



Notes of meeting with the Schools' Minister, Jim Knight MP on 19th October 2006 at DfES, Sanctuary Buildings, London

DCLG: Jim Knight, Jonathon Anstey, Cathy Roberts, Paul Dalgleish, Alex Smith

F40: David Kidney PM for Stafford (Chair of f40), Gillian Hayward (Gloucestershire), Helen Donovan (Worcestershire), Francis Loftus (North Yorkshire), Keith Cackett (Staffordshire) and Doug Allan (f40 Secretariat).

David Kidney (DK) thanked the Minister for agreeing to see the f40 delegation. He said that this was about our 5th ministerial presentation in as many years. F40 had welcomed the DfES's initiative in bringing the Special Interest groups together in London in September. It was a very positive event and was extremely successful.

DK pointed out that today's delegation included an MP, head teacher, LEA head of finance, a governor and a parent representative, and that f40 has members from all types of authorities – counties, metropolitans and unitaries and has all-party support.

He said that f40 had presented its submission for the current review of evidence and that today the Group members would pick up the key issues that they wished to emphasise. The Minister and his team had copies of the submission with them.

Keith Cackett (KC) started the discussion by outlining the reasons why he thought the existing funding system is unfair. He acknowledged the fact that the Government has invested more in education in recent years and that authorities and schools are very grateful for that increase, but stated that the system continues to be unfair. F40 wants a system that is fairer to all children, no matter where they live. We recognise the difference between areas and the need for differentials, but we believe that there is a lack of equity at present.

The size of the gap is too large and it continues to widen. Most expenditure on education is not postcode dependant. He suggested that if Staffordshire was to be funded at the average level (ie of all authorities) the county would receive £ ??m more than it currently does, and if it was funded at the level of the highest funded, would receive £27m more per annum. Some measures are simply too blunt – it's often all or nothing! Some authorities have significant deprivation but the system fails to recognise it. This is particularly the case in rural areas, but also on the fringe of essentially urban authorities. The problems are exacerbated by cross boundary issues and capital allocations.

Authorities support Every Child Matters and are endeavouring to join up their services, but the funding streams often do not connect. This needs urgent attention.

Gillian Hayward (GH) emphasised the issue of deprivation in rural counties and pointed out that their simply isn't the cash to deal with the problem. In Gloucestershire, for example, there are increasing numbers of exclusions that could have been avoided if better funding had been available in the first place.

GH suggested that workforce reform is a brilliant concept but is proving very expensive to apply and the allocations to deal with it are inadequate. The problem is exacerbated in the poorer funded authorities. In addition, the many unexpected policy changes and new initiative introduced by Government are having a big impact on low funded authorities. Without adequate funding authorities simply cannot cope or do justice to the matters. She referred to a long list of such initiatives in f40's submission, including the cost of the 14-19 strategy, new borrowing costs and their impact on capital programmes and the cost of ICT and superannuation. The lack of discretionary spend makes funding these very difficult.

Despite low funding, GH pointed out that f40 authorities had some excellent performance levels. If they can achieve such success on low funding, she asked the Minister to consider how well they would do if they were better funded. F40 authorities could help the Government achieve better all round performance.

Francis Loftus (FL) presented information about falling rolls and suggested they were had a disproportionate impact in low funded authorities, especially if they were also rural areas. It is very difficult to close schools and he doubted whether the Government would want to see many closures in any case.

He also referred to above average increases in costs that schools and LEAs are finding increasingly difficult to contend with. Contextual Value Added is very important.

Helen Donovan (HD) made a passionate case for fairer funding stating that low funding means that children in many authorities – particularly f40 ones – are disadvantaged and have to do without many things that children in other more affluent areas take for granted. She said that PTAs are having to raise funds for basic school equipment, including tables and computers. In addition, allocations for PPA are insufficient, leading to schools always being stretched to breaking point. Schools in Worcestershire, she said, often have to do without supply teachers as the cash to pay for them simply isn't available. In neighbouring Birmingham, which is much better funded, you are unlikely to find similar problems.

HD added that the percentage increases to funding are part of the problem. The gap simply keeps growing. The Minister said he would address this issue and also respond to f40.

HD also suggested that there are problems associated with the free school meals system. Despite being eligible, parents often don't claim them, and therefore the deprivation element is not registered and subsequently the authority loses out again!

Finally, HD emphasised that f40 is not trying to gain at the expense of other authorities or schools. She said we are looking for a fairer formula that bridged the gap between the haves and the have nots. She ended by asking the Minister if in all conscience he thought that the inequity that exists is acceptable.

The Minister responded by thanking f40 for its submission and the representatives for their contributions. He said that as a Dorset MP he was familiar with the arguments and the difficulty that the system sometimes creates. He accepted that he should consider equity and fairness issues as part of the review.

He said there is a need to determine whether funding is being properly targeted at disadvantage and deprivation. Moving forward the government hopes to be able to refine the process and find new ways to deal with the issues. Then we need to guide local authorities to ensure funding finds its way to all pockets of deprivation.

The Minister said that it was crucially important for Special Interest Groups like f40 to contribute evidence to the DfES. The submission already made was an excellent start to this process but it shouldn't stop there. Between now and spring 2007 there is plenty of time for further evidence to be gathered and presented.

In terms of the bluntness of funding and distribution, the Minister said he recognised the need for a more sophisticated process, but he cautioned that the implications of any change would have to be fully worked through. Everybody knows that this is a very complicated process.

DK said that f40 recognises that throwing money at the problem is not the answer. He said that the DfES wants value for money and that f40 authorities already help them achieve it...and could take it to new levels if the funding was made available.

KC referred to 'base' and 'top up' funding – the former should be bigger and the latter more targeted. It is increasingly possible to take this approach as the data is much more comprehensive and sophisticated.

The Minister said that it appears that f40 is arguing for incremental change. If that is the case, and the government agreed, what sort of timetable would be desirable bearing in mind the difficult journey ahead, he asked?

DK referred to the last major formula change, which resulted in a major outcry, something that would definitely need to be avoided this time around. He suggested that the various SIGs appear to have a lot in common, although he recognised that there were bound to be differences in opinion. But f40 authorities and schools are responsible and reasonable. He said that there will be 2 to 3 years for the change to be agreed and implemented. The decisions need to be made early so that authorities and schools can consider and act upon them.

DK also took the opportunity to ask the Minister whether he was aware of the f40 Funding Model. He said it was possible that the DfES saw it as a threat, but this would be unfortunate as it is a very useful tool to analyse and manage budgets. It leads to accurate planning and prediction. It could help the DfES be much more sophisticated in its decision-making. The Minister said he was aware of the model.

The Minister said he recognised the very pertinent point about raising even further the good performance levels if funding was increased. He thanked f40 again for the submission and presentations, and reiterated the need for more evidence and embellished information from f40 and individual authorities.

The next steps are: launch of the formal consultation in the spring of 2007, decisions in the summer (very much dependant on the CSR, which is the main determinant of what can be done and how fast). F40 invited the Minister to visit some f40 authorities to meet members and officials, and he agreed to consider any invitations received.