



NOTES OF MEETING WITH EDUCATION & CHILDCARE MINISTER, SAM GYIMAH MP,
Sanctuary Building, Westminster

Thursday 18 June 2015

Present: Sam Gyimah MP, Parliamentary Under Secretary of State for Education & Childcare; Tom Goldman, Education Funding Group, DfE; Amy Orgill, Private Secretary

Ivan Ould, Chair of f40; Graham Stewart MP, Vice Chair of f40; Gillian Hayward, Chair of Gloucestershire Schools Forum; Gillian Allcroft, Policy Manager, NGA and Doug Allan, Secretary to f40.

The Minister thanked f40 for agreeing to meet him. He said the government recognises the unfairness of the existing funding formula, which shouldn't have been allowed to persist as long as it has, at least now the problem is acknowledged and there are manifesto commitments to do something about it. Prior to this meeting, the Minister said he had spoken to former f40 Vice Chair Robin Walker MP, who is now PPS to the Secretary of State, but remains a dedicated and committed supporter of fair funding.

SG asked for a candid discussion about f40's current aims and objectives, the timeframes and the how the group sees the politics playing out.

IO opened for f40 by highlighting some key issues that have impacted the poorest funded authorities, including political tweaking of the formula over the years, launch of DSG in 2005, pupil premium and most recently the method of calculation of the extra funding for the poorest LAs for 2015-6. He suggested that turbulence has never been a barrier to change in education funding in the past (e.g. imposition of DSG badly affected many LAs), so he could not see why it should be in seeking a fairer funding arrangement.

IO reminded the Minister that f40 argued that basing the extra funding of £390m on Schools Block alone was intrinsically wrong. Many poorly funded LAs were again disadvantaged, receiving little or nothing, basically because of historic decisions relating to use of Schools and High Needs blocks, which were perfectly legitimate at the time. GS said ERYC was one such authority, which initially was to benefit by a very small amount until his protests managed to get the amount slightly increased.

SG reiterated the government's manifesto commitment to base-lining the extra funding.

GS insisted that the extra funding had been very welcome but that a re-calculation would still be appropriate and beneficial for the poorest LAs. Only using the Schools Block was, in his opinion, perverse. He recognised that another look at the calculation would alter the list of winners and losers...but if it is fairer, than that is what matters.

IO raised the fact that f40's work on developing new funding proposals is being held back as the group awaits the outcomes of the reviews of High Needs and Early Years. We are updating our formula with 2015-16 figures, but only for Schools Block. He also mentioned that changes to funding arrangements has made it very difficult for a quick and easy assessment of where LAs stand.

IO encouraged the Minister to make an announcement as soon as possible on the base-lining of the extra funds, so that LAs could get on with forward planning. He added that many educational organisations – NAHT, ASCL, NGA and LGA – were supporting the fair funding case and calling for change, sooner rather than later.

SG asked if f40 sees Early Years as an essential part of the fair funding argument and GH said it is the rate that is critical – an uneconomic rate will create significant problems providers. SG asked how much money LAs move between Schools Block and Early Years and GH suggested very little, at least in Gloucestershire. This led SG to suggest that Early Years can be viewed as a separate issue whereas Schools and High Needs blocks are closely entwined.

SG asked if f40 has done any specific work around High Needs. It was pointed out that f40 is awaiting the outcome of the Isos research and subsequent government announcement. TG said it will be announced fairly soon, but it will identify possible factors rather than a formula. So there'll be a need for more work to be undertaken.

SG suggested that High Needs brings to the table a whole range of extra issues and stakeholders for the government, LAs, schools and parents. GH said that in her experience there is increasing demand for services, those services are more expensive, but there's less resource to deal with them. But you can't say to parents that their child can't have a particular services because of cost. In particular, child placements "out of area" can be prohibitively expensive. Yet, morally we have to deliver, regardless of cost. IO agreed that every day very important decisions are being made relating to High Needs.

In relation to pupil premium, IO repeated his point that a child in Shropshire with pupil premium is still worse funded than a child in Birmingham without pupil premium. Clearly that can't be right? He added that generally applying pupil premium on top of original deprivation funding, was a mistake which made the situation worse for many poorer LAs. SG said he would welcome examples of this type of situation.

SG asked if f40 was suggesting that pupil premium should be collapsed into main funding streams. IO said pupil premium is double funding of deprivation, but f40 would support the fairest methods of allocating education funding. He suggested that there is enough cash in the pupil premium to cover all deprivation, so any deprivation funding elsewhere in the formula is duplicated. GS said he was a supporter of pupil premium as, in his opinion it raises standards and bridges the funding gap to some extent.

GH said that in her LA, pupil premium has had quite positive impacts, for example, at her school the 5 GCSE, A*-C including English and maths gap had fallen from 36% to 12% (projected). She also referred to current Ofsted monitoring visit reports into how schools are using pupil premium, which could provide a stream of good stories on what can be achieved.

SG asked what f40 thinks about the use of FSM in relation to pupil premium. He pointed out that more low achieving pupils were not FSM than were FSM. There was agreement that it is quite crude, but a better indicator had been hard to find.

GS suggested that lifting all the poorest LAs to the average level of funding would be one of his priorities. In a period of reducing resources it is even more important to ensure that funding is fair and equitable.

SG asked if f40 has a view on the effectiveness of schools forums. GH, as the chair of Gloucestershire's School Forum, said that she believed most are effective, though she recognises the importance of getting the right mix of people and skills. She added that the forum is the one place where all education sectors come together. They deal with important matters of principle, making sure that locally the best decisions are made often under very difficult circumstances. Yet they have few decision-making powers – they are with the LA. Fortunately, in GH's case, the LA tends to listen to the Forum and acts on its recommendations. Generally, it can be a difficult job and they need to be supported, not attacked. IO added that his LA has never gone against a decision of its school forum, which is indicative of the very good professional relationship that has developed.

IO said it was important that the minister understands the huge funding differences between neighbouring LAs in many parts of the country. He raised the level of funding of Leicester City and Leicestershire CC as an example, but there are many more. Worse still, money does not travel with pupils when they cross borders to go to school. This is a ridiculous situation and he hopes that the government might deal with it. TG said the idea of pass-porting money could be looked at in any future reform to make funding fairer.

GS said that this was the essence of a new national funding formula. So we need commitment to NFF, though he had not actually seen those words or initials in the manifesto. So he called upon the minister to announce the government's intentions in this regard as soon as possible. He said that Conservative parliamentary colleagues have a real desire to see early action; if the government is going to do something, then it should do it now at the beginning of this administration. It's not about more money, just a commitment to fairness which can be achieved via redistribution.

IO said that he had given the SoS an undertaking the f40 would support the government if it moves on fair funding. The group would do all it can to assist in creating the best arguments, fostering the appropriate political climate and supporting the 'conversation' now and in the future.

The Minister again thanked f40 for a very frank discussion and he promised to keep in touch.