



f40 Executive Committee Meeting
Saturday, 6 September 2014 at Amerton Farm, Staffordshire

1. Attendance and apologies

Present: Ivan Ould, Leics (Chair); Robin Walker MP, Worcester (Vice Chair); Doug Allan, (Secretary); Joe Jefferies, NASUWT, Notts; Tony Norton, North Lincs; Chris Chapman, Cheshire; Stewart King, Gloucs; Bernadette Hunter, Staffs/NAHT; Sally Bates, NAHT; Eunice Finney, Staffs; Liz Eyre, Worcs.

Apologies); Nic Dakin MP (Vice Chair); Gillian Allcroft, NGA; Sam Ellis (Financial Consultant); Helen Donovan, Worcs; Jon Pearsall, Worcs; Edwina Grant, Central Beds; Francis Loftus, North Yorks; David Harty, Cambs; Margaret Judd, Dorset; Gillian Hayward, Gloucs; Steph Simcox, Worcs; Pauline Hibbert, Stockport; Christine Atkinson, ERYC.

DA reported that Sam Ellis, who for several years has provided financial consultancy support via ASCL, has retired. Although he wishes to continue to receive information about the campaign, he will not be continuing to attend meetings. The Committee asked for Sam's contribution to the fair funding campaign to be noted in the minutes...and requested that DA contact SE to pass on thanks for his past advice and support.

IO reported that he had spoken to Ruth Johnson at the LGA about Edwina Grant (formerly of Central Bedfordshire Council, but now at LGA) about her continuing her involvement with f40's Executive Committee. This was thought to be a positive idea and will be supported.

2. Minutes of the meeting held 12 April 2014

The minutes of were approved as a correct record of the meeting. DA flagged up the fact that the date in the title of Item 2 should read 2013, not 2014.

3. Appointment of Chair and Vice Chairs

It was **AGREED** that Ivan Ould will be Chair and Nic Dakin MP, Robin Walker MP and Sir Nick Harvey will be Vice Chairs for the next two years. In the future, these positions will be considered by the Executive Committee on every two years.

4. Contractual Arrangements with DTW

Doug Allan provides secretarial and PR services to f40 as an employee of DTW. This arrangement has been in place since the late 1990s though the terms and costings have remained the same throughout this time. It has been suggested that the service might need to be subjected to market testing on a periodic basis, though the legal position for f40, a campaign group with membership made up from a range of LAs, is not entirely clear. Having tested the position with officers from his own authority and Derbyshire CC (our banking authority), IO suggested that it is a matter for the Executive Committee to decide and review periodically and as long as there is a committee minute reference about DTW's position, all should be fine. There was a discussion about the services that DA provides as part of the arrangement, and whether another company or another agency could reasonably provide the same service, bearing in mind the background, contacts, knowledge, cost/competitiveness, value for money etc. There was unanimous agreement that the Executive Committee should determine the appointment and that DA (and therefore DTW) should continue to provide the service. This matter will be considered on the agenda every two years.

5. Labour Party's Review of Local Government's role in Education

DA reminded members that in February 2014 a letter had been sent to David Blunkett MP with f40's suggestions in respect of the Labour Party's debate on the future role of local government in the delivery of education services. The report "The Labour Party Review of Local Oversight of Schools" was published late April 2014. **NOTED**

6. Activities since the last meeting (note that the scheduled meeting for April was postponed)

- **Westminster Hall debate – 29 April 2014**

Robin Walker reported on the debate that he had secured. It was an extremely successful event with plenty of MPs from f40 authorities present and speaking. There was good cross-party attendance and strong arguments in support of a change to the existing funding formula. RW hoped that the debate had helped influence government thinking, particularly the subsequent announcement of extra funding. **AGREED** that RW be thanked for securing this high profile debate.

- **F40 Briefing for MPs – April 2014**

It was **NOTED** that an updated Briefing Paper was prepared and circulated to MPs

- **Fairer Schools Funding in 2015-16 – f40's Consultation Response**

The initial announcement on additional school funding for 2015-16 had indicated that £350m would be shared by 62 of the most poorly funded LAs. At this point 23 f40 LAs stood to gain a total of £172m of extra funding. The announcement was subject to a consultation and f40 submitted a response on 30 April 2014. **NOTED**

- **Final Outcome of Fairer Schools Funding in 2015-16 Consultation**

In July 2014, the government announced the outcome of the Fairer Schools Funding consultation and increased the total funding package to £390m, of which £210.6m is allocated to 28 f40 member authorities. This is considered to be a real success for f40 and an acknowledgement of the arguments the group has made. However, it was emphasised that this is just an interim step on the route to a new fair funding formula. The campaign will continue to argue its case and undertake in depth development work on a possible new formula (see below).

RW asked for clarification on the CRC (Carbon Reduction Commitment) deductions from the extra funding and whether these reductions ultimately mean that a lesser sum was actually gained by each LA. He was advised that the full amounts indicated for each LA would actually be paid, but that the CRC applied to all LAs. The responsibility for carbon reduction is being shared by all, and if LAs don't contribute from the extra funding they will have to find the cash from savings elsewhere in the budget.

AGREED that DA should prepare a letter from the chair to be sent to all member authorities (Lead Members, Directors and Chairs of Schools Forum) to outline f40's position re Fairer Schools Funding, the work of the Finance Managers Research Team and referring to the fact that f40 is increasingly seen as one of the most successful funding campaign groups in the country. On reflection, it was considered that two separate letters should be prepared – one for the real gainers and a separate one for those who gained less or not at all.

- **F40 Briefing for MPs – September 2014 • Westminster Hall debate – 29 April 2014**

DA reported that a request for a fair funding information sheet had been received from Andrew Bridgen MP. He wanted something that explained the background and current state of play that could be used in discussions with Headteachers and others in his constituency. DA prepared an updated Briefing Paper incorporating a spreadsheet showing Fairer Schools Funding for 2015-16. **AGREED** that this is a good idea and that a copy should be sent by DA to all MPs representing f40

areas, with a suggestion that it might inform discussions within constituencies.

7. Finance Managers Research Team

The Following notes of meetings held since the last Executive Committee meeting were **NOTED**

- Notes of Finance Managers Research Team meeting with DfE – 5 June 2014
- Notes of Finance Managers Research Team meeting – 5 June 2014
- Notes of Finance Managers Research Team meeting – 21 July 2014
- Notes of Finance Managers Research Team meeting – 2 September 2014

Stewart King, Chair of the Finance Managers Research Team, then reported generally on the detailed work that the team is undertaking. The keys points are:

The main features of the proposed formula are as set out in the agreed covering narrative paper. The aim is to come up with a formula-based distribution of the DSG, with separate formulae for each of the three blocks – schools, early years and high needs. Local authorities, in consultation with their Schools Forums, should then be free to allocate the DSG in accordance with local needs, with no restrictions on transferring money between the blocks.

The team has agreed a draft formula for each element of the DSG but further work is needed to fill in the gaps in the agreed dataset (mainly on deprivation) needed for the Schools and Early Years blocks and to 'sense check' the overall outcome for f40 and other LAs. It is expected that this work will be completed by the end of October, in time for the Executive Committee's consideration on 6 December.

Schools Block: the proposal is for the total at national level to be distributed between LAs based on 6 formula factors. The value for each of the main factors (other than EAL and sparsity – see below) is based on an underlying assumption or set of assumptions e.g. on average teaching group sizes. This is a critical difference from the DfE's Minimum Funding Levels used for the Fairer Schools Funding calculation which is based on average spending levels. The lump sum for primary and secondary schools takes as its starting point the need to adequately fund schools of 'normal smallest size' – defined as 60 pupils for primary (2 classes) and 600 pupils (4 classes per year group for an 11-16 school). Any school below this size should only receive additional financial support if it qualifies for sparsity in the local formula. For the English as an Additional Language and sparsity factors we have resorted to using average spend data so have simply applied the DfE's Minimum Funding Level values.

Early Years Block: the proposal is to allocate 5% of the total for deprivation with the remainder being based on numbers of two year olds and three and four year olds, with no allowance for existing specialist provision. The allowance for deprivation is intended to cover additional costs in areas of high deprivation both for providers and for local authorities. As for the schools block we suggest accepting that the early years pupil premium is a separate funding stream and have not sought to adjust the allocation for deprivation in the main formula.

High Needs: we are proposing a formula distribution using a summary of the research undertaken by PriceWaterhouseCooper in 2009. It is acknowledged that this is out of date and will need to be replaced following the outcome of the major piece of research the DfE is commissioning in the autumn of 2014.

Area costs would be added for each of the blocks, using the 'hybrid' method.

Preliminary conclusions: As expected f40 authorities as a whole would gain significantly from a move from historic funding to a formula-based approach. And London authorities would lose heavily. The high needs formula produces big gains, again as expected, for those low-funded authorities that gained little or nothing from the Fairer Schools Funding distribution for 2015/16 e.g. Staffordshire and East Riding of Yorkshire. The overall picture will be clearer when we have the complete dataset. But it is inevitable that the pattern of gains (and potentially losses) will vary considerably across f40's membership. There will of course be major issues for the committee to address on communications, managing the political environment and an inevitable backlash from London authorities, and what approach to take to transition.

SK emphasised the need for a simple, transparent and relatively easy to understand formula. The model being developed is similar to the DfE's total distribution, but demonstrates significant funding changes, particularly for London boroughs. IO referred to the London Challenge and fact that its success had been down to the extra funding: he suggested that f40 LAs could make a similar difference if the funding is made available. CC expressed some concern that fair funding might be further adversely impacted by political whims such as pupil premium and other 'emotional' requests. LE pointed out that it's the indicators that are the main issue. IO said that the real issue is about bridging the funding gap: that has always been f40's goal. TN added his worries about the effect of pupil premium but RW emphasised that pupil premium is here to stay and there is no point in arguing further about its pros and cons. CC hoped that the new model could have inbuilt protection from future political meddling, but RW pointed out that politicians will always tweak policies: that is part of their job. TN suggested the narrative should spell out exactly what can be achieved by this new formula. IO suggested a future aim for f40 would be to secure funding that moves with the child so that the problem of cross border education is removed. LE raised the question of sparsity and SK agreed that absolute local discretion is required. SK concluded by stating that the work on modelling a new formula had clearly shown that the existing formula is not coherent but that f40 may be on the cusp of providing a solution.

AGREED that the FMRT be thanked for their important work on modelling a new national funding formula and that they should continue with a view to presenting their proposals to the Executive Committee on 6 December 2014.

8. Towards a National Funding Formula – Next Steps

The following actions were **AGREED**:

1. The work of the FMRT is central to f40's current activities and the team will meet again on 8 October 2014 to finalise its proposals – narrative and modelling.
2. The FMRT will report to the Executive Committee on 6 December 2014.
3. On agreement of the proposals, the proposals will be shared with f40 member authorities.
4. Simultaneously, the proposals will be shared with the DfE team that f40 has been working closely with during recent months. This will probably involve face to face meetings.
5. In early February 2015 there will be an MPs Briefing, similar to the one held in Westminster in February 2014.
6. IO will speak privately about f40's work to Secretary of State Nicky Morgan, who is a Leicestershire MP.
7. It was suggested that DA should write to five main political parties asking them to include a fair funding reference in their forthcoming election manifesto. DA to contact Vice Chairs for appropriate contacts in Labour, Conservatives and Lib Dems.
8. RW suggested that f40 might wish to contact Natasha Engels MP for North East Derbyshire (an f40 area) as she is chair of the Back-bench Business Committee, and as such carries some weight in Parliament. It can do no harm to ensure she is fully aware of f40's agenda.

9. BH reported that NAHT will soon be meeting with NGA and ASCL to discuss their own manifestos. She will ensure that the idea of a reference to fair funding and the need for a commitment to a new national funding formula is considered.
10. F40 must find a way of approaching Parliamentary Candidates in f40 LAs in the general election to establish their views on fair funding. Schools and parents should also be encouraged to ask similar questions.

9. Total Politics Advertisement – Conference Edition

DA reported that, with the Chair's authorisation, he had purchased a full page advertisement in the annual conference edition of the magazine, Total Politics. The cost was £1150 + VAT. **NOTED**

10. Correspondence with the Secretary of State

DA reported on correspondence with the new Secretary of State. F40 had congratulated Nicky Morgan MP on her elevation to Secretary of State and requested a meeting once she had settled in to her duties. The response was very warm towards f40 and its campaign work and the SoS looks forward to working closely with f40 in the future, however, the idea of a meeting was difficult at this time and f40 was asked to put the idea on hold for the time being. This suits f40's timetable at the moment and we will again ask for a meeting in the New Year, once the model is public. **AGREED**

11. Early Years Pupil Premium and Funding for Two Year Olds – Consultation Submission

A submission to this consultation has been made. Thanks were given to Martin Wade, Cambs CC, who prepared the first draft for the group's consideration. **AGREED**

12. Social Media – Training in the use of Twitter

DA suggested that he may benefit from some training in the use of Twitter. F40 has an account and DA undertakes fairly basic activity, but feels there may be more to be gained if he knew how to do it! RW and LE suggested that there is a person in Worcestershire that would be able to assist at no cost and a training session could be organised in LE's office at county hall. **AGREED**

13. Membership Report and Finances

DA reported that all 34 2013-14 member authorities had paid their subscription for 2014-15. This ensures that the group has a healthy balance sheet. Disappointment was expressed by several members that many low funded authorities have not bothered to support f40's campaign for fair funding, but are gaining from its work. **AGREED** that DA will identify and circulate a list of low funded authorities who should be encouraged to join the campaign. F40 members will be asked to encourage non-members to join.

14. Any Other Business

TN thanked f40 on behalf of the schools in North Lincolnshire which have gained as a result of the campaign. IO said that campaigns of this sort do not have overnight success, they require well-balanced argument and commitment. Ours has been an intellectually sound campaign and all concerned deserve many thanks for their tenacity and consistent hard work.

15. Dates of future Executive Committees

The next meeting is on 6 December 2014. Dates for meetings in 2015 were provisionally **AGREED** as Saturday 28 February, 6 June, 5 September and 5 December. Please note these in your diary!