

Deprivation Review: update on consultation

Schools Forum

11 September 2007

Members of the Forum are requested to receive this report for information and note the need to make changes to the School Funding Formula for the 2008 / 2011 funding period.

1. Purpose of the Report

The purpose of this report is to update members of the Forum on responses received from schools connected with the Deprivation Review and to receive further information on the expectations of the Department for Children, Schools and Families (DCSF) with regard to deprivation funding.

2. Responses to Consultation

Deprivation Funding Review

Copies of the Deprivation Funding Review were sent to every Headteacher and every Chair of Governors in Walsall. Copies of the document were also made available to partners and neighbouring authorities.

Two Road-shows were also held to discuss the issues of the review at greater length, one in Pelsall and the other in Darlaston. The Road-shows were not well attended.

Respondents generally approved of the principles adopted by the working groups and were supportive of the use of the IDACI index, as well as free school meals, to provide a more accurate and sophisticated picture of the instance of deprivation in Walsall's schools. The number of responses was however, numerically very small.

Further Information from DCSF

On 3 August 2007, the DCSF issued further guidance to LAs, with regard to deprivation funding. A full copy of the guidance is available at www.teachernet.gov.uk/management/schoolfunding. The guidance shows that:

- The DCSF has now identified formula factors that can contribute towards the overall description of deprivation funding and they have further defined the extent to which these factors can be counted by LAs, when calculations are made about the amount of funding assigned to address the effects of deprivation. These are reproduced as an appendix to this report.

The main differences from the approach taken by Walsall's working group and the DCSF figures lies in the treatment of funding for the provision of free school meals and funding for SEN / Behaviour Support. The Walsall working group did not include funding for meals in its deliberations and the group treated spending for SEN / Behaviour differently from the way now specified by DCSF.

- The DCSF have requested all Authorities to complete a Deprivation Funding Template, showing clearly which funding streams are to address the cost of deprivation and to

make clear the percentage of funding allocated for deprived pupils that is directed towards deprived pupils.

Walsall's percentage of identified spending according to the template sums to 54%. A copy of the completed Template will be available at the meeting.

The DCSF has requested all Authorities to make changes to their formula for funding schools between September and November 2007, so that a greater percentage of funding for deprivation will be directed towards deprived pupils in the 2008 / 2011 funding round. Authorities have been set a target of 80%, although even those delegating more than 80% are encouraged to make further changes towards full delegation of resources for deprivation.

Authorities will be required to complete another template in May 2008 to demonstrate positive change towards the 80% target.

- The Authority's Children's Services Adviser for Government Office West Midlands will be visiting the Authority on 3 October 2007 to discuss progress made on the Deprivation Review and to discuss work that must be undertaken to move towards the target of 80% delegation for deprivation funding. There is an indication that if Children's Services Advisers and DCSF are not satisfied that sufficiently robust actions are in place, then DCSF will direct Authorities to make changes to their funding formulae. A Headteacher representative from the Forum is invited to take part in the meeting in an observer capacity.

Attached as Appendix 2 to this paper is a list of the questions Children's Services Advisers will be asking with regard to Deprivation Funding. Because of the work undertaken in the last two terms, it will be possible to make a positive response to many of the questions posed. It will not be possible to comment on the effect of re-directed funding as presently, no funding has been re-directed as a result of the review.

Following discussions with the Children's Services Adviser, the Walsall Schools Forum will have to reach a view on the future use of Headroom, to increase the amount of money directed towards schools educating more deprived pupils. The Forum will also have to consider changes to the existing formula, and the time-scale for any such changes to take effect, so that the money delegated to schools to compensate for deprivation more accurately reflects the amount of money in the Dedicated Schools Grant for that purpose.

3. Recommendations

The Forum is recommended to request the Managing Director to bring a further report to the Schools Forum on 9 October 2007, containing the results of discussion with the Authority's Children's Services Adviser and options for Formula review, so that resources delegated to address the costs of deprivation move towards the 80% figure, currently recommended by DCSF.

Appendix 1

Formula Factors (included within S52 line 1.0.1)	Funded AEN % permissible	Deprivation % permissible
4.3.1 Provision of Free School Meals.		
Free School Meals is a direct measure of deprivation and social need: therefore all funding for provision of free school meals may	100%	100%

be counted in the deprivation calculation.		
4.3.2 Additional Educational Need for Deprivation	Funded AEN % permissible	Deprivation % permissible
The PwC Report identifies Social Need as a component of funded Additional Educational Need, and therefore funding directed at pupils for funded AEN associated with deprivation/social need can be counted in the calculation.	Likely to be 100%	Likely to be 100%
4.3.3 Social Inclusion		
The PwC Report identifies Social Need as a component of funded AEN, and therefore funding directed at pupils for social inclusion can be counted in the calculation.	Likely to be 100%	Likely to be 100%
4.3.4 Prior Attainment	Funded AEN % permissible	Deprivation % permissible
Low (or high) Prior Attainment is defined as part of Additional Educational Needs and does have resource implication: low prior attainment is not 100% associated with deprivation, but for this purpose 75% of a low prior attainment factor may be considered as an indicator of deprivation.	100%	75%
4.3.5 Special Educational Needs (SEN)		
SEN comes in many forms, some of which may be as a consequence of coming from a deprived background, and some of which will not (eg physical and medical disability). Authorities will often use proxy indicators for delegated SEN funding which include deprivation, or low attainment, and to a lesser extent other factors such as EAL and turnover. If these indicators are used to calculate the delegation of SEN, they may be used in the calculation of deprivation funding to that extent. Generally this is likely to be in the region of 60-80%. Authorities that use an audit to delegate funding may include the percentage of their funding equivalent to the percentage of their SEN pupil population that they calculate to be from lower income families (eg FSM% for pupils funded for SEN through audit), plus funding delegated by allowable factors. An example is provided:	See example	See example
<p>Eg a proxy indicator for SEN of:</p> <p>40% deprivation 10% NOR for School Action 10% EAL 20% Prior attainment 20% School Action plus</p> <p>Are pupils on SA+ locally correlating with deprived pupils? What % of SA+ pupils are on FSM? For further details regarding any factor used see the individual indicator in this table.</p>	<p>Funded AEN: Would be calculated as</p> <p>100 % of this indicator £ 0% of this indicator £ 100 % of this indicator £ 100 % of this indicator £ ?% of this indicator £</p> <p>70%+ of SEN in this example</p>	<p>Deprivation: would be calculated as:</p> <p>100 % of this indicator £ 0 % of this indicator £ 0 % of this indicator £ 75 % of this indicator £ ? % of this indicator £</p> <p>55%+ of SEN in this example</p>
4.3.6 Pupil Mobility		
The PwC Report does not specifically identify pupil mobility in the definition of funded AEN. Pupil mobility often leads to lower attainment and higher pastoral support costs (included as AEN) but these are not necessarily associated with deprivation and therefore cannot be counted in the deprivation calculation. Pupil mobility associated with Travellers, Political Refugees and Asylum Seekers might be appropriate for including within the calculation, especially	All Mobility 100%	General mobility 0%

where these pupils are not included in other factors of deprivation (ie do not apply for FSM because they are in the school/area for too short a period of time). It can be difficult to identify pupils from women's refuges specifically, however schools that serve a women's refuge (where pupil numbers are significant) may be included.		Traveller, Refugee, Asylum Seekers, Women's refuge mobility or similar 100%
4.3.7 English as an Additional Language (EAL)		
The PwC Report identifies EAL as a component of funded Additional Educational Need, but EAL is not specifically an indicator of deprivation and therefore funding directed at pupils with EAL cannot all be counted in the calculation. Pupils arriving with EAL can often be taught English and progress appropriately thereafter. Pupils with EAL who are deprived will be counted in other deprivation indicators.	100%	0%
4.3.8 Ethnic Minority		
The PwC Report identifies some Ethnic Minorities as having additional educational needs, but this will not necessarily be associated with deprivation. Therefore, where a component of Additional Educational Need funding or deprivation funding is based upon numbers of Ethnic Minority Pupils, the LA should demonstrate the correlation with social need in the particular mix of ethnic minorities in their area.	Depends upon circumstances	Depends upon circumstances
4.3.9 Looked After Children (LAC)		
The PwC Report does not specifically identify Looked After Children in the definition of AEN, but subsequent research has identified that additional support is necessary for LAC and therefore funding directed towards LAC is all allowable in the calculation.	100%	100%
4.3.10 Personalised Learning (Delegated)	Funded AEN % permissible	Deprivation % permissible
Funding for personalised learning is delegated primarily for gifted and talented pupils, those falling behind at Key Stages 1, 2 & 3 and to help deprived pupils access extended facilities. The Funding was provided to authorities in the proportions 15% by projected pupil numbers, 50% for pupils falling behind at Key stages 1,2 and 3 and 35% according to projected pupils aged 5 to 10 weighted for deprivation, using children in families in receipt of Income Support. Authorities will need to provide details if they are using different proportions for distribution to schools. The latter category can be included in the deprivation calculation, as can 75% of the low attainment: therefore the percentage of delegated personalisation funding that may be included is likely to be in the region of 70-75%. For funded AEN this will be higher as it may include an allocation for gifted and talented pupils who do have other learning needs. NOR is not eligible in either part of the calculation.	In the region of 85%	In the region of 72.5% (50% + 75% of 35%)

4.3.11 School Standards Grant (Personalisation), School Development Grant and Ethnic Minority Achievement Grant	Funded AEN % permissible	Deprivation % permissible
Funding is delegated in a separate grant for all these elements of the School Budget. As it is over and above that provided in the DSG this funding does not count in the delegation calculations.	0%	0%
4.3.12 AWPU/Block/Lump Sum		

<p>The AWPU/Block could include a flat rate for funded AEN and deprivation. The funding allocated to authorities includes £177.94 (at 05-06 rates) per primary and under 5 pupil and £170.27 per secondary pupil. However this helps to build a minimum level of funding for all authorities (and it could be argued all schools). Costs of up to about FSM% of an assistant head per school in the formula could be counted for dealing with issues associated with deprivation.</p>	<p>Max £180 per pupil</p> <p>FSM% of Asst Head costs per school</p>	<p>FSM% of Asst Head costs per school</p>
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4.3.13 Other Section 52 lines within the DSG

S52 1.3.2 Behaviour Support Services	Funded AEN % permissible	Deprivation % permissible
<p>This line covers the costs of providing or purchasing specialist behaviour support services, both advisory and teaching.</p> <p>This can be included within the calculation to the extent that the support can be shown to be assisting deprived pupils. It should be borne in mind that behavioural difficulties are not solely experienced by pupils from less affluent backgrounds.</p>	<p>Likely to be same as LA % of pupils from deprived backgrounds</p>	<p>Likely to be same as LA % of pupils from deprived backgrounds</p>
S52 1.4.2 Free School Meals Eligibility		
<p>To enable pupils to access Free School Meals, the costs of administering the system may be included.</p>	<p>100%</p>	<p>100%</p>

Appendix 2

The discussion with our CSA will consider:

- The authority's overall level of deprivation,
- The range of deprivation within the authority,
- The completed template,
- How far the authority is from distributing its assigned funding for deprivation – is there scope for it to go further? CSA's are looking particularly at authorities that delegate less than 80% of the funding for deprived pupils towards these pupils. However, whilst there is a target figure of 80% and 100% are also asked to consider change. (see template)
- The range of indicators used – is this appropriate?
- How does the School Forum view funding for deprivation?
- Has the authority undertaken an analysis of need in the area?
- What is the authority attainment record for deprived pupils, what is the attainment gap? Has a redirection of funding changed this?
- Are the proposals to change the local formula? (and if not why not)?
- Look at the overall funding going to schools. If all things were equal (size of school, facilities etc), are deprived pupils receiving more funding?
- Is there any scenario planning for the statements which might make a difference to the amounts directed to deprived pupils for 2008-11 (eg. If the settlement is X... but if the settlement is more than will the extra go to deprived pupils.... What if it is less)?