



Note of meeting with DfE held on Wednesday, October 16, 2019

DfE:

- Tony Foot, Director, Funding and Analysis Directorate, Early Years and Schools Group
- Tom Goldman, Deputy Director, Funding Policy Unit
- Maria Brennan, Funding Policy Unit

f40:

- Cllr James McInnes, Chair of f40 and Cabinet Member for Children and Schools, Devon CC
- Cllr Michael Appleyard, Deputy Chair of f40, Cabinet Member for Education and Skills, Buckinghamshire CC
- Margaret Judd, f40 Executive Member, Sufficiency & Funding Team Manager, Dorset Council
- Andrew Minall, Head of Education Financial Services, Hampshire CC
- Karen Westcott, Secretary of f40

1 Introductions

2 Discussion

JMcl thanked the DfE team for the opportunity to meet again to continue the discussion around school funding and the National Funding Formula.

JMcl said f40 appreciated the ongoing dialogue with the DfE about school funding, was very keen to continue the relationship and to offer support wherever possible as the NFF was further developed and improved.

JMcl said f40 welcomed the Government's three-year funding pledge, particularly the emphasis on fairness and the timeframe in which the DfE was looking to start redressing the balance of fairness in school funding. He said f40 appreciated that it was being tackled more quickly than anticipated.

He said the three-year funding package had been particularly welcomed as f40 would like to see a three-year rolling programme for funding so that schools can better plan their finances.

JMcl said the funding pledge was a big step in the right direction but more still needed to be invested between now and 2023, particularly around SEND.

TF agreed the meetings with f40 were helpful.

TF confirmed that the additional funding was committed in the recent Spending Round publication, with the final settlement for schools covering the next three years.

TF said once the figures were released showing the impact of the funding pledge on individual authorities and schools, people could begin to understand better what the numbers meant, beyond the increase to £3,750 for each primary school pupil, and £5,000 for each secondary school pupil.

He said schools and local authorities could now see the investment in schools for 2020-21, increasing all of the key factors in the NFF by 4%, which will further benefit school budgets.

JMcl said while f40 was happy to be part of the Collaboration group, with the NEU, NAHT and ASCL, on areas where everyone was aligned (such as on the required funding figures for education), f40 remained an independent organisation.

Schools Block

TG said the final figures for next year's education funding had been released and they were largely grouped in three areas:

- He said the 2020-21 NFF funding floor was set at 1.84%, in line with the latest forecast GDP deflator. This means that every school will attract an increase in their pupil-led funding of at least 1.84%, compared to their funding floor baseline. TG said they had used 2019-20 NFF allocations as the baseline for applying the funding floor.
- In 2020/21 all of the key factors in the NFF will be raised by 4%, which will further benefit school budgets.
- MPPFL have been raised to £3,750 for primary schools and £5,000 for secondary school pupils.

He said the detail had been reinforced and the Government intended to now move towards a hard formula as part of the NFF.

TG said Government wanted to move to a completely hard funding formula and wished to do it with consultation and discussion to agree a sensible timeframe and methodology, with the aim of speeding up the process and avoiding unnecessary delay.

He said there were issues over boundaries and what flexibility was required. He acknowledged it was a large piece of work but said the DfE was beginning to scope it out.

TG said they realised that the funding Blocks needed to be balanced, too, and that would be one aspect of the work ahead.

JMcl said from f40's perspective, members felt it was important that local authorities could continue to transfer funds between the Blocks.

AM said the pressures on small and rural schools continued to be an issue as they did not receive sufficient money through the MPPFL to run a school.

AM said it was really important that the minimum per pupil funding was based only on the basic allocations i.e. excluding additional needs, and provided sufficient funds to run a school, including

- small,
- rural (recruitment and coastal worker deprivation and mobility) and
- coastal schools (recruitment and coastal worker deprivation and mobility)

MJ said f40 wanted a funding formula that paid enough to schools to operate, before any payments were added on for additional needs, so negating the need for MPPFL.

MJ said that at the introduction of the NFF it had been stated that there was also a group of youngsters that was not being picked up as requiring extra funding, hence the need for the MPPFL. MJ questioned whether those pupils were gifted and talented?

TG said teachers were giving extra support to individual gifted and talented children, however, putting figures on it was difficult.

AM said as the MPPFL goes up, it will have perverse incentives on mainstream schools being inclusive of children with SEND. He said it made more financial sense for schools not to be inclusive.

MJ said schools believed they needed children to have EHCPs in order to get additional funding.

And MJ said while the additional money for schools this year was appreciated, it was really only allowing schools to stand still. She said she had advised schools not to go out and buy anything more than they had this year.

MJ said schools could not afford the pastoral care needed for children with SEND, which made it difficult for them to be inclusive.

TF said it was about getting the £6,000 funding that schools needed to pay for SEND children right and getting the incentives aligned.

JMcl asked if Government could be more vocal about the need for mainstream schools to be more inclusive and what was expected of mainstream schools.

And AM asked if it was possible for the £6,000 figure that schools needed to pay for SEND children to be changed to incentivise schools.

TG said they were looking at that as part of the recent consultation on high needs funding, but whatever changes they made, they needed to consider the knock-on effects of them to ensure other problems were not created down the line.

TG also said teachers' pay and pension grants were going to stay and will be full-year grants going forward, instead of part-year.

TG encouraged local authorities and schools to contribute to the MPPFL consultation. He said all comments would be considered.

MA said schools were being required by default to carry out services that were previously done by local authorities. Funding in schools for this was not clear, and schools are not in a position to sponsor (in terms of funding, capacity or ambition), authority-wide schemes, which will leave some gaps in provision. Individual schools did not have the expertise or capacity to bring pressure to bear on other schools not willing to follow up Government initiatives.

He said the majority of schools were unlikely to do anything, other than focus on basic needs in their school, so Government schemes were unlikely to be delivered. Furthermore, schools were already complaining that they were not funded to deliver projects outside of their school.

Early Years

TG said Early Years had received some extra funding. He said the aim was to get the figures out on Early Years by the end of October.

He said he realised that people wanted more long-term clarity on maintained nursery schools.

AM said f40 would be happy if the same NFF lump sum was applied to maintained nurseries.

High Needs Block

JMcl said from f40's perspective, members felt it was important that local authorities could continue to transfer funds between the Schools Block to the High Needs Block.

JMcl said his own experience with SEND budgets in Devon was that the council already had a deficit of more than £18m when only eight months through the financial year. He said the council was grateful that it would receive £2m extra funding next year, but it would not be enough to meet demand or fill the funding gap – and then there was the current deficit to think about.

JMcl said there was a huge overspend in SEND and councils and schools would like guidance on how to deal with it.

He said local authorities had previously been able to transfer a portion of funding from Schools Block to High Needs Block, but if they were no longer able to do that, what should they do if SEND budgets did not meet demand?

TG said that he fully recognised that the funding pledge was only part of the answer. He said it was about looking at policy changes to allow the support that children with SEND needed, and for it to be delivered in a more suitable fashion.

AM said, at a time of acute pressure on High Needs, the need to enable and incentivise greater inclusion in all mainstream schools was critical. He said The MPPF could mean that for some schools, any additional need-funding for taking a more vulnerable child would be lost through a reduction in minimum per pupil funding.

AM asked what consideration the department was giving to the implications of extending this factor, which in many ways works against a fair funding formula with basic pupil funding provided to meet universal pupil need and additional need-funding provided where more support was necessary?

And MA asked if the Government could give more guidance around how schools and local authorities should deal with the SEND demand and the challenge of funding it. He said councils were constantly trying to think of ways to make savings and he said local authorities spoke with each other about how they were approaching the issue, but he said guidelines from the DfE would be helpful.

TG said the DfE was still working through submissions following the Call for Evidence it held in the summer. He said the workshops that were held were really appreciated as many people said they never got a chance to talk to each other. TG said there was a possibility that the DfE could facilitate information-sharing workshops for local authorities.

MJ said local authorities talking to each other would be great, especially if there was some guidance from the DfE in the background.

TG said one of the things the Government was doing with the SEND review was to work closely with the Department of Health and Social Care.

JMcl urged the Government to relieve some of the pressure on the building of new special schools. He said in Devon, it took a year before the first sod could be cut for a new school for SEND pupils, which put additional pressure on the system.

AM said in Hampshire they were desperate for more SEND capacity, as were many areas. He said new spaces were needed, and satellite provision in schools was not ideal.

JMcl asked what would happen to all of the deficit budgets that local authorities currently had for SEND?

TG said the DfE and local authorities needed to work through it. He said the intention was to get to a situation where SEND was stabilised and the numbers of pupils on EHCPs was no longer growing, so it could be dealt with in a measured way. He said the money would need to be paid back, but it did not need to be paid off immediately.

General

JMCI asked what oversight the Government had of money that was given to Multi Academy Trusts (MATs) and how it was distributed to schools within MATs as he believed not all budgets were split across schools fairly, depending on the choice of the trusts.

TF said the Regional Schools Commissioners and ESFA had oversight of that and he did not believe that it happened significantly.

AM said he believed MATs had different levers they could pull to distribute funds where they wanted to.

Ends