



F40 Meeting with Justine Greening, Secretary of State for Education – 29 November 2016

Attendees:

Rt Hon Justine Greening MP, Secretary of State for Education
Tony Foot, Director of the Funding Policy unit
Emma Coleridge, Funding Policy unit
Victoria Crawford, Special Adviser to Secretary of State
Alice Lakeman, PS to Secretary of State

CLLr Ivan Ould, Chair of f40 and Lead Member for Children and Young People at Leicestershire CC
Gillian Hayward, f40 Executive Member and Chair of Gloucestershire Schools' Forum
Martin Wade, Strategic Finance Manager, Children's and Schools, Cambridgeshire CC
Zahir Mohammed, Cabinet Member for Education and Skills, Buckinghamshire CC
Doug Allan, Secretary to f40.

Main Discussions Points:

SoS thanked the f40 representatives for coming to London and for hard work on fair funding over many years. The government is getting on with the job and, despite recent delay, is determined to resolve the fair funding problem – even though it is a very complicated issue. The government is trying to achieve a sustainable solution – not too sharp edged.

IO thanked SoS for giving up her time to meet f40, despite an extremely busy schedule. He said he had been involved in the campaign for 18 years and the group had always presented a quality and credible case for change. F40 had always been prepared to work with the DfE on proposals for improvement. The goal is a new national funding formula that is fair to all, as well as transparent. He welcomed Alex Chalk MP, one f40's new vice chairs.

SoS said that a fair and transparent formula is exactly what she is trying to achieve. She explained that she is still finalising the formula and planned to announce it shortly. As such she couldn't confirm any details in the meeting. On taking up her post, and as an accountant by profession, she recognised the importance of getting a new, realistic formula in place and she has been determined to get a sense of the different perspectives from different groups. The SoS indicated that she was aware of the many complications – what does equality and fairness mean in the core formula, what 'overlays' are required to meet specific cost pressures that some schools may face and that there's a plethora of other important things to take in to account.

IO said he was concerned about the Lump Sum variations and, in particular, ensuring that small rural schools could continue to be viable. The SoS agreed that rural schools and sparsity are important elements that need to be got right.

IO flagged up the difference in funding between neighbouring authorities (like his own, Leicestershire and Leicester City) and how the gap has grown over the years, causing dismay among LAs, schools and parents.

IO said he was also concerned about a continuing role for LAs in school funding and felt excessive centralisation would be a huge mistake with massive consequences for local management and flexible decision making.

AC said he was new to the f40 group, but since his election to Parliament had been committed to fair funding. He expressed the view that it is imperative that the poorest funded LAs see real improvement in their financial circumstances under the new formula. Anything else would be seen as failure by the electorate in many constituencies. The political fall out would be considerable. SoS said she understood the concern and recognised that MPs want to see fairness achieved.

SoS said she was conscious of the balance between traditional FSM measures and broader measures of deprivation, and she referred to the PM's language around 'just managing' groups.

On local flexibility and the role of the schools forum, the SoS has also reviewed this carefully and understands the arguments around having some degree of local flexibility. She recognises that there are risks in moving immediately to a hard national formula, which is one of the arguments for a transitional year of the soft formula.

SoS said that a new national funding formula is a monumental step and it is bound to be difficult to introduce a formula that pleases everyone. She is trying to blend an outcome that will be fair and equitable - a positive solution for the future.

AC asked what the reasoning is behind that approach and avoiding schools forums, which have played an important role in school finances for many years

On handling, the SoS outlined that this is about getting money to the frontline and that inevitably any formula driven by school characteristics would lead to discussion of school level funding figures. However, she could not confirm anything detailed at this point, prior to announcing the formula.

SoS suggested that there would be transition (to the hard formula approach) but the bottom line is that when you replace one formula with another it's impossible not to have gainers and losers. She acknowledged that London had done very well from the formula over many years.

GH appealed to SoS to consider even a short-term continuing involvement of LAs and schools forums in school funding. It would be very useful and helpful for continuity purposes. She said there is a tremendous amount of skill, expertise and experience that we are in danger of wasting. They know their schools and their areas.

ZM emphasised the importance of local decision-making and the need for flexibility. He suggested that allocating school funding and dealing with any overspends, is better handled locally.

IO expressed the view that it is important for LAs to be able to vire cash between the main Blocks, particularly to support High Needs. That sort of arrangement can only be undertaken at a local level. He also pointed out that his own “outstanding” schools have attracted pupils (but not their funding) from other areas, meaning his LA is overwhelmed by its own success! The LA is finding it difficult to cope.

SoS pointed out that she did not wish to pre-empt the 2nd Stage consultation, which is imminent. It will set out the findings from Stage 1 and proposals for a new formula, with amounts for all schools. We want it to be right and for it to reflect the changing school system in this country. She added that she is still in “listening” mode and the points raised today will be considered now and as part of the consultation.

MW raised the issues of ESG and Growth. On the former he suggested that LAs are looking for clarification of funding and functions, and on the latter he said that every new school opened had to be funded by existing budgets and this made it ever more difficult to manage.

Again, SoS said things would become clearer in the 2nd Stage consultation. Watch this space! She added that she is doing some work around school improvement more generally, and considering how to better share good practice nationally.

IO asked about the £500m that the former Chancellor, George Osborne, announced in his 2016 Budget was available to assist with transition. SoS referred to the £390m that had been made available as transitional relief, and that it had been baselined pending the introduction of the new formula.

ZM made a final plea for fairness in the new formula. He said that some LAs currently receive nearly twice as much per pupil as many of the poorest funded authorities in f40 membership.

SoS said that’s why we are planning a new formula and she hoped that f40 would be content with the proposals that will be part of the 2nd Stage consultation, which would start soon. She anticipated that it would last at least 12 weeks, and she wants to ensure there is a reasonable amount of time for people to engage properly.

SoS again thanked the f40 team.

END

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