

Cabinet

18 January 2023

**Mainstream Primary and Secondary
Formula Funding 2023/24**

Ordinary Decision



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 allocating funding to individual schools in 2023/24, where the proposal is that the council continues to align the local mainstream primary and secondary formula funding in 2023/24 with the National Funding Formula (NFF).

Executive summary

- 2 The Schools Block is part of the Dedicated Schools Grant (DSG) 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 and are used for allocating funding to individual schools. There is a single formula that applies for both primary and secondary schools, both maintained and non-maintained (academies).

- 4 Funding regulations limit the discretion of local authorities when setting local formulas and requires that these formulae distribute the majority of funding through pupil-led factors. Initial information in relation to funding levels for 2023/24 was released on 19 July 2022.
- 5 Nationally, core school funding, which includes the Schools Block and High Needs Block was due to increase in 2023/24 by £1.753 billion, representing a 3.5%% increase on the funding made available in 2022/23. The School Block was expected to increase by £1.158 billion (2.8%) and the High Needs Block by £0.565 billion (6.3%).
- 6 In the 2022 Autumn Statement published on 17 November 2022 the Chancellor of the Exchequer announced that core schools funding would increase by a further £2 billion in 2023/24, over and above the £1.753 billion announced earlier in the summer. Details of the split between the Schools Block and High Needs Block was announced in the Provisional Local Government Finance Settlement published on 19 December 2022.
- 7 A sum of £1.451 billion will be allocated to schools through a mainstream schools additional grant (MSAG) with an additional £0.400 billion allocated to the High Needs Block. The additional funding being provided amounts to £1.851 billion rather than £2 billion.
- 8 In total therefore additional funding will be allocated via the Schools Block and the MSAG of £2.639 billion next year, representing a 6.3% increase in funding year on year, with the High Needs Block receiving additional funding of £0.965 million, representing a 10.7% year on year increase.
- 9 For Durham it is forecast that for 2023/24 the Schools Block and MSAG funding will total £385.047 million. In 2022/23 Durham schools received £363.511 million via the Schools Block and the Supplementary Grant. In total Durham schools will receive additional funding of £21.536 million representing a 5.9% increase.
- 10 It is forecast that the council will receive a 2023/24 High Needs Block allocation of £89.812 million next year, compared to £80.409 million in 2022/23, resulting in a £9.403 million increase in funding and representing a year on year increase of 11.7%.
- 11 The funding floor, which guarantees a minimum increase in funding per pupil, has decreased from 2% in the current year to 0.50% next year. The funding floor only applies to the NFF, but in local formulas the Minimum Funding Guarantee (MFG) works in a similar way.
- 12 The local formula in Durham in 2022/23 is aligned to the National Funding Formula (NFF). The NFF is expected to replace local formulas

in the next few years, with a target of the NFF being implemented no later than 2027/28. For 2023/24 it is recommended that the council continues to set a local formula that is aligned to the NFF.

- 13 The council is planning to use growth funding to support one school experiencing basic need growth in pupil numbers (Framwellgate Primary).
- 14 The local formula factor values will be finalised upon receipt of the final DSG settlement in January and the full local formula will be included in the MTFP(13) and 2023/24 budget report in February 2023.

Recommendation(s)

- 15 Cabinet is recommended to:
 - (a) Agree that in 2023/24 the local formula continues to be aligned to the National Funding Formula (as updated);
 - (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(13) and 2023/24 budget report in February 2023.

Background

- 16 The Schools Block is part of the Dedicated Schools Grant and is the main source of funding for mainstream primary and secondary funding formulas. These formulas are set by local authorities and provide the bulk of funding for mainstream primary and secondary schools and academies. For clarity, this report uses the term mainstream schools to refer to mainstream primary and secondary schools and academies. There are also mainstream nursery schools and primary and secondary special schools.
- 17 Formulas are 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.
- 18 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.
- 19 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.
- 20 The Government's intention is to replace local formulas with the NFF. This would mean that schools' formula allocations would be determined nationally using the NFF for all schools in England. This is known as direct NFF.
- 21 The NFF already exists but is only used in determining allocations of funding to local authority Schools Blocks. These allocations use historic data and cannot be applied to individual schools.
- 22 Direct NFF allocations to individual schools is likely to replace local formulas in either 2026/27 or 2027/28. In the meantime, funding formulas continue to be set locally by each local authority. Funding regulations limit the discretion of local authorities over these formulas and require that these formulas distribute the majority of funding through pupil-led factors.
- 23 As part of the planning for implementation of the direct NFF, local formulas that do not already closely align to the NFF will be required to increase their alignment from 2023/24, and all local formulas will have to use NFF factors. The reason for this is that the ESFA wishes to minimise funding turbulence for schools when the direct NFF replaces local formulas. The ESFA refers to local formulas that are closely aligned to the NFF as 'mirroring' the NFF.

- 24 In Durham the local formula started to move closer to the NFF from 2018/19, with a view to minimising funding turbulence at the point that the NFF was mandated, and was as closely aligned as possible from 2021/22. Durham's 2022/23 formula is categorised by the ESFA as one that mirrors the NFF.
- 25 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.
- 26 The formula also guarantees schools a minimum amount per pupil and includes protection to ensure minimum increases in funding per pupil year-on-year.
- 27 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.
- 28 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 2023/24

- 29 Information about national funding for 2023/24 was released on 19 July 2022. 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 2023/24 by £1.753 billion, which is a 3.5% increase on 2022/23. In addition, following the announcements made in the Autumn Statement and confirmed in the provisional local government finance settlement, mainstream schools will benefit from £1.451 billion of additional grant through the Mainstream Schools Additional Grant (MSAG) in 2023/24, and the High Needs Block has been increased by £400 million. In total therefore additional funding will be provided of £3.604 billion representing a 7.1% increase across all settings.

- (b) The additional Schools Block funding (excluding MSAG, which will be allocated separately) 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 2.4%.
 - (ii) The deprivation factors have increased by 4.3%.
 - (iii) Other pupil-led factor values have increased by between 2.4%.
 - (iv) The lump sum has increased by 2.4%.
 - (c) The minimum per pupil funding guaranteed through the formula has increased by 2% to £4,405 per primary pupil and £5,715 per secondary pupil, compared to £4,265 and £5,525 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, has reduced from 2% in the current year to 0.50% next year. 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 in 2023/24 must guarantee an increase in the range 0.00% to 0.50%, compared to 0.50% to 2.00% in the current year.
- 30 A table showing the factors included in the NFF and comparing the 2022/23 and 2023/24 rates of funding, is included in Appendix 2.
- 31 MSAG allocations will be based on factors in the NFF and will be confirmed in May 2023. MSAG will be absorbed in the NFF from 2024/25, which will result in additional funding through local formulas from April 2024 for maintained schools and September 2024 for academies: academies will continue to receive MSAG from April to August 2024, when they will still be funded through the 2023/24 local formulas.
- 32 Although allocations to individual schools will not be announced until May 2023, the council will be able to estimate these allocations once the 2023/24 school data is released. At the point of drafting this report that data had not been released. The DfE has provided an indicative allocation of MSAG for schools in Durham, which would indicate that this will be circa £13 million.

Schools Block Funding for Durham

- 33 The main changes to funding for 2023/24 are in the Units of Funding, and the changes are summarised in the table below:

Mainstream primary and secondary Units of Funding (UFs)	Financial Year 22-23	Financial Year 23-24	Increase £	Increase %
Primary Unit of Funding per Pupil	£4,860.24	£5,126.94	£266.70	5.49%
Secondary Unit of Funding per Pupil	£6,012.58	£6,359.17	£346.59	5.76%

- 34 The table below shows the total allocation using UFs and pupil numbers from the October 2022 school census:

	Primary	Secondary	Total £
Unit of Funding (UF, £/pupil)	5,126.94	6,359.17	
Number of pupils	37,549.50	27,017.00	
Funding (UFs x pupils)	192,514,034	171,805,696	364,319,730

- 35 The increase in UF values has resulted in an additional £19.105 million of funding compared to what funding would have been with 2022/23 UFs.
- 36 Comparing October 2022 to October 2021, primary pupil numbers have reduced by 609 (reducing DSG funding available to primary schools by c£3.0 million) and secondary numbers have increased by 447 (increasing funding available to secondary schools by c£2.8 million). Other changes to funding are:
- Funding for premises cost has increased from £6.063 million in 2022/23 to £6.106 million in 2023/24. This funding is based on the actual formula allocations for premises factors in the current year's formula.
 - 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 2.4% for 2023/24:

Growth funding per pupil	Financial Year 22/23	Financial Year 23/24
Primary	£1,485	£1,520
Secondary	£2,220	£2,275

- 37 The allocation of growth funding compares growth between the October School Censuses and the funding allocated for 2023/24, based on the changes between the October 2021 and 2022 school censuses, is £1.634 million. The table below shows details of the basis of this allocation.

	Primary	Secondary
Number of areas	66	28
Number of areas with growth	17	19
Average growth in pupil numbers	10.97	31.24
Total growth in pupil numbers	186.50	593.50
Amount per pupil	1,520	2,275
Total allocation	283,480	1,350,213

- 38 Schools in the county are allocated to 66 areas, but only 28 areas include secondary schools. The majority of primary areas have not seen pupil growth and only around two-thirds of secondary areas have seen growth. The average increases in numbers are small compared to typical school sizes.
- 39 The growth allocation of £1.634 million is £97,000 less than the allocation of £1.731 million in 2022/23.
- 40 The overall Schools Block allocation is shown in the table below:

	2022/23 allocation £ million	2023/24 allocation £ million	Change £ million
UF funding	345.214	364.320	19.105
Premises factor	6.063	6.106	0.043
Growth funding	1.731	1.634	(0.098)
Total Schools Block	353.009	372.059	19.051

- 41 It is important to note however that the 2022/23 Supplementary Grant funding of £10.502 million is being absorbed into the Schools Block. The net increase in funding therefore is £8.549 million. When allied with

the forecast circa £13 million of additional funding to be allocated from the MSAG it is forecast that additional funding for schools in 2023/24 will be circa £21.5 million representing a 5.9% increase on the current funding of £363.511 million.

- 42 For the High Needs Block it is forecast that the allocation of funding to the council will increase from £80.409 million to £89.812 million, an increase of 11.7%.

Local funding formula for Durham

- 43 The local formula is determined by Cabinet, following consultation with schools and the Schools Forum.
- 44 The local formula in Durham for 2022/23 maintained alignment with the NFF, and as noted earlier, is categorised by the ESFA as mirroring 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.
- 45 If Cabinet agreed to set the 2023/24 formula on the same basis as in 2022/23, 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.
- 46 In considering setting the local formula for 2023/24, it is important to take account of the DfE's intention to replace local formulas with the National Funding Formula (NFF) and its requirement for formulas that do not mirror the NFF to increase their alignment to it from 2023/24.
- 47 The Schools Forum considered a report on the 2023/24 formula in September 2022 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.
- 48 The Forum received a further report on 24 November 2022. At that point the Autumn Statement had been published and the additional funding being made available was known, however the split between the Schools Block and High Needs Block was not announced until the Provisional Local Government Finance Settlement was published on 19 December 2022.
- 49 The report to the Forum in November also outlined a proposal to request to disapply funding regulations in respect of Greenfield Community College, which has now ceased to be a split-site school and

will cease to receive funding through the formula in respect of being a split-site school and sharing facilities with a leisure centre. The disapplication request applies to the Minimum Funding Guarantee (MFG) calculation where this is no longer required. The school is aware of this and has no concerns about the request.

- 50 Members of the Forum agreed to note the report and supported the disapplication request.
- 51 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

- 52 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.
- 53 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.
- 54 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.
- 55 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.
- 56 In 2022/23 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 2022 School Census are shown below:

	R	Y1	Y2	Y3	Y4	Y5	Y6	Total
Framwellgate Moor Primary	46	43	44	45	44	32	30	284

57 The table above highlights the increase in pupils in the five year groups, admitted since the increase in the PAN. The school admissions to reception in September 2022 are above the PAN.

58 The capacity of schools in the planning area is 1,155 and the number on roll is 1,089. 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	154
Finchale Primary	30	7	210	210	213
Framwellgate Moor Primary	45	7	315	210	284
St. Godric's RC Primary	30	7	210	210	211
Blue Coat CE Junior	60	4	240	240	227
TOTAL			1,155	1,050	1,089

59 The increase in Framwellgate's PAN was 15 and this is the expected increase in numbers on roll from September 2023. For an increase of 15 pupils, the appropriate adjustment to numbers on roll is 7/12s of the increase, which would be 8.75 pupils. The council therefore intends to increase the October 2022 School Census pupil numbers for Framwellgate Moor Primary School by 8.75 for the purposes of determining the mainstream primary and secondary funding formula for 2023/24.

60 This adjustment is for one year only and the position will be reviewed again for 2024/25. Cabinet is recommended to agree to this adjustment.

Conclusion

61 The DfE has provided information about Schools Block funding for 2023/24. 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.

- 62 Nationally, core school funding, which includes the Schools Block and High Needs Block was due to increase in 2023/24 by £1.753 billion, representing a 3.5% increase on the funding made available in 2022/23.
- 63 In the 2022 Autumn Statement published on 17 November 2022 the Chancellor of the Exchequer announced that the core schools budget will increase by a further £2 billion in the 2023 to 2024 financial year, over and above the £1.753 billion announced earlier in the summer and referred to above. The local government financial settlement has subsequently confirmed that £1.451 billion of additional funding will be provided via the MSAG with an additional £0.400 billion to the High Needs Block.
- 64 In the 2023/24 financial year, mainstream schools will be allocated additional funding through the mainstream schools additional grant (MSAG). This is in addition to schools' allocations through the schools national funding formula.
- 65 Although allocations to individual schools will not be announced until May 2023, the council will be able to estimate these allocations once the 2023/24 school data is released.
- 66 At the point of drafting this report that data had not been released. The DfE has provided an indicative allocation of MSAG for schools in Durham and this would indicate that this will be circa £13 million. 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.
- 67 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.
- 68 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

- Autumn Statement, published 25 November 2022

- Provisional Local Government Finance Settlement, published 19 December 2022

Other useful documents

- None

Author(s)

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Appendix 1: Implications

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.

Nationally, core school funding, which includes the Schools Block and High Needs Block was due to increase in 2023/24 by £1.753 billion, representing a 2.8% increase on the funding made available in 2022/23.

In the 2022 Autumn Statement published on 17 November 2022 the Chancellor of the Exchequer announced that the core schools budget will increase by a further £2 billion in the 2023 to 2024 financial year, over and above the £1.753 billion announced earlier in the summer and referred to above. Details of the split between the Schools Block and High Needs Block was not announced until the Provisional Local Government Finance Settlement was published on 19 December 2022. Details of the split between the Schools Block and High Needs Block was announced in the Provisional Local Government Finance Settlement published on 19 December 2022.

A sum of £1.451 billion was allocated to schools through a mainstream schools additional grant (MSAG) with an additional £0.400 billion allocated to the High Needs Block. The additional funding being provided amounts to £1.851 billion rather than £2 billion.

The overall Schools Block allocation taking into account changes in pupil numbers between the October 2021 and October 2022 school censuses is shown in the table below. It is important to note that the additional £19.051 million detailed below includes £10.502 million of funding rolled into the School Block from the 2022/23 Supplementary Grant so the net increase in funding is circa £8.5 million:

	2022/23 allocation £ million	2023/24 allocation £ million	Change £ million
UF funding	345.214	364.320	19.105
Premises factor	6.063	6.106	0.043
Growth funding	1.731	1.634	(0.098)
Total Schools Block	353.009	372.059	19.051

The additional funding announced in the Autumn Statement will be allocated through the mainstream schools additional grant (MSAG) and will be in addition to schools' allocations through the schools national funding formula. The indicative allocation of MASG for Durham in 2023/24 is £13 million.

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 meetings on 28 September 2022 and 24 November 2022. A consultation document was made available to schools through the Schools Extranet, but no responses were received.

The Schools Forum raised no objections to the proposals and supported the disapplication request in respect of Greenfield Community College.

Equality and Diversity / Public Sector Equality Duty

A draft Equality Impact Assessment is attached at Appendix 3.

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. Where these are maintained schools, these will be managed in line with the Councils HR policies and procedures.

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	2022/23 formula NFF values £	2023/24 formula NFF values £	Percentage increase
Basic funding per pupil	Primary	3,217	3,394	5.5%
	KS3	4,536	4,785	5.5%
	KS4	5,112	5,393	5.5%
Deprivation	Free School Meals Entitlement (Primary)	470	480	2.1%
	Free School Meals Entitlement (Sec)	470	480	2.1%
	FSM6 (Primary)	590	705	19.5%
	FSM6 (Secondary)	865	1,030	19.1%
	IDACI Band F (Primary)	220	230	4.5%
	IDACI Band E (Primary)	270	280	3.7%
	IDACI Band D (Primary)	420	440	4.8%
	IDACI Band C (Primary)	460	480	4.3%
	IDACI Band B (Primary)	490	510	4.1%
	IDACI Band A (Primary)	640	670	4.7%
	IDACI Band F (Secondary)	320	335	4.7%
	IDACI Band E (Secondary)	425	445	4.7%
	IDACI Band D (Secondary)	595	620	4.2%
	IDACI Band C (Secondary)	650	680	4.6%
	IDACI Band B (Secondary)	700	730	4.3%
	IDACI Band A (Secondary)	890	930	4.5%
EAL	Primary	565	580	2.7%
	Secondary	1,530	1,565	2.3%
Mobility	Primary	925	945	2.2%
	Secondary	1,330	1,360	2.3%
LPA	Primary	1,130	1,155	2.2%
	Secondary	1,710	1,750	2.3%
Minimum per-pupil funding	Primary	4,265	4,405	3.3%
	Secondary	5,525	5,715	3.4%
Lump sum	Primary	121,300	128,000	5.5%
	Secondary	121,300	128,000	5.5%
Sparsity	Primary	55,000	56,300	2.4%
	Secondary	80,000	81,900	2.4%

Appendix 3: Equality Impact Assessment

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

Service/Team or Section	Financial Services, School Funding Team
Lead Officer	David Shirer
Title	Mainstream primary and secondary formula 2023/24
MTFP Reference (if relevant)	
Cabinet Date (if relevant)	18 January 2023
Start Date	1 April 2023
Review Date	

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 2026/27.

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:

NFF equalities impact assessment

(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 officers sign off: David Shirer	Date: November 2022
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

If you are unsure of potential impact, please contact the corporate research and equalities team for further advice at 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: Age															
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 2023-24 NFF (£ / pupil)</th> <th>Primary</th> <th>KS3</th> <th>KS4</th> </tr> </thead> <tbody> <tr> <td>Non-faith schools</td> <td>3,394</td> <td>4,785</td> <td>5,393</td> </tr> <tr> <td>Faith schools</td> <td>3,394</td> <td>4,785</td> <td>5,393</td> </tr> </tbody> </table>				Basic funding per pupil in 2023-24 NFF (£ / pupil)	Primary	KS3	KS4	Non-faith schools	3,394	4,785	5,393	Faith schools	3,394	4,785	5,393
Basic funding per pupil in 2023-24 NFF (£ / pupil)	Primary	KS3	KS4												
Non-faith schools	3,394	4,785	5,393												
Faith schools	3,394	4,785	5,393												

Protected Characteristic: Disability		
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: Marriage and civil partnership (workplace only)		
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: Pregnancy and maternity		
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?

Protected Characteristic: **Race (ethnicity)**

<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>
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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?
<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 overleaf</p>	<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</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?										
<p>shows funding per pupil from the 2022-23 formula, which is also based on the NFF:</p> <table border="1" data-bbox="209 546 619 898"> <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>eligible for additional needs factors in the 2022-23 formula.</p>	
	£/pupil											
Primary Secular	4,851											
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Secondary Faith	5,665											

Protected Characteristic: **Sex (gender)**

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>The formula does not differentiate between pupils on this basis and there are no single-sex schools affected by the formula</p>		<p>None</p>

Protected Characteristic: **Sexual orientation**

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: **Transgender**

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
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Sign Off

Lead officers sign off: School funding manager	Date: 3 Nov 22
Service equality representative sign off: E&D Team Leader	Date: 3 Nov 22

Please return the completed form to your service equality representative and forward a copy to 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%