

The Sparsity Factor

Source: 2014/15 Revenue Funding Arrangements: Operational Guidance for Local Authorities. Education Funding Agency, June 2013

1. Funding may be targeted at schools that have been identified by the Department's sparsity factor. This factor measures the distance that pupils live from their nearest second school. This has been calculated using pupil and school postcode coordinates from the October Pupil level and School level Census. For each school we have identified the pupils that live nearest to it, and have then calculated the distance they live from their nearest second school (for the purposes of this factor, selective schools, such as grammar schools, are not considered when identifying the second nearest school). We then calculate the mean distance for these pupils, and this is the school's sparsity distance. A worked example is provided below;
 - School A is the closest school for 50 pupils (although this is not necessarily the school they attend).
 - The distance that these 50 pupils live from their second nearest school is calculated.
 - The mean distance is calculated for these 50 pupils. This is the sparsity factor for school A.

2. We will provide the school level measure for each school. A school may attract sparsity funding if it is:
 - Primary and has fewer than 150 pupils and an average distance greater than or equal to 2 miles.
 - Secondary, Middle or All through and has fewer than 600 pupils and an average distance greater than or equal to 3 miles.

Local authorities may, if they wish, reduce the pupil numbers and distance criteria, but the limits above may not be increased.

3. The maximum permitted value of the sparsity factor is £100,000 per school. Authorities can allocate this either as a lump sum to all the schools identified as sparse, or a tapered amount related to school size. The tapering works so that, for the 150 pupil cap, a school with 75 pupils will receive half the value set by the authority, a school with 30 pupils will receive 80% of the value and a school with 120 pupils will receive 20% of the value. The tapering for any school can be calculated as follows:
 - $(\text{Authority sparsity value}) \times (1 - \frac{\text{funded NOR}}{\text{Authority cap size}})$

4. Worked examples are provided below showing whether a school would receive sparsity funding and how much funding they would receive (theses assume the authority has not adjusted the distance threshold or the cap size):
 - School A is a primary school with a sparsity distance of 1.8 miles. As this distance is less than the primary distance threshold of 2 school miles school A is not eligible for sparsity funding.
 - School B is a primary school with a sparsity distance of 2.2 miles and 200 pupils. This distance is greater than the primary distance threshold, but the

number of pupils is greater than the size cap and so school B is not eligible for sparsity funding.

- School C is a primary school with a sparsity factor of 2.2 miles and 130 pupils. The school is eligible for sparsity funding. The school sets a sparsity value of £100,000 and has decided to allocate funding as a lump sum. School C is allocated £100,000.
 - School D is a primary school with a sparsity distance of 2.2 miles and 120 pupils. The school is eligible for sparsity funding. The authority sets a sparsity value of £100,000 and has decided to allocate funding as a tapered amount related to school size. School D is allocated £20,000 (20% of the authority sparsity value).
5. The sparsity distance for each school has been calculated as the crow flies distances. Local authorities are able to make exceptional applications for schools that would have had significantly higher distances if road distances had been used instead of crow flies distances.
 6. Sparsity distances will be produced for all schools in the schools block database and these distances will be made available to each authority. If a school opens after the sparsity distances have been calculated then the authority can make an exceptional application for the school. The process is the same for schools that are affected by neighbouring schools closing. We will not reproduce the calculations in year, as for individual schools it should be possible to make a reasonable estimate for one year. We do not expect that an existing school, qualifying for sparsity funding, would lose that funding in year if a new school opened. Exceptional applications should be agreed with the relevant Schools Forum, and submitted to the EFA to seek approval.