



## Schools Forum

**Thursday 5 November 2020 at 6.00 pm**

This will be undertaken as an online virtual meeting.

The press and public are welcome to attend this online virtual meeting. The link to attend and view the meeting will be made available [here](#).

### Membership

### Representing

#### SCHOOL MEMBERS

##### Nursery

Lesley Benson  
Vacancy

Head  
Governor

##### Primary

Martine Clark (**Vice-Chair**)  
Michelle Ginty  
Melissa Loosemore  
Raphael Moss  
Vacancy  
Vacancy  
Michael Maurice  
Narinder Nathan  
Tim Jones

Head  
Head  
Head  
Head  
Governor  
Governor  
Governor  
Governor  
Governor

##### Secondary

Vacancy

Head (Maintained)

##### Special Education Needs

Russell Davey

Head

##### Pupil Referral Unit

Vacancy

Head

#### ACADEMY MEMBERS

##### Primary

Vacancy  
Jo Jhally

Head  
Governor

**Secondary**

Andy Prindiville	Head
Vacancy	Head
Gerard McKenna	Head
Martin Beard	Governor
Mike Heiser ( <b>Chair</b> )	Governor
Titilola McDowell	Governor

**Special Education Needs**

Vacancy	Head
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**NON-SCHOOL MEMBERS**

**Early Years PVI**

Vacancy  
Vacancy

**Trade Union**

John Roche/Jennifer Cooper

**16-19 Provider Representative**

Vacancy

**For further information contact:** Craig Player, Governance Officer  
Email: [craig.player@brent.gov.uk](mailto:craig.player@brent.gov.uk); Tel: 020 8937 2082

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit: [www.brent.gov.uk/committees](http://www.brent.gov.uk/committees)

### **Notes for Members - Declarations of Interest:**

If a Member is aware they have a Disclosable Pecuniary Interest\* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest\*\* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

### **\*Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences**- Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

### **\*\*Personal Interests:**

The business relates to or affects:

- (a) Anybody of which you are a member or in a position of general control or management, and:
  - To which you are appointed by the council;
  - which exercises functions of a public nature;
  - which is directed is to charitable purposes;
  - whose principal purposes include the influence of public opinion or policy (including a political party or trade union).
- (b) The interests of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

Or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;
- a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

# Agenda

Introductions, if appropriate.

Item	Page
<b>1 Apologies for Absence and Membership</b>	
<b>2 Declarations of Interest</b>	
<b>3 Deputations (if Any)</b>	
<b>4 Minutes of the previous meeting</b>	1 - 8
To approve the minutes of the previous meeting held on 17 June 2020 as a correct record.	
<b>5 Actions arising</b>	
To consider any actions arising from previous meetings.	
<b>6 Dedicated Schools Grant Budget Monitoring Report 2020/21</b>	9 - 18
To receive a report on the forecast financial position for 2020/21. The position is reported against the budget set in consultation with the Schools Forum and submitted to the Department for Education on the Section 251 budget return.	
<b>7 Dedicated Schools Grant Funding Update 2021/22</b>	19 - 24
To receive a report on the provisional Dedicated Schools Grant block funding allocations announced for 2021/22 and the discussions held by the split site funding work group.	
<b>8 Dates of Future Meetings</b>	
To confirm changes to the schedule of dates for future meetings, as follows:	
<b>Wednesday 9 December 2020 at 6pm to Thursday 10 December 2020 at 6pm (next meeting of the Schools Forum)</b>	
<b>Wednesday 24 January 2021 at 6pm to Thursday 25 January 2021 at</b>	

**6pm**

At this stage, both meetings will be held as online virtual meetings.

**9 Any Other Urgent Business**

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## MINUTES OF THE SCHOOLS FORUM Held as on online meeting at 5:30pm on Wednesday 17 June 2020

### Membership

### Representing

#### PRESENT (all in remote attendance:

#### Governors

Mike Heiser (Chair)  
Martin Beard  
Geraldine Chadwick  
Jo Jhally  
Titilola McDowell  
Narinder Nathan

#### Headteachers

Martine Clark (Vice-Chair)  
Gill Bal  
Lesley Benson  
Michelle Ginty  
Jayne Jardine  
Gerard McKenna  
Raphael Moss  
Andy Prindiville

#### Trade Union

John Roche

#### Early Years PVI

Paul Russell

#### Officers

Dena Aly  
Olufunke Adediran  
Brian Grady  
James Kinsella  
Rashella Rapley

### 1. Apologies for Absence and Membership

Tim Jones (Governor) and Councillor Agha (Cabinet Member for Schools, Employment & Skills)

James Kinsella (Governance Manager, Brent Council) informed the Forum that the filling of current vacancies in membership of the Forum had needed to be delayed due to the Covid-19 pandemic. The process had been scheduled to recommence at the start of the summer term, with a further progress update to be provided for the next meeting.

### Introduction and welcome

The Chair welcomed everyone to the School's Forum and advised them of the guidance for participating in virtual meetings.

2. **Declarations of Interest**

None.

3. **Deputations (if Any)**

None.

4. **Minutes of the previous meeting**

**RESOLVED** that subject to the following amendment, the minutes of the previous meeting held on 26 February 2020 be approved as an accurate record:

Min 9. Updated 2020/21 Schools Funding Formula – It was noted that the discussion at the February meeting had involved agreement to the establishment of a Working Group by the Forum to review the issue of split site funding allocation as part of the decision to recommend the mainstream funding formula for 2020/21.

It was therefore agreed that the minutes should reflect this decision with the establishment of the Working Group to be progressed in conjunction with the consideration of the Split Site Funding review due to be considered later during the meeting. **(Action: Brian Grady)**

5. **Actions arising**

**Action 59:** DSG Deficit – It was agreed that Olufunke Adediran would prepare the draft letter requested on behalf of the Schools Forum to be signed by the Chair, in order to highlight the issues and concerns raised in relation to the continued pressure on DSG funding and deficit recovery plans announced by the DfE with the relevant bodies. **(Action 59: Olufunke Adediran)**

**Action 60:** Early Years Funding Formula – setting by setting information: The Forum noted this had been included as part of the Dedicated Schools Grant (DSG) Outturn report report to be considered later on the agenda.

**Action 61-** Establishment of Task & Finish Group to review the pressure in relation to ECHP and the High Needs DSG Block: The Forum noted that an update was due to be provided on this issue as part of DSG Financial Outturn report.

6. **Dedicated Schools Grant Financial Outturn 2019/20**

The Schools Forum received a report from Olufunke Adediran, (Head of Finance) detailing the final Dedicated Schools Grant (DSG) outturn against the budget set for 2019/20 along with the breakdown of the overall £4.9 m deficit.

After reviewing the report, discussions that followed highlighted the following key points:

- At the end of the financial year 2019/20, the DSG deficit totalled £4.9 m, after the use of planned DSG reserves of £2.5m. The main reason identified was

the £3.8m deficit on the High Need block mainly due to rising demand and the growth seen in Education Health and Care Plan (EHCPs).

- The School and Early Years Finance (England) Regulations, made clear the requirement for any DSG deficit balance to be held within the Local Authority's overall DSG and be carried forward to recover from future years funding and or, recovery plans agreed with the Department for Education (DfE). This would require the deficit to be recovered from future years funding and/or through recovery plans agreed with the DfE.
- The breakdown of the detailed final DSG outturn position had been detailed within Table 1 and Appendix A of the report.
- The detailed summary provided on the outturn position in relation to the Schools Block (as detailed in section 5 of the report). Of the £230million Schools Block Budget, £111million had been allocated directly to Brent maintained schools, £115million had been recouped and allocated directly to academies, leaving a remaining expenditure budget of £4million to fund centrally retained items.
- The schools Block was in deficit of £1million, which was mainly due to a £1.4million pressure against the growth budgets, which covered the cost of the Choice and Fair Access panel (CAFAL) arrangements for new arrivals to Brent schools, as well as the impact of rising rolls in schools. The growth in pupil numbers had mainly been within the secondary school phase resulting in the budget for 2020-21 having been increased in line with forecast secondary growth, following a consultation with schools and as agreed by the Schools Forum. Pressure had also been offset by underspends in other school block funded budgets.
- The detailed summary provided on the outturn position in relation to the High Needs Block (as detailed in section 6 of the report). The High Needs Block budget was £58.7million and the allocation included a contribution of £1.1million (or 0.5%) of Schools Block income and £1.5million of DSG reserves. Of this allocation, £7.1million was recouped by the DfE to allocate directly to academies. As detailed within the summary, the main cost driver behind the deficit of £3.8million had been being the significant growth in the number of children with Education Health and Care Plan (EHCPs). The High Needs expenditure exceeded the allocated block income from the DfE by £6.7million with the growth identified in EHCPs a nationwide challenge, also recognised by Ofsted. The Forum were informed that Brent had seen a 35% EHCP growth over the last 5 years. At the end of 2018/19, there were 2,173 EHC plans, but by the end of 2019/20, the number increased by 12% to 2,435 despite the overall pupil population remaining broadly the same.
- There had been notable increases in Post 16 EHCPs where young people with SEND could remain in education provision until they were 25. This had led to a pressure of £1.7million following an increase from an average number of 182 in 2018/19 to an increased average number of 256 EHCPs in 2019/20. Also included in this pressure was approximately £0.5million of place funding, charged as an additional cost to the High Needs Block by further education colleges. The DfE had recently clarified that colleges should no longer make

this charge and confirmed that the commissioning Local Authority should not incur the charge. It was therefore expected that this would be a significant cost avoidance in 2020-21. Other pressures identified included out of borough mainstream top-ups as well as for residential and independent educational settings. Work continued to develop proposals to increase the amount of special provision within the borough with the 2020-21 High Needs Block allocation for Brent including an additional £5m, although it was noted that current expenditure would still need to be reduced in order to achieve a balanced in-year budget, ahead of a medium term plan to recover the DSG deficit.

- The detailed summary provided on the outturn position for the Early Years Block (as detailed in section 7 of the report) and Central Items (as detailed in section 8 of the report).
- The summary provided in relation to the outturn position of the level of DSG balances (as detailed in section 9 of the report) and in relation to school balances (as detailed in section 10 and Appendix B of the report). It was noted that the school balances had decreased overall by £2.5m with funding and expenditure pressures likely to persist and those schools in deficit continuing to be monitored closely.
- The deficit on the DSG was a challenge faced nationally with long term actions required to recover the deficit, which the Forum had already agreed to establish a Task and Finish Group to co-ordinate and monitor, especially in relation to the High Needs Block.
- As part of the work being undertaken by the High Needs Task and Finish Group the need was identified to ensure the banding review currently being considered included a review of the impact any recalibration may have on special schools.
- Members of the Forum also highlighted concerns in relation to the approach being adopted towards the management of funding deficits within schools, which it was felt would need to take account of pressures not only on the DSG relating to pupil numbers but also in terms of managing the response to the Covid-19 pandemic.
- Given the range of issues identified, it was also suggested that the Forum continue to monitor the implications and actions being taken to manage and mitigate the DSG deficit.

As an outcome of the discussion it was **RESOLVED**

- (1) That the Schools Forum note the report.
- (2) To ensure that the banding review currently being considered by the DSG High Needs Block Task & Finish Group include a review of the impact any recalibration may have on special schools. **(Action 63: Brian Grady/Dena Aly)**

- (3) To request that the officers review the flexibility and options available in relation to how the national policy framework and approach regarding the management of funding deficits within schools was applied within Brent taking account of pressures not only on the DSG relating to pupil numbers but also in terms of managing the response to the Covid-19 pandemic. **(Action 64: Olufunke Adediran and Dena Aly)**
- (4) That the Forum consider further the implications of the DSG deficit at a future meeting towards the end of 2020. **(Action 65: Olufunke Adediran and Dena Aly)**

## 7. **Update on Split Site Funding Allocations and Early Years Deprivation Funding Adjustments**

The Schools Forum received an update report from Dena Aly, (Senior Finance Analyst) that provided further information on the Early Years funding adjustment, which had been applied in 2020-21 to ensure no provider rate dropped by more than 1.5% compared to 2019/20.

The report also demonstrated how the criteria for Split Site funding had been met for the schools in receipt of this funding for 2020-21 and illustrated the impact any potential introduction of a cap may have.

After reviewing the report, discussions that followed highlighted the following key points:

- The local Early Years Funding Formula had been set for 2020/21 with the endorsement of Schools Forum in February 2020. This included increases to the funding rates allocated to Brent for 2-year-old and 3 and 4-year-old provision. The Local Authority continued to retain 5% of the total allocated to Brent, with 95% allocated to providers.
- The base funding rate to providers made up 90% of allocated funding. The deprivation factor allocated the remaining 10%, based on the Income Deprivation Affecting Children Index (IDACI), which was updated in 2019. Prior to this, the index had not been updated since 2015, meaning that individual provider rates would have changed more significantly compared to recent years. Therefore, for 2019-20, the deprivation allocation had been adjusted to ensure that no provider rate dropped by more than 1.5% compared to 2019/20, while ensuring that 10% of the rate was still allocated for deprivation overall. This adjustment had been for one year period only.
- The Forum noted the summary impact of the Early Years minimum funding adjustment, as detailed in section 3.3 of the report, with the Forum keen to review the data available on a setting by setting basis (including what it would be possible to provide in relation to PVI's) in order to assist in supporting the ongoing monitoring and strategic planning process in relation to application of the formula.
- In relation to the Early Years update, concern was also expressed in relation to the reconfiguration of the length of term (14 to 13 weeks) and lack of consultation with early years providers, given the significant impact on the

sector. In response, Brian Grady confirmed that he was aware of the concerns raised and apologised for the delay in the issue being responded to, which he advised he would raise with the Early Years Team.

The discussion then moved on to consider the update in relation to split site funding, with the following issues raised:

- As clarification, the Forum was advised that they were not being asked to consider the introduction of any cap at the meeting, with the report providing an opportunity to explore the potential options available in advance of any of final consultation being undertaken.
- The Forum noted there were currently four schools receiving full Split Site funding and one school in receipt of partial Split Site funding with the current criteria and funding allocation in Brent having been agreed in 2016. The current formula comprised a lump sum of £151,847, plus £113.70 per pupil. Where schools partially meet the criteria, they may attract a reduced lump sum of £50,000.
- Members noted the assessment of current split site funding allocations against criteria as detailed in section 4.4 of the report along with the current Split Site allocations, as detailed in Appendix 1 of the report. It was highlighted that the current formula did not include a cap on the level of funding that could be allocated to individual schools.
- The Schools Forum were reminded that it had already been agreed to establish a Working Group to look at Split Site funding in more detail with any changes being considered needing to include clear, transparent and objective criteria. Rather than considering the recommendation within the report, Brian Grady advised that the Forum were being asked to formally establish the Working Group, which he would chair in order to consider the impact of the split site funding options identified, including any capping mechanism. The Forum were keen to ensure membership of the Group included representatives from those schools receiving split site funding.

As a result of the discussion it was therefore **RESOLVED**

- (1) That the Schools Forum note the report.
- (2) To formally establish a Working Group to review the potential impact of the split site funding proposals identified within the report. The Working Group to be chaired by Brian Grady with representatives from those schools currently receiving split site funding to be invited to join as members (including Gerard McKenna). The timescale for reporting back to the Forum to be agreed by the Working Group in consultation with relevant school leaders. **(Action 66: Brain Grady)**
- (3) That the concerns highlighted in relation to the reconfiguration of the length of term (14 to 13 weeks) and lack of consultation with early years providers be raised with the Early Years Team in order to highlight the significant impact on the sector and ensure an appropriate response was provided outlining the reasons for the decision **(Action 67: Brain Grady / Early Years team)**

- (4) Further review be undertaken regarding the provision of Early Years Funding Formula data on a setting by setting basis for the Schools Forum (including what it would be possible to provide in relation to PVI's) in order to support the ongoing monitoring and strategic planning process in relation to application of the formula. **(Action 66: Brain Grady/Dena Aly/ Olufunke Adediran and Members of the Early Years Forum)**

## 11. Any Other Urgent Business

The Chair advised that he intended to use the remainder of the meeting to provide members with the opportunity to reflect on their experiences during the Coronavirus pandemic and the following key points were noted:

- The significant impact of the pandemic on the early years PVI sector was highlighted both in terms of the operational and financial difficulties experienced, and also in relation to the impact on staffing. Whilst many providers had continued to operate, the challenges and stress had been significant, which had not been assisted by changes in Government guidance and the support available with concerns raised that the DfE had not considered the full impact and immediate intervention and support required. The ongoing financial pressures experienced as a result of loss of fees and additional expenditure in relation to PPE & cleaning products were also highlighted.
- Brian Grady recognised the significant concerns raised and challenges identified across the early years sector as a result of the pandemic. Highlighting his support for the way the sector had continued to deliver in such challenging times, he remained keen to explore how the local authority could continue to provide appropriate support, recognising the flexible nature of the response to date.
- It was also noted that many Primary and Secondary schools had been working in collaboration with the Local Authority, with appreciation expressed for the support received, including the provision of PPE. In terms of ongoing consultation and engagement with schools a request was made for the timing of meetings to be scheduled outside of the school day.

The Chair thanked all those who had contributed for their comments and in response to the specific concerns raised in relation to the ongoing impact on the early years sector it was **RESOLVED** that Brian Grady liaise with Paul Russell outside of meeting on issues identified regarding the impact and support available to Early Years PVI providers in response to the pandemic and how to ensure the Early Years Providers Consultation Group could best ensure they were fully engaged in ensuring access to the necessary support and information. **(Action 67: Brian Grady)**

As no further issues were raised, the Chair thanked the Schools Forum for their participation.

## 12. **Dates of Future Meetings**

**RESOLVED** to approve the schedule of dates for future meetings during 2020/21 as follows:

Wednesday 4 November 2020 at 6pm

Wednesday 9 December 2020 at 6pm (additional date if required)

Wednesday 20 January 2021 at 6pm

Wednesday 24 February 2021 at 6pm

All of the above meetings to be undertaken as online virtual meetings.

Meeting closed at 7:00pm

Mike Heiser  
Chair

	<p align="center"><b>Schools Forum</b> 05 November 2020</p>
	<p align="center"><b>Report from the Strategic Director of Children and Young People</b></p>
<p align="center"><b>DSG Budget Monitoring Report 2020/21</b></p>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	N/A
<b>No. of Appendices:</b>	1
<b>Background Papers:</b>	Prior financial reports to Schools Forum.
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	<p>Olufunke Adediran Head of Finance – CYP 0208 937 6462 Email: <a href="mailto:Olufunke.adediran@brent.gov.uk">Olufunke.adediran@brent.gov.uk</a></p> <p>Dena Aly Senior Finance Analyst – CYP 0208 937 2179 Email: <a href="mailto:Dena.aly@brent.gov.uk">Dena.aly@brent.gov.uk</a></p>

## 1. Purpose of the Report

- 1.1. This report provides Schools Forum with an update on the forecast financial position for 2020/21. The position is reported against the budget set in consultation with Schools Forum and submitted to the Department for Education on the Section 251 budget return. For information, the budget is analysed by funding block in Appendix 1 of this report.
- 1.2. The report also gives an update on the financial support available to Schools and Early Years settings during the Covid-19 pandemic.

## 2. Recommendation

- 2.1. Schools Forum is asked to note the contents of this report.

## 3. Summary

- 3.1. The DSG High Needs Block allocation increased by £5m in 2020/21 compared to 2019/20. A High Needs Block balanced budget was set, with a risk of overspend if the number of children and young people with Education Health and

Care Plans (EHCPs) continue to grow at the same rate as in recent years, rather than the growth levelling off.

- 3.2. The number of EHCPs has continued to rise with a 16% increase in the number of DSG funded EHCPs between 2019 and 2020. As a result, DSG expenditure is expected to exceed income by a forecast £4.2 million in 2020/21. This will lead to an increase in the DSG deficit from £4.9 million to £9.1 million by the end of the financial year.
- 3.3. The detailed financial monitor of the 'DSG Schools Budget' is presented in Appendix 1. The 'Actual to P5' column represents the spend to date as of the 31<sup>st</sup> August 2020, and the forecasts provided are those prepared during September 2020. This is therefore an early forecast position and the monitoring will be refined later in the Autumn term.

#### **4. DSG Income**

- 4.1. There are some variances on Block income compared to the budget set, though the largest, the mainstream Schools Block income is forecast to budget at £235 million.
- 4.2. The most significant variance is on the High Needs Block, where the recoupment import-export adjustment has been made. This accounts for place funding for Brent pupils in other local authority areas. The cost of this to the DSG in 2020-21 is £0.9 million.
- 4.3. There are some underspends on forecast Early Years Block income, where income has been increased by £0.1 million relating to a prior year adjustment, and the 2020/21 allocation has been increased by £0.2 million following confirmation of the January 2019 Early Years census.
- 4.4. In total, the forecast shows that income will be £0.6 million less than budgeted for.

#### **5. Schools Block Expenditure**

- 5.1. In January 2020, Schools Forum approved changes to the schools funding formula allocations, following a consultation with schools. The changes were made in order to address financial pressures caused by rising rolls, pupil mobility, and to provide funding to support rising pupil rolls in secondary schools. The schools block is currently forecast to spend to budget.
- 5.2. There has been an adjustment to the Academy recoupment budget, which has resulted in a £0.6 million underspend on the secondary schools budget line. This is due to the timing difference between Academy and Local Authority financial years, where academy funding is adjusted to take into account the additional 5 months of growth funding required by Academies and not Maintained schools. This will therefore net off with a projected £0.6 million overspend on the pupil growth budget line, resulting in an overall spend to budget on growth funding. The first growth fund payment has been made based on the January 2020

census, with the second payment due to be made based on the October 2020 census. Therefore, an update on the final growth fund position will be provided at a future meeting.

- 5.3. There has been an increase over recent years in the number of claims for maternity and paternity scheme payments. The forecast for 2020-21 based on the current number of claims is £0.34m, resulting in a £0.1m overspend which is currently being mitigated by underspends within the Block.

## **6. High Needs Block Expenditure**

- 6.1. In 2019-20, High Needs Block expenditure totalled £62.8 million. In 2020/21, the High Needs Block budget totals £62.2 million. This allowed a balanced budget to be set, with some planned savings on high needs top-up funding, primarily due to the ESFA clarifying that Element 2 charges' for placing children out of borough should not be incurred by the commissioning local authority's DSG funding.
- 6.2. Place funding for Academies of £7 million will be recouped from the Block and allocated to Academy Special provisions, but this is in line with the total place funding budgeted for and will not cause a variance against the total £8.8 million place funding budget.
- 6.3. As of July 2020, there were 2,611 EHCPs for Brent pupils in all settings, compared to 2,246 in July 2019, representing a 16% increase in EHCPs over the 12-month period. The total forecast expenditure on top-up funding forecast for 2020/21 is £47.1m compared to £44.7m spend in 2019/20, a 5% increase.
- 6.4. This suggests that although the number of EHCPs (the principle driver of increased costs) has increased total top-up funding expenditure, the average cost of a top up has reduced, both due to increased in-borough provision and due to the cost avoidance on Element 2 charges previously funded from the DSG.
- 6.5. The increased demand has had knock on effects on expenditure on SEN support services, including the Speech and Language Therapy service and the Education Psychology service budgets, which are both forecasting overspends. In total, the High Needs SEN support service budgets are forecast to overspend by £0.6m.
- 6.6. This brings the total forecast overspend for the High Needs Block expenditure to £3.6m more than the budget set.
- 6.7. To recover the deficit, options being reviewed by the task group set up by the Strategic Director of CYP include;
  - 6.7.1. Looking to establish more SEND provision in the borough as part of the School Place Planning Strategy Refresh including developing new Additionally Resourced Provisions (ARPs);

- 6.7.2. Ensuring there is full cost recovery from other local authorities that place pupils in Brent special schools including administration and other specific costs;
- 6.7.3. Review of the DSG funded SEN support services currently underway;
- 6.7.4. Continued central government lobbying.

## **7. Central Block**

- 7.1. The Central Block of the DSG (£2.2 million) funds central services for schools. This includes a set contribution towards pension strain costs for former school employees of £0.6 million, and it is a long-term annual commitment.
- 7.2. There is a forecast underspend of £70k on the central block, due to small underspends on the Admissions Service and the School Effectiveness Service.

## **8. Early Years Block**

- 8.1. The Early Years Block is the most self-contained of the 4 blocks, and totals £23 million. 95% of this Block income is passed onto providers, and little variance is expected on the remaining 5%, which forms the central expenditure budgets. The 95% allocated out should be broadly in balance with the Block grant income received.
- 8.2. In March 2020, the Government confirmed that local authorities should continue to fund the free entitlements for two, three and four-year-olds despite some settings having to close. Therefore in Brent, all Early Years providers have continued to receive Nursery Education Grant (NEG) funding over the Summer Term 2020, based on their Spring term 2020 headcount and for the Autumn 2020 term based on Autumn 2019 headcount data. As the DfE will be funding these payments, at this stage the Early Years Block is forecast to spend to budget.

## **9. Covid-19 update**

- 9.1 Schools and Early Years settings have continued to receive funding during the pandemic and the DfE made provision to deal with some of the challenges expected in all settings. At this stage it is unclear if there will be further support given in light of the risk the pandemic still presents. To date the additional support received is set out below.

### **9.1.1. Exceptional costs associated with Covid-19**

- 9.1.2. To cover the period March – July 2020 the DfE made funding available for all state-funded mainstream and special schools, and alternative provision but excluded nursery schools to claim back exceptional costs incurred due to the Covid-19 pandemic. Schools expecting to add to their surplus balances at the end of 2019/20 were not eligible to make claims. Claims limits ranged from a maximum of £25,000 for a mainstream school with 250 pupils or fewer to £75,000 for a mainstream school with over 1,000 pupils. The maximum limit a special school could claim was £50,000.

- 9.1.3. The costs could be claimed against 3 categories i.e.:
- increased premises costs;
  - support for free school meals for eligible children who are not attending school;
  - additional cleaning costs.
- 9.1.4. Schools are required to keep a record of all expenditure for audit purposes. Schools that made claims which met the criteria of spend above, had funding transferred to them at the end of August 2020. For Brent, funding was received for 9 schools a total payment of £99k and a further £0.219m was approved for 33 schools and this funding will be with the Council by the 30<sup>th</sup> of October and transfers to the 33 schools will be arranged.
- 9.1.5. For schools that did not claim for costs incurred between March – July, a further claims window will be announced. The DfE also confirmed that no further support was expected to be given and there are no plans to change the scope of the funding stream. Overall the DfE estimated that nationally schools submitted claims of c£104 million.
- 9.1.6. There remain concerns from schools that following the full re-opening of schools, exceptional costs have still been incurred. Currently the DfE have not confirmed if there will be an opportunity for schools to make further claims however, it will be advisable for schools to still maintain records of all exceptional costs incurred as a result of the impact of the Covid-19 pandemic.
- 9.1.7. **Catch up Funding**
- 9.1.8. The Secretary of State for Education announced a coronavirus (COVID-19) £1 billion catch-up premium for the financial year beginning 1 April 2020. This includes a catch up premium worth £650 million to help make up for lost teaching time for all pupils with Brent schools allocated £3.5 million. Table 3 below summarises the allocation for Brent schools.

**Table 3**

<b>School Type</b>	<b>Total pupil numbers/ places</b>	<b>Rate per pupil/per place</b>	<b>Total £m</b>
Primary	25,065	£80	2.005
Secondary	13,735	£80	1.099
All-through	2,965	£80	0.237
Special & PRU	809	£240	0.194
<b>Total</b>	<b>42,574</b>		<b>3.535</b>

- 9.1.9. Allocations are based on providing each mainstream school with a total of £80 for each pupil in year's reception through to 11, Special schools

and PRUs will be provided with £240 for each place for the 2020 to 2021 academic year. Nurseries have not been included in this funding allocation.

9.1.10. Funding will be provided in 3 tranches:

- Initial part payment in autumn 2020, based on the latest available data on pupils in mainstream schools and high needs place numbers in special schools.
- The second grant payment will be in early 2021, based on updated pupil and place data. For mainstream schools, the 4 to 15 pupil headcount from the October 2020 census will be used.
- The final payment will be in the summer term 2021.

9.1.11. Funds do not have to be spent in the 2020/21 financial year and schools are allowed to carry some or all of the catch up premium forward to future financial years.

9.1.12. The balance of £350 million will go towards a tutoring fund for disadvantaged pupils to increase access to high quality tuition for disadvantaged and vulnerable children and young people and this funding is not expected to be transferred to schools.

9.1.13. **Early Years Sector.**

9.1.14. It is proposed that a paper is brought to Schools Forum in December to highlight the position of funding within the Early Years sector but this section gives a summary of measures put in place to support the sector.

9.1.15. Not all providers are solely reliant on DSG funds to run their businesses and a large number of providers are reliant on private income (i.e. fees that parents pay for childcare beyond the free entitlements received via the DSG). To help mitigate the impact of the loss of this private income stream, there have been a number of funding and financial measures put in place by central government during the pandemic. These include:

- a business rates holiday for many nurseries and for settings that pay little or no business rates;
- the option to apply for a one-off £10k small business grant scheme;
- access to the Coronavirus Job Retention Scheme (CJRS) for furloughed workers typically paid from private income;
- the Coronavirus Business Interruption Loan Scheme to help support long-term viable businesses respond to cash-flow pressures;
- childminders accessing support via the self-employment income support scheme.

## 10. Financial Implications

10.1. The financial implications have been detailed in the body of this paper.

**11. Legal Implications**

11.1. There are no legal implications for this report.

**12. Equality Implications**

12.1. Not applicable.

**13. Consultation with Ward Members and Stakeholders**

13.1. Not applicable.

**14. Human Resources/Property Implications (if appropriate)**

14.1. Not applicable.

**Report sign off:**

***Gail Tolley***

Strategic Director of Children and Young People

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Appendix 1- DSG Budget Monitor

	2020-21				Commentary
	Schools Forum Full Year Agreed Budget	Actual Year To P5	Full Year Forecast	Full Year Forecast Variance	
<b>Income: School Funding</b>					
<b>Dedicated Schools Grant [LA receipts]</b>					
Schools Block	(234,699,544)	(169,812,878)	(234,699,544)		
High Needs Block	(61,304,141)	(30,530,325)	(60,386,141)	918,000	Import/ Export Adjustment
Early Years Block	(22,900,351)	(10,227,923)	(23,234,463)	(334,112)	19/20 adjustment of £0.1m, Jan-20 headcount adjustmet of £0.2m
Central School Services Block	(2,203,564)	(970,020)	(2,203,564)		
<b>Sub Total Dedicated Schools Grant [LA receipts]</b>	<b>(321,107,600)</b>	<b>(211,541,146)</b>	<b>(320,523,712)</b>	<b>583,888</b>	
<b>16-19 Funding Grant</b>					
6th Form Funding	(3,767,845)	(1,595,770)	(3,753,586)	14,259	
<b>Sub Total 16-19 Funding Grant</b>	<b>(3,767,845)</b>	<b>(1,595,770)</b>	<b>(3,753,586)</b>	<b>14,259</b>	
<b>Total Income: School Funding Total [A + B + C]</b>	<b>(324,875,445)</b>	<b>(213,136,916)</b>	<b>(324,277,298)</b>	<b>598,147</b>	
<b>Expenditure: Schools Block</b>					
<b>Individual Schools Budget</b>					
Primary Schools	125,740,444	69,225,374	125,697,820	(42,624)	
Secondary Schools	81,183,891	72,831,513	80,546,276	(637,615)	relates to Academy Growth Fund not recouped -nets off with growth overspends
Special Schools					
All-through Schools	23,540,582	23,540,582	23,540,582	0	
<b>Sub Total Individual Schools Budget</b>	<b>230,464,917</b>	<b>165,597,469</b>	<b>229,784,678</b>	<b>(680,239)</b>	
<b>De-delegated Items - Schools</b>					
Assessment of FSM eligibility	24,205	24,205	24,205		
Contingencies	186,705		150,000	(36,705)	
Maternity, Paternity and Facilities	226,056	29,705	343,600	117,544	increasing costs and claims for maternity scheme
Licences/Subscriptions [SB]	5,262	12,341	11,783	6,521	
<b>Sub Total De-delegated Items - Schools</b>	<b>442,228</b>	<b>66,251</b>	<b>529,588</b>	<b>87,360</b>	
<b>De-delegated Items - Central Provision</b>					
Contribution to combined budgets [SB]	610,000	610,013	610,013	13	
Pupil Growth/Out of School places	2,250,000	943,870	2,854,590	604,590	final spend to be confirmed following October census
<b>Sub Total De-delegated Items - Central Provision</b>	<b>2,860,000</b>	<b>1,553,883</b>	<b>3,464,603</b>	<b>604,603</b>	
<b>Total Expenditure: Schools Block</b>	<b>233,767,145</b>	<b>167,217,604</b>	<b>233,778,869</b>	<b>11,724</b>	
<b>Expenditure: High Needs Block</b>					
<b>Place funding</b>					
IB Place Funding [DfE recouped]	7,214,667	7,214,667	7,214,667	(0)	
IB Place Funding [Finance]	1,766,000	780,334	1,766,000	(0)	
<b>Sub Total Place funding</b>	<b>8,980,667</b>	<b>7,995,001</b>	<b>8,980,667</b>	<b>(0)</b>	
<b>Top-up and Targeted Funding</b>					
IB Mainstream Top-ups [Finance]	7,971,005	3,291,063	7,986,069	15,064	
IB Mainstream Top-ups [Inclusion]	19,267,651	8,089,151	19,505,956	238,304	Due to increased numbers of EHCPs
IB Special Schools: Equipment, Therapy & Banding Review	300,000		300,000	(0)	This budget is agreed for one year only
Independent Day Special	6,410,000	3,120,928	6,914,148	504,148	Due to increased numbers of EHCPs
Independent Residential Care Children's Homes	1,010,227	1,010,227	1,010,227	0	
Independent Residential Special	1,140,000	405,749	1,041,437	(98,563)	
OB ARPs	140,000	6,981	101,959	(38,041)	
OB Mainstream	2,348,057	(150,010)	2,559,204	211,147	Due to increased numbers of EHCPs
OB Recoupment Income	(1,157,879)	829,276	(1,248,433)	(90,554)	
OB Special	3,000,000	780,850	3,985,726	985,726	Due to increased numbers of EHCPs
Post 16	3,200,000	1,477,172	4,545,044	1,345,044	Due to increased numbers of EHCPs
Targeted Funding [Finance]	120,000	46,201	119,999	(1)	

## Appendix 1- DSG Budget Monitor

	2020-21				Commentary
	Schools Forum Full Year Agreed Budget	Actual Year To P5	Full Year Forecast	Full Year Forecast Variance	
<b>Sub Total Top-up and Targeted Funding</b>	<b>43,749,061</b>	<b>18,907,587</b>	<b>46,821,336</b>	<b>3,072,274</b>	
<b>SEN Support Services</b>					
Early Years Inclusion Fund	1,128,085	453,611	1,148,215	20,130	
Education Otherwise / Awaiting Placement	520,237	71,179	592,023	71,786	
Hospital Education [Kingswood Centre]	112,000	111,500	111,500	(500)	
SEN Services	5,670,285	3,776,744	6,108,497	438,212	Overspends in Educational Psychology and Speech & Language Services
SEN Transport	1,075,726	906,624	1,157,831	82,105	
Support for Inclusion	1,000,480	702,319	953,918	(46,562)	
<b>Sub Total SEN Support Services</b>	<b>9,506,812</b>	<b>6,021,978</b>	<b>10,071,984</b>	<b>565,171</b>	
<b>Total Expenditure: High Needs Block</b>	<b>62,236,540</b>	<b>32,924,566</b>	<b>65,873,986</b>	<b>3,637,446</b>	
<b>Expenditure: Early Years Block</b>					
<b>Early Years Entitlement</b>					
2 Year old Nursery Education	3,008,103	1,273,826	3,008,103	(0)	
3 and 4 Year old Nursery Education	18,200,563	7,486,063	18,200,563	(0)	
Early Years Central Expenditure	1,102,000	417,245	1,102,000	0	
Early Years Panel Funding	522,685		522,685	(0)	
Early Years Pupil Premium	67,000	95	67,000	(0)	
<b>Sub Total Early Years Entitlement</b>	<b>22,900,351</b>	<b>9,177,229</b>	<b>22,900,351</b>	<b>(0)</b>	
<b>Supplementary Funding</b>					
Maintained Nusergy Schools	(0)	149,557		0	
<b>Sub Total Supplementary Funding</b>	<b>(0)</b>	<b>149,557</b>		<b>0</b>	
<b>Total Expenditure: Early Years Block</b>	<b>22,900,351</b>	<b>9,326,786</b>	<b>22,900,351</b>	<b>(0)</b>	
<b>Expenditure: Central School Services Block</b>					
<b>Central Provision</b>					
Contribution to combined budgets [CSSB]	792,000	174,958	747,894	(44,106)	for Appropriate Body Service, Gordon Brown, School Effectiveness and Wembley Learning Z
Termination of employment costs	604,000		603,580	(420)	
Servicing of Schools Forum	10,000		1,000	(9,000)	
Licences/Subscriptions [CSSB]	214,425	214,002	214,002	(423)	for DfE brokered National Copyright Licence
School Admissions	583,139	260,135	562,884	(20,255)	
<b>Sub Total Central Provision</b>	<b>2,203,564</b>	<b>649,095</b>	<b>2,129,360</b>	<b>(74,204)</b>	
<b>Total Expenditure: Central School Services Block</b>	<b>2,203,564</b>	<b>649,095</b>	<b>2,129,360</b>	<b>(74,204)</b>	
<b>Other Expenditure:</b>					
<b>6th Form Funding</b>					
6th Form Schools	3,767,845	1,569,935	3,767,845		
<b>Sub Total 6th Form Funding</b>	<b>3,767,845</b>	<b>1,569,935</b>	<b>3,767,845</b>		
<b>Total Other Expenditure</b>	<b>3,767,845</b>	<b>1,569,935</b>	<b>3,767,845</b>		
<b>Total Expenditure</b>	<b>324,875,445</b>	<b>211,687,986</b>	<b>328,450,411</b>	<b>3,574,966</b>	
<b>Balance</b>		<b>(1,448,930)</b>	<b>4,173,113</b>	<b>4,173,113</b>	

	<p align="center"><b>Schools Forum</b> 05 November 2020</p>
	<p align="center"><b>Report from the Strategic Director of Children and Young People</b></p>
<p align="center"><b>Dedicated Schools Grant Funding update 2021/22</b></p>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	N/A
<b>No. of Appendices:</b>	0
<b>Background Papers:</b>	Schools Forum 17 June 2020 - Update on Split Site Funding Allocations and Early Years Deprivation Funding Adjustments
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	<p>Olufunke Adediran, Head of Finance – CYP 0208 937 1196 Email: <a href="mailto:Olufunke.adediran@brent.gov.uk">Olufunke.adediran@brent.gov.uk</a></p> <p>Dena Aly Senior Finance Analyst – CYP 0208 937 2179 Email: <a href="mailto:Dena.aly@brent.gov.uk">Dena.aly@brent.gov.uk</a></p>

## 1. Purpose of the Report

1.1. To inform Schools Forum of:

- a.) The provisional DSG block funding allocations announced for 2021/22.
- b.) An update from discussions held by the split site funding working group.

## 2. Recommendations

2.1. Schools Forum is asked to note the 2021/22 allocations which will form the basis for further detailed work to allocate funding to individual schools and settings at the January 2021 meeting.

### 3. Summary of Provisional DSG Funding allocation 2021/22

- 3.1 Provisional funding allocations announced in July 2020 indicated that core school funding will increase nationally by £4.8bn in 2021/22 and £7.1bn in 2022/23 compared to 2019/20.
- 3.2 In 2021/22 for Brent, the overall Schools Block will increase by just under £4.2 million, which represents a 1.73% increase. The High Needs Block will also see an increase of £5.8 million representing a 10% increase. The Central block will see a 4% reduction. The Early Years Block increase is yet to be confirmed.

**Table 1: Provisional DSG Funding 2021/22**

	Schools Block	High Needs Block	Central Services Block	Early Years Block	Total
	£000	£000	£000	£000	£000
Brent 2020/21	234,700	60,386	2,204	22,900	320,190
<b>Add:</b> TPG and TPEG (Estimate*)	11,352				11,352
<b>Deduct:</b> Growth Factor	(3,272)				(3,272)
<b>Total 2020/21</b>	<b>242,780</b>	<b>60,386</b>	<b>2,204</b>	<b>22,900</b>	<b>328,270</b>
<b>Allocation 2021/22</b>	<b>246,979</b>	<b>66,179</b>	<b>2,109</b>	<b>22,900</b>	<b>338,167</b>
<b>Increase/(Reduction)</b>	<b>4,199</b>	<b>5,793</b>	<b>(95)</b>	<b>0</b>	<b>9,897</b>
<b>% Change</b>	<b>1.73%</b>	<b>10%</b>	<b>(4%)</b>		

### 4. Schools Block

- 4.1. The Government is still moving towards implementing a full National Funding Formula (NFF), but recognises the efforts in meeting the challenges of Covid-19, therefore there are no further changes to Local Formulas, which will remain in place for 2021/22.
- 4.2. The DfE is expected to consult in the near future on how to transition to the NFF. The total Schools Block set for Local Authorities in 2021/22 is calculated by a National Funding Formula plus any guaranteed minimum funding increases.
- 4.3. For 2021/22, the main technical changes and updates announced are;
- NFF allocations from 2021/22 will now include as core funding, the teachers' pay grant, and the teachers' pension employer contribution grant including the supplementary fund. This will be an additional £180 per pupil for primary schools and £265 per pupil for secondary schools.
  - The Income Deprivation Affecting Children Index (IDACI) previously based on 2015 data, will be based on updated 2019 data and banding will now be based on ranks and not scores. The implications of this change will be

modelled and highlighted as part of the detailed Authority Proforma Tool (APT) modelling.

- Overall the school funding through the NFF will see an increase of 4%
- Key factors include the basic per pupil funding and additional needs funding. These pupil led funding factors within the NFF have increased by 3%.
- A minimum per pupil funding level - £4,000 in the primary phase and £5,150 in the secondary phase.
- At least 2% more pupil-led funding per pupil compared to the 2020-21 NFF baseline.

4.4. The 3% increase to the key NFF factors is a positive step towards matching the current local Brent formula nonetheless there is no clear advantage to adopting the NFF locally until such time as the funding catches up with the local funding formula. Currently in Brent, local formula funding levels per pupil averages £5,143 for primary pupils and £6,553 for secondary pupils.

## **5. High Needs Block**

5.1. The additional £5.8 million represents a 10% increase in the High Needs Block income, which would be enough to cover the current 2020/21 forecasted imbalance between High Needs expenditure and income. This increase includes the teachers' pay and pensions funding at £660 per pupil added to the basic entitlement factor. However, the increase will not be sufficient to also cover the brought forward 2019/20 DSG deficit of £4.9 million, the forecast deficit of £4.2 million in 2020/21 and any further demand rises in EHCPs in 2021/22.

5.2. The High Needs Block received a transfer of 0.5% of the Schools Block income in 2020/21 and continuing this transfer in 2021/22 would enable potential pressures arising from growth in EHCPs to be mitigated or go towards mitigating the brought forward DSG deficit from 2019/20 and 2020/21.

5.3. The DfE had announced a SEND review in 2019 five years on from the 2014 reforms but the review has been delayed due to the Covid-19 pandemic. The DfE are working towards consulting on the review in Spring 2021. The focus of the review will be on;

- High quality outcomes by education, health and social care;
- Supporting mainstream schools to meet the needs of the majority of children with SEND;
- Making the EHCP process streamlined and consistent having recognised that the 2014 reforms were overly focussed on EHCPs;
- Increase capacity in the specialist sector to place children close to home, at a sustainable cost.

## **6. Early Years**

- 6.1. At the time of writing this report, no announcement has been made regarding the Early Years block funding for 2021/22. An Early Years 2020/21 funding report will be brought to Schools Forum in January 2021 once funding rates have been announced by the DfE.
- 6.2. Due to the Covid-19 pandemic, the funding allocation for the 2020 autumn term by exception is based on the January 2020 census data. The DfE intend to return to the normal early years funding process from the start of 2021 and intend to use the January 2021 census count to drive funding allocations for the 2021 spring term. However, this will be kept under review and further guidance will be issued to confirm any changes in approach.
- 6.3. The four maintained nursery schools in Brent receive a specific allocation of just under £0.8 million. It was announced that this grant would continue in the academic year 2020/21 but it is not known if it will continue beyond then. Given the importance of this funding to the maintained nursery schools, this situation will need to be closely monitored.

## **7. Central Funding Block**

- 7.1. The Central Funding Block has been reduced by £95k for 2021/22. For ongoing responsibilities that local authorities continue to have for all schools, this is expected to increase by 4% while funding for historic commitments within this block will decrease by a further 20% for those local authorities in receipt of this funding. For Brent the net impact is a 4% reduction. This reduction reflects the DfE's expectation that Local Authorities are, over time, unwinding the historic commitments, which have been funded by the DSG.
- 7.2. This will create a budget pressure in the central block, as most of the historic commitments are long-term commitments, which cannot be rapidly reduced or easily funded by a constrained General Fund. As part of the 2020/21 monitoring, there are some reported underspends in the Central block and officers will seek to balance the position for the 2021/22 budget.

## **8. Split Site Funding Task group update**

- 8.1. As requested by Schools Forum, a task group of representative schools, in receipt of split site funding and chaired by the Operational Director Safeguarding, Partnerships and Strategy, was convened on 8th October to review the current split site funding arrangements. Representatives from schools contributed a number of points on the financial impact of operating on split sites:
  - Operating two sites requires a different structure including additional staffing, more entrance gates (requiring more security), additional libraries, caretakers, canteen facilities and science laboratories;
  - Additional time staff spend travelling between sites;
  - A larger senior leadership team is required;

- Higher premises costs;
- Increased challenges for health and safety and safeguarding particularly with vulnerable children.

8.2. It was discussed that an initial benchmarking exercise with statistical neighbours with published split site funding allocations showed that Brent's split site funding is slightly higher than the other local authorities. The group was informed that further work would benchmark wider areas of DSG funding where Brent appears to be an outlier, using information from the Society of London Treasurers. The group suggested that benchmarking should prioritise the largest areas of spend and budget pressure within the DSG. It was also noted that the current impact of the Covid-19 pandemic might affect the appropriate timeline for any analysis to be undertaken.

## **9. Financial Implications**

9.1. The financial implications have been detailed in the body of this paper.

## **10. Legal Implications**

10.1. There are no legal implications for this report.

## **11. Equality Implications**

11.1. Not applicable.

## **12. Consultation with Ward Members and Stakeholders**

12.1. Not applicable.

## **13. Human Resources/Property Implications (if appropriate)**

13.1. Not applicable.

**Report sign off:**

**Gail Tolley**

Strategic Director of Children and Young People

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