



Department
for Education

Schools NFF: Changes to sparsity funding from 2022-23

Government consultation response

July 2021

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Introduction

Between 2 March 2021 and 9 April 2021 we held a consultation on proposed changes to the schools national funding formula's (NFF) sparsity factor from 2022-23. This document outlines our response to the consultation and confirms changes to the sparsity factor.

The schools NFF calculates funding for schools according to their pupils' and the school's characteristics. The sparsity factor provides additional funding for schools that are both small and remote. This is in recognition that some schools do not have the same opportunities to grow or make efficiency savings as other schools.

In 2021-22 a school attracts sparsity funding if:

- 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
- For all the pupils for whom it is the nearest "compatible" school¹, the average distance from each pupil's home postcode to their second nearest compatible school 'as the crow flies' / in a straight line (the sparsity distance) is greater than the relevant distance threshold of three miles (for secondary schools) or two miles (for all other schools).

The consultation sought views on our policy aim to target more funding to a greater number of small, remote schools, and on our proposed changes to the sparsity factor in the 2022-23 NFF to achieve this aim. The proposals that we consulted on were to:

- Measure sparsity distances by road journeys rather than as the crow flies, to better identify schools' remoteness.
- Increase the maximum amount that schools can attract through the sparsity factor by £10,000, to £55,000 for primary schools and £80,000 for all other schools.
- Maintain the same distance thresholds of three miles or two miles, depending on phase.

Analysis published as part of the consultation indicated that in 2022-23 about 900 more small schools would be identified as being remote and eligible for sparsity funding as a result of measuring sparsity distances by the road, taking the total number to almost 2,100 schools. As a result of this increase in eligibility and of uplifting the sparsity factor values by £10,000, the total amount allocated on the basis of the sparsity factor would increase to about £85m, a £43m increase over 2021-22.

¹ A compatible school is one that admits pupils of the same age group and gender. Selective grammar schools are not considered when identifying the second nearest school, but faith schools are included.

This document presents analysis of views received in response to the consultation and confirms final changes for the 2022-23 NFF. It has been published alongside the 2022-23 [NFF policy document](#) and schools notional funding figures for 2022-23, which illustrate the impact of the changes on schools' funding. It has also been published alongside the 2022-23 schools block NFF technical note which includes further detail on how sparsity funding allocations have been calculated for 2022-23.

The document consists of three sections:

- A summary of respondents to the consultation.
- A summary of the government's response to the consultation.
- Analysis of responses to each questions and the government's response.

Summary of respondents

In total we received 618 responses to the consultation. We have grouped the respondents by organisation type, or individual respondents, to support analysis of findings (table below). We also discussed these proposals with a number of local authorities and union representatives while the consultation was open.

Table showing respondents grouped by organisation, ordered by total respondents

	Total	Percent
Schools ²	446	72%
Headteachers	273	61%
Governors	85	19%
School Business Managers / Finance Officers	53	12%
Teachers	16	4%
Other	19	4%
Academy trusts	38	6%
Local authorities	36	6%
Individuals	36	6%
Parents	26	4%
Faith groups	8	1%
Unions and associations	7	1%
Federations	7	1%
Consultants	6	1%
Other ³	4	<1%
Unknown	4	<1%

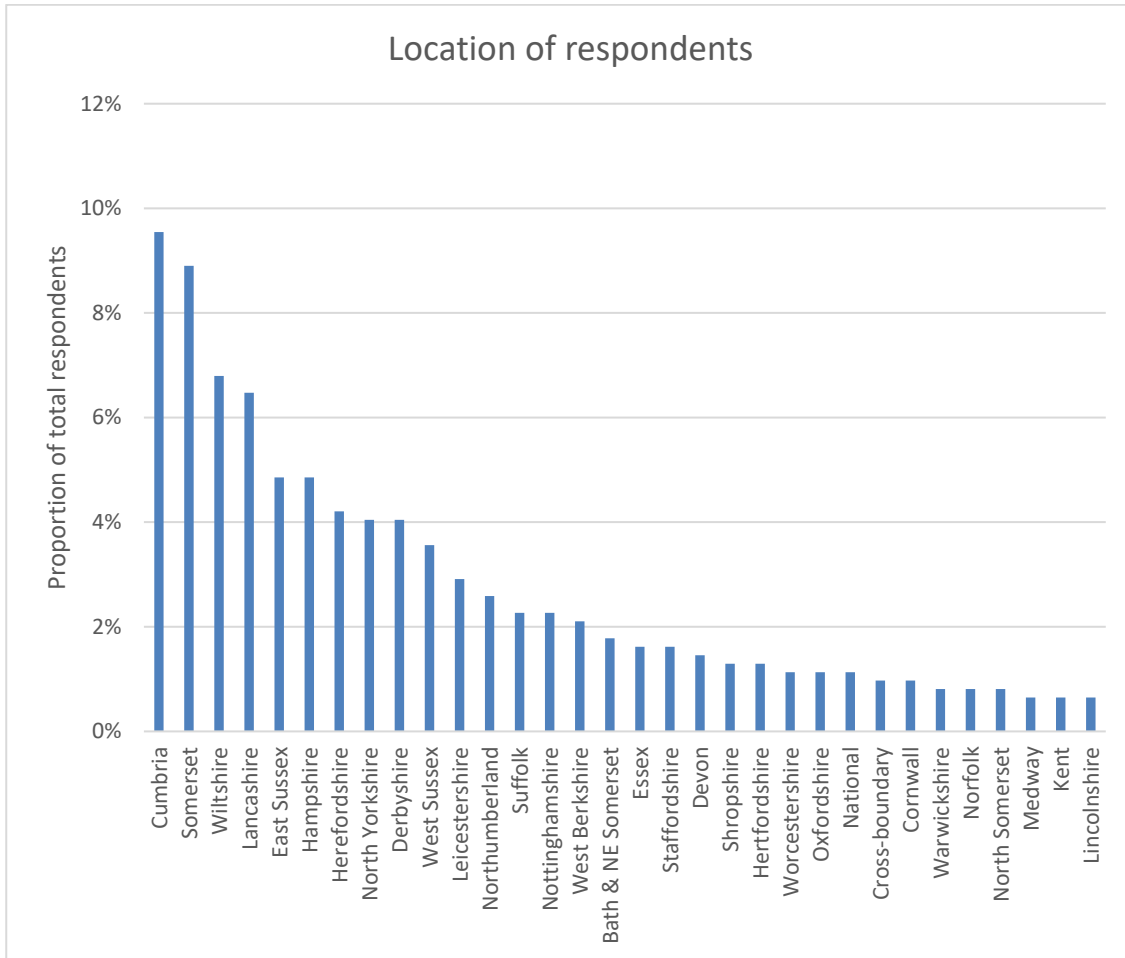
We have also analysed the location of respondents where possible⁴ (p.6). Respondents represented organisations across 60 local authorities, 40% of the total number of local authorities. Some respondents were based in more than one local authority (e.g., multi-academy trusts), and some represented schools nationally.

² As the largest group, respondents on behalf of schools have been divided into sub-groups.

³ Including schools forums and a campaign group.

⁴ In 27 cases respondents' locations were unclear.

Chart showing the proportion of total respondents by location⁵



Respondents in three local authorities made up a quarter of total responses, and respondents in fourteen more local authorities made up a further half of the total responses. A high concentration of responses from a relatively small number of rural areas was expected given the proposals directly impact schools in such areas. Views of schools in less rural areas were also represented by some of the unions and associations that represented schools nationally. We have considered the direct and indirect impact of the proposals on all schools.

We received one duplicated response from twelve schools and one council, which we have counted as separate responses. We have identified which points they raised in response to question 2d (p.13), to reflect that these are the views of a coordinated response.

⁵ The chart shows the proportion of respondents by location, for all locations with at least 1% of the total number of respondents. This accounts for 93% of total respondents.

Summary of consultation

Almost all respondents (97%) agreed that we should allocate more funding to a greater number of small schools in rural areas and there was strong support for each of the three proposals. This includes 95% agreeing with measuring sparsity distances by the road, over 60% agreeing with maintaining the same distance thresholds as in 2021-22, and almost 50% supporting a £10,000 increase to the sparsity factor values. Having considered the responses to the consultation, we can confirm that as well as maintaining the same distance thresholds, the following changes have been implemented in the schools NFF's sparsity factor from 2022-23:

- To calculate schools' sparsity distances by road journeys, replacing the previous as the crow flies methodology.
- To increase the maximum amount of sparsity funding that schools can attract in the NFF, to £55,000 for primaries and £80,000 for all other schools.

In response to issues raised in the consultation responses, we have also made one further change to the design of the sparsity factor from 2022-23 – to introduce a distance threshold taper. This means schools that are marginally below the main distance thresholds of 2 or 3 miles (depending on phase) will now attract some additional funding through the sparsity factor, but a lower amount than they would attract if their sparsity distance was at or above the main thresholds. We have set the distance threshold taper at 20% below the main distance thresholds, making it 1.6 miles for primary, middle and all-through schools and 2.4 miles for secondary schools – which means that, for example, primary schools whose sparsity distance is between 1.6 miles and 2 miles (and which have a sufficiently small average year group size) will now be allocated some sparsity funding.

We believe this has improved the fairness of the factor by removing the cliff-edge to eligibility and ensuring that marginal differences in sparsity distances do not result in significant differences to a school's funding. Furthermore, the distance taper threshold gives schools that are marginally above the distance thresholds greater certainty over receiving sparsity funding in future years irrespective of marginal decreases to their sparsity distances, supporting financial planning.

These changes have significantly improved the accuracy with which we identify schools' remoteness, resulting in many more schools becoming eligible for sparsity funding, and led to each eligible school being able to attract greater amounts of funding. The total allocation to small, remote schools through the sparsity factor has increased to £95m in 2022-23, £53m more than in 2021-22, and over 2,500 schools have attracted sparsity funding in 2022-23, over 1,300 more than in 2021-22. Almost 500 of these schools have attracted funding as a result of the newly introduced distance threshold taper. This will provide valuable support to small, remote schools in meeting the financial challenges that they may face due to size and location.

The impact of these changes on notional local authority and school allocations for 2022-23 can be viewed in the schools NFF [impact tables](#). Schools' sparsity distances and allocations through the sparsity factor will be available in COLLECT shortly. Information for how to access COLLECT is published in the NFF allocations [supplementary guidance](#).

Analysis of responses to consultation questions

The consultation included fifteen questions, seven of which collected personal information. The remaining eight questions are analysed below. Questions 1a and 1b asked about the policy aim and overall impact of the proposals. Questions 2a to 2d focused on the design of the sparsity factor. Questions 3a and 3b invited views on the design of the road distance methodology to measure remoteness and the provisional equalities impact assessment.

The policy aim and impact of the proposals

Question 1a – the policy aim of more funding for small schools in rural areas

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

Table 1a. Summary of responses

	Total	Percent
Yes	599	97%
No	9	1%
Unsure	8	1%
Not answered	2	<1%

The overwhelming majority of respondents supported the policy aim to allocate sparsity funding to a greater number of small schools in rural areas. This was the case across all of the different groups of respondents. Of the respondents who disagreed with the policy aim, many still supported the principle of supporting small, rural schools but were concerned that the changes would be funded by redistributing money from other schools. One respondent disagreed with the aim as it was felt that all small schools should receive greater funding, irrespective of their location. Another suggested that small schools with half form entries require more support and that funding should be allocated on the basis of number of classes, not pupils.

Government response

Responses to this question have reinforced the case to increase funding for small schools in rural areas. This increase has been affordable within the third year of the investment to the core schools budget announced at the 2019 Spending Round, which is increasing core schools funding by £2.6 billion in 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23, compared to 2019-20. This has allowed for both a significant increase in funding through the sparsity factor and a continued increase in core NFF

factor values of 3% – the same increase as between 2020-21 and 2021-22. Funding based on numbers of classes could lead to perverse incentives and we took the decision in 2018-19 to maximise the amount of funding allocated on the basis of pupils and proxies of additional need, to help direct resource to where it is likely to be needed most.

Question 1b – the impact of the proposals

Do you agree to us targeting additional sparsity funding to about 900 more schools nationally than at present?

Table 1b. Summary of responses

	Total	Percent
Target a greater number	308	50%
This is about the right number	241	39%
Target a lower number	7	1%
Unsure	59	10%
Not answered	3	<1%

A slight majority of respondents to this question felt we should target sparsity funding to more than an additional 900 schools than at present. This was the case across all but two of the groups of respondents. Groups with the greatest proportion of respondents who selected ‘target a greater number’ were federations, faith groups, and the ‘other’ (see p.5) category. Groups with an equal proportion of respondents who felt that an additional 900 schools was about the right number as those who felt more should be targeted were academy trusts and unions / associations. Reasons for wanting us to target a great number were provided in response to question 2d, which are analysed and responded to from page 13.

Government response

By measuring sparsity distances by the road, we have significantly improved how we identify schools’ remoteness. This change has resulted in over 800 more schools becoming eligible for sparsity funding in the 2022-23 NFF. In addition, having carefully considered the response to the consultation we have decided to implement a distance threshold taper in the schools NFF’s sparsity factor from 2022-23. As a result, almost a further 500 schools have become eligible for sparsity funding in 2022-23. In total, therefore, the number of schools eligible for sparsity funding has risen by over 1,300. This represents significant additional support to many more small schools serving rural areas.

The design of the sparsity factor in 2022-23

Question 2a – measuring sparsity distances by the road

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

Table 2a. Summary of responses

	Total	Percent
Strongly agree	420	68%
Agree	169	27%
Disagree	8	1%
Strongly disagree	4	1%
Unsure	15	2%
Not answered	2	<1%

Almost all respondents (95%) strongly agreed or agreed with our plan to measure sparsity distances by the road. Overwhelming support for this proposal extended across all of the groups of respondents. The twelve respondents who disagreed did so because of methodological concerns, which are analysed and responded to as part of question 3a from page 18.

Government response

We have calculated schools' sparsity distances by the road for the 2022-23 NFF. Measuring sparsity distances by the road better reflects how far away pupils are from their closest and second closest schools compared to the crow flies measure. Road distances are a measure of the real world infrastructure available to connect pupils to schools, taking into account geographical features, such as rivers, that result in journeys being longer. This has typically led to schools' sparsity distances increasing⁶ – such that, as above, more small schools will attract funding through the sparsity factor. We believe that this is a fairer and more accurate way to measure schools' remoteness, which is reinforced by overwhelming support for this proposal.

Question 2b – sparsity factor distance thresholds

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

⁶ There are some exceptions that explain why a school's sparsity distance could decrease due to the new measure, outlined on page 11 of the consultation document. We received two comments on this in response to the consultation, both of which have been responded to.

Table 2b. Summary of responses

	Total	Percent
Set higher thresholds	67	11%
These are the right thresholds	380	61%
Set lower thresholds	107	17%
Unsure	57	9%
Not answered	7	1%

The majority of respondents agreed that the sparsity distance thresholds of 3 miles for secondary schools and 2 miles for all other schools are right. This was the case across most of the groups of respondents. More respondents representing faith groups and in the 'other' group (see p.5) felt that lower thresholds should be set. Over three-quarters of respondents requesting lower thresholds felt a greater number of schools should receive sparsity funding (question 1b, p.10).

Government response

We have maintained sparsity distance thresholds of 3 miles for secondary schools and 2 miles for all other schools in the 2022-23 NFF, which received support from the majority of respondents. Beyond requests for greater eligibility, there was no evidence to suggest that different distances would act as a better proxy for greater financial challenges and therefore more funding. The newly introduced distance threshold taper will address a possible unfairness where schools marginally beneath the distance thresholds would receive nothing while those marginally above could receive a significant sparsity sum if they also had sufficient small year group sizes. The distance threshold taper has been set at 20% under the distance thresholds i.e., 2.4 miles for secondary schools and 1.6 miles for non-secondary schools. More information on its calculation is available in the 2022-23 schools block NFF [technical note](#).

Question 2c – sparsity factor value increase of £10,000

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

Table 2c. Summary of responses

	Total	Percent
Allocate a higher amount	236	38%
This is about the right amount	299	48%
Allocate a lower amount	21	3%
Unsure	57	9%

	Total	Percent
Not answered	5	1%

Almost a majority of respondents to this question agreed that the proposed increase to maximum sparsity factor values of £10,000 was about the right amount. This was the case across schools, academy trusts, and federations. Consultants, parents, and faith groups, were more likely to request a higher amount. The majority of unions / associations and ‘other’ (see p.5) respondents were unsure – noting the potential impact on other, non-sparse schools of distributing more funding through the sparsity factor – as were almost a half of councils with most of the other half thinking this is the right amount, with few selecting a higher amount. Some respondents queried the rationale for a £10,000 increase in response to question 2d.

Government response

We have increased maximum sparsity factor values by £10,000 across phases. Notwithstanding the few requests for greater increases for small, remote secondary schools (see p.16), we received no evidence to suggest that different factor value increases would be more or less suitable. The increase in the maximum sparsity factor values ensures that – alongside the increase to the lump sum value for 2022-23 – the smallest, remote schools can attract as much through the sparsity and lump sum factors combined as the highest value lump sum in local funding formulae prior to the introduction of the schools NFF. Within the total amount of funding for schools, the increases to funding for small and remote schools also have to be balanced against increases to other NFF factors, such as funding for pupils with additional needs. We will keep all factor values under review and continue to consider evidence carefully as we transition to a hard funding formula.

Question 2d – other comments on the design of the sparsity factor

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

We received 197 responses to this question (32% of respondents)⁷. Respondents by group, ordered by the percentage of total responses to this question, are shown below. This is followed by a list of most common points raised⁸.

Table 2di. Breakdown of respondents

⁷ Excluding 22 with ‘no further comments’.

⁸ Points included in table 2dii are those that made up at least 2% of the total. Where respondents raised multiple points, each has been counted. The coordinated response (see p.6) raised greater eligibility, certainty / protection over sparsity funding, and the funding floor.

Role	Number	Proportion	Proportion of the total group
School	134	68%	30%
Council	31	16%	86%
Academy trust	7	4%	18%
Union / Association	6	3%	86%
Consultant	5	3%	83%
Individual	4	2%	11%
Other	4	2%	100%
Faith	3	2%	38%
Federation	2	1%	29%
Parent	1	1%	4%

Table 2dii. Common points raised

Type	Number	Proportion of points
Supportive of proposals	87	29%
Greater eligibility for sparsity funding	26	9%
Increases to overall funding levels	24	8%
More certainty / protection over sparsity funding	24	8%
Broader funding for small schools	23	8%
Road distance methodological comments	17	6%
Greater funding for small, remote schools	16	5%
Minimum per pupil levels of funding calculation	12	4%
Funding floor, or minimum funding guarantee (MFG) calculation	10	3%
Average year group size threshold	8	3%
Design of the schools NFF	8	3%
The impact on faith schools	6	2%
Rationale for a £10,000 increase	5	2%
Support local flexibility over allocation of sparsity funding	5	2%
Small, remote secondary schools	5	2%

The greatest number of responses to this question reinforced support for the proposals.

Many respondents fed back on how much of a positive difference the additional funding will make to their schools to meet challenges associated with size and remoteness.

Some respondents, while broadly supportive of the proposals, raised concerns that some schools that face the sort of financial challenges that the sparsity factor intends to support would miss out on this funding. We received feedback on schools that are ineligible for sparsity funding due to being close to other small schools, but that some respondents feel do not always have opportunities to achieve efficiencies (e.g., schools of different faiths, junior and primary schools, schools of the same phase at, or close to, capacity). In some cases, such schools were reported to face at least similar financial challenges to schools that would be eligible for sparsity funding, and some are designated as being rural with a presumption against closure⁹. We heard that any possible unfairness would be most exacerbated between schools that are marginally beneath or above the sparsity factor's distance thresholds, because a marginal difference in sparsity distance could have a 'cliff edge' impact on what is a large proportion of funding for small schools. We received some suggestions for further changes to the sparsity factor: decreasing the sparsity factor's distance thresholds, increasing the lump sum, introducing a distance threshold taper, increasing the sparsity factor's average year group size thresholds, or amending the sparsity distance measure so that compatible second nearest schools are of the same faith and/or have spare capacity.

Some respondents raised a concern that it can be difficult for schools to budget for sparsity funding with certainty due to possible changes in sparsity eligibility and/or school size. We heard that this is particularly the case for schools that are close to the distance thresholds, and those serving areas with a low and variable population, and/or with small pupil cohorts where there can be a relatively large variation in the school's nearest pupils each year due to migration and fluctuating birth rates. While many of these respondents recognised that the funding floor protects losses to school-led funding, some questioned how simple it is to budget for this and whether such schools would be in as good, or worse off, a position over time due to moving onto the funding floor.

Some respondents argued that these proposals should not be funded by reducing other factor values to avoid penalising schools that are not eligible for sparsity funding, and some called for overall increases in core school funding. Some argued that all small schools should receive more funding through a higher, or tapered, lump sum. We received some support for greater increases to the maximum sparsity factor values than £10,000 and few respondents queried why we proposed this level of increase.

Some respondents called for the lump sum to be excluded from the minimum per pupil levels (MPPL) of funding calculation, because its inclusion results in some small schools having relatively higher per-pupil funding and therefore not receiving an additional top-up

⁹ According to the Designation of Rural Primary Schools (England) Order 2020 and statutory guidance about opening and closing maintained schools.

through the MPPLs. Some respondents also called for sparsity funding to be excluded from the funding floor calculation, so that small schools would receive the full increase in sparsity funding proposed without seeing decreases to funding through the floor. A few requested that the sparsity factor be made compulsory in local funding formulae and that local gains caps be removed; conversely, some expressed support for local flexibility with regard to the allocation of sparsity funding.

A few respondents strongly advocated for greater funding for particularly remote, small secondary schools with large catchment areas, and submitted evidence about pressures that such schools face in meeting costs related to a broad curriculum and due to their distance from pupils, other schools and suppliers. A few respondents requested that secondary schools with more than 120 pupils per year group on average (the average year group size for secondary schools in the sparsity factor) receive additional funding if they are particularly remote because they are also likely to face greater cost pressures than similar sized schools in different locations. We also received queries about the year group size thresholds at primary phase, and requests to increase it.

Comments about the distance measure, twelve of which were repeated in response to question 3a, are analysed and responded to from page 18.

Government response

We recognise the possible unfairness of some schools marginally missing out on sparsity funding due to the hard distance thresholds and, as mentioned above, have therefore introduced a distance threshold taper to mitigate this form of cliff edge to eligibility. This will also give schools marginally above the distance thresholds greater certainty around receiving sparsity funding in future years, as changes to how far away a school's nearest pupils live from the school will be significantly less likely to impact on sparsity eligibility.

We have not implemented other suggested changes such as greater increased funding for small, remote schools, or higher lump sums for small schools. It is important to allocate funding to schools on the basis of additional need to meet the NFF's principles of achieving fairness and supporting opportunity, and to allocate funding efficiently so that resources are matched to need. The sparsity factor provides some additional funding to schools that are often necessarily small because they are remote and have fewer opportunities to grow or make efficiency savings than other schools. The vast majority of funding continues to be allocated on the basis of pupils and their characteristics, which ensures that schools with the highest proportion of pupils who evidence suggests require the greatest support, receive additional resource. A significantly higher or tapered lump sum would affect the amount available for pupil-led funding factors and proxies of additional need. We do, however, recognise the importance of providing funding for fixed costs that all schools face irrespective of pupil numbers. This is why the NFF includes a lump sum which was set at £110,000 when the NFF was introduced in 2018-19. It has since increased by over 10% and is set at £121,300 in 2022-23.

Furthermore, we have not amended the sparsity factor's average year group size thresholds due to not receiving evidence that schools that are larger than the existing thresholds, except particularly remote secondaries (discussed below), are facing greater financial pressures. We have also not amended the definition of a second compatible school in the sparsity distance measure. This is because a school's sparsity distance is the average distance to the second closest school for all pupils for whom it is their closest school. Identifying second closest schools as having to be of the same type or faith would imply that all pupils who live nearest the school in question would only attend such schools. Factoring this, or schools' capacity, into the sparsity calculation would also be highly complex and difficult to implement objectively.

Regarding schools designated as being rural with a presumption against closure, 83% of small rurally designated schools¹⁰ are eligible for sparsity funding in 2022-23 following these changes, up from 38% in 2021-22. 86% of all small schools in a rural village, or hamlet or isolated dwelling are eligible, and this rises to 99% for those in rural villages, or hamlet or isolated dwellings *and* a sparse setting. Some differences between rurally designated schools and schools that are eligible for sparsity funding are to be expected. This is because sparsity funding is provided to schools that are remote from their nearest compatible schools – as a proxy for additional financial challenges – whereas schools' rural designation is determined by the Office for National Statistics rural-urban classification system, which takes into account broader features about the area such as population density but not necessarily density of schools. As indicated by the figures above, those classified as being in rural areas and in sparse settings are overwhelmingly likely to be eligible for sparsity funding.

The MPPLs intend to provide additional top-up funding to schools that would otherwise receive low per-pupil levels of funding through the formula. The suggestion to remove the lump sum from the MPPL calculation would result in schools with low numbers of pupils with additional needs seeing the greatest funding increases as a result of this change, at the expense of funding for schools based on proxies of pupils' additional needs. We do not agree that this is the right approach. Regarding the funding floor calculation, we are of the view that it would be unfair to double fund schools by retaining protections in the floor and increasing sparsity funding. We already protect schools from losses if they become ineligible for sparsity funding from one year to the next, but do not think we should extend protections further as suggested above.

We understand the issue raised by some stakeholders about the pressures facing particularly remote small, or almost small (according to the sparsity factor's average year group size threshold), secondary schools. However we did not receive evidence that this is a consistent issue for such schools nationally. More consideration therefore needs to be given to the impact of varying degrees of remoteness on different sized secondary

¹⁰ This only applies to local authority maintained schools.

schools across a range of areas, before changes to the NFF can be made. We will continue to collect and review evidence on this, including further consultation with stakeholders. In 2022-23, local authorities will continue to be able to apply to the ESFA to provide exceptional funding of up to £50,000 to very small, sparse secondary schools to support them to remain viable.

As outlined in the consultation document, the sparsity factor will remain optional in local funding formulae in 2022-23 and local authorities will continue to have the same flexibilities as in 2021-22, e.g., to set factor values. In addition, local authorities will have flexibility over the distance threshold taper, as explained in the schools funding [operational guide 2022-23](#). The majority of local authorities that have at least one school eligible for sparsity funding did use the factor in 2021-22 and mirrored the sparsity factor's values and design; we expect this to continue to be the case and that the majority of local authorities will implement the distance threshold taper, so that more small, remote schools see an increase to their budgets. Going forward, we propose further requirements on local funding formulae to bring them closer to the NFF. This is outlined in our [consultation on moving to 'fair school funding for all'](#).

The road distance methodology

Question 3a – road distance methodology

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

We received 230 responses to this question (37% of respondents)¹¹. Respondents by group, ordered by the percentage of total responses to this question, are shown below. This is followed by a list of most common points raised¹². This includes points about the distance measure in response to question 2d which were not repeated here.

Table 3ai. Breakdown of respondents

Role	Number	Proportion	Proportion of the total group
School	195	70%	44%
Council	31	11%	86%
Individual	13	5%	36%
Academy trust	12	4%	32%

¹¹ Excluding 49 with 'no further comments'.

¹² Key issues shown in table 3aii are those that made up at least 2% of total points raised. Where respondents raised multiple topics, each has been counted.

Faith	6	2%	75%
Union / Association	6	2%	86%
Consultant	5	2%	83%
Parent	5	2%	19%
Other	4	1%	100%
Federation	2	1%	29%

Table 3a.ii. Common points raised

Type	Number	Proportion of points
Supportive of proposals	163	67%
Road type	17	7%
Travel time	13	6%
Data inputs and the role of the LA	8	3%
Transport / local amenities	7	3%
Compatibility of second nearest school	5	2%
Cliff edge to eligibility	5	2%
Scottish / Welsh postcodes	5	2%

The greatest number of responses to this question reinforced support for measuring schools' sparsity distances by the road. The next most common point concerned types of roads included in the calculation of sparsity distances. Half of the respondents that raised this point requested that we consider safe routes by only including roads that are safe to walk or cycle along (e.g., with wide footpaths and those that are lit). The other half requested that we exclude routes with roads that are inaccessible, or likely to be difficult to access, by vehicles. Slightly fewer respondents suggested factoring a measure of travel time into the calculation of sparsity distances, in recognition of the different speeds that vehicles are able, or likely, to travel on different types of roads.

A few respondents queried the underlying data, some of whom suggested that we request clarification from local authorities on some, or all, road distances or the location of schools properties where they cannot be identified with Unique Property Reference Numbers (UPRNs). As many respondents suggested that availability of transport and/or distance from public amenities should be taken account of when measuring remoteness. A few respondents queried the omission of pupils' postcodes that are exclusively Scottish or Welsh addresses from the sparsity distance calculations.

Other notable comments in response to this question included a small number of queries about: how we have taken account of postcode sizes being larger in rural areas; schools

that have seen a decrease in their sparsity distance threshold; and the impact of a road distance measure on pupils with home postcodes that are along farm tracks. We also received a request to make sparsity distances available to schools, local authorities, and academy trusts.

Government response

The methodology we have used to measure schools' sparsity distances for the 2022-23 NFF remains largely the same as the one we consulted on. This reflects that there were a limited number of concerns in response to our proposed methodology, one of which we have addressed, and others of which we think are not possible or necessary to address. We have maintained a principle of keeping the design of the methodology as simple as possible while ensuring it provides a fair, consistent and accurate proxy for schools' remoteness.

One amendment that we have made to the road distance methodology that we consulted on is to exclude categories of roads that are inaccessible to vehicles¹³. The reason for this is to reduce the risk of schools receiving lower sparsity distances than their remoteness suggests due to the inclusion of 'shortcuts', such as farm tracks or shared use carriageways, which in reality would be unable to be used by vehicles. Therefore, for the 2022-23 NFF schools' sparsity distances have been calculated on the basis of the shortest distance by the road, excluding roads inaccessible to vehicles where possible, from schools' properties to pupils' postcodes. More information is provided in the schools block NFF [technical note](#).

We have not amended the methodology to factor in the safety of walking or cycling routes to/from school. It would be impossible to apply this criterion in the measurement of sparsity distances objectively and consistently to all roads and schools across the country. Furthermore, it is important that we identify and support schools where their pupils' average journey to their second closest schools would exceed the distance thresholds by vehicle, which data suggests is the most likely method of travel used by pupils in rural areas¹⁴. This also ensures that walking distances which are shorter than the road distance, for instance because of the inclusion of safe footpaths that take shorter routes than roads, do not unintentionally penalise schools by causing lower sparsity distances. We have also not factored travel time into the methodology. Given that travel times vary at different times of day and in different weather conditions this

¹³ Types of roads that are inaccessible to vehicles and have been excluded from the methodology are farm tracks, guided busways, and shared use carriageways. The reason they are excluded *where possible* is because they have to be used in some cases, e.g., where pupils live down farm tracks and access the road network in that way, and where these types of roads unavoidably connect the road network. We have, in most cases, excluded these types of roads from being included in sparsity distance calculations.

¹⁴ [Cycling, motorcycling, school travel, concessionary travel and road safety - GOV.UK \(www.gov.uk\)](#)

would be highly complex and require a high degree of subjectivity, which would be in tension with creating a fair, consistent approach for all schools.

Schools, local authorities and academy trusts will be able to access schools' sparsity distances and allocations on COLLECT shortly¹⁵. Queries about individual distances can be raised by local authorities, schools and/or academies. Details on how to raise queries are provided in COLLECT. As above, we have retained the same local flexibilities as in 2021-22. This means that local authorities will be able to submit evidence to request to change the distance for a school where they believe it should be significantly higher than those that we calculate by the road and where this would result in the school being eligible. We will only consider applications where there is strong evidence that the average shortest road distance for a school's nearest pupils to their second nearest school is materially different to the one supplied by us. However, we are not expecting this to be the case given we have applied the same methodology to all schools nationally and quality assured sparsity distances by the road. We will not consider applications which seek to apply an alternative policy of design for measuring remoteness.

The data inputs and our methodology for identifying the location of schools and pupils' postcodes have remained unchanged from those we consulted on. This means that the majority of schools are identified with UPRNs, which is more accurate than at present. Where schools cannot be identified to the exact property we revert to using their postcode centroids or coordinates, the same as at present. We locate pupils' locations using postcode centroids. While we have considered that postcode areas tend to be larger in rural areas, doing otherwise would involve using highly sensitive information. This is consistent with how sparsity distances have previously been calculated. More information on underlying data and the identification of start and end points in the sparsity distance calculation is available in the original [consultation document](#). and the schools block NFF [technical note](#).

Regarding the omission of pupils' postcodes that contain only Scottish or Welsh addresses, as outlined in the consultation document this is because pupils living in Scotland or Wales might have a closest or second closest school which is not in England, to which we are unable to calculate a distance (as our sparsity model does not include this data). Including such pupils' postcodes, but not including schools in Scotland and Wales, in the calculation of sparsity distances would then risk systematically overstating how remote schools in these areas are. Due to improving the accuracy with which we identify pupils' postcodes, more such postcodes have been excluded this year than in previous years, but this does not represent a change in policy from when the sparsity factor was introduced in the NFF in 2018-19.

¹⁵ Information for how to access COLLECT is published in the NFF allocations [supplementary guidance](#).

Question 3b – other comments, including on the equalities impact

We welcome any additional comments about our proposals and our equalities impact assessment, including any evidence, examples, or data of possible equalities impacts of the proposals.

We received 94 responses to this question (15% of total respondents)¹⁶. Respondents by group, ordered by the percentage of total responses to this question, are shown below. This is followed by a list of most common points raised¹⁷. Some of the points raised in response to this question have been analysed in response to questions 2d and 3a.

Table 3bi. Breakdown of respondents

Role	Number	Proportion	Proportion of the total group
School	134	68%	30%
Council	31	16%	86%
Academy trust	7	4%	18%
Union / Association	6	3%	86%
Consultant	5	3%	83%
Individual	4	2%	11%
Other	4	2%	100%
Faith	3	2%	38%
Federation	2	1%	29%
Parent	1	1%	4%

Table 3bii. Common points raised

Type	Number	Proportion of points
Supportive of proposals	28	27%
Evidence of benefits of small, remote schools	9	9%
SEND provision	7	7%
Concern over redistribution from deprivation factors	5	5%
Distance measure	4	4%

¹⁶ Excluding 27 respondents with 'no further comments'.

¹⁷ Where respondents raised multiple issues, each has been counted. Key issues shown in table 3bii are those that made up at least 2% of total issues raised.

Variability in pupil numbers	4	4%
Support hard NFF	4	4%
Overall funding system	4	4%
Faith schools	4	4%
Evidence of cost pressures of small, rural schools	3	3%
Support for Gypsy, Roma and Traveller pupils	3	3%
Rural poverty	2	2%

The greatest number of responses to this question reinforced support for the proposals, followed by evidence of the benefits of small, remote schools.

Some respondents highlighted that small, rural schools are likely to have a higher proportion of pupils with SEND than schools nationally. We heard from some small schools that the cost of specialist and support staff can be difficult to meet. Some of the respondents who raised SEND provision represent schools that will become eligible for sparsity funding and emphasised how important this will be in supporting them to meet pupils' needs.

Some respondents, including schools, councils and consultants, expressed concern over the possibility of funding factors based on proxies of additional need (e.g. deprivation, low prior attainment) being cut to make these proposals affordable. Other respondents noted that these proposals would promote equality for children in rural areas, by helping to maintain good, local school provision, where schools can be financially worse off through no fault of the children's own and due to social and economic factors (e.g. low birth rates, housing prices, migration from villages). However, some respondents noted caution about how much sparsity funding they would receive due to local funding formulae and advocated a 'hard' NFF to improve fairness. Others expressed concern with the overall formula, but did not provide further detail or evidence.

Some respondents representing faith groups highlighted that despite the proposed changes only a small proportion of certain types of faith schools would be eligible for sparsity funding, in part due to schools of different faiths often being near to one another. One respondent highlighted that maintained schools and converter academies are entitled to give priority to 100% of their pupils on faith grounds if the school is oversubscribed, and questioned the fairness of faith schools being included as 'compatible' schools in the sparsity factor for any pupil, while acknowledging the complexities that would be involved in doing this differently.

A few respondents highlighted the important role that a number of small schools in their areas play in providing good, local education for, and building relationships with, pupils of Gypsy, Roma and Traveller ethnicity. One respondent highlighted the importance of targeted funding on the basis of pupils' characteristics to support pupils of Gypsy, Roma

and Traveller ethnicity, because a large proportion do not live in rural areas or attend small schools in rural areas. They also highlighted that they would welcome funding for flexible approaches to educating such pupils, including remote education for mobile pupils.

A few respondents highlighted rural poverty and that their schools receive significant funding on the basis of pupil deprivation. They expressed concern about such funding being effectively replaced by increased sparsity funding.

Government response

Strong support for the policy aim and proposals in response to this consultation has reinforced the case to increase funding for small, remote schools.

The changes have resulted in significant increases in funding for small, remote schools which will help to maintain access to good quality schools in rural locations, promoting equality of opportunity between pupils across the country. We have also heard from some respondents that this will positively impact some pupils within one or more of the protected characteristics, e.g. SEND. Furthermore, by improving the accuracy with which we measure schools' remoteness, we have improved the fairness with which this is used as a proxy for greater financial challenges. In addition to these changes, we have increased the other core NFF factors and the funding floor by the same rates as in 2021-22 of 3% and 2% respectively. This means that all schools will receive an increase in per pupil funding compared to 2021-22.

We have updated and reflected on the equalities impact assessment (Annex B) in light of the information received in response to the consultation. It is important to note that the changes confirmed in this consultation response are fundamentally designed to support schools that are necessarily small because they are remote and do not have the same opportunities to grow or make efficiency savings as other schools. The Department continues to work on wider policy areas which are more specifically intended to support particular groups of pupils, including those of Gypsy, Roma and Traveller ethnic origins and those attending faith schools.

Annex A: List of organisations that responded to the consultation

This list of stakeholder organisations was drawn from the online form submitted and from responses to the consultation mailbox. The list is not exhaustive as some respondents chose to keep their responses confidential and thus are not listed here, and the list does not include individual respondents, including those on behalf of individual schools.

- Academy Transformation Trust
- Association of School and College Leaders (ASCL)
- Bath and Wells Multi Academy Trust
- Bedford Borough Council
- Bury Metropolitan Borough Council
- Cambridgeshire County Council
- Catholic Education Service
- Cheshire East Council
- Cheshire West and Chester Council
- Church of England Education Office
- Cornwall County Council
- Croscombe and Stoke St Michael Primary Federation
- Cumbria Council
- Dales Academies Trust
- Derbyshire County Council
- Devon County Council
- Diocese of Bath and Wells
- Diocese of Bristol Academies Trust
- Diocese of Salisbury Academy Trust
- Diocese of Worcester Multi Academy Trust
- Dorset Council
- East Riding of Yorkshire Council
- East Sussex County Council
- Essex County Council
- Essex Schools Forum
- Excalibur Academies Trust
- Hampshire County Council

- Hertfordshire County Council
- Inspiring Primaries Academy Trust
- Kent County Council
- Keystone Academy Trust
- Lancashire Schools Forum
- Leeds City Council
- Leicestershire County Council
- Lighthouse Schools Partnership
- Lincolnshire County Council
- Milton Keynes Council
- NASUWT The Teachers' Union
- National Association of Head Teachers (NAHT)
- National Association of Small Schools
- National Education Union (Cumbria District)
- National Education Union (NEU)
- Norfolk County Council
- North Lincolnshire Council
- North Somerset Council
- North Yorkshire County Council
- Northern Lights Learning Trust
- Northumberland County Council
- Nottinghamshire County Council
- Outwood Grange Academies Trust
- Oxfordshire County Council
- Oxfordshire Schools Forum
- Peak Five (Church of England)
- Plymouth CAST
- Rutland County Council
- Salisbury Diocesan Board of Education
- Scout Road Academy
- Shropshire Council
- Smart Trust
- Southerly Point Co-operative MAT

- Staffordshire County Council
- The Castle Partnership Trust
- The Church of England Diocese of Durham and Newcastle
- The f40 group
- The Federation of Hampstead Norreys CoE and The Ilsleys primary schools
- The Redstart Learning Partnership
- The Riverside Federation
- The Sheffield UTC Academy Trust
- The Tilian Partnership (Multi Academy Trust)
- The Weald Federation
- The Wensum Trust
- Thedwastre Education Trust
- Vine Schools Trust
- Voice Community
- West Berkshire Council
- West Lakes Multi Academy Trust
- West Sussex County Council
- Wiltshire Council
- Wimborne Academy Trust
- Worcestershire County Council

Annex B. The Public Sector Equality Duty

The Equality Act 2010 identifies the following as protected characteristics for the public sector equality duty:

- Age
- Disability
- Gender Reassignment
- Pregnancy and Maternity
- Race (including ethnicity)
- Religion or belief
- Sex
- Sexual orientation

Under Section 149 of the Equality Act 2010, the Secretary of State is under a duty to have due regard to the need to:

a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:

- tackle prejudice, and
- promote understanding.

Consideration of the protected characteristics identified in the Equality Act 2010

This is an assessment, pursuant to the public sector equality duty, of the potential impact of these proposals. The Equality Act 2010 identifies eight protected characteristics, as set out above.

Our assessment of the impact of these proposals on each protected characteristic is:

- **Age:** no impact of these changes is considered likely in relation to this protected characteristic. Sparsity funding will continue to be allocated fairly across phases and we have increased the maximum sparsity factors by the same amount across phases.
- **Disability:** these changes are likely to have a positive impact on some pupils with this protected characteristic. This is because sparsity funding will continue to support the viability of small schools in rural areas, which in turn helps to mitigate the risk of pupils having to travel unreasonably long distances to their next closest school. Access to local education is beneficial for all children, and is likely to be particularly so for pupils for whom long travel distances to school would be additionally challenging due to disabilities (e.g., physical disabilities). In addition, in response to the consultation we heard from some respondents in schools with a disproportionately high number of SEND pupils, due to parental preference for their school setting. Overall data indicates that there is a slightly greater proportion of pupils with SEN support or an EHC plan in sparse schools than schools nationally.
- **Gender reassignment:** no impact of these changes is considered likely in relation to this protected characteristic.
- **Pregnancy and maternity:** no impact of these changes is considered likely in relation to this protected characteristic.
- **Race (including ethnicity):** these changes are likely to have a small positive impact on a limited number of groups of pupils within this protected characteristic and will not negatively impact pupils from ethnic origins that are underrepresented in schools that attract sparsity funding. This is because the increase in the core school budget in 2022-23 was large enough to enable a significant increase in funding through the sparsity factor and the same level of increase to other core NFF factor values as the previous year of 3%. Funding allocated through the sparsity factor still makes up a very small proportion of the total schools block (0.2% in 2022-23), with a far greater proportion (93% in 2022-23) allocated on the basis of pupil numbers and their characteristics as proxies of additional need, such as deprivation and low prior attainment. A greater proportion of pupils in urban areas attract funding through these factors compared to those in rural areas.

In schools that attract sparsity funding, the overwhelming majority of pupils are of white British origin (over 90% on average), and pupils of a Gypsy, Roma, Irish, or traveller of an Irish heritage ethnic origin are very marginally overrepresented in schools that attract sparsity funding compared to the national average. While the changes have resulted in more schools, and therefore more pupils, attracting sparsity funding, this still only covers a very small proportion of pupils nationally.

Just 4% of all pupils attend sparse schools, so the impact on pupils across these ethnicities will be limited.

- **Religion or belief:** these changes are likely to have a positive impact on some groups of pupils within this protected characteristic. Church of England, Methodist, and 'other Christian faith' schools were over-represented among schools eligible for sparsity funding before these changes. And there has been a considerable increase in the proportion of such schools that attract sparsity funding as a result of these changes. These changes will not negatively impact groups of pupils that attend religious schools that are ineligible for sparsity funding because, as outlined on page 29, sparsity funding represents a very small proportion of total funding. The 3% increase to other core NFF factor values ensures that the vast majority of funding (93%) continues to be allocated on the basis of pupils and their characteristics.
- **Sex:** no impact of these proposals is considered likely in relation to this protected characteristic. Sparsity distances will continue to be the average distance to the second closest compatible school for a school's closest pupils, which avoids assuming children could attend any of their nearby schools where it is not compatible e.g., single-sex schools.
- **Sexual orientation:** no impact of these proposals is considered likely in relation to this protected characteristic.

Overall, the policy changes confirmed in this consultation response intend to achieve the aim of improving the support for small, remote schools. We have been mindful to achieve this aim in such a way that the schools NFF's overarching aims of fairness and matching resource to need by maximising the funding available on the basis of pupils' characteristics are not negatively affected, and to ensure that no pupils across groups of protected characteristics are treated unfairly as a result. This means, while we have increased funding allocated through the sparsity factor by £53m, we have also increased the total amount of funding allocated to schools on the basis of proxies of additional need by £236m in 2022-23. In addition, the changes to the sparsity factor now mean the proportion of pupils in sparse schools attracting FSM funding through the NFF has increased towards the national average (the proportion has increased from 10% to 12.5%). We believe these changes strike the right balance between improving the support for small, remote schools while ensuring the NFF continues to match resource to need. This has been supported by overwhelming support for the policy aim and strong support for the proposals in response to this consultation.



Department
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