

Schools NFF: Proposed changes to sparsity funding from 2022/23

Response of the Association of School and College Leaders

A. Introduction

- 1 The Association of School and College Leaders (ASCL) represents over 21,000 education system leaders, heads, principals, deputies, vice-principals, assistant heads, business managers and other senior staff of state-funded and independent schools and colleges throughout the UK. ASCL members are responsible for the education of more than four million young people in more than 90 per cent of the secondary and tertiary phases, and in an increasing proportion of the primary phase. This places the association in a strong position to consider this issue from the viewpoint of the leaders of schools and colleges of all types.
- 2 We note that these proposals will support doubling the current level of funding targeted at sparsity, from £41 million in 2021/22 to £85 million in 2022/23.
- 3 We welcome any additional investment into the DSG. However, we are always keen to see changes to methodology from an evidence-based perspective. We do not think that the consultation document adequately explains why the figure of £10,000 has been proposed as the appropriate increase to maximum sparsity factor levels.
- 4 We agree with the proposal to measure sparsity distances by road journeys, as this will more closely reflect the actual distance a pupil must travel than the current 'crow flies' method.
- 5 We remain concerned about the effectiveness of the NFF more broadly, because the formula requires a flexible top-up factor to ensure that all schools achieve a minimum per pupil funding value. The level of basic entitlement should be the agreed minimum required per pupil funding level and should apply to all schools as part of their NFF allocation. This concern is relevant to any proposed changes to the formula including sparsity.
- 6 ASCL is disappointed to note that a school that is eligible for minimum per pupil top-up funding and sparsity funding may not see any increase in cash terms, as a result of these proposals. Current distribution methodology (as it applies to minimum per pupil funding levels) means that for this type of school the increase in sparsity funding would be offset by a reduction in the amount of top-up funding required to achieve minimum per pupil levels.

B. Response to specific questions

Q1: Do you support our aim to allocate sparsity funding to a greater number of small schools in rural areas?

Yes
No
Unsure

- 7 Care will always be required in the application and adequacy of the sparsity factor to support sufficiency. Where a sparsity factor exists in a formula, that formula must also acknowledge the need for adequacy of funding. A school that is deemed rural and necessary must not be denied the opportunity to flourish in a sustainable way.

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

- 8 ASCL would support a methodology for applying a sparsity factor that incorporated a provision for exceptional circumstances, for example where a school might not qualify for sparsity funding using the appropriate distance measure but where local context, such as rurality, deemed the school sparse. For example, travelling time to particularly remote schools in, say, Cumbria or Somerset may limit their capacity to attract more pupils. However, they may be deemed necessary by the same token. Pupils living in that area cannot easily access alternative schools.
- 9 We are also concerned that increasing the number of schools eligible for sparsity funding could have unintended consequences for local services, such as home-school transport. We would like to see modelling on the likely impact of increased pressure on local authority resources.
- 10 While the NFF is required to operate within a fixed quantum, we remain concerned that expanding the eligibility of one factor may have a diluting effect on the usefulness of that pot of money.
- 11 As we move towards a hard national funding formula, we think it would be useful to model the implications of setting alternative distance thresholds and considering the impact on the lump sum factor, for example. Schools that fall just outside the distance thresholds must rely more heavily on the lump sum to cover whole school costs.

Q2: To Do you agree with our plan to measure sparsity distances by the road?

Strongly agree
Agree
Neither agree nor disagree
Disagree
Strongly disagree

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

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

- 12 ASCL broadly agrees with maintaining the current thresholds, accepting that wherever the thresholds are set there will always be a number of schools which fall just outside the agreed distance. See paragraph 11 above.

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

- 13 We would like to see the modelling that has been done to arrive at this figure. Without that we are not able to agree or disagree. See paragraph 3 above.

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

- 14 We note that the proposal incorporates mitigation to protect schools where eligibility for sparsity fluctuates year by year. We welcome this as a protection against the negative impact of a 'cliff edge' scenario. However, as we move towards a hard NFF, we suggest that, instead of minimum funding guarantee protection, consideration should be given to using a rolling average year group size. We would be keen to see modelling on this to understand if this approach would deliver stability for schools.

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

- 15 We agree that distance by road will better reflect the pupil journey than the current 'crow flies' calculation. However, we think travelling time should also be considered. In more remote parts of the country the same distance will take much longer to travel than in others still considered rural.

Q3b: We welcome any additional comments about our proposals.

- 16 We are familiar with the DfE presumption¹ against closure of rural schools but are unclear about how effectively this works alongside the Free School Presumption guidance². We would be keen to see any evidence that demonstrates how decision makers take account of *why* a school is small, when it is being protected by the rural school presumption, and how this might impact on a neighbouring authority's decision to open a new school, for example. Notwithstanding that all decisions must be made in the best interests of the children and young people who stand to be affected by these decisions.

C. Conclusion

- 17 We hope that this response is of value to the consultation. ASCL is willing to be further consulted and to assist in any way that it can.

*Julia Harnden, Funding Specialist
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