



f40 Executive Committee Meeting **Saturday, 15 January 2011 at Amerton Farm, Staffordshire**

1. Attendance and apologies

Present: Ivan Ould, Leics (Chair); Gillian Hayward, Gloucs (Vice Chair); Doug Allan, Secretary; Sam Ellis, ASCL/f40 Finance Consultant; Joe Jefferies, NASUWT, Notts; Tony Norton, N Lincs; Clive Chorley, PGR, Worcs; Eunice Finney, Staffs; Chris Chapman, Cheshire : Margaret Judd, Dorset; David Smith, Wigan; Mick Brookes, Consultant; Chris Harrison NAHT; Francis Loftus, North Yorks.

Apologies: Mike Sladen, Cambs; David Harty, Cambs; Chris Levy; Geoff Venn, Bedford; Robin Walker MP, Worcester; Helen Donovan, Worcs; Jon Pearsall, Worcs

2. Minutes of the Previous Meeting

The minutes of the meeting held on 4 September 2011 were **approved** as an accurate record of the procedures.

3. Situation Report: Where member authorities stand at present

The chair asked representatives present to give a brief situation report for their own authority or organisation following recent changes introduced by government.

Leicestershire: Still at the bottom of the funding league table. The funding gap with Leicester City Council has actually widened. Concerned that consultations within LA can't be completed in necessary timeframe and that budgets may not be set until late March.

Gloucestershire: Planning 4 to 5% real time reductions over next few years. Issues were hidden by year on year adjustments to funding allocations over many years, which will now be evident and need sorting out. Planning for redundancies. Extremely worried about capital reductions. Pupil Premium is an unknown quantity – no real benefit to the county. We are registering pupils for FSMs. MPs have been briefed and as an exercise that was very useful, though there is considerable confusion in their minds as to which position is correct as Ministers say one thing and the LA another.

Cheshire (both LAs): Same general direction as Glous above. There are too many schools within both authorities. There are too many difficulties in way of gaining efficiencies. Cash is tight but manageable. Much fear for the future. Lot's of uncertainty and big issues surrounding staff morale.

Dorset: Similar picture as above. Not consulting with individual schools – only Schools Forum, and this is not too popular with head teachers. But it is only practical way forward. Mainstreaming of grants is proving to be one of biggest changes ever experienced.

Nottinghamshire: There is great difficulty is getting any clarity. There's a large tranche of Academy applications, which is proving problematic. Otherwise it's a similar to above.

North Yorkshire: As above. Several big schools are planning to apply for Academy status. Worried about how redundancy costs will be financed as cuts bite. There's concern about sixth forms. Specialist colleges don't know what is going on or where they stand.

North Lincolnshire: Lots of secondary schools in deficit and balanced budgets will be difficult to achieve. More primaries are moving into deficit. Few have surpluses. Pupil Premium has not proven to be the answer the government predicted. No top-up effect, so no benefit to poorer authorities. The better off authorities are benefiting again, at expense of rest.

Suffolk/NAHT: The county council is in managed retreat as provider of services. It's developing a brokerage type of role. Is in year 1 of a 3-year programme of reorganisation (now delayed). Like other LAs, is explaining and reviewing relationships for provision of services. Looking at alternative costing regimes. Redundancy 90-day notices issued to many. Real challenge as the authority is getting rid of talented people who have been crucial to the processes. Settlement not quite as bad as initially expected. Morale very poor. Authority and schools believe that this year's settlement is a one-off...and that in future years it will be much more challenging. Academies have failed to understand that they can't escape pension deficits, so there will be clawback at some point. FSM is a major issue. There's a shortfall in numbers. And the system introduced is making it hard to plan sensibly. But at least money is now following the child. Head teachers have had years of growth and are finding it hard to deal with cuts and redundancy: they are not good at dealing with these negative issues.

Wigan: Settlement not quite as bad as anticipated. Many challenges going forward, particularly in terms of internal distribution and local turbulence. LA will be reducing services. Pupil Premium was intended over time to replace deprivation funding, but now it is additional, which means there is double accounting.

Worcestershire: Not able to present detailed picture, but looking at significant redundancies. Funding streams are a real concern. Peripheral services are definitely for the chop. Great sense of unease as everyone awaits clarification of position. Special schools particularly worried about cuts to support services and funding, as are other specialist schools.

Staffordshire: Many of above issues appear to apply. Governors are extremely concerned at way in which authority is expecting them to take on greater responsibility and more duties.

Mick Brookes: Head teachers seem to be shocked at the idea of cuts and don't seem to understand why they are required as the government said education would be protected. Evident that many have no experience of the world of cuts and they are going to find it difficult to manage. Overall, the government is failing to answer basic questions raised by authorities, leaving many floundering.

ASCL: There are major concerns across whole sector, with a disproportionate impact across both secondary and primary schools (11 to 17%) resulting in an interesting redistribution effect coming into play. Big question is will Pupil Premium cash increase in real terms in future years. If pupil numbers increase as expected will the quantum remain the same?

The chair said that this review was very informative and gave a clear indication that f40 has a long way to go if it is ever to achieve fairer funding. It is the case that the Group's arguments appear not to have had much, if any, impact on government thinking, but f40 will need to redouble its effort to ensure that its voice is heard during the discussion on a National Funding Formula.

4. Outcome of Consultation on School Funding 2011-12: Introducing a Pupil Premium

DA referred to document on the DfE website that presents a "Summary of Consultation Responses". Members had not previously seen this or had their attention drawn to it. They commented that some elements of the document are very interesting and quite revealing, and may assist f40's case in the future. The document can be found on the DfE website under consultations and is also on f40's website.

5. Funding settlement and Pupil Premium

SE and DS presented their assessments of where LAs and schools currently stand in terms of funding and other recent government announcements. **ACTION:** Their Briefing Papers will be circulated with the minutes of this meeting. Points raised during the discussion included:

- IO reported that the Education Forum has expressed the view that the DfE will have capacity problems in delivering Academies. There are real worries about the pace of change and the way the changes are being implemented. Very complicated issues, but little understanding within government/DfE of implications.
- IO suggested there is a big issue developing over who employs staff at schools. It either has to be the Governors or they must only make recommendations regarding employment matters to the LA. LAs must not be left holding responsibility without accountability.

- GH expressed real concern about the way that Academies are being funded. LAs are being asked to write off debt in order to give Academies a good start. F40 would advise all member authorities to resist such approaches. It was also suggested that Academies are having their insurance costs met by government, which is grossly unfair.
- CH pointed out that schools are under considerable pressure to apply for Academy status. It appears to be the best way of achieving acceptable funding for the near future. He insisted that the academies programme is not cost neutral, as suggested by government. The DfE is picking up huge slices of cost of introduction of Academies – but how can they afford this, especially if more schools apply for status?
- IO mentioned that LAs are still required to provide the cost of transport for Academies. This could prove problematic if Academies change their schooling times.
- It was emphasised that many schools do not wish to become Academies and that they are comfortable with their LAs.
- DS mentioned that at meeting of LGA Advisers Group on 14 January, it was concluded that there is a disparity between what Ministers are telling constituency MPs about funding and what LAs are experiencing is reality.
- CH suggested that there is likely to be a growing challenge from LAs on all sorts of issues. Most LAs will be against the use of reserves for revenue purposes. IO said that his own authority is refusing to use balances to bail out schools.
- In terms of balances issue it was agreed that this problem would dwindle year on year. More schools will find themselves in deficit.
- SE suggested that schools are not geared up to deal with the “cuts” and associated issues, and that LAs and schools are losing valuable experience and services.
- ASCL envisages a situation in which some schools will sink as a result of current changes and the problems associated with a free-market process.
- Although f40 had suggested to the government that it should look at “Ever FSM”, it had not done so. There was some discussion about the merits of ‘entitlement’ and ‘take up’ of FSM, and DS suggested that LAs would find it difficult to count FSM take up on a monthly or quarterly basis. SE suggested that a measure based on September to September is most likely to apply.
- The Education Funding Agency is likely to be housed in the DfE building, putting it firmly under the influence of DfE and Ministers.
- CC expressed concern that the introduction of the pupil premium was doing little to tackle the basic unfairness in funding allocation. SE suggested that having the pupil premium set at a specific figure across the country does little to increase fairness. It fails to reflect levels of deprivation in different places.
- TN indicated that he had found a document ‘Improving Efficiencies in Schools’ on the DfE website. It appears to reflect many f40 points of view. The document clearly shows that most funding goes to schools which are not performing well, whereas schools with low funding often perform well. Members were generally unaware of it, although they were aware of the recent press reports. **AGREED** that DA should circulate the document to all member authorities. TN also said that he had prepared a paper reflecting on the DfE document, which will also be circulated.
- IO stated that in Leicestershire the funding situation has worsened and the gap with the City has widened. He said he was extremely disappointed that the government has failed to recognise the inequity of the system. It is still very unfair.
- CH suggested the in the past those who shouted the loudest got what they wanted. F40 needs to shout louder to ensure that there is a re-balancing of the available funding to bring the lowest up to a higher level.
- The government has promised further consultation on the introduction of a National Funding Formula. It was emphasised that f40 must maintain a strong position to ensure a fairer system results. MJ added that in her opinion the government is interested in the fairness issue and the NFF is in part their answer to it. However, it was pointed out that there is unlikely to be new money to help level the field, especially in the current economic climate. What we must have is proper, measured, fair, predictable discussion to get the necessary system in place.
- After the next local elections in May it was thought that the Secretary of State may find he is under pressure to adjust his agenda and reign in his aspirations for change.
- Agreed that f40 should maintain its basic core objective of achieving a fair and equitable system, and not get distracted by peripheral issues.

6. Requested meeting with Lord Oareford

We last met Schools Minister, Lord Hill of Oareford in September 2010. He invited us to contact him to arrange a further meeting if we had concerns about intended changes to the funding distribution system. So, on 16 November we wrote expressing a range of concerns and requesting a further meeting. Since then there have been several follow up emails from f40, but no response from Lord Hill.

Members of the executive indicated that they were aware of other organisations that had not corresponded with Ministers and the DfE but had not had responses. Certainly the response time (quoted as 16 days) is not being met. One member suggested that f40 should communicate with Lord Hill via the House of Lords, rather than via the DfE.

AGREED that DA should again contact Lord Hill's office and seek a meeting date.

7. f40 National Conference

The last national conference was staged in November 2009 and DA queried when the Executive Committee might wish to hold its next conference.

Some members questioned whether LAs and schools would allow representatives to attend conferences at this juncture. Some have banned expenditure on travel and attendance. **AGREED** that DA should seek guidance from member authorities.

Such an event – held in central London - is seen as a good way of reaching MPs.

After a discussion it was agreed that the best time for a conference would be in the lead up to the consultation on a National Funding Formula, but the schedule for the consultation is not yet known.

AGREED that the matter be placed on the agenda for the next meeting on 26 March 2011.

It was also agreed that f40 should seek out invitations to any education conferences organised by other organisations, such as ASCL, NAHT etc. **AGREED** that SE and CH should seek to get an invitation from their respective organisations for an f40 slot at impending events.

7. Next Steps for the f40 Campaign

Members generally agreed that to date it as if we have been 'banging our heads against a brick wall'. We have contributed to consultations and debates, had meetings with Ministers etc, but it appears our case has fallen on death ears. The message that the system is unfair is getting through, but the actions to adjust the system are not designed to achieve fairness and equity.

It was agreed that the Group needs to become more vociferous and outspoken. We need to touch a nerve with government and point out that we are disappointed and disillusioned with Ministers and officials. They must be made to understand that the system of distribution, in as far as f40 members is concerned, is unfit for purpose. We must also make sure that parents understand how unfair the system is to their children.

We must make it clear that we recognise the difficult economic situation, but we must argue that this is also a time for getting the system right and fair for all.

After considerable discussion the following actions were approved.

1. Take further action to secure a meeting with Lord Hill.
2. Contact and make use of specialist education journalists.
3. Release regular news releases and use more forceful language to make f40's case. The first of which will be released after this meeting to reflect our current concerns.
4. To request Executive members and member authorities to make use of f40 news releases by adding local comment, examples and information for their local media.
5. Recommend to all f40 member authorities that, if they have not already done so, they should organise a briefing for local MPs to ensure that they fully understand the implications stemming from the recent settlement and intended introduction of pupil premium.
6. Prepare a Briefing Note that can be used by all members to ensure the real facts and continuing unfairness are made clear to all audiences (media, MPs, head teachers etc).
7. Prepare points for friendly MPs to introduce as EDMs in Parliament and to take up Robin Walker's offer of assistance as opportunities arise.
8. All members of f40 will be encouraged to take every opportunity presented to hammer home f40's messages.
9. Consider the best timing for a national conference.

8. f40 Website

At the last meeting of the Executive Committee DA received approval to refresh the website at a cost of £5,000. The new website is nearly complete and DA indicated that he would soon be circulating the URL for the refreshed site to Executive Members for them to comment. Once approved, the new site can go live. **AGREED** that the URL be circulated and members be asked to check out the site prior to it going live.

9. Membership/Fees for 2011-12

DA reported that in 2010 the Group had lost two members – Bury and North Tyneside. He also pointed out that Solihull had failed to pay their annual subscription, though they had not indicated their intention to resign.

Including Solihull, membership stands at 30 local authorities.

AGREED that fees for 2011-12 should again remain at £2,000 and that DA should invoice all members at the end of march 2011. Also **AGREED** that DA should communicate again with Solihull to seek clarification about their membership intentions.

10. Code of Practice

Members of the Executive agreed that as a Special Interest Group (within the rules of the LGA) f40 would not be affected by the lobbying elements of the Code of Practice on Local Authority Publicity.

11. AOB

There was no further business.

12. Next Meeting

The next Executive Committee meeting will be held at Amerton Farm, Staffs at 11am on Saturday, 26 March 2011.