



Report to Schools Forum

Date: 23rd March 2021

Title: Schools Budget Update

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Recommendations:

- a) Schools Forum is asked to note that Buckinghamshire schools' local funding formula model and growth methodology as agreed by Schools Forum on 19th January 2021 received political ratification on 16th February 2021 and has been cleared by the DfE.

- b) Schools Forum is asked to give a steer on anything that should be raised in the response to the DfE consultation on sparsity funding

1. Background

- 1.1. This report updates School Forum on the Schools Budget Proposals as presented at its meeting on 19th January 2021.
- 1.2. The report also includes details of a new DfE consultation on the sparsity element of the National Funding Formula (NFF) in the 2022-23 financial year.

2. Budget Update 2021-22

- 2.1. The 2021-22 Schools Block allocation is £373.863m, including £2.458m Growth Fund.
- 2.2. The schools' local funding formula was based on Model 1 agreed by Schools Forum in December 2020 and ratified by Schools Forum in January 2021, updated for October 2020 census data. The model uses 100% of National Funding Formula rates with a +0.5% Minimum Funding Guarantee (MFG) and DfE minimum per pupil funding rates.

- 2.3. As a result of the model there are 20 schools protected through MFG with the cost of protection (£224.6k) met from within the DfE allocation. There is no requirement to cap schools in 2021-22 to fund MFG. The increase in the number of schools protected through MFG is partly due to the incorporation of the former pay and pension grants into the formula.
- 2.4. The schools' local funding formula, proposed growth fund methodology, and maintained schools de-delegation details received political ratification from the local authority on 16th February 2021 and were cleared by the DfE on 25th February.
- 2.5. Maintained mainstream schools have now received details of their funding allocations for the financial year 2021-22. For academies, the DfE will issue 2021 to 2022 general annual grant allocation statements within the statutory timescales.

3. Consultation on Sparsity Funding 2022-23

- 3.1. The DfE has launched a consultation on the sparsity factor within the NFF for schools in the 2022-23 financial year.
- 3.2. A link to the consultation documents can be found here:
<https://consult.education.gov.uk/funding-policy-unit/schools-nff-changes-to-sparsity-factor-2022-23/>
- 3.3. A school currently attracts sparsity funding if:
 - a) Its average year group size is below the appropriate year group threshold. This threshold is 21.4 for primary schools, 69.2 for middle schools, 120 for secondary schools and 62.5 for all-through schools; and
 - b) For all the pupils for whom it is the nearest compatible school, the average distance (currently calculated 'as the crow flies', using straight-line distances) from each pupil's home postcode to their second nearest compatible school (the sparsity distance) is equal to or more than three miles (for secondary schools) or two miles (for all other schools).
- 3.4. In the 2021-22 NFF approximately 1,200 schools are eligible to attract sparsity funding, 90% of which are primary schools. In Buckinghamshire 7 schools attract the sparsity factor in the current financial year at an overall cost of £264,623.
- 3.5. The DfE proposes to begin measuring sparsity distances by road journeys, instead of 'as the crow flies' (a straight-line distance measure), which will better reflect the actual distance between schools and help identify schools that warrant extra support more accurately. Making this change would bring approximately 900 more schools into scope for sparsity funding.
- 3.6. There are also proposals to increase the maximum sparsity factor values by £10,000 across all phases in the 2022-23 NFF. In 2021-22, these values are £45,000 for sparse primary schools and £70,000 for sparse secondary, middle and all-through schools.
- 3.7. The questions included in the consultation are as follows:

- Do you support our aim to allocate sparsity funding to a greater number of small schools in rural areas?
- Do you agree to us targeting additional sparsity funding to roughly 900 more schools nationally than at present?
- Do you agree with our plan to measure sparsity distances by the road?
- Do you agree with our plan to maintain the same sparsity factor distance thresholds as in 2021-22?
- Do you agree with our proposed increase to the primary and secondary maximum sparsity factor values of £10,000?
- Any further comments regarding the design of the schools NFF sparsity factor from 2022-23?

3.8. From a Buckinghamshire perspective currently, there are many small rural schools within the county however a significant proportion of them do not currently attract sparsity funding as they do not meet the criteria for being remote and small. The DfE modelling of the proposal to measure distances by road rather than as the crow flies would mean an additional 9 schools would qualify for Sparsity. The change does go some way to addressing previous issues but does still leave some missing out. Schools Forum is invited to give a view on this to inform our response to the consultation.