



**f40 Executive Committee Meeting**  
**Saturday, 5 December 2015 at Amerton Farm, Staffordshire**

**1. Attendance and apologies**

**Present:** Ivan Ould, Leics (Chair); Doug Allan, (Secretary); Joe Jefferies, NASUWT, Notts; Margaret Judd, Dorset CC; Chris Chapman, Cheshire Schools Forums; Caroline Brand (Worcs CC); Bernadette Hunter, Staffs Headteacher; Zahir Mohammed (Bucks CC); Joe Tildersley (Solihull); Christine Atkinson, ERYC.

**Apologies:** Graham Stuart MP for Beverley & Holderness (Vice Chair); Robin Walker MP, Worcester; Gillian Hayward, Gloucs Schools Forum; Steph Simcox, Worcs CC; Stewart King, Gloucs CC; Jon Pearsall, independent rep; Sally Bates, Notts NAHT & Headteacher; John Champion, Worcs CC; David Harty, Cambs CC; Gillian Allcroft, NGA; Tony Norton, North Lincs; Helen Donovan, independent rep; Edwina Grant, LGA; Eunice Finney, Staffs parent; ); Tom Crompton (Shaw Education Trust).

DA announced that Labour Vice Chair Nic Dakin MP had tendered his resignation due to his role as an education spokesman on the Opposition benches. He also reported that approaches had been made to several Labour MPs and that he hopes that City of Chester MP, Chris Matheson, may take on the role. IO expressed his and the Executive's thanks to Nic Dakin for his support for fair funding. He also said that he hoped that Chris Matheson would take on the Vice Chairmanship as it is important to retain the cross-party nature of the campaign.

**2. Minutes of the meeting held 19 September 2015**

The minutes of were approved as a correct record of the meeting.

**3. Activities since last Executive Committee to be noted**

**3.1 Letter to Prime Minister 20 October 2015**

DA reported that Vice Chair Graham Stuart had worked extremely hard to encourage MPs to sign his joint letter to the PM. 111 had finally agreed to add their names. A news release was issued about the letter on 21 October, which received significant publicity. The PM replied on 5 November. **NOTED**

**3.2 Meeting with Neil Carmichael, Chair of Education Select Committee – 22 October 2105**

Notes of this very constructive meeting were circulated. **NOTED**

DA had also circulated copies of correspondence between Neil Carmichael and the Secretary of State for Education. **NOTED.**

DA indicated that the Education Select Committee would be considering the details of the fair funding consultation and seeking evidence from as many parties in education as possible, including f40. This is likely to require representatives of f40 attending the committee to explain the f40 campaign. IO suggested that attendance at these committees could be quite stressful and that f40 representatives might benefit from advice and coaching. It was suggested that our Vice Chair Stuart Graham might be prepared to help in this regard.

**3.3 Meeting with NUT – 28 October 2015**

As requested by the Executive Committee, a meeting was arranged with representatives of the NUT to discuss their position on fair funding and f40's approach. Notes of the meeting were circulated in advance of today's meeting. **NOTED**

**3.4 Chairman's letter to Secretary of State – 2 November 2015**

As agreed at the last meeting of the Executive Committee, a letter had been sent to the Secretary of State about concerns relating to issues in connection with service delivery and funding of education/health services in schools. The letter, together with the Secretary of State's response had been circulated. **NOTED**

### 3.5 Westminster Hall Back Bench Debate – 5 November 2015

The debate, which was requested by Vice Chair Stuart Graham MP, and supported by Exeter MP, Ben Bradshaw, was an excellent opportunity to again present the fair funding case and achieve significant publicity. Many MPs from poorly funded areas spoke. **NOTED**

### 3.6 Autumn Spending Review 25 November 2015

- a) DA reported that the promise of an early fair funding consultation was confirmed by the Chancellor, along with a range of other announcements impacting on education. IO welcomed the announcement as good news for our campaign, but suggested that the devil will be in the detail. He stated that he was disappointed with the threat to remove LAs from any involvement with school funding, but suggested that such a move would require primary legislation as there are over 200 statutory requirements. It could take at least two years to get through the legislative process. By then there will have been considerable pressure for schools to join multi-academy trusts and single 'converters' will no longer be allowed.
- b) IO also suggested that the announcement signalled the beginning of a real national discussion about fair funding. The potential losers from redistribution are now fully aware of the proposed national funding formula and they will now be gearing up to respond. There are already examples of opposition and f40 must be ready to respond robustly.
- c) BH expressed concern that if LAs lose powers in connection with school funding, there will be no local 'middle tier' to deal with issues. She fears that Regional Schools Commissioners may be lined up to take on the role and that would be a nightmare. MJ said that whilst it might be feasible for the government to announce per pupil funding from the centre, it would be difficult for a national distribution to take account of local complexities and requirements. CB said that at a South West meeting, a DfE spokesperson had acknowledged the importance of LAs as the 'middle tier'. There appears to be conflicting messages coming out.
- d) IO expressed astonishment at the PM's letter to Oxfordshire CC about its spending. It appeared to be extremely naïve and lacked an understanding of the LA's work and budgeting. MJ said that it is important that the public understand that the problem is not just about per pupil funding, but also about other areas of education funding that are at risk. IO reminded everyone that misinformation is often the order of the day. He recalled that when Sir Michael Wiltshire was head of Ofsted cash for school improvement was taken away from LAs and given direct to schools, yet later he declared that LAs were still responsible for school improvement! So a similar situation is possible in the current debate about education funding and responsibilities.
- e) CA suggested that whilst the School Block could potentially be handled nationally, it would be very difficult for Early Years and High Needs to be handled anywhere else other than locally.

**AGREED** that the issues raised here will also be raised at the meeting with DfE on 9 December.

### 3.7 Parliamentary Petitions – 1 December 2015

The petitions were organised by Vice Chair Stuart Graham MP and involved MPs in most poorly funded areas, but also a much wider collection of constituencies. The completed petitions were presented in the House on 1 December by around 50 MPs, with SG presenting on behalf of a further 30 MPs who couldn't be present, and others making private arrangements to deliver theirs.

### 3.8 Total Politics Advertorial – July 2015

f40 has again taken a full-page advertorial in Total Politics. It will appear in the December edition. The copy reflect the outcomes of the Spending Review. A copy of the advertorial has been circulated to committee members.

## **4. f40's funding formula proposals – update on FMRT work**

### 4.1 Meeting of Finance Managers Research Team – 28 October 2015

The minutes of the meeting had previously been circulated and are available on the website. DA particularly drew attention to the fact that at its last meeting the Executive had agreed that ways of scaling back the formula should be examined. He also reminded members that the DfE had previously asked about “hard” and “soft” options, which effectively are about how much is done centrally and how much flexibility is given to local authorities to allocated school funding. The Chancellor’s comments about excluding LAs in the future suggests that a decision looks to have been made about this matter.

### 4.2 f40 Updated Funding Proposals

MJ presented the changes that had been made as a result of discussions at the latest FMRT. Her presentation highlighted:

Prior Attainment

- Now consistent across LAs and using FSP 78 and 100%

Lump Sum simplified

- Removed link to element in AWPU

AWPU added other staff more overtly

- Finance, mid day, technician, premises

4 scenarios created

- Original which includes requirement for additional funding
- Scenario 2: scaled back equally across all factors
- Scenario 3: scaled back using AWPU and lumps sum only
- Scenario 4: scaled back not using AWPU and lump sum

FMRT identified a few conundrums:

AWPU

- There is a view that maybe 19 as the average class size at KS4 is a little low, when evidence seems to suggest that it’s probably nearer 20-21.
- BUT raising KS4 from 19 to 20 and KS3 from 22 to 23 turns both Wigan and Wakefield from winners to losers in the full model. They both lose in scaling, but we don’t want to start with f40 losers in our preferred model.

Lump Sum

- Primary and Secondary lump sum work slightly differently – is the justification real?
- Secondary has got a reduction where it shouldn’t have (cell G15)
- View that assistant heads are part of AWPU – (assume other leadership including TLRs are part of AWPU)
- If reduce secondary admin multiplier to 2 then lump is £167,065 (at this point in time in the calculations)
- Bucks view £125k adequate (but Bucks smallest school is 680’ish which is probably not small enough to be realistic for small schools of 600)
- Is the additional allowance for half primary class part of sparsity? Is sparsity developed enough to make this move?
- Would reduce Primary Lump sum to £74,320 (and make Wigan and Wakefield losers again!).

There are still some outstanding issues:

- Our proposals are still only Schools Block

- PFI (and Rates) – two schools of thought - take it out and have it dealt with nationally. Which leaves AWPUs etc so that they can be same nationally. When PFIs are paid up, the LAs that put that money into the national pot which the LA won't get it back (unless the total is topsliced, not recouped, and the topslice is returned to the DSG pot). Less control, but fairer. Or, leave it in but some LAs have to cut formula values to pay for this first. But keeps money in the local area at the end of the PFI.

Sparsity - currently goes to only 1/3rd LAs – based on MFLs (but those are based on individual LA decisions about use of the factor. Suggest taper for each pupil less than 60 (primary) or each 10 pupils less than 600 (secondary). Can't be modelled as based on individual schools. Could be for necessary sparse schools – but need simpler definition of necessary (Net capacity assessment of this and surrounding schools). Should we consider alump to support sparse necessary schools with high cost teachers? Current Values for information

- Full proposal costs £524,375,079
- AWPUs Primary £2,897 ; Key Stage 3 £3,996 ; Key Stage 4 £4,902
- Lump sums: Primary £101,240 ; Secondary £167,065
- Scaling levels Scenario 2: 98.37% ; Scenario 3: 98.05% ; Scenario 4; 89.92%

#### Early Years

- Recent report says that the average rate for 3&4 year olds to be £4.88 and 2 year olds £5.39. Part of national fairer funding arrangements. Assume redistribution to meet these figures. New rates include pupil premium. Current averages £4.54 and £5.11 (excluding PP).

#### High Needs

- Continuing uncertainty and lack of information.

## Discussion

BH asked why TLR percentages for primary schools are so much lower than secondaries. Some primaries, like her own, are equivalent in size and operation to a secondary school, with significant structure to support. MJ accepted that large primary schools do tend towards similar structures to small secondary schools, but questioned whether there was a need for as much pastoral leadership in primary schools. Secondary schools are starting to deal with issues associated with growing independence and the hormonal teenage years, which affect primary schools less.

IO suggested that it would be inappropriate for the Executive to accept a proposal that would see any of its members lose out from its proposals. It was, therefore, **AGREED** that the accepted solution should not see any member authority lose out.

There was a discussion about the scaling options and which would be f40 preferred option. The FMRT members preferred Scenario 4 and it was **AGREED** that the DfE would be presented with the revised model showing only Scenario 4.

CC said that once our proposals are made public they will be available for others to make use of and build a case against our idea of fair funding. We must make it clear that we making our recommendations based on the best figures available to us, but in the end it will be the government that makes the final decisions.

There was some discussion about PFI and BH asked if f40 has access to all PFI information across English schools. MJ said not at present, though it is probably accessible on the internet. IO suggested that it is for the DfE to decide which way PFI is treated. His best guess would be that it will be handled nationally. CB added that there's 9 PFI schools in Worcestershire and the idea of sharing the burden with other authorities has some appeal, but doesn't seem fair. JT said there is massive

reliance on PFI in Solihull, though he was unsure of the affordability gap. He will check it out and communicate information to DA. In conclusion it was **AGREED** that this matter would again be raised with the DfE on 9 December.

The difficulty in dealing with sparsity was acknowledged. CC suggested it would be best to have a view to present to the DfE, but others said it was too difficult to determine. This is another subject that can be raised with DfE on 9 December to try to get some movement on it.

BH pointed out that the move to Universal Credit will impact on Prior Attainment and she wondered how this will be determined. She asked if it is likely that pupil premium will eventually be merged into mainline funding. We have what appears to be duplication of deprivation funding at present. MJ and CB thought that the Pupil Premium and deprivation funding in the formula undertook some different functions and that there should be some deprivation funding in the formula.

There was a brief discussion on the Early Years announcement.

ZM pointed out that it looked as though Buckinghamshire CC would be the biggest losers from f40's proposals for all blocks, but MJ said that FMRT had been unable to undertake any meaningful work in this area, so anything that ZM had seen previously should be discarded. Regardless, IO asked ZM to provide an assessment of Buckinghamshire CC's position in terms of High Needs. IO again suggested that f40 wouldn't wish to see its members lose out from f40 proposals, but MJ pointed out that it would be extremely difficult to ensure that all f40 members will be gainers in all three Blocks; it will depend upon the starting point for individual LAs proportion of DSG in each block. It was noted that we are unable to make any real progress on High Needs until more information is forthcoming from the DfE.

IO repeated his concern that the baselining of the extra £390m is limited to 2015-16 and 2016-17 only. Others suggested that it is baselined, full-stop. It was **AGREED** that this would be raised and clarification sought at the meeting with DfE on 9 December.

**AGREED** that MJ/DA will endeavour to take on-board comments made at today's Executive Committee, update the Proposals Spreadsheet and Narrative accordingly and issue them to the DfE on Monday 7 December so that they can be prepared for the discussion on Wednesday 9 December. In addition it was **AGREED** that the Proposals Spreadsheet and Narrative will be published as soon as possible after Wednesday's meeting on the website and copied to all members of f40, including MPs representing f40 areas.

## 5. Education Services Grant

There was concern about the Chancellor's announcement in the Autumn Statement that savings of around £600 million will be made on the ESG, including phasing out the additional funding schools receive through the ESG. As the ESG in total is around £800m, that's a 75% cut! It is thought the biggest impact will be on the additional funding received by academies and separately by LAs for their respective duties. MJ suggested academies should be 'up-in-arms' when they realise the impact. One member suggested that the £600m cut was the DfE's contribution to the departmental cuts required by the Chancellor. IO repeated his earlier point that over 200 statutory responsibilities were tied in with ESG and LA role in education, so it won't be a simple operation to remove LAs from the equation. He also suggested that he anticipated the annual announcement on LA funding would be made on 15 December (though some anticipate a delay to the New Year) when things may become a little clearer. MJ said that the DfE will be launching a separate consultation on ESG in the New Year. **AGREED** that a letter expressing f40's concerns will be sent to the Secretary of State.

## 6. Proposition from Centre Forum

DA reported that he has been approached by the new think tank, Centre Forum about a collaboration on fair funding. It is looking at ways to influence the forthcoming fair funding consultation through its own modelling, research and policy proposals. It also intends to publish a booklet on school funding at the conclusion of the consultation. It requires funding and/or technical support to achieve these objectives and Centre Forum would like f40 to consider contributing.

IO suggested that as f40 is already well-advanced with its own modelling and policy proposals, it would be a duplication for it to fund similar work elsewhere, and other Executive Members concurred with this view. **AGREED** that no action be taken.

#### **7. Westminster Education Forum – School Funding Conference - 3 March 2016**

IO announced that he has accepted an invitation to speak at this conference.

#### **8. f40 National Conference**

The idea of a national conference has been on the agenda for some time and DA wondered whether the Executive would like to consider organising a conference at some point. He suggested that it would be difficult to organise during the consultation period, so suggested that it be raised again at the next Executive meeting in March 2016. **AGREED**.

#### **9. Website refresh**

DA reported that the refresh of the website, as approved at the last meeting, was progressing and he hoped to be able to show members the new-look design early in the New Year.

#### **10. Membership Report and Finances**

DA reported that the group now has the ‘magic’ number of 40 members following the applications from Wiltshire. He had charged Wiltshire £500 subscription bearing in mind that the year is two-thirds over. His action was **AGREED**. All LAs (except Wiltshire) have now paid their 2015-16 subscription. DA still hopes that Norfolk and Surrey might join one day.

#### **11. Any Other Business**

- a) CA referred to ongoing cost pressure being faced by LAs and suggested that schools may mistakenly believe that achieving fair funding will be the answer to their problems – but it obviously will not be. Other members agreed that fair funding for schools was an important goal but that cuts in education spending will impact on all LAs and schools. It is important that a clear message is presented.
- b) CA raised the problem of schools moving out of MfG, but later being allowed to move back in. The Executive thought it wrong that this was possible.
- c) JJ suggested that in his opinion academies appear to be unable to properly deal with their budgets – it’s down to what he suggested is a lack of expertise. It is resulting in a terrible mess in some areas. IO said that in his area several studio school academies have closed. Generally, these schools must deliver or close – its sink or swim!
- d) JT reminded members that the Secretary of State had visited Solihull on 22 September. It was a useful visit and Nicky Morgan had been very complimentary and positive about f40 and its campaign. He added that Solihull particularly suffers from cross-border pupil drift and that it is having a significant impact on budgeting – about £7m overall – involving 7,000 pupils crossing in to Solihull (out of a total number of 50,000 in its schools). The LA has contacted Neil Carmichael, Chair of the Education Select Committee to suggest that his committee might examine the issue and he has indicated that it will. Solihull will be invited to present its

evidence. CA suggested that the cost to ERYC is around £3m and ZM said the cost to Buckinghamshire CC is in the region of £2m. **AGREED** that those members experiencing this problem should provide initial details to DA so that the scale of the problem can be assessed. This information will be compiled as part of the evidence to be presented to the Education Select Committee. Details of the committee's proceedings and how to get involved will be circulated when announced.

## **12. Dates of future Executive Committees**

The next meeting is scheduled for 11am on Saturday, 5 March 2016, though this may change depending on how the work on the fair funding consultation progresses. Dates for the remainder of 2016 are 25 June and 1 October and 10 December. Please note these dates in your diary.