



BRIEFING PAPER

Number 6700, 3 February 2020

The Pupil Premium

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Summary

The Pupil Premium is additional funding provided to publicly-funded schools in England with the aim of raising the attainment of disadvantaged children. Funding was allocated in respect of the following categories of pupils for 2019-20:

- **Disadvantaged pupils:** children recorded in the school census as eligible for free school meals (FSMs) at any point in the last six years (referred to as Ever 6 FSM). £1,320 was allocated for each primary pupil; £935 was allocated for each such pupil in years 7 to 11.
- **Looked after and previously looked after children:** £2,300 for each child currently looked after by an English local authority, or who left the care of a local authority in England or Wales because of adoption, a special guardianship order, a child arrangements order, or a residence order (sometimes referred to as Pupil Premium Plus).
- **Service children:** a Service Premium of £300 per eligible pupil paid in respect of children who have been recorded as having a parent serving in the regular armed forces in any school census in the last six years (referred to as Ever 6 service children). It is also paid in respect of children in receipt of a pension under the Armed Forces Compensation Scheme or the War Pensions Scheme after their parent died or was injured while serving in the armed forces.

In 2019-20, £2.41 billion of Pupil Premium funding was allocated in respect of around 2 million pupils. For 2020-21, the funding rates of the Pupil Premium and the Service Premium will increase in line with inflation.

Local authority maintained schools are required to publish a strategy for using Pupil Premium funding on their websites. There is no parallel obligation on academies, unless provided for in their funding agreement, but the Department for Education recommends that academies should publish a Pupil Premium strategy regardless of whether they are required to do so or not. Schools are also accountable for their use of Pupil Premium funding via the performance tables, which report on the performance of disadvantaged pupils compared to other pupils, and through Ofsted inspections, which report on the attainment and progress of pupils who attract the Pupil Premium.

The Pupil Premium Grant is paid as a separate grant to the Dedicated Schools Grant (the main source of revenue funding for schools). As such, it is generally unaffected by the introduction of a National Funding Formula for schools. However, the National Funding Formula does not include a looked-after-children factor; instead, since the introduction of the formula in 2018-19 all additional school funding for looked-after and previously looked-after children has been targeted through the Pupil Premium Plus. As a result of the change, the Pupil Premium Plus rate increased to £2,300 per eligible pupil from 2018-19.

For a pupil to attract Pupil Premium funding for disadvantaged children, their parent or carer must be in receipt of a qualifying benefit and a request must have been for free school meals. It has been estimated that approximately 10% of those eligible do not register for free school meals and, as a result, schools are not attracting all the Pupil Premium funding they are entitled to.

1. The Pupil Premium

Introduced in 2011, the Pupil Premium is funding provided to publicly funded schools in England to support the education of disadvantaged pupils. It is paid as a separate grant in addition to the Dedicated Schools Grant. As such, with the exception of Pupil Premium payments in respect of looked after and formerly looked after children (see section 1.1 below), Pupil Premium funding was not affected by the introduction of the National Funding Formula for schools.

In 2019-20, schools received funding in respect the following groups of pupils:

- **Disadvantaged children:** for each child who has been recorded as being eligible for free school meals (FSMs) in a school census at any point in the last six years¹ (referred to as Ever 6 FSM):
 - £1,320 for primary pupils (reception to year 6); or
 - £935 for secondary pupils (year 7 to year 11).
- **Looked after children:** £2,300 for each child looked who is in the care of, or provided with accommodation by, an English local authority.
- **Previously looked after children:** £2,300 for each child who has ceased to be looked after by a local authority in England or Wales because of adoption, a special guardianship order, a child arrangements order, or a residence order (sometimes referred to as Pupil Premium Plus).

In addition, a **Service Premium** of £300 is paid in respect of each pupil who has been recorded as having a parent serving in the regular armed forces in any school census in the last six years (referred to as Ever 6 service children).² The Service Premium is also paid in respect of children in receipt of a pension under the Armed Forces Compensation Scheme or the War Pensions Scheme after their parent died or was injured while serving in the armed forces.³

The funding rates will be increased in line with inflation for the 2020-21 financial year.⁴

Schools may use Pupil Premium funding:

- For the educational benefit of pupil registered at that school
- For the benefit of pupils registered at other state funded schools
- On community facilities

The funding does not have to be spent solely on those pupils that it is paid in respect of. Further information is available in guidance published by the

¹ A child is only recorded in the school census as eligible for free school meals if they meet the eligibility criteria **and** a claim is made for free school meals. See para 3.2.7.1 of the Department for Education's [guidance on the 2019-20 school census](#).

² Children of reservists are generally not recorded as service children in the school census, but there are limited exceptions to this. [Guidance published by the Ministry of Defence](#) provides further information.

³ Education and Skills Funding Agency, [Pupil premium: conditions of grant 2019 to 2020](#), 9 December 2019.

⁴ Department for Education, [Pupil Premium](#), 30 January 2020.

Education and Skills Funding Agency: [Pupil premium 2019 to 2020: conditions of grant](#) and in a [DfE policy paper](#).

Box 1: Early Years Pupil Premium

The Early Years Pupil Premium, introduced in April 2015, is additional funding for 3 and 4 year olds who are receiving any number of hours of state-funded early education and:

- meet the benefit-related criteria for free school meals; or
- 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, a child arrangements order, or a residence order.

In 2019-20, around £30 million of Early Years Pupil Premium funding was allocated to local authorities as part of the Early Years Block of the Dedicated Schools Grant for distribution to early years providers.⁵

Further information is provided in guidance published by the Education and Skills Funding Agency: [Early years entitlements: local authority funding of providers](#).

References in this briefing to the Pupil Premium do not include the Early Years Pupil Premium.

1.1 Changes to eligibility criteria and funding rates

Following a commitment in the May 2010 Coalition Programme for Government to “fund a significant premium for disadvantaged pupils from outside the schools budget by reductions in spending elsewhere”, a consultation on introducing a Pupil Premium was published in July 2010.⁶

Among other things, the consultation sought views on whether a higher Pupil Premium should be paid to “under-funded” areas, or whether it should be paid at a flat-rate per eligible pupil. The consultation response, published in December 2010, confirmed that a Pupil Premium would be introduced for disadvantaged children, looked after children, and children who had parents in the armed forces. It also confirmed that the Premium would be paid at a flat-rate and not varied by area. It added that £635 million of Pupil Premium funding would be available in 2011-12 and this would be built up over time to £2.5 billion by 2014-15.⁷

In line with the increased funding available, between its introduction and 2014-15 the eligibility criteria for the Pupil Premium were broadened and the per-pupil rates were increased. In 2015-16, the Pupil Premium funding per Ever 6 primary pupil was increased to £1,320. No further changes were made to the eligibility criteria or funding rates through to 2017-18.

Increase in Pupil Premium Plus rate from 2018-19

In the current school funding system, some schools with looked-after children receive additional funding through their local authority’s school funding formula. This is on top of funding provided through the Pupil Premium.

⁵ Education and Skills Funding Agency, [Dedicated schools grant \(DSG\): 2019 to 2020](#), last updated 19 November 2019.

⁶ Cabinet Office, [The Coalition: our programme for government](#), May 2010, p28; Department for Education, [Consultation on school funding 2011-12 – Introducing a pupil premium](#), July 2010, p4.

⁷ Department for Education, [The school funding settlement for 2011-12: The pupil premium and Dedicated Schools Grant](#), 13 December 2010, p3.

In response to its stage one consultation on the introduction of a national funding formula for schools, the Department for Education (DfE) confirmed that it intended to target support for looked-after and previously looked after children through the Pupil Premium, rather than include a looked-after children factor in the national funding formula.⁸

In September 2017, the DfE confirmed that, following the introduction of the national funding formula in 2018-19, the amount spent through looked-after children factors in local authority funding formulas would be transferred to the Pupil Premium budget. As a result, the Pupil Premium rate for looked after and previously looked after children increased from £1,900 to £2,300 from 2018-19.⁹

Increase in rates from 2020-21

On 30 January 2020 the Government announced that the Pupil Premium and Service Premium funding rates will increase in line with inflation for the 2020-21 financial year.¹⁰

The table above sets out the changes made to the eligibility criteria and funding rates for the Pupil Premium since its introduction, including the rates to be paid in 2020-21.

1.2 Pupil Premium funding allocations

Mirroring the broadening of the eligibility criteria over the period, total annual funding for the Pupil Premium increased substantially between

Changes to Pupil Premium eligibility criteria and funding rates 2011-12 to 2019-20			
Pupil Premium group	Year of change	Eligibility criteria	Funding rate (per pupil)
Deprived children	2011-12	Currently known to be eligible for free school meals	£430
	2012-13	Extended to children known to be eligible for free school meals at any point in the last six years	£600
	2013-14	As before	£900
	2014-15	As before	Primary: £1,300 ^a Secondary: £935
	2015-16	As before	Primary: £1,320 Secondary: £935
	2020-21	As before	Primary: £1,345 Secondary: £955
Looked after and previously looked after children	2011-12	Currently looked after by a local authority and has been for at least six months	£430
	2012-13	As before	£900
	2014-15	Extended to children looked after for one day or more, and to children who have left local authority care as a result of adoption, a special guardianship order, or a child arrangements order (previously known as a residence order).	£1,900
	2018-19	As before	£2,300
	2020-21	As before	£2,345
Service children	2011-12	Children with a parent in the regular armed forces	£200
	2012-13	As before	£250
	2013-14	Extended to children otherwise ineligible in 2013-14 who would have been eligible in previous years (extended over subsequent years to become Ever 6 Service Premium). Also extended to children in receipt of a pension under the Armed Forces Compensation Scheme and the War Pensions Scheme after their parent died or was injured while serving the regular armed forces.	£300
	2020-21	As before	£310

^a In the final allocations each Ever 6 primary pupil attracted an additional £23 on top of the planned £1,300.

⁸ Department for Education, [Schools national funding formula: Government consultation response: stage 1](#), December 2016, p17.

⁹ Department for Education, [The national funding formula for schools and high needs: Policy document](#), September 2017, p9; [HCWS369](#), 19 December 2017; For more in the rationale for the change, see Department for Education, [Schools national funding formula: Government consultation – stage one](#), March 2016, pp39-41.

¹⁰ [HCWS78](#), 30 January 2020; Department for Education, [Pupil Premium](#), 30 January 2020.

2011-12 and 2014-15, from £623 million to £2.41 billion. Funding has remained fairly constant since then, with a slight increase for looked after and previously looked after children in 2018-19 following the increase in the per pupil rate. In 2019-20, £2.41 billion of funding was provided for the Pupil Premium, £2.1 billion of which (88%) was allocated in respect of pupils qualifying for the Premium due to their FSM status. £257 million (11% of the total) was allocated in respect of looked after and previously looked after children, and £23 million (1% of the total) was allocated in respect of service children.

The number of pupils attracting the Pupil Premium has followed a similar trend to the overall level of funding, with an increase in pupils following each broadening of the eligibility criteria. In 2019-20, 2.04 million children were eligible for some form of Pupil Premium funding, the vast majority of which – 1.85 million – were eligible under the deprivation criteria. 112,000 children were eligible for the Pupil Premium for looked after and previously looked after children and 77,000 attracted the Service Premium.

Details of 2019-20 Pupil Premium allocations by school, school type, local authority area, and parliamentary constituency are available at: [Pupil premium: allocations and conditions of grant 2019 to 2020](#).

1.3 How the Premium is paid

How the Pupil Premium is paid depends on the type of school and the Pupil Premium element. In terms of Pupil Premium funding for disadvantaged pupils (Ever 6 FSM), previously looked after children and service children in mainstream schools:

- For maintained schools, the Government pays the local authority the relevant funding in quarterly instalments, and they pass it onto their schools in respect of each eligible pupil on the January school census.
- Academies and free schools are paid directly by the Education and Skills Funding Agency in quarterly instalments.¹¹

Non-mainstream settings

The Education and Skills Funding Agency allocates Pupil Premium funding to local authorities for disadvantaged pupils (Ever 6 FSM), previously looked after children and service children in general hospital schools and alternative provision (including non-maintained special schools) not

Pupil Premium allocations by element, 2011-12 to 2019-20

£ millions, cash

	Element			Total
	Deprivation	Service children	Looked after & previously looked after	
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
2017-18	£2,187	£23	£189	£2,399
2018-19	£2,151	£23	£243	£2,417
2019-20	£2,128	£23	£257	£2,408

Source: Department for Education, Pupil Premium allocations, various years

Number of pupils in receipt of Pupil Premium, 2011-12 to 2019-20

	Element			Total
	Deprivation	Service children	Looked after & previously looked after	
2011-12	1,217,560	45,070	40,560	1,303,190
2012-13	1,831,130	52,370	41,420	1,924,920
2013-14	1,917,270	57,940	42,540	2,017,750
2014-15	1,919,260	64,390	86,370	2,070,020
2015-16	1,920,357	68,896	86,154	2,075,406
2016-17	1,906,478	73,469	93,718	2,073,665
2017-18	1,892,303	75,268	99,375	2,066,946
2018-19	1,865,322	76,318	105,665	2,047,305
2019-20	1,850,305	77,151	111,714	2,039,170

Source: Department for Education, Pupil Premium allocations, various years

¹¹ [Pupil premium 2019 to 2020: conditions of grant](#), Education and Skills Funding Agency, last updated 9 December 2019.

maintained by the local authority but where the local authority pays full tuition fees.

Local authorities must pass on Pupil Premium funding for pupils in non-maintained special schools; this may be done on a termly basis.

For other alternative provision settings, the local authority may pass on the funding to the provider or, in consultation with non-mainstream settings, it may use it to spend specifically on additional educational support to raise the standard of attainment for the eligible pupils.¹²

Looked after children

Virtual school heads are responsible for managing Pupil Premium funding for children currently looked after by the local authority 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.¹³

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.¹⁴

1.4 Accountability

Local authorities are required to certify that they have passed on the correct amount of Pupil Premium funding to schools or, where funding has been spent centrally, that it has been used in line with the conditions of the grant (i.e. for the benefit of looked after children's educational needs).¹⁵

Local authority maintained schools are required to publish a strategy for using Pupil Premium funding on their websites.¹⁶ There is no parallel obligation on academies unless provided for in their funding agreement; the current model funding agreement does require academies to publish information about how they spend their Pupil Premium allocation and what

¹² As above.

¹³ Department for Education, [Pupil premium: virtual school heads' responsibilities](#), last updated 19 March 2015.

¹⁴ As above.

¹⁵ [Pupil premium 2017 to 2018: conditions of grant](#), Education and Skills Funding Agency, last updated 12 October 2017.

¹⁶ Department for Education, [What maintained schools must publish online](#), last updated 25 October 2018.

impact it has had on educational attainment.¹⁷ The DfE recommends that academies should publish a Pupil Premium strategy regardless of whether this is required by the school's funding agreement.¹⁸

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 report on the attainment and progress of disadvantaged pupils who attract the Pupil Premium. If Ofsted identifies issues with a school's provision for disadvantaged pupils it will recommend that it commissions a Pupil Premium review. Reviews can also be recommended by other bodies, including the school itself; the DfE; and the school's local authority, academy trust or regional schools commissioner.¹⁹ [DfE guidance](#) provides more information on the process for Pupil Premium reviews, including the commissioning of them.²⁰

Box 2: Help for schools on how to use Pupil Premium funding effectively

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. Information on schools that have been recognised for their successful use of the Pupil Premium is provided on the [Pupil Premium Awards website](#).²¹

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.²²

1.5 School Admissions and the Pupil Premium

Following a [consultation](#), in December 2014 the School Admissions Code was changed to give all admission authorities in England the option to prioritise disadvantaged children in their admission arrangements.²³ The [current Code](#), published in September 2015, includes the provisions in paragraphs 1.39A and 139B:

1.39A Admission authorities may give priority in their oversubscription criteria to children eligible for the early years pupil

¹⁷ Department for Education, [Mainstream academy and free school: single funding agreement](#), April 2016, para 2.17.

¹⁸ Department for Education, [What academies, free schools and colleges should publish online](#), 25 October 2018.

¹⁹ Department for Education, [Pupil premium: funding and accountability for schools](#), last updated 22 February 2017.

²⁰ Department for Education, [Pupil premium reviews](#), last updated 29 June 2018.

²¹ [Pupil premium: funding and accountability for schools](#), last updated 22 February 2017.

²² Department for Education, [Pupil premium: virtual school heads' responsibilities](#), last updated 19 March 2015.

²³ Department for Education, [Changes to the School Admissions Code: Government consultation response](#), October 2014.

premium, the pupil premium and also children eligible for the service premium. Admission authorities should clearly define in the arrangements the categories of eligible premium recipients to be prioritised.

1.39B Admission authorities may give priority in their oversubscription criteria to children eligible for the early years pupil premium, the pupil premium or the service premium who:

- a) are in a nursery class which is part of the school; or
- b) attend a nursery that is established and run by the school. The nursery must be named in the admission arrangements and its selection must be transparent and made on reasonable grounds.²⁴

Neither of the criteria are compulsory; admissions authorities may adopt them if they wish.

Unless otherwise provided for in the Code, schools are required to give the highest priority in their oversubscription criteria to looked after children and to children who left care because of adoption, a child arrangements order, or special guardianship order (i.e. the same eligibility criteria as for the Pupil Premium for looked after and previously looked after children).²⁵

²⁴ Department for Education, [School Admissions Code](#), September 2015, p17.

²⁵ As above, para 1.7.

2. Eligibility criteria issues

Issues have been raised with the eligibility criteria for attracting the Pupil Premium, with concerns generally centred on pupils that may not be attracting funding that they are potentially eligible for. This section provides a brief overview of these issues.

2.1 The requirement to register for free school meals

The Pupil Premium is only paid in respect of children registered to claim free school meals (FSM), and does not include those who are eligible but not registered; the term used by the DfE is “known to be eligible for Free School Meals”.²⁶ In order to be registered as eligible for FSMs, the pupil or their parent/carer must be in receipt of a qualifying benefit *and* a request must have been made by them for FSMs.

The DfE’s consultation on introducing a Pupil Premium 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”.²⁷ The consultation also noted, however, that the “main issues” with the FSM indicator included that it reflected “registered eligibility for free meals rather than actual eligibility”.²⁸

There is no ongoing annual official estimate of pupils eligible, but not claiming free school meals.²⁹ In 2013, the DfE published research on [Pupils not claiming free school meals](#), which updated [earlier research](#) published in 2012. The report estimated that nationally around 200,000 children aged 4-15 appeared to be entitled to FSM but were not claiming them. This represented around 14% the total number of pupils thought to be entitled for FSMs. The rate was highest for those at either end of the age range, and in less deprived areas.

In its state of the nation report 2018-19, the Social Mobility Commission stated that approximately one in 10 of those eligible do not register for FSMs, and that this impacts on the level of Pupil Premium funding that schools receive. The report recommended that the Government “should consider ways to ensure that all schools are receiving the Pupil Premium funding that they are entitled to.”³⁰

In response to a parliamentary question in February 2019, the then Minister, Nadhim Zahawi, set out what the Government was doing to help identify children eligible for the Pupil Premium:

Schools automatically receive Pupil Premium funding for each pupil registered as eligible for free school meals in the school census and

²⁶ Email to the Library from Department for Education official, 4 May 2012

²⁷ DfE [Consultation on school funding 2011-12 – Introducing a Pupil Premium](#), p11.

²⁸ As above, p12, para 35

²⁹ [PQ111683](#), 13 November 2017.

³⁰ Social Mobility Commission, [State of the Nation 2018-19: Social Mobility in Great Britain](#), April 2019, p52.

for any pupil eligible for free school meals at any point in the last 6 years. This year 1.99 million pupils, 27% of all pupils, aged 5-16 are eligible to receive Pupil Premium funding.

We do not publish statistics on the take up of Pupil Premium.

The department wants to make sure that as many eligible pupils as possible are claiming free school meals, and to make it as simple as possible for schools and local authorities to determine eligibility. To support this we provide:

- The Eligibility Checking Service to make the checking process as quick and simple as possible for schools and local authorities.
- A model registration form for paper-based applications.
- Guidance to Jobcentre Plus advisors and work coaches so they can make Universal Credit claimants aware that they might be entitled to free school meals.

We know that many schools and local authorities have established very effective ways to encourage all eligible families to register for free school meals.³¹

2.2 Universal Credit

To be eligible for FSMs a child or their parent/carer must be in receipt of a qualifying benefit. Universal Credit replaces many of these qualifying benefits (and some others) with a single payment.

Box 3: Universal Credit roll out

Universal Credit has been available for the vast majority of new claimants throughout the UK since December 2018. It is expected that all people still claiming “legacy benefits” will be transferred over to Universal Credit by December 2023.

Eligibility for FSMs under Universal Credit

As an interim measure during the initial stages of roll out, all recipients of Universal Credit qualified for FSMs.³²

In November 2017, the Government published a [consultation](#) on eligibility for FSMs under Universal Credit. The consultation proposed introducing a net earnings threshold (not including benefits) of £7,400 per annum for a household’s eligibility for FSMs under Universal Credit. The Government estimated that under the proposed threshold an extra 50,000 children would become eligible for FSM, an increase in the FSMs cohort of around 5%.³³

The consultation also set out transitional protections for existing recipients of FSMs to ensure that they would not immediately lose entitlement as a result of the new criteria.

³¹ [PQ219513](#), 19 February 2019.

³² [PQ7124](#), 12 September 2017.

³³ The methodology used to reach the 50,000 figure is [set out in an Appendix](#) to a report of the House of Lords Secondary Legislation Committee.

In its [response to the consultation](#), published in February 2018, the Government confirmed that it would implement the proposals set out in the consultation. Regulations implementing the changes came into force on 1 April 2018.³⁴

Further information on the changes, including the reaction to them, is provided in section 4.2 of Library Briefing 4195, [School meals and nutritional standards \(England\)](#).

2.3 Pupil Premium for children adopted from overseas

As set out in section one above, the Pupil Premium is paid in respect of children who were looked after by an English or Welsh local authority immediately before being adopted. Children who were not looked after by a local authority in England and Wales before being adopted (e.g. children adopted from overseas) are not currently eligible for the Pupil Premium.

In response to a parliamentary question in June 2019, Lord Agnew, Parliamentary Under-Secretary at the DfE, stated that the Government was “currently considering the application of pupil premium plus to children adopted from care outside England and Wales and have not set a timetable for any changes.”³⁵ A similar response was given to a parliamentary question in October 2017.³⁶

³⁴ [The Free School Lunches and Milk, and School and Early Years Finance \(Amendments Relating to Universal Credit\) \(England\) Regulations 2018](#), SI 2018/148; [The Welfare Reform Act 2012 \(Commencement No. 30 and Transitory Provisions\) Order 2018](#), SI 2018/145.

³⁵ [PQ HL16520](#), 28 June 2019.

³⁶ [PQ 110484](#), 8 November 2017.

3. Reports on the Pupil Premium

This section provides brief information on selected reports concerning the Pupil Premium that have been published since 2015.

3.1 Education Committee report on School and College Funding (July 2019)

In July 2019, the Education Committee published a report on school and college funding. The report stated that the evidence submitted to the inquiry “indicated that, on the whole, the idea of the Pupil Premium enjoyed substantial support.” It added, however, that there were a number of concerns that witnesses suggested needed to be addressed regarding the premium’s use, how the mechanism operated, accountability systems, and the eligibility criteria.” Regarding these, the report stated:

- It is clear that the Pupil Premium is being used “to plug holes in schools budgets rather than being directed at disadvantaged children.”
- Ring-fencing the Pupil Premium or subsuming it under the National Funding Formula “will not fix the underlying problem that there is simply not enough money in the system.”
- Concerns were raised about the effectiveness of the Pupil Premium even when it was being used as intended. Many schools had used the money for teaching assistants, “whereas recent evidence suggested these resources could have been deployed differently to better maximise educational outcomes.”
- The accountability system was also identified as an “area in need of improvement.”

The report’s recommendations included that the DfE should:

- Confirm that it does not intend to ring-fence the Pupil Premium or subsume it within the National Funding Formula. It should also investigate “how the Pupil Premium distribution could be made fairer so that allocations more closely match the child’s level and duration of deprivation.”
- Review and revise the Pupil Premium compliance system, particularly Ofsted’s role, to “improve accountability whilst allowing flexibility for local-level innovation.”
- Review options for an “enhanced incentive system to systematically reward schools making good use of the Pupil Premium.”

The report also stated that the lack of take-up of free school meals “means that too many deserving children are not receiving the support to which they are entitled.” It recommended that, in its response to the report, the DfE should outline whether it supports the principle of automatic enrolment for free school meals, and detail the actions it will take to ensure all eligible pupils receive their Pupil Premium allocation. In the meantime, the report recommended, the DfE should “publish detailed estimates of the amount of unclaimed Pupil Premium money, and the Treasury should pay this amount into a separate fund to be spent on disadvantaged children.”

The Committee's report also looked at post-16 disadvantage funding and recommended that a 16-19 Pupil Premium scheme should be introduced.³⁷

Government response

The Government published its response to the Committee's report in October 2019. The response confirmed that the Government had no plans to ring-fence the Pupil Premium or integrate it into the National Funding Formula. While recognising the Committee's desire to enforce greater accountability, the response made clear that the Government's belief that "there are clear and sufficient measures in place already to hold schools accountable for their use of the Pupil Premium", and that introducing new compliance measures would "curtail the freedom given to school leaders over their allocated funding."

The response stated that the Government did not believe that schools need financial incentives to focus on enabling pupils to realise their potential and so would not be moving to a system that allocated Pupil Premium funding retrospectively based on the performance of disadvantaged pupils.

While the Government understood the rationale for automatic enrolment, the response stated, it needs to be considered alongside the "legislative and delivery implications of such an approach", and "careful consideration" would also have to be given to the data sharing required.³⁸

3.2 Education Policy Institute Annual Report 2019 (July 2019)

In July 2019 the Education Policy Institute published its 2019 annual report on the state of education in England. The report measured the disadvantage gap by comparing attainment between pupils eligible for the Pupil Premium due to deprivation and the remainder of pupils. It found that between 2011 and 2018 the disadvantage gap closed in both primary and secondary schools. However, between 2017 and 2018, while primary schools continued to narrow the gap, the gap in secondary schools widened.³⁹

The report stated that it was hard to know why the gap is narrowing in primary schools but widening in secondary schools. However, it noted that the higher rates of Pupil Premium funding in primary schools "could be contributing to the narrowing of the gap".⁴⁰

3.3 Social Mobility Commission's state of the nation report 2018-19 (April 2019)

The Social Mobility Commission published its sixth annual state of the nation report in April 2019. The report stated that the Commission

³⁷ Education Committee, [A ten-year plan for school and college funding](#), 19 July 2019, HC 969, HC 969 2017-19, pp25-32.

³⁸ Department for Education, [Government response to Education Committee report on school and college funding](#), CP190, October 2019, pp13-17.

³⁹ Education Policy Institute, [Education in England: Annual Report 2019](#), July 2019, p10.

⁴⁰ As above, p18.

“welcomed initiatives such as the Pupil Premium” but raised concerns that the funding “is not being used effectively by all schools to narrow the gap between disadvantaged students and their more advantaged peers.” It recommended that the Government should consider “whether Pupil Premium funding is effectively targeted at supporting disadvantaged students and whether differential levels of funding might be more beneficial for those with long-term disadvantage.”⁴¹

The report also recommended that the Government should introduce a Student Premium for disadvantaged students aged 16-19 that models the Pupil Premium in schools.⁴²

3.4 Sutton Trust’s school funding and pupil premium survey 2019 (April 2019)

In the Sutton Trust’s most recent annual polling of teachers, the results of which were published in April 2019, 1,678 teachers were surveyed concerning, among other things, their use of the Pupil Premium. 55% of the school leaders surveyed felt that their Pupil Premium funding was helping to close the attainment gaps in their school; 15% disagreed and 31% were neutral on the impact of the Pupil Premium in their school. 27% of secondary school teachers reported that their Pupil Premium funding was being used to plug gaps elsewhere in their budget.⁴³

3.5 APPG on Social Mobility report on closing the regional attainment gap (February 2019)

In February 2019 the All-Party Parliamentary Group on Social Mobility published a report on Closing the Regional Attainment Gap. The report stated that there were “particular issues around spending of the Pupil Premium”, with “substantial amounts of money spent on teaching assistants, which evidence indicates may not be an effective use of funds.” The Pupil Premium should, it said, “be better targeted towards measures which have been shown to have an impact.” The report also recommended that the Government should “incentivise school collaboration by repurposing the Pupil Premium into a new Social Mobility Premium which schools...can use on initiatives to improve social mobility in deprived schools and coldspot areas.”⁴⁴

3.6 Social Mobility Commission report on Social Mobility Policies 1997-2017 (June 2017)

In June 2017, the Social Mobility Commission published an [assessment](#) of government policies over the last 20 years to increase social mobility. The report stated that despite Pupil Premium funding constituting “a small

⁴¹ Social Mobility Commission, [State of the Nation 2018-19: Social Mobility in Great Britain](#), April 2019, pp v & 52.

⁴² As above, p74.

⁴³ [School funding and pupil premium 2019](#), Sutton Trust, 18 April 2019.

⁴⁴ All-Party Parliamentary Group on Social Mobility, [Closing the Regional Attainment Gap](#), February 2019, pp3&5.

proportion of a school's total budget, it has played a significant role in encouraging schools to concentrate on improving the outcomes of disadvantaged pupils."⁴⁵

3.7 NAO, Funding for disadvantaged pupils (June 2015)

In June 2015, the National Audit Office published a [report](#) on funding for disadvantaged pupils. The report concluded that the Pupil Premium had the potential to "bring about a significant improvement in outcomes for disadvantaged pupils", but that it would take time for its full impact to be known. The report additionally stated:

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.⁴⁶

While acknowledging that the DfE had created "a strong drive to improve support for disadvantaged pupils by targeting the Pupil Premium at schools on a rational basis", the report stated that it had "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.⁴⁷

⁴⁵ Social Mobility Commission, [Time for Change: An Assessment of Government Policies on Social Mobility 1997-2017](#), June 2017, p34.

⁴⁶ National Audit Office, [Funding for disadvantaged pupils](#), June 2015, p11.

⁴⁷ As above.

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