

Cabinet

13 December 2023

**Mainstream Primary and Secondary
Formula Funding 2024/25**

Ordinary Decision



Report of Corporate Management Team

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

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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 2024/25, where the proposal is that the council continues to align the local mainstream primary and secondary formula funding in 2024/25 with the National Funding Formula.

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 to allocate funding to individual schools. There is a single formula that applies for both primary and secondary schools, both maintained and non-maintained (academies).

- 4 The DfE intends to replace local formulas by the National Funding Formula (NFF) no later than 2027/28. The NFF already exists and is currently used to determine allocations of Schools Block funding to each local authority. When the NFF replaces local formulas, it will be known as the Direct NFF.
- 5 Local formulas cannot fully replicate the NFF at this stage because Schools Block allocations make use of historic data, whereas local formulas use the most recent data.
- 6 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. Regulations also require local formulas to either mirror the NFF (matching it as closely as possible), or to move their formulas closer to the NFF from year to year in the lead up to 2027/28.
- 7 The local formula in Durham in 2023/24 is already aligned to the National Funding Formula (NFF).
- 8 Initial information in relation to funding levels for 2024/25 was published by the Department for Education (DfE) in July 2023, but was revised in October 2023, to correct an error in the pupil numbers used in the original funding announcements.
- 9 The DfE adjusted for this error by continuing with the same funding envelope, but reducing funding per pupil, so that the increased (correct) pupil numbers could be funded from within the funding envelope originally announced.
- 10 Nationally, core school funding, which includes the Schools Block and High Needs Block will increase in 2024/25 to £59.6 billion, representing a 2.7% (£1.6 bn) increase on the funding made available in 2023/24.
- 11 A separate grant, the Teachers Pay Additional Grant, is being paid from September 2023 until the end of the 2024/25 financial year. This will provide £1.3 billion of additional funding.
- 12 For 2024/25 it is recommended that the council continues to set a local formula that is aligned to the NFF.
- 13 The local formula factor values will be finalised in January, following confirmation of funding and the receipt of schools data from the DfE. The full local formula will be included in the MTFP(14) and 2024/25 budget report in February 2024.

- 14 The council is planning to use growth funding to support one school experiencing basic need growth in pupil numbers (Framwellgate Primary).

Recommendation(s)

- 15 Cabinet is recommended to:
- (a) agree that in 2024/25 the local formula continues to be aligned to the National Funding Formula;
 - (b) note that the formula factors will be finalised upon receipt of the finance settlement, including funding and school data, which will be used to set the local formula according to the approach agreed in (a);
 - (c) agree to the adjustment for basic need growth funding for Framwellgate Primary School in 2024/25 and note that this is the last year this adjustment will be required; and
 - (d) note that the detailed formula will be included in the MTFP(14) and 2024/25 budget report in February 2024.

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, whose funding is outside the scope of this report.
- 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 Government's intention is to replace local formulas with the NFF so that for all schools in England formula allocations will be determined using the NFF. This is known as the Direct NFF.
- 19 The NFF already exists but is only used in determining allocations of funding to local authority Schools Blocks. These allocations use historic data. Local formulas use more recent data and this means that the funding allocated through the Schools Block does not allow local formulas to fully replicate the NFF.
- 20 Direct NFF allocations to individual schools is likely to replace local formulas in 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.
- 21 As part of the planning for implementation of the direct NFF, local formulas that do not already closely align to the NFF are required to increase their alignment, and all local formulas 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.
- 22 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 2023/24 formula is categorised by the ESFA as one that mirrors the NFF.
- 23 Most of the factors in the NFF and in the local formulas are pupil-led factors; a basic amount per pupil and formula factors for disadvantaged

pupils. The formula factors also include school-led factors: a lump sum per school and a lump sum for schools in sparsely populated areas. Formulas also include and some premises-related costs, including business rates. The formula factors used, and the factor values (£/pupil or £/school) applied can be different for primary and secondary but must be applied consistently across all schools in that phase.

- 24 The formula also guarantees schools a minimum amount per pupil and includes protection to ensure minimum increases in funding per pupil year-on-year.
- 25 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.
- 26 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.
- 27 Formula funding uses data from the October school census and is not updated for changes in pupil numbers during the year. This means that the pupil numbers used for funding for maintained schools is seven months old and is eleven months old for academies. This benefits / protects schools with falling pupil numbers, who have time to adjust their spending before funding is reduced but means that schools with rising pupil numbers face unfunded cost pressures in the short term.

Schools Block funding for 2024/25

- 28 Information about national funding for 2024/25 was released on 17 July 2023 and was revised on 6 October 2023. The main points from the July announcement 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 to £59.6 billion in 2024/25, which is a 2.7% increase on 2023/24. The increase of 2.7% includes a general increase of 2.4%, as well as additional funding to replace the Mainstream Schools Additional Grant (MSAG) that is being provided in 2023/24 to assist with the cost of teachers pay awards and other rising costs. The adjustment for MSAG means that this funding is now rolled into the Schools Block and becomes part of baseline funding for future years.
 - (b) The minimum per pupil funding guaranteed through the formula increased by 2.4% to £4,655 per primary pupil and £6,050 per

secondary pupil, compared to £4,405 and £5,715 in the current year.

- (c) The NFF Funding Floor, which guarantees that pupil-led funding per pupil increases by a minimum percentage year-on-year, remains at 0.5% for 2024/25. 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 2024/25 must guarantee an increase in the range 0.0% to 0.5%, which is the same range as in the current year.
- 29 A table showing the factors included in the July version of the NFF and comparing the 2023/24 and 2024/25 rates of funding, is included in Appendix 2.
- 30 Also announced in July was a new grant, the Teachers Pay Additional Grant (TPAG) which is being provided to mainstream, special and alternative provision schools from September 2023. For the seven months from September 2023 to March 2024, £482.5 million will be distributed. For 2024/25, £827.5 million will be provided. In total, the TPAG will be £1.310 billion across the current and next financial year.
- 31 In 2023/24, allocations of TPAG for academies and maintained schools in County Durham totals £4.3 million, with £7.4 million of TPAG forecast to be received in 2024/25.
- 32 TPAG allocations are based on factors in the NFF. TPAG will be absorbed in the NFF from 2025/26, which will result in additional funding through local formulas from April 2025 for maintained schools and September 2025 for academies: academies will continue to receive TPAG from April to August 2025, when they will still be funded through the 2024/25 local formulas.
- 33 On 6 October 2023, the DfE published revised information about Schools Block funding and the NFF.
- 34 The revision to the formula funding announced in October was because of an error (omission) in pupil numbers used to prepare the funding announced in July.
- 35 When the error was corrected (missing pupils numbers added) to the DfE's estimate of the cost of funding for 2024/25, the revised cost exceeded the available funding envelope by £370 million.
- 36 To address this, the DfE has chosen to retain the original funding envelope, which means that funding per pupil has reduced compared to

that announced in July 2023. This has been put into effect by reducing the amounts per pupil and per school in the NFF formula factor values.

- 37 The NFF does not directly determine formula funding for schools or academies but is used in determining funding allocations to local authorities. The NFF is also the basis of local formula values for authorities, like Durham, whose formula mirrors the NFF. The revisions to NFF values from July to October are shown in Appendix 3.
- 38 Care should be taken about assuming that schools will have less funding next year than they would have had if the pupils had not been missed in July. It cannot be said with certainty whether the funding envelope would have been higher had these pupils been included in the original estimates.
- 39 Notwithstanding this consideration, modelling has been undertaken to assess the significance of the revisions to NFF values for schools, using data from the October 2022 school census. This gives an indication of how significant the reduction in NFF values is likely to be when actual funding for 2024/25 is determined. Funding for 2024/25 will be allocated using data from the October 2023 school census.
- 40 Note that references to reduced funding are to how much less funding is likely to be allocated when the 2024/25 formula is finalised and are not references to reductions in actual funding. The formula will not be finalised until February 2024 but whatever funding is allocated to schools will be less than would have been allocated had the NFF values not been reduced in October 2023.
- 41 Modelling indicates that the revisions are likely to mean a reduction in funding per pupil of around 1%. The total reduction in funding available is around £3.7 million, from £390 million, to £386.3 million. On average, this is a reduction of around £60 per primary pupil and £65 per secondary pupil. The average total reduction per school is £9,000 per primary school and £58,000 per secondary school. More detail on reductions per school is included in the table below:

Reduction in funding	Per primary school £	Per secondary school £
Minimum	-	19,000
Average	9,000	58,000
Maximum	26,000	95,000
Upper quartile	11,000	71,000
Lower quartile	6,000	47,000

- 42 The minimum reduction for primary in the table is zero because one school would be in receipt of protection through the MFG in both scenarios. The MFG is largely based on the previous year's funding and is not significantly affected by the revised NFF values. The next lowest reduction for a primary school is £2,000.
- 43 The upper quartile means that a quarter of the schools have a reduction above the quoted figure and the lower quartile means that a quarter of the schools have a reduction below the quoted figure. There are 211 primary schools and 30 secondary schools in County Durham.

Local funding formula for Durham

- 44 The local formula is determined by Cabinet, following consultation with schools and the Schools Forum.
- 45 The local formula in Durham for 2023/24 mirrored the NFF, meaning 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.
- 46 If Cabinet agreed to set the 2024/25 formula to mirror the NFF, it would be based on the NFF values, shown in Appendix 3, but adjusted to match the allocations to the funding available.
- 47 In considering setting the local formula for 2024/25, 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 from year-to-year.
- 48 The Schools Forum considered a report on the 2024/25 formula in September 2023 and did not raise any objections to continuing to align the local formula to the NFF. Schools were invited to comment on the formula in a news item on the Schools Portal on 7 November 2023. No responses were received.
- 49 The Forum received a further report on 23 November 2023, which included an update on the revisions to funding announced in October 2023. There were no further comments on the proposals.
- 50 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

- 51 The DSG allocation includes an element for growth, based on the numbers of pupils in areas where pupil numbers are increasing. This funding is not ring-fenced and if not used for growth is allocated through the wider formula.
- 52 Growth funding can be used to provide additional funding to supplement formula funding in limited circumstances:
- (a) Where schools are admitting extra pupils to address a shortage of school places (basic need);
 - (b) Where a new school incurs set-up costs, or experiences diseconomies of scale, because it is not operating at full capacity; or
 - (c) Where schools need to set up additional classes to comply with infant class size regulations.
- 53 Schools that are growing because they are becoming more popular with parents are not eligible for growth funding and have to manage increasing pupil numbers within their lagged funding. Lagged funding provides a cushion for schools that are reducing in size, because their funding does not reduce immediately when numbers on roll reduce, which allows them time to adjust to reduced funding.
- 54 For schools that are growing to meet a basic need for places, growth funding is used because lagged funding does not take account of increases in pupil numbers at the start of the academic year. Where a school has agreed to admit extra pupils, this usually means that their number on roll increases from the start of the academic year in September, but this is not taken into account in their formula funding until the following April (for a maintained school), or September (for an academy).
- 55 Growth funding can be used to support schools either through a growth fund set aside from the DSG allocation for formula funding, or by adjusting the pupil numbers used in allocating formula funding to individual schools.
- 56 In recent years, the council has provided growth funding for Framwellgate Moor Primary, which increased its Published Admission Number (PAN) from September 2018. There would have been a shortage of places in the local area if this school had not agreed to increase its PAN. The expected admissions to this school in September 2024 are 45 and growth funding will be provided on the basis of an additional 15 pupils admitted over the old PAN, for seven months,

equivalent to an additional 8.75 pupils. This will be the last year in which an adjustment will be required for this school.

- 57 The council has not identified any other schools for which growth funding would be appropriate, however, a growth fund can be used as a holding fund for any adjustments required after the DfE has scrutinised the local formula, and the Forum agrees to set up a growth fund to be available should this be required for adjustments required by the DfE. The Forum agreed to the setting up of a growth fund at its meeting on 23 November 2023, including the allocation to Framwellgate Moor Primary to meet legacy commitments.

Equality Impact Assessment

- 58 An Equality Impact Assessment has been prepared and is attached at Appendix 4.
- 59 In line with previous year's assessments, with the exception of age, the formula does not differentiate according to any of the protected characteristics from an Equality Act perspective.
- 60 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.
- 61 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.
- 62 Where funding reduces from year-to-year schools will continue to be supported to understand the implications, to forecast any budget shortfall and to identify appropriate savings that can be made to balance the budget. Where a staff restructuring is necessary schools will also continue to be supported through this process.

Conclusion

- 63 The DfE has provided information about Schools Block funding for 2024/25. 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.

- 64 This report sets out information about school funding and recommends that the council continues to align the local formula in Durham to the National Funding Formula, (NFF), which is expected to replace local formulas by no later than 2027/28.
- 65 The DfE published information about funding in July this year, including overall funding and the NFF values for 2024/25. Subsequently, the DfE discovered that there was an error in the modelling used to determine NFF values. The error was in the number of pupils used in modelling, which had omitted some pupils in error and was therefore too low. A revision was published in October, which used the same overall funding envelope, but increased the number of pupils to reflect the correct numbers, which meant that the NFF values reduced from those published in July.
- 66 Nationally, core school funding, which includes the Schools Block and High Needs Block is due to increase in 2024/25 to £59.6 billion, representing a 2.7% (£1.6 billion) increase on the funding made available in 2023/24. The increase in funding per pupil announced in July was 2.4%, which has reduced to 1.4% following the revision in October. The revision means that schools' formula funding in 2024/25 will be less than it would have been using the NFF values announced in July 2023.
- 67 The DfE has continued its practice in recent years of supplementing the funding in the Schools Block with a separate grant, which is subsequently rolled into the Schools Block. Rolling grants into the Schools Block means that they become part of the baseline for future years, against which changes in funding are measured. For 2024/25, the Schools Block includes the funding used in 2023/24 for the Mainstream Schools Additional Grant. From September 2023, schools will receive the Teachers Pay Additional Grant, which will continue in 2024/25 before being rolled into the Schools Block in 2025/26.
- 68 The increase in funding includes the funding that was provided as the Mainstream Schools Additional Grant (MSAG) in 2023/24. Without this, the general increase in funding would be 2.4%. Schools will also receive a Teachers Pay Additional Grant in 2024/25 (c£1.3 billion of additional funding), which will be incorporated into the Schools Block from 2025/26. When grants that were provided separately are incorporated into the Schools Block, they become part of the baseline funding that it rolled forward each year; separate grants are subject to decisions about whether they should continue.
- 69 The NFF is used to determine allocations of funding to local authorities, but local authorities then set their own formulas, within the restrictions imposed by school funding regulations. In line with the DfE's intention to

replace local formulas with the NFF, local formulas are required to either mirror the NFF or move closer towards mirroring the NFF. Increased alignment will reduce the risk of funding turbulence for schools when the NFF replaces local formulas.

- 70 The local formula in Durham already mirrors to the NFF and there is very limited scope to change this. Accordingly, the recommendation in this report is to continue to mirror the NFF. The local formula cannot mirror the NFF exactly but can be set to be as close as possible. The final version of the formula will be determined in January, following the receipt of school data from the DfE and confirmation of funding, both of which are expected around the same time as the local government finance settlement.
- 71 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

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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 formulas 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 will increase in 2024/25 to £59.6 billion, representing a 2.7% (c£1.6 billion) increase on the funding made available in 2023/24. This includes funding that was formerly provided as the separate Mainstream Schools Additional Grant.

Schools will also receive a Teachers Pay Additional Grant in 2024/25, circa £1.3 billion of additional funding, which will be incorporated into the Schools Block from 2025/26.

Locally, core school funding, which includes the Schools Block and High Needs Block is expected to rise in 2024/25 to circa £485 million, a 2.1% (circa £10 million) increase on the funding made available in 2023/24. Schools on County Durham will also receive a Teachers Pay Additional Grant of circa £7.4 million of additional funding in 2024/25.

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 27 September 2023 and 23 November 2023. A consultation document was made available to schools through the Schools Extranet.

Equality and Diversity / Public Sector Equality Duty

A draft 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. 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: 2023/24 to July 2023

Formula factors	23-24 NFF Formula values £	Added for MSAG £	Total with MSAG added £	General Increase in Formula values £	24-25 NFF Formula values (July 2023) £	Change in Formula values excluding MSAG %
Basic funding per pupil						
Primary	3,394	119	3,513	84	3,597	2.39%
KS3	4,785	168	4,953	119	5,072	2.40%
KS4	5,393	190	5,583	134	5,717	2.40%
Deprivation						
FSM (Primary)	480		480	10	490	2.08%
FSM (Secondary)	480		480	10	490	2.08%
FSM6 (Primary)	705	104	809	21	830	2.60%
FSM6 (Secondary)	1,030	152	1,182	28	1,210	2.37%
IDACI Band F (Primary)	230		230	5	235	2.17%
IDACI Band E (Primary)	280		280	5	285	1.79%
IDACI Band D (Primary)	440		440	10	450	2.27%
IDACI Band C (Primary)	480		480	10	490	2.08%
IDACI Band B (Primary)	510		510	10	520	1.96%
IDACI Band A (Primary)	670		670	15	685	2.24%
IDACI Band F (Secondary)	335		335	10	345	2.99%
IDACI Band E (Secondary)	445		445	10	455	2.25%
IDACI Band D (Secondary)	620		620	15	635	2.42%
IDACI Band C (Secondary)	680		680	15	695	2.21%
IDACI Band B (Secondary)	730		730	20	750	2.74%
IDACI Band A (Secondary)	930		930	20	950	2.15%
English as an Additional Language						
Primary	580		580	15	595	2.59%
Secondary	1,565		1,565	40	1,605	2.56%
Mobility						
Primary	945		945	25	970	2.65%
Secondary	1,360		1,360	35	1,395	2.57%
Low Prior Attainment						
Primary	1,155		1,155	30	1,185	2.60%

Formula factors	23-24 NFF Formula values £	Added for MSAG £	Total with MSAG added £	General Increase in Formula values £	24-25 NFF Formula values (July 2023) £	Change in Formula values excluding MSAG %
Secondary	1,750		1,750	40	1,790	2.29%
Minimum per-pupil Funding						
Primary	4,405	143	4,548	107	4,655	2.35%
KS3	5,503	186	5,689	135	5,824	2.37%
KS4	6,033	208	6,241	148	6,389	2.37%
Lump Sum						
Primary	128,000	4,510	132,510	3,190	135,700	2.49%
Secondary	128,000	4,510	132,510	3,190	135,700	2.49%
Sparsity						
Primary	56,300		56,300	1,400	57,700	2.49%
Secondary	81,900		81,900	2,000	83,900	2.44%

Appendix 3: National Funding Formula (NFF) factors: July 2023 to October 2023

Formula factors	24-25 NFF Formula values July 2023 £	Reduction in values £	24-25 NFF Formula values October 2023 £
Basic funding per pupil			
Primary	3,597	35	3,562
KS3	5,072	50	5,022
KS4	5,717	56	5,661
Deprivation			
FSM (Primary) (see note)	490	-	490
FSM (Secondary) (see note)	490	-	490
FSM6 (Primary)	830	10	820
FSM6 (Secondary)	1,210	10	1,200
IDACI Band F (Primary) (see note)	235	-	235
IDACI Band E (Primary) (see note)	285	-	285
IDACI Band D (Primary)	450	5	445
IDACI Band C (Primary)	490	5	485
IDACI Band B (Primary)	520	5	515
IDACI Band A (Primary)	685	5	680
IDACI Band F (Secondary)	345	5	340
IDACI Band E (Secondary)	455	5	450
IDACI Band D (Secondary)	635	5	630
IDACI Band C (Secondary)	695	5	690
IDACI Band B (Secondary)	750	10	740
IDACI Band A (Secondary)	950	5	945
English as an Additional Language			
Primary	595	5	590
Secondary	1,605	20	1,585
Mobility			
Primary	970	10	960
Secondary	1,395	15	1,380
Low Prior Attainment			
Primary	1,185	15	1,170

Formula factors	24-25 NFF Formula values July 2023 £	Reduction in values £	24-25 NFF Formula values October 2023 £
Secondary	1,790	15	1,775
Minimum per-pupil Funding			
Primary	4,655	45	4,610
KS3	5,824	53	5,771
KS4	6,389	58	6,331
Lump Sum			
Primary	135,700	1,300	134,400
Secondary	135,700	1,300	134,400
Sparsity			
Primary	57,700	600	57,100
Secondary	83,900	900	83,000
Split sites			
Basic lump sum	54,300	600	53,700
Distance lump sum	27,100	200	26,900

Notes

There is no change to FSM; this is intended to cover the typical cost of providing a free meal and is index-linked.

There is also no change to the primary IDACI bands F and E; this is probably because the changes for additional pupil needs have been rounded to the nearest £5 and a 1% reduction would have been less than £5.

Appendix 4: 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 2024/25
MTFP Reference (if relevant)	
Cabinet Date (if relevant)	13 December 2023
Start Date	1 April 2024
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 15 to 17)

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: 9 November 2023
Service equality representative sign off: Mary Gallagher	Date: 15 November 2023

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, because of the increasing breadth and complexity of the curriculum, which requires more subject experts and specialist teaching facilities. Examination fees are also incurred for KS4.		None																
<table border="1"> <thead> <tr> <th>Basic funding per pupil in 2023-24 NFF</th> <th>Primary</th> <th>KS3</th> <th>KS4</th> </tr> </thead> <tbody> <tr> <td>(£ / pupil)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Non-faith schools</td> <td>3,398.80</td> <td>4,791.77</td> <td>5,400.63</td> </tr> <tr> <td>Faith schools</td> <td>3,398.80</td> <td>4,791.77</td> <td>5,400.63</td> </tr> </tbody> </table>				Basic funding per pupil in 2023-24 NFF	Primary	KS3	KS4	(£ / pupil)				Non-faith schools	3,398.80	4,791.77	5,400.63	Faith schools	3,398.80	4,791.77	5,400.63
Basic funding per pupil in 2023-24 NFF	Primary	KS3	KS4																
(£ / pupil)																			
Non-faith schools	3,398.80	4,791.77	5,400.63																
Faith schools	3,398.80	4,791.77	5,400.63																

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>5,271</td> </tr> <tr> <td>Primary Faith</td> <td>5,103</td> </tr> <tr> <td>Secondary Secular</td> <td>6,569</td> </tr> <tr> <td>Secondary Faith</td> <td>6,139</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	5,271	Primary Faith	5,103	Secondary Secular	6,569	Secondary Faith	6,139	<p>eligible for additional needs factors in the 2022-23 formula.</p>	
	£/pupil											
Primary Secular	5,271											
Primary Faith	5,103											
Secondary Secular	6,569											
Secondary Faith	6,139											

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: David Shirer - School Funding Manager	Date: 9 Nov 23
Service equality representative sign off: Mary Gallagher – Equality and Diversity	Date: 15 Nov 23

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)	36.64%	21.40%	-15.24%
	Free School Meals Entitlement (Secondary)	32.17%	19.44%	-12.73%
	FSM6 (Primary)	37.28%	21.84%	-15.45%
	FSM6 (Secondary)	35.16%	21.45%	-13.71%
	IDACI Band F (Primary)	13.79%	13.31%	-0.47%
	IDACI Band E (Primary)	18.58%	10.47%	-8.11%
	IDACI Band D (Primary)	11.49%	8.26%	-3.22%
	IDACI Band C (Primary)	8.89%	6.06%	-2.83%
	IDACI Band B (Primary)	10.01%	7.40%	-2.61%
	IDACI Band A (Primary)	6.72%	5.30%	-1.42%
	IDACI Band F (Secondary)	13.59%	16.17%	2.58%
	IDACI Band E (Secondary)	16.23%	13.19%	-3.05%
	IDACI Band D (Secondary)	10.09%	12.96%	2.87%
	IDACI Band C (Secondary)	7.90%	6.91%	-1.00%
	IDACI Band B (Secondary)	9.40%	6.77%	-2.63%
	IDACI Band A (Secondary)	6.23%	4.36%	-1.87%
English as an Additional Language	Primary	1.94%	2.90%	0.96%
	Secondary	0.68%	0.94%	0.26%
Mobility	Primary	0.67%	0.39%	-0.29%
	Secondary	0.07%	0.00%	-0.07%
Low Prior Attainment	Primary	29.18%	25.12%	-4.06%
	Secondary	21.29%	17.88%	-3.41%