



**BRIEFING PAPER**

Number 6700, 21 November 2016

# School funding: Pupil Premium

By Tim Jarrett, Robert Long and David Foster

PHOTO REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES

**Inside:**

1. Background and introduction
2. Developments since implementation
3. Payment and accountability
4. School admissions for pupils in receipt of the Premium
5. Effectiveness of the Pupil Premium

# Contents

|  |           |
|--|-----------|
| <b>Summary</b>   | <b>3</b>  |
| <b>1. Background and introduction</b>                            | <b>4</b>  |
| 1.1 What is the pupil premium?                                   | 4         |
| 1.2 Introduction of the pupil premium                            | 4         |
| Consultation response: funding and flat-rate Pupil Premium       | 5         |
| <b>2. Developments since implementation</b>                      | <b>7</b>  |
| 2.1 Summary 2011-12 to 2016-17                                   | 7         |
| 2.2 Spending Review 2015: future funding levels                  | 8         |
| 2.3 Eligibility criteria issues                                  | 8         |
| The requirement to register for free school meals                | 8         |
| Universal Credit   | 9         |
| <b>3. Payment and accountability</b>                             | <b>11</b> |
| 3.1 Payment  | 11        |
| Looked after children  | 11        |
| Service Premium  | 12        |
| 3.2 Accountability measures                                      | 12        |
| Looked after children  | 13        |
| <b>4. School admissions for pupils in receipt of the Premium</b> | <b>14</b> |
| <b>5. Effectiveness of the Pupil Premium</b>                     | <b>15</b> |
| 2014 Ofsted report   | 15        |
| 2015 NAO report  | 15        |
| 2016 Social Mobility Commission report                           | 17        |

## Summary

The Coalition Government introduced the Pupil Premium in 2011 to provide additional school funding for those children classed as having deprived backgrounds, and also those who had been looked after (by a local authority) for more than six months. In addition, the Service Premium was introduced for children whose parent(s) are, or have since 2011, served in the armed forces.

Since their introduction, changes have been made to the eligibility criteria and the funding levels of the premiums. The Pupil Premium has increased from £430 per pupil in 2011–12, to £1,320 per primary pupil and £935 per secondary pupil in 2016–17 (in 2014–15 the Government introduced different Pupil Premium rates for primary and secondary pupils). In addition, while eligible looked after children previously attracted the same Pupil Premium as deprived children, in 2014–15 the “Pupil Premium Plus” was introduced. For 2014–15 and 2015–16 current or certain previously looked after children each attracted £1,900 of funding. The eligibility criteria for the Service Premium have been broadened since 2011–12 and the rate has increased from £200 to £300.

The Spending Review in November 2015 included a commitment from the Government to continue funding the Pupil Premium at existing cash terms levels.

This briefing sets out the original formulation of the Pupil Premium policy, and how it has developed over time. It also includes information on how the Premiums are paid to local authorities and passed on to schools, as well as information on the effectiveness of the Premium. It does not include information on the [Early Years Pupil Premium](#).

This briefing applies to England only.

### Related briefings

This note is one in a series of Library Briefing Papers on school funding. [School funding: Developments since 2010](#) (SN/SP/6702) sets out the changes made by the Coalition Government to school funding in England and plans for further reform under the Conservatives.

The following historical notes are also available:

- [School funding: annual settlements under the Coalition Government](#) (SN/SP/6701)
- [School funding: 2006–2010 policy changes under the Labour Government](#) (SN/SP/6703)

# 1. Background and introduction

## 1.1 What is the pupil premium?

Introduced in April 2011, the Pupil Premium is additional funding, outside of the Dedicated Schools Grant, paid to publicly funded schools in England with the aim of raising the attainment of disadvantaged pupils. The eligibility for the Pupil Premium have changed since its introduction (see section 2). For the 2016-17 financial year schools receive funding for each of the following groups of pupils:

- For each child registered as eligible for free school meals at any point in the last six years:
  - £1,320 for pupils in reception to year 6
  - £935 for pupils in year 7 to year 11
- £1,900 for each child who has been in local authority care for 1 day or more, or who has left local authority care because of one of the following:
  - Adoption
  - A special guardianship order
  - A child arrangements order
  - A residence order.<sup>1</sup>

### Box 1: Early Years Pupil Premium

The Early Years Pupil Premium, introduced in April 2015, is additional funding for 3 and 4 year olds in state-funded early education whose parents are:

- in receipt of certain benefits;
- are currently looked after by a local authority in England or Wales; or
- have left care in England and Wales through adoption, a special guardianship order or a child arrangement order.

In the 2015-16 financial year, providers received £302.10 for each eligible child who took up their full entitlement to 570 hours of state-funded early education.

Further information on the Early Years Pupil Premium is provided on the Gov.uk website at [Early years pupil premium: guide for local authorities](#). Unless stated otherwise, references in this briefing to the Pupil Premium do not include the Early Years Pupil Premium.

## 1.2 Introduction of the pupil premium

The May 2010 Coalition Programme for Government stated: “we will fund a significant premium for disadvantaged pupils from outside the schools budget by reductions in spending elsewhere”.<sup>2</sup>

Further detail was provided in the [Consultation on school funding 2011-12 – Introducing a pupil premium](#), published in July 2010:

One of the Government’s key priorities is to introduce a pupil premium to support disadvantaged pupils, who continue to underachieve compared with their peers. Funding for the

<sup>1</sup> [Pupil premium: funding and accountability for schools](#), Gov.uk, last updated 8 September 2016.

<sup>2</sup> Cabinet Office, [The Coalition: our programme for government](#), May 2010, p28

## 5 School funding: Pupil Premium

premium, which will be introduced in September 2011, will come from outside the schools budget to support disadvantaged pupils from Reception to Year 11. Schools will decide how best to use the premium to support the attainment of disadvantaged pupils.

The intention is to allocate the funding by means of a separate specific grant and not through the Dedicated Schools Grant (DSG). 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. We are seeking views on the indicator to determine which pupils should attract the premium.

looked after children (LAC), who generally have poor attainment, will be covered by the pupil premium using a separate process since deprivation indicators do not generally include them.

We will explore the scope for extending the pupil premium to include Service children.<sup>3</sup>

The consultation document set out a number of questions on the proposals, including the proposed measure of deprivation and the issue of looked after children.<sup>4</sup>

### Consultation response: funding and flat-rate Pupil Premium

The consultation closed on 18 October 2010, and two days later in his statement on the 2010 Spending Review, the then Chancellor, George Osborne, told the House:

We will also introduce a new £2.5 billion pupil premium, which supports the education of disadvantaged children and will provide a real incentive for good schools to take pupils from poorer backgrounds. That pupil premium is at the heart of the coalition agreement, and at the heart of our commitment to reform, fairness and economic growth.<sup>5</sup>

The Government issued its response to the consultation on 13 December 2010.<sup>6</sup> This stated that:

- The Pupil Premium would be introduced from April 2011 and paid to local authorities as a separate grant.
- £430 would be paid in respect of the following pupils in years from Reception to Year 11:
  - Deprived children
  - Children who have been looked after for more than six months.
- A premium of £200 would be paid for children whose parents are in the armed forces.
- The indicator used to reflect deprivation in 2011-12 would be eligibility for free school meals, although in future years the

<sup>3</sup> DfE, [Consultation on school funding 2011-12 – Introducing a pupil premium](#), July 2010, p4

<sup>4</sup> As above, p22

<sup>5</sup> [HC Deb 20 October 2010 c964](#)

<sup>6</sup> DfE, [The school funding settlement for 2011-12: The pupil premium and Dedicated Schools Grant](#), 13 December 2010, p3, para 2.

Government intended to extend eligibility to pupils who had previously been eligible for FSMs.

In terms of funding, the response stated, "total funding for the premium will be £625m in 2011-12 and will be built up over time amounting to £2.5bn a year by 2014-15".<sup>7</sup>

---

<sup>7</sup> As above, p3, para 4.

## 2. Developments since implementation

### 2.1 Summary 2011-12 to 2016-17

The table below highlights the key points in how policy on the Pupil Premium has developed since its introduction in 2011-12:

| Group                 | Year    | Qualifying indicator   | Planned funding (per pupil)                     |
|-----------------------|---------|--|---|
| Deprived children     | 2011-12 | Currently in receipt of free school meals  | £430  |
|                       | 2012-13 | Extended to children who had been in receipt of free schools meals at any point in the past six years  | £600  |
|                       | 2013-14 | As in 2012-13  | £900  |
|                       | 2014-15 | As in 2012-13  | Primary: £1,300 <sup>a</sup><br>Secondary: £935 |
|                       | 2015-16 | As in 2012-13  | Primary: £1,320<br>Secondary: £935              |
|                       | 2016-17 | As in 2012-13  | Primary: £1,320<br>Secondary: £935              |
| Looked after children | 2011-12 | Currently looked after by a local authority and has been for more than six months  | £430  |
|                       | 2012-13 | As in 2011-12  | £900  |
|                       | 2013-14 | As in 2011-12  | £900  |
|                       | 2014-15 | Looked after for one day or more, and including children who have been adopted from care or leave care under a special guardianship or residence order.  | £1,900  |
|                       | 2015-16 | As in 2014-15 (residence orders now known as child arrangements orders)  | £1,900  |
|                       | 2016-17 | As in 2014-15  | £1,900  |
| Service Children      | 2011-12 | Children whose parents are currently in the armed forces   | £200  |
|                       | 2012-13 | As in 2011-12  | £250  |
|                       | 2013-14 | Extended to children whose parent(s) have died in service and are in receipt of pensions under the Armed Forces Compensation Scheme and the War Pensions Scheme. Also extended to include pupils otherwise ineligible in 2013-14 but who had been eligible previously. | £300  |
|                       | 2014-15 | Extended to children who were eligible previously but whose parents are no longer in the armed forces or are divorced.   | £300  |
|                       | 2015-16 | As in 2014-15  | £300  |
|                       | 2016-17 | As in 2014-15  | £300  |

(a) each primary pupil eligible for the deprivation premium attracted an additional £23

The table below shows the Pupil Premium funding allocations by element up to 2016-17:

**Pupil Premium allocations 2011-12 to 2016-17, million**

|         | Allocations by element |                  |                                    | Total  |
|---------|------------------------|------------------|------------------------------------|--------|
|         | Deprivation            | Service children | Looked after children <sup>a</sup> |        |
| 2011-12 | £594                   | £9               | £20                                | £623   |
| 2012-13 | £1,141                 | £13              | £26                                | £1,180 |
| 2013-14 | £1,784                 | £17              | £38                                | £1,840 |
| 2014-15 | £2,230                 | £19              | £164                               | £2,413 |
| 2015-16 | £2,235                 | £21              | £160                               | £2,416 |
| 2016-17 | £2,215                 | £22              | £175                               | £2,412 |

Note: (a) including previously looked after children from 2014-15 onwards

Source: DfE, *Pupil premium allocations*, various years

## 2.2 Spending Review 2015: future funding levels

The Conservative Party Manifesto for the 2015 general election included an undertaking to “continue to provide the Pupil Premium, protected at current rates.”<sup>8</sup> This commitment was provided for in the [Spending Review and Autumn Statement 2015](#):

1.163 The Spending Review protects the core schools budget in real terms, enabling the per pupil rate for the Dedicated Schools Grant to be protected in cash terms, including £390 million of additional funding given to the least fairly funded areas in 2015-16. The pupil premium will also be protected at current rates.<sup>9</sup>

## 2.3 Eligibility criteria issues

### The requirement to register for free school meals

The Pupil Premium is only paid to those children registered to claim free school meals (FSM), and does not include those who are eligible but are not registered; the term used by the Department for Education (DfE) is “known to be eligible for Free School Meals”.<sup>10</sup>

In the DfE’s [Consultation on school funding 2011-12: Introducing a Pupil Premium](#), the Coalition Government stated that “allocating funding on the basis of FSM eligibility, as recorded on the pupil-level annual school census, has the very substantial benefit that it reflects the specific characteristics of the individual pupil. It is easily collected and is updated annually”.<sup>11</sup> The document also stated that the “main issues” with the FSM indicator included that it reflected “registered eligibility for free meals rather than actual eligibility”.<sup>12</sup>

A November 2012 research report commissioned by the DfE compared data on benefit receipt and FSM figures and estimated that nationally around 200,000 children aged 4-15 “appear to be entitled” but are not

<sup>8</sup> [Conservative Party Manifesto 2015](#), p34.

<sup>9</sup> HM Treasury, [Spending Review and Autumn Statement](#), November 2015, p44

<sup>10</sup> Email to the Library from DfE official, 4 May 2012

<sup>11</sup> DfE, [Consultation on school funding 2011-12 – Introducing a Pupil Premium](#), p11, para 33

<sup>12</sup> As above, p12, para 35



claiming FSM. This implied that around 14% of pupils entitled to FSM are not claiming them. The rate was highest for those at either end of this age range with 21% of 4 year olds and 22% of 15 year olds. It was also higher in less deprived areas; 23% in the South East and Eastern regions and more than 30% in some local authorities.<sup>13</sup>

DfE guidance, sent to local authorities in 2012, stated that “local authorities should remind schools that their Pupil Premium allocation each year is determined by the number of FSM pupils they have on roll on January census day”.<sup>14</sup>

If registered, the child does not have to actually receive FSM for the Pupil Premium to be paid; simply being registered is sufficient. The DfE issued a template letter for local authorities to use in order to parents to encourage FSM registration, which stated “if you don’t want your child to have the school meals they can continue as normal – as long as you qualify and are registered, the school still gets £600 extra [i.e. the Pupil Premium]”.<sup>15</sup>

In a June 2015 [report](#) on the efficacy of the Premium (see section 5), the NAO raised the identification of pupils eligible for the Pupil Premium as an issue and stated that the introduction of Universal Infant Free School Meals for 5-7 year olds in September 2014 (removing the need to register to receive a meal) and also Universal Credit might “make it more difficult comprehensively and consistently to identify all disadvantaged pupils.”<sup>16</sup>

### Box 2: Automatic registration for free school meals

In December 2015 Frank Field MP introduced [a Bill](#) under the [Ten Minute Rule](#) to provide for all eligible children to be automatically registered for free school meals. The Bill received a First Reading but did not progress any further before falling at the end of the 2015-16 session.

In response to a parliamentary question in March 2016 about automatic entitlement to free school meals, the then Education Secretary, Nicky Morgan, stated that she “agree[d] that all families who are entitled to free school meals should be able to obtain them” and that she was “keen...to make progress on this very important matter.” The Minister additionally stated, however, that there were “issues to do with the collection of data and the sharing of information between different benefits.”<sup>17</sup>

## Universal Credit

In 2012, the DfE acknowledged that the eligibility criteria for the Pupil Premium would have to be reconsidered because of the introduction of Universal Credit:

The Department for Work and Pensions plan to phase in Universal Credit between October 2013 and 2017, replacing many current in-work and out-of-work benefits with a single payment. This means that the majority of the current criteria for determining entitlement for FSM will no longer exist. We are currently

<sup>13</sup> DfE, [Pupils not claiming free school meals](#), Research Report DfE-RR 235, p1

<sup>14</sup> DfE, Increasing registrations for FSM and the Pupil Premium: Information for local authorities, webpage [taken on 4 May 2012]

<sup>15</sup> DfE, [Example letter to parents](#), webpage [taken on 4 May 2012]

<sup>16</sup> NAO, [Funding for disadvantaged pupils](#), June 2015, p11

<sup>17</sup> [PQ13032](#), 30 October 2015.

considering proposals for new eligibility criteria which can be aligned with Universal Credit.<sup>18</sup>

### Box 3: Universal Credit roll out

Universal Credit was first introduced for a small subset of new claimants in certain areas in 2013. Having learnt from these initial experiences, the Department for Work and Pensions intends to expand the scheme by rolling out to successively wider areas and more complex caseloads. Roll out has, however, been delayed on a number of occasions.

Universal Credit is now available in all jobcentres in Great Britain but in most areas only for new claims for people with relatively simple circumstances (largely single people and couples without children). Roll-out to all claimant groups began in some areas in May 2016 and is, as of July 2016, expected to complete by September 2018. The final migration of the remaining “legacy” benefit claimants to Universal Credit is then expected to start in July 2019 and complete by March 2022.<sup>19</sup>

In response to a parliamentary question in June 2016 the Minister, Sam Gyimah stated that the DfE were still considering the eligibility criteria for FSMs following the introduction of Universal Credit but that, in the meantime, any child in a family in receipt of Universal Credit will continue to be entitled to FSMs:

**Rachel Reeves:** To ask the Secretary of State for Education, when new eligibility criteria for free school meals under universal credit will be (a) published and (b) implemented.

**Sam Gyimah:** We will continue to ensure that children from the poorest families benefit from a free school meal. My Department is continuing to work closely with the Department for Work and Pensions to consider eligibility criteria for free school meals following the introduction of Universal Credit. In the meantime, any child in a family in receipt of Universal Credit will continue to be entitled to free school meals.<sup>20</sup>

<sup>18</sup> DfE, [School funding reform: Next steps towards a fairer system](#), March 2012, p32, para 2.4.4

<sup>19</sup> [HC Deb 20 July 2016 cc23-4WS](#).

<sup>20</sup> [PQ 40160 \[free school meals\]](#), 20 June 2016.

## 3. Payment and accountability

### 3.1 Payment

Pupil Premium funding is [paid](#) in different ways depending on the type of school involved:

- For local authority maintained schools, the Government pays the local authority the relevant funding in quarterly instalments, and they pass the funding on to schools.
- Academies and free schools are paid directly, also in quarterly instalments.<sup>21</sup>

### Looked after children

Virtual school heads are responsible for managing pupil premium funding for looked after children and for allocating it to schools and alternative provision settings. They can pass on the full funding received in respect of a child to the relevant school or alternative provider, but are not required to do so. For example, some funding can be pooled to pay for activities that will benefit a group of or all of an authority's looked after children.<sup>22</sup>

The responsibilities of virtual school heads include, but are not limited to:

- identifying their local authority's look after children
- ensuring that the method used to allocate the money is simple so that children can benefit from it without delay
- working with schools and alternative providers to make sure that they spend their pupil premium funding for looked after children to help meet the needs identified in the children's personal education plans
- being able to demonstrate how the pupil premium funding they manage is raising the achievement of looked after children
- returning any un-spent or un-allocated funding to the DfE.<sup>23</sup>

An article on the *TES* website from July 2016 reported that in 2014-15 over £2.5 billion of pupil premium funding for looked after children was not spent by local authorities and was returned to central government. The article noted the reasons for this given by two councils:

- The DfE allocating money based on more looked after children than the local authority could identify as being in care.
- Money sometimes being received too late in the year to spend.<sup>24</sup>

### Children educated outside their home local authority

Some looked after children live and are educated in a different authority to the one which looks after them. When the Pupil Premium was introduced, the DfE decided that it would allocate the premium to the

---

<sup>21</sup> DfE, [Pupil premium: funding and accountability for schools](#), last updated 8 September 2016.

<sup>22</sup> DfE, [Pupil premium: virtual school heads' responsibilities](#), last updated 19 March 2015.

<sup>23</sup> As above.

<sup>24</sup> [Exclusive: millions in funding for pupils in care left unspent](#), *TES*, 1 July 2016.

local authority which looks after the child, but where the child was educated in a mainstream setting, the local authority would be required to pass on the full level of the premium to the school or academy where the looked after child is being educated.<sup>25</sup>

### Service Premium

The “service premium” is allocated to the local authority where the child is educated. When the premium was introduced in 2011-12 the DfE stated that the local authority will be required by the conditions of grant to pass on the premium to those schools where the children are being educated.<sup>26</sup>

## 3.2 Accountability measures

Local authority maintained schools are required to publish their strategy for the school’s use of the pupil premium on their websites. Unless provided for in their funding agreement, there is no parallel obligation on academies, although the DfE recommends that they publish the same material.<sup>27</sup> The current model funding agreement does require academies to publish information about how they spend their pupil premium allocation and what impact it has had on educational attainment.<sup>28</sup>

The DfE has published information on what local authority maintained schools *must* publish online and what academies *should* publish. The lists are essentially the same; the information relating to maintained schools states:

You must publish a strategy for the school’s use of the pupil premium. You no longer have to publish a ‘pupil premium statement’.

For the current academic year, you must include:

- your school’s pupil premium grant allocation amount
- a summary of the main barriers to educational achievement faced by eligible pupils at the school
- how you’ll spend the pupil premium to address those barriers and the reasons for that approach
- how you’ll measure the impact of the pupil premium
- the date of the next review of the school’s pupil premium strategy

For the previous academic year, you must include:

- how you spent the pupil premium allocation

<sup>25</sup> DfE, [The school funding settlement for 2011-12: The pupil premium and Dedicated Schools Grant](#), 13 December 2010, pp8–9, paras 24, 25 and 26

<sup>26</sup> DfE, [The school funding settlement for 2011-12: The pupil premium and Dedicated Schools Grant](#), 13 December 2010, p10, para 28

<sup>27</sup> DfE, [What academies, free schools and colleges should publish online](#), 30 June 2016.

<sup>28</sup> DfE, [Mainstream academy and free school: single funding agreement](#), April 2016, para 2.17.

## 13 School funding: Pupil Premium

- the impact of the expenditure on eligible and other pupils.<sup>29</sup>

Schools are also accountable for their use of the Pupil Premium via the performance tables, which report on the performance of disadvantaged pupils compared to other pupils. Ofsted inspections also report on the attainment and progress of disadvantaged pupils who attract the Pupil Premium. If Ofsted identifies issues with a school's provision for such pupils it will recommend that it commissions a pupil premium review. Reviews can also be recommended by other bodies, including the DfE and a school's local authority, academy trust or regional schools commissioner.<sup>30</sup>

### Looked after children

Ofsted inspections of services for looked after children will ask for an annual report from the virtual school head, which should include:

- details of how the pupil premium for looked after children has been managed; and
- evidence of how pupil premium spending has supported the achievement of children looked after by the local authority.<sup>31</sup>

---

<sup>29</sup> DfE, [What maintained schools must publish online: pupil premium](#), last updated 1 November 2016.

<sup>30</sup> DfE, [Pupil premium: funding and accountability for schools](#), last updated 8 September 2016.

<sup>31</sup> DfE, [Pupil premium: virtual school heads' responsibilities](#), last updated 19 March 2015.

## 4. School admissions for pupils in receipt of the Premium

Between July and September 2014, the Government ran a [consultation](#) on changes to the *School Admissions Code* that would give admission authorities in England the **option** to prioritise disadvantaged children in their admission arrangements.<sup>32</sup>

The Government published its [response](#) to this consultation in October 2014. This stated that following a positive response to the initial proposals, the Government would:

- Allow all schools to have the freedom to give admission priority for all children attracting the pupil premium, the early years pupil premium and the service premium. (Academies and free schools already have this option; the change would expand this freedom to local authority maintained schools.)
- Allow admission authorities of primary schools which have a nursery to give priority in their admission arrangements to disadvantaged children who attend the nursery.

Neither of these changes are compulsory; schools are free to adopt them or not as they wished.<sup>33</sup>

These changes came into force in December 2014. The revised [School Admissions Code](#) includes the new provision (see paras 1.39A and B).

---

<sup>32</sup> DfE, [Changes to the School Admissions Code](#), July 2014

<sup>33</sup> DfE, [Changes to the School Admissions Code: Government consultation response](#), October 2014, p4-5

## 5. Effectiveness of the Pupil Premium

The Education Endowment Foundation has produced a [teaching and learning toolkit](#) for schools on how to use the pupil premium effectively. It has also produced an evaluation tool to help schools measure the impact of their approaches.<sup>34</sup>

### 2014 Ofsted report

In July 2014, Ofsted published an [update](#) on the progress schools have made in using their pupil premium funding to raise achievement for eligible pupils. The report stated that:

There are encouraging signs from inspection that the concerted efforts of good leaders and teachers are helping to increase outcomes for pupils eligible for the pupil premium. However, it will take time to establish whether this increased focus will lead to a narrowing in the attainment gap between those eligible for the pupil premium and other pupils.

In 151 reports analysed between January and December 2013, there was an association noted between the overall effectiveness of the school and the impact of the pupil premium.<sup>35</sup>

A PQ response from the then schools Minister, David Laws, set out some further information:

**24. Mrs Glendon:** To ask the Secretary of State for Education what progress her Department has made on closing the attainment gap between pupils receiving free school meals and others; and if she will make a statement. [904972]

**Mr Laws:** The gap between free school meals (FSM) pupils and others achieving Level 4 or above in key stage 2 reading and mathematics has narrowed from 19.3 to 16.2 percentage points between 2011 and 2013. The gap in FSM pupils and others achieving at least five A\*-C grade GCSEs including English and mathematics has narrowed from 27.4 to 26.7 percentage points over the same period.

The most recent Ofsted assessment is that school leaders are spending the pupil premium more effectively than at any time since the funding was introduced in 2011. Of 151 schools in the assessment, the attainment gap between free school meal pupils and their peers was closing, sometimes quite quickly, in all 86 schools judged by Ofsted to be good or outstanding. Gaps are also closing, albeit more slowly, in two thirds of the 50 sampled schools rated 'requires improvement'.<sup>36</sup>

### 2015 NAO report

On 30 June 2015, the National Audit Office published a [report](#) on funding for disadvantaged pupils. The report concluded that, while the Pupil Premium has the potential to "bring about a significant

---

<sup>34</sup> DfE, [Pupil premium: funding and accountability for schools](#), last updated 8 September 2016.

<sup>35</sup> Ofsted, [The Pupil Premium: an update](#), July 2014, p4

<sup>36</sup> [HC Deb 21 July 2014 c918-919W](#)

improvement in outcomes for disadvantaged pupils”, it will take time for its full impact to be known. The report further concluded:

While the attainment gap has narrowed since 2011, it remains wide and, at this stage, the significance of the improvements is unclear. More time and further evaluation will be needed to establish whether the Department has achieved its goals. However, the early signs are that many schools, supported by the Department’s investment in the EEF, are using the Pupil Premium to help disadvantaged pupils in useful ways.<sup>37</sup>

While acknowledging the work done so far to share best practice, the report stated that the Government and schools had more to do to “optimise value for money”:

The Department has already created a strong drive to improve support for disadvantaged pupils by targeting the Pupil Premium at schools on a rational basis; clearly communicating the funding’s objective; investing in research and sharing best practice; and empowering teachers to try new things. However, the Department, working with others, has more to do to optimise value for money. Not all disadvantaged pupils currently attract funding. Some schools do not focus funding on disadvantaged pupils appropriately or use the most cost-effective interventions, and, in any event, the evidence base is still underdeveloped. Furthermore, the core school funding that the Pupil Premium supplements is not distributed on the basis of need. Most importantly, there is a risk that accountability and intervention mechanisms allow schools to waste money on ineffective activities for many years without effective challenge. As the impact of the Pupil Premium becomes clearer, the Department will need to review if it is investing the right amount in it, including whether spending more in this way could allow it to close the gap more quickly, generating wider savings for the taxpayer.<sup>38</sup>

A BBC news article quoted a Government official stating in response to the report that:

The NAO’s report recognises the important role which the pupil premium has had in improving educational outcomes, and ultimately life chances of some of the most disadvantaged young people.

However, we know there is more to be done to tackle educational inequality and we will consider the findings of the NAO report carefully.<sup>39</sup>

In April 2016, the then Education Minister, Sam Gyimah cited the NAO report when responding to a parliamentary question regarding the Government’s assessment of the pupil premium’s impact:

**Royston Smith:** To ask the Secretary of State for Education, what assessment her Department has made of the effect of pupil premium on ensuring children who are classed as behind reach their expected grades at Key Stages 1 to 4.

---

<sup>37</sup> NAO, [Funding for disadvantaged pupils](#), June 2015, p11.

<sup>38</sup> NAO, [Funding for disadvantaged pupils](#), June 2015, p11.

<sup>39</sup> [Pupil-premium impact 'will take time', says spending body](#), BBC News, 30 June 2015.



**Mr Sam Gyimah:** The Government is determined to deliver educational excellence everywhere so that every child, regardless of background, reaches their full potential.

Information on the proportion of low achieving disadvantaged pupils reaching the expected standard at key stage 4 is available from the KS2-4 transition matrices for disadvantaged pupils on [RAISEonline](#). These show progression from sub-levels at key stage 2 to grades at key stage 4 for a range of subjects, for both disadvantaged and other pupils. Similar information is not published regularly for progression between other key stages.

In 2015 the National Audit Office and the Public Accounts Committee reviewed the pupil premium and concluded that while it is too early to assess the full impact of the funding, there is evidence that the attainment gap between disadvantaged pupils and their peers has started to narrow.

The Department for Education's gap index provides a more accurate measure over time in light of changes to assessments. It shows that attainment has risen and the attainment gap between disadvantaged pupils and their peers has narrowed - by 7.1 per cent at key stage 2 and 6.6 per cent at key stage 4 since 2011, the year the pupil premium was introduced.

This means better prospects and a more prosperous life as an adult for this group of pupils. But we refuse to accept second best for any young person, which is why we are continuing the pupil premium at current rates for the duration of this parliament, providing funding to support schools to continue improving outcomes for disadvantaged pupils.<sup>40</sup>

### 2016 Social Mobility Commission report

On 16 November 2016 the Social Mobility Commission published its [fourth 'state of the nation' report](#). On the impact of the pupil premium, it stated:

There is some evidence that the Pupil Premium has had a positive effect on the attainment gap, but is not definitive, because it cannot definitely say what would have happened to attainment had it not been introduced.<sup>41</sup>

The report described the pupil premium as a “welcome focus on the needs of the very poorest children” but argued that this had “not been matched by a broader intention to break the link between social demography and educational destiny in our schools across income groups.”<sup>42</sup>

In addition, the report recommended that the Early Years Pupil Premium should be doubled in value and stated that this could be funded via a redistribution from the primary pupil premium budget.<sup>43</sup>

---

<sup>40</sup> [PQ32434](#), 12 April 2016.

<sup>41</sup> Social Mobility Commission, [State of the Nation 2016: Social Mobility in Great Britain](#), November 2016, p81.

<sup>42</sup> As above, p54.

<sup>43</sup> As above, p51.

### About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email [papers@parliament.uk](mailto:papers@parliament.uk). Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email [hcinfo@parliament.uk](mailto:hcinfo@parliament.uk).

### Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).