



F40 meeting with the LGA – Tuesday 22 January 2013

- Cllr David Simmonds, Chair of the LGA's Children and Young Peoples Board
- Mike Heiser, Senior Financial Advisor
- Ian Keating, Education Policy Advisor

- Cllr Ivan Ould, f40 Chair and Lead Member, Leicestershire
- Gillian Hayward, f40 Vice Chair, Chair of Gloucestershire Schools Forum and Chair of Governors, Katharine Lady Berkeley's School
- Cllr David Harty, Lead Member, Cambridgeshire
- Christine Atkinson, Schools Management Accountant, ERYC
- Margaret Judd, Service Manager, Dorset
- Doug Allan Secretary to f40

Following introductions, IO explained f40 current position and suggested the Group appears to be at a crossroads in campaigning. F40 has valiantly fought the corner of the poorest funded LAs but has been thwarted at every turn during this parliament. Despite having access to the Secretary of State, Ministers and DfE officials, it has been unsuccessful in persuading them that the poorest LAs deserve a better deal immediately and also under the new national formula. Whilst this government has accepted the fair funding argument, there is only a promise that eventually something might be done about it. F40 is not convinced its idea of fair funding is the same as that held by the government. And if this government fails to be re-elected in 2015, there is no certainty that the needs of f40 members will be catered for.

IO acknowledged that the LGA must represent the interests of all of its members, but he suggested the needs of the poorest funded need to foughthard for.

DS suggested that many of the worst outcomes stemming from the government/DfE changes to the system at the moment are more to do with failure to understand unintended consequences than good politics. He used 'confused' adjustments to Early Intervention Grant as an example and reported that he understands the £150m holdback from LAs will be made available again, essentially for adoption. If the government attempts to present this funding as new money, the LGA will challenge this approach. It has to be recognised that the government will always have its own priorities, but in presenting its proposals, it must not be allowed to suggest it is making available new money!

MH said that an extension to the adoption service would mean that service would grow whilst all services around it are contracting. IO added that all councils are facing massive cuts across the board so they will say that if the government wishes to expand and improve adoption, they must pay for it in full.

MH mentioned work that the LGA had undertaken on LACSEG to try and shift the government from its £15 per pupil hand-back figure. LGA pressed for £30, without success. It is clear that those LAs with the most academies or which have spending

well below the average, have lost out. IO asked if there was an opportunity for f40 to support the lobbying on this and DS said there was. **MH to supply details to DA.**

DS referred to recent meetings with Sir Michael Wilshaw in relation to Ofsted reporting and improvement arrangements. The new discussion is about “the failure of a local authority”, not just a school. IO suggested that LAs face a tough time as there is no absolute requirement for academies to report to their LA on their performance, but the LA appears to be capable of being held responsible for failure. DS said that in such cases LAs might have to issue “warnings” to academies and then report them to the DfE, or both. **It was agreed that this is an example of unreasonable treatment which should be highlighted to the Minister.** Actual examples of failing academies will always make very compelling reading for government.

GH said that it might be helpful to focus on the impact of funding decisions on individual schools. Her own school, an academy which has 1,500 students, is very successful, despite financial pressures which could face a 10% cut in staffing costs over the next few years once all of the various known changes are factored in. She said that if that is what the government meant by fair funding, then things looked desperate and wondered what the LGA intended to do to fight the inequity. DS said that any example of an academy suffering under the changes should be flagged up with Ministers to demonstrate that their policies aren’t working.

Bringing the discussion back to the new funding formula, DS said that the key word for government appears to be “transparency”. Reducing the number of factors used in the formula helps this, even though it was flagged up by MJ that the 12 factors have sub factors, so there is still a wide range of options. MJ suggested that currently there are 150 formula variations – one for each LA. DS said that the LGA supports the idea of a national formula but does not support the exclusion of LAs and Schools Forum from local decision making processes. IK added that in essence the LGA would like to see a national funding policy with local flexibility. GH said that she appreciated transparency, but there are current changes going through that completely change the direction of travel for many LAs who have been working on a needs led approach for many years. This suggests there is a fundamental error in the approach.

CA also talked about the financial position schools would find themselves in if mfg did not exist and how certain schools of differing sizes would be unsustainable. Case studies will be presented to Sarah Healey when she visits the East Riding on 4th February 2013. **DA to supply a copy to MH.**

MJ suggested it is imperative that the cost of running a school should be taken into account in any new formula. It is wrong to ignore real costs. DS pointed out that the DfE suggest it would be impossible to calculate the real costs of every school, yet they manage to insist that “Free Schools” can show that they will be able to manage on the budget provided and are viable. So there is some experience of this sort of thinking within the department.

IO mentioned that NEOST has recently agreed that “progression through the pay grade” for teachers will be scrapped, leaving Heads to determine pay levels. He also

referred to the breakdown of traditional cross-LA maintenance arrangements that LAs had for schools buildings. The introduction of academies has dangerously weakened the process.

IO reminded DS that f40 had requested special 'Uplift' funding for the worst funded LAs, which would have given a significant boost, but the Secretary of State had turned down the proposal.

DS asked exactly what it is that f40 hopes to achieve from the new national funding formula. IO said it must be a fairer deal for children and a fairer deal for LAs in poorly funded areas. He emphasised that current changes based on average funding are making things even worse for f40 authorities. It is a travesty that the government is continuing to push a method of calculation that is so obviously unfair to the acknowledged "worst funded". IO pointed out that F40 has provided examples of unintended consequences and impacts to the Schools Minister. The impacts are extremely worrying but nothing seems to be being done to mitigate the worst effects.

DS reminded everyone that there will not be new money in the system, but only the existing pot after savings. What we have simply has to be shared out as best we can, but there will never be complete agreement on priorities and who needs what. He suggested that the LGA might usefully make more comment on school funding in the media.

DS suggested that f40 needs to be clear about how Head Teachers feel about their LA and ensure that the government understands that the majority are supporters. One approach for f40 might be to organise a conference for Head Teachers of Maintained Schools and Academies to establish the level of support. Another would be for some basic research across a group of LAs to get a feel for this. **Agreed that the information would contribute to a powerful argument when the Group next meet David Laws in February.f40 will look at this as a matter of urgency.**

DH said that whilst Cambridgeshire was suffering like other f40 LAs, his main concern at the moment is the timeframe for change. There are massive demographic changes taking place in his county, but there's no additional government funding to deal with the extra costs being incurred. For example, the schools maintenance budget is diminishing at a time of increasing demand for school places. This is beginning to hit the county's bottom line.

GH said that in Gloucestershire if a school should go into special measures the LA estimated it costs around £250k to address and improve in terms of specialist support, new resources etc. But where does the government think that sort of money and resource is going to come from in the future?

There was then a discussion about home to school transport costs. IO referred to the fact that pupils travelling across the border from neighbouring local authorities do not bring their additional funding with them, and that there was a growing problem over home to school transport for those academies who changed their age range.. MH said the LGA had not so far been involved in discussions about travel costs with government. He said that Home to School Transport is an issue – it is not funded by either LACSEG or DSG. Home to School Transport is a greatly contested matter,

particularly among Faith Groups. Pressure is building in this area and he foresaw continuing discussion about its future.

DS flagged up fact that the LGA is undertaking some survey work to establish the facts in relation to the Capital requirements of LAs. The aim will be to tackle the government's inadequate provision.

DS suggested that f40's approach of working closely at this time with the Shadow Secretary of State was very sensible and could pay dividends if our approach can be aligned.

In conclusion, the LGA team suggested f40 should maintain its fight for fair funding - not by pushing hard luck angles, but by gathering positive evidence that things are wrong, that academies are being affected in ways that the government couldn't possibly have intended. Demonstrating that Mr Gove's view that LAs have no role in the future provision of school services has little support at a local level is essential. If academies will stand up and fight for LAs, that would be great. One possible area of change could involve Pupil Premium, which is the only flexible money anywhere in the system.

At that point DS indicated he had to leave to prepare for a telephone conversation with a Minister. IO thanked everyone for attending and the meeting closed.

SPECIFIC ACTIONS:

1. Mike Heiser and Doug Allan to maintain contacts between the two organisations.
2. Mike Heiser to provide details of LGA's lobbying of Ministers about the level of hand back in LACSEG calculations.
3. Doug Allan to forward to Mike Heiser a copy of Christine Atkinson's calculations showing how the use of pupil numbers on different dates can have enormous impact on school funding figures.
4. As a matter of urgency, f40 to undertake some initial work within its membership to determine how academies view their LA and whether they will continue to use their services.
5. In due course, f40 to consider whether a conference involving Head Teachers of Maintained Schools and Academies might be worth exploring.