

## Ministerial Strategy Session: Funding Review and Insights on Equity and Disadvantage Wednesday 11 April 2018, 7.30 – 9.00 pm

### Purpose

You have indicated that you would announce a decision on the future of the Funding Review, including the work on equity funding, at or before Budget 2018. This paper supports you in reaching your decision.

### Decisions Sought

We seek your agreement to:

1. Using the new insights into disadvantage provided by the equity index to address disadvantage system-wide throughout the Education Work Programme, instead of just using this index to replace the decile system (which only makes up 3% of operational resourcing).
  - a. Specifically, we recommend that we share our insights into disadvantage with the Tomorrow's Schools Review Independent Taskforce and other advisory groups.
2. Initiating a programme of work on improving resourcing to better achieve equitable outcomes for children from disadvantaged circumstances and children with learning support needs.
3. Postponing a decision to replace the decile system until we know more about how other parts of the Education Work Programme are implemented to better support disadvantaged students.
4. Proceeding with the scheduled post Census decile recalculation due for the 2020 school year, knowing that this will require transitional funding through Budget 2019.

### 1. New Insights into Disadvantage [REDACTED] s 9(2)(f)(iv) OIA

#### The index explained

The equity index estimates the extent to which a child comes from socio-economically disadvantaged circumstances that make it more difficult for them to succeed in education. The results for each child can be aggregated at a school level to give a picture of the proportion of disadvantaged students in a school. They can also be aggregated at other levels, such as for specific groups of priority learners.

#### Valuable new insights into disadvantage

While it was initially developed for the allocation of only 3% of operational resourcing (to replace deciles), the index has provided us with wider and much more valuable insights about disadvantage. This has shown us that the education system is currently unable to mitigate a disadvantaged child's risk of not achieving [REDACTED] s 9(2)(f)(iv) OIA

Deciles were unable to provide us with such useful information on system performance because they are a purely relative measure and only exist at a school level.

#### We can use these insights at a system-wide level throughout the Education Work Programme

These new insights into disadvantage are of relevance to improving equity much more broadly than just through the allocation of only 3% of operational resourcing.

Improving the progress and achievement of children from disadvantaged circumstances relies on the right system settings and on how we apply a wide range of resources. These insights on disadvantage would therefore be important to various parts of the Education Work Programme so that these can be shaped to better tackle the impact of disadvantage.

Specifically, we recommend that we share our insights with the Tomorrow's Schools Review Independent Taskforce and other relevant advisory groups. We would do this in a careful manner so as to avoid the possible risk of stigmatisation.

## **2. Resourcing for Equitable Outcomes (disadvantage & learning support)**

Our work on disadvantage and the rest of the Funding Review has shown us that the education system currently does not give students from disadvantaged backgrounds or with learning support needs an equal chance of succeeding. In addition to the improvements that can be made throughout the Work Programme, we believe that work on resourcing is also necessary to improve equity.

We recommend that you initiate a programme of work on improving resourcing to better achieve equitable outcomes for children from disadvantaged circumstances and children with learning support needs. The resourcing component within the Learning Support Action Plan would also be covered by this work.

## **3. Postponing a replacement of the decile system**

Various parts of the Education Work Programme are currently under development. It will take time before any resulting improvements to system settings and general resource targeting are implemented, and before teachers and schools are better able to accelerate the progress of disadvantaged students within existing funding arrangements. Large improvements to equity can be made through the Education Work Programme and this will gradually show where the specific gaps are that may require an extra investment in schools to tackle disadvantage.

Deciles are by no means a great mechanism for targeting resourcing for disadvantage and probably should be replaced in the medium term, but it may be worth postponing their replacement until we know more about the specific extra investment that would be needed (which we do expect to be the case) and that schools would be able to effectively use this additional resource investment.

Until such a time, replacing deciles with the equity index could distract from wider changes to system-wide settings and the targeting of resources across the Education Work Programme to achieve equitable outcomes.

## **4. Recalculating deciles post census for 2020 school year**

Regardless of whether you decide to postpone the replacement of deciles, we recommend that you agree to recalculating deciles as scheduled when the Census results become available so that schools will be funded on new deciles from the 2020 school year. Delaying this recalculation could exacerbate any subsequent distributional effects when the decile system is replaced. However, additional funding will be required through Budget 2019 to mitigate the transitional implications for schools.