



## Notes of meeting with DfE held on Friday, June 11, 2021

DfE:

- Tony Foot, Director of Strategic Finance
- Tom Goldman, Deputy Director, Funding Policy Unit
- Maria Brennan, School Funding Policy Advisor

f40:

- Cllr James McInnes, f40 Chair / Deputy Leader, Devon CC
- Emily Proffitt, Deputy Chair, Staffs Primary Headteacher
- Margaret Judd, Finance Manager, Dorset Council
- Andrew Minall, Finance Business Partner, Hampshire CC
- Karen Westcott, Secretary of f40

### 1. Introduction

JMcl thanked the team from the Department for Education for the opportunity to meet.

Both parties felt the meetings were beneficial in enabling information and ideas to be shared.

TG said the DfE appreciated the new data and feedback it received from f40 and urged the group to continue sharing any new information it received from members, as and when it became available.

### 2. Fairness of funding

#### Levelling up

JMcl said f40's main focus continued to be fairness of funding across schools in England, ensuring that all schools received enough funding to enable them to operate properly, before additional funding was given for deprivation etc.

#### Three-year rolling programme

JMcl said f40 also wanted to see a three-year rolling funding programme continue for education to enable schools to plan their budgets more effectively and efficiently. He said f40 had appreciated the announcement of a three-year funding package back in 2019 and they wished to see it continue.

TF said he could see great value in long-term settlements and felt optimistic that the next Spending Review would bring another three-year funding programme.

He said he hoped the indicative NFF budget for 2022-23 would be announced later this summer.

#### National Funding Formula (NFF) consultation

JMcl asked if there was likely to be a consultation on the National Funding Formula (NFF) this year?

TG said they were anticipating a series of consultations on the 'hard' NFF beginning soon, although nothing was certain yet.

TF said building on experience of previous consultations, it was felt a series of consultations would be more beneficial than one big consultation, so that they could first get the basic architecture and principles right, before moving on to consult on the detail.

TG said it was a long-term programme and something that could not be rushed.

AM asked if the seven principles used in the original development of the NFF would continue to be used as a guide during the new consultations, and TG said they would be.

TG asked where f40 felt the Department for Education had drifted away from those original principles, to which both AM and MJ agreed the Minimum Per Pupil Funding Level (MPPFL). They said it was not judging schools fairly and was effectively the formula for many schools negating the pupil characteristics part of the formula.

AM said the MPPFL meant that schools with a higher level of need and costs could be receiving the same level of funding as schools with a lower level of need. He said the MPPFL also did not take account of smaller schools.

MJ said small schools were not being judged fairly, or in the same way. She said small schools appeared to receive fair funding because they were receiving above Minimum Per Pupil Funding levels. However, she said this was only because the lump sum was divided by small numbers on roll, which mathematically gave large per pupil values. She said they were, therefore, assumed to be adequately funded – which may not be the case.

AM said, in Hampshire, 50% of schools were funded on the MPPFL, meaning that for a significant proportion of schools in the county, they were funded on the basis of a single formula factor, which was unresponsive to school and pupil changes.

TF said he appreciated that was an extreme case and recognised the issue. He said the average was 16%, so he appreciated the impact it could have on those with larger numbers.

[Post meeting note, in Dorset this is 26.6%]

TG asked what alternative f40 would like to see instead of the MPPFL? He asked if f40 felt there were excessive differentials between deprived areas and areas with less deprivation.

AM said the issue was how much funding was locked in. He said the NFF was meant to be more flexible and fair, but the protections locked in some of the old unfairness.

MJ said at the moment everything was compartmentalised.

MJ said there had always been historic problems in funding levels between schools with high deprivation and lower deprivation. She said a school without deprivation still needed enough money to operate without the add-ons that some other schools received. She said steps needed to be taken to ensure that balance and flexibility remained.

MJ said lump sum and sparsity were examples of this. She said she believed that lump sum needed to be interlinked with sparsity. And prior attainment should be interlinked with deprivation. However, by compartmentalising individual aspects of the formula it was becoming less flexible for schools.

TG said he agreed the DfE needed to look at the overall impact of any changes made, and he said it was helpful to hear these suggestions.

AM said Free School Meals were traditionally a proxy for deprivation and now appeared to be simply a figure to pay for the meal. This further constrained flexibility and added focus around sufficiency of funding for specific things. TG noted that, in the NFF, the use of FSM was considered to address the cost of providing meals; FSM6 was used as a proxy for educational disadvantage.

AM also said there should be more interaction between the Schools NFF and High Needs funding. He said they needed to be considered together.

TG said, hopefully, when the SEND review was published it would enable that link to be made across both School and High Needs funding. He said he hoped any changes in SEND would avoid perverse incentives.

TG and TF said they would bear all of the points in mind.

### Pupil Premium

JMcl raised the issue of changes in the way Pupil Premium was being calculated this year and the impact it was having on schools. He said data collected by f40 members had shown a shortfall in funding of £36m this year for schools in those 42 local authority areas alone.

EP explained how the number of pupils receiving Free School Meals in her school, while relatively low, had increased by about 40% between October and January, but that the increase had not been taken into account in the Pupil Premium funding this year, due to the changes.

She said the school was having to meet the shortfall in funding in order to support those extra pupils. She said while the numbers in her school were fairly small, other schools had been impacted more greatly and were, therefore, having to meet greater shortfalls in funding themselves.

AM said he understood why the DfE had made the changes, to bring all streams of education funding under the October census, but it was difficult for schools this year when they were dealing with Covid. He said budgets were already stretched.

TG said the DfE understood the impact of the changes to Pupil Premium, but they felt it was important to recognise that the change was being applied across the board, and the NFF was also being moved to the October census, where it would increase allocations.

TG said the DfE would be publishing the full impact of the changes resulting from using the October census, instead of the January census, to determine funding. He said the DfE did recognise the impact. [Post meeting note: published on 24/6/21: [Pupil premium: effective use and accountability - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/pupil-premium-effective-use-and-accountability) ]

AM acknowledged that there could be future offsetting gains, but that they were not synchronised into the same year, leading to losses in an extraordinary year where deprivation had become much more of an issue than for a normal year.

### **3. SEND**

JMcl asked when the Government SEND review would be published.

TG said colleagues were working hard on the review, but he did not have a date.

JMcl said f40 was aware that the Government was working with five local authorities with particularly high SEND deficit budgets to look at how they could reduce them. He asked what the long-term plan for SEND was.

TG said they were working with the local authorities with the biggest deficits in the hope of getting them onto an even keel in advance of the SEND review having an impact, given that that would take some time.

He said it would be a rolling programme, with other local authorities invited to work with the DfE over time. He said the current plan was to have at least two more rounds of the programme.

TG said the DfE also wanted to support a wider group with less intervention (and less support attached), in order to help them manage their High Needs budgets. TG said that programme would be introduced soon.

TG said the long-term plan would come with the review. He said there were similar increases in the overall DSG budget for 2022-23 as there was in 2021-22.

TG said they had advised local government to set aside the overspend in the High Needs budget in their accounts until 2022/23.

JMcl asked what would happen after that? TG said the overall plan across Government was that, over time, future DSG funding would be sufficient to deal with the High Needs deficits. He acknowledged that it was a substantial challenge and said it would be a major topic of conversation at the next Comprehensive Spending Review (CSR).

TG said they wanted to come out of the CSR with a plan to tackle the deficits.

JMcl said it was reassuring from a local authority perspective to know that the issue was being dealt with.

EP said the notional funding schools received for SEND did not meet the need and the number of children with EHCPs. She said schools were under pressure to provide support to SEND pupils without more investment.

TG said the DfE hoped that more money could be made available for capital funding to provide more special school places, but they would not know until the CSR was announced if it would materialise or how much it would be. He said some capital funding had already been allocated.

EP said that would be very helpful as it was a battle to find places at special schools for children with SEND who needed them. She said more capital funding was vital.

JMcl said the number of EHCPs continued to rise and the system needed to be radically changed to create other options.

AM agreed and said local authorities and schools were running very hard in order to stand still and fundamental change was required.

JMcl said he was concerned too many children were sent to special schools and he believed more children with SEND should be provided with the right support in mainstream schools.

#### **4. Covid**

JMcl said f40 believed a long-term plan of investment was required to help schools and pupils recover from Covid. He emphasised that a quick fix would not work. He said while £1.4b had been promised and it was appreciated, he hoped further investment would be made to ensure children were ready to learn and well supported academically, emotionally, and physically.

EP said teachers and headteachers had worked tirelessly during the past year, with each school facing its own particular pressures and difficulties. She said while additional support was needed, it should be flexible, allowing schools to use any additional funding in the best ways that suited them.

She said the common theme running through schools was that, in the main, younger Foundation Stage children had been impacted the greatest by the pandemic. She said the school closures had resulted in many young children not developing at the expected rate, so many were not ready for school or were behind where they would normally be.

EP said unless additional support was offered for those in Early Years, Reception and Year 1, the trend would continue as they progressed further up school. She said it was not just about academic achievement, it was also about ensuring the emotional well-being and good mental health of pupils.

She said while the Covid catch-up funding provided so far was appreciated, more was needed. She said schools needed to know what was coming down the line in order to plan how to use it in the most effective way.

JMcl said he understood that more catch-up funding would be announced in due course, and that the £1.4b was just the beginning.

TF said Government had made it clear this was part of Covid recovery funding and it would review it again in the lead up to the CSR.

TF asked what f40 thought about Covid catch-up funding and suggestions that the school day be extended.

EP said her staff were already exhausted, working from 7.30am to 6pm each day, and then often marking and planning lessons in the evening.

She said it was particularly difficult at primary level where there were less staff. She said if a longer school day was to go ahead, it would need financial input.

AM said he attended a meeting with heads last week and whilst the additional funding was welcomed, it needed to be better targeted. He said it was important to get children ready to learn and into a routine first – emotional well-being was paramount.

EP agreed. She said children needed to be immersed in play and re-socialising.

JMcl said he had spoken to many young people who said they had been impacted by the pandemic just as much as adults.

He said f40 was not in favour of lengthening the school day, particularly if children were to be taught by unfamiliar people. Children needed to be mentally healthy and in the right frame of mind before they would learn.

JMcl said he also believed every school should have a member of staff who specialised in the mental health of children.

TF said they appreciated the comments and would share them with the wider DfE team and the Treasury when Covid recovery for schools was being considered.

## **5. Early Years**

EP said Early Years had been hugely impacted by Covid, particularly with regards to the readiness of children. She said many children in the Foundation Stage were not ready to learn, and both their development and emotional well-being had been impacted.

She said unless their learning skills were in place, it would continue to be difficult in Foundation Stage, and it would ripple through schools as the children got older. She welcomed the announcement last week for Covid catch-up funding for Early Years, but said additional investment was required.

TG said the DfE was working hard to reassure maintained nurseries with regards to nursery school funding. He asked if f40 thought the DfE should be targeting much of their support towards the bottom end of primary schools in Reception and Year 1? EP said 'yes' as those year groups had been most impacted academically. EP said the older children had been impacted more emotionally.

TG said the feedback was very helpful and he would make sure the information was passed along.

MJ said not all Early Years providers were going out of business, but there had certainly been a fall in demand, which had impacted on the financial stability of some. She said the market may need to shrink to suit demand.

TG said the DfE had not seen a huge impact on the Early Years market at this stage, but it was monitoring it closely.

MJ said funding for Early Years had not changed for a long time, so when providers had to operate with fewer children during Covid it made it much more difficult for them to make ends meet.

EP said if she was to specify where extra Covid catch-up funding should be targeted she would ask for additional funding for Key Stage 1 and extra funding for mental and emotional well-being of all pupils. She said that had been missing from the funding announcement last week.

JMcl said the recovery of schools and pupils would not take six months – it would take several years – and mental health support should be provided long-term.

And EP said the more notice schools had about extra funding, the easier it would be to ensure it was targeted in the right places.

MJ agreed and said with more notice, money could be used more efficiently, with less needless spend and waste.

JMcl thanked TF, TG and MB for their time and assured them that when new data or information became available from f40 members, it would be shared with the DfE.

**Ends**