

**AGENDA MANAGEMENT SHEET**

**Name of Committee**                      **Leader & Portfolio Holder Decision Making**

**Date of Committee**                      **5<sup>th</sup> October 2010**

**Report Title**                                **Response to the School Funding Consultation 2011/12: Introducing a Pupil Premium**

**Summary**                                    The report seeks approval to submit a response, attached as Appendix 1, to the Department for Education document entitled "Consultation on School Funding 2011-12 – Introducing A Pupil Premium".

**For further information please contact:**                      John Betts  
Head of Corporate Finance  
Tel: 01926 412441  
johnbetts@warwickshire.gov.uk

**Would the recommended decision be contrary to the Budget and Policy Framework? [please identify relevant plan/budget provision]**                      No

**Background papers**                      Consultation on School Funding 2011-12 – Introducing a Pupil Premium (Department of Education)

**CONSULTATION ALREADY UNDERTAKEN:-**

Details to be specified

- Other Committees                       .....
- Local Member(s)                       .....
- Other Elected Members                       Cllr Tandy, Cllr Roodhouse, Cllr Saint
- Cabinet Member                       Cllr Farnell, Cllr Heatley, Cllr Wright, Cllr Timms
- Chief Executive                       .....
- Legal

- Finance  Dave Clarke – reporting officer
- Other Chief Officers  Marion Davis - reporting officer
- District Councils  .....
- Health Authority  .....
- Police  .....
- Other Bodies/Individuals

**FINAL DECISION** **YES**

**Leader & Portfolio Holder Decision Making – 05  
October 2010**

**Response to the School Funding Consultation  
2011/12: Introducing a Pupil Premium**

**Report of the Strategic Director, Resources & the  
Strategic Director, Children, Young People & Families**

**Recommendation:**

To agree the report below to the Department for Education Consultation on School Funding 2011-12, attached as Appendix 1, as the formal response from Warwickshire County Council.

**1. Introduction**

- 1.1 The Department for Education (DfE) has launched a consultation on the distribution of funding for schools in 2011/12. The consultation closes on 18 October 2010. The consultation puts forward options for how a pupil premium for disadvantaged pupils (providing additional funding) should operate and seeks views on the overall funding methodology for next year.
- 1.2 The DfE have not provided any details of the financial implications of these proposals, so it is difficult to state with any precision their impact. The rest of this report summarises the key issues arising from the consultation for Warwickshire schools and childrens services and the likely implications. The text in italics provides a commentary on the likely impact for the Local Authority and its schools.
- 1.3 The proposed formal response to the consultation is attached as **Appendix 1**.

**2. Introducing a Pupil Premium for Disadvantaged Pupils**

- 2.1 The Government's commitment to a pupil premium for disadvantaged pupils from Reception to Year 11 was outlined in the coalition agreement. It involves targeting additional funding to schools for individual deprived pupils. In order to manage the implementation of the pupil premium, the DfE propose retaining the current spend-plus methodology for allocating funding via the Dedicated Schools Grant (DSG) for 2011/12. The "spend plus" methodology

involves ensuring that the spending levels of authorities who invested more in education than the national grant formula implied is continued. In the longer term, the Government wishes to introduce a simpler and more transparent distribution mechanism.

- 2.2 *Warwickshire would support the general continuation of the “spend plus” methodology as historically some Local Authorities such as Warwickshire had put more of their own money into education (than that estimated necessary by Whitehall) and for that funding to be directed elsewhere is perceived here as unfair. Local levels of investment in school funding are an example of ‘localism’. If resources are redistributed then it would be unfair if Warwickshire pupils are disadvantaged, as local taxpayers have previously paid to contribute to this level of education.*
- 2.3 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 pupil premium will be distributed via a specific grant, outside DSG.
- 2.4 *Warwickshire would support this approach as currently it receives a relatively low level of funding from the Department for Education, despite facing many of the same pressures as other, better funded authorities. It is also helpful for this to be funded from outside DSG, as it should provide additional targeted funding above a basic entitlement, although there is no indication as yet on where the money will come from.*
- 2.5 The grant will be paid to local authorities based on figures from the January school census. The conditions of the grant will require the total amount for each relevant pupil to be passed on to schools using defined per pupil amounts. An Area Cost Adjustment (to reflect additional local cost pressures) will be applied to the pupil premium. The Government proposes using an approach which takes into account teachers pay bands, such as the ‘hybrid’ approach outlined in the consultation on the DSG review.
- 2.6 *Although the “hybrid” methodology is likely to slightly disadvantage Warwickshire, the link to teachers pay bands is a sensible reflection of the likely pressure on recruitment (and associated employee costs) and so should be supported.*

#### Deprivation Indicators for the Pupil Premium

- 2.7 The consultation proposes three different options for a deprivation indicator, which could be used to distribute the premium: Free School Meals eligibility; a Tax Credit Indicator and Commercial classification software (such as ACORN or Mosaic) which are designed to identify groups of households based on consumer behaviour.
- 2.8 *The differences in measures of deprivation are unlikely to have a major impact on Warwickshire, as they all tend to “rank” the authority, compared*

*with all other authorities, in a similar place. Warwickshire would benefit slightly more from a Free School Meals indicator than a Tax Credit Indicator. Although Free School Meals as an indicator has been criticised previously (the perceived stigma may preclude disadvantaged families taking up free meals), there are problems with commercial software (in terms of access to commercially sensitive data) and the timeliness of tax credit indicators (in terms of the rate at which it is collected and updated and mapped).*

#### Pupil Premium for Looked After Children

- 2.9 The consultation proposes a separate pupil premium to address the level of attainment of Looked After Children (LAC). The nature of care arrangements means many LAC would not be included in the proposed deprivation indicators. DfE propose to fund the authority which is responsible for the care of the child, rather than the authority in which the child is educated; around 30% of LAC attend school in a different authority. Each local authority would receive funding based on the number of children looked after for six months or more in the previous financial year. Funding would then be passed on to the schools which are educating those pupils, whichever authority they are located in.
- 2.10 *Warwickshire strongly supports this proposal, given the current attainment levels (both nationally and locally) of this particular group. However, it would be keen to ensure that there is some sort of direct accountability to ensure that schools spend scarce resources on the pupils for which it is intended.*

#### Pupil Premium for Service Children

- 2.11 The consultation also proposes introducing a premium for children of parents in the armed forces. There are additional costs associated with service children such as initial assessments and additional administrative work, which result from the high turnover of such pupils. The attainment of service children is at least as good as non-service children, therefore, the premium, if implemented, will be at a lower level than for deprived children.
- 2.12 *Warwickshire would also support this proposal.*

### **3. Methodology for Allocating School Funding for 2011/12**

- 3.1 The DfE's main priority in the short-term is for the smooth introduction of the pupil premium. Consequently no major changes are proposed to the current allocation methodology for DSG. However, DfE intend to mainstream 'relevant grants' into DSG. This is likely to include at a minimum School Development Grant, Schools Standards Grant and School Standards Grant (Personalisation).
- 3.2 *As noted earlier, Warwickshire generally supports no major changes to the funding system until issues such as locally set revenue investment levels in education and childrens services are adequately addressed. The mainstreaming of relevant grants is welcomes as long as it simplifies funding*

*streams and maximises the ability of schools to use resources flexibly to meet key outcomes. However, it should not be used to disguise reductions in funding levels.*

### Early Years Funding

- 3.3 At present the actual number of 3 year olds who take up a part-time entitlement place or an amount equivalent to 90% of the 3 year old population, whichever figure is higher, attract funding via the DSG. The consultation proposes funding all authorities based on actual take-up in 2011. Although this would not alter the overall level of funding available, it would slightly increase the *per pupil* unit funding for all authorities. All local authorities will be required to implement a Single Funding Formula for early years funding from April 2011.
- 3.4 *Warwickshire already has take up in excess of 90% and takes the view that authorities have had sufficient time to encourage take up to this level. It should not be disadvantaged financially by authorities who have not placed due emphasis on the importance of early years. The decision by Government to enforce the early years formula vindicates Warwickshire's decision to implement early.*

### Pupil Referral Unit Dual Registrations

- 3.5 Before the new Pupil Referral Unit (PRU) census was introduced in 2010 it was not possible to differentiate between those pupils with a dual main registration and those with a dual subsidiary registration. Consequently, some PRU pupils were double funded. Data on the type of registration is now available and the consultation proposes funding authorities only for pupils with dual main registration.
- 3.6 *Warwickshire has encouraged dual registration as a mechanism for ensuring appropriate support for those pupils who require such an approach. It seems sensible to ensure that only main dual registration should be funded, as subsidiary registration is unlikely to require the same level of funding.*

### Funding for Schools Affected by Armed Forces Movements

- 3.7 The previous DSG consultation proposed allowing local authorities with schools near military establishments to make a claim for additional pupils to be counted for DSG purposes, if numbers had fallen significantly from the previous year as a result of armed forces movements. The proposal was strongly supported in responses to the previous consultation and therefore the Government propose to introduce this arrangement from 2011.
- 3.8 *Although this is not a major issue across Warwickshire (it tends to be focussed on a small area in North Warwickshire) this proposal is supported.*

### Home Educated Pupils

- 3.10 The consultation proposes introducing funding for local authorities for those pupils educated at home, if the authority provides services to such pupils, for example access to school facilities or payment for exam entry fees. It is proposed authorities would be able to claim for 10% of the per pupil funding unit.
- 3.11 *This is supported, as it reflects the additional costs faced by Authorities supporting and pupils educated at home.*

DAVID CLARKE  
Strategic Director for Resources

MARION DAVIS  
Strategic Director for Children,  
Young People and Families

Shire Hall  
Warwick  
September 2010

# Consultation on School Funding 2011-12: Introducing a Pupil Premium

## Consultation Response Form

The closing date for this consultation is: 18  
October 2010

Your comments must reach us by that date.



**THIS FORM IS NOT INTERACTIVE. If you wish to respond electronically please use the online response facility available on the Department for Education e-consultation website (<http://www.education.gov.uk/consultations>).**

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

**Please tick if you want us to keep your response confidential.**

Reason for confidentiality:

Name	John Betts
Organisation (if applicable)	Warwickshire County Council
Address:	Corporate Finance PO Box 3, Shire Hall Warwick CV34 4RH

If your enquiry is related to the policy content of the consultation you can contact either:

Juliet Yates on: telephone: 020 7340 8313 e-mail:

[juliet.yates@education.gsi.gov.uk](mailto:juliet.yates@education.gsi.gov.uk), or

Ian McVicar on: telephone: 020 7340 7980 e-mail:

[ian.mcvicar@education.gsi.gov.uk](mailto:ian.mcvicar@education.gsi.gov.uk)

If you have a query relating to the consultation process you can contact the Consultation Unit on telephone: 0870 000 2288 or email:

[consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk)

Please select **ONE** category which best describes you as a respondent:

<input type="checkbox"/> School	<input type="checkbox"/> Schools Forum	<input type="checkbox"/> Governor Association
<input type="checkbox"/> Teacher	<input type="checkbox"/> Local Authority Group	<input checked="" type="checkbox"/> Individual Local Authority
<input type="checkbox"/> Teacher Association	<input type="checkbox"/> Other Trade Union/Professional Body	<input type="checkbox"/> Early Years Setting
<input type="checkbox"/> Campaign Group	<input type="checkbox"/> Parent/Carer	<input type="checkbox"/> Other

Please Specify:

Warwickshire County Council

1 Do you agree it is right to give a higher premium to areas that currently receive less per pupil funding? [Paras 24 - 27]

Yes       No       Not Sure

Comments:

Warwickshire would support this approach as currently it receives a relatively low level of funding from the Department for Education, despite facing many of the same pressures as other, better funded authorities. Whilst the proposal to equalise funding levels for deprivation is welcome, Warwickshire would also hope to see a more fundamental review that acknowledged historical levels of investment in education raised locally whilst ensuring that relative levels of total education funding need to be brought closer together to ensure that all pupils have a basic entitlement.

2 What is your preferred deprivation indicator for allocating the pupil premium? [Paras 29 - 50]

<input type="checkbox"/> FSM - in year	<input type="checkbox"/> FSM ever - 3 year	<input type="checkbox"/> FSM ever - 6 year
<input type="checkbox"/> Out of Work Tax Credit	<input type="checkbox"/> ACORN/MOSAIC	<input type="checkbox"/> Other (not listed)
<input checked="" type="checkbox"/> Not Sure		

Comments:

Although there are drawbacks to the Free School Meals indicator, Warwickshire would support its continuation, but has no particular view on how to calculate the indicator. However, if FSM is to be used, eligibility irrespective of parental responses, should form the basis of the measure. We are also keen to emphasise that any proxy measure of additional educational needs due to deprivation needs to be sensitive enough to identify pockets of deprivation in a larger Authority. Any approach which creates an average across a broad and complex area as any County Council is not adequate. For example in Warwickshire we need to support pupils from a wide variety of backgrounds including those from the 10% most disadvantaged (based on Index of Multiple Deprivation 2007).

3 Do you agree the coverage of the pupil premium should include Looked After Children? [Paras 51 - 54]

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

Warwickshire strongly supports this proposal, given the current attainment levels (both nationally and locally) of this particular group. However, it would be keen to ensure that there is some sort of direct accountability to ensure that schools spend scarce resources on the pupils for which it is intended.

4 What are your views on the operation of the Looked After Children element of the pupil premium? In particular, how might the funding arrangements work at

local authority level for pupils educated outside of the local authority with caring responsibility? [Paras 55 - 60]

Comments:

Warwickshire supports the extension of the coverage of the pupil premium to Looked After Children, but has no strong views on the precise operation of the funding arrangement.

5 Do you think the coverage of the pupil premium should be extended to include additional support for Service children? [Paras 61 - 66]

Yes

No

Not Sure

Comments:

Warwickshire strongly supports this proposal. Authorities need to sustain school provision near barracks and need to be able to provide security of funding to these schools. This principle should also apply to provision of places for 3 and 4 years olds where nurseries may need to be maintained for periods when numbers of children fall.

6 Should the pupil count for three year olds, used to allocate DSG for 2011-12, reflect actual take up or continue to reflect a minimum of 90% participation where lower? [Paras 75 - 76]

Actual Take-Up

90% Minimum

Not Sure

Comments:

Warwickshire takes the view that all authorities have now had sufficient time to encourage take up to 90% and the financial distribution should not disadvantage those authorities who have focussed on this area by effectively subsidising those authorities who have not placed due emphasis on the importance of early years.

7 Should the pupil count used to allocate DSG for 2011-12 continue to reflect dual subsidiary registrations for pupils at pupil referral units? [Paras 77 - 78]

Yes

No

Not Sure

Comments:

Warwickshire has encouraged dual registration as a mechanism for ensuring appropriate support for those pupils who require such an approach. It seems sensible to ensure that only main dual registration should be funded, as subsidiary registration is unlikely to require the same level of funding.

8 Do you support our proposals for additional support for schools catering for Service children? [Para 79]

Yes

No

Not Sure

Comments:

No further comments (beyond that highlighted in response to Question 5).

9 Do you support our proposals for home educated pupils? [Para 80]

Yes

No

Not Sure

Comments:

No further comments.

10 Do you think that there should be a cash floor at local authority level in 2011-12? [Para 85]

Yes

No

Not Sure

Comments:

Warwickshire has consistently criticised the Minimum Funding Guarantee (MFG) for running counter to local priorities (as expressed in the local schools formula) and this acts as a cash floor for schools, so we continue to lobby for its abolition. However, there must be recognition that removing the MFG (or any other funding) takes time, so to avoid undue turbulence, an immediate withdrawal of any cash floor is not appropriate for 2011-12.

11 Have you any further comments?

Comments:

Warwickshire would support the general continuation of the "spend plus" methodology as historically some Local Authorities such as Warwickshire had put more of their own money into education (than that estimated necessary by Whitehall) and for that funding to be directed elsewhere is perceived here as unfair. Local levels of investment in school funding are an example of 'localism'. If resources are redistributed then Warwickshire pupils should not be disadvantaged, as local taxpayers have previously paid to contribute to this level of education.

It is important that Authorities are given an indication of the impact of the proposed funding changes as soon as possible in order to support planning for individual schools and support services.



Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

**Please acknowledge this reply**

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?

Yes  No

All DfE public consultations are required to conform to the following criteria within the Government Code of Practice on Consultation:

Criterion 1: Formal consultation should take place at a stage when there is scope to influence the policy outcome.

Criterion 2: Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

Criterion 3: Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

Criterion 4: Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

Criterion 5: Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.

Criterion 6: Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

Criterion 7: Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you have any comments on how DfE consultations are conducted, please contact Donna Harrison, DfE Consultation Co-ordinator, tel: 01928 794304 / email: [donna.harrison@education.gsi.gov.uk](mailto:donna.harrison@education.gsi.gov.uk)

**Thank you for taking time to respond to this consultation.**

Completed questionnaires and other responses should be sent to the address shown below by 18 October 2010

Send by post to: School Funding Consultation 2011-12, Funding and Technology Unit, Department for Education, Level 3, Sanctuary Buildings, Great Smith Street, London SW1P 3BT.

Send by e-mail to: [dsg.consultation@education.gsi.gov.uk](mailto:dsg.consultation@education.gsi.gov.uk)