

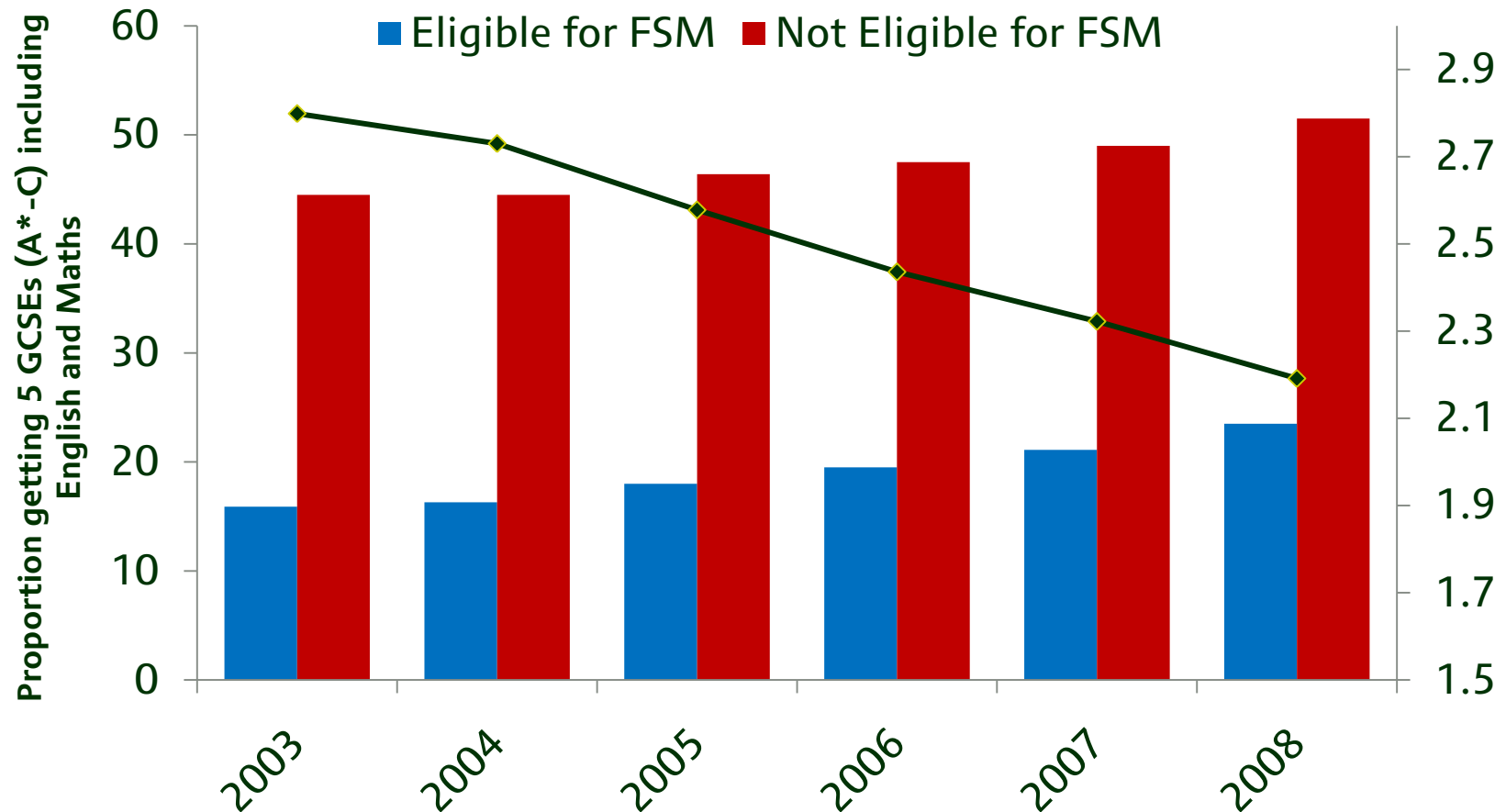
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## The pupil premium: assessing the options

Haroon Chowdry, Ellen Greaves and Luke Sibieta

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# Achievement gap between rich and poor



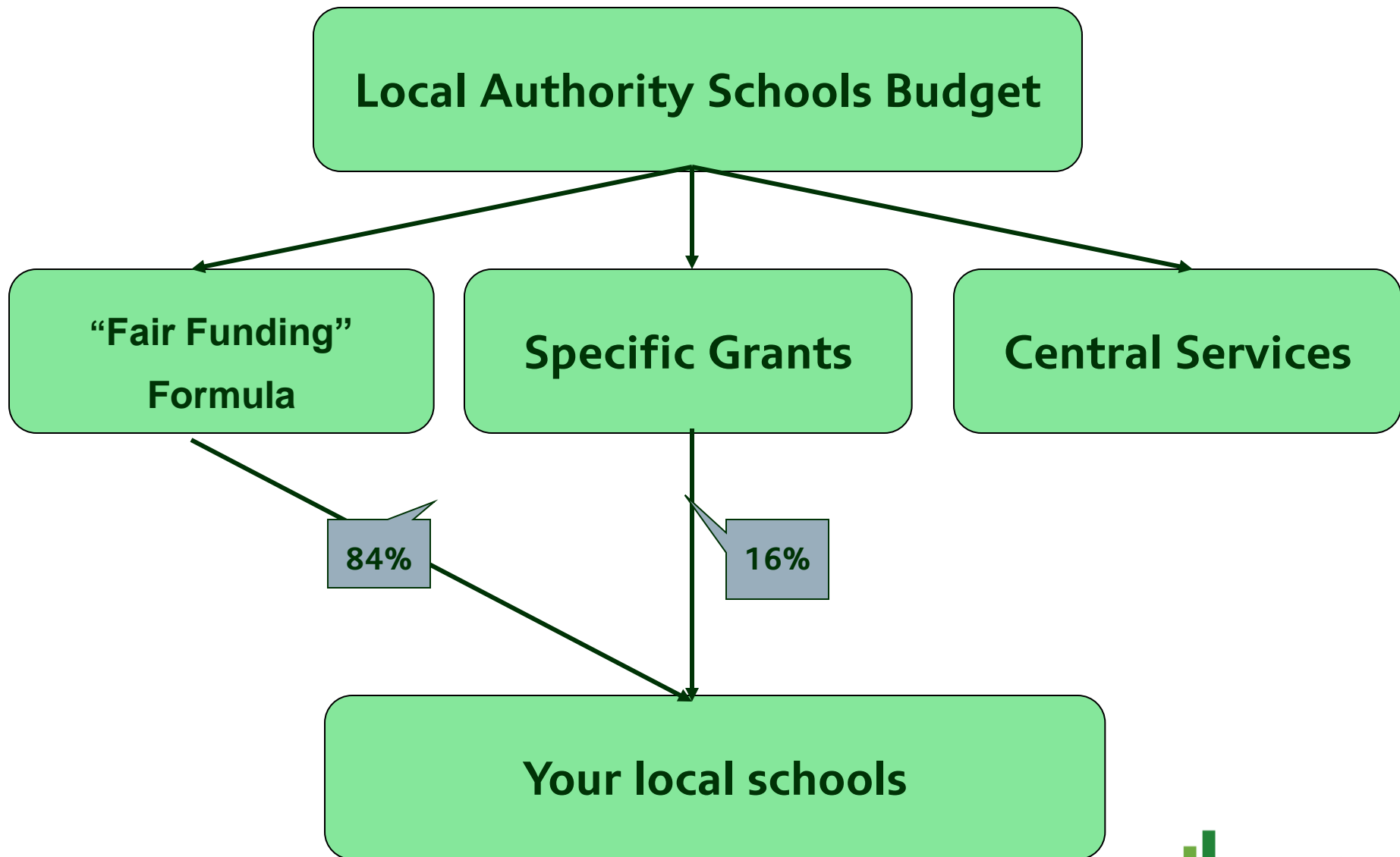
# What is the pupil premium?

- Fixed extra amount for each disadvantaged pupil at a school
- Funding is already weighted towards disadvantaged pupils
- Pupil premium could be on top of existing system
  - Liberal Democrat proposal of £2.5bn additional spending
- It could replace some aspects, or all of the existing system
  - Single national funding formula (Policy Exchange and Conservatives)
  - Could weight funding more towards disadvantaged pupils
  - Potential for large winners and losers from such a reform
- In this report we seek to:
  - Examine the current school funding system and pupil premium proposals
  - Assess the rationale for a pupil premium
  - Offer an empirical analysis of how such a scheme might operate in practice and affect school finances.

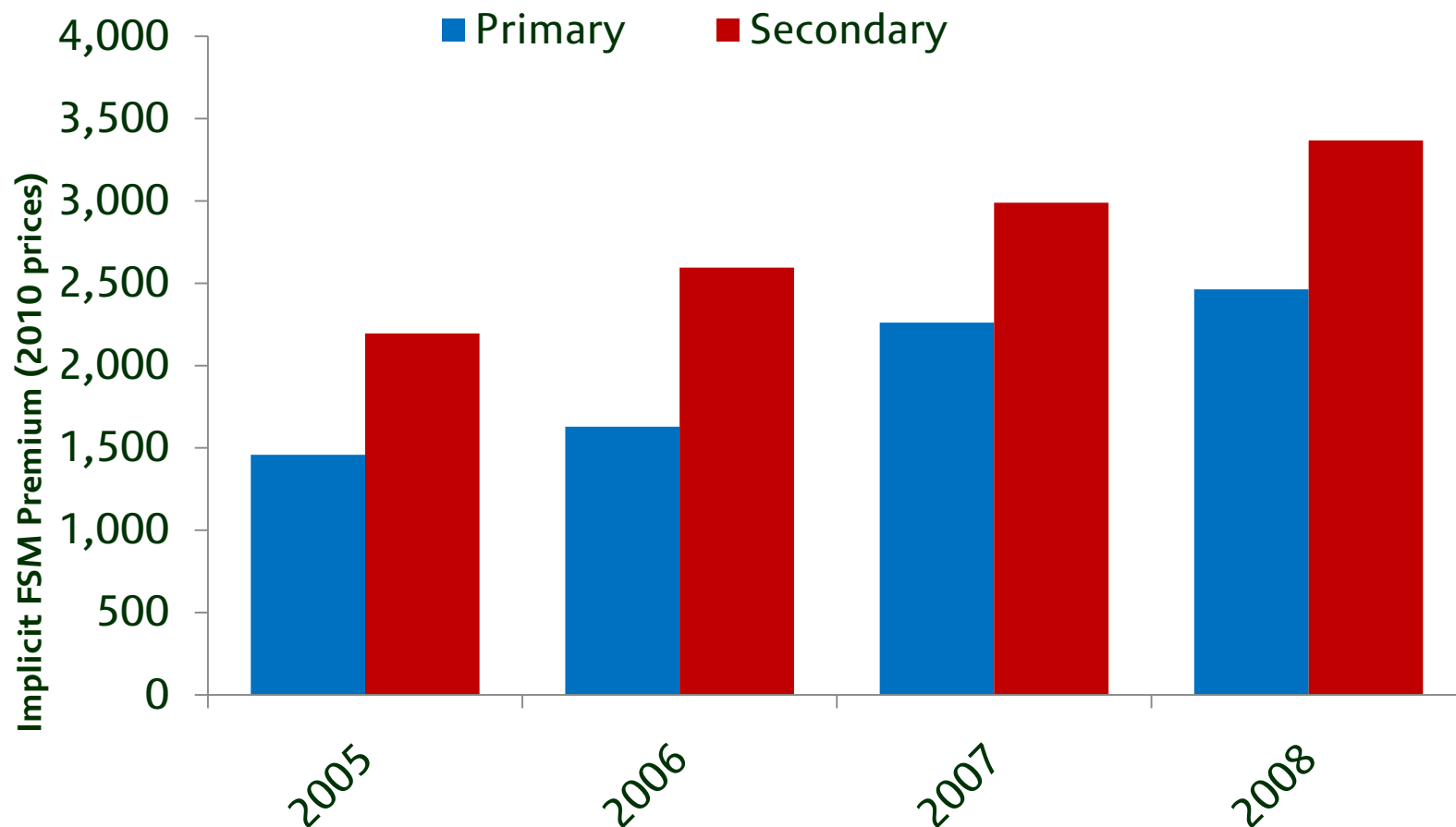
# Background and pupil premium proposals

- How does the current school funding system in England work?
- How redistributive is the current school funding system?
- What are the other key characteristics of the current system?
- Proposals for a pupil premium

# How does the current system work?



## Increases in “implicit” FSM premium over time



# Summary of key issues facing current system

- Current funding heavily concentrated in schools with greater severity of deprivation/AEN
  - Disproportionate share from specific grants (45% for secondary schools)
  - Significant growth in recent years has reduced “flattening”
  - Results of govt pressure?
- Reallocation on basis of changing needs is weak
  - Ties in with idea of buffering/stability
  - Minimum funding guarantee and Spend-plus methodology
- Government review of school funding
  - Single formula for allocation of Dedicated Schools Grant?
  - Streamlining of specific grants?

# What the parties have said

- Liberal Democrat Policy

- £2.5bn of additional funding from tax credits and other spending
- Would increase targeting of funding on deprivation, responsiveness
- Just another specific grant
- How would local authorities respond?

- Conservative Policy

- “We will introduce a pupil premium – weighting school funding towards children from disadvantaged backgrounds.”
- “We will shift towards a system in which there is a simplified amount paid by the taxpayer per pupil (with the Pupil Premium on top).”

- Single national funding formula

- Aspiration of Conservative party, and proposed by Policy Exchange
- We ask “what price, simplicity?”