



## **F40 Meeting with the Rt Hon Damian Hinds MP, Secretary of State for Education – 25 June 2018**

### **Attendees:**

Rt Hon Damian Hinds MP, Secretary of State for Education

Tony Foot, Director of the Education Funding Group

Hannah Robinson, Deputy Principal Private Secretary

Eva Sharma, Funding Team

Jon Yates, Special Adviser to the Secretary of State

Cllr Ivan Ould, Chair of f40 and Lead Member, Children and Young People, Leicestershire CC

Cllr James McInnes, Chair-Elect of f40 and Cabinet Member, Children's Services & Schools, Devon CC

Cllr Gordon Jones. Cabinet Member, Children's Services, Education & Skills, Suffolk CC

Margaret Judd, Sufficiency & Funding Team Manager, Dorset CC

Julia Harnden, Funding Specialist, ASCL

Doug Allan, Secretary to f40

Following introductions, the SoS thanked the f40 representatives for coming to London and for hard work on fair funding over many years. The group are key stakeholders and it is hoped that the DfE and F40 can continue to work constructively together.

IO thanked the SoS for the invitation and said his point about future working is important to f40. The introduction of an NFF and the extra £1.3 billion of funding were welcomed by f40 but the group believes there is still much to do, as will be clear from our Briefing Paper. In f40's opinion, the NFF did not reflect the promises in the last election manifesto. We believe there is more to be done to achieve a fairer formula. Two years ago f40 created and submitted a detailed model to the DfE. F40 strongly believes that the government must be able to be precise about what it is buying when it funds schools. Our model did this. We thought it was worthy of consideration and we are about to work on an update, which we will share with DfE again.

IO said that f40 would like to see further developments to the NFF, with the amount of funding for basic entitlement, relative to the educational additional needs, being adjusted and an extra F to represent Fair (NFFF). We would like reassurance that the additional £1.3 billion is baselined for 2020/21 and beyond. SoS said that the £1.3 billion is part of the schools budget, although of course there can be no guarantees in the context of the next Spending Review. He also suggested that the NFF is a balance between fairness and stability.

JH indicated that she is present wearing two hats – as both an ASCL and f40 representative. The two organisations have agreed to work together to seek further developments of the NFF. She flagged up teacher recruitment and retention (R&R) as a critically important issue and referred to anecdotal information about a year 11 pupil who had had 55 different teachers over 10 subjects in 2 years, which may be an extreme example, but it makes an important point about retention. She expressed the hope that funding will be made available for pay awards and that the government will ensure that there is confidence in the marketplace. SoS suggested that he couldn't pre-empt the STRB

process but he fully recognises the importance of R&R. SoS said that as a former Employment Minister he fully understands the importance of pay levels and how the labour market works. He added that workload and job flexibility are also important to the retention issue – and he is keen to work with the sector on this.

MJ raised the problems associated with High Needs, which is rapidly becoming a critical issue for local authorities. Lack of funding and significant increase in demand (in all age groups but especially post 16) and complexity of need is putting enormous pressure on the system. It is important that all of our schools can take responsibility for all of their children, but as the financial pressures increase on schools' budgets, the ability and willingness for schools to take on more complex children within a mainstream setting is being challenged, resulting in more children being directed towards specialist provision and in more exclusions. It is worrying that there are currently no levers for LAs to apply to schools that do not act inclusively. IO added that in his opinion the High Needs system is broken. Parents have very high demands and aspirations and local authorities are increasingly unable to meet them. His LA may have to consider raising the threshold, which is not an ideal situation. But without additional funding LAs face a crisis. Additionally, the private sector has identified an opportunity to profit and is taking advantage of LAs.

The SoS said that there is more cash going into High Needs but he recognises that there are pressures and matters that need to be looked at. MJ suggested that f40 has some ideas for consideration and will raise them at a future meeting with the DfE team. TF said he would welcome such a conversation.

IO said it can be really difficult for LAs to deal with the delivery of High Needs when they do not have full control. Academies do not always deal with problems adequately and can be disruptive to the system, leaving LAs to pick up the pieces.

JM raised the question of planning time for schools and the potential advantage of a 3-4 year rolling budget programme. Schools need a greater degree of certainty – especially in the post-Brexit age. It is acknowledged that money is tight, but annual inflation increases for schools would be very helpful. SoS said he can see the advantages. He understands the problem but suggested that NFF should help in this direction as it is all about forward guidance.

GJ described the problems of transport demand and cost in rural areas. It's proving to be a big problem and he feels that the government missed a major opportunity in not adequately dealing with it under NFF.

JH said that whilst welcoming NFF, though it has not gone as far as f40/ASCL wanted in terms of closing the gap. There continue to be concerns about the end point of NFF. There is ongoing uncertainty among local authorities. SoS said whilst it is good to talk to f40 he must remember that there are other views and other pressure groups who want different outcomes. It's a balancing act and achieving the right balance is key. JH suggested that all groups would welcome certainty.

IO stated that NFF appears to have been designed to protect London Boroughs and other areas that have had better funding for many years. The SoS explained that that is not what the London representatives say to him, which is a clear demonstration of the difficulty.

IO also flagged up the question of differences in domestic rates bills between London Boroughs and the rest of the country. There is great imbalance in London's favour. SoS suggested that this was not a matter for him as Education Secretary but f40 should go through the detail of their concerns in discussions with the DfE team.

GJ suggested that Pupil Premium skews the deprivation situation. It was initially a short-term expedient which has ratcheted up over the years. SoS suggested there is no perfect way to deal with deprivation, but he will keep the PP under review.

GJ said that the problems associated with Early Years are creating real difficulties for LAs and providers. He suggested that a solution could be found at relatively little cost. SoS suggested that despite predictions that the 30 hour provision would fail, take up and feedback have been very positive. Work is underway to look at the costs of provision.

GJ said that the situation in rural areas is very likely different to the position in urban areas. There is an issue of flexibility that providers would like surrounding the 30 hours. SoS said that the 30-hour model is only one of the programmes available to support parents with childcare. Ratios make a big difference and patterns of use are also important. Quality of provision is the aim.

IO pointed out that the Business Rates aspect of the EY formula for distribution to LAs impacts unfairly on early years providers and the government should consider how to adjust the formula. MJ confirmed that she was happy to discuss this further with officials.

MJ said that the Minimum Funding Level (MFL) aspect of the formula was not protecting schools fairly. MFLs are applied to the whole school budget meaning that schools with no additional needs pupils receive exactly the same as schools with additional needs and the costs associated with those needs. If MFLs could be tweaked to take consideration of the additional needs of the school this would be fairer. It should also be noted that small schools do not receive MFL funding purely because of the mathematics of the method (where a small divisor will provide a larger value than the MFL value in nearly all cases). JH added that the consequence of this is that in some schools additional needs funding continues to subsidise core provision and vulnerable pupils who attract the additional funding may not have access to all the support they need.

JM extended an invitation to the SoS to visit Devon at an early date. The visit would involve f40's new Conservative Vice Chair Gary Streeter MP (South West Devon).

SoS said he would be happy to visit Devon in due course. He again thanked f40 for coming to meet him and for the positive stance on continuing the excellent working relationship. He undertook to examine the many points raised.

END

F40/26 June 2018