



F40 meeting with Department for Education, 7 April 2016. Held at Sanctuary Buildings, Westminster

DfE: Tony Foot and Tom Goldman.

F40: Ivan Ould (Chair of f40); Gillian Hayward (Gloucestershire), Margaret Judd (Dorset), Andrew Minall, (Hants) and Doug Allan (Secretary to f40)

1. Introductions

Both DfE and f40 representatives introduced themselves. F40's team was made up of members of both its Executive Committee and its LA finance managers research team (FMRT). The latter has worked on the funding formula proposals.

2. The latest Proposals from f40

DA had previously supplied the DfE with the latest f40 Spreadsheet and Narrative. MJ indicated what the significant differences are between the latest version and the previous version supplied in January. The most important variation stemmed from the inclusion of pupils and funding for non-recoupment academies (NRAs), which has resulted in the amount of additional DSG funding of £734.9m being required. TF indicated that the department has studied the proposals, which are a helpful contribution to the fair funding debate.

3. The Consultation

By way of introduction, TF stated that the meeting was one of a series that the DfE were holding with a wide range of interested parties as they have been developing their responses to the consultation. DA indicated that f40 has a draft Schools Block consultation response, which requires further minor work, and which might be influenced by the discussion at this meeting. The draft had not been provided to the DfE team at this point. F40 is still working on its High Needs response.

When asked why the DfE had opted for a two-stage consultation, TG stated that it was essentially because of the amount of detailed technical information involved. There was concern to get the foundation for change clearly established and to build from a firm starting point. The objective was to get the principles and basic design of the formulae right, so that DfE can then build on this in setting out proposed factor values and impacts. He said that the DfE is confident that the 2017-18 timeframe can be met, but conscious that time is tight.

TF indicated that the DfE was interested to hear f40's view of the 25 questions in the Schools Block consultation and it was agreed to consider them one at a time, with f40 raising its specific points and concerns as appropriate. The main issues discussed included:

- f40 regularly raised the question of whether the EFA will be able to reasonably deal with 23,000+ schools directly, and this was discussed.
- There was concern expressed about the impact of change on small 'necessary' schools. TG said that the Lump Sum is an important factor – and that DfE was conscious of the need to get the lump sum and sparsity balance right, particularly given the importance of supporting small rural schools.

- IO raised the point that LAs have incurred debt attached to school land and property, and that LAs would need to be adequately compensated if transfer is made to the DfE in these situations.
- IO asked if the £390m awarded in 2015-16 was being double counted in the current quoted figures (£500m available to support fair funding change). TF said that the £390m had already been baselined and there is no double counting.
- IO asked if the “winners” who shared the £390m were likely to be the main beneficiaries from the current proposals and TG said that was dependent on the outcome of the consultation. The main idea of the £500m was to ease the process of getting 90% of schools on to the new fair funding formula by 2020.
- GH asked about MATs and sought reassurances that there would be mechanisms that would ensure local flexibility. GH added that she also had concerns about the ability of schools to move between MATs.
- IO reiterated the view that local flexibility will be the big loser in the current plan – arguing that LAs and many schools will regret the loss of local accountability and flexibility LAs have provided.
- IO raised the point that creating a response to the DfE consultation had not been easy in the sense that f40 really needed the information/ figures that will come in Stage 2 to be sure that principles will lead to beneficial outcomes. On sight of the figures, it is possible that responders will take a different view on the principles.
- TG was interested to know why f40 was backing Ever6 FSM rather than IDACI. MJ and AM flagged up the discussion that f40 has had and how it had concluded that IDACI had too many shortcomings and is problematic.

TF and TG thanks f40 for the meeting and for being so open about their views and the consultation. They said they look forward to seeing the final submission.

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