

**SCHOOLS FUNDING FORMULA – SOCIAL DEPRIVATION 10/11**

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**Schools Affected**

All schools

**Purpose**

To provide an overview of the current social deprivation funding formula as preparation for the introduction of the local pupil premium from April 2012.

**Report****Social Deprivation Funding. £2.8m – 3.3% of Individual Schools Budget( incl sixth form funding)****1. Free School Meals            £318k**

For FSM as a percentage of NOR up to 10% then an allocation of £5.56 per FSM made. Eg. FSM as % of NOR = 8.36 the school would get 8.36 x 5.56 x number of FSM

For FSM as a percentage of NOR over 10% a similar calculation is performed but with a higher amount of £23.95 for the % over 10%.

In recent years the DCSF has asked Authorities to allocate more funding on Social Deprivation factors. In common with other West Midlands' Authorities, Hereford has used a 'basket' of factors and allocated similar amounts of funding to each factor.

**2.        FSM per Pupil            £318k**

Equated to £138.82 per FSM pupil

**3.        IDACI (Income Deprivation Affecting Children Index) £312k**

IDACI Ofsted proportion data is multiplied by pupil numbers to find the estimated number of pupils affected and £103.13 per pupil affected was then allocated.

**4.        Low Prior Attainment            £309k**

LPA score multiplied by number of pupils to find number of pupils in this category to which £87.81 per pupil is allocated.

Additional headroom allocated by Schools Forum is allocated equally to the four factors above and the funding rates per pupil are adjusted to ensure that each factor broadly accounts for 25% of the total available.

**5.        Personalised Learning FSM %        £1,456k**

Calculation is the same as that for Free School Meals (without the 10% threshold) – Primary schools are allocated £23.24 and High schools £85.20.

The use of FSM% means that there can be big changes in the annual allocation as FSM numbers fluctuate particularly for those schools with a high percentage of free meals. The potential for significant swings in funding from say the initial December estimated budget and the final budget can be significant. The potential for big differences has grown over the years as the amounts allocated have increased by the budget headroom available.

Personalised Learning funding was allocated **within DSG in 2007/08 (?)** to primary and high schools in accordance with ministerial priorities. The budget has been increased annually as the number of free school meals has risen.

## **6. Free School Meals provision £827k**

The number of free school meals pupil multiplied by £361.10 per year. The annual rate is calculated as 179 days at £2 per meal plus £3.10 for the Christmas meal. Only 180 days are funded.

### **Local pupil premium**

**Proposals for a local pupil premium are set out in the DCSF school funding consultation papers. Implementation will be announced in the autumn following the consultation period. A first analysis of the implications are set out below.**

7. Our current social deprivation formula is based on a basket of deprivation indicators e.g. IDACI, Low prior attainment, free school meals pupils and free school meals percentages. Contrary to DCSF suggestions that local authorities “flatten” the deprivation funding across all schools, the Herefordshire model is highly targeted to the schools with the greatest deprivation need.
8. For example using the free school meals indicator, primary schools receive between £1,000 to £2,000 per fsm pupil. High schools receive more due to the greater percentage allocation of personalised learning monies, £1,720 to £3,111 per fsm pupil. Schools in the more deprived areas receive the higher amounts of per fsm pupil funding. This is set out in the appendix.
9. The DCSF funding consultation paper suggests that authorities should explore a range of deprivation indices such as free school meals, eligibility for out of work tax credits, working tax credits or possibly a combination of indicators. Schools Forum Budget working party will need to consider these options and the availability of reliable data for schools so that Schools Forum can consider which factor will be best.
10. For example, if we chose free school meals, then bringing every school up to the current maximum deprivation allocation of £3,111 per fsm pupil would allocate £6.5m (based on £3,111 per pupil x 2,095 fsm pupils) which is very close to the £6.95m target. This suggests that the amount of £3,111 per free school meal pupil is marginally below the correct funding level.
11. If the DCSF proposals have to be implemented, it is suggested that the budget strategy should initially seek to bring all schools’ deprivation funding up to a common amount per pupil, e.g. £3,111 per fsm pupil (i.e. the existing maximum) but not increasing the maximum any further.

12. This will require a local pupil premium factor for April 11 and a strategy of allocating available funding based on closing the gap from the maximum amount. This will allocate funding widely across most schools. This principle would be the same whatever deprivation indicator is chosen.