

Agenda Item	11.
Report No	CLH 67/19

HIGHLAND COUNCIL

Committee: Care, Learning and Housing

Date: 10 October 2019

Report Title: Pupil Equity Funding update

Report By: Chief Executive

1. Purpose/Executive Summary

- 1.1 Schools are in the third year of Pupil Equity Funding (PEF) from the Scottish Government. Funding is provided to schools for the planning and delivery of interventions designed to close the poverty related attainment gap. Around 95% of schools in Scotland benefit from this funding and in the Highlands 183 of our 205 schools (89%) received funding.
- 1.2 Scottish Government guidance states the funding can be used on resources (including staff), to improve outcomes for children and young people who are affected by poverty. Headteachers must develop a rationale for use of the funding, based on a clear contextual analysis which identifies the poverty related attainment gap in their schools. Plans must be grounded in evidence of what is known to be effective at raising attainment for children affected by poverty. PEF cannot be used to fund capital projects such as building renovations.
- 1.3 This paper gives a summary of the pattern of expenditure over the first two years. There will also be a presentation from two schools demonstrating how they have used their PEF funding to make a difference.

2. Recommendations

- 2.1 Members are asked to:
 - i. Note the changing pattern of expenditure.
 - ii. Note the infrastructure supporting this.
 - iii. Note the examples of effective use of resources.

3. Implications

- 3.1 Resource: This report highlights the governance around and use of Scottish Government funding
- 3.2 Legal: There are no legal implications.
- 3.3 Community (Equality, Poverty and Rural). PEF funding is intended to be used to tackle the inequity that can arise from poverty and so this report highlights how Care and Learning are taking cognisance of these issues
- 3.4 Climate Change / Carbon Clever. No implications
- 3.5 Risk. No implications.
- 3.6 Gaelic. No direct implications.

4. Highland Council Process for supporting Pupil Equity Fund spend

- 4.1 Schools receive notification of their annual funding in early spring from the Scottish Government. School level allocations are published on the Scottish Government Website along with national guidance notes. To support Highland Schools in their planning a supplementary in-house guidance document is issued by Care & Learning.
- 4.2 The Strategic Quality Improvement Manager issued a survey to schools to gauge interest in specialised Numeracy, Literacy and Health and Wellbeing (HWB) programmes delivered by a Development Officer; which would be provided over the course of a set number of weeks. The uptake was positive and led to the recruitment of a Literacy Development Officer and HWB Development Officer. Schools were able to buy in to this shared resource from their PEF allocations. In Year 2 this was expanded to include recruitment of a Numeracy Development Officer, with each Development Officer delivering their specialist programmes across 19 schools/ASGs.
- 4.3 A PEF Officer has been appointed to support schools, to collect the data for reporting both internally and to Scottish Government, to provide information back to interested parties, to ensure policies are being followed and to ensure the Local Authority (LA) has an overview of what is happening with PEF. The feedback has been positive from schools and the support has been welcomed. The PEF Officer works closely with schools to ensure that plans are progressing, provides help with any hurdles/barriers that they may face and looks for solutions if a problem arises. A key aspect is highlighting any potential underspends early enough to ensure the schools are getting the maximum impact out of their funding.
- 4.4 Schools should submit their PEF plan along with their School Improvement Plan (SIP) and Report by the middle of June. These reports are initially reviewed by their dedicated Quality Improvement Officer and then forwarded to the Area Care and Learning team for review and approval. The area team gather information on potential resourcing, procurement & recruitment implications to ensure plans are achievable. Plans are logged centrally to provide an overview of how funding will be spent allowing the PEF Officer to support the schools throughout the year with monitoring and progression.
- 4.5 Throughout the year there can be changes to the plans and these are captured as they come through for approval ensuring the funding continues to be spent appropriately for the purpose that it is intended. However schools have the flexibility to bring in other young people if they feel this will also benefit them, and it can also ensure there is no stigma attached.
- 4.6 Schools are expected to have measures in place to monitor this impact and provide an

update in their SIP reports at the end of each year and these should be made available on school websites.

5. Analysis of Spend

- 5.1 The PEF Support Officer carries out an analysis of spend each year broken down into resources, staffing, partners and Highland Council support (Appendix 1). This allows the variance to be seen in spending patterns over the three years. The figures for session 2019/20 are provisional as there are a small number of plans not yet approved. The type of staff employed in the current session through PEF funding has also been added for information.
- 5.2 The analysis of spend (Appendix 2) shows what focus the planned interventions have (attainment, attendance, inclusion/exclusion, participation, engagement) and also the aspect of the attainment gap that is being tackled i.e. literacy, numeracy, health and wellbeing. This will not be completed for session 2019/20 until all plans are approved.

6. Key Messages

- 6.1 In seeking to understand how PEF funds are spent, consideration should be given that as the funding is split over financial years, and plans are submitted and approved from Easter onwards, schools do start purchasing resources ready for the start of the new academic session to allow them to get maximum impact. As shown in Appendix 1, grant funding for the financial year 2017/18 was £3.924m and after deducting the total allowable expenditure resulted in an underspend of £0.119m (3%). Grant funding received in 2018/19 was £4.095m with an underspend of £0.174m (4%). The underspend must be retained in the schools and spent in accordance with the Scottish Government Grant Terms and Conditions, and work is done to ensure schools have appropriate plans in place.
- 6.2 The underspend is caused by a variety of factors - changes in personnel, delays in purchasing resources, enhanced scrutiny around all appointments and the uncertainty of the pay award and the late agreement thereof which has meant for the 2 years schools have had to estimate the back pay that could be due and hold some money back to cover this.
- 6.3 Looking at Appendix 1 it is clear that whereas in Year 1 there was considerable investment in resources which is not surprising in the first year of a 4 year programme whereas by Year 2 more of the budget is spent on staffing. This trend has continued into the current session with a further increase in the percentage spend on staffing to deliver direct interventions since resources are already in place.
- 6.4 Looking at Appendix 2 the priority list has not changed for schools over the two years with attainment being the top priority followed by engagement, participation, inclusion/exclusion and finally attendance. However, there has been a significant increase in year 2 in engagement, participation, inclusion/exclusion with many more schools deciding to focus on more than one priority area. Similarly, whilst literacy has been the top priority in both years more schools are also looking at numeracy and health and wellbeing.
- 6.5 There is clear evidence that PEF is having a positive impact in schools but in different ways reflective of the plans and needs that each school has. As noted in 4.3 above, schools have to publish their analysis of the impact of PEF in their School Improvement Plans and Members can approach schools if they wish to better understand the plans

and impact associated with this money.

Designation: Chief Executive

Date: 26 September 2019

Author: James Vance, Interim Head of Education

Background Papers:

Appendix 1

2017/18		
Category	Sum of Total Actuals	% of Funding
PEF Funding	- 3,924,000	
Resources	1,307,080	33%
Salaries	2,109,557	54%
Highland Council	82,725	2%
Partner Services	305,556	8%
Approved Carry Forward	- 119,082	3%

2018/19 Year 2			
Category	Sum of Total Actuals	% of Funding	Change %
PEF Funding	-4095000		
PEF CF 17/18	-119,082		
Resources	864,337	21%	-13%
Salaries	2,774,452	66%	12%
Highland Council	169,621	4%	2%
Partner Services	231,754	5%	-2%
Approved Carry Forward	- 173,918	4%	

Appendix 2

Key Approaches	Attainment			Attendance			Inclusion/Exclusion			Participation			Engagement			One Approach	Multiple Approach
	Priority Order	% Change		Priority Order	% Change		Priority Order	% Change		Priority Order	% Change		Priority Order	% Change			
2017/18	100%	1		25%	5		31%	4		52%	3		58%	2		25%	75%
2018/19	100%	1	0%	35%	5	10%	59%	4	28%	84%	3	32%	85%	2	27%	5%	95%
Key Areas	Literacy			Numeracy			HWB			One Area	Multiple Areas						
	Priority Order	% Change		Priority Order	% Change		Priority Order	% Change									
2017/18	92%	1		55%	3		66%	2		24%	76%						
2018/19	88%	1	-4%	74%	3	19%	77%	2	11%	13%	87%						

Note :- 2017/18 we only had data from a sample of 130 schools out of the 183 that received funding, whereas in 2018/19 we collected this data from all the schools so this may have had some effect on the focus stats