

## **Cabinet**

**18 November 2020**

### **Mainstream Primary and Secondary Formula Funding 2021-22**

#### **Ordinary Decision**



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### **Report of Corporate Management Team**

**John Hewitt, Corporate Director of Resources**

**Councillor Alan Napier, Cabinet Portfolio Holder for Finance**

**Councillor Olwyn Gunn, Cabinet Portfolio Holder for Children and  
Young People's Services**

#### **Electoral division(s) affected:**

Countywide

#### **Purpose of the Report**

- 1 To update members on the Government announcements about mainstream primary and secondary formula funding for 2021/22 and to recommend that the council continues to use a transitional formula next year, which will align the local formula with the National Funding Formula.

#### **Executive summary**

- 2 The Schools Block is part of the Dedicated Schools Grant and is the main source of funding for mainstream primary and secondary funding formula, which provides the bulk of funding for these schools.
- 3 Mainstream primary and secondary funding formulas are set locally by each local authority. There is a single formula for both primary and secondary schools regardless of whether they are a local authority maintained school or an academy.
- 4 Funding regulations limit the discretion of local authorities to set local formulas and requires that the majority of funding is distributed through pupil-led factors.

- 5 Information about funding for 2021-22 was released on 20 July 2020 and this confirmed that Councils will still be required to set local formulas in 2021/22.
- 6 Nationally, core school funding, which includes the Schools Block will increase by £2.2 billion next year with funding for the Teachers Pay Grant (TPG) and Teachers Pension Employer Contribution Grant (TPECG) becoming part core funding.
- 7 The estimated funding available for schools in Durham in 2021-22 is £348 million, which is an increase of £28 million compared to 2020-21, with £14 million of this relating to the TPG and TPECG funding that now forms part of the Schools Block.
- 8 There have been changes to how deprivation funding is allocated through the National Funding Formula (NFF), however, much of the increase in national funding has been used to increase factor values in the NFF by 3%.
- 9 The TPG and TPECG funding that has been rolled into core funding has been used to increase the basic amounts per pupil by a further £180 per primary pupil and £265 per secondary pupil.
- 10 The minimum per pupil funding guaranteed through the formula has increased to £4,180 per primary pupil and £5,415 per secondary pupil in 2021/22, compared to £3,750 and £5,000 in the current year.
- 11 Funding in the NFF for small primary schools in sparsely populated areas, known as sparsity funding, has been substantially increased.
- 12 The Minimum Funding Guarantee has been made more generous and local formulas can now guarantee an increase of 2.00%.
- 13 The council has used a transitional formula in recent years, to smooth the transition from the local formula to the National Funding Formula (NFF). The NFF is still expected to replace local formulas in the future and dictate allocations to individual schools.
- 14 The transitional approach adopted over recent years will see the local formula in Durham align with the NFF in 2021-22.
- 15 An equality impact assessment has been undertaken which has determined that the formula does not differentiate according to any of the protected characteristics except age, which is to recognise differences in the provision required by pupils of different ages. The average funding per pupil for faith schools is less than that for other schools, but this is a result of differences in the proportions of pupils with additional needs.

## **Recommendation(s)**

16 Cabinet is recommended to:

- (a) Note the updated position in terms of the mainstream primary and secondary funding formula for the financial year 2021/22;
- (b) Agree to the alignment of the local formula as closely as possible to the National Funding Formula in 2021/22.

## Background

- 17 The Schools Block is part of the Dedicated Schools Grant and is the main source of funding for mainstream primary and secondary schools through a funding formula. Each local authority sets its own formula, within the limits allowed by statutory regulation. The formula is used for both local authority maintained schools and academies.
- 18 The formula is based on amounts per pupil, with additions for premises-related costs and an allowance for any growth adjustments. Growth adjustments are used to provide for basic need growth that is not reflected in the lagged pupil numbers used in the local formula.
- 19 The DfE usually provides some details of funding during the summer:
  - Units of Funding per pupil (UFs)
  - Premises-related funding
  - Amounts per pupil for growth funding
- 20 Final allocations are not confirmed until December and use pupil numbers from the October school census.
- 21 UFs are calculated separately for primary and secondary pupils and are based on notional allocations to schools using the previous year's October census pupil number data but using the National Funding Formula (NFF) for the coming year.
- 22 The Government's intention is to replace local formulas with the NFF, and it is expected to consult further about this in the autumn term.
- 23 There is a single formula for both primary and secondary schools. Funding regulations limit the discretion of local authorities over local formulas and require that these formulas distribute the majority of funding through pupil-led factors.
- 24 Pupil-led factors are a basic amount per pupil and additional factors targeted to disadvantaged pupils. The factor also includes a lump sum per school, an additional lump sum for schools in sparsely populated areas, and some premises-related costs. The formula factors used and the factor values (£/pupil or £/school) can be different for primary and secondary.

- 25 The formula also guarantees schools a minimum amount per pupil and includes protection to include minimum increases in funding per pupil.
- 26 Funding is provided for financial years, starting 1 April. The same formula is used for both schools maintained by the local authority and for academies, but for maintained schools the new year's formula funding takes effect from 1 April and for academies from 1 September. The difference in dates reflects the difference in financial years for maintained schools and academies.
- 27 Formula funding uses data from the October school census and is not updated for changes in pupil numbers during the year. This means that when the new formula takes effect, the pupil numbers used for funding for maintained schools is seven months old and is eleven months old for academies.

### **Schools Block funding for 2021-22**

- 28 Information about funding for 2021-22 was released on 20 July 2020. The main points are summarised below.
- (a) Nationally, core school funding, which includes the Schools Block and funding for High Needs provision, (for pupils with Special Educational Needs and Disabilities), will increase by £2.2 billion from the current year's funding levels.
  - (b) Funding for the Teachers Pay Grant (TPG) and Teachers Pension Employer Contribution Grant (TPECG) has been added to the Schools Block. This means that these grants will become part of core funding for mainstream primary and secondary schools in future years, but there is no indication that there will be another Teachers Pay Grant in respect of the September 2020 pay award, (expected to be 3.1% overall).
  - (c) There have been changes to how deprivation funding is allocated through the formula.
  - (d) Much of the increase in funding has been used to increase factor values in the NFF by 3%. The TPG and TPECG funding has been used to increase the basic amounts per pupil in the formula by £180 per primary pupil and £265 per secondary pupil on top of the 3% increase.

- (e) The minimum per pupil funding guaranteed through the formula has increased to £4,180 per primary pupil and £5,415 per secondary pupil next year, compared to £3,750 and £5,000 in the current year. Note that this includes the increases for the TPG and TPECG described above.
- (f) Funding in the NFF for small primary schools in sparsely populated areas, known as sparsity funding, has been substantially increased for primary schools, from £26,000 in the current year to £45,000 next year. Further changes to sparsity funding are planned from 2022-23.
- (g) The Minimum Funding Guarantee (MFG), which guarantees an increase in funding per pupil has been made more generous and local formulas can now guarantee an increase of 2.00%, compared to a maximum of 1.84% last year.

## Schools Block Funding for Durham

- 29 The main changes to funding for 2021-22 are in the UFs, and the changes are summarised in the table below:

Mainstream primary and secondary formula funding forecast assumptions	Financial Year 20-21	Financial Year 21-22	Year on Year Increase
Primary Unit of Funding per Pupil	£4,405.58	£4,730.80	£325.22 / 7.38%
Secondary Unit of Funding per Pupil	£5,382.04	£5,828.81	£446.77 / 8.30%

- 30 Other changes are:

- (a) Funding for premises cost has increased from £6.675 million to £6.750 million – an annual increase of £75,000.
- (b) Growth funding per pupil has increased:

Growth funding / pupil	Financial Year 20-21	Financial Year 21-22	Year on Year Increase
Primary	£1,425	£1,455	£30 / 2.11%
Secondary	£2,130	£2,175	£45 / 2.11%

- 31 Growth funding per pupil is allocated where pupil numbers have increased for a group of schools. Schools are grouped according to their Middle Super Output Areas, which are areas used for statistical purposes and are defined by the Office for National Statistics. This funding is only allocated for basic need growth, not for growth caused by parental choice. Where growth funding is not needed for basic need growth it is added to the funding that is available to be allocated through the formula.
- 32 The final Schools Block allocation for 2021-22 will use the UFs, premises-related funding and growth per pupil values applied to data from the October 2020 school census. In the meantime, the table below shows a summary of the estimated funding for 2021-22 compared to 2020-21:

<b>Mainstream primary and secondary formula funding forecast</b>	<b>20-21 £</b>	<b>21-22 £</b>	<b>Change £</b>
Funding attracted by primary pupils	171,130,000	184,733,000	13,603,000
Funding attracted by secondary pupils	139,287,000	154,096,000	14,809,000
Funding for premises	6,675,000	6,750,000	75,000
Funding for primary growth	457,000	690,000	232,000
Funding for secondary growth	1,984,000	1,389,000	(595,000)
Rates adjustment	16,000	42,000	27,000
<b>Total funding</b>	<b>319,549,000</b>	<b>347,700,000</b>	<b>28,151,000</b>

- 33 More detail about the forecast is provided in Appendix 2. The rates adjustment is in respect of the difference between estimated rates used in the 2019-20 formula and the actual cost of rates last year.

### **Local funding formula for Durham**

- 34 The local formula is determined by the council following consultation with schools and the Schools Forum.
- 35 Since 2018-19, the local formula adopted in Durham has sought to transition from the old local formula to the NFF, in anticipation of the replacement of local formulas by the NFF. Since 2018-19 the local formula has used the same factors as the NFF and the factor values

have been changed on a gradual basis, to move them closer the values in the NFF.

- 36 On the basis of the rate of transition used in past years, 2021-22 is the year in which the local formula should be fully aligned to the NFF. This means that the factor values will be as close to the values in the NFF as is possible. It is not possible to use exactly the same factor values, because the values must be adjusted so that the overall allocation to schools through the formula matches the total funding available.
- 37 The forecast increase in funding means that average funding and average funding per pupil increases for both phases when modelling options for the formula, and the table below summarises the increases for the formula using the planned rate of transition:

<b>Change in formula funding 2020-21 to 2021-22</b>	<b>Change in average funding per school (£)</b>	<b>Change in average funding per pupil (£)</b>
Primary	70,000	364
Secondary	429,000	383

- 38 The Government has still not determined when local formulas will be replaced by the NFF but has confirmed that it does intend to consult about this during the autumn term. It is possible that local formulas will be replaced by the NFF from 2022-23.
- 39 It would be possible to amend the transitional formula for 2021-22, by reducing the rate of transition to the NFF so that it would not be fully aligned to the NFF until 2022-23, which is the earliest year in which the NFF could replace local formulas now.
- 40 Reducing the rate of transition in this way would affect the distribution of funding between schools, with most primary schools losing funding and most secondary schools gaining funding, as shown in the table below:

<b>Mainstream primary and secondary formula funding 2021-22</b>	<b>Planned transition (£ million)</b>	<b>Reduced rate transition (£ million)</b>	<b>Difference (£ million)</b>
Primary	188.801	187.895	(0.906)
Secondary	158.902	159.808	0.906

- 41 The average reduction in funding for a primary school with the reduced rate of transition would be £4,000 and the average increase in funding for a secondary school would be £29,000. For an average primary school, £4,000 is around 0.5% of formula funding and for an average secondary school, £29,000 is around 0.6% of formula funding.
- 42 The table below shows the change in funding with the reduced rate of transition:

<b>Change in formula funding 2020-21 to 2021-22</b>	<b>Change in average funding per school (£)</b>	<b>Change in average funding per pupil (£)</b>
Primary	66,000	333
Secondary	458,000	425

- 43 Reducing the rate of transition would be of benefit to secondary schools at the expense of primary schools, but the impact would be relatively small, and secondary schools are already expected to have a larger increase in funding per pupil than primary schools even without the reduced rate of transition.
- 44 A reduced rate of transition would change the overall allocation to different factors, as shown in the table below:

<b>Formula factors – main categories</b>	<b>Change in funding from planned to reduced rate of transition (£)</b>	<b>Change in funding from planned to reduced rate of transition (% of overall formula)</b>
Basic funding per pupil	205,000	0.06%
Deprivation	945,000	0.27%
English as an Additional Language	(54,000)	(0.02%)

<b>Formula factors – main categories</b>	<b>Change in funding from planned to reduced rate of transition (£)</b>	<b>Change in funding from planned to reduced rate of transition (% of overall formula)</b>
Mobility	(63,000)	(0.02%)
Low Prior Attainment	(1,666,000)	(0.48%)
Minimum per-pupil funding	57,000	0.02%
<b>Total for pupil-led factors</b>	<b>(577,000)</b>	<b>(0.17%)</b>
Lump sum	721,000	0.21%
Sparsity	(145,000)	(0.04%)
<b>Total for school-led factors</b>	<b>577,000</b>	<b>0.17%</b>

- 45 The most significant change is a reduction in the funding allocated to Low Prior Attainment, which is for pupils who have not achieved the expected standard in their previous phase of education. There are significant increases in both deprivation and the lump sum per school.
- 46 Most of the increase in deprivation funding is for secondary schools and deprivation funding for primary schools reduces. The increase in the lump sum does not target disadvantaged pupils.
- 47 Appendices 3 and 4 show the differences between the formulas in more detail. Appendix 3 shows the difference in formula values for each formula value and appendix 4 shows the difference in allocations for each formula value.
- 48 The transitional formula has been successful in achieving a gradual transition to the NFF. When the 2021-22 formula takes effect, it will be three years since the local formula was last used without transition and there is no obvious benefit to delaying transition any further.
- 49 The council must take account of the views of schools and the Schools Forum. The Forum's concerns were about limiting the turbulence in funding for schools when the local formula is replaced and about the risks of greater turbulence if Durham was an outlier it delayed transition.

## **Equality Impact Assessment**

- 50 An Equality Impact Assessment has been completed and is attached at Appendix 5. In summary, with the exception of age, the formula does not differentiate according to any of the protected characteristics from an Equality Act perspective.
- 51 The differentiation in respect of age is in accordance with the factor values attached to each key stage in the education lifecycle, which is common practice and a key feature of the existing local formula across the country and the NFF, and recognises differences in the provision required by pupils of different ages.
- 52 Faith schools receive less funding per pupil, on average, compared to non-faith schools. However, it should be noted that the formula does not differentiate between schools in terms of religion but does take account of additional needs in calculating allocations. A comparison of faith and non-faith schools supports a view that differences between these types of school is a result of differences in the proportion of pupils who are eligible for additional needs funding.
- 53 Where funding reduces from year-to-year schools will continue to be supported to understand the implications, to forecast any budget shortfall and to identify appropriate savings that can be made to balance the budget. Where a staff restructuring is necessary schools will also continue to be supported through this process.

## **Conclusion**

- 54 The DfE has provided information about Schools Block funding for 2021-22. The Schools Block is used to fund the mainstream primary and secondary funding formula, which is currently a local formula set by each local authority. The allocations to local authorities will not be finalised until December, but the information provided allows local authorities to start planning for next year.
- 55 For a number of years Government policy has been that local funding formulas should eventually be replaced by the National Funding Formula (NFF), which is already used in determining funding for each local authority. The council has used a transitional funding formula since 2018-19, intended to smooth the transition to the NFF. The transitional formula was due to fully align to the NFF from 2021-22 and although the

NFF will not have replaced local formulas in 2021-22, Cabinet is still recommended to agree to full alignment from that year, subject to consideration of the views of the Schools Forum.

### **Background papers**

- Mainstream Primary and Secondary Funding Formula 2020/21 – Report to Cabinet 11 December 2019
- National Funding Formula for Schools and High Needs – DfE Announcements / Publications 23 July 2020

### **Other useful documents**

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## **Appendix 1: Implications**

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### **Legal Implications**

Schools are largely funded by Dedicated Schools Grant (DSG).

The Dedicated Schools Grant is issued by the Department for Education, with the terms of grant given governed by section 16 of the Education Act 2002, which states that it is a ring-fenced specific grant that must be used in support of the schools budget as defined in the School and Early Years Finance (England) Regulations.

Local authorities are currently responsible for establishing a local formula for distributing the funding to individual schools. This is subject to national regulations and statutory restrictions established by the Education and Skills Funding Agency.

Since 2013-14, local discretion over the funding formulae that can be applied has been significantly restricted, with local decision making limited to the application of a relatively small number of formula factors, most of which are pupil-led, with the rest being either school-led or relating to specific premises related costs.

The funding framework governing schools finance, which replaced Local Management of Schools, is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998. Under this legislation, the council is required to publish a Scheme of Financing for Schools.

The scheme sets out the financial relationship between the authority and the maintained schools that it funds, including the respective roles and responsibilities of the authority and schools. Under the scheme, deficits of expenditure against budget share (formula funding and other income due to the school) in any financial year are charged against the school and deducted from the following year's budget share to establish the funding available to the school for the coming year.

The Council is restricted by legislation from allocating funding to a particular mainstream school as its funding must come from the local formula.

### **Finance**

The Dedicated Schools Grant (DSG) is a specific earmarked grant provided by the Government which provides the major source of funding for schools and the provision of support to them. It is notionally split into four 'blocks': Early Years, High Needs Central School Services and Schools.

All DSG funding must be spent on schools or support to them.

Starting in 2018-19, funding allocations to each local authority's Schools Block of the DSG are based on notional funding for each school using the National Funding Formula, which is determined by the DfE. Individual local authorities use the Schools Block funding to set a local formula using the available funding and in accordance with funding regulations, which limit the discretion of authorities.

Local authorities will continue to set local formulas until at least 2022-23. DfE policy is that in the longer term local formulas will be replaced by the NFF, which will determine allocations to individual schools. The Government is encouraging local authorities to align their local formula with the NFF and is planning to consult about replacing local formulas in the near future.

The NFF puts more funding into pupil-led factors than school-led factors, which could create longer-term challenges for smaller schools, because the increase in pupil-led funding will be of less benefit to schools with smaller numbers of pupils. The NFF will include minimum funding levels which may reduce the amount that can be allocated through factors such as deprivation.

## **Consultation**

The Council must consult with schools and the Schools Forum before setting its local funding formula for mainstream schools. The latter is a statutory consultative body, mainly consisting of representatives of head teachers, governors and academy trusts, plus Trade Unions.

The Schools Forum received reports about these issues in September 2020. A consultation document is to be made available to schools through the Schools Extranet after the October half term holidays.

## **Equality and Diversity / Public Sector Equality Duty**

An Equality Impact Assessment has been completed and is attached at Appendix 5. In summary, with the exception of age, the formula does not differentiate according to any of the protected characteristics from an Equality Act perspective.

The differentiation in respect of age is in accordance with the factor values attached to each key stage in the education lifecycle, which is common practice and a key feature of the existing local formula across the country and the NFF, and recognises differences in the provision required by pupils of different ages.

Faith schools receive less funding per pupil, on average, compared to non-faith schools. However, it should be noted that the formula does not differentiate between schools in terms of religion but does take account of additional needs in calculating allocations. A comparison of faith and non-faith schools supports a view that differences between these types of school is a result of differences in the proportion of pupils who are eligible for additional needs funding.

Where funding reduces from year-to-year schools will continue to be supported to understand the implications, to forecast any budget shortfall and to identify appropriate savings that can be made to balance the budget. Where a staff restructuring is necessary schools will also continue to be supported through this process

### **Climate Change**

None

### **Human Rights**

None

### **Crime and Disorder**

None

### **Staffing**

There are likely to be consequential restructuring and potential redundancies in schools where funding is reduced.

### **Accommodation**

None

### **Risk**

There is a risk of significant turbulence for schools if there is a 'cliff-edge' change in funding when their funding changes to the NFF.

### **Procurement**

None

## Appendix 2: Estimate of Schools Block Funding for 2021-22

<b>Mainstream primary and secondary formula funding forecast</b>	<b>Calculation</b>	<b>20-21</b>	<b>21-22</b>
Primary Unit of Funding (£/pupil)	A	£4,405.58	£4,730.80
Primary pupils	B	38,844	39,049
<b>Funding attracted by primary pupils (£)</b>	<b>C = A x B</b>	<b>171,130,350</b>	<b>184,733,163</b>
Secondary Unit of Funding (£/pupil)	D	£5,382.04	£5,828.81
Secondary pupils	E	25,880	26,437
<b>Funding attracted by secondary pupils (£)</b>	<b>F = D x E</b>	<b>139,287,195</b>	<b>154,096,226</b>
<b>Funding for premises (£)</b>	<b>G</b>	<b>6,674,643</b>	<b>6,749,597</b>
Primary growth funding (£/pupil)	H	£1,425	£1,455
Primary pupils attracting growth funding	J	321	474
<b>Funding for primary growth (£)</b>	<b>K = H x J</b>	<b>457,425</b>	<b>689,670</b>
Secondary growth funding (£/pupil)	L	£2,130	£2,175
Secondary pupils attracting growth funding	M	932	639
<b>Funding for secondary growth (£)</b>	<b>N = L x M</b>	<b>1,984,095</b>	<b>1,388,738</b>
<b>Rates adjustment (£)</b>	<b>P</b>	<b>15,570</b>	<b>42,499</b>
<b>Total funding (£)</b>	<b>R = C+F+G+K+N+P</b>	<b>319,549,278</b>	<b>347,699,893</b>

### Appendix 3: Formula funding factor values using planned and reduced rate of transition

Formula factor category	Formula factor	Planned rate formula values £/pupil or school	Reduced rate formula values £/pupil or school	Difference in formula values £/pupil or school
Basic funding per pupil	Primary	3,181.62	3,179.97	(1.65)
	KS3	4,486.67	4,380.72	(105.95)
	KS4	5,056.16	5,245.90	189.74
Deprivation	Free School Meals (Primary)	468.63	422.83	(45.80)
	Free School Meals (Secondary)	468.63	790.28	321.65
	FSM6 (Primary)	585.79	526.38	(59.41)
	FSM6 (Secondary)	855.77	767.58	(88.19)
	IDACI Band F (Primary)	219.04	249.01	29.97
	IDACI Band E (Primary)	264.88	300.47	35.59
	IDACI Band D (Primary)	417.70	440.68	22.99
	IDACI Band C (Primary)	453.35	482.83	29.48
	IDACI Band B (Primary)	483.92	528.21	44.30
	IDACI Band A (Primary)	631.64	739.84	108.20
	IDACI Band F (Secondary)	315.82	328.37	12.55
	IDACI Band E (Secondary)	422.79	435.48	12.69
	IDACI Band D (Secondary)	590.89	583.95	(6.94)
	IDACI Band C (Secondary)	641.83	638.50	(3.33)
	IDACI Band B (Secondary)	692.76	697.33	4.57
IDACI Band A (Secondary)	881.24	941.71	60.48	
EAL	Primary	560.32	503.09	(57.23)
	Secondary	1,512.88	1,356.34	(156.54)
Mobility	Primary	916.89	697.04	(219.85)
	Secondary	1,314.22	997.98	(316.23)
LPA	Primary	1,115.55	1,034.25	(81.30)
	Secondary	1,691.16	1,558.98	(132.18)
Lump sum	Primary	117,800.00	120,555.56	2,755.56
	Secondary	117,800.00	122,222.22	4,422.22
Sparsity	Primary	45,000.00	32,472.22	(12,527.78)
	Secondary	70,000.00	60,927.78	(9,072.22)

## Appendix 4: Formula funding factor allocations using planned and reduced rate of transition

<i>Formula factor category</i>	<i>Formula factor</i>	<b>Difference in allocations £</b>	<b>Difference in allocations %</b>
Basic funding per pupil	Primary	(64,000)	(0.02%)
	KS3	(1,701,000)	(0.49%)
	KS4	1,970,000	0.57%
Deprivation	Free School Meals (Primary)	(468,000)	(0.13%)
	Free School Meals (Secondary)	1,837,000	0.53%
	FSM6 (Primary)	(731,000)	(0.21%)
	FSM6 (Secondary)	(767,000)	(0.22%)
	IDACI Band F (Primary)	156,000	0.04%
	IDACI Band E (Primary)	196,000	0.06%
	IDACI Band D (Primary)	104,000	0.03%
	IDACI Band C (Primary)	93,000	0.03%
	IDACI Band B (Primary)	136,000	0.04%
	IDACI Band A (Primary)	235,000	0.07%
	IDACI Band F (Secondary)	43,000	0.01%
	IDACI Band E (Secondary)	48,000	0.01%
	IDACI Band D (Secondary)	(21,000)	(0.01%)
	IDACI Band C (Secondary)	(6,000)	(0.00%)
	IDACI Band B (Secondary)	9,000	0.00%
IDACI Band A (Secondary)	82,000	0.02%	
EAL	Primary	(38,000)	(0.01%)
	Secondary	(16,000)	(0.00%)
Mobility	Primary	(61,000)	(0.02%)
	Secondary	(2,000)	(0.00%)
LPA	Primary	(1,001,000)	(0.29%)
	Secondary	(665,000)	(0.19%)
Minimum per-pupil funding		57,000	0.02%
<b>Total for pupil-led factors</b>		<b>(577,000)</b>	<b>(0.17%)</b>
Lump sum	Primary	584,000	0.17%
	Secondary	137,000	0.04%
Sparsity	Primary	(137,000)	(0.04%)
	Secondary	(8,000)	(0.00%)
<b>Total for school-led factors</b>		<b>577,000</b>	<b>0.17%</b>

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## Appendix 5: Equality Impact Assessment

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### Durham County Council Equality Impact Assessment

**NB:** The Public Sector Equality Duty (Equality Act 2010) requires Durham County Council to have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people from different groups. Assessing impact on equality and recording this is one of the key ways in which we can show due regard.

#### Section One: Description and Screening

<b>Service/Team or Section</b>	Financial Services, School Funding Team
<b>Lead Officer</b>	David Shirer
<b>Title</b>	Mainstream primary and secondary formula 2021-22
<b>MTFP Reference (if relevant)</b>	
<b>Cabinet Date (if relevant)</b>	18 November 2020
<b>Start Date</b>	1 April 2021
<b>Review Date</b>	

## Subject of the Impact Assessment

Please give a brief description of the policy, proposal or practice as appropriate (a copy of the subject can be attached or insert a web-link):

The Council is required to set a local formula to distribute funding to mainstream primary and secondary schools, including academies. Government policy is to replace local formulas with the National Funding Formula (NFF). There is no date for the replacement of local formulas, but it will be no earlier than 2022-23.

Since 2018-19 the local formula in Durham has been transitioning towards convergence with the NFF. The formula adopted in recent years has recognised the need to reduce differences between the local formula and the NFF, in order to avoid excessive funding turbulence when the NFF replaces local formulas.

Based on the rate of transition used in past years, 2021-22 is the year in which the local formula will be fully aligned to the NFF. This means that the factor values will be as close to the values in the NFF as is possible.

It is not possible to use exactly the same factor values, because the values must be adjusted so that the overall allocation to schools through the formula matches the total funding available.

A national EIA for the NFF is available through the gov.uk website:

[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)

[\(Pages 18 to 20\)](#)

This is relevant, because the transitional option, is based on the NFF.

The council has also considered an option to reduce the rate of transition, so the local formula would not be fully aligned to the NFF until 2022-23.

The effect of this option on funding is limited:

	<b>Average funding £/school</b>	<b>Average funding £/pupil</b>
Primary - planned rate	877,000	5,240
Primary - reduced rate	872,000	5,208
Change from planned to reduced rate	(5,000)	(31)
Percentage of planned rate	(0.57%)	(0.60%)
Secondary - planned rate	5,023,000	5,993
Secondary - reduced rate	5,052,000	6,036
Change from planned to reduced rate	29,000	42
Percentage of planned rate	0.58%	0.71%

Because of the limited impact this is not considered further in this impact assessment.

Who are the main stakeholders? (e.g. general public, staff, members, specific clients/service users):

Pupils, their families and school-based staff. Also affected are the Council, which is responsible for maintaining schools, academy trusts and Roman Catholic and Church of England diocese, in respect of voluntary controlled and voluntary aided schools.

## Screening

Is there any actual or potential negative or positive impact on the following protected characteristics?		
Protected Characteristic	Negative Impact Indicate: Y = Yes, N = No, ? = unsure	Positive Impact Indicate: Y = Yes, N = No, ? = unsure
Age	N	N
Disability	N	Y
Marriage and civil partnership (workplace only)	N	N
Pregnancy and maternity	N	N
Race (ethnicity)	N	N
Religion or Belief	N	N
Sex (gender)	N	N
Sexual orientation	N	N
Transgender	N	N

Please provide **brief** details of any potential to cause adverse impact. Record full details and analysis in the following section of this assessment.

--

How will this policy/proposal/practice promote our commitment to our legal responsibilities under the public sector equality duty to:

- eliminate discrimination, harassment and victimisation,
- advance equality of opportunity, and
- foster good relations between people from different groups?

The formula includes factors which act as proxy measures for pupils who are likely to need additional support to achieve the expected level of attainment, which will contribute to increasing equality of opportunity.

The formula does not differentiate between pupils from different groups and allocates funding on the basis of factors that are likely to be relevant to their educational needs.

## Evidence

What evidence do you have to support your findings?

Please **outline** your data sets and/or proposed evidence sources, highlight any gaps and say whether or not you propose to carry out consultation. Record greater detail and analysis in the following section of this assessment.

NFF EIA available through the gov.uk website:

[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)

[\(Pages 18 to 20\)](#)

Analysis in respect of faith schools (see below)

## Screening Summary

On the basis of this screening is there:	Confirm which refers (Y/N)
Evidence of actual or potential impact on some/all of the protected characteristics which will proceed to full assessment?	Y
No evidence of actual or potential impact on some/all of the protected characteristics?	N

## Sign Off

Lead officer sign off:  David Shirer	Date:  September 2020
Service equality representative sign off:	Date:

If carrying out a full assessment please proceed to section two.

If not proceeding to full assessment please return completed screenings to your service equality representative and forward a copy to [equalities@durham.gov.uk](mailto:equalities@durham.gov.uk)

If you are unsure of potential impact please contact the corporate research and equalities team for further advice at [equalities@durham.gov.uk](mailto:equalities@durham.gov.uk)

## Section Two: Data analysis and assessment of impact

Please provide details on impacts for people with different protected characteristics relevant to your screening findings. You need to decide if there is or likely to be a differential impact for some. Highlight the positives e.g. benefits for certain groups, advancing equality, as well as the negatives e.g. barriers for and/or exclusion of particular groups. Record the evidence you have used to support or explain your conclusions. Devise and record mitigating actions where necessary.

Protected Characteristic: <b>Age</b>															
What is the actual or potential impact on stakeholders?	Record of evidence to support or explain your conclusions on impact.		What further action or mitigation is required?												
No adverse impact	Basic funding per pupil increases from primary (reception to Year 6) to KS3 (Years 7 to 9) to KS4 (Years 10 to 11). This is in line with normal practice in most authorities and the NFF and recognises the increasing cost per pupil as they get older: <i>As pupils progress through key stages, the breadth and complexity of the curriculum increases, requiring more subject experts, specialist teaching facilities and examination fees expenditure. (NFF EIA, paragraph 19, DfE).</i>		None												
<table border="1"> <thead> <tr> <th><b><i>Basic funding per pupil in 2021-22 formula options (£ / pupil)</i></b></th> <th>Primary</th> <th>KS3</th> <th>KS4</th> </tr> </thead> <tbody> <tr> <td>Non-faith schools</td> <td>3,181.62</td> <td>4,486.67</td> <td>5,056.16</td> </tr> <tr> <td>Faith schools</td> <td>3,181.62</td> <td>4,486.67</td> <td>5,056.16</td> </tr> </tbody> </table>				<b><i>Basic funding per pupil in 2021-22 formula options (£ / pupil)</i></b>	Primary	KS3	KS4	Non-faith schools	3,181.62	4,486.67	5,056.16	Faith schools	3,181.62	4,486.67	5,056.16
<b><i>Basic funding per pupil in 2021-22 formula options (£ / pupil)</i></b>	Primary	KS3	KS4												
Non-faith schools	3,181.62	4,486.67	5,056.16												
Faith schools	3,181.62	4,486.67	5,056.16												

Protected Characteristic: <b>Disability</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
Limited positive impact	Most funding to meet the needs of children with disabilities is provided separately to this formula.	None

Protected Characteristic: <b>Marriage and civil partnership (workplace only)</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
N/A		

Protected Characteristic: <b>Pregnancy and maternity</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
None	This is not relevant to school funding	None

Protected Characteristic: **Race (ethnicity)**

What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
<p>Limited positive impact</p> <p>The transitional formula includes a factor in respect of pupils with English as an Additional Language providing slightly more resources to schools for such pupils.</p> <p>The transitional formula includes a mobility factor, which is potentially relevant to Gypsy/Roma pupils and pupils of Irish traveller heritage.</p>	<p>The formula includes factors which provide for additional needs relevant to race / ethnicity</p>	<p>None</p>

Protected Characteristic: **Religion or belief**

What is the actual or potential impact on stakeholders?

Explain your conclusion considering relevant evidence and consultation

What further action or mitigation is required?

The formula is applied to Roman Catholic primary and secondary schools and Church of England primary schools (there are no Church of England secondary schools). The formula does not differentiate between schools according to whether they are faith schools or not.

Funding per pupil for faith schools is less than for other schools:

	£/pupil
Primary Secular	5,384
Primary Faith	4,898
Secondary Secular	6,039
Secondary Faith	5,688

This is a result of applying the formula, which takes account of additional needs (deprivation, English as an Additional Language, mobility and Low Prior Attainment), where faith schools tend to have fewer eligible pupils.

The proportion of pupils who are eligible for funding through additional needs factors is higher for non-faith schools in most categories which is predominately why faith schools will see a smaller increase in funding per pupil.

See 'Appendix A' accompanying this EIA

None

Protected Characteristic: <b>Sex (gender)</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
The formula does not differentiate between pupils on this basis and there are no single-sex schools affected by the formula		None

Protected Characteristic: <b>Sexual orientation</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
None	The formula does not differentiate between pupils on this basis	None

Protected Characteristic: <b>Transgender</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
None	The formula does not differentiate between pupils on this basis	None

## Section Three: Conclusion and Review

### Summary

Please provide a brief summary of your findings stating the main impacts, both positive and negative, across the protected characteristics.

With the exception of age, the formula does not differentiate according to protected characteristics. The differentiation in respect of age is in accordance with common practice that recognises differences in the provision required by pupils of different ages.

Faith schools generally receive less funding than non-faith schools. The formula does not differentiate between schools but does take account of additional needs. A comparison of faith and non-faith schools shows that the proportion of pupils who are eligible for additional needs funding is smaller in faith schools.

Will this promote positive relationships between different communities? If so how?

No impact expected

### Action Plan

Action	Responsibility	Timescales for implementation	In which plan will the action appear?

## Review

Are there any additional assessments that need to be undertaken? (Y/N)	N
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## Sign Off

Lead officer sign off:	Date:
Service equality representative sign off:	Date:

Please return the completed form to your service equality representative and forward a copy to [equalities@durham.gov.uk](mailto:equalities@durham.gov.uk)

**Appendix A: Comparison of proportions of pupils with additional needs between secular and faith Schools**

Additional needs category	Additional needs factor	Proportion of pupils eligible in secular schools	Proportion of pupils eligible in faith schools	Faith proportion less secular proportion
Deprivation	Free School Meals Entitlement (Primary)	29.37%	17.12%	(12.24%)
	Free School Meals Entitlement (Secondary)	23.14%	13.13%	(10.01%)
	FSM6 (Primary)	35.15%	21.06%	(14.09%)
	FSM6 (Secondary)	23.14%	20.29%	(2.84%)
	IDACI Band F (Primary)	13.24%	13.37%	0.12%
	IDACI Band E (Primary)	15.57%	10.10%	(5.47%)
	IDACI Band D (Primary)	12.89%	7.64%	(5.25%)
	IDACI Band C (Primary)	9.03%	5.37%	(3.66%)
	IDACI Band B (Primary)	8.06%	7.39%	(0.66%)
	IDACI Band A (Primary)	6.24%	3.78%	(2.45%)
	IDACI Band F (Secondary)	12.16%	16.65%	4.49%
	IDACI Band E (Secondary)	14.54%	12.32%	(2.21%)
	IDACI Band D (Secondary)	11.61%	9.59%	(2.02%)
	IDACI Band C (Secondary)	7.40%	6.50%	(0.90%)
	IDACI Band B (Secondary)	7.83%	5.51%	(2.32%)
	IDACI Band A (Secondary)	5.61%	2.63%	(2.98%)
English as an Additional Language	Primary	1.43%	2.46%	1.03%
	Secondary	0.41%	0.32%	(0.09%)
Mobility	Primary	0.80%	0.46%	(0.34%)
	Secondary	0.01%	0.11%	0.10%
Low Prior Attainment	Primary	32.85%	27.71%	(5.15%)
	Secondary	19.52%	16.55%	(2.97%)