



Education & Skills
Funding Agency

Education and Skills Funding Agency
Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

Tel: 0370 000 2288

www.gov.uk/esfa

30 October 2019

Sent via email: Domenico.Barani@slough.gov.uk
Vikram.Hansrani@slough.gov.uk

Dear Domenico and Vikram

Thank you for submitting your Dedicated Schools Grant (DSG) recovery plan on 2 August 2019.

Due to the announcement at the end of August of additional funding for schools and high needs, we have delayed responding to authorities' plans until we were able to give more detail about funding for individual authorities in 2020-21. Provisional allocations have now been published on 11 October 2019. Your allocations can be found [here](#). We will let authorities know as soon as we can in 2020 about likely high needs allocations for 2021-22 and 2022-23.

We have now had an opportunity to review your recovery plan and we will be contacting you shortly to arrange a joint visit with representatives from the department's Funding and Special Educational Needs teams to support you to develop your recovery plan further. We have a number of queries, as detailed in our feedback below, that we would like to discuss in that meeting and would expect you to address these prior to our visit. We appreciate the additional funding may also have an impact on your plans, which we would like to review in this visit. We will be in touch soon to arrange a convenient time.

You have provided a 3-year recovery plan with a deficit which significantly increases year on year to £14.993m by 2021-22. We have noted your plan does not include a transfer from the Schools Block to the High Needs Block for 2019-20 as this was rejected by the schools forum; however, you have assumed future transfer requests of 0.5% in both 2020-21 and 2021-22. Your plan also assumes continuing additional grant funding across all years which we assess to be reasonable in light of the funding allocations which have been subsequently announced.

You have identified only one saving which extends beyond 2019-20 (S1) which corresponds with the rising deficit forecast. In response to our query regarding a lack of savings, you have advised your forecast assumes no future growth as the service is expecting fewer statutory assessments. Overall, we have concerns that if you are unable to plan any savings proposals then your plan will lack a long term, strategic focus. When we come to visit, we would like to further discuss and identify what your savings are and are

interested to understand what is driving the pressures contributing to the increase in your deficit. We appreciate that you may find this a challenging task and would like to offer our full support to enable you to devise a more strategic and realistic plan over the coming months.

You have advised you currently do not forecast the number of children and young people (CYP) with Education, Health and Care Plans (EHCPs) based on 2019 figures and are therefore unable to provide estimated numbers for 2020 and 2021. This is a concern to us as we deem that without forecasting these numbers it would be impossible to devise a strategic plan to address the deficit. Please can you revisit this and be prepared to provide estimated EHCP data for 2020 and 2021 when we visit.

We have assessed that your overall savings proposals are limited, relatively minor and short-term cost-cutting measures rather than long-term and with a strategic focus. We are also concerned that several savings proposals do not appear to relate to your identified pressures. We would have expected to see a projection of corresponding cost savings alongside your decreasing or stabilising pressures. For example, within your first pressure (P1) you have identified costs due to the increase in pupils accessing both Independent Specialist Schools (ISS) and Out of Borough Placements (OOB). As this pressure begins to reduce by 2020-21 and stabilises in 2021-22 due to the proposed expansion of provision (up to 40 places at Arbour Vale School) over the next 3 years, we would expect to see projections of the cost savings associated with this decrease. However, your plan does not assume a corresponding saving and we would be interested to understand how you have calculated this pressure. It would be helpful if you could provide both a breakdown of these costs and further detailed narrative when we visit.

Within your third pressure (P3) you have advised that this pressure is due to an increase in demand and complexity of need in CYP with EHCPs. We have noted this pressure continues at the same amount across your plan and we would be interested to understand how you have calculated these figures.

We note that you have stated that you have an ongoing pressure (P4) relating to the baselining exercise. We understand that you were using £548k from central funds to fund a Private Finance Initiative (PFI) but this transfer has since ceased. You have advised that you have since been moving this funding out of your High Needs Block (HNB) on a yearly basis to transfer across to your Schools Block. Funding is provided for additional costs associated with PFI contracts through the National Funding Formula (NFF) within the Schools Block. We do not understand why there has been a need to move funding from either the Central Services Schools Block (CSSB) or the HNB for PFI. We would ask you to consider if this is a real pressure as we see no reason for this transfer continuing.

Due to the additional funding in high needs we expect that the need to transfer funding from the Schools Block to the High Needs Block will not be required. We have noted within your recovery plan you have provided assumed transfer amounts of 0.5% to the High Needs Block from 2020-21 to 2021-22 if approved by your schools forum. However, we believe that the additional funding you have been allocated will now meet your planning for

more income without the requirement to move money away from schools and you will want to remodel your recovery plan accordingly.

If you have any queries about this letter or would like any further discussion or support with your recovery plan please get in touch with us at

Financial.MANAGEMENT@education.gov.uk.

We appreciate this has been a new process – Slough were one of thirty-two local authorities submitting a recovery plan this year and we are keen to ensure that the process is as clear as possible.

If you wish to provide feedback on the process, please contact us via the Financial Management mailbox as above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Owen Jenkins', with a horizontal line extending from the end of the signature.

Owen Jenkins

**Deputy Director, Funding Directorate
Education and Skills Funding Agency**