

Research Briefing

8 September 2023

By Nerys Roberts

# The pupil premium (England)



## Summary

- 1 The pupil premium
- 2 Eligibility criteria issues
- 3 Commentary on the pupil premium

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## Summary

### What is the pupil premium, and how much is worth?

The pupil premium is additional funding provided to statefunded schools in England. The aim is to improve outcomes for disadvantaged children. In 2023 to 24, the pupil premium is worth a total of £2.9 billion, and around 2.2 million pupils qualify.

Pupils may attract pupil premium if they are:

- Disadvantaged, that is, they have been eligible for benefit-based free school meals (FSM) at any time in the last six years
- Looked after or formerly looked after children
- From armed services families

In 2023 to 24, the deprivation pupil premium (the element linked to FSM eligibility) is worth £1,455 at primary level, and £1,035 at secondary level. This is a five per cent increase in cash terms on the previous year. In real terms, so accounting for economy-wide inflation as measured by the GDP deflator, this is an increase of around 2%.

The Department for Education publishes [annual pupil premium spending data by local authority, parliamentary constituency, and school](#).

### Is the pupil premium working?

Key stage two, GCSE, A Level, and equivalent tests and assessments have all now resumed following suspension during the coronavirus pandemic. Emerging DfE attainment data suggests that the attainment gap between children attracting pupil premium, and their peers, has widened since the coronavirus pandemic. Prior to the pandemic, and according to the DfE's preferred measure, the disadvantage gap had generally been closing at key stage two (end of primary), and had been relatively consistent since 2014/15 at key stage four (GCSE level).

## Extension of FSM and pupil premium to some families with no recourse to public funds

In 2021 to 22, eligibility for free school meals was permanently extended to some families with no recourse to public funds (NRPF). These pupils also attract the pupil premium to their schools.

# 1 The pupil premium

## 1.1 What is the pupil premium?

Introduced in 2011, the pupil premium is funding for state-funded schools in England to support the education of disadvantaged pupils. It is separate from the Dedicated Schools Grant (DSG), which is the main source of school revenue funding for schools.

### 5% cash increase to per-pupil rates in 2023 to 24

In the 2023 to 24 financial year, there will be a cash increase to pupil premium rates of around 5%, compared to 2022 to 23.<sup>1</sup> This is an increase of around 2% in real terms, that is, adjusting for inflation using the Government's measure of economy-wide inflation, the GDP deflator. This follows a 3% cash increase in 2022 to 23, compared to 2021 to 22, which was a real-terms reduction per eligible pupil of around 2%.<sup>2</sup> In 2023 to 24, eligible pupils attract:

- **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 years<sup>3</sup> (referred to as Ever 6 FSM):
  - **£1,455** for primary pupils (reception to year 6)
  - **£1,035** for secondary pupils (year 7 to year 11)
- **Looked after children: £2,530** for each child looked who is in the care of, or provided with accommodation by, an English local authority
- **Previously looked after children: £2,530** for each child who has ceased to be looked after by a local authority because of adoption, a special guardianship order, a child arrangements order, or a residence order. This includes children adopted from state care or equivalent outside England and Wales. This is sometimes referred to as pupil premium plus.

In addition, a **service premium of £335** is paid for each pupil who has had a parent serving in the regular armed forces in any school census in the last six

<sup>1</sup> Department for Education, [Pupil premium: overview](#), 14 April 2023

<sup>2</sup> See box 2 for information on how real-terms figures are calculated throughout this briefing paper

<sup>3</sup> 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

years (referred to as Ever 6 service children).<sup>4</sup> The service premium is also paid in respect of children receiving a Ministry of Defence pension after their parent died or was injured while serving in the armed forces.<sup>5</sup>

Schools can use pupil premium funding for a wide range of purposes, including:

- 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 the pupils that attract it. Further information is available in a [DfE policy paper that provides an overview of the pupil premium](#).

### Box 1: Early years pupil premium

The early years pupil premium (EYPP), introduced in April 2015, is additional funding for children aged three and four, who are receiving any number of hours of state-funded early education and:

1. meet the benefit-related criteria for free school meals, or
2. are currently looked after by a local authority in England or Wales, or
3. have left care in England and Wales through adoption, a special guardianship order, a child arrangements order, or a residence order.

In 2023-24, the indicative allocation of EYPP funding to local authorities (as part of the Dedicated Schools Grant) is around £40 million.<sup>6</sup>

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.

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<sup>4</sup> 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

<sup>5</sup> Education and Skills Funding Agency, [Pupil premium: conditions of grant 2023 to 2024](#), 22 June 2023

<sup>6</sup> Education and Skills Funding Agency, [Dedicated schools grant \(DSG\): 2023-24](#), updated 1 September 2023

## 1.2 Changes to eligibility criteria and funding rates

Following a commitment in the [May 2010 Coalition programme for government](#) [PDF] 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.<sup>7</sup>

Among other things, the consultation asked 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 Government’s 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. The premium would be paid at a flat rate and would not vary by area. £635 million of pupil premium funding would be available in 2011 to 2012 and this would be built up over time to £2.5 billion by 2014 to 2015.<sup>8</sup>

In line with the increased funding available, between its introduction and 2014 to 2015 the eligibility criteria for the pupil premium were broadened and the per pupil rates were increased. In 2015 to 2016, the deprivation pupil premium per qualifying primary pupil was increased from £1,300 to £1,320. No further changes were made to the eligibility criteria or funding rates through to 2019 to 2020, apart from to the pupil premium for looked after and previously looked after children.

### Recent funding trends

On 30 January 2020 the Government announced that the pupil premium and service premium funding rates would increase in line with inflation for the 2020 to 2021 financial year.<sup>9</sup> Payment rates per qualifying pupil remained the same (in cash terms) in 2021 to 2022,<sup>10</sup> and increased slightly in cash terms for 2022 to 2023. As noted above, there is a 5% cash increase to per-pupil rates in 2023 to 2024.

## 1.3 Pupil premium funding allocations

Mirroring the broadening of the eligibility criteria over the period, total annual funding for the pupil premium increased substantially between 2011-12

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<sup>7</sup> 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

<sup>8</sup> Department for Education, [The school funding settlement for 2011-12: The pupil premium and Dedicated Schools Grant](#), 13 December 2010, p3

<sup>9</sup> [HCWS78](#), 30 January 2020; Department for Education, [Pupil Premium](#), 30 January 2020

<sup>10</sup> See: Department for Education, [Pupil Premium](#), updated 2 February 2021 (accessed via Wayback Machine internet archive)

and 2014 to 2015, from £623 million to £2.41 billion, in cash terms. Funding remained fairly constant since then, with a slight increase for looked after and previously looked after children in 2018 to 2019 reflecting an increase in the per pupil rate for these pupils. From 2021 to 2022 onwards, total funding has increased in cash terms, reflecting both the increase in the per-pupil rates, and an increasing proportion of pupils claiming free school meals.

In 2022 to 2023, £2.68 billion is being provided, £2.37 billion of which (88%) is for the deprivation pupil premium. £272 million (11% of the total) was allocated for looked after and previously looked after children, and £26 million (1% of the total) was allocated for service children.

### No. of pupils attracting pupil premium, by element

2011-12 to 2022-23

|         | Element     |                  |  | Total     |
|---------|-------------|------------------|--|-----------|
|         | Deprivation | Service children | Looked after and previously looked after |           |
| 2011-12 | 1,217,860   | 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 | 1,920,360   | 68,900           | 86,150                                   | 2,075,410 |
| 2016-17 | 1,906,480   | 73,470           | 93,720                                   | 2,073,670 |
| 2017-18 | 1,892,300   | 75,270           | 99,380                                   | 2,066,950 |
| 2018-19 | 1,865,320   | 76,320           | 105,670                                  | 2,047,310 |
| 2019-20 | 1,850,310   | 77,150           | 111,710                                  | 2,039,170 |
| 2020-21 | 1,831,950   | 79,340           | 116,100                                  | 2,027,390 |
| 2021-22 | 1,893,470   | 80,030           | 113,240                                  | 2,086,740 |
| 2022-23 | 1,963,020   | 80,110           | 117,940                                  | 2,161,070 |
| 2023-24 | 2,002,787   | 79,268           | 119,891                                  | 2,201,946 |

Note:

2021-22 onwards, includes deprivation pupil premium payments for qualifying pupils with no recourse to public funds (NRPF)

Source:

Department for Education, [Pupil premium allocations, various years](#)

The table below shows the value of the deprivation pupil premium over time, per eligible pupil, in cash terms and adjusted for inflation.

## Deprivation pupil premium: per-pupil rates over time

|         | £ Cash  |           | £ Real (2022-23 prices) |           |
|---------|---------|-----------|-------------------------|-----------|
|         | Primary | Secondary | Primary                 | Secondary |
| 2011-12 | 488     | 488       | 629                     | 629       |
| 2012-13 | 623     | 623       | 790                     | 790       |
| 2013-14 | 953     | 900       | 1,183                   | 1,117     |
| 2014-15 | 1,300   | 935       | 1,596                   | 1,148     |
| 2015-16 | 1,320   | 935       | 1,608                   | 1,139     |
| 2016-17 | 1,320   | 935       | 1,576                   | 1,116     |
| 2017-18 | 1,320   | 935       | 1,550                   | 1,098     |
| 2018-19 | 1,320   | 935       | 1,523                   | 1,079     |
| 2019-20 | 1,320   | 935       | 1,484                   | 1,051     |
| 2020-21 | 1,345   | 955       | 1,472                   | 1,045     |
| 2021-22 | 1,345   | 955       | 1,433                   | 1,018     |
| 2022-23 | 1,385   | 985       | 1,385                   | 985       |
| 2023-24 | 1,455   | 1,035     | 1,419                   | 1,010     |

### Notes:

See box 2 for further information on adjusting for inflation

### Sources:

HM Treasury, [GDP deflators at market prices, and money](#), 30 June 2023 (based on ONS national accounts); OBR, [OBR, Economic and fiscal outlook](#), 15 Mar 2023 (table 1.7 of supplementary economy tables)

## 1 Adjusting for inflation

The coronavirus pandemic has caused unusual movements in the GDP deflator, which is used to measure inflation in the economy. This means that for 2020 to 2021 and 2021 to 2022 published values do not provide an accurate representation of price changes.

The real terms calculations in this briefing paper use a smoothing method to counteract this effect – this involves averaging GDP inflation estimates for 2020 to 2021 and 2021 to 2022. Calculations in this briefing paper use [June 2023 HM Treasury GDP deflators](#), and [Office for Budget Responsibility \(OBR\) forecasts, as at March 2023](#).

The number of pupils eligible for the pupil premium has followed a similar trend to the overall level of funding, with an increase following each broadening of the eligibility criteria. In 2022 to 2023, 2.03 million children were eligible for some form of pupil premium funding, the vast majority of whom, around 1.85 million, were eligible owing to current or historical FSM eligibility. Around 112,000 children were eligible for the pupil premium for

looked after and previously looked after children and around 79,000 attracted the Service Premium.

|         | Element     |                  |  | Total     |
|---------|-------------|------------------|--|-----------|
|         | Deprivation | Service children | Looked after and previously looked after |           |
| 2011-12 | 1,217,860   | 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 | 1,920,360   | 68,900           | 86,150                                   | 2,075,410 |
| 2016-17 | 1,906,480   | 73,470           | 93,720                                   | 2,073,670 |
| 2017-18 | 1,892,300   | 75,270           | 99,380                                   | 2,066,950 |
| 2018-19 | 1,865,320   | 76,320           | 105,670                                  | 2,047,310 |
| 2019-20 | 1,850,310   | 77,150           | 111,710                                  | 2,039,170 |
| 2020-21 | 1,831,950   | 79,340           | 116,100                                  | 2,027,390 |
| 2021-22 | 1,893,470   | 80,030           | 113,240                                  | 2,086,740 |
| 2022-23 | 1,963,020   | 80,110           | 117,940                                  | 2,161,070 |
| 2023-24 | 2,002,787   | 79,268           | 119,891                                  | 2,201,946 |

Note:

Figures from 2015-16 rounded to nearest 10; figures for years prior rounded in source data. Totals may not sum as a result.

Source:

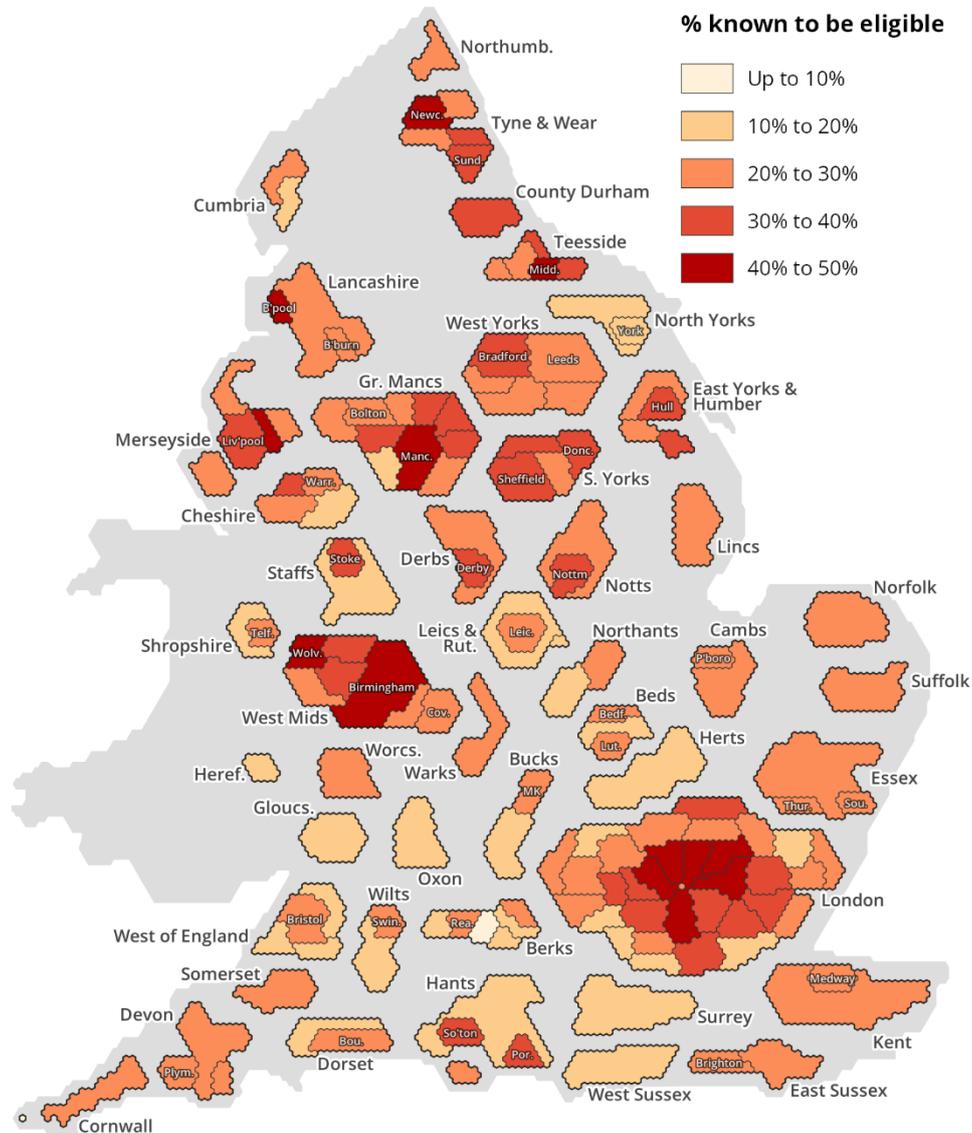
Department for Education, [Pupil premium allocations, various years](#)

## Finding local pupil premium data

Details of 2023 to 2024 pupil premium allocations by school, school type, local authority area, and parliamentary constituency are available at: [Pupil premium: allocations and conditions of grant 2023 to 2024](#).

The map on the next page shows the proportion of pupils that are eligible for the deprivation pupil premium, by local authority area. This is the element of the premium linked to free school meal entitlement, and therefore the figures exclude the service premium, and pupil premium plus.

## Percentage of primary and secondary pupils eligible for the deprivation pupil premium



Note: excludes pupils eligible for pupil premium plus, early years pupil premium, and service premium. Includes pupils aged 4 and above in state-funded settings.

Map areas are approximately scaled in size according to their populations. Areas are grouped by ceremonial counties, conurbations, and other recognisable sub-national areas. These groups include unitary authorities (for example, Nottingham UA in the Notts group) and don't all reflect current local government structures.

Source: Department for Education, [Pupil premium allocations 2023-24](#), updated 22 June 2023

## 1.4

# How pupil premium is calculated: changes from April 2021

Historically, pupil premium allocations were based on the January school census. From April 2021, allocations for mainstream and special schools have been based on the October school census. Allocations for alternative provision settings, pupil referral units, and hospital schools continue to be based on the January census.

Explaining the rationale for this change, the DfE said:

Using the October census for the pupil premium will give schools early certainty about the additional funding they will receive the following year, helping them to plan the support that they will give to pupil premium pupils.

In this transitional year, pupil premium allocations will be confirmed to the usual timeline in June 2021. As from next year, allocations for mainstream and special schools will be published earlier in the year, giving these schools greater certainty around future funding levels earlier in the year.

Allocations for alternative provision, pupil referral units and hospital schools will continue to be published to the usual timeline as these will continue to be based on the January census.

There will be no change in the payment arrangements for the pupil premium. The pupil premium grant will continue to be paid in quarterly instalments.<sup>11</sup>

Many commentators expressed concerns that this change would lead to a decrease in funding, because children who had become newly eligible for FSM between October 2020 and January 2021 would be ‘missed’ when calculating pupil premium allocations in the 2021-22 financial year. However, they would be ‘picked up’ in the calculations for pupil premium in future financial years.

In July 2021, the Department for Education confirmed that the overall cash impact of the changes was that schools would receive £90 million less in 2021 to 2022, through the pupil premium, compared to what they would have received if the January school census figures had continued to be used. However, it stressed that total pupil premium funding was increasing compared to the previous year, rather than decreasing. It also said a parallel change to the way other core school funding was calculated, would also act to increase funding for disadvantaged pupils.<sup>12</sup>

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<sup>11</sup> Department for Education, ‘[Pupil premium](#)’, 1 February 2021, (via Wayback Machine internet archive)

<sup>12</sup> Department for Education, [Using pupil premium: guidance for school leaders](#), July 2021 (via Wayback Machine internet archive)

## 1.5 Accountability for how pupil premium is spent

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 (that is, for the benefit of looked after children's educational needs).<sup>13</sup>

Local authority maintained schools are required to publish a strategy for using pupil premium funding on their websites.<sup>14</sup> Academies are required to publish an annual pupil premium strategy statement.<sup>15</sup> Schools are also accountable for their use of the pupil premium via school performance tables, commonly known as league tables.

Routine Ofsted inspections always consider how schools are spending pupil premium, and the rationale for spending decisions.<sup>16</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>17</sup>

## 1.6 School admissions and the pupil premium

The [school admissions code](#) is statutory guidance for the bodies managing admissions to state-funded schools in England ('admission authorities'). It sets out the rules for awarding places at schools and deciding between applicants when schools are oversubscribed.

In December 2014 the admissions code was changed to give all admission authorities in England the option to prioritise disadvantaged children in their

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<sup>13</sup> Education and Skills Funding Agency, [Pupil premium 2020-2021: conditions of grant](#), updated 29 April 2021

<sup>14</sup> Department for Education, [What maintained schools must publish online](#), updated 25 April 2023

<sup>15</sup> Department for Education, [Pupil premium: allocations and conditions of grant 2022-23](#), 5 October 2022

<sup>16</sup> Ofsted, [School inspection handbook](#), 11 August 2023

<sup>17</sup> Department for Education, [Pupil premium: virtual school heads' responsibilities](#), last updated 19 March 2015

admission arrangements.<sup>18</sup> The current code, published in September 2021, says:

1.41 Admission authorities may give priority in their oversubscription criteria to children eligible for the early years pupil premium, the pupil premium and also children eligible for the service premium. Admission authorities should clearly define in their arrangements the categories of eligible premium recipients to be prioritised.

1.42 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) end 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.<sup>19</sup>

Unless otherwise provided for in the code, schools are required to give the highest priority in their oversubscription criteria to all looked after children and to children who left care via adoption, a child arrangements order, or special guardianship order.<sup>20</sup>

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<sup>18</sup> Department for Education, [Changes to the School Admissions Code: Government consultation response](#), October 2014

<sup>19</sup> Department for Education, [School admissions code](#), [PDF], September 2021, p17

<sup>20</sup> As above, para 1.7

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## 2 Eligibility criteria 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 who are not registered.<sup>21</sup> In order to be registered as eligible for FSMs, the pupil or their parent/carer must be in receipt of a qualifying benefit or fulfil one of the other limited criteria, and a request must have been made for FSMs.

Other commentators have argued that free school meals and pupil premium eligibility is an imperfect measure of disadvantage, as it ignores pupils from families that receive social security benefits but are above the earned income thresholds for FSM.<sup>22</sup> For new Universal Credit claimants, the earned income threshold for FSM is £7,400 per household per year.

The DfE's consultation on introducing a pupil premium stated:

[A]llocating 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>23</sup>

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”.<sup>24</sup>

There is no regular estimate of pupils eligible for, but not claiming FSM.<sup>25</sup> In response to a PQ on 13 October 2020, then Minister, Vicky Ford, said the Government estimated FSM take-up at around 89% of those eligible; this may have been higher because of a temporary extension to the eligibility criteria, meaning some households with no recourse to public funds (NRPF) are eligible for meals. The temporary extension has now been made permanent.<sup>26</sup>

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<sup>21</sup> Email to the Library from Department for Education official, 4 May 2012

<sup>22</sup> See for example, Prof. Becky Allen, “[The pupil premium is not working \(part I\): Do not measure attainment gaps](#)”, 10 September 2018

<sup>23</sup> Department for Education, [Consultation on school funding 2011-12 – Introducing a Pupil Premium](#), p11

<sup>24</sup> As above, p12, para 35

<sup>25</sup> [PQ111683 \[on Children: Disadvantaged\]](#), 13 November 2017

<sup>26</sup> [PQ100942 \[on Free School Meals\]](#), 13 October 2020

In 2013, the DfE published research on [Pupils not claiming free school meals](#), which updated [earlier research](#) published in 2012. This estimated that nationally around **200,000** children aged 4-15 were entitled to FSM but were not claiming them. 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 said 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.”<sup>27</sup>

In response to a parliamentary question in February 2019, then-Minister Nadhim Zahawi, said:

Schools automatically receive pupil premium funding for each pupil registered as eligible for free school meals in the school census and 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.<sup>28</sup>

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<sup>27</sup> Social Mobility Commission, [State of the Nation 2018-19: Social Mobility in Great Britain](#), April 2019, p52

<sup>28</sup> [PQ219513 \[on Free School Meals\]](#), 19 February 2019

## 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 qualifying legacy benefits – such as housing benefit and income support, with a single payment.

### Eligibility for FSM under Universal Credit

As an interim measure during the initial stages of Universal Credit roll out, all UC recipients qualified for FSMs.<sup>29</sup>

In November 2017, the Government published a [consultation on eligibility for pupil premium under Universal Credit](#). This 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, compared to under the legacy benefit system, an increase in the FSM cohort of around 5%.<sup>30</sup>

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.

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.<sup>31</sup>

Further information on the changes, including the reaction to them, is provided in section 3.2 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, since April 2023, the pupil premium plus (at the higher rate of £2,410 per year is now payable for children who were adopted from countries other than England and Wales, including overseas, if

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<sup>29</sup> [PQ7124 \[on Universal Credit: Free School Meals\]](#) 12 September 2017

<sup>30</sup> 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

<sup>31</sup> [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

they were in the country's equivalent of local authority care, immediately prior to their adoption.

## 3

# Commentary on the pupil premium

### 3.1

## Academic research on impact of pupil premium, and related issues

### Impact on segregation, and pupil attainment

In [a March 2021 journal article](#), researchers from Durham University analysed national pupil database data<sup>32</sup> to assess the likely impact of the pupil premium's introduction.<sup>33</sup> They looked particularly the degree of socio-economic segregation of disadvantaged pupils between primary schools, and primary pupil attainment.

The researchers note that the pupil premium was introduced “suddenly, and without experimental trial” and across England, which means there is no “clean” comparator group. They also say there are some inherent difficulties in proving that the premium is the causative factor in reductions in attainment gaps and socio-economic segregation. Nevertheless, they conclude that their evidence is “generally positive”, continuing:

Overall [...] we can say that the Pupil Premium seems to have worked from the perspective of long-term disadvantaged pupils. They are less clustered in schools, have better KS1 [key stage one] scores, and somewhat better KS2 [key stage two] scores than before 2011 [...] It would make sense to assume for the present that Pupil Premium should be retained in something like its current form, perhaps with a greater focus on KS1, and calibrated to increase funding for the long-term disadvantaged.<sup>34</sup>

### Impact on school admission policies and school intakes

As noted in section one above, the school admissions code has allowed schools to give priority in admissions to pupil premium pupils since 2014. Academics from Bristol University carried out [a study of school admission criteria](#) [link to PDF] for entry to secondary school in September 2020.<sup>35</sup> At the time of the research, this estimated:

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<sup>32</sup> The National Pupil Database is a DfE pupil-level database containing individual attainment and characteristic data about pupils in England

<sup>33</sup> Stephen Gorard and others, “[Assessing the impact of Pupil Premium funding on primary school segregation and attainment](#)”, Research Papers in Education, March 2021 (online publication date), Vol. 37, No. 6, p992

<sup>34</sup> As above

<sup>35</sup> Burgess, Simon and others, “[School admissions in England: The rules schools choose on which pupils to admit](#)”, 1 March 2023, PDF [8.5Mb]

- Around five per cent of secondary schools used pupil premium criteria in their admission process – that is, gave additional priority to pupils who qualified for the premium
- Schools that did use pupil premium generally gave it a high priority – usually, it was in the top three oversubscription criteria used by the school
- Three quarters of schools using pupil premium criteria were selective schools – that is, had a selection test such as the ‘eleven plus’ for entry, as well as using pupil premium. Selective schools are allowed to set an overarching academic entry standard for pupils, regardless of socio-economic or religious background
- Nearly 80% of selective schools used a pupil premium criteria. The equivalent figure for non-selective schools was 1.4%
- Free schools were also disproportionately likely (compared to other school types) to use a pupil premium criteria in their admissions arrangements

The research suggests that the inclusion of pupil premium criteria in selective school admissions criteria had “not noticeably increased the percentage of pupils with the pupil premium”. However, in the case of free schools, the authors said the use of pupil premium criteria was “more likely to meaningfully affect pupil access ...the overall design of the admissions arrangements [for free schools using pupil premium criteria] is more likely to prioritise access for these pupils”.<sup>36</sup>

## 3.2 Education Policy Institute (EPI) report, December 2022

EPI’s December 2022 report, [Covid-19 and disadvantage gaps in England 2021](#) concluded that the key stage 4 (GCSE phase) disadvantage gap “increased by the largest annual amount since comparable statistics have been available over the last decade. [...] much of the reduction in the disadvantage gap over the last decade has been reversed during the pandemic.”<sup>37</sup>

EPI made a number of recommendations in their report, including:

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<sup>36</sup> Burgess, Simon and others, “[School admissions in England: The rules schools choose on which pupils to admit](#)”, 1 March 2023, [PDF 8.5Mb], p43

<sup>37</sup> Education Policy Institute, [Covid-19 and disadvantage gaps in England 2021](#), 15 December 2022 (website summary)

- Introducing a new funding premium for the 16 to 19 phase, tied to previous FSM eligibility.
- At GCSE, higher levels of funding for disadvantage, weighted more heavily toward persistently disadvantaged pupils – that is, those who have been eligible for FSM for most of their school careers.

### 3.3

## IFS report on funding and need, October 2022

On 20 October 2022, the IFS published a report, [Does funding follow need? An analysis of the geographic distribution of public spending in England](#). This looks at Government funding for key public services such as health, housing, and education, and analyses to what extent funding is targeted effectively based on the needs of different areas. This looked at school funding in the round – not just the pupil premium – and concluded:

There are large differences in school funding across council areas and individual schools. Spending per pupil is highest in inner London to reflect the costs of London weighting and deprivation, with spending per pupil about 40%–50% above the national average in some inner London councils, such as Lambeth, Southwark, Islington, Hackney and Tower Hamlets. Even adjusting for differences in costs, this is higher than in deprived inner-city councils in the North, such as Liverpool and Manchester, where schooling outcomes are worse.

School funding is heavily skewed towards schools with more disadvantaged pupils. However, this targeting has reduced over time, partly as a result of policy choices, such as cash-terms freezes in the Pupil Premium, and the design of the new national funding formula. In 2010–11, spending per pupil in the most-deprived set of schools was 34%–35% higher than in the least-deprived schools. By 2019–20, this difference was still substantial, but much reduced (23%).<sup>38</sup>

The earlier IFS Deaton Review report on education inequalities, published in August 2022, provided some further analysis of changes to the distribution of school funding and its link with disadvantage. It concluded the funding ‘premium’ – that is, how much additional funding disadvantaged schools received compared to less disadvantaged ones – had reduced since 2013. This was for complex reasons, including demographic changes, but was also partly to do with Government policy and funding choices, such as freezing the value of the pupil premium during the second half of the 2010s:

The funding system became substantially more progressive over the 2000s. In 2000, primary school pupils in the most disadvantaged fifth of schools attracted around 20% more funding than those in the most affluent fifth (Britton, Farquharson et al., 2020). A decade later, the funding premium had

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<sup>38</sup> Institute for Fiscal Studies, [Does funding follow need? An analysis of the geographic distribution of public spending in England](#), 20 October 2022, p13

risen to around 35% (and total budgets had increased too – so this was a larger share of a bigger pot).

However, these patterns have reversed since 2013, and the effective funding premium for disadvantaged schools has fallen to less than 25% – about the same level it was at in 2000. Secondary schools have undergone a similar shift. Much of this erosion of progressivity is due to the changing demographics of disadvantage (Britton, Farquharson et al., 2020). The overall share of pupils eligible for free school meals fell during this period, meaning funding targeted at disadvantage made up a smaller share of the overall pot. This was compounded by the shifting geography of disadvantage: FSM eligibility fell particularly sharply in London and, in later years, London schools were less likely to be in the most disadvantaged fifth nationally. Since London schools receive higher per-pupil funding to reflect higher costs, this compositional change reduced the overall amount of spending targeted at the most disadvantaged schools.

But more explicit policy choices have also played a role. A cash-terms freeze in the pupil premium has left it smaller as a share of overall funding. And while the government claims that rising minimum funding floors in the National Funding Formula are part of its ‘levelling up’ agenda, in practice these tend to benefit more affluent areas, further reducing the progressivity of the system.<sup>39</sup>

## 3.4 Teach First recommendations, February 2022

Teach First is a charity that places trainee teachers in disadvantaged schools, on an employment-based programme under contract to the DfE.

[In a February 2022 report](#), and in light of emerging evidence that the coronavirus pandemic had widened educational inequalities, it called for the DfE to:

- Align the early years pupil premium rate with the current primary school rate.
- Restore pupil premium rates to 2015-16 real-term levels for primary and secondary school pupils and guarantee that rates will continue to rise in line with inflation.
- Create a new pupil premium subcategory for primary and secondary schools: ‘persistently disadvantaged’ pupils who have been eligible for free school meals for 80% or more of their school life. Increase the rate of funding that they receive by at least 50%.
- Extend the pupil premium to include those aged between 16 and 19 in full-time education. The new 16-19 pupil premium should be allocated at the same rate that it is allocated to secondary school pupils.<sup>40</sup>

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<sup>39</sup> Institute for Fiscal Studies, [Education inequalities](#), August 2022, p73

<sup>40</sup> Teach First, [Rethinking pupil premium: a costed proposal for levelling up](#). 10 February 2022

## 3.5

### National Foundation for Educational Research (NFER) report: January 2022

In a January 2022 report, [Investigating the changing landscape of pupil disadvantage](#), NFER researchers raised concerns that it was becoming harder to track the relative attainment of disadvantaged pupils over time. On the pupil premium, it recommended:

- The Government should explore new measures to enable tracking of trends in the attainment gap, over time.
- Increasing the value of the pupil premium in line with school-level inflation, over the next five years.
- Considering whether the pupil premium eligibility criteria should be widened to include all pupils who had been eligible for FSM at any point in the past.<sup>41</sup>

## 3.6

### Education Policy Institute Annual Report 2020

In August 2020, the Education Policy Institute published its [annual report on education in England](#). The report measured the disadvantage gap by comparing attainment between pupils eligible for the (deprivation) pupil premium and their non-disadvantaged peers.

It found that the between 2011 and 2019 as a whole, 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. In 2019, the secondary gap remained the same as in 2018; the gap for pupils at the end of Key Stage 2 (primary), however, increased since 2018. This was the first year where the gap widened since “at least” 2007.<sup>42</sup>

The report also notes that the attainment gaps may be wider than their analysis suggests, because of the subsequent impacts of the coronavirus pandemic and the fact that “everything we have so far learned about education during the schools’ lockdown suggests [...] a particularly adverse impact on poor and vulnerable children”.<sup>43</sup>

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<sup>41</sup> National Foundation for Educational Research, [Investigating the changing landscape of pupil disadvantage](#), January 2022, ps vii-ix

<sup>42</sup> Education Policy Institute, [Education in England: Annual Report 2020](#), August 2020, ps 10-11

<sup>43</sup> As above, p7

## 3.7

# Education Committee report on school and college funding (July 2019)

In July 2019, the Education Committee published a report on school and college funding. 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.<sup>44</sup>

## 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.<sup>45</sup>

## 3.8

## 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 “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 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.”<sup>46</sup>

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<sup>44</sup> Education Committee, [A ten-year plan for school and college funding](#), 19 July 2019, HC 969, 2017-19, ps25-32

<sup>45</sup> Department for Education, [Government response to Education Committee report on school and college funding](#), CP190, October 2019, ps13-17

<sup>46</sup> Social Mobility Commission, [State of the Nation 2018-19: Social Mobility in Great Britain](#), April 2019, ps v & 52

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.<sup>47</sup>

### 3.9 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.<sup>48</sup>

### 3.10 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."<sup>49</sup>

### 3.11 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

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<sup>47</sup> Social Mobility Commission, [State of the Nation 2018-19: Social Mobility in Great Britain](#), April 2019, p74

<sup>48</sup> [School funding and pupil premium 2019](#), Sutton Trust, 18 April 2019

<sup>49</sup> All-Party Parliamentary Group on Social Mobility, [Closing the Regional Attainment Gap](#), February 2019, ps 3&5

report stated that despite pupil premium funding constituting “a small 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.”<sup>50</sup>

## 3.12

### 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.<sup>51</sup>

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.<sup>52</sup>

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<sup>50</sup> Social Mobility Commission, [Time for Change: An Assessment of Government Policies on Social Mobility 1997-2017](#), June 2017, p34

<sup>51</sup> National Audit Office, [Funding for disadvantaged pupils](#), June 2015, p11

<sup>52</sup> As above

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