

School Funding Consultation

Purpose of the paper

1. To inform Schools Funding Group that the DfE has launched a school funding consultation and to agree a response. The consultation seeks views on proposed arrangements for the operation of the pupil premium and the distribution of the Dedicated Schools Grant to local authorities for 2011-12. It seeks views on the overall funding methodology and puts forward options for how elements of the pupil premium should operate. The consultation runs from 26 July to 18 October - 12 weeks. The school funding consultation was announced in Parliament on 26 July 2010.
2. The full consultation document is attached at Appendix A.
3. A draft consultation response is attached at Appendix B.

Summary of Consultation Items

4. Pupil Premium

- 4.1 One of the Government's key priorities is to introduce a pupil premium to support disadvantaged pupils, who continue to underachieve compared with their peers. Funding for the premium, which will be introduced in September 2011, will come from outside the schools budget to support disadvantaged pupils from Reception to Year 11. Schools will decide how best to use the premium to support the attainment of disadvantaged pupils.
- 4.2 The intention is to allocate the funding by means of a separate specific grant and not through the Dedicated Schools Grant (DSG). The size of the premium will vary between areas to reflect current differences in funding, ensuring that more money is available for currently lower funded authorities. Over time, this will mean that the same amount of funding will be available for deprived children no matter where they are. The DfE are seeking views on the indicator to determine which pupils should attract the premium.
- 4.3 Looked After Children (LAC), who generally have poor attainment, will be covered by the pupil premium using a separate process via local authorities since deprivation indicators do not generally pick them up accurately.
- 4.4 The DfE will explore the scope for extending the pupil premium to include Service children.

5 Funding Arrangements for 2011-12

- 5.1 To provide stability and clarity in funding and to ensure the transparent introduction of the pupil premium the Government is proposing to retain for 2011-12 the current system for allocating the DSG, based on the "spend-plus" methodology. The intention is to mainstream relevant grants into the DSG but to allow local authorities to use previous levels of grant as a factor in their local formulae to support stability in funding at school level.

- 5.2 Views are being sought on a number of proposals: whether from April 2011 the pupil count for three year olds should reflect actual take up or continue to reflect a minimum of 90% participation where lower; whether to cease to provide DSG for dual subsidiary registrations for pupils registered at pupil referral units; and whether to remove the current cash floor provisions which protect authorities with falling pupil rolls.
- 5.3 Local authorities which are yet to do so will need to implement an Early Years Single Funding Formula from April 2011.
- 5.4 The DfE will also work with partners to review the methodology for funding academies from 2011-12.
- 5.5 The DfE will allow local authorities to apply for additional funding in respect of schools which serve large numbers of children of parents from the Armed Services and which face falls in pupil numbers due to Armed Forces movements, and also for home educated pupils.
- 5.6 The Government's intention for the longer term is to bring in a simpler and more transparent funding system. This should help reduce the funding differences between similar schools in different areas.

6 Next Steps

- 6.1 The consultation runs from 26 July to 18 October - 12 weeks.
- 6.2 The Government intends to give indicative DSG allocations for 2011-12 to local authorities, and to announce the level of the pupil premium for each local authority, in November or early December, following the Comprehensive Spending Review announcement on 20 October 2010.

Recommendation

7. School Funding Group is asked to note the consultation items and agree the response.

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Unpublished documents relied upon in the production of this Report: NONE

Environmental impact of the recommendations contained in this Report: NONE KNOWN

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