



f40 Executive Committee Meeting

Saturday, 18 July 2018 at LGC Conference Centre, Westminster

1. Attendance and apologies

Present: Ivan Ould, Chair/Leics CC; Cllr James McInnes (Chair Elect/Devon CC); Doug Allan, (Secretary); Margaret Judd, (Dorset CC); Cllr Gordon Jones (Suffolk CC); Cllr Roger Gough (Kent CC); Cllr Nicole Meardon (Chester & Cheshire West); Cllr Michael Appleyard (Bucks CC); Cllr Peter Downes (Cambs Schools Forum); Carole Thomson, (Oxfordshire Schools Forum).

Apologies: Gary Streeter MP (Vice Chair); Cllr Hilary Hibbert-Biles (Oxfordshire CC); Bernadette Hunter, (Staffs Headteacher); Caroline Brand (Worcs); Gillian Allcroft,(NGA); Gillian Hayward (Gloucs); Julia Harnden (ASCL); Bob Standley (East Sussex CC); Edwina Grant (Education Consultant); Joe Jefferies (Nottinghamshire); Chris Chapman (Cheshire governor rep); Sue Alexander (Worcs CC); Sara Harding (Regency High School, Worcs); Christine Atkinson (ERYC).

2. Minutes of the meeting held 26 March 2018

The minutes of were **APPROVED** as a correct record of the meeting.

3. Appointment of Chair Elect

Cllr James McInnes was formally appointed to be chair elect. He will shadow the current postholder, Cllr Ivan Ould, until he takes the chair's position at the October meeting of the Executive. JMc thanked the committee for showing confidence in him and he said he looked forward to taking up the challenge of achieving a fairer NFF.

4. Appointment of Conservative Vice Chair

Gary Streeter MP (SW Devon) was warmly welcomed as the group's new Conservative Vice Chair. Gary had intended to be present at the meeting but due to pressure on his diary and urgent Parliamentary business, he had not been able to make it.

NM said that she would make approaches to MPs on her patch to see if one of them would be prepared to be a Labour Vice Chair.

5. Matters arising since last meeting: to be noted

- **Annual Conference 2018:** The notes of the annual conference held on 26 March 2018 were **agreed** as an accurate record of the event.
- **Headteachers' Survey:** DA outlined the main finding of the survey undertaken by the WorthLess? campaign in April 2018 with responses from 1500 headteachers:
 - To make budgets balance in 2018/19 60% of schools reduced staffing by one or more teacher(s) 80% reduced TAs / support staff by at least one – over 50% by 2 plus.
 - 90% of heads stated that under NFF they have no financial certainty for 'meaningful financial planning' beyond 1 year
 - 90% of schools use at least a portion of Pupil Premium funds to 'prop up core budgets'.
 - Half of the respondents use 50%+. In other words, heads are stating that money targeted for the poorest and most needy families is actually having to be used to keep the school budget afloat
 - 92% stated that the DfE 'has no realistic idea of how much it costs to effectively run a school'
 - 80% of schools that contribute to the Apprenticeship Levy don't get any benefit from it

- 15% of schools think that in real terms they are better off under NFF. 60% state that they are worse off.

The results of the survey were **NOTED**

- ASCL Collaboration: DA referred to the arrangement struck with ASCL for a joint working relationship. A news release was issued to announce the arrangement. ASCL Financial Consultant has joined the Executive Committee and become a member of FMRT. Members welcomed the development. **NOTED**
- LGA Special Interest Group: DA referred to his report to the LGA Leadership Board on the group's activities as a Special Interest Group. His report had been circulated. It was suggested that the text provided a good summary of f40's position and should be considered for use in the preparation of a succinct version of the f40 Briefing Paper. DA advised that SIG designation allowed the group 6 free meetings at the LGA each year. **NOTED**
- Education Select Committee: DA referred to the two submissions on Schools Block and High Needs made to the Education Select Committee on 30 May 2018. He indicated that f40 had volunteered to attend to give oral evidence but had not been invited. It is understood that the Schools enquiry is now closed though the High Needs enquiry is ongoing. IO suggested that our new VC should be asked to seek a meeting with the Chair of the Education Select Committee (Robert Halfon MP) to discuss f40's position. **AGREED** – DA to follow up.
- Finance Managers Research Team (FMRT): The minutes of the FMRT meeting held on 25 June had previously been circulated.
 - The key information missing from the Briefing Paper is the detail relating to the shortfall in funding for the Schools, High Needs and Early Years Blocks. The f40 formula created two years ago showed a requirement for £2billion of extra funding. The NFF gave an additional £1.3bn for 2018-19 and 2019-20. At this stage it is unclear to f40 how much of £1.3bn was to meet additional pupil numbers and how much was a real increase. This was also before 0.5% minimum increase and MFLs. We hope to be able to identify the shortfall in due course.
 - F40 has asked the DfE for the detailed datasets required to be able to work out the details and these are expected late July. DA reported that the financial consultant used to help with number crunching had had concerns about signing the necessary DfE authorisation but that problem now appears to be resolved.
 - A suggestion to draw a ring-fence around the High Needs Block and the additional needs elements of the Schools Block (and call it the Additional Needs Block) thus removing the process of agreeing place numbers, and also allowing LAs freedom on how to allocate additional needs funding (including formula, weightings etc.) was discussed. Members could see the logic though if there is a hard formula (as we think there will be) most local flexibility will disappear. But local wriggle room would be beneficial. CT was worried that if there is insufficient cash in the AWPU element of the Schools Block in the first place, removing the Additional Needs element would simply exacerbate the problems, creating hours of discussion about how to proceed. IO said that only a soft formula is likely to mean a future for schools forums. The ring fencing idea was given a cautious welcome and there was agreement in favour of passing place number allocation to LAs without the need for the place process.
 - CT asked if we really want flexibility to move funding between blocks? Oxfordshire Schools Forum was put in an invidious position and had a really intense discussion around the request to transfer funding to the HN block which in the end it refused. She wondered if the system could operate fairly or if it would exacerbate the problem of robbing Peter to pay Paul which has been increasingly difficult as cost pressures have risen.
 - PD suggested that f40 should press for a change in the lump sum allocation as he fears that the smallest schools will be put at risk by the current scheme where all schools get

the same lump sum. He had undertaken some calculations which, whilst keeping within the same total amount allocated to the lump sum, rearranged the allocation to better reflect the impact of school size. JMc pointed out that LAs have in the past, and now as we move towards full NFF, tended to deal with allocations differently. CT suggested that sparsity creates some significant problems and there's a legal presumption against closure of small schools, suggesting they are 'necessary'. GJ said he had had to close some small schools even against the wishes of parents and communities: it's a matter of needs must. NM said that in her LA small schools don't attract sparsity and small schools are currently looking at ways of becoming sustainable, such as federation. NM added that small schools also have problems with capital expenditure (or lack of it!). CT suggested discussions with the Church of England which has recently prepared a paper on small school closures, but others disagreed with the idea. MA added that schools in Buckinghamshire appear adamant that there'll be no transfers from Schools to High Needs Block once full NFF is in place. In conclusion, it was agreed that f40 should continue to argue for a soft formula which would allow LAs flexibility. We should promote the idea of one lump sum (around £110,000) for secondaries and potentially a different figure/figures for primaries, examine ways that AEN can be used to incentivise schools to be inclusive and seek changes to how sparsity works and how it is allowed to support small schools. Whatever is decided, it must be simple.

- Members agreed that High Needs is a national issue and that a national solution is required. A common approach is desirable, and the government must determine the right quantum of funding and index-link it. This needs to take into account the increasing demands of higher needs as medical improvements take place. It also needs to retrospectively support the increase in post-19 demand for education. In addition to cash problems, there are real inconsistencies across the country and without quality research these will continue. IO was interested in the LA figures on High Needs contained in the FMRT minutes and wondered if there was a table bringing together similar figures for all LAs. Unfortunately, such a table is not available, though the idea should be suggested to the DfE. The idea of f40 undertaking some benchmarking was raised – what do our members fund, what does it cover and what are the differences in approach.
- Although it is seen as much less of an issue than High Needs, members expressed concern about the Early Years national formula which it is felt is not fit for purpose and must change asap. We require an appropriate quantum of funding for early years providers. It was noted that there have been no universal increases in funding rates for early years providers, yet the cost of introduction of the living wage is having a significantly greater impact on nursery sector costs than is the case for employers generally. In addition, providers are expected to provide more of their working week at the national funding rate (whereas before the introduction of the entitlement of 30 hours for working parents, the nursery had over 50% of the working week to make up the cost difference) and employer on-costs have risen separately from the living wage. GJ said there is a particular problem in rural areas where the economies of scale are non-existent, and providers are opting out. NM said her LA is trying to be creative and innovative but it's a struggle and providers are finding it increasingly difficult to provide early education. CT referred to the associated issue - nursery schools – operating in areas of deprivation that are supporting particularly vulnerable children that have no prospect of surviving if they are only allocated funding under the EY formula. MJ is planning to prepare a short paper highlighting the problems and suggesting some solutions.

- Central Schools Services Block continues to be a very critical issue for LAs and it should be on any agenda for a meeting with the DfE, which will be sought once the dataset number crunching is completed.
- **Meeting with Secretary of State:** Notes of a meeting on 25 June 2018 with Damien Hinds MP, Secretary of State for Education had previously been circulated. JMc said it was reassuring that the SoS highlighted the importance of his department maintaining a good working relationship with f40. He added that the SoS didn't commit to anything but appeared to be listening. CT said that she had heard the SoS speak recently and he had acknowledged that although there is more money there is growth in pupil numbers and more demands on schools and budgets are tight. Nonetheless, IO is concerned about the strength of activity at the department with regards ensuring that extra funds are made available in the next budget and CSR, and in the more immediate future that teachers' salary increases are fully funded. **NOTED**
- **Collaboration Meetings:** DA referred to the collaboration meeting held on 3 July (the organiser's and DA's notes previously circulated) and explained the hopes and aspirations for joint action and information sharing between all parties campaigning for fair funding for schools, whilst all groups maintain their own identity, policies and action plans. The key outcomes were: cooperation to determine the 4 or 5 key messages and shortfall amounts, sharing of expertise and information, planning of events. The collaborators recognised that f40 has a successful MP's Briefing process and asked the Executive committee to consider a shared briefing involving other collaborators. There was a discussion about this but it was **AGREED** that f40 will maintain its current approach to MP's Briefings. Also **AGREED** that f40 representatives should work where appropriate with the collaboration group and attend the next meeting on 21 September.

6. Briefing Paper and Action Plan

DA explained how the paper had been developed, approved and distributed. As f40's detailed position statement it is fluid and will develop further over time. It was agreed that f40's Briefing Papers are an important tool presenting an all-party local authority/school perspective and they should continue to be prepared and presented by the group. It is accepted that elements may well be adopted by other collaborators. It was suggested that f40's requirement for needs-led analysis should be prominent in a revised version.

It is recognised that a much shorter and sharper version is required, particularly in time for the MP's briefing in October and for use as a tool in the collaboration process. DA will prepare and circulate for approval.

- First discussion with Gary Streeter MP, new Vice Chair: DA had previously circulated a note of a meeting held with the Vice Chair. The key points agreed are that MPs require a shorter, more succinct Briefing Paper, an MP's Briefing will be held on Monday 15 October in Parliament, DA will issue invitations to MPs in September, GS will sponsor the meeting and his office will arrange the accommodation, GS will begin to get involved in education debates and will consider opportunities for Parliamentary Questions.
- League Table: DA and MJ explained that under the old GUFs system there was a league table showing the positions of all 150 LAs. This was extremely useful as a tool and DA indicated that if possible it would be useful to have a post-NFF league table. MPs and journalists, as well as schools, parents etc are interested in how their LA rates against others. It would also help identify those authorities that should be approached to join f40. MJ said that various attempts at creating a funding league table proved that there is no easy solution now that there are four or more blocks of funding. Members recognised the value of a league table and the difficulties in creating one that is simple and easy to understand. **AGREED** that we

should develop a table with a maximum of two figures (combined SUF/PUF, divided by total schools block pupils) and overall DSG (divided by Schools Block plus Early Years FTE plus High Needs Block Pupils Numbers taken from the DfE 2018-19 DSG Pupil Number Tool). A financial figure indicating the difference in funding from the lowest to the highest was also agreed. MJ will undertake some additional work to finalise the table.

- **MATs:** At the previous Executive Committee meeting it was agreed that DA should create a database of MATs operating in f40 areas. About a third of f40 members provided information, but the project has now stalled. It was **AGREED** that the database would still be useful and DA should endeavour to complete the task.
- **Grammar School Funding:** there was a short discussion about the extra £50m funding that the government has recently announced for existing grammar schools. The extra provision created some concern though some members acknowledged that one size doesn't fit all!
- **F40 meeting with DfE:** DA suggested that the next meeting with the DfE could only take place after FMRT has undertaken the intended number crunching and had the chance to develop calculations of the current shortfall in funding. FMRT plan to meet on either 24 or 27 September, so a DfE meeting is unlikely to be held before October.

7. Succession Planning - Secretary

The question of DA's forthcoming retirement as Secretary was discussed. DA intends to retire on the 31 March 2019. DA presented an option that would see DTW providing a senior manager from the company to take over from DA, thus maintaining the arrangement developed over 20+ years and ensuring continuity of service from DTW. Members expressed some concern that the group could be found wanting if it failed to follow procurement procedures. **AGREED** that IO will seek legal advice from his LA. DA pointed out that if quotations are sought he, as an employee of DTW, would be barred from being involved in the process (presuming DTW decide to bid for the contract).

8. Membership Report & Financial Update

DA reported that the number of fully paid up members in 2018-19 is currently 40. One other LA intends to pay the subscription in due course. Nottinghamshire has resigned. Members have been charged a reduced fee of £500 this financial year. DA reported that the group has a healthy bank balance.

9. Data Protection – GDPR Legislation

DA reported that he had put in place suitable arrangements in relation to GDPR.

10. Dates/Venues of future Executive Committees

The next meeting is currently scheduled for Wednesday 17 October 2018 at the LGA offices in London, but as many members intend to be at the MP's Briefing on Monday 15 October it would make sense to hold both meetings on that day. DA confirms that accommodation at the LGA is now booked for the Executive at **1pm on Monday 15 October 2018**.

Suggested dates for the final meeting of 2018-19 is Wednesday 16 January 2019.

Proposed dates for meetings in 2019-20 are: 17 April 2019, 17 July 2019, 16 October 2019 and 22 January 2020

Members are asked to ensure that these dates are in their diary.