



## **F40 meeting with Department for Education, 15 June 2015. Held at Sanctuary Buildings, Westminster**

**DfE:** Tony Foot, Tom Goldman, Angela Fairchild, Andrew Wye and Chris Jones

**F40:** Stewart King (Glocs), Simon Pleace (Kent), John Bloomer (Staffs), Christine Atkinson (ERYC), Karen Powlesland (Devon) and Doug Allan (Secretary to f40)

### **1. Introductions**

Both DfE and f40 representatives introduced themselves. F40's team was made up of members of the LA finance managers research team (FMRT) that had worked on the funding formula proposals.

TF thanked the f40 team for agreeing to meet. He said he had only been Director for a couple of months having taken over from Susan Acland-Hood. He is new to DfE but aware of funding issues as he was formerly at the Treasury, leading the education spending team, and at EFA.

### **2. Political Dimension**

TF said that the government is committed to fairer funding for schools, as set out in the Conservative manifesto. As part of this, TF confirmed that the manifesto sets out that the extra funding for 2015-16 would be base-lined.

SK asked if there was any clarity coming through on what constitutes "fairer funding" and the meaning of flat cash per pupil. TF set out that the protection to date has been 'flat cash' per pupil at national level.

### **3. Discussion of f40's proposals**

TF said that he was aware of the initial work undertaken by f40 on its own ideas for a new funding formula (presented last February) and he asked how the development work was progressing. He added that he and his colleagues very much welcomed f40's contribution to the ongoing debate and welcomed the chance to continue to discussion of the group's modelling work.

SK said that the initial work was carried out using 2014-15 data, which was now being updated with 2015-16 figures. He pointed out that there was uncertainty for f40 about how to deal with High Needs and Early Years, both of which are subject to consultation. The group is concerned that the publication of its calculations without HNs and EYs would be misleading. SK said f40 would need to take a view on whether to update the Schools Block alone or await the government's proposals on early years and the ISOS Partnership recommendations before updating the model as a whole.

AW reported that the research undertaken by ISOS was with the department and currently being considered. He would be seeing Ministers fairly soon to discuss. Publication of the report may not be an event on its own, but could be linked to a wider announcement on funding. DfE is undertaking some work on possible factors, including potential for factors associated with health and disability, not just education and attainment.

SK said that f40 position hasn't changed - the basic principles remain unaltered – but it would be useful to know how f40's and the DfE's thinking fits together and where it diverges. He said that f40 has always said it would like to see all three blocks considered together.

CJ, who is leading on fair funding, said that the DfE is looking at many options but that there's no clarity on future spending or a new formula arrangement as yet. That's why meeting of this kind and suggestions stemming from groups like f40 are useful.

SK suggested that transition was likely to be a key issue, not only for those that will potentially lose out from a change, but also for the poorer LAs, who need clarity. F40 has suggested a new formula in 2016-17 and a maximum 3 years transition, though it recognised a longer period may have to be offered. TF would not be drawn on a specific date for introduction or length for the transition but said that a reasonable period of time would be necessary for any reform.

TG asked if f40 had considered what the appropriate level of MFG might be in order to implement fair funding. SK said that the group had not examined this and thought it would be difficult to model. He added that if the length of any transition grew longer than f40 thought reasonable (3 to 5 years), then f40 would be very concerned.

SK asked about the flat cash announcement for education and suggested that LAs and schools were going to find budgeting extremely difficult over the life of this parliament, unless extra cash was made available. The Institute of Fiscal Studies had estimated the impact of inflation at 12% over the next five years. There was particular concern about 2016/17 when the impact of the teachers superannuation and national insurance increases will be felt.

TF said the reality is that it is unlikely that extra cash would be available for schools in 2016/17. The cost pressures are common for most parts of the public sector and the overall position of public spending is well understood.

SK suggested that f40 members could undertake some work to model the impact of cost increases on typical primary and secondary schools over the next two to three months. Some LAs are already looking at this area and the results are really scary. TF said he would welcome sight of the results, and the earlier the better.

SK asked when the DfE would be making any announcement about funding for 2016-17. AW said the department normally announced in July, but there is the potential for interaction with other issues, which could change the date.

#### **4. Early Years (recent announcement on 3 & 4 year olds)**

CJ reported that there was a recent commitment to introduce a higher rate, which was announced on 1 June. There will be a review launched very soon, which will take place over the summer months. He hopes that all f40 members will feed in their views.

SK suggested that LA anxiety over this issue would not surprise the government. Providers currently make a loss on free childcare and there's a real risk that many businesses will withdraw from the market. LAs anticipate having major difficulties in securing sufficient places unless there is a significant increase in funding per hour. SP suggested that this scenario was already being played out in Kent where 90% of provision is in the PVI sector and MPs are very concerned.

TF pointed out that the policy is about sustainability: that's the key to the review. The DfE will be looking at rates. Everyone with an interest will be able to submit their views.

KP asked about free school meals for early years pupils. The issue is causing considerable concern in Devon and elsewhere, presenting a further major pressure on budgets. TF said this sort of comment and evidence should be fed in to the review.

## **5. Future of maintained schools**

SK said the group was generally interested in what the DfE viewed as the future for maintained schools, especially bearing in mind the academy programme. SP spoke about the situation in Kent, stating that of 600 schools, 200 had become academies of one sort or another, though the conversion rate has varied from fast at the start to a trickle in recent months. PFI problems are seen as an issue for some who have held back from conversion. JB said that in Staffordshire there serious cross-border issues, whilst CA said that most schools in ERYC are still maintained and appear to value the support available from the LA. She added that one small school scheduled for closure by the LA had chosen academy status rather than closure.

KP suggested the situation in Devon was similar to that in Kent, though she reported that there was currently an upturn in conversion rates having seen a lull in 2014/15. She also believed that many schools want to maintain LA links and support.

TF agreed that there are different 'tones' playing out around the country, but that the government is adamant the focus will continue on inadequate schools and move to also pick up coasting schools. There's a need to achieve the right mix of academisation and challenge short of structural change. But he argued that there is in reality a more nuanced picture than is presented in the media.

SK raised the broader issue of Regional Schools Commissioners and a potential difficulty for local authorities in meeting their responsibility for strategic place planning. TF said that he wasn't really in a position to comment, but that he would be interested in any views expressed as we move forward.

In terms of the future role of LAs in school funding, SK asked what the DfE expectations might be. F40 would be hoping for a formula that contained a limited number of factors, common data framework and a degree of local flexibility and discretion.

TF asked if f40 was generally happy with the way Schools Forums operate. AW said that feedback from EFA visits generally suggested that they can work well and there are many cases of good practice, though there are also significant concerns from schools in parts of the country. TF said there was evidence available within the department and he would check it out. TF also asked if the roles of Schools Forums needs to be refreshed and reviewed.

## **6. Pupil Premium**

SK said that the manifesto appeared to declare that the pupil premium would remain, but he wondered if the government would always be committed to it in the way that the Coalition had been. He wondered, for example, if it will always remain a separate funding stream or amalgamated with mainstream funding. TF said there were no plans for a change of policy but that it was a matter, like everything else, which could be considered in a holistic review of school funding. He added that he thought that pupil premium had been effective in many ways.

SK reported that LAs were under pressure from schools with low numbers of pupil premium children, to review the allowance within the local formula for deprivation.

## **7. Future of Minimum Funding Guarantee**

AW said an announcement on MFG for the next funding year would normally be expected in July but DfE could not promise when the funding announcements would happen.

## **8. Proposed meeting requested by Sam Gyimah MP, Schools & Childcare Minister**

There was some discussion about the forthcoming meeting with Sam Gyimah scheduled for Thursday 18 June. DA reported that it would be attended by f40 chair Cllr Ivan Ould, along with new vice chair Graham Stuart MP, Gillian Hayward (Gloucestershire Schools Forum), Gillian Allcroft (NGA) and Doug Allan Secretary to f40. Possible that Labour vice chair, Nic Dakin MP, will also attend if Parliamentary business allows.

TF suggested that although the Minister is new to the department he is quickly getting up to speed with his school funding brief. The issues from today's meetings that might reasonably be raised with the Minister might include:

- Context and rationale of f40's fair funding campaign
- Our interpretation of fair funding
- Our developing proposals for a new national funding formula (not detail)
- Introduction, transition and impact on losers

## **9. Other matters**

DA reminded the meeting that f40 had always been unhappy with the way in which the extra funding for 2015-16 had been calculated – just on Schools Block, and he wondered if there was any possibility this government would reconsider the methodology. TF said that it was most unlikely that any review of that particular calculation would take place. It is what it is. Limited mileage in looking back over.

DA advised that f40 had published several leaflets about fair funding ahead of the election and he wondered if the DfE had noticed a particular increase in contacts from the public as a result. AF said there had only been a slight spike in numbers of contacts.

## **10. Future Meeting**

It was agreed that there should be a further meeting in due course. TF will invite f40 to Sanctuary Building post any public announcements on fair funding.

F40/DA/16 June 2015.