

## Wiltshire Council

### Schools Forum

11<sup>th</sup> March 2021

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### Consultation – Changes to the Sparsity Factor 2022-23

#### Purpose of report

1. To outline the consultation issued by the Department for Education regarding proposed changes to the Sparsity factor from the 2022-23 year. The report is for information only.

#### Background

The Department for Education (DfE) published their consultation '*Schools National Funding Formula: changes to sparsity factor*' on the 2<sup>nd</sup> March 2021. (Guidance attached and [Link to the Consultation](#))

2. The DfE are seeking views on their proposals to continue to improve how the funding system supports small schools in rural areas through further changes to the national funding formula's sparsity factor from 2022 to 2023.
3. During the DfE's research, their evidence has suggested that the group of schools which are experiencing the most significant financial challenges are small, remote schools. The DfE recognise the vital role that such schools play in the rural communities they serve and that without them pupils could face long travel distances to school.
4. The purpose of the consultation is to seek views on how the DfE propose to provide additional support to schools through further changes to the Sparsity factor.
5. The definition of sparsity for the purposes of the National Funding Formula is currently:
  - Primary schools with 150 pupils or less and the average distance from each pupil's home postcode to their next nearest compatible school is 2 miles or greater as the crow flies
  - Secondary schools with 600 pupils or less and the average distance from each pupil's home postcode to their next nearest compatible school is 3 miles or greater as the crow flies
  - The maximum funding payable through this factor for eligible schools is £45,000 for primary schools and £70,000 for secondary schools.

## The Consultation

6. The consultation makes two proposals;
  - To begin measuring sparsity distances by 'road distances' rather than as the 'crow flies' distances, to better reflect the distances between schools, in rural locations
  - To increase the maximum sparsity distances by £10,000 across all phases
7. The questions which comprise the consultation are detailed below.

**Q1a. Do you support our aim to allocate sparsity funding to a greater number of small schools in rural areas?**

Yes, No, Unsure.

**Q1b. Do you agree to us targeting additional sparsity funding to roughly 900 more schools nationally than at present?**

Target a greater number, This is about the right number, Target a lower number, Unsure.

**Q2a. Do you agree with our plan to measure sparsity distances by the road?**

Strongly agree, Agree, Disagree, Strongly Disagree, Unsure.

**Q2b. Do you agree with our plan to maintain the same sparsity factor distance thresholds as in 2021-22?**

Set higher thresholds, These are the right thresholds, Set lower thresholds, Unsure.

**Q2c. Do you agree with our proposed increase to the primary and secondary maximum sparsity factor values of £10,000?**

Allocate a higher amount, This is about the right amount, Allocate a lower amount, Unsure.

**Q2d. Do you have any further comments regarding the design of the schools NFF sparsity factor from 2022-23?**

**Q3a. Do you have any comments on our methodology to calculate sparsity distances by the road?**

**Q3b. We welcome any additional comments about our proposals and our equalities impact assessment (Annex D), including any evidence, examples, or data of possible equalities impacts of the proposals.**

8. All schools have unavoidable fixed costs and with smaller schools there is not the same opportunities to grow and increase additional revenue, based upon their pupil cohorts and characteristics. There are also financial challenges faced by smaller rural schools for attracting additional pupils and achieving efficiencies.
9. Through the DfE's analysis, there are currently around 1,200 schools eligible for sparsity funding nationally and the change in calculating sparsity distances would increase this number by around 900 schools. (Based upon the DfE's analysis using the October 2019 census)

### The Wiltshire Position

10. The DfE have issued data to local authorities demonstrating the impact of the change in calculating the sparsity distance.
11. Based upon the information issued by the DfE for the 2020-21 financial year, using the October 2019 census information, the 'shift' in eligible schools is set out in the table below.

<b>2019-20 Actual</b>	<b>Primary</b>	<b>Secondary</b>
Eligible Schools	29	2
Ineligible Small Schools	44	1
Total Funding	295,789	49,950
Avg per School	10,200	24,975
<b>Proposed</b>	<b>Primary</b>	<b>Secondary</b>
Eligible Schools	52	3
Ineligible Small Schools	21	0
Total Funding	530,380	74,925
Avg per School	10,200	24,975
<b>Growth</b>	<b>Primary</b>	<b>Secondary</b>
Eligible Schools	23	1
Funding (Est.)	234,591	24,975

12. Wiltshire currently has 73 primary schools and 3 secondary schools that fall into the 'small' schools' definition for sparsity funding.
13. Of the 73 small primary schools, currently only 29 of the schools are eligible for sparsity funding under the 'crow flies' distance whereas under the 'road distances', 52 schools would become eligible for the sparsity funding. This would still leave 21 small primary schools ineligible for the sparsity funding.
14. Within the secondary schools, Wiltshire has 3 small secondary schools of which 2 are currently eligible for sparsity funding. A change in the calculation of the sparsity distance would ensure that all 3 secondary schools are eligible.

15. The question Schools Forum have wrestled with previously when considering the sparsity factor has revolved around having two 'like' schools, one being eligible for sparsity and the other, due to sparsity distances, being ineligible for what is considered a significant amount of funding.
16. To demonstrate the impact of the changes in the distance methodology, a sample of primary schools of around 70 pupils on roll was selected. The results are set out in the table below.

School Name	Phase	Average year size	Distance crow flies	Eligible (Crow Flies)	Distance road	Eligible (Road Distance)
Five Lanes	Primary	10.1	2.18	Yes	2.86	Yes
Heddington	Primary	10.1	1.91	No	2.68	Yes
Horningsham	Primary	10.4	3.00	Yes	3.95	Yes
Kennet Valley	Primary	10.4	2.68	Yes	2.83	Yes
Longford	Primary	10.3	1.09	No	1.09	No
Newton Tony	Primary	10.4	2.10	Yes	2.64	Yes
Seagry	Primary	9.7	1.39	No	1.61	No

17. Of the 7 small schools in the sample, 4 are currently eligible for sparsity funding using the 'crow flies' methodology. Under the 'road distance' methodology, another school would become eligible for the sparsity funding. However, two schools in the sample would still remain ineligible.

18. The two ineligible schools are both small, with a rural catchment area but would not receive the sparsity funding.

### Alternative Options

19. Sparsity need not be the only solution to supporting small and rural schools and amongst other options, could include;

- Reducing the distance threshold to 1 mile – this would mean that only 5 of Wiltshire's 73 small schools would not be eligible (all urban small schools)
- Graduating the 'Lump Sum' in favour of small schools and using a sliding scale of thresholds, for example
  - Up to 50 pupils                    £200,000
  - 51 pupils to 100 pupils        £180,000
  - 101 pupils to 150 pupils       £160,000
  - 151 pupils to 200 pupils       £140,000
  - Over 200 pupils                   £120,000
- Applying the minimum per pupil funding level on a graduated scale. For small schools, spreading the lump sum over a small number of pupils results in a disproportionate impact upon their overall 'per pupil' funding.

20. There will of course be many other options, but support for small and rural schools may not be fully met through the sparsity funding.

## Proposal

21. Schools Forum is asked to note the content of this report.
22. Schools Forum members are encouraged to ask colleagues to participate and respond to the consultation.

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[Link to the Consultation](#)