

REPORT TO THE SCHOOLS FORUM
SOCIAL DEPRIVATION FUNDING
REPORT OF THE SCHOOLS FORUM SUB GROUP

1. PURPOSE

1.1 To report back to the Schools Forum on the work and conclusions of the Schools Forum Social Deprivation Sub Group.

1.2 To make recommendations on Social Deprivation funding.

2. BACKGROUND

2.1 At its October 2006 meeting the Schools Forum received a detailed report on issues relating to the funding for Social Deprivation.

2.2 The Forum noted the DfES requirement for all LA's to review their current position and the Forum agreed that a small working group be formed to consider the key issues.

3. FORUM WORKING GROUP

3.1 Subsequently a working group consisting of Forum members Cherrill Illingworth, Bernard Roberts and June Longmuir supported by LA officers Andy McHale and Trish Mallinson was formed.

3.2 This group has met 3 times in December 2006, April 2007 and June 2007. The notes of those meetings are attached at Appendix A.

3.3 From the notes the Schools Forum are able to see the wide ranging issues discussed and the significant amount of work undertaken as part of the review.

4. WORKING GROUP AREAS CONSIDERED

4.1 General

(a) The DfES have been and are still extremely proactive in this area and the requirement on LA's to review their position has been constantly stressed.

(b) The DfES have consistently referred to the variation range between funding for social deprivation in the Dedicated Schools Grant (DSG) and the attainment gap particularly between Free School Meal (FSM) and non-FSM pupils. They have also included specific issues within the recent funding consultation for the next multi-year budget period commencing April 2008.

(c) It will be part of the role of the LA Children's Services Adviser (CSA) to discuss progress and issues on the review as part of their engagement with LA's.

4.2 Funding for Deprivation

(a) One of the first areas the group considered was the level of notional funding within the DSG deemed to be related to deprivation compared to the Worcestershire local funding formula. The main issues here are: -

- The level in the DSG is historic based upon the previous percentage for additional educational need (AEN) deprivation in the previous SFSS 2005/06. This was applied to the DSG after the application of the basic 5% per pupil increase and then uplifted by a relevant share of the ministerial priorities from the DSG headroom;
- There is no national definition of what this resource is notionally intended to support i.e. social deprivation, AEN, Special Educational Needs (SEN), etc?
- All LA school funding formula are different and will use a range of drivers for both basic and other funding.

(b) The analysis prepared for the working group is attached at Appendix B. This demonstrates that it is possible to be under or over the notional DSG sum dependant on the local definition.

(c) **The working group concluded** that: -

- the analysis demonstrates the allocation of significant resources via a range of factors from an extremely low funding base;
- any changes to existing allocation methodologies and/or further targeting to existing or new formula factors would need to be gradual and subject to DSG availability.

4.3 Other LA Research

(a) The group endeavoured to consider the approaches to this issue by contacting a range of LA's. From those who responded it was clear there was a wide range of funding models/levels and social deprivation indicators in place.

(b) Evidence from the local Schools Forum user group supported this view and also indicated a wide variation in the status of the review process in individual LA's.

(c) **The working group concluded** that: -

- there needed to be recognition for any data set for distribution to be explainable in educational terms, collectable, robust, a good measure and sustainable.

4.4 Funding Link to ACORN Scores

(a) The group considered various scenarios by sector for defined funding levels per pupil against ACORN ranks.

(b) The correlation scores measuring how much of the funding variation was attributable to the socio-economic variation was extremely low in primary and not significant in high schools. It was higher in middle schools.

(c) **The working group concluded that:** -

- the analysis did not necessarily provide any basis for significant change to the targeting of resources;
- there maybe a need to look at these comparisons using social deprivation per pupil funding but felt this needed a formal definition of budgets to be included.

4.4 Potential Link to Attainment

(a) The group considered information on per pupil funding linked to actual attainment data for 2006 for each key stage.

(b) In this there was a range of correlation scores between how much of the funding variation was attributable to the attainment variation.

(c) **The working group concluded that:** -

- there being a range of outcomes with various combinations within the individual sectors of low/high attainment and/or low/high funding per pupil;
- there maybe some merit in using social deprivation per pupil funding linked to attainment if the funding could be defined more rigorously.

4.5 Current Data Sets

(a) Detailed analysis by school on their total social deprivation, AEN and SEN funding and per pupil was made available.

(b) Specific non-financial data was also included on national scores of Index of Multiple Deprivation (IMD) rank and Super Output Areas (SOA's) together with local SAT's quartile information.

(c) **The working group concluded that:** -

- on the funding data there were wide variations and would the amalgamation of any of these factors would be beneficial. It may help transparency but could create distributional change. Would it make it any easier to compare with attainment?
- the national indicators were not robust enough in highlighting concentrated high level need:
- it was not possible to make a link with resource allocations and relevant non-financial issues.

4.6 Formula Modelling ACORN

(a) Models were completed using schools ACORN scores to create thresholds. Funding was then allocated on a per pupil basis for comparison with existing FSM social deprivation allocations.

(b) **The working group concluded that:** -

- A move to ACORN in place of FSM thresholds would cause significant turbulence for some schools with the need for school allocation protection;
- The potential robustness or not of the ACORN data;
- Any change would potentially need to be funded via any DSG headroom.

4.7 Formula Modelling SOA's

(a) Further models were completed using the high level SOA scores for the most deprived (top 30% deprived or higher). Funding was then allocated on a per pupil basis as a potential new formula factor.

(b) **The working group concluded** the similar issues as 4.6 and also that: -

- The SOA score is based upon where the school is located and not the characteristics of its intake;
- There may be a need to try to reference individual pupil record post code data to schools attended but there are issues on data sets e.g. capacity for collection, robustness, availability and out County pupils in particular.

5. OVERALL CONCLUSIONS

5.1 These are contained in Appendix A from the draft notes of the last working group meeting on 12th June. They are as follows: -

Overall Issues

- The lack of a formal clear national definition for 'social deprivation' makes comparison difficult both within LA's and between LA's as all will use their own assumptions;
- All LA local formulae are different and as such the associated formula factors are subject to local interpretation;
- The DfES nominated amount for the % of deprivation in the DSG has no real basis being built upon the previous national SFSS allocation model.

Local Issues

- The research charts and other evidence do not readily provide a platform for significant change;
- There is no real evidence to show which is the best mixture of funding and formula factors;
- There seems to be no real strong imperative from schools to move significantly on this issue;
- Being such a low funded authority, any formula changes will totally depend upon the DSG quantum available;

- There is a concern in any local formula changes the movement of existing resources on stability and the potential effect on base funding for all schools;
- Any changes could only be afforded if there was sufficient headroom available;
- Allocating into basic funding for the benefit of all schools may better use any headroom;
- If changes were to be introduced then options include allocation via ACORN thresholds or SOA's.

6. RECOMMENDATIONS

6.1 The Schools Forum supports the full range of work undertaken and notes the working group conclusions.

6.2 The Schools Forum considers whether to consult on the potential introduction of new formula factors from April 2008 as detailed in sections 4.6 and 4.7 above with any introduction being totally dependant on the availability of DSG headroom to fund the implications.

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on behalf of the members of the Schools Forum Social Deprivation Sub Group