

None.

4. **Minutes of the previous meeting**

It was **RESOLVED** to approve the minutes of the previous meeting held on 1st March 2022 as a correct record.

5. **Actions arising**

None.

6. **Dedicated Schools Grant (DSG) Outturn 2021 - 22**

Olufunke Adediran, Head of Finance at Brent Council, introduced the report that detailed the final Dedicated Schools Grant (DSG) outturn against the budget set for 2021/22 and updated the Forum on the in-year 2021/22 deficit of £4.6m. Additionally, the report advised the Forum on the government response to the consultation on reforms to the National Funding Formula.

Schools Forum were asked to note the contents of the report with the following key points shared:

- The Forum was advised that the DSG budget had a final in year deficit of £4.6m in 2021/22. The Forum heard that this was a reduction from the previously forecast position of a £5.4m in year deficit due to a reduction in the pressures of the Early Years Block and an increased underspend in the Schools Block.
- The current cumulative deficit against the DSG since 2019/20 now totalled £15.1m. In line with The School and Early Years Finance (England) Regulations 2021 the DSG deficit balance would be held within the local authority's overall DSG and carried forward to be recovered from future years' funding and/or recovery plans agreed with the Department for Education (DfE).
- The Forum heard that the funding pressures within the High Needs Block remained driven by the increased number of children with EHCPs. It was noted that although this was a historic and sustained pressure, there was only a 6% increase of EHCP's in Brent between January 2021 and January 2022 compared to 15% the previous year, which demonstrated that the rate of growth was slowing as a result of management plan actions to manage demand, including a revised EHCP assessment planning and review process introduced in April 2021. The Forum's attention was drawn to Table 2 of the report that provided a comparative breakdown of the Brent year on year % increases in EHCPs versus the National increases. Additionally, Table 3 of the report illustrated to the Forum the breakdown of spending within the High Needs Block.
- The Forum was advised that the total £5.3m deficit in the High Needs Block was £0.9m lower than the £6.2m HN deficit reported in 2020/21, mainly due to a reduction in the pressures against the Post 16 top-up funding which had seen a £1.4m overspend in 2020/21, compared to an underspend of £0.1m in 2021/22.
- The Early Years Block carried forward a small deficit of £41k due to a budget reduction from £23.3m to £22.7m following a clawback of funding by the DfE. Brent had not been significantly affected by the clawback as the impact had

been mitigated by underspends against the 3 and 4 year old nursery education funding allocation.

- The Forum heard that the Early Years Block funding allocation was usually calculated based on the prior year's January census data, adjustments would then subsequently be made throughout the year with funding adjusted to reflect significant increase/decreases in pupil numbers.
- It was noted that the DfE had made changes to the way funding was allocated for the 2021/22 financial year that included factoring in fractions of the Spring and Autumn headcount data which had contributed to the favourable outcome.
- The Forum was advised that the Schools Block had an overall underspend due to the impact of the Growth Fund as part of the National Funding Formula (NFF).
- The Forum heard that there was a mixed picture in how individual schools were managing their financial position with the figures suggesting overall that in 2021/22 schools in Brent had endured financial pressures. The decrease in balances was partly due to the impact of falling rolls resulting in some Primary schools having a reduction in funding.
- 6 schools were in deficit, with the majority expected to set a deficit budget for 2022/23. Four of the schools had a licensed deficit agreement to recover the deficit over a 3-year period. The schools in deficit would be closely monitored by the local authority throughout the year to review performance against agreed recovery plans.
- The Forum's attention was drawn to Appendix B of the report that detailed the Deficit Recovery Plan. Officers advised that local authorities with a deficit would be supported to reduce this through participation in either the DfE Safety Valve Programme and/or Delivering Better Value in SEND Programme. Brent will be participating in the Delivering Better Value in SEND Programme. It was however noted that the support to Brent may not include receiving additional funding, but may include a representative from the DfE reviewing Brent's plan to ensure financial sustainability going forward.

Before moving on to discuss the second part of the report, the Chair invited Forum members to ask any questions they may have on the information they had heard so far, with the following queries discussed:

- In response to a Forum query regarding the cost pressures in the High Needs Block, Shirley Parks (Interim Director, Safeguarding, Partnerships and Strategy – Brent Council) confirmed that there had been a significant increase in the top-up funding allocated to Special Schools and Additionally Resourced Provisions (ARPs) within Brent as a result of more children being placed in settings within the borough. Increased in borough provision was recognised as a positive step moving forward as it remained more cost effective than out of borough provision, which was still necessary for some Brent children.
- Forum members advised that despite only 6 schools being in deficit, schools have had to make difficult decisions as to how they manage their budgets and had made significant cuts in order to return a balanced budget to the Local Authority (LA). In response to the concerns raised, officers advised that they were aware of the financial pressures faced by schools and acknowledged that a number of schools were likely to find themselves in a deficit position over the next few years. The LA remained committed to supporting schools in overcoming financial pressures.

In addressing the second part of the report, officers drew the Forum's attention to Section 11 of the report that detailed the DfE response to the consultation regarding the completion of the NFF reforms that had now been published, following initial feedback shared with the Schools Forum in November 2021. The Forum were advised that the proposals that were likely to have an impact on Brent Schools were as follows:

- Taking a further 10% move towards the NFF as agreed by Schools Forum in November 2021 as a way of supporting the transition moving over from the Local Funding Formula (LFF) to limit the impact felt by schools.
- The Looked After Child (LAC) factor had historically been used as part of the LFF. However, this would not be allowed as part of the NFF and therefore would not be considered as part of the 23/34 budget.
- The Government now required that LA's adopted the NFF methodology of English as an Additional Language (EAL) 3, which would ensure that all pupils with EAL that had entered the school system during the last 3 years would attract this funding. Brent currently used EAL 1 whereby funding was only received for 1 year. The impact of this would be an estimated additional £10m to be allocated for EAL, which would be deducted from other funding factors.

In concluding the report the Forum were advised that the DfE had issued another consultation on 7 June 2022 regarding the next stage of the implementation of the NFF. The consultation period was due to end on 9 September 2022. Officers shared that the LA would provide a response to the consultation and education settings were advised that they could also respond to the consultation independently. Feedback from the consultation would be shared with the Schools Forum when available.

In acknowledgement of the fast-changing landscape of school funding the Chair thanked officers for their hard work in providing the informative report to the Schools Forum. It was suggested that at the next Schools Forum meeting the Forum should be provided with a report to consider the funding formula for the following year as well as considering how the Schools White Paper would affect the practice of the Schools Forum.

Shirley Parks (Interim Director, Safeguarding, Partnerships and Strategy - Brent Council) advised that Gail Tolley, Strategic Director Children and Young People was meeting with head teachers across the borough to discuss the Schools White Paper and the impact this could have for schools and a further discussion would also take place with School Governors in Brent. The Forum heard that given the number of changes forecast, it was likely that Brent's implementation plan may not be confirmed by the next Schools Forum however officers would be happy to provide an update to the Forum.

In drawing the discussion on the item to a close, the Chair commended officers on their positive communication with Headteachers and Governors in keeping them up to date with the impending changes and giving them a voice in the implementation plans.

As no further issues were raised the Forum RESOLVED to note the contents of the report.

7. Scheme for Financing Schools and Schools Financial Regulations 2022-23

Olufunke Adediran, Head of Finance, introduced the report that detailed the changes to be implemented to the Scheme for Financing Schools and the Schools Financial Regulations for the financial year 2022/23. In sharing the report the Forum were advised that all changes applied in the revision were in line with the April 2022 Department for Education's Scheme for Financing Local Authority Maintained Schools – Statutory Guidance issued to Local Authorities, changes to the Local Authority's own regulations, the EU Public Procurement Regulations and all the relevant regulations. The Forum's attention was drawn to Appendix B of the report that reflected the changes to The Scheme for Financing Schools for 2022-23 and Appendix D, which reflected The Schools Financial Regulations for 2022-23

The Chair thanked officers for their report and invited members of the Schools Forum to share any comments or questions they may have. As no queries were raised the Schools Forum RESOLVED –

- (1) To approve the amendments to the Scheme for Financing Schools 2022/23.
- (2) To note the amendments made to the Schools Financial Regulations 2022/23.

8. Any other Urgent Business

No issues were raised under this item for consideration at the meeting.

The meeting closed at 6:30 pm

M Heiser
Chair