

SOCIAL DEPRIVATION FUNDING IN SCHOOLS

REPORT BY, MANAGER OF LMS AND PLANNING

HEREFORDSHIRE SCHOOLS FORUM

7 JUNE, 2006

Schools Affected

All schools

Purpose

To consider the potential impact of changes in social deprivation funding for Herefordshire schools in accordance with the timescale set by the DfES and HM Treasury review.

Financial Implications

Any changes will affect the funding allocated to all schools; this will be significant in the long term.

Report

1. A letter was received from DfES in December 2005 informing local authorities of the findings of the joint DfES and Treasury report *Child Poverty: Fair Funding for Schools*. A copy of the letter is attached as Appendix 1. This letter required local authorities to supply to the Secretary of State by 5th May 2006 a statement setting out the authority's policy and practice – based on it's school funding formula for 2006-07 – in funding schools for the costs arising from social deprivation amongst their pupils. A copy of our submission is attached as Appendix 2.
2. Every authority is asked to review its current arrangements for funding schools for the costs of deprivation, and to consider in conjunction with Schools Forum whether change is required. Ministers wish to stimulate local debate over the best way to use funds which are allocated to local authorities, in terms of supporting the education of pupils from deprived backgrounds.
3. The publication of the statements received by DfES from all authorities is expected at the end of June/ beginning of July and is intended as a helpful resource to be used as part of local authorities formula review.
4. The DfES will be monitoring progress in each authority towards ensuring that deprivation resources are distributed according to need for the three year funding period which begins 2008-09.

Further information on the subject of this report is available from
Malcolm Green, Manager of LMS and Planning on (01432) 260818

5. The funding included within our Dedicated Schools Grant for 2006-07 for social deprivation is £5,412,000. The amount allocated for social deprivation in Herefordshire's formula was £310,400 with a further £535,000 allocated for free school meals. Additionally, £200,500 of the personalised learning allocation was distributed to schools based on free meals. Clearly there is a substantial difference between DfES expectation and local practice. DfES have confirmed that this difference is common to many authorities nationwide.
6. Increasing the funding allocated to schools for social deprivation to meet DfES expectations will cost £4,366,100 and require a major shift in funding in schools through the current formula and/or the allocation of all available headroom to social deprivation for many future years. Implementation of a funding change of this magnitude will have a significant impact on schools and staffing and will have to be carefully planned over a realistic timescale. To achieve such a shift in funding over a ten year period a transfer of £20 per pupil each year, i.e. £200 per pupil in total to social deprivation would be necessary. Much more consideration with schools will be necessary in order to achieve a workable plan.
7. It is suggested that a small working group consider social deprivation funding in much more detail and report back to School's Forum regularly.

Recommendations

That the Forum:-

- (a) **Comment on the Social Deprivation Statement submitted to the Secretary of State.**
- (b) **Give some initial consideration to:-**
 - 1) **how and over what timescale the changes required for social deprivation funding could be implemented;**
 - 2) **how a work programme might be developed to consider formula changes;**
 - 3) **how and when consultation with schools will be required.**
- (c) **Set up a small representative working group of headteachers:-**
 - 1) **to develop formula changes for possible consultation with schools as part of the 2007/2008 budget and;**
 - 2) **to assess the impact of increasing the social deprivation funding to the DfES recommended level over a ten-year period using existing and new monies.**
 - 3) **to consider the rate of transfer of funding that might be possible without significant impact on schools.**
- (d) **To comment on the possible allocation of all available headroom above the minimum funding guarantee in the 2007/2008 budget to improving social deprivation funding.**