



Notes of meeting of f40's Finance Managers Research Team

Monday 27 January 2016 at LG House, Westminster

Present: Martin Wade (Cambridgeshire); Margaret Judd (Dorset CC); Anton Hodge (North Yorkshire CC); Karen Powlesland (Devon CC); Peter Hughes (Stockport Council); Malcolm Green (Herefordshire Council); John Huskinson (Buckinghamshire CC); Andrew Minall (Hampshire CC); Gillian McKee (Oxfordshire CC) and Doug Allan, Secretary to f40.

Apologies: Caroline Brand (Worcestershire CC); Simon Pleace (Kent CC); Christine Atkinson (ERYC); John Holmes (Devon CC) William Wilkes (Staffordshire); Jean-Marie Long (West Sussex CC)

1. Notes of FMRT meeting held 28 October 2015

The notes were agreed as an accurate record. It was agreed that any matters arising could be covered under today's agenda discussion.

2. Minutes of f40 Executive Committee meeting 5 December 2015

DA reported that the Executive Committee had been fully supportive of the latest work undertaken by FMRT and had agreed to further meetings to complete development work.

3. Notes of meeting with DfE 9 December 2015

F40 had presented its latest formula development proposals, again based on Schools Block only. Tony Foot had again fielded a strong team. There was a very positive and open discussion, with challenging questions about our approach. Tony Foot had outlined the main issues stemming from the Chancellor's Autumn Statement: real-term protection for school funding and Pupil Premium, ESG reduction and a commitment to a fair funding consultation, probably launched in February and implementation in 2017.

Several issues flagged up:

- F40 is still concentrating on Schools block only. Uncertainty and insufficient information available on High Needs and Early Years.
- Difficulty surrounding sparsity.
- Consideration of 'hard' and 'soft' options. Hard being less involvement of LAs.
- ESG (and intended cuts) to be part of consultation. Government see cuts as saving.
- LA statutory duties and role of Schools Forum.
- Confirmation that £390m is now permanently baselined.
- Transition – f40 suggests 3 years, but other ideas exist.
- All three blocks will be consulted on and there will be an overview.

GMcK said it was worrying that there is a possibility that the three blocks may not be looked at together – based on difficulties the DfE appeared to be experiencing.

MW said it is vital that Schools and High Needs blocks are closely linked and considered together, and that ideally Early Years should also be. But if necessary, it might be feasible to consider Early Years separately.

AM said that there too many contradictions in the system – differences between rural and urban application of transport policies, for example.

4. Review of latest Schools Block spreadsheet

The team spent some time reviewing the latest spreadsheet containing adjustments made by MJ since the last meeting. MJ was thanked for the excellent work she continues to undertake on behalf of FMRT.

To avoid any doubt or confusion, the latest version is V6 and all previous versions should be deleted or filed away.

MJ to see how best to build in calculations for growth.

It was agreed that the spreadsheet should not be available at this stage outside of f40 membership. It is important that the development work currently underway is completed and the final version circulated to f40 members for confirmation and approval first.

The spreadsheet will form part of the submission to the fair funding consultation, depending on the nature of the questions – but the Executive Committee will decide exactly when it is released for wider public consumption.

5. Updating of Narrative

The team went through the Proposals Narrative line by line and made alterations to match the current thinking. We worked on version 5a. Once adjustments are completed, DA will circulate V6 for consideration and sign off. There are still several areas that need final consideration, particularly relating to High Needs and Early Years and it is hoped that progress will be made quickly to resolve these.

PH again raised the matter of how flawed the government's calculations were when allocating the £390m extra funding for 2015-16. He thinks that f40 should continue to fight for a re-calculation, but others agreed that that fight was lost and the matter will not be re-opened by the government.

Once finalised, the Narrative will form part of f40's submission to the Fair Funding consultation. It will be placed on the website and made available to the wider public.

6. High Needs

There is concern that the DfE appears to be totally wedded to the ISOS research findings, which FMRT members do not find particularly helpful.

Concern expressed about IDACI and infrequency (every 5 years) of refresh of figures. Few in the education were aware that the recent refresh was imminent. There needs to be some way of smoothing or there'll be significant turbulence. Some LAs have avoided using IDACI.

GMcK flagged concerns about the impact of SEND reforms. Costs to LAs are going through the roof.

Discussion about the need to reflect on the impact of High Needs on small rural schools.

7. Early Years

Following the meeting, arrangements were put in place for Martin Wade to speak to Early Years team – Wednesday 3 February 2016.

Members expressed concern about DfE progress in setting up Early Years pilot LAs. Will there be only three?

Generally agreed that there is little more that FMRT can do at this point. We need to see where the DfE and EFA are heading.

MW to circulate a few slides that he has obtained via a DfE Early Years Working Party. They appear to show that the DfE is no closer to a solution.

8. Fair Funding Consultation

DA reminded the team that the government has promised a consultation and it is anticipated that it will be launched in February. He flagged up the clash with the London Mayoral Election and the potential public argument that will occur.

DA has prepared a PR Strategy paper – considered by FMRT and now with the Executive Committee for consideration.

DA indicated that the Executive had expressed the hope that all f40 members would be 'gainers' under the proposals. FMRT suggested that gainers should be determined in terms of overall DSG change not per block as it is likely that members may win or lose on individual blocks but may still be considered an overall gainer. Off course, this is difficult to establish without a firm basis and view on an f40 formula for the Early Years and High Needs blocks

MJ will check the specific outcomes for all f40 members, particularly those that are shown as losers under our formula proposal. The details will be provided to DA in order that he can share the information with member authorities involved.

It was acknowledged that members of FMRT would need to take the lead in preparing the submission for f40.

9. Other matters

ESG – it is rumoured that the government will look to LAs to examine potential charging (of schools) to make up some of the lost ESG.

The issue of LA statutory requirements will need to be resolved.

DA again raised the question of a new funding league table. At present, and until High Needs and Early Years are fully resolved, the spreadsheet will show Schools block only in a league format.

DA mentioned that he has been approached by a London borough who are asking for details of f40's proposal. Agreed that the updated Narrative should be made available in due course. DA should point out to the London borough that the spreadsheet they have is out of date and will not now accurately reflect f40's position.

DA mentioned that he, MW and MJ will have discussions with representatives of NASUWT in London on 18 February.

DA mentioned that Andrew Minall and Executive Committee member Gillian Hayward are making a joint presentation on fair funding to a group of SW primary headteachers in Taunton on 18 March.

10. Next Meeting

DA to consider, in the light of an announcement on the Fair Funding consultation, a further FMRT meeting in early March.

END

F40/DA/1 February 2016