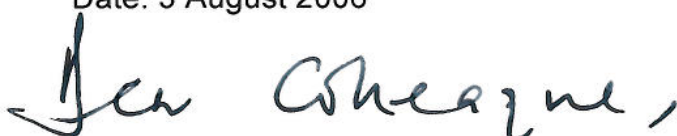


Directors of Children's Services of local authorities in England
and Chairs of Schools Forums

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**Child Poverty: Fair Funding for Schools: Publication of Local Authority
Deprivation Statements**

When the Government published the report *Child Poverty: Fair Funding for Schools*¹ in December 2005 it set out the steps it would be taking to ensure that pupils from low-income families have equality of opportunity wherever they live. The first two of these steps have now been undertaken: first, information on the Dedicated Schools Grant published in December 2005 identified within each local authority's allocation the funding available to tackle the effects of deprivation; and second, local authorities and Schools Forums were asked to submit a statement detailing their own local distribution methods.

These local authority statements have now been published, along with a technical review of deprivation indicators, and authority by authority attainment data comparing the outcomes of pupils from deprived backgrounds with those of their peers. All of this material can be found on Teachernet at www.teachernet.gov.uk/deprivationfundingreview.

The local authority statements published today outline examples of good practice at local level: a number of authorities have undertaken fundamental reviews of their funding formulae over the last few years resulting in the introduction of a range of innovative methodologies for distributing resources. A number of these take advantage of recent developments that allow the integration of pupil level data sets with area based deprivation indexes to sharpen the degree to which funding is targeted to need.

Nevertheless, the statements also confirm the findings of the *Child Poverty: Fair Funding for Schools* Review in that there remains a wide degree of variation between local authorities' strategies for assessing and funding the costs of deprivation and there has in many cases been no systematic approach to reviewing need or how to use funding to drive up the attainment of pupils from deprived backgrounds.

¹ <http://www.teachernet.gov.uk/deprivationfundingreview/>



Both the Department and HM Treasury believe that further progress can and needs to be made to ensure local funding formulae are more equitable and better focus the delivery of resources to need. The publication of these statements is the next step in supporting such progress as they present a systematic overview of arrangements locally. The accompanying technical review, in drawing on the statements and section 52 budget returns, provides a valuable summary and guide to the key issues that local authorities and Schools Forums should be considering in relation to their own practice. Alongside this technical review we are also publishing some contextual attainment data. This is data that is already in the public domain and compares, at local authority level, the attainment of pupils from deprived backgrounds and their peers at Key Stages 2 and 3 and at GCSE, and how the attainment gap between the two groups varies across authorities. This data in particular is vital to any assessment of the effectiveness of local authority funding arrangements.


Next steps

In line with the actions outlined in the statement made in December 2005, and in the light of the material published today, all local authorities, in conjunction with their Schools Forum should now begin to undertake a full and systematic review of their local arrangements. Specifically, the material we are publishing today will enable local authorities and Schools Forums to consider the extent to which their own arrangements deliver resources to schools to cover the costs of deprivation in a way that best supports schools to close the gap in pupil outcomes.

Making progress in this area will continue to be a priority for the Department and HM Treasury. The degree of change needed at local authority level will vary, but, where appropriate, we will look to see authorities bringing forward proposals for consultation to ensure that from the start of the 2008 three-year funding period their formula better targets funding on deprived pupils. The Department will maintain contact with the progress of these reviews and assess the adequacy of the actions flowing from them through its Children's Services Advisers. We will write again in the autumn to outline in more detail how we will monitor the progress of these reviews.

I would like to thank you for your work on this important issue so far: progress on it is an important strand in the government's long-term strategy to halve child poverty by 2010 and eradicate it by 2020.

Any queries regarding the issues set out in the letter should be addressed to Philip Moss (Philip.moss@dfes.gsi.gov.uk), John Hall (John.hall@dfes.gsi.gov.uk) or Nick Dawson (Nick.dawson@dfes.gsi.gov.uk).

Yours sincerely


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