

**WORCESTERSHIRE COUNTY COUNCIL (WCC)**  
**STATEMENT OF POLICY AND PRACTICE ON**  
**SOCIAL DEPRIVATION FUNDING FOR SCHOOLS**

1. This statement has been prepared in response to recent national review 'Child Poverty: Fair Funding for Schools'. It is linked to the request from the DfES regarding the policy and practice in funding schools for costs resulting from social deprivation amongst pupils.

2. The local school funding formula in Worcestershire has been compiled against a background of extremely low overall per pupil funding and poor grant settlements for the County. The national formula for allocating grant to Local Authorities (LA) for its schools provision, albeit complex, is not sensitive enough to recognise key local issues and does not for example recognise smaller geographical localised areas of deprivation and poverty that exist in specific areas of the County – i.e. locations designated as Super Output Areas (SOA).

3. As a result our entitlement to funding resources relating to deprivation and area cost is extremely low in comparison to our County comparators and across the country. The new funding arrangements introduced from April 2006 have done nothing to address this inequity. To illustrate this although the Dedicated Schools Grant (DSG) have risen by 6.7% per pupil in 2006/07 the amount per pupil amount places the County 143<sup>rd</sup> out of 149 LA's and 31<sup>st</sup> out of 34 Counties. Our DSG per pupil in 2006/07 is £3,337 compared to the England average of £3,643 and County average of £3,444, with the highest funded county receiving £3,598. Therefore, any flexibility to target social deprivation issues and allocate specific resources to support these costs and social pressures has to be addressed through our local schools funding formula. Continuing raised standards in our schools have been maintained despite these funding anomalies.

4. However, we recognise that we need to use the limited resources at our disposal in a flexible way to allow both base entitlement funding for all pupils to flow across all our schools and for 'top up' funding to support particular issues such as social deprivation, low and high incidence Special Educational Needs (SEN) and English as an Additional Language (EAL). After allowing for core funding allocations via factors such as Age Weighted Pupil Unit (AWPU), lump sums, small school protection, etc, we do use the flexibility permitted within the school funding formula regulations to target social deprivation resources to schools.

5. As always the management of these resources is part of a fully delegated model and as such individual Governing Body decisions will be made on their local deployment. All schools are given information as part of their annual budget statement on resources that are allocated to support social deprivation and SEN. This is designed to support Headteachers and Governing Bodies in their local decision-making and resource deployment.

6. This approach makes available an analysis of an individual school's amounts contained within its delegated resources relating to social deprivation. This also extends to its 'Notional SEN' budget as contained within the section 52 annual budget statement, which details all of the specific SEN factors and amounts.

7. This approach to openness has become increasingly critical. For instance for the two-year multi budget period 2006-2008 the changes in the funding arrangements to the Dedicated Schools Grant (DSG) and targeting of the headroom against the key priorities set nationally have required full circulation, debate and decisions within the Worcestershire Schools Forum on the deployment of these key resources. These approaches will continue as part of the ongoing budget process in Worcestershire.

8. There are a number of key areas and budget allocations that currently support and will continue to support the issues as detailed in paragraph 4 above. The amounts included in the ISB for each area will be dependant on an annual basis on the DSG settlement provided and the amount that needs to be targeted to core funding for all schools. Similarly, each individual school's entitlement to social deprivation funding on an annual basis will also depend upon their individual data sets.

9. The key areas that such funding is targeted in 2006/07, as a share of the Primary and Secondary Individual Schools Budget (ISB), are as follows: -

- General Social Deprivation Free School Meals (FSM) – a factor based upon numbers of pupils with FSM entitlement [£1.48m; 0.62%];
- General Social Deprivation English as a Additional Language (EAL) – a factor based upon numbers of pupils with EAL [£0.63m; 0.26%];
- Support for School Action Plus – a combination of factors such as individual pupil entitlement to monitoring/tuition statemented hours, pupil numbers, lump sums, FSM entitlement, SAT's prior attainment and early years deprivation via FSM [£2.74m; 1.15%];
- Pupil and School Support – this is a new formula factor introduced from April 2006. It is being introduced over a 3-year period and is designed to support the high incidence low cost SEN previously allocated against the number of statemented hours. It is driven by a combination of some of the factors included in school action plus but also uses the local ACORN deprivation data linked to attainment as a further key driver. The DSG settlement has allowed additional resource to be targeted to this area as a priority in 2006/07 resulting in the majority of schools receiving additional resources. This policy will be continued in 2007/08 [£8.94m; 3.74%];
- Low Incidence High Cost SEN – relates to named pupils and support for those in excess of 15 statemented hours and will continue to be allocated against individual pupils [£0.76m; 0.32%];
- Lunchtime Supervision Support – relates to named pupils and support for numbers of hours and will continue to be allocated against individual pupils [£0.29m; 0.12%];
- Learning Resource Centres (LRC) – funded for individual schools on the basis of the number of purchased places for specific categories of learning difficulty [£2.18m; 0.91%];

- Targeted EAL – this is a combination of lump sums and per pupil amounts designed to support such costs in primary schools. It has been introduced as a consequence of a significant reduction in the Ethnic Minority Achievement Grant previously received through the Standards Fund Grant (SFG) over the last 2 years [£0.18m; 0.07%];
- School Meals – this is a factor based upon the level of FSM entitlement to support this specific pupil related need [£1.85m; 0.77%];
- Notional AWPU – this is designated as 2% of a total school's AWPU designed to support these learning and other issues [£3.35m; 1.40%];
- Targeted AWPU – these amounts are as a result of the national targeting of the DSG headroom into the areas of personalised learning for primary/KS3, primary workforce reform and the 14-16 agenda. All of the designated sums in 2006/07 were agreed through the Worcestershire Schools Forum to be targeted on a basic per pupil basis within the AWPU across the specified age groups. Such discussion and agreement will be an annual event as part of the school and LA budget processes but the process has already been agreed in principle for 2007/08 [£3.06m; 1.28%].

10. Key areas that will also influence the above approach will include: -

- The County Council's responses to the ECM agenda – detailed work is progressing on operational issues and structures. However the potential impact of this on the local school formula will need to be assessed for the next multi-budget period commencing April 2008;
- The LA intend to look to consider the use of further proxy indicators for supporting more localised social deprivation, which could be more robust in measuring these issues than basic FSM. Areas for consideration may include for example a more extensive use of ACORN data and contextual value added and other attainment data;
- Other funding sources outside of the delegated budget – areas such as the continuing rationalisation of the SFG and the School Standards Grant (SSG) including extended schools issues and how they continue to be driven by national formulae targeted to deprivation issues;
- The national agenda for Local Area Agreements (LAA) – this is where the uncertainty of LA grant funding being pooled into one resource with our partners may influence our ability to support with non delegated monies these key areas across all County Council services including schools.