



Agenda Item 5

Report to: Schools Forum

Date: 19th March 2021

Title of Report: DfE Funding Formula Consultation - Sparsity Factor

By: Ed Beale, School Funding Manager

Purpose of Report: To update Schools Forum on the recently issued DfE consultation for the Sparsity Factor for 2022/23.

Recommendation: Schools Forum are asked to note that a consultation has been issued, by the DfE, in relation to the Sparsity factor for 2022/23

1. Background

1.1 The School National Funding Formula contains a number of funding factors, one of which is a Sparsity Factor. One of the main aims of this factor is to provide some additional funding to small rural schools.

1.2 The current criteria for schools to be eligible for this funding is:

- The average year group size is below the appropriate year group threshold. This threshold is 21.4 for primary schools, 120 for secondary schools and 62.5 for All Through Schools
- and
- 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 is equal to or more than three miles (for secondary schools) or two miles (for all other schools).

2 The Consultation

2.1 The DfE have issued a consultation that is reviewing the Sparsity factor, in preparation for financial year 22/23, with a view to broadening the reach of the sparsity factor to a greater number of small schools. The consultation is open to Local Authorities, Schools and other interested parties.

2.2 To achieve this, there are two proposals being put forward:

- To begin measuring sparsity distances by road journeys rather than 'as the crow flies' distances as this is considered to better reflect the actual distance between schools, particularly in rural locations.
- To increase the maximum sparsity factor values by £10,000 across all phases in the 2022/23 schools national funding formula (NFF).

2.3 Currently, there are only 13 Primary Schools in East Sussex who receive Sparsity funding. Under the new proposals, this would potentially increase to 36. For the Secondary Phase, there would be no change, with the two eligible schools continuing to be funded.

2.4 Appendix A is a copy of the consultation document, and it can also be found using the below link:

<https://consult.education.gov.uk/funding-policy-unit/schools-nff-changes-to-sparsity-factor-2022-23/>

2.5 Please note that the consultation runs from 2 March 2021 to 9 Apr 2021.

3 Next Steps:

3.1 The outcome will be published in the summer, and an update will then be given at Schools Forum.