

Cabinet

15 January 2025

**Mainstream Primary and Secondary
Formula Funding 2025/26**

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 2025/26, where the proposal is that the council continues to align the local mainstream primary and secondary formula funding in 2025/26 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 2024/25 mirrors the NFF.
- 8 Initial information in relation to funding levels for 2025/26 was published by the Department for Education (DfE) in November 2024.
- 9 Nationally, core school funding, which includes the Schools Block and High Needs Block will increase in 2025/26 to £63.9 billion, representing a 3.6% (£2.6 bn) increase on the funding made available in 2024/25.
- 10 For 2025/26 it is recommended that the council continues to set a local formula that is aligned to the NFF.
- 11 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(15) and 2025/26 budget report in February 2025.

Recommendation(s)

- 12 Cabinet is recommended to:
 - (a) agree that in 2025/26 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) note that the detailed formula will be included in the MTFP(15) and 2025/26 budget report in February 2025.

Background

- 13 The Schools Block is part of the Dedicated Schools Grant and is the main source of funding for mainstream primary and secondary funding formulas.
- 14 Schools Block allocations are based on amounts per pupil, with additions for premises-related costs and an allowance for growth adjustments.
- 15 Local authorities use Schools Block allocations to fund local funding formulas, which 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, whose funding is outside the scope of this report.
- 16 Current Government policy is to replace local formulas with the National Funding Formula (NFF), so that for all schools in England formula allocations will be determined using the NFF. This is known as the Direct NFF.
- 17 The NFF already exists but is only used in determining the amounts per pupil used for Schools Block allocations. When used in this way, the NFF makes use of 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.
- 18 Although funding formulas are set locally, 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.
- 19 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 DfE wishes to minimise funding turbulence for schools when the direct NFF replaces local formulas. The DfE refers to local formulas that are closely aligned to the NFF as 'mirroring' the NFF.
- 20 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 direct NFF was introduced, and was as closely aligned as possible from 2021/22. Durham's 2024/25 formula is categorised by the ESFA as one that mirrors the NFF.

- 21 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.
- 22 The formula also guarantees schools a minimum amount per pupil and includes transitional protection for schools whose funding per pupil changes from year-on-year.
- 23 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.
- 24 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.
- 25 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 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 2025/26

- 26 Information about national funding for 2025/26 was released on 28 November 2024. The main points from the announcement are summarised below:
 - (a) The core schools budget, will increase by £2.3 billion to £63.9 billion in 2025/26, which is a 3.7% increase on 2024/25.
 - (b) The core schools budget funds the Schools Block, and also provides funding for High Needs (for pupils with Special Educational Needs and Disabilities), the Pupil Premium and funding to local authorities for central school services.
 - (c) Core schools budget funding for the Schools Block has increased by around £1 billion, equal to 2.23%, which includes 1.28% increase to support the 2024/25 teacher and support staff pay

awards. The increase for the pay awards was provided as separate grants in 2024/25, but is now rolled into the Schools Block and becomes part of baseline funding for future years. After deducting the amounts included for the 2024/25 pay awards, the net increase in funding is 0.97%.

- (d) The NFF Funding Floor, which guarantees that pupil-led funding per pupil increases by a minimum percentage year-on-year, is set at 0% for 2025/26. This is a reduction compared to 2024/25, when the floor was a guaranteed increase of 0.5%.
 - (e) The Funding Floor is not used in local formulas, which instead use the Minimum Funding Guarantee (MFG), which provides a similar level of protection. For 2025/26 the MFG must be in the range -0.5% to 0.0%, which is a reduction from 2024/25 when the range was 0.0% to 0.5%.
- 27 The announcements by the DfE also included the funding rates used in the 2025/26 NFF, which if the council continues to align the local formula to the NFF, will form the basis for the funding rates in the local formula. Funding rates are amounts per pupil or per school. The funding rates in the final version of the local formula, if aligned to the NFF, would be adjusted so that the funding through the formula allocated matched the funding allocated through the Schools Block.
- 28 The NFF funding rates have increased to take account of rolling in the funding for the 2024/25 pay awards, and on top of this have increased by around 0.5%. Modelling using 2024/25 data suggests that the increases in the local formula could be higher than this. It will not be possible to do more modelling until the 2025/26 data is released later this month.
- 29 A table showing the factors included in the November version of the NFF and comparing the 2024/25 and 2025/26 rates of funding, is included in Appendix 2.

Local funding formula for Durham

- 30 The local formula is determined by Cabinet, following consultation with schools and the Schools Forum. Delays to announcements about funding for 2025/26, following the election in July, have limited the ability of the council to consult about the formula. A briefing note has been circulated to Forum members and shared with schools and academies on the Schools Portal.
- 31 As already noted, the local formula in Durham for 2024/25 mirrored the NFF, meaning that the factor values were as close to the values in the NFF as possible. Funding regulations will not permit the council to set a

2025/26 formula that does not mirror the NFF and this report recommends that Cabinet agree to continue with the policy of aligning the local formula to the NFF.

Growth funding

- 32 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.
- 33 In recent years this funding has been used to support Framwellgate Primary School, which increased its admission limit at the request of the council. This support is no longer required and there are no schools where growth funding support would be appropriate for 2025/26.

Equality Impact Assessment

- 34 An Equality Impact Assessment has been prepared and is attached at Appendix 3.
- 35 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.
- 36 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.
- 37 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.
- 38 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

- 39 The DfE has provided information about the funding of the Dedicated Schools Grant's Schools Block for 2025/26, and also about mainstream

primary and secondary funding formulas for 2025/26. These formulas are set locally, but must comply with DfE requirements and are the main source of funding for mainstream primary and secondary schools.

- 40 This report summarises the information provided by the DfE 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. This is in line with DfE requirements and past policy in Durham.

Background papers

- None

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 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 shared with Schools Forum and 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 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: 2024/25

		2024-25 NFF values	24-25 TPAG	24-25 TPECG	24-25 CSBG (7/12s of full-year)	24-25 CSBG (5/12s of full year)	25-26 general increase	2025-26 formula	25-26 general increase
		£/pupil or school	£/pupil or school	£/pupil or school	£/pupil or school	£/pupil or school	£/pupil or school	£/pupil or school	%
Basic funding per pupil (£/pupil)	Primary	3,562.00	62.00	75.00	76.00	51.00	21.00	3,847.00	0.59%
	KS3	5,022.00	86.00	106.00	108.00	71.00	29.00	5,422.00	0.58%
	KS4	5,661.00	98.00	119.00	122.00	80.00	33.00	6,113.00	0.58%
Deprivation (£/pupil)	Free School Meals (Primary)	490.00					5.00	495.00	1.02%
	Free School Meals (Secondary)	490.00					5.00	495.00	1.02%
	FSM6 (Primary)	820.00	53.00	65.00	70.00	45.00	7.00	1,060.00	0.85%
	FSM6 (Secondary)	1,200.00	77.00	100.00	100.00	68.00	10.00	1,555.00	0.83%
	IDACI Band F (Primary)	235.00					-	235.00	-
	IDACI Band E (Primary)	285.00					-	285.00	-
	IDACI Band D (Primary)	445.00					-	445.00	-
	IDACI Band C (Primary)	485.00					5.00	490.00	1.03%
	IDACI Band B (Primary)	515.00					5.00	520.00	0.97%
	IDACI Band A (Primary)	680.00					5.00	685.00	0.74%
	IDACI Band F (Secondary)	340.00					-	340.00	-
	IDACI Band E (Secondary)	450.00					-	450.00	-
	IDACI Band D (Secondary)	630.00					5.00	635.00	0.79%
	IDACI Band C (Secondary)	690.00					5.00	695.00	0.72%
	IDACI Band B (Secondary)	740.00					5.00	745.00	0.68%
IDACI Band A (Secondary)	945.00					5.00	950.00	0.53%	
EAL (£/pupil)	Primary	590.00					5.00	595.00	0.85%
	Secondary	1,585.00					10.00	1,595.00	0.63%
Mobility (£/pupil)	Primary	960.00					5.00	965.00	0.52%
	Secondary	1,380.00					5.00	1,385.00	0.36%
LPA (£/pupil)	Primary	1,170.00					5.00	1,175.00	0.43%
	Secondary	1,775.00					10.00	1,785.00	0.56%
Lump sum (£/school)		134,400.00	2,306.00	2,800.00	2,900.00	1,915.00	779.00	145,100.00	0.58%
Sparsity (£/school)	Primary	57,100.00					300.00	57,400.00	0.53%
	Secondary	83,000.00					400.00	83,400.00	0.48%
Split-site lump sums	Basic	53,700.00					300.00	54,000.00	0.56%
	Distance	26,900.00					100.00	27,000.00	0.37%
Minimum Per Pupil Funding (£/pupil)	Primary	4,610.00	257.00			62.00	26.00	4,955.00	0.56%
	Secondary	5,995.00	350.00			83.00	37.00	6,465.00	0.62%

Notes

FSM6 is for pupils who have been recorded as being eligible for a Free School Meal in at least one school census in the past six years.

IDACI is the Income Deprivation Affecting Children Index. Band A is the most deprived.

Mobility provides funding for schools with significant in-year admissions.

There is no change to some of the IDACI bands; 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 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 2024/25
MTFP Reference (if relevant)	
Cabinet Date (if relevant)	January 2025
Start Date	1 April 2025 – EIA completed December 202
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. Currently, 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 17 to 19)

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
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:	Date:
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	<p>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.</p> <p>Basic funding per pupil is the same for both secular and faith schools.</p>		None												
<table border="1"> <thead> <tr> <th>Basic funding per pupil in 2025-26 National Funding Formula (£ / pupil)</th> <th>Primary</th> <th>KS3</th> <th>KS4</th> </tr> </thead> <tbody> <tr> <td>Non-faith schools</td> <td>3,847</td> <td>5,422</td> <td>6,113</td> </tr> <tr> <td>Faith schools</td> <td>3,847</td> <td>5,422</td> <td>6,113</td> </tr> </tbody> </table>				Basic funding per pupil in 2025-26 National Funding Formula (£ / pupil)	Primary	KS3	KS4	Non-faith schools	3,847	5,422	6,113	Faith schools	3,847	5,422	6,113
Basic funding per pupil in 2025-26 National Funding Formula (£ / pupil)	Primary	KS3	KS4												
Non-faith schools	3,847	5,422	6,113												
Faith schools	3,847	5,422	6,113												

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		

Protected Characteristic: Race (ethnicity)		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
<p>Limited positive impact</p> <p>The 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 formula includes a mobility factor, which is potentially relevant to Gypsy/Roma pupils and pupils of Irish traveller heritage.</p>	<p>The formula includes factors which provide for additional needs relevant to race / ethnicity</p>	<p>None</p>

Protected Characteristic: Religion or belief		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
<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 shows funding per pupil:</p>	<p>More details are provided in Appendix A.</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?

	£/pupil
Primary Secular	5,561
Primary Faith	5,408
Secondary Secular	6,906
Secondary Faith	6,494

This is a result of applying the formula, which applies equally to all schools, regardless of whether they are secular or faith schools. Differences in funding per pupil are a result of differences in the characteristics of these schools, which are not a result of religion or belief.

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?

The formula does not differentiate between pupils on this basis and there are no single-sex schools affected by the formula.

None

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?
The formula does not differentiate between pupils on the basis of their orientation.		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?
The formula does not differentiate between pupils on the basis of their gender.		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 and differences are due to differences between schools which are not related to religion or belief.

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

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

No impact expected

Action Plan

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

Review

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

N

Sign Off

Lead officers sign off: School funding manager	Date: 05.12.24
Service equality representative sign off: Equality and Diversity Ream Leader, Corporate Affairs	Date: 05.12.24

Please return the completed form to your service equality representative and forward a copy to equalities@durham.gov.uk

Appendix A: Comparison of funding between secular and faith Schools

1. There is no difference between the way that the formula funds secular schools and faith schools, but the application of the formula results in overall funding per pupil being less for faith schools than secular schools.
2. For factors based on pupil number, the difference in funding per pupil is because although the same rates of funding per pupil are used for both categories of school, not all pupils attract funding through every formula factor and the proportions that do are different for secular and faith schools. For factors based on funding per school the same funding per school converts into different funding per pupil depending on the number of pupils on roll.
3. Other factors allocate funding according to school-specific circumstances, which vary from school-to-school.
4. The table below summarises the differences, (figures are rounded to the nearest Pound):

2024-25 Funding Formula Funding per Pupil	24-25 Secular Primary £	24-25 Faith Primary £	24-25 Faith less Secular Primary £	24-25 Secular Secondary £	24-25 Faith Secondary £	24-25 Faith less Secular Secondary £
Basic funding per pupil	3,561	3,561	-	5,266	5,265	-1
Additional pupil needs	1,162	846	-316	1,348	1,081	-267
MPPL	2	22	20	-	-	-
Lump Sum	712	910	197	155	123	-32
Sparsity	26	31	5	5	-	-5
NNDR	89	39	-50	48	26	-22
PFI	3	-	-3	79	-	-79
Split-site	8	-	-8	4	-	-4
MFG	-2	-	2	2	-	-2
Total	5,561	5,408	-153	6,906	6,494	-412

5. Basic funding per pupil is the same for both secular and faith schools, which implies that there should be no difference in funding per pupil. This is the case for primary, but is not the case for secondary, because there is a difference in the amount per pupil between Key Stage 3 and Key Stage 4 and there is a difference in the proportions of pupils in KS3 and KS4 between secular and faith schools:

Proportion of secondary pupils in key stages	Secular	Faith
KS3	61.52%	61.66%
KS4	38.48%	38.34%

6. Faith schools have a slightly higher proportion of pupils in Key Stage 3, but secular schools have a slightly higher proportion in Key Stage 4, which has a higher rate of funding per pupil. The combination of these two differences is the reason why secular secondary schools receive slightly more funding per pupil.
7. The biggest differences in funding per pupil are for additional pupil needs factors. These provide additional funding according to the numbers of pupils with characteristics linked to a higher probability that pupils will need additional support to achieve the expected standard of education.
8. Faith schools tend to have lower proportions of pupils in these categories than secular schools.
9. The table below shows these factors and the proportions of pupils who attract funding through these factors in the 2024-25 formula (figures are rounded):

Additional needs factors proportions of pupils	Proportion of pupils eligible in secular schools	Proportion of pupils eligible in faith schools	Faith proportion less secular proportion
Free School Meals Entitlement (Primary)	37%	23%	-15%
Free School Meals Entitlement (Secondary)	34%	21%	-12%
FSM6 (Primary)	38%	23%	-15%
FSM6 (Secondary)	35%	23%	-12%
IDACI Band F (Primary)	14%	14%	0%
IDACI Band E (Primary)	19%	10%	-8%
IDACI Band D (Primary)	11%	8%	-3%
IDACI Band C (Primary)	9%	6%	-3%
IDACI Band B (Primary)	10%	8%	-3%
IDACI Band A (Primary)	7%	5%	-1%
IDACI Band F (Secondary)	13%	16%	2%
IDACI Band E (Secondary)	17%	13%	-3%
IDACI Band D (Secondary)	10%	13%	3%

Additional needs factors proportions of pupils	Proportion of pupils eligible in secular schools	Proportion of pupils eligible in faith schools	Faith proportion less secular proportion
IDACI Band C (Secondary)	8%	7%	-1%
IDACI Band B (Secondary)	9%	7%	-2%
IDACI Band A (Secondary)	6%	5%	-1%
English as an Additional Language (Primary)	3%	4%	1%
English as an Additional Language (Secondary)	1%	1%	1%
Mobility (Primary)	1%	1%	0%
Mobility (Secondary)	0%	0%	0%
Low Prior Attainment (Primary)	32%	27%	-4%
Low Prior Attainment (Secondary)	22%	19%	-3%

10. These proportions are all taken from the October 2023 school census, which provided the data used in the 2024-25 formula.
11. FSM6 is for pupils who have been recorded as being eligible for a Free School Meal in at least one school census in the past six years.
12. IDACI is the Income Deprivation Affecting Children Index. Band A is the most deprived.
13. Mobility provides funding for schools with significant in-year admissions.
14. The effect of these differences in proportions on formula funding per pupil is shown in the table below (figures are rounded):

Additional needs formula factors funding per pupil	24-25 Secular Primary	24-25 Faith Primary	24-25 Faith less Secular Primary	24-25 Secular Secondary	24-25 Faith Secondary	24-25 Faith less Secular Secondary
FSM	184	111	(73)	165	105	(60)
Deprivation FSM6	309	187	(122)	420	271	(149)
Deprivation IDACI Band F	32	33	1	45	54	8
Deprivation IDACI Band E	53	29	(24)	75	59	(15)
Deprivation IDACI Band D	51	36	(15)	63	84	20
Deprivation IDACI Band C	44	30	(14)	54	46	(8)
Deprivation IDACI Band B	52	39	(13)	68	54	(13)
Deprivation IDACI Band A	46	36	(9)	57	48	(10)

Additional needs formula factors funding per pupil	24-25 Secular Primary	24-25 Faith Primary	24-25 Faith less Secular Primary	24-25 Secular Secondary	24-25 Faith Secondary	24-25 Faith less Secular Secondary
English as an Additional Language	15	22	7	14	22	8
Mobility	7	6	(2)	3	-	(3)
Low Prior Attainment	369	317	(52)	383	337	(45)
Total funding	1,162	846	-316	1,348	1,081	-267

15. The other significant differences in funding per pupil are for the lump sum, NNDR and PFI.
16. The lump sum is the same for all schools, whether secular or faith, and regardless of the number of pupils on roll. It is differences in the numbers of pupils that results in differences in the amount of funding per pupil. This is shown in the table below (averages are rounded):

Lump sum funding per pupil	No. of school A	Total pupils B	Average no. of pupils C = B ÷ A	Lump sum per school D £	Average lump sum per pupil E = D ÷ C £
Secular Primary	148	27,922	189	134,400	712
Faith Primary	63	9,308	148	134,400	910
Secular Secondary	26	22,571	868	134,400	155
Faith Secondary	4	4,366	1,092	134,400	123

17. Because the average primary faith school is smaller than the average secular primary school, they receive more lump sum funding per pupil than secular schools. The position is reversed for secondary schools.
18. Formula funding for National Non-Domestic Rates (NNDR) is based on estimated charges, which vary according to the valuation of the school for rates. NNDR is now paid centrally by the Government's Department for Education and does not have to be budgeted for by individual schools; the total allocated is deducted from the overall allocation for formula funding before funding is allocated to individual schools.
19. The PFI factor is used to fund the affordability gap for PFI (Private Finance Initiative) schools. There are no faith PFI schools that operate as PFI schools. This funding is budget neutral, because schools pay over to the council the amounts that they receive through the formula, so schools are no better or worse off whether they receive this funding or not.
20. Other differences in funding per pupil are less significant are all the result of applying the formula in the same way to both secular and faith schools.