	33.33%	7.14%
Above average for SEND	32.67%	3.57%
Above upper quartile for SEND	29.33%	7.14%

Again the impact is inconclusive, primary schools with higher incidence of SEN gain less than other schools from the proposed change, whereas secondary schools with higher incidence of SEN gain more.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

N/a.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

None known relevant to schools funding

**Any negative impacts that cannot be mitigated?**

n/a

### 2.3 Gender reassignment

The service users are school pupils. No data is available on gender reassignment for this service user group.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

N/a.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

N/a

# Equality Impact Assessment

## Any negative impacts that cannot be mitigated?

n/a

## 2.4 Pregnancy and maternity

The service users are school pupils. No school level data is available on pregnancy/maternity for this service user group.

## Describe here suggested mitigations to inform the actions needed to reduce inequalities.

N/a.

## What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?

N/a

## Any negative impacts that cannot be mitigated?

n/a

## 2.5 Race

Race/ethnicity is not a permissible factor in schools funding, but we have considered whether schools with a high proportion of non British pupils (according to the school census) are disproportionately disadvantaged by any of the proposals:

The table below shows the proportions of primary and secondary schools receiving additional funding under the minimum funding guarantee in 2023/24

	Primary	Secondary
All schools	34.45%	20.69%
Above average for non British pupils	30.00%	21.43%
Above upper quartile for non British pupils	25.33%	21.43%

Again the position is inconclusive between sectors, although there is some suggestion that primary schools with high incidence of ethnic minorities gain less under the minimum funding guarantee than schools as a whole.

Setting formula factors at the proposed level (compared to the alternative of a higher level of formula rates but a ceiling or limit on average per pupil gains. Proportion of schools gaining.

	Primary gain>0.1%	Secondary gain>0.1%	Primary lose>0.1%	Secondary lose>0.1%
All schools	30.43%	13.79%	36.45%	62.07%
Above average for % non British	27.33%	7.86%	37.33%	60.71%
Above upper quartile for % non British	28.00%	7.14%	38.67%	50.00%

There is some suggestion that schools with high incidence of non British pupils may benefit less than others from this change, but this must be considered against other effects of the alternative method, principally that almost any school with an increase in additional need levels in 2024/25 would be funded below the level of current needs (which would include recent arrivals with English as an additional language).

## Increasing the lump sum

# Equality Impact Assessment

	Primary gain>0.1%	Secondary gain>0.1%
All schools	39.13%	1.72%
Above average for % non British	26.00%	3.57%
Above upper quartile for % non British	25.33%	0.00%

In general, schools with higher incidence of non British pupils benefit less from the use of higher lump sums.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

It would be for individual schools to ensure that the changes have no impact on pupils in protected groups.

9

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

None known relevant to schools funding

**Any negative impacts that cannot be mitigated?**

n/a

## 2.6 Religion or belief (including lack of belief)

No data is held on religion or belief at pupil level.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

N/a.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

N/a

**Any negative impacts that cannot be mitigated?**

n/a

## 2.7 Sex

The funding formula does not allow differentiation of funding by sex of pupils.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

N/a.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

N/a

# Equality Impact Assessment

Any negative impacts that cannot be mitigated?

n/a

## 2.8 Sexual orientation

Data not held on pupils

Describe here suggested mitigations to inform the actions needed to reduce inequalities.

N/a.

What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?

N/a

Any negative impacts that cannot be mitigated?

n/a

## 2.9 Marriage and civil partnerships

Not relevant to school pupils.

Describe here suggested mitigations to inform the actions needed to reduce inequalities.

N/a.

What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?

N/a

Any negative impacts that cannot be mitigated?

n/a

## Others-economic deprivation (using eligibility for free school meals as a proxy)

Schools on minimum funding guarantee

	Primary	Secondary
All schools	34.45%	20.69%
Above average for pupils on FSM	35.33%	25.00%
Above upper quartile for pupils on FSM	40.00%	35.71%

In general, a higher proportion of Surrey schools with high incidence of social deprivation benefit from the minimum funding guarantee,

Setting formula factors at the proposed level (compared to the alternative of a higher level of formula rates but a ceiling or limit on average per pupil gains. Proportion of schools gaining.

	Primary gain>0.1%	Secondary gain>0.1%	Primary lose>0.1%	Secondary lose>0.1%
All schools	30.43%	13.79%	36.45%	62.07%

## Equality Impact Assessment

Above average for % of pupils on FSM	32.00%	25.00%	42.00%	53.57%
Above upper quartile for % of pupils on FSM	30.67%	21.43%	41.33%	50.00%

The impact on schools with high deprivation appears to be inconclusive.

Increasing the lump sum

	Primary gain>0.1%	Secondary gain>0.1%
All schools	39.13%	1.72%
Above average for % of pupils on FSM	31.33%	3.57%
Above upper quartile for % of pupils on FSM	26.67%	0.00%

Again increasing the lump sum does not benefit schools with high incidence of social deprivation (as measured in this way).

# Equality Impact Assessment

## 3. Staff

### 3.1 Age

We have looked at data from the DfE workforce census on teacher ages (corresponding data not available for support staff) looking in particular at teachers aged over 50.

#### Minimum funding guarantee

The table below shows the proportion of primary and secondary schools with different proportions of teachers aged over 50 in Nov 2022 which were on minimum funding guarantee in 2023/24 (data from school funding records and DFE school workforce census)

Proportion of schools receiving additional funding under the minimum funding guarantee in 2023/24

	Primary	Secondary
all schools	34.45%	20.69%
Above average for teachers over 50	34.00%	10.71%
Above upper quartile for teachers over 50	30.67%	14.29%

In general schools with higher incidence of teachers over 50 do not benefit from higher minimum funding guarantees.

#### Setting formula factors at the proposed level (compared to the alternative of a higher level of formula rates but a ceiling or limit on average per pupil gains). Proportion of schools gaining.

	Primary gain>0.1%	Secondary gain>0.1%	Primary lose>0.1%	Secondary lose>0.1%
All schools	30.43%	13.79%	36.45%	62.07%
Above average for teachers>50	27.33%	21.43%	36.67%	57.14%
Above upper quartile for teachers >50	28.00%	7.14%	36.00%	78.57%

Conclude that the impact of the proposal on schools with a high proportion of teachers over 50 is inconclusive.

#### Increasing the lump sum

The table below summarises the impact of increasing the lump sum, as proposed, compared to reducing it towards the NFF level with a corresponding increase in per pupil funding.

	Primary gain>0.1%	Secondary gain>0.1%
All schools	39.13%	1.72%
Above average for teachers>50	42.67%	0.00%
Above upper quartile for teachers>50	53.33%	0.00%

Again the impact is inconclusive, primary schools with higher incidence of teachers >50 gain more from the higher lump sum, whereas secondary schools with highest incidence do not.

# Equality Impact Assessment

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**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

N/a.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

N/a

9

**Any negative impacts that cannot be mitigated?**

n/a

## 3.2 Disability

The council does not hold comprehensive data on disability among school staff. Many of these are academies, where the council is not the employer.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

N/a.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

None known

**Any negative impacts that cannot be mitigated?**

n/a

## 3.3 Gender reassignment

Data not held on gender reassignment for school staff.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

N/a.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

N/a

# Equality Impact Assessment

Any negative impacts that cannot be mitigated?

n/a

## 3.4 Pregnancy and maternity

Data not held on this for school staff..

Describe here suggested mitigations to inform the actions needed to reduce inequalities.

N/a.

What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?

N/a

Any negative impacts that cannot be mitigated?

n/a

## 3.5 Race

We have looked at DFE workforce census data on the incidence of ethnic minority teachers and support staff.

The table below shows the proportions of primary and secondary schools receiving additional funding under the minimum funding guarantee in 2023/24

	Primary	Secondary
All schools	34.45%	20.69%
Above average for ethnic minority teachers	36.00%	17.86%
Above upper quartile for ethnic minority teachers	41.33%	7.14%
Above average for ethnic minority support staff	30.67%	17.86%
Above upper quartile for ethnic minority support staff	30.26%	35.71%

The impact is inconclusive.

Setting formula factors at the proposed level (compared to the alternative of a higher level of formula rates but a ceiling or limit on average per pupil gains. Proportion of schools gaining.

	Primary gain>0.1%	Secondary gain>0.1%	Primary lose>0.1%	Secondary lose>0.1%
All schools	30.43%	13.79%	36.45%	62.07%
Above average for % ethnic minority teachers	30.67%	17.86%	36.00%	64.29%
Above upper quartile for % ethnic minority teachers	29.33%	14.29%	38.67%	71.43%
Above average for % ethnic minority support staff	29.33%	10.71%	35.33%	67.86%
Above upper quartile for % ethnic minority support staff	25.33%	0%	36.00%	78.57%

## Equality Impact Assessment

There is some suggestion that schools with a high proportion of ethnic minority staff lose under the proposals, but the effect is small.

Increasing the lump sum

	Primary gain>0.1%	Secondary gain>0.1%
All schools	39.13%	1.72%
Above average for % ethnic minority teachers	36.67%	0.00%
Above upper quartile for % ethnic minority teachers	33.33%	0.00%
Above average for % ethnic minority support staff	32.67%	3.57%
Above upper quartile for % ethnic minority support staff	29.33%	7.14%

9

Again schools with high incidence of ethnic minority staff gain less than other schools from preserving the lump sum.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

It would be for individual schools to ensure that the changes have no impact on pupils in protected groups.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

N/a

**Any negative impacts that cannot be mitigated?**

n/a

### 3.6 Religion or belief (including lack of belief)

No data is held on religion or belief of staff.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

N/a.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

N/a

**Any negative impacts that cannot be mitigated?**

n/a

### 3.7 Sex

Incomplete data is held.

# Equality Impact Assessment

Describe here suggested mitigations to inform the actions needed to reduce inequalities.

N/a.

What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?

N/a

Any negative impacts that cannot be mitigated?

n/a

## 3.8 Sexual orientation

Data not held on staff

Describe here suggested mitigations to inform the actions needed to reduce inequalities.

N/a.

What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?

N/a

Any negative impacts that cannot be mitigated?

n/a

## 3.9 Marriage and civil partnerships

Data not held on staff.

Describe here suggested mitigations to inform the actions needed to reduce inequalities.

N/a.

What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?

N/a

Any negative impacts that cannot be mitigated?

n/a

## 4. Recommendation

Based your assessment, please indicate which course of action you are recommending to decision makers. You should explain your recommendation below.

- **Outcome One: No major change to the policy/service/function required.** This EIA has not identified any potential for discrimination or negative impact, and all opportunities to promote equality have been undertaken
- **Outcome Two: Adjust the policy/service/function** to remove barriers identified by the EIA or better advance equality. Are you satisfied that the proposed adjustments will remove the barriers you identified?
- **Outcome Three: Continue the policy/service/function** despite potential for negative impact or missed opportunities to advance equality identified. You will need to make sure the EIA clearly sets out the justifications for continuing with it. You need to consider whether there are:
  - Sufficient plans to stop or minimise the negative impact
  - Mitigating actions for any remaining negative impacts plans to monitor the actual impact.
- **Outcome Four: Stop and rethink the policy** when the EIA shows actual or potential unlawful discrimination. (For guidance on what is unlawful discrimination, refer to the [den](#) concerning employment, goods and services and equal pay).

### Recommended outcome:

Continue with the proposals, recognising that while they may result in some schools with higher incidence of some protected groups receiving lower funding than under alternative options:

\*no services to protected groups are directly affected and it will be for individual schools to mitigate any impact on protected groups

\*there are conflicting priorities between the need to secure a universal service and to support schools with high incidence of protected groups. For example assisting small schools (generally in rural areas) via increased lump sums, generally favours schools with lower incidence of protected groups, but supports service delivery in rural communities, and local access to services for any pupils with protected characteristics in those communities

\*the data used could vary considerably from year to year, particularly in small schools.

# Equality Impact Assessment

## 5. Action plan and monitoring arrangements

Insert your action plan here, based on the mitigations recommended.

Involve you Assessment Team in monitoring progress against the actions above.

Item	Initiation Date	Action/Item	Person Actioning	Target Completion Date	Update/Notes	Open/ Closed
1	End Dec2023	Review analysis in view of Oct 2023 pupil characteristics data	David Green	22/1/24		
2	Summer 2024	2025/26 funding proposals	David Green/Schools forum	Early Oct 2024		
3						

## 6a. Version control

Version Number	Purpose/Change	Author	Date
1	Draft	David Green	18 Oct 2023

The above provides historical data about each update made to the Equality Impact Assessment.

Please include the name of the author, date and notes about changes made – so that you can refer to what changes have been made throughout this iterative process.

For further information, please see the EIA Guidance document on version control.

## 6b. Approval

Secure approval from the appropriate level of management based on nature of issue and scale of change being assessed.

Approved by	Date approved
Head of Service	31 Oct 2023
Executive Director	
Cabinet Member	
Directorate Equality Group/ EDI Group (If Applicable) (arrangements will differ depending on your Directorate. Please enquire with your Head of Service or the CSP Team if unsure)	

### **Publish:**

It is recommended that all EIAs are published on Surrey County Council's website.

Please send approved EIAs to: [vj](#)

### **EIA author:**

## 6c. EIA Team

Name	Job Title	Organisation	Team Role

If you would like this information in large print, Braille, on CD or in another language please contact us on:

Tel: 03456 009 009

Textphone (via Text Relay): 18001 03456 009 009

SMS: 07860 053 465

Email: [contactcentre@surreycc.gov.uk](mailto:contactcentre@surreycc.gov.uk)

**Note: equalities consideration for other schools funding proposals in this paper**

**Transfer of funding from schools block to high needs block**

Impact not considered, as the transfer formed part of the “safety valve” agreement, which has already been approved by the County Council, and thus is not a new policy choice.

### **De-delegation of specified services**

Impact not considered, as no changes are proposed to the services being de-delegated, apart from the deletion of funding for licences and subscriptions, which is driven by a change imposed by an external supplier, and thus outside Surrey County Council control.

### **Notional SEND funding**

The proposed increase in the notional SEND budget will not affect the overall funding of any school, but will only change the sum identified for SEND. Where the increase leads to schools spending more on children with SEND it would be for individual schools to mitigate the impact on other protected groups. The proposal is consistent with the general direction towards national standardisation of school funding.

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