

**Information Available to Contribute to Policy and Practice**  
**Statement in Respect of Funding Schools for the Costs Imposed**  
**by Social Deprivation Amongst Pupils**

**Dudley's Scheme of Fair Funding – Distribution of Funds based on Social**  
**Deprivation Factors**

1. The School Finance Regulations (England) 2006 Part 3 Paragraph 17 (2) stipulate that “A local authority must, in determining budget shares for both primary and secondary schools which they maintain, take into account in their formulae a factor or factors based on the incidence of social deprivation amongst pupils registered at all such schools if they have no factor elsewhere in their formulae which is based on such incidence.”
2. For 2005/06 funds have been distributed to Dudley Mainstream schools as follows:
  - a. Socio – Economic Funding- Weighted Free School Meals  
£2.02m is distributed out of £137.9m = 1.46%  
The basis of distribution is weighted free school meals  
80 schools from 104 are eligible and budget allocations range from £571 to £174,902.
  - b. Socio – Economic Funding- Un-weighted Free School Meals  
£1.3m is distributed out of £137.9m = 0.94%  
The basis of distribution is un-weighted free school meals  
All 104 schools are eligible and budget allocations range from £298 to £62,650.
  - c. Personalised Learning KS3 and Primary  
This will be a new formula factor from 2006/07. The allocation is proposed as follows:
    - £1.5m distributed for 2006/07 and £2.4m for 2007/08. This accounts for approximately 1% and 1.5% respectively of the total mainstream delegated funds to schools.
    - The basis of distribution is proposed in line with DfES criteria:

1. 50% Reading, Writing and Maths at KS1 and Under-attainment in Maths and English at KS2;
2. 15% Gifted and Talented pupils- assumed top 15% pupils in each school;
3. 35% IMD (Index of Multiple Deprivation) at 30% Super Output Areas.

All mainstream schools are eligible. Indicative allocations for 2006/07 range from £2k to £66k. See Appendix A – Personalised Learning report.

### **Comments**

3. The current Scheme of Fair Funding for mainstream schools was last reviewed in 2002. At that time there were a number of nationally collated indices of deprivation, but none stood out eminently suitable to use as the basis of allocating resources. These were:

<b>Source of Data</b>	<b>Advantages</b>	<b>Disadvantages</b>
1991 Census Data	Enumeration district level	Data 10+ years old Limited bundle of indicators at enumeration district level
Index of Multiple Deprivation/Child Poverty Index	Fairly up-to-date information (1998 and 1999) More indicators and better analysis	Only available at ward level – masks considerable variations within ward
2001 Census Data	Would be ideal, but....	Not available year

4. There were also recognised technical problems with running programs to match pupils, by post code, to wards or enumerations districts; this data not being available.
5. Given these difficulties it was proposed under the 2002 formula review that no change would be recommended for 2003/04 to the method of allocating the deprivation element of the formula, i.e. continuing to use free school meal eligibility.
6. The use of FSM data has remained in place, however, data captured in respect of the Index of Multiple Deprivation is now considered sufficiently advanced to use as a replacement for FSM and modelling data using the IMD should be considered via Budget Working Group.

### **Next Stages**

7. The data detailed in paragraph 1 to 6 will assist Schools Forum in their understanding of Dudley's current formula funding arrangements in relation to social deprivation indicators.
  
8. Schools Forum are required to issue by 5 May 2006 a statement which identifies the Authorities policy and practice in respect of funding schools for the costs imposed by social deprivation amongst pupils. The Assistant Director for Resources and Planning has agreed to compile this statement which must to reflect local priorities, local views and local wishes.