SCHOOL FORUM **Item 6a**

Members of the School Forum are asked to note the contents of this report for information

Deprivation Review

Background

In 2006 DCSF notified all LA's of a requirement to undertake a fundamental review of how their existing funding was targeted to pupils identified as from deprived backgrounds. This review resulted in the adoption of a new funding methodology, consulted on during summer 2007, to be used in the allocation of social deprivation funding in Walsall schools.

Having already undertaken our review, the DCSF, in August 2007, sent to all LA's a template which identified the total amount of deprivation funding the government deemed to be already included within our 2007 funding settlement. LA's were required to complete and submit the template, using a prescribed list of "allowable" funding factors (defined by PwC), that could be counted towards our notionally targeted deprivation funding.

The DCSF indicated that LA's who could not demonstrate a minimum of 80% of their identified deprivation funding as being targeted through their funding allocations would be required to put funding strategies in place to bring spending levels up-to a minimum 80%. Also a meeting with our Children's Services Advisor would be required to discuss these strategies.

The completed template (see attached) for Walsall has been shared with Forum at a previous meeting and showed that in 2007 we could only demonstrate 54% of the DCSF's perceived available funding, approx 21million, as being targeted.

The outcome of the meeting with our CSA was a requirement to achieve the minimum 80% funding target over the next four years. Subsequently a commitment was given by Forum that first priority from available head room / new funding would be deprivation and would require an investment of approx. 1.62 million per year to be allocated via the newly agreed social deprivation factor. This commitment was reflected in the spending pressures paper presented to Forum during the spring term.

Social Deprivation Factor

When allocations for the 2008/09 budgets were undertaken and an analysis of how the new method distributed funding compared to IDACI rankings, the formula did not quite achieve what had been expected. Members of the deprivation sub-group were asked to attend a meeting in March to review the modelled allocations and consider amendments presented.

Method Consulted on:

No. of pupils from Deprived Backgrounds = No. of eligible FSM pupils + [No. of non eligible FSM * their average IDACI score]

Method used with agreement of deprivation sub group:

A lump sum allocation, varied according to IDACI score plus for schools whose score is above the current national average of 0.12, a pupil derived allocation calculated:

No. of pupils from Deprived IDACI Backgrounds = No. of eligible FSM + No. of non FSM pupils falling into 0-20 most deprived bands

Allocations to schools for the final 2008/2009 budget shares and indicative shares for 2009 to 2011 include the agreed level of headroom, which was allocated via social deprivation factor using the revised method.

Notional Deprivation – school level

Following requests for clarification of "notional deprivation" funding, Forum are asked to note that the social deprivation factor, which is allocated using the formula noted above, and to which new funding from head room will be added, is only one of a number of funding factors we can count towards our overall total of notionally targeted deprivation funding.

A notional deprivation figure for each school is the sum of each school's individual "allowable" formula factors. The total of the individual school amounts will represent our "notionally targeted deprivation funding", which will be monitored against the minimum 80% requirement by the DCSF of the next few years.

June 2008