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**USE OF EVER 6 FREE SCHOOL MEALS DATA IN THE PRIMARY AND  
SECONDARY FUNDING FORMULA**

*Report of the Director of Children's Services*

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**1. Purpose**

- 1.1. To consider whether to switch for funding purposes to the Ever 6 measure of free school meals.

**2. Summary**

- 2.1. The paper reviews the advantages and disadvantages of using the Ever 6 measure of free school meals in the school funding formula.

**3. Recommendations**

- 3.1. The Forum is asked to support retaining the current arrangements and not moving to the Ever 6 measure of free school meals (FSMs) in the primary and secondary funding formula.

**4. Background**

- 4.1. The formula factors that may be used to calculate budget shares are prescribed by the DfE and one of the permitted factors is funding according to the number of pupils entitled to FSMs. However, authorities have some choice over which measure of FSMs to use to calculate funding in budget shares. The two permitted options are:

- a) FSMs data from the October census

- This is the measure currently used in the Hertfordshire funding formula. The census used is the October census prior to the start of the financial year (i.e. October 2013 data has been used in the 2014-15 budget shares).

b) The Ever 6 measure of FSMs

Ever 6 includes any pupils who have been entitled to FSMs at some point over the last six years, even if they are no longer entitled. Therefore it identifies a larger cohort of pupils than the October census measure.

It would be possible to use a different FSMs measure in primary and secondary although the DfE's steer is that this would be "unusual".

4.2. The DfE calculates Ever 6 data once a year based on the January census. The Ever 6 measure for budget shares is calculated as follows:

a) The proportion of Ever 6 FSMs pupils at each school is established based on data from the previous year's January census (i.e. January 2013 data would have been used in 2014-15 budget shares).

b) This proportion for each school is then multiplied by the pupil numbers for that school from the October census (i.e. October 2013 for 2014-15 budget shares) to establish the number of Ever 6 FSMs pupils attracting funding.

As the amount of funding being distributed would remain unchanged, the unit funding rate per Ever 6 FSM pupil would be lower than the current FSMs unit funding rate. This is a result of the larger number of pupils attracting funding under the Ever 6 measure.

4.3. When the new national funding arrangements were introduced in 2013-14, Hertfordshire decided to use the October census rather the Ever 6 FSMs measure in the funding formula. This was because Ever 6 had not previously been used in the Hertfordshire funding formula and the overall aim when implementing the changes was to minimise turbulence.

4.4. However, in September 2014 universal FSMs for infant pupils will be introduced nationally. Concern has been raised over the impact of this change on primary FSMs data in the October 2014 census, on which 2015 -16 budget shares will be based. This is because there will no longer be an incentive for parents of infant pupils to apply for FSMs, as they will automatically receive them. The FSMs factor currently allocates £2,421 per primary pupil entitled to FSMs, based on the October census. Therefore even relatively minor changes in the number of pupils recorded as eligible for FSMs would have a significant impact on school budget shares.

4.5. The Authority has therefore reviewed the option of switching, for funding purposes, to the Ever 6s measure of FSMs, in order to provide a more robust source of funding data for budget shares.

## **5. Advantages and disadvantages of the Ever 6 measure**

5.1. Advantages

The Ever 6 measure of FSMs has a number of advantages when compared to the October census measure.

- i) The Ever 6 data for 2015-16 budget shares would be based on FSM proportions from the January 2014 census. It would therefore not be distorted by the introduction of universal infant FSMs.
- ii) As the Ever 6 measure includes pupils who have been entitled to FSMs over the previous six years, it is less susceptible to variation between years as a result of changes in economic conditions or FSMs eligibility criteria.
- iii) Ever 6 is the measure used to calculate the Pupil Premium so there would be consistency between the budget shares and the Pupil Premium in the FSMs indicator used.

## 5.2 Disadvantages

There are, however, disadvantages with the Ever 6 measure.

- i) The Ever 6 data is complex to calculate and therefore less transparent than the October census data.
- ii) Ever 6 depends on the accuracy of data relating to each child over six years. For example, an error made by a primary school could some years later affect the funding of a secondary school, to which the pupil transferred.
- iii) By 2016-17 the Ever 6 measure would be affected by any data issues resulting from the introduction of universal infant FSMs.
- iv) Moving to the Ever 6 measure would result in some funding turbulence.

## 6. Impact of switching to the Ever 6 indicator

6.1. Two models have been prepared to explore the impact on budget shares of moving to the Ever 6 FSMs measure. Both are based on 2014-15 budget share data and the Ever 6 data that would have been used in 2014-15 budget shares.

- a) Model 1 - This takes the funding currently distributed on the basis of October census FSMs and allocates it instead according to the Ever 6 data.

Table 1 below shows the impact of this.

**Table 1 - Impact of using Ever 6 FSMs data and not adjusting other factors**

|       | Bands £ |        | Number of schools |           |
|-------|---------|--------|-------------------|-----------|
|       |         |        | Primary           | Secondary |
| Gains | 70,000  | 80,000 | 0                 | 1         |
|       | 50,000  | 60,000 | 1                 | 0         |
|       | 40,000  | 50,000 | 5                 | 3         |
|       | 30,000  | 40,000 | 2                 | 6         |
|       | 20,000  | 30,000 | 11                | 5         |
|       | 10,000  | 20,000 | 62                | 10        |

|                         | Bands £  |          | Number of schools |           |
|-------------------------|----------|----------|-------------------|-----------|
|                         |          |          | Primary           | Secondary |
|                         | 0        | 10,000   | 128               | 17        |
| Losses                  | (10,000) | 0        | 104               | 14        |
|                         | (20,000) | (10,000) | 49                | 7         |
|                         | (30,000) | (20,000) | 22                | 8         |
|                         | (40,000) | (30,000) | 9                 | 5         |
|                         | (50,000) | (40,000) | 2                 | 2         |
|                         | (60,000) | (50,000) | 1                 | 0         |
|                         | (70,000) | (60,000) | 1                 | 1         |
| Total number of schools |          |          | 397               | 79        |

Numbers of schools with high levels of FSMs lose significant amounts of funding from the move to Ever 6. This is because they have proportionately fewer pupils, who have been eligible in the past but who are no longer eligible.

- a) Model 2 - This minimises turbulence from the move to Ever 6 FSMs by adjusting the unit funding values of other formula factors. Modelling indicates that turbulence could be lessened slightly by reducing the AWPUs and allocating more funding through other additional needs factors (such as IDACI and prior attainment). This to an extent compensates schools with higher levels of FSMs from the effects of the move to Ever 6 noted above. However, the turbulence is still significant as shown in table 2 below.

Annex A gives details of the changes to other formula factors that would be made under model 2.

**Table 2 - Impact of using Ever 6 FSMs data and adjusting other factors to minimise turbulence**

|                         | Bands £  |          | Number of schools |           |
|-------------------------|----------|----------|-------------------|-----------|
|                         |          |          | Primary           | Secondary |
| Gains                   | 60,000   | 70,000   | 1                 | 0         |
|                         | 50,000   | 60,000   | 0                 | 2         |
|                         | 40,000   | 50,000   | 3                 | 4         |
|                         | 30,000   | 40,000   | 5                 | 2         |
|                         | 20,000   | 30,000   | 13                | 2         |
|                         | 10,000   | 20,000   | 57                | 8         |
|                         | 0        | 10,000   | 111               | 22        |
| Losses                  | (10,000) | 0        | 124               | 16        |
|                         | (20,000) | (10,000) | 53                | 12        |
|                         | (30,000) | (20,000) | 21                | 8         |
|                         | (40,000) | (30,000) | 5                 | 2         |
|                         | (50,000) | (40,000) | 3                 | 1         |
|                         | (60,000) | (50,000) | 1                 | 0         |
| Total number of schools |          |          | 397               | 79        |

## 7. October Census Free School Meals Data

- 7.1. A number of actions have been taken to try to ensure the accuracy of FSMs entitlement data in the school census after the introduction of universal infant FSMs. Following the April Forum meeting the Authority has written to schools with infant pupils highlighting the issue and suggesting that schools might choose to make applications on behalf of parents (which is permitted). A template letter for schools to send to parents to obtain the information required, has been made available.
- 7.2. The challenge of identifying children eligible for FSMs relates mostly to the reception cohort starting school in September 2014. Schools will generally have FSMs eligibility information for year 1 and 2 pupils, other than any who are changing schools. The DfE has indicated informally that it is working on a new deprivation measure for the September 2014 reception cohort, for possible use in 2015-16 budget shares, although no details are yet available.
- 7.3. It is proposed to send a further letter to schools before the end of the Summer Term to stress the importance of accurate FSMs data on the October 2014 census.

## **8. Conclusion**

- 8.1 The Ever 6 measure would only provide a temporary solution to the issue of potentially unreliable infant FSMs data in the census. It would also result in significant funding turbulence. In view of this and the work being done, both to maintain the reliability of the census FSMs data and to develop a new deprivation indicator, it is not proposed to switch to the Ever 6 measure in the funding formula for 2015-16.

**Model 2 – Unit funding values****a) Allocation per Ever 6 FSMs Pupil (£)**

|          |           |
|----------|-----------|
| Primary  | Secondary |
| 1,489.27 | 1009.76   |

**b) Adjustments to other factors (£)**

|                  | Primary | Secondary |     |
|------------------|---------|-----------|-----|
| AWPU             | (13.15) | (18.57)   | KS3 |
|                  |         | (24.52)   | KS4 |
|                  |         |           |     |
| IDACI band 1     |         | 78.03     |     |
| IDACI Band 2     | 84.33   | 78.03     |     |
| IDACI Band 3     | 101.32  | 78.03     |     |
| IDACI Band 4     | 101.32  | 78.03     |     |
| IDACI Band 5     | 101.32  | 78.03     |     |
| IDACI Band 6     | 101.32  | 78.03     |     |
|                  |         |           |     |
| Prior Attainment | 38.69   | 75.46     |     |