



## **f40 Executive Committee Meeting**

**Monday, March 8, 2021 – Conference call**

### **1. Attendances, apologies, and changes to committee membership**

**Present:** Cllr James McInnes (Chair); Karen Westcott (Secretary); Emily Proffitt (Staffs headteacher and Dep Chair); Matt Western MP (Labour Vice Chair); Margaret Judd (Dorset Council); Andrew Minall (Hamp); Peter Downes (Cambs Schools Forum); Jackie Smith (CEO Brunel SEN MAT & Uplands Educational Trust); Christine Atkinson (East Riding of Yorkshire); Cllr Mary Evans (Suffolk CC); Carole Thomson (Oxfordshire Schools Forum); Richard Soper (Worc Community Trust); Phil Haslett (Glos CC); Annette Perrington (Swindon); Julia Harnden (ASCL); Steve Edmonds (NGA); Deborah Taylor (Leic).

**Apologies:** Cllr Richard Long (Kent); Cllr Laura Mayes (Wiltshire); Alex Dale (Derbyshire); Bob Standley (East Sussex); Layla Moran MP (Lib Dem Vice Chair).

### **2. Minutes of the meeting held on 9 December 2020**

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

### **3. Meeting with Vice Chair Layla Moran MP on Jan 21, 2021 – noted**

EP updated members on the meeting with Layla Moran MP and said it was a good meeting. EP said that LM had explained how everything in Government was revolving around Covid at the moment, and it was very difficult to push an issue that was not linked to Covid. Referring to the issue of SEND funding, LM said in order for it to be prioritised it needed to be linked to Covid. She said she was looking at how Covid had impacted on special needs.

JS said in terms of SEND, Covid had made the problem more complex. She said she was still having to spend £2,000 a week on PPE across her trust. She said there was a number of pupils who were clinically vulnerable, so dealing with Covid had been difficult. JS said in many ways, Covid had sharpened the issue.

She said her special school academy trust had a deficit and she had no answers as to how the deficit was to be closed.

ME said she was concerned about what was going to happen with SEND post Covid. She asked what Matt Western MP thought would happen with SEND funding in the near future.

MW said he did not think SEND was a priority for the Government. He said he had seen in his constituency in Warwickshire the pressure placed on SEND budgets and he feared it would only get worse.

He said everyone had seen what was happening with nurses' pay. He said nurses had been promised a 2% increase last year but had actually only been offered 1% this year. MW said he felt it would be indicative of what was going to happen across the board, especially with local authorities. He said he didn't think SEND would be the priority it deserved to be.

MW said in terms of rebalancing the National Funding Formula, he felt it may be seen as too difficult to deal with right now by Government, so nothing further happens in the short-term.

JMcl said he had heard that the SEND review had been resumed and would be reporting back to Government in the spring. He said he hoped that was the case.

He asked if MW could ask a question in Parliament about the SEND review and when it would be reported back, and then acted upon. MW agreed.

JMcl said if Covid had not happened, SEND would be the biggest single issue in education funding, and once Covid had subsided it would once again be the biggest issue. He said it needed to be dealt with as local authorities had growing deficit SEND budgets.

AP said Swindon Borough Council was in the process of looking at its DSG recovery plan but was unable to look at reducing the deficit properly because they were so busy trying to get the books to balance in-year. She said local authorities were in an impossible position and were not permitted to move general funds to help support SEND, even if they wished to.

She said she appreciated the honesty of MW, that SEND children were unlikely to be prioritised. She said they deserved attention and it seemed that because the issue was difficult to solve, they can get kicked further down the road. In the meantime, she said local authorities were in the middle of parents and schools, unable to please either.

4. **Meeting with Vice Chair Sir Gary Streeter MP on March 9, 2021** – noted
5. **f40 campaign plan for 2021 circulated to members and MPs** – noted
6. **SEND survey finalised and circulated to members, DfE, MPs and participants** – noted

Chair JMcl thanked MJ and the team for working on the SEND survey. He said a lot of work had gone into the survey and it had been well received by members.

7. **Evidence on extra school Covid costs sent to DfE** – noted
8. **f40 response to DfE consultation on high needs funding**

AM presented the DfE's consultation questions on high needs funding to members, outlining initial thoughts on what f40's submission feedback could be. He urged members to give their thoughts on the aspects of high needs funding they wished to prioritise and to suggest ways that f40's submission could be enhanced.

**Q1 Do you agree that we should replace the current lump sum included in the formula calculation with an amount calculated on the basis of actual local authority expenditure, as reported by each local authority?**

AM suggested that f40 choose the 'unsure' option.

He said the phased removal of an historic funding factor by levelling up local authority funding should be a priority to ensure equity of access for children and young people to an equivalent level of support.

Significant changes to the types and complexity of needs for children, services and support required had occurred since 2017-18, therefore, funding being allocated on that basis would not be reflective of current circumstances.

The types and breadth of services on offer were all heavily influenced by the historic funding made available, therefore, continued use would perpetuate the inequality of access to support for children and young people. He said the proposed change did little to rectify this inequality beyond recognising the increased pressures experienced across all local authorities and to what extent these could be contained.

CT said she agreed that calculating high needs funding on historic funding was basing it on what authorities have always had, rather than what they needed. She believed capping should also be removed.

PH said in Gloucestershire the analysis showed that changes to the historic factor of high needs funding would make very little difference without a change to quantum of funding as well.

AP said she believed not all authorities fully understood the impact of changes to funding relating to the post-19s. She said the changes had resulted in a great deal more work and impact on budgets as the funding now had to cater to people with special educational needs up to age 25.

**Q2 Do you think that we should increase the percentage of actual expenditure in 2017-18 included in the funding formula calculation, or leave it at 50%?**

AM said steps had been taken by the Department to achieve this in recent years, so it was unclear why it would now consider reversing this approach and move back to a system of historic funding – which it previously stated it wished to end.

He said, as outlined in Q1, historic spend was not reflective of the current needs of children or equitable access to services and support required, therefore, it was difficult to justify a large proportion of the total funding being allocated on that basis.

By continuing to use an historic spend factor, it would perpetuate the current inequality of funding distribution, with any increase in its use discriminating further against children in certain areas by denying them access to an equivalent level of service.

He suggested the Department should continue its current approach of directing any new funding to the responsive elements of the formula, ensuring continued protection for historic spend coupled with the funding floor, while over time increasing the proportion of funding that reflected current need.

AM said if the Department considered that another form of protection mechanism was required it should be considered against current costs and applied equitably to all.

He suggested f40 should choose the option to decrease the percentage of historic funding.

**Q3 To what extent do you agree that the funding formula should include factors that reflect historical local demand for and supply of SEND and AP provision? If you have any suggestions for such factors that could eventually replace the historic spend factor.**

AM said f40 was choosing to strongly disagree with this.

He said historic spend was not reflective of the current needs of children, with the increases in provision post-19 a particular example. In addition, access to services and support for young people had been heavily influenced by the historic level of funding available, leading

to inconsistent levels of provision. The Department should continue to seek to manage this gradually out of the formula over time, he said.

AM said he believed population should be the default method of allocation of funding, given the general propensity for SEN within the wider population. Additional factors should only be included if they could clearly and objectively evidence that they would make a material difference to the general measure of population on an area basis.

Recognising the Department had greater access to draw conclusions on the availability and quality of data, it's difficult to provide firm proposals of other factors, but options could include:

Population – the formula currently only reflects the 0-18 population, however, following the reforms, the High Needs Block was now meeting costs from 0-25. Whilst we recognise not all the population would be relevant, a subset could be considered – potentially on a similar basis to the ever6 measure e.g., post-18 and with an EHCP for XX years.

JS said she agreed that as the population grew, so did the number of young people with SEND. Therefore, historical funding did not meet today's needs. However, she said as the population increased, so did the complexity of need among young people with SEND. She said the rate of young people diagnosed with autism was outstripping the percentage growth in the population – it was a steeper curve.

She said a number of special schools now had sixth forms. She said there was now a 14<sup>th</sup> year group for young people with special educational needs still in education, and funding needed to increase.

She said f40 should include in its consultation submission the impact that complexity of need has on funding, as well as the increase in autism cases.

CT said she did not think funding should just be about population. She said there were other factors that could be considered too, e.g. having a major teaching hospital which acted as a regional hub. She said she believed expensive support services for the most extreme, complex needs e.g. above £100K p.a. should be met centrally, instead of by local authorities.

#### **Q4 Do you agree with our proposal to update the low attainment factors using data from 2016, and to substitute the most recent 2019 data in place of the missing 2020 attainment data?**

AM said f40 proposed to disagree with this point.

He said it was important that the factors within the formula reflected the most recent, as far as possible, level of need, therefore, f40 agreed that the data set should be updated regularly.

He said the proposal had some merit and f40 recognised the challenges regarding the 2020 data, however, this suggested approach placed a great deal of significance on the data set from 2019, particularly if it was used in place of both 2020 and 2021 data. It would then remain a feature beyond this period for many years until the rolling average moved on.

Given the significance placed on the 2019 data, the question was, therefore, how representative this year's data would be for all local authorities. A particularly good or bad year outside of the norm could potentially have lasting effects on their funding levels.

AM said an alternative approach would be to take the average of the 2016-2019 period, which would smooth out any potential anomalies in a single year.

As outlined in question 5, he said f40 also suggested the Department review this and the other existing factors used within the formula to establish whether there was, indeed, good evidence to support its use as a proxy and make a material difference in distribution or whether the broader population measure would be sufficient.

CT said the proxy factors used by the Department to decide how much funding schools and local authorities received were appalling at individual school level. She said different factors should be used, including deprivation measures.

AP said a percentage of low attainment was linked to deprivation and schools in deprived areas tended to need more funding for early intervention, as well as SEND. She said they faced many problems.

AP agreed with CT and suggested the Income Deprivation Affecting Children Index (IDACI) may be useful to help gauge funding levels. She said demographics by household would be useful.

She said using low attainment as a proxy for funding was not good, and instead she believed population and deprivation should be factors.

MJ said f40 had struggled with IDACI because it worked well in urban areas but was less efficient in rural communities. She said the points raised would be considered.

**Q5 If you wish to offer ideas on factors that could be added to the current formula, or that could replace the current proxies, please provide further details.**

AM said, as outlined in Q3, population should be the default method of allocation of funding for high needs given the general propensity for SEN within the wider population, with additional factors only included if they could clearly and objectively evidence it would make a material difference to the general measure of population on an area basis.

He suggested f40 recommend that the DfE review the existing factors used within the formula to establish whether they did make a material difference in distribution or whether the broader population measure would be sufficient. He said this may provide an opportunity to simplify the formula and support greater transparency and understanding.

AM said whilst deprivation may have some bearing, particularly for lower end need and early intervention (schools action/school action plus), it was likely this in itself was proxy for other factors that may have a bearing on the propensity for SEN. Income deprivation, in itself, should not have a significant impact on the likelihood of children having additional needs. He said the formula should use primary indicators, with care to ensure that deprivation does not double count needs identified elsewhere.

He said other factors for consideration could include: premature/traumatic births; child mortality rates; post-18 population with data linked to EHCPs (see Q3) or linked to adult social care data.

AM said the outcomes of the SEND review was also likely to have a significant bearing on the relevance of indicators, particularly if proposals were made to improve clarity and consistency around the definition of SEND. For example, the current lack of clarity around responsibilities to fund elements of EHCPs may make health or social care indicators more

relevant. Equally, mainstream schools played a key role in meeting high needs, therefore, the significance of their role would have a bearing on what proxies should be used.

AP said she understood everyone's concerns around deprivation, but said deprivation often led to a higher need for SEND support, especially early intervention. She said there were lots of interventions required in deprived homes.

JMcI said f40 needed to be careful because sometimes small pockets of deprivation were not identified so additional funding was not forthcoming.

PH said f40 should remember that the consultation was just to look at funding for a year, until the findings of the SEND review were released, so it could be a holding position for SEND funding. However, it could be the right time for f40 to make recommendations for the long-term.

He said historic funding had caused problems in Gloucestershire. He said perhaps in the past the local authority had not spent as much as it could have done on SEND and so was not being funded to the required level now.

He said f40 should be looking at what steps should be taken in the long-term. He said he believed there should be some national consistency to SEND funding and SEND support, and that it should be needs-led. At present, he said the system was open to local interpretation.

PH said the current SEND funding system had left Gloucestershire in a funding hole that it was struggling to get out of.

**Q6 Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change. Before answering this question, please refer to Annex C of the consultation document.**

AM said use of historic spend in the formula would continue the inequality of access to support for children and young people, and it was also not reflective of the current level of need.

In considering the wider context of the High Needs Block alongside the equalities assessment there were other concerns. With the ringfencing of the Blocks within the DSG, and the relationship with the LA budget clarified to state that there is no expectation that DSG was supported from general funds, the High Needs Block becomes all that is available for high needs pupils. This position is likely to become even more locked in with the DfE's intention to implement a hard NFF "shortly".

AM said this, therefore, meant that the High Needs Block needed to be sufficient for all the requirements placed on it through SEND legislation. He asked how the DfE could ensure there would be no disability discrimination as an unintended consequence of the actions it was currently taking or would shortly take? He asked how it could be sure that the amount that LAs received was enough?

AM outlined the f40 principles and asked members if they were still happy with the core objectives of the group.

CT said she felt f40 needed to make the point somewhere that the minimum per pupil funding level (MPPFL) should be stripped out of these other funding factors, such as deprivation.

She said sometimes schools did not gain any additional funding with the MPPFL, while others were protected. She said you could have a school with a higher number of pupils with SEND receiving the same or less funding than a school with much fewer SEND pupils. She said it should be removed.

MJ said she believed funding should be formula-based, and not MPPFL, but said it needed to be a formula that was enough. She said the Department needed to work out a way where it could afford the funding formula.

AM said as the funding formula got harder, it became more difficult for local authorities to shape the funding to meet the different nuances and complexities of some of the schools that received less funding. He said in the past, they had tried to meet shortcomings in funding, but going forward they would find it more difficult to get permission to do that.

PH agreed and said the MPPFL did not work. He said in Gloucestershire there was a school in a highly deprived area that received the same as a school in a much less deprived area.

He said it would be much better if a system was introduced where High Needs Block and National Funding Formula (Schools Block) were interlinked and worked together.

CT asked if one of the f40 principles should be that both High Needs Block and NFF were inter-linked.

JH said it was important for everyone to understand how a hard NFF might work, and what they were agreeing to before it was fully adopted, especially as appears to be the case, more and more schools are joining MATs. She said there would likely be twists and turns along the way and f40 members should take the opportunity to think about what they would like the hard NFF to look like and any concerns they may have.

JS agreed that High Needs funding and Schools Block funding, through the NFF, needed to work together. She said special schools needed to support mainstream schools so they could step up and be more inclusive of children with special needs.

JS said there needed to be flexibility to enable schools and local authorities to move money between pots so that they could better support young people and provide services. She said that's the only way mainstream schools would be able to be inclusive.

AM said the Department for Education could achieve better efficiencies and value for money by inter-linking High Needs funding and Schools Block – it would ensure better use of public money.

**Action:** KW to circulate a copy of the draft response to members of f40's Executive Committee and Finance Managers Research Team, inviting them to feed back any comments or suggested changes.

**Action:** AM to take account of people's comments from the meeting and feedback via email and adapt into f40's response to the consultation. KW to submit the response before the deadline of March 24.

## **9. f40 response to DfE consultation on sparsity**

AM outlined the Government's consultation on sparsity.

MJ said it was a definite improvement on the current situation, but more was needed to include necessary small schools.

She said if there were two necessary schools close to each other, they would not qualify under the sparsity rules because currently one of the criteria is about how far away schools are to others. For example, a Catholic and a Church of England primary school could be located close to each other in a village, attracting different kinds of pupils. Though both necessary and rural, they would not qualify for sparsity funding.

She said if f40 was to simply say it wanted to include even more schools in sparsity funding, would a greater number of the wrong schools be included, and would it result in a dilution of funding in another part of the system that may adversely reduce funding to us elsewhere?

CT said there were a lot of small schools in Oxfordshire and the funding they currently received meant they were not sustainable. She said if the DfE wanted small schools to remain open, they needed to support them financially. If there is evidence that shared leadership between closely located schools both saved money and was sustainable in practice, she said this should be provided.

CT said there would still be a significant number of small schools that would not qualify for the sparsity funding after the proposed changes. She said there were some issues around whether some of the small schools were needed. CT questioned whether sparsity should be the factor used. The difficulty of running a small school budget related to the number of classes required and how many children attended.

CT said f40 should have a conversation with the DfE about whether they wanted to keep these small schools open that continued to miss out on sparsity funding. If they did, they needed to be funded properly.

JMcl said he agreed. He said there needed to be some guidance on how these small schools were supported. He said brave decisions needed to be made.

**Action:** Members of the FMRT to meet later in March to discuss sparsity and then KW to submit f40's response to the consultation.

## **10. Membership invoicing**

KW updated members on the 2020 invoicing of members. She said all members had now paid their 2020 reduced fees of £250. Members agreed that fees should this year return to the previous level of £500. KW said invoices for 2021 would be issued in April.

**Action:** KW to issue invoices to f40 members for 2021/22.

## **11. Financial update**

KW said f40 had a healthy bank balance.

## **12. Tender process to begin for f40 Secretariat role**

JMcl informed members that the tender process for the role of f40 Secretariat would begin in the spring. He said the contract, currently held by DTW, comes to an end in April 2022, so it was hoped to complete the tender process by the autumn, allowing for a period of handover, if required. JMcl said he would be speaking with Derbyshire County Council, the procuring authority for the f40 group, in May – after the local elections.



MJ said she was keen to ensure that f40 played a role in the tendering process and was involved in drafting the job specification for the Secretariat role, to ensure that the right person with the requisite skills was appointed.

**Action:** JMcl, MJ, EP, AM and KW to meet later in March to discuss the role and the job specification.

### **13. Any other business**

PH said if f40 was proposing to have a meeting with the DfE later in the spring, he would appreciate the issue of the change in school census date being discussed.

He said because the DfE had decided to calculate the number of children attracting pupil premium funding from April this year based on the census from last October, instead of January, as usual, it had resulted in a loss of £1.4m in the budget for Gloucestershire. He said a lot of children went onto free school meals between October and January, who had not been included in the Pupil Premium figures. He said most authorities were in a similar situation.

### **14. Date of next meeting**

It was agreed that the next Executive Committee meeting would be held in mid-June.

**Action:** KW to circulate a doodle poll to ascertain the most convenient date.