

**Cabinet**

**15 December 2021**

**Mainstream Primary and Secondary  
Formula Funding 2022/23**

**Ordinary Decision**



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## **Report of Corporate Management Team**

**John Pearce, Corporate Director of Children and Young People's Services**

**Councillor Ted Henderson, Portfolio Holder for Children and Young People's Services**

**Paul Darby, Corporate Director of Resources**

**Councillor Richard Bell, Deputy Leader and Portfolio Holder for Finance**

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

Countywide

### **Purpose of the Report**

- 1 To provide an overview of the forecast Dedicated Schools Grant School Block and proposed local formula for 2022/23, where the proposal is that the council continues to align the mainstream primary and secondary formula funding in 2022/23 with the National Funding Formula (NFF).

### **Executive summary**

- 2 The Schools Block is part of the Dedicated Schools Grant and is the main source of funding for the mainstream primary and secondary funding formula. This 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 that applies for both primary and secondary schools.
- 4 Funding regulations limit the discretion of local authorities when setting local formulas and requires that these formulas distribute the majority of

funding through pupil-led factors. Initial information in relation to funding levels for 2022/23 was released on 19 July 2021.

- 5 Nationally core school funding, which includes the Schools Block will increase in 2022/23 by £2.3 billion. This increase represents a 3.2% increase on funding available 2021/22. The majority of the increase in funding has been used to increase factor values in the NFF by between 2% and 4%, with the minimum per pupil funding guaranteed through the formula increasing to £4,265 per primary pupil and £5,525 per secondary pupil. The increase is welcome although schools will face pressures next year linked to inflation and the lifting of the public sector pay pause, which has affected schools this year.
- 6 Funding in the NFF for small primary schools in sparsely populated areas, (known as sparsity funding), has been substantially increased nationally and the eligibility criteria have been changed, which is likely to benefit more schools and allocate more funding through this factor. The changes will result in additional funding for the Schools Block.
- 7 It is forecast that the number of schools benefitting in the county from sparsity funding in Durham will increase from 13 to 30 schools, with the funding available under this formula factor increasing from £0.5 million per annum to £1.2 million per annum.
- 8 The local formula in Durham in 2021/22 is aligned to the National Funding Formula (NFF). The NFF is expected to replace local formulas in the future and the DfE is currently consulting about how to make progress with this. For 2022/23 it is recommended that the council continues to set a local formula that is aligned to the NFF.
- 9 The council is planning to use growth funding, to support one school experiencing basic need growth in pupil numbers.
- 10 The local formula factor values will be finalised upon receipt of the DSG settlement in January and the full local formula will be included in the MTFP(12) and 2022/23 budget report in February 2022.

### **Recommendation(s)**

- 11 Cabinet recommended to:
  - (a) Agree to the 2022/23 continued alignment of the local formula to the NFF, including the changes to sparsity funding;
  - (b) Agree to the adjustment for basic need growth funding for Framwellgate Primary School; and
  - (c) Note that the formula factors will be finalised upon receipt of the finance settlement, with the detailed formula included in the

MTFP(12) and 2022/23 budget report presented to Cabinet in February 2022.

## Background

- 12 The Schools Block is part of the Dedicated Schools Grant and is the main source of funding for the mainstream primary and secondary funding formula. The formula provides the bulk of funding for these schools.
- 13 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 formula, which uses lagged pupil numbers.
- 14 The DfE usually provides some details of funding during the summer: Units of Funding per pupil (UFs), premises-related funding and amounts per pupil for growth funding. Final allocations are not confirmed until December and use pupil numbers from the October school census.
- 15 UFs are calculated separately for primary and secondary pupils and are based on notional allocations to schools using the National Funding Formula, (NFF) and historic information about pupil numbers.
- 16 The Government's intention is to replace local formulas with a single NFF, and it is currently consulting about the next stage of its plans for this.
- 17 For the time being, mainstream primary and secondary funding formulas continue to be set locally by each local authority. Funding regulations limit the discretion of local authorities to set local formulas and require that these formulas distribute the majority of funding through pupil-led factors.
- 18 Pupil-led factors are a basic amount per pupil and formula factors for disadvantaged pupils. The factors also include a lump sum per school and a lump sum for schools in sparsely populated areas (together known as school-related factors), and some premises-related costs. The formula factors used, and the factor values (£/pupil or £/school) applied can be different for primary and secondary but are applied consistently across all schools in that phase.
- 19 The formula also guarantees schools a minimum amount per pupil and includes protection to ensure minimum increases in funding per pupil year-on-year.
- 20 The same formula is used for both schools maintained by the local authority and for academies, but for maintained schools the 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. The funding allocated

through the formula for academies is deducted from the DSG paid to local authorities and is provided direct to academy trusts by the DfE, as part of their General Annual Grant.

- 21 Formula funding uses data from the October school census and is not updated for changes in pupil numbers during the year. This means that the pupil numbers used for funding for maintained schools is seven months old and is eleven months old for academies.

### **Schools Block funding for 2022-23**

- 22 Information about funding for 2022-23 was released on 19 July 2021. The main points are summarised below:

- (a) Core school funding, which includes the Schools Block and funding for High Needs provision, (for pupils with Special Educational Needs and Disabilities), will increase in 2022/23 by £2.3 billion, which is a 3.2% increase on 2021/22
- (b) Much of the increase in funding has been used to increase factor values in the NFF.
  - (i) The basic funding per pupil (AWPU: Age Weighted Pupil Unit) values have increased by 3%;
  - (ii) Other pupil-led factor values have increased by between 2.2% and 3.9%.
  - (iii) The lump sum has increased by 3%; and
  - (iv) Sparsity funding has increased nationally by a forecast £53 million, which more than doubles the allocation compared to 2021/22, (£42 million). Further detail is provided in the report on the forecast impact upon Durham schools.
- (c) The minimum per pupil funding guaranteed through the formula has increased by 2% to £4,265 per primary pupil and £5,525 per secondary pupil, compared to £4,180 and £5,415 in the current year.
- (d) The NFF Funding Floor, which guarantees that pupil-led funding per pupil increases by a minimum percentage year-on-year, remains at 2%. The Funding Floor is not part of local formulas, which use a Minimum Funding Guarantee (MFG) to guarantee an increase in pupil-led funding per pupil. The MFG in local formulas must guarantee an increase in the range 0.50% to 2.00%. This is the same range as for the current year; the local formula in Durham this year uses 2%, to align with the NFF Funding Floor.

## Schools Block Funding for Durham

23 The main changes to funding for 2022/23 are in the UFs, and the changes are summarised in the table below:

Mainstream primary and secondary Units of Funding (UFs)	Financial Year 21-22	Financial Year 22-23	Increase £	Increase %
Primary Unit of Funding per Pupil	£4,730.80	£4,860.24	£129.44	2.74%
Secondary Unit of Funding per Pupil	£5,828.81	£6,012.58	£183.77	3.15%

24 Other changes are:

- (a) Funding for premises cost has reduced from £6.750 million to £6.063 million. This funding is based on the actual formula allocations for premises factors in the current year's formula, but the amount allocated is less than the £6.229 million that was expected. This has been queried with the DfE.
- (b) Growth funding per pupil has increased. Growth funding is allocated where pupil numbers have increased for a group of schools. Schools are grouped according to their Middle Super Output Areas (MSOA), which are areas used for statistical purposes and are defined by the Office for National Statistics. Funding is provided at a rate per pupil and the funding per pupil rates have increased by 2% for 2022-23:

Growth funding per pupil	Financial Year 21-22	Financial Year 22-23
Primary	£1,455	£1,485
Secondary	£2,175	£2,220

25 The allocation of growth funding compares growth between October School Censuses and the DfE will not provide funding allocations until the October 2021 School Census data is available.

26 A table showing the factors included in the NFF, and comparing the 2021/22 and 2022/23 rates of funding, is included in Appendix 2.

## Sparsity Funding

27 The NFF includes a sparsity factor, to provide additional funding to small schools in sparsely populated local areas. Eligibility for this

funding is based on the distance to the next nearest school and the size of school. The distance to the next nearest school must be above a Minimum Distance Threshold and cannot be provided to schools above a maximum average number of pupils per year group.

28 Sparsity funding is allocated as a lump sum but in the NFF is tapered so that larger schools receive progressively less funding as they get nearer to the maximum size.

29 For 2022-23, the lump sums have increased:

<b>Sparsity funding lump sums per school</b>	<b>Financial Year 21-22</b>	<b>Financial Year 22-23</b>	<b>Increase £</b>	<b>Increase %</b>
Primary	£45,000	£55,000	£10,000	22.22%
Secondary	£70,000	£80,000	£10,000	14.29%

30 Local formulas can use smaller lump sums but cannot exceed the NFF values.

31 Another change is that the method of measuring the distance to the next nearest school has changed from being as the crow flies, to being based on distance by road. It should be noted that the distance is not the distance between schools, but the average distance to the next nearest school for pupils who live nearest to each school, even if they do not attend that school.

32 Another change is the introduction of a Distance Taper Threshold, which provides a proportion of sparsity funding to schools whose average distance is no more than 20% less than the Minimum Distance Threshold. This is designed to allow funding to gradually increase, so that schools that are close to, but below, the Minimum Distance Threshold are not disadvantaged compared to schools that are just above the threshold.

33 The NFF sparsity thresholds are set out below:

<b>Sparsity thresholds</b>	<b>Primary</b>	<b>Secondary</b>
Maximum average year group	21.4	120
Minimum Distance Threshold (miles)	2.0	3.0
Distance Taper Threshold (miles)	1.6	2.4

34 With the exception of the Distance Taper Threshold, the values are the same as in 2021/22.

- 35 For a primary school with pupils in seven year groups, the maximum average is equivalent to just under 150 pupils on roll. For a secondary school with pupils in five year groups, the maximum average is equivalent to 600 pupils.
- 36 The Minimum Distance Threshold is the average distance to the next nearest school in the phase.
- 37 Local formulas have the option to make the criteria more restrictive, (i.e., reduce the number of schools that are eligible for funding), through lowering the maximum average year group or increasing the Minimum Distance Threshold, and do not have to use the Distance Taper Threshold. As noted, the NFF uses a taper and local formulas can use one of three options:
- (a) No taper, so that all eligible schools get the full lump sum.
  - (b) A taper that reduces funding on a straight line, but only begins to taper funding when schools exceed half the maximum average year group, (so a secondary school with 300 pupils would get the full lump sum and a secondary school with 450 pupils would get 50% of the lump sum). This is the taper used in the NFF.
  - (c) A taper that reduces funding on a straight line for all schools, so that a secondary school with 300 pupils would get 50% of the lump sum and a secondary school with 450 pupils would get 25% of the lump sum).
- 38 There is also an option to apply to provide an additional £50,000 of sparsity funding for very small secondary schools. This applies to schools with less than 350 pupils, pupils in Years 10 and 11, and an average distance above 5 miles. On the basis of last year's data, no secondary schools in Durham would qualify for this funding.
- 39 In 2021/22 the local formula in Durham used the NFF values and taper, in accordance with the overall policy of aligning the local formula as closely as possible to the NFF. As in previous years, only schools in the Dales have been eligible for this funding.
- 40 For 2022/23, it is forecast that that more schools will be eligible, because of the changes to the method of measuring distance and the Minimum Distance Threshold. The DfE have published notional NFF allocations for schools using 2021/22 data, which support this. Appendix 2 shows notional sparsity allocations calculated by the DfE using the 2022/23 NFF and 2021/22 school data. Sparsity funding for 2021/22 is also shown.

- 41 The table in Appendix 3 includes 30 schools to which the DfE has notionally allocated funding, one of which, Fyndoune Community College, has now closed. It is forecast therefore that the number of schools who will be able to access sparsity funding will have more than doubled as the number of schools that received funding in 2021/22, was 13. Fyndoune Community College was not eligible for sparsity funding in 2021/22.
- 42 The total value of the notional 2022/23 allocation is £1.2 million, £700,000 more than the allocation in 2021/22. These notional allocations were taken into account in determining the Units of Funding (UFs) for 2022/23. It is forecast therefore that the overall Schools Block allocation for Durham will be higher than it would have been without the increased sparsity funding. The actual number of schools that qualify for sparsity funding will be determined by the outcome of the October 2021 Schools Census.
- 43 As already noted, the council does have the option to use smaller lump sums, make the eligibility criteria more restrictive, and can choose not to use the Distance Taper Threshold.
- 44 This is not recommended however as the changes to the sparsity factor are an improvement that better targets funding to schools affected by sparsity because:
- (a) The use of distance by road rather than as the crow flies is a better indicator of the implications for families of having to travel to an alternative school.
  - (b) The Distance Taper Threshold provides for a gradual increase in funding as the average distance to the second nearest school increases and does not result in an abrupt change when a school crosses the threshold.
- 45 The changes will increase the amount of funding allocated to sparsity funding, but as noted, the overall allocation of funding will increase in line with the increase in notional allocations through the UFs.
- 46 This report therefore recommends that Cabinet agree to the use of the NFF sparsity factor in the local formula.

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

- 47 The local formula is determined by Cabinet, following consultation with schools and the Schools Forum.
- 48 From 2018/19 to 2020/21, the local formula in Durham was a transitional one, intended to provide a smooth transition from the old

local formula to the NFF, in anticipation of the replacement of local formulas by the NFF.

- 49 The local formula in 2021/22 was aligned to the NFF. This means that the factor values were as close to the values in the NFF as possible. It is not possible to use 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 through the Schools Block.
- 50 If Cabinet agreed to set the 2022/23 formula on the same basis as in 2021/22, the local formula factors would be based on the NFF values, shown in Appendix 2, but adjusted to match the allocations to the funding available.
- 51 In considering setting the local formula for 2022/23, it is important to take account of the DfE's consultation about replacing local formulas with the National Funding Formula (NFF).
- 52 The DfE's policy since 2011 has been that local formulas should be replaced by the NFF and since 2013 it has made changes to the funding regulations to reduce local discretion and reduce the difference between local formulas and the NFF.
- 53 The replacement of local formulas with a centrally set NFF has however been delayed on a several occasions. The DfE has recently issued a consultation about making further progress towards replacing local formulas. The proposals do not give a definite timetable for the replacement of local formulas but propose requiring local formulas to move towards alignment with the NFF from 2023/24.
- 54 The consultation proposals set out an ambition to increase the rate of convergence in future years, but do not commit to this; future convergence will be subject to a review of the impact of the change on schools.
- 55 The main consideration about the timetable for replacing local formulas is that potential for turbulence in funding. However, there is no indication of the point at which the DfE might think that local formulas were sufficiently close to the NFF that local formulas could be replaced without turbulence.
- 56 This proposal does not require any changes next year but does make clear that the DfE intends to replace local formulas and that any divergence from the NFF in the local formula for 2022/23 would be temporary. Any decision not to use any of the NFF factors in the local formula would have to be reversed in 2023/24 and any changes in formula values to diverge from the NFF values would not have a long-term effect. It's possible that any such divergence would increase

turbulence for schools in future years as the rate at which local formulas were required to move towards the NFF accelerated.

- 57 The Schools Forum considered a report on the 2022/23 formula in September 2021 and did not raise any objections to continuing to align the local formula to the NFF. A consultation document was placed on the Extranet in October, inviting schools to express their views, but no feedback was received. The Forum will receive a further report on 25 November and a verbal update will be provided at the Cabinet meeting.
- 58 Bearing in mind these considerations, this report recommends that Cabinet agree to continue with the policy of aligning the local formula to the NFF.

### **Growth funding**

- 59 This funding is provided to local authorities to recognise that they need to provide additional funding to schools who are experiencing basic need growth, because of increases in pupil numbers. Basic need increases in pupil numbers are not included in the school census numbers used for formula funding and this means that schools with an increase in pupil numbers from September do not receive any funding for these pupils for the seven months after these pupils are admitted.
- 60 Growth funding cannot be used for increases in pupil numbers arising from increased popularity with parents, nor is there any adjustment to funding where pupil numbers are reducing because a school is becoming unpopular with parents.
- 61 Growth funding is part of the Schools Block and the amount added to the Schools Block is determined by changes in pupil numbers from one October census to the next. Funding is only provided where there is a net increase in either primary or secondary pupil numbers for schools in a Middle Super Output Area (MSOA). MSOAs are defined by the Office for National Statistics and usually contain a number of primary schools, but often just one secondary school.
- 62 The growth allocation in the Schools Block is not ring-fenced and if not used for growth forms part of the overall amount available for allocation through the formula.
- 63 In 2021/22 growth funding was provided to Framwellgate Primary School, following its agreement to a request from the council to increase its Published Admission Number in 2018 from 30 to 45. This means that, providing that it is admitting at its increased PAN, for each year for the first seven years of the increased PAN it is funded for fewer pupils than the number used in the formula. The school's numbers on roll from the October 2021 School Census are shown below:

	R	Y1	Y2	Y3	Y4	Y5	Y6	Total
Framwellgate Moor Primary	45	45	44	44	30	31	30	269

64 The table above highlights the increase in pupils in the four year groups, admitted since the increase in the PAN. The school admissions to reception in September 2021 are equal to the PAN.

65 The capacity of schools in the planning area is 1,155 and the number on roll is 1,066. This means that there are spare places in the planning area, but had Framwellgate not increased its PAN, the capacity would only be 1,050 and there would be a shortage of places in the local planning area from September:

Planning Area 35: Framwellgate Moor	PAN	Number of year groups	School capacity (PAN x year groups)	School capacity if no increase in PAN from Framwell-gate	Numbers on roll October 2021
Newton Hall Infant	60	3	180	180	147
Finchale Primary	30	7	210	210	210
Framwellgate Moor Primary	45	7	315	210	269
St. Godric's RC Primary	30	7	210	210	211
Blue Coat CE Junior	60	4	240	240	229
<b>TOTAL</b>			<b>1,155</b>	<b>1,050</b>	<b>1,066</b>

66 Comparing the admissions in September 2021 (45) to the leavers from Year 6 at the end of the summer term (31), there is a net increase in numbers of 14 as a result of the increased PAN. For an increase of 14 pupils, the appropriate adjustment to numbers on roll is 7/12s of the increase, which would be 8.17 pupils. The council therefore intends to increase the October 2021 School Census pupil numbers for Framwellgate Moor Primary School by 8.17 for the purposes of determining the mainstream primary and secondary funding formula for 2022/23.

67 This adjustment is for one year only and the position will be reviewed again for 2023/24. Cabinet is recommended to agree to this adjustment.

## **Conclusion**

- 68 The DfE has provided information about Schools Block funding for 2022/23. The Schools Block is used to determine funding for the mainstream primary and secondary funding formula, which is currently a local formula set by each local authority.
- 69 The funding allocations to local authorities will not be finalised until December, but the information provided allows local authorities to start planning for next year and to set a provisional funding formula.
- 70 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.
- 71 The local formula in Durham is already aligned to the NFF and the DfE is consulting about making changes to require all local formulas to comply more closely to the NFF as part of making progress towards the replacement of local formulas.
- 72 There are significant changes to how sparsity funding is to be allocated next year. This is funding to help small schools in sparsely populated areas. The changes will increase the number of schools that are eligible for this funding and the amount to be allocated in this way. This change will result in additional funding being provided and the council's view is that sparsity funding will be better allocated as a result of these changes.
- 73 The council proposes to adjust pupil numbers, for formula funding purposes, for one school that is admitting additional pupils following a request to increase its Published Admission Number to accommodate a basic need for places.

## **Background papers**

- None

## **Other useful documents**

- None

## **Author(s)**

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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 for the time being. 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 consulting about requiring local authorities to move local formulas closer to the NFF.

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 proposals in this report were considered by Schools Forum, via its meeting on 22 September 2021. A consultation document was made available to schools through the Schools Extranet, but no responses were received. A further report will be considered by the Forum via its meeting on 25 November and a verbal update will be provided at the Cabinet meeting.

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

An Equality Impact Assessment is attached at Appendix 4.

Previous year's assessments have concluded that, 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 that any decision by the council to diverge from the NFF will have to be reversed in the following year, because of planned restrictions on local discretion. This will give an inconsistent message to schools about funding, making it harder for them to plan and may result in some schools seeing a smaller increase in funding than they would otherwise.

### **Procurement**

None

## Appendix 2: National Funding Formula (NFF) factors

Category	Factor	2021/22 formula NFF values £	2022/23 formula NFF values £	Percentage increase
Basic funding per pupil	Primary	3,123.00	3,217.00	3.01%
	KS3	4,404.00	4,536.00	3.00%
	KS4	4,963.00	5,112.00	3.00%
Deprivation	Free School Meals Entitlement (Primary)	460.00	470.00	2.17%
	Free School Meals Entitlement (Secondary)	460.00	470.00	2.17%
	FSM6 (Primary)	575.00	590.00	2.61%
	FSM6 (Secondary)	840.00	865.00	2.98%
	IDACI Band F (Primary)	215.00	220.00	2.33%
	IDACI Band E (Primary)	260.00	270.00	3.85%
	IDACI Band D (Primary)	410.00	420.00	2.44%
	IDACI Band C (Primary)	445.00	460.00	3.37%
	IDACI Band B (Primary)	475.00	490.00	3.16%
	IDACI Band A (Primary)	620.00	640.00	3.23%
	IDACI Band F (Secondary)	310.00	320.00	3.23%
	IDACI Band E (Secondary)	415.00	425.00	2.41%
	IDACI Band D (Secondary)	580.00	595.00	2.59%
	IDACI Band C (Secondary)	630.00	650.00	3.17%
	IDACI Band B (Secondary)	680.00	700.00	2.94%
IDACI Band A (Secondary)	865.00	890.00	2.89%	
EAL	Primary	550.00	565.00	2.73%
	Secondary	1,485.00	1,530.00	3.03%
Mobility	Primary	900.00	925.00	2.78%
	Secondary	1,290.00	1,330.00	3.10%
LPA	Primary	1,095.00	1,130.00	3.20%
	Secondary	1,660.00	1,710.00	3.01%
Minimum per-pupil funding	Primary	4,180.00	4,265.00	2.03%
	Secondary	5,415.00	5,525.00	2.03%
Lump sum	Primary	117,800.00	121,300.00	2.97%
	Secondary	117,800.00	121,300.00	2.97%
Sparsity	Primary	45,000.00	55,000.00	22.22%
	Secondary	70,000.00	80,000.00	14.29%

### Appendix 3: Sparsity Funding Notional NFF Allocations

School Number	School	Total pupils	Average distance to next nearest school (miles)	Average year group size	Lump sum percentage applied for NFF taper	Lump sum percentage applied for Distance Taper Threshold	Overall Sparsity Lump Sum Percentage Applied	Funding using 22-23 NFF and 21-22 data £	Funding in 2021-22 £
3303	Bowes Hutchinson's CE	62	4.9	8.86	100.00%	100.00%	100.00%	55,000	45,000
2261	Burnhope Primary	89	1.9	12.71	81.18%	75.50%	61.29%	33,708	-
2413	Butterknowle Primary	49	1.9	7.00	100.00%	73.00%	73.00%	40,150	-
2351	Byers Green Primary	85	2.1	12.14	86.52%	100.00%	86.52%	47,583	-
2440	Cockfield Primary	88	1.8	12.57	82.51%	46.00%	37.96%	20,875	-
2185	Cotherstone Primary	50	4.2	7.14	100.00%	100.00%	100.00%	55,000	45,000
4192	Durham Community Business College	294	3.4	58.80	100.00%	100.00%	100.00%	80,000	-
3063	Ebchester CE Primary	91	1.8	13.00	78.51%	42.50%	33.36%	18,350	-
2399	Fishburn Primary	126	1.7	18.00	31.78%	14.25%	4.53%	2,490	-
2410	Forest of Teesdale Primary	3	5.5	1.00	100.00%	100.00%	100.00%	55,000	45,000
2319	Frosterley Primary	37	2.9	6.17	100.00%	100.00%	100.00%	55,000	45,000
4052	Fyndoune Community College	85	3.0	21.25	100.00%	100.00%	100.00%	80,000	-
3131	Gainford CofE Primary	71	2.9	10.14	100.00%	100.00%	100.00%	55,000	45,000
2301	Hamsterley Primary	37	2.9	5.29	100.00%	100.00%	100.00%	55,000	-
2509	Hesleden Primary	91	1.8	13.00	78.51%	47.50%	37.29%	20,509	-
3183	Hutton Henry CE Primary	70	2.0	10.00	100.00%	100.00%	100.00%	55,000	-

School Number	School	Total pupils	Average distance to next nearest school (miles)	Average year group size	Lump sum percentage applied for NFF taper	Lump sum percentage applied for Distance Taper Threshold	Overall Sparsity Lump Sum Percentage Applied	Funding using 22-23 NFF and 21-22 data £	Funding in 2021-22 £
3134	Ingleton CE Primary	53	2.7	7.57	100.00%	100.00%	100.00%	55,000	45,000
2374	Kelloe Primary	108	1.6	15.43	55.81%	5.50%	3.07%	1,688	-
2472	Ludworth Primary	83	1.8	11.86	89.19%	53.50%	47.71%	26,243	-
2430	Middleton-in-Teesdale Primary	107	5.7	15.29	57.14%	100.00%	57.14%	31,429	25,714
2321	Rookhope Primary	11	4.7	2.20	100.00%	100.00%	100.00%	55,000	45,000
2322	St John's Chapel Primary	13	2.8	2.60	100.00%	100.00%	100.00%	55,000	45,000
3441	St Michael's CE Primary	107	2.4	15.29	57.14%	100.00%	57.14%	31,429	-
4008	Staindrop Academy	370	6.2	74.00	76.67%	100.00%	76.67%	61,333	53,667
3087	Stanhope Barrington CfE Primary	134	2.8	19.14	21.10%	100.00%	21.10%	11,602	9,493
4007	Teesdale School	593	7.4	118.60	2.33%	100.00%	2.33%	1,867	1,633
4006	UTC South Durham	217	2.9	108.50	19.17%	82.50%	15.81%	12,650	-
2324	Wearhead Primary	20	2.9	2.86	100.00%	100.00%	100.00%	55,000	45,000
2328	Witton-le-Wear Primary	94	1.9	13.43	74.50%	69.50%	51.78%	28,477	-
2428	Woodland Primary	30	2.5	4.29	100.00%	100.00%	100.00%	55,000	-
	<b>TOTAL</b>							<b>1,210,384</b>	<b>495,507</b>

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## Appendix 4: 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 2022-23
<b>MTFP Reference (if relevant)</b>	
<b>Cabinet Date (if relevant)</b>	15 December 2021
<b>Start Date</b>	1 April 2022
<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 2024-25.

The recommendation to Cabinet is that the local formula should be fully aligned to the NFF, which was the basis agreed for the current year's formula. 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/1003492/2022-23\\_NFF\\_Policy\\_Document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003492/2022-23_NFF_Policy_Document.pdf)

[\(Pages 14 to 16\)](#)

This is relevant, because the recommended formula, is based on the NFF.

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	Y
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 (see link above)

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: November 2021
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>Basic funding per pupil in 2022-23 NFF (£ / pupil)</th> <th>Primary</th> <th>KS3</th> <th>KS4</th> </tr> </thead> <tbody> <tr> <td>Non-faith schools</td> <td>3,217</td> <td>4,536</td> <td>5,112</td> </tr> <tr> <td>Faith schools</td> <td>3,217</td> <td>4,536</td> <td>5,112</td> </tr> </tbody> </table>				Basic funding per pupil in 2022-23 NFF (£ / pupil)	Primary	KS3	KS4	Non-faith schools	3,217	4,536	5,112	Faith schools	3,217	4,536	5,112
Basic funding per pupil in 2022-23 NFF (£ / pupil)	Primary	KS3	KS4												
Non-faith schools	3,217	4,536	5,112												
Faith schools	3,217	4,536	5,112												

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: <b>Race (ethnicity)</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?
<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?
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<p>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.</p> <p>Funding per pupil for faith schools is less than for other schools. The table below shows funding per pupil from the 2021-22 formula, which is also based on the NFF:</p> <table border="1" data-bbox="207 1108 619 1317"> <thead> <tr> <th></th> <th>£/pupil</th> </tr> </thead> <tbody> <tr> <td>Primary Secular</td> <td>4,851</td> </tr> <tr> <td>Primary Faith</td> <td>4,720</td> </tr> <tr> <td>Secondary Secular</td> <td>6,103</td> </tr> <tr> <td>Secondary Faith</td> <td>5,665</td> </tr> </tbody> </table> <p>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.</p>		£/pupil	Primary Secular	4,851	Primary Faith	4,720	Secondary Secular	6,103	Secondary Faith	5,665	<p>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.</p> <p>See 'Appendix A' accompanying this EIA, which shows the proportions of faith and non-faith pupils who were eligible for additional needs factors in the 2021-22 formula.</p>	<p>None</p>
	£/pupil											
Primary Secular	4,851											
Primary Faith	4,720											
Secondary Secular	6,103											
Secondary Faith	5,665											

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 in is smaller in faith schools.

There is a minimal positive impact in terms of disability as most funding to meet the needs of children with disabilities is provided separately to this formula. There is a minimal positive impact in terms of race as the formula includes a factor in respect of pupils with English as an Additional Language providing slightly more resources to schools for such pupils. Also, a mobility factor, which is potentially relevant to Gypsy/Roma pupils and pupils of Irish traveller heritage.

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

### Sign Off

Lead officer sign off:  
School funding manager

Date:  
30 Nov 2021

Service equality representative sign off:  
E&D Team Leader

Date:  
30 Nov 2021

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)	33.27%	19.08%	-14.19%
	Free School Meals Entitlement (Secondary)	26.59%	15.36%	-11.23%
	FSM6 (Primary)	35.88%	21.33%	-14.55%
	FSM6 (Secondary)	34.22%	20.42%	-13.79%
	IDACI Band F (Primary)	13.70%	14.39%	0.69%
	IDACI Band E (Primary)	18.91%	10.12%	-8.79%
	IDACI Band D (Primary)	11.82%	8.64%	-3.18%
	IDACI Band C (Primary)	8.74%	6.37%	-2.37%
	IDACI Band B (Primary)	10.34%	7.17%	-3.17%
	IDACI Band A (Primary)	6.46%	5.15%	-1.31%
	IDACI Band F (Secondary)	13.35%	15.89%	2.54%
	IDACI Band E (Secondary)	16.62%	12.64%	-3.98%
	IDACI Band D (Secondary)	10.21%	12.28%	2.07%
	IDACI Band C (Secondary)	7.75%	6.50%	-1.25%
	IDACI Band B (Secondary)	9.63%	6.78%	-2.85%
	IDACI Band A (Secondary)	6.12%	3.21%	-2.91%
English as an Additional Language	Primary	1.39%	2.15%	0.75%
	Secondary	0.38%	0.31%	-0.07%
Mobility	Primary	3.58%	2.89%	-0.69%
	Secondary	2.31%	1.20%	-1.11%
Low Prior Attainment	Primary	30.26%	25.42%	-4.83%
	Secondary	34.50%	29.12%	-5.38%