

SLOUGH SCHOOLS' FORUM
19th January 2021

Directorate of Children, Learning and Skills

DSG Deficit Management Plan Version 1.3 Update

1 PURPOSE OF REPORT

- 1.1** The report is used to ensure Schools' Forum is being informed of Slough's DSG Deficit Management Plan, in accordance with *DSG Conditions of Grant 2020 to 2021*.

2 RECOMMENDATIONS

- 2.1** To make schools aware of the current unmitigated forecasted expenditure within the DSG.

3 REASONS FOR RECOMMENDATIONS

- 3.1** To ensure that by submitting the DSG Management Plan, the council is compliant with the conditions attached to the DSG, and demonstrate to the ESFA and stakeholders, the strategies and approaches the LA will undertake to manage the current DSG deficit.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1** To not engage in the generation and use of the DSG Deficit Management Plan tool, in line with the conditions attached to the DSG. The Secretary of State does however reserve the right to impose more specific conditions of grant on individual local authorities that have an overall deficit on their DSG account, where he believes that they are not taking sufficient action to address the situation.

5 SUPPORTING INFORMATION

Background

- 5.1** As reported to the Forum in November, the DfE extended the rules under the DSG conditions of grant that any LA with an overall deficit on its DSG at the end of the 2019-20 financial year, or whose DSG surplus has substantially reduced during the year, must co-operate with the ESFA in handling that situation by:
- providing information as and when requested by the DfE about its plans for managing its DSG account in the 2020-21 financial year and subsequently
 - providing information as and when requested by the DfE about pressures and potential savings on its high needs budget
 - meet with officials of the DfE as and when they request to discuss the LAs plans and financial situation
 - keep the Schools Forum regularly updated about the LAs DSG account and plans for handling it, including high needs pressures and potential savings

- 5.2 On 16th September 2020, the ESFA published a new template for a DSG Management Plan which all LAs have been asked to use. It is intended to replace the previous DSG Recovery Plan and is much more sophisticated than its predecessor. The Management Plan is designed to help LAs:
- Comply with the DfE requirements of providing a management plan where the DSG is in a deficit or has experienced a substantial reduction to the overall surplus
 - Monitor how DSG funding is being spent over time
 - Compare data on high needs spend between statistical neighbour LAs
 - Highlight areas where the LA may wish to review spending
 - Form evidence based and strategic future plans for the provision of children and young people with SEND
 - Present complex funding information simply to Schools Forums and other external stakeholders
 - Provide a consistent reporting format to help the LA share best practice and initiatives
- 5.3 The ESFA expect the Management Plan (MP) to be updated and presented at Schools Forum meetings and any high needs subgroups regularly and at least on a termly basis. In line with these expectations, the LA is presenting the first version (presented as Version 1.3 due to minor adjustments since receiving LA sign-off at the Local SEND Partnership Board in December 2020) of the MP to the Schools Forum in time for budget planning discussions for 2021 to 2022. The ESFA realises that the management of DSG balances, both bringing spend in line with income and repaying deficits, will take time for some LAs. The MP has therefore been developed in such a way that it is intended to be a live document and able to readily track progress towards reaching at least a balanced DSG budget.
- 5.4 The DSG Management Plan Version 1.3 notes that Slough's High Needs Block DSG allocation has increased from £17.845m in 2018-19 to £18.649m in 2020-21. In each of the financial years from 2018-19 to 2020-21, the Council has been aware of the growing pressures on the High Needs Block DSG and has sought approval from Schools Forum to transfer 0.5% of the Schools Block to the High Needs Block after fully funding schools with the National Funding Formula factors and values. These requests have been turned down by the Schools Forum on each occasion, leading to a growing cumulative deficit.

Management Plan Template Format

- 5.5 The MP template is a data heavy excel document, designed to be utilised most effectively when opened on the latest Microsoft Excel software. Due to this, some elements and functionality designed by the ESFA within the template, have been removed (by the ESFA upon request by the Council), in order to ensure the core functions of the template work correctly. It should therefore be noted that the MP cannot have the base data altered from Slough specific data (a function built into the Cover tab – Cell B7 where the user can alter the selected LA), else the document is rendered unusable. The removal of this function means that Slough's template will only show Slough data, and Slough's statistical neighbours used in the comparison tabs within the document.

- 5.6 The MP comprises of 19 different tabs of data. It provides a platform for the LA to present both financial data and narrative on current strategic planning in one document. It also meets the requirements of the ESFA for the LA to demonstrate the LA's plans to manage the known financial pressures over the coming years.

Summary Narratives

- 5.7 The template includes a summary tab that is to be used to demonstrate a clear overall summary of how the DSG pressure will be managed; managing trends in the number of children and young people (CYP) receiving funding; and ensuring the best possible outcomes for CYP with SEND.
- 5.8 There is also a summary tab dedicated to presenting data on the number of EHCPs maintained by the LA, both historic and future forecasts. The CYP tab data is generated from a culmination of data entered in other ar4as of the document.
- 5.9 There is a Placement tab dedicated to giving more specific details of plans around each of the different placement types being commissioned e.g. in mainstreams settings, special schools, non-maintained special and independent schools, post 16 and FE etc, Narratives captured here are expected to change over time as updated MP versions are released, taking into account the identified financial pressures reflected on placement type specific financial tabs, and linked to the LA's changes in strategic planning over time to address these pressures.

Financial Information

- 5.10 The template has a Finance Tab that gives a summary picture of the historic DSG financial positions since 2018-19, as well as showing mitigated and unmitigated forecasted income and expenditure for the coming years. Financial information reported within the MP mirrors historically published information via the LA's annual Section 251 outturn return.
- 5.11 Whereas the summary Finance tab gives financial information relating the all DSG blocks, this is done to ensure a complete financial position for the DSG is captured. The remaining financial tabs are however, mainly focused on the financial management of the HNB and all associated cost lines reported within the LA's Section 251 outturn returns.
- 5.12 The template breaks down the financial information regarding the HNB, into placement type specific tabs (linked to each placement type outlined within the Placement narrative tab), allowing for more forensic identification; comparison; and analysis of specific cost pressures linked to each placement type.
- 5.13 Each financial related tab allows for the presentation of both mitigated and unmitigated forecasts. The unmitigated forecast demonstrates forecasts prior to accounting for any cost reductions; invest to save measures; or new initiatives planned – the "continue to do the same as now" position. The mitigated forecast is defined by the ESFA as the forecast after accounting for the cost reductions; invest to save measures; or new initiatives planned. The template therefore shows the 'before' and 'after' actions positions.

5.14 It should be noted that Version 1.3 of the MP has been created to demonstrate as clearly as data allows, the unmitigated forecasts for Slough over the coming years, based on the current strategies and initiatives currently deployed within Slough. It should be considered that Version 1.3 demonstrates “the starting position” for the MP, and that this version shall be used now as a live strategic analysis tool that generates focussed discussion and implementation of new ideas, concepts and initiatives that can mitigate the risks identified. Future versions of the MP will therefore capture these changes, and report mitigated forecasts based on changes made.

Local Governance and Stakeholder Engagement

5.15 The MP includes a Governance tab that allows the recording and monitoring of any working groups or workstreams that are being utilised to support the MP. It also allows for narratives on how the LA has engaged with all key stakeholders, such as parents/carers; CYP; health colleagues; elected members etc. This section will continue to be updated in future MP versions, and used to report the progress being made to improve the plans being created to manage the overall DSG deficit.

Slough Specific Information

5.16 The LA specific tab of the MP gives opportunity to explain certain assumptions made during the creation and completion of the MP. It also gives opportunity for the LA to identify the known risks and mitigations put in place to counter these known risks. This area of the MP is expected to be frequently updated over time, as further scrutiny is given to emerging financial pressures and growing SEND trends, and new action planning put into place to mitigate these issues.

Key Risks and Mitigations

5.17 The MP expects the LA to report on the top key risks that it has identified as causing financial pressures on the HNB, and give a summary narrative on the actions being taken to mitigate these risks. Currently the LA identifies the following key risks:

- **Numbers of EHCPs have continued to rise year on year within Slough.** Short term measures to address this include reviewing the decision making process via the SEND Panel Review, with an aim to ensure robust, legal and consistent decisions are being made. Medium term plan is to review data on a local basis that identifies areas for development in SEN Support. Long term actions will include the review of local SEND support services for early intervention, ensuring they are effective in reducing the need for EHCPs in the long term.
- **A shortage of local therapeutic support for speech and language interventions** and pre-statutory preventative models has contributed to an increased pressure on statutory level interventions via EHCPs for pupils aged above 5 years. A review into what services should be centrally commissioned is being undertaken, in partnership with Health. A longer term plan is also underway, to work in partnership with neighbouring Authorities to jointly commission appropriate integrated therapies for the area.

- **A lack of local specialist provision** has been identified and is leading to an increase in the placements of pupils into the independent and non-maintained sector. Whilst proportionate use of this sector by Slough is in line with national trends, it is nonetheless creating increased financial pressure on the HNB for Slough. Reviews into the use of the independent and non-maintained sector, as well as local Resource Base provision, are aimed at addressing this key risk, to ensure efficient and effective use of all local specialist provision available. Long term capital investment planning shall also be considered in line with identified SEND trends.

Overall SEND Data and Projected Trends

- 5.18 The LA is required to give a summary narrative on the overall EHCP data and trends being reported in the MP. Currently, it is reported how there is a continued increase in the number of EHCPs maintained by Slough, a trend that has generally been seen since 2014. Three main drivers are reported in the MP:
- There has been an increase in the number of EHCPs that are being issued to support CYP with Autism Spectrum Disorder (ASD) identified as a primary need. This trend is forecast to continue.
 - Slough has a significantly greater proportion of CYP identified with Speech, Language, Communication Needs (SLCN) as a primary need on an EHCP.
 - There is a growing trend in the number of CYP aged 20-25 supported with an EHCP in Slough, and therefore the continuing increase in financial pressure on the HNB from this growing cohort.
- 5.19 This narrative is expected to be updated in future versions of the MP, as knowledge; understanding; and data quality improves over time, and new interventions deployed have a positive impact on mitigating risk and financial pressures.

Strategies and Approaches

- 5.20 The MP requires the LA to supply a narrative on strategies it deploys to ensure adequate levels of provision are in place to meet local SEND demands.
- 5.21 The LA is currently reviewing its Workforce Development Plan (WDP), to ensure all education settings are appropriately supported to promote inclusive practice. Future MP versions will reflect improvements in the WDP that will address identified pressures, and improve the overall mitigated forecasts for expenditure over the coming years.
- 5.22 The MP also reflects how the LA is currently engaged in reviewing a Resource Base specialist provision within Slough. The review is expected to inform the LA and Schools Forum on the current utilisation of this specialist provision, and present recommendations on any opportunities available to improved their efficient and effective deployment to support positive outcomes for CYP. Once the review is completed, future versions of the MP will be updated, to reflect any changes in the strategic deployment of

specialist provision within Slough, and the mitigated financial forecasts, as well as capital investment planning.

- 5.23 The MP also reflects how the LA is currently actively engaging with neighbouring authorities, to identify mutually beneficial opportunities to support specific areas of SEND pressures. Future MP versions will reflect any new initiatives that are to be deployed locally that will have a financial impact on DSG pressures.
- 5.24 The MP also includes how the LA is currently reviewing SEND Panel processes that are used to make legal decisions on EHCPs. The LA is ensuring that the current processes allow robust decision making, whilst also ensuring trends of concern can be identified, analysed and addressed in a timely manner to improve overall service delivery for SEND.
- 5.25 The MP also reports on how the LA and Health partners are currently investigating the need to improve early intervention and statutory provision of therapy services within the local area. This approach is focussed on finding a solution that can help to relieve the need to seek therapy provision via an EHCP in Slough education settings, whilst also ensuring adequate statutory therapy services are available to all CYPs requiring therapy provision as identified within EHCPs.
- 5.26 The LA's Capital investment plan with regards to SEND provision is currently also under review, in line with other workstreams currently considering the use of specialist provision, and accurately identifying SEND pressures for the future. More information on capital investment shall be included in future versions of the MP, with any financial impact being captured in future mitigated forecasts.

Assumptions Made

- 5.27 A number of assumptions have had to be made in the creation of the MP, with specific focus on the future forecasting of income and expenditure. The following assumptions have been made within Version 1.3:
- 2010-2019 maintained EHCP figures have been mapped against Slough 0-25 residential population figures, and an average growth rate of 2.6% over this period was found. This has been used in conjunction with assumed average population growth for 0-25s, to calculate a likely increase in EHCP between 2021-2025.
 - Assumption is made that maintained EHCP growth will continue to increase by an additional $N+0.1\%$ per year, where N is the previous year's % of 0-25 Slough's residential population.
 - Forecasted growth in SEND Primary Needs for EHCPs is based on an average proportionate value for each primary need within the past 3 years, and linked to the anticipated growth in overall EHCP figures on the current trend vector.
 - Unmitigated financial values for EHCP top-up funding at mainstream (maintained and academy) schools has assumed a 14% increase in cost year on year, in line with increased costs identified during Matrix Banding Reviews in 2020. Unmitigated

financial values for resource based and maintained special school EHCPs have been assumed to remain static.

- Increases in SEN Support Services expenditure has been linked to forecasted Slough School Place Planning forecasts (included within Population assumptions).
- HNB income for 2022-23 and future years has been set at a prudent 8% growth, which is lower than the recently announce 11% increase in HNB income for 2021-22. Prudence has been applied here to ensure future financial planning to not rely on too much income growth.
- CCG contributions have been assumed to be the same each year. This will be updated as new financial information becomes available, or arrangements change.
- CSS Block (CSSB) – Historical expenditure element (identified on Financial Summary Tab) continues to reduce at 20% and 2% increase on the ongoing element. Future CSSB income has been assumed to be equal to assumed expenditure as historic trend suggests a balanced budget.
- Schools Block (SB) – Currently the increase in expenditure forecasted is set between 0.5% and 2% so a 1% average increase has been set for prudence. Future SB income has been assumed to be equal to assumed expenditure as historic trend suggests a balanced budget.
- Academy recoupment figures not yet known (I could not estimate at this point as I cannot run the APT - pupils number issues).
- Block transfers of up to a total of 0.5% into the HNB are assumed to not be agreed to in future years, in accordance to historic consensus that such transfers would not eradicate the HNB deficit, and only increase strain on other blocks. An agreement to transfer £250,200 from HNB to Schools Block is however assumed to continue in future years, in order to correct a historic financial reporting error.
- Assumed no changes to demographic makeup within Slough over the coming years. Future population growth has been formulated using data between 2010-19 that shows residential population growth between the age of 0-25 within Slough (ONS mid-year population data, within age restrictions pre and post 2014 SEN Reforms).
- Average growth for England's school population growth; and South East Regional school population growth rates between 2010-19 have been used to find an average historic rate of growth in school population. Historic and future Slough Council Place Planning figures have also been used with consideration of birth/death rates in the area, to forecast Slough school population growth. These factors have then been used to generate a formula that forecasts Slough's potential 0-25 residential population.

Financial Forecasts and Implications of Assumptions

5.28 As covered above, the financial tab (extract captured on appendix) gives a summary position of the overall DSG blocks, as well as additional summary information to reflect

the overall financial changes reported within each placement type tab. It must be noted that at present, Schools Block financial information from 2021-22 onwards, reflects pre-recoupment figures, due to the LA currently awaiting feedback on queries being raised. This will be corrected in future versions. This has been addressed for ease of presentation in this report, by having expenditure for the SB and CSSB reported against a balancing forecasted income figure. The appendix table illustrates the unmitigated summary positions of the DSG blocks, both for income and expenditure. It should be noted that the mitigated forecast columns in version 1.3 of the MP are incomplete due to the HNB not currently reflecting any new mitigated changes in place to address risks and pressures.

Overall DSG position	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Income/surplus shown as negative	actual	actual	Outturn	Unmitigated forecast	Unmitigated forecast	Unmitigated forecast	Unmitigated forecast
HNB Expenditure	£19,681,289	£21,595,370	£22,618,565	£23,769,143	£25,120,710	£26,649,832	£28,231,570
HNB Income	-£17,845,000	-£16,498,221	-£18,649,030	-£20,702,986	-£22,359,224	-£24,147,961	-£26,079,797
HNB Net Deficit after adjustments	£2,660,289	£5,852,149	£4,067,435	£3,136,357	£2,781,686	£2,472,071	£2,071,973
Brought forward deficit / (surplus) (net)	£5,104,000	£7,204,234	£13,051,303	£16,387,308	£18,342,448	£20,182,344	£21,828,182
Planned year end position	£7,204,234	£13,051,303	£16,387,308	£18,342,448	£20,182,344	£21,828,182	£23,045,121

5.29 The above table is a summary extract of forecasted unmitigated HNB income and expenditure, alongside the anticipated DSG deficit to be carried forward in future years. It demonstrates how HNB expenditure is anticipated to continue to increase year on year. This is linked to assumptions used (covered above), including population growth and increasing EHCP values.

5.30 An assumption has been made that future HNB income is anticipated to increase at a rate of 8.0% per year as of 2022-23. 2021-22 income has now been confirmed as £20.702m, equating to an 11.3% increase from the year before. For prudence, the LA has taken the decision to keep HNB income increasing at a conservative 8.0% rate of inflation, due to the level of uncertainty surrounding the economic pressures being generated by Covid. Any inflationary increase HNB income above 8.0% in future years will therefore only improve the DSG financial position.

5.31 It should be noted therefore, that the anticipated in year HNB deficit is projected to decrease each year (but still remain in deficit), from an unmitigated forecast of £4.067m at the end of 2020-21; reducing to £2.072m in year deficit by 2024-25. The increased HNB income is therefore helping to narrow the funding gap, but does not eliminate the overspend being seen on the HNB over the coming years.

% change per year	% change 2019-20	% change 2020-21	% change 2021-22	% change 2022-23	% change 2023-24	% change 2024-25
HNB Expenditure	9.7%	4.7%	5.1%	5.7%	6.1%	5.9%
HNB Income	-7.5%	13.0%	11.0%	8.0%	8.0%	8.0%
Planned year end DSG deficit	81.2%	25.6%	11.9%	10.0%	8.2%	5.6%

5.32 The above table illustrates the yearly % change of the HNB income and expenditure, alongside the forecasted overall % change on the total DSG deficit.

Mainstream Total Expenditure

5.33 Unmitigated forecasts for mainstream related expenditure (in line with Section 251 outturn reporting) demonstrate a yearly increase of between 11-12%. This is due to the cumulative effects of population growth; trends in EHCP growth; and the current documented increase in EHCP value within the mainstream sector. The below table is an extract from the MP.

	Historic Information			Current	Unmitigated Forecasted Expenditure			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure	£6,258,994	£5,765,385	£6,197,309	£6,892,125	£7,688,641	£8,614,491	£9,690,461	£10,789,903
Year on year change		-£493,609	£431,925	£694,816	£796,516	£925,850	£1,075,970	£1,099,442
Total % change year on year		-8%	7%	11%	12%	12%	12%	11%

5.34 Total expenditure is a culmination of EHCP top-up funding; SEN Support services; and Support for Inclusion costs. It should be noted that Slough has not historically reported (within the Section 251 outturn returns) any costs associated with Support for Inclusion. Further investigation is required into costs relating to Inclusion services currently offered by Haybrook and Littledown, where both schools do currently offer outreach support to mainstream schools, does potentially meet the ESFA definition for Inclusion Support. This work shall be reflected in future MP versions, and be captured as mitigated forecasted expenditure.

Resource Based or SEN Unit Provision Total Expenditure

5.35 Unmitigated expenditure forecasts for Resource Base provision in Slough (in line with Section 251 outturn reporting) relates to place funding. These costs have been reported at this time as remaining static. Any changes considered and implemented following the LA's current Resource Base Review shall be reported on within future MP versions, under mitigated forecasts.

	Historic Information			Current	Unmitigated Forecasted Expenditure			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure		£708,332	£695,500	£652,000	£652,000	£652,000	£652,000	£652,000
Year on year change			-£12,832	-£43,500	£0	£0	£0	£0
Total % change year on year			-2%	-6%	0%	0%	0%	0%

5.36 The above table demonstrates the 0% unmitigated change in expenditure over the coming years, but also highlights a -6% reduction in expenditure in 2020-21. This is due to a timing issue for data capture, relating to pupil placement numbers within academy resource bases. Future unmitigated figures may change depending on unpredicted changes in demand and unplanned adjustments.

Maintained/Academy Special School Total Expenditure

5.37 Unmitigated total expenditure for maintained and academy special schools is a culmination of place funding; EHCP top-up funding; and SEN Support Services (in line with Section 251 outturn reporting).

	Historic Information			Current	Unmitigated Forecasted Expenditure			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure	£7,822,470	£8,054,289	£7,479,951	£8,830,801	£9,032,765	£9,296,551	£9,577,340	£9,876,189
Year on year change		£231,819	£-574,338	£1,350,850	£201,964	£263,786	£280,789	£298,849
Total % change year on year		3%	-7%	18%	2%	3%	3%	3%

5.38 The above table shows the summary forecasted changes in expenditure. 2020-21 reports an 18% increase in costs mainly due to the uplift in individual placement costs agreed at Arbour Vale, which should be considered a one time event. Assumptions made within the MP (and reported within this report) expect to see an overall yearly increase in expenditure between 2-3%.

Independent and Non-Maintained Expenditure

5.39 Following detailed financial analysis of Slough's historic Section 251 outturn returns during the creation of the MP, it has been identified that reporting errors were made against Independent and Non-Maintained (IN-M) expenditure in previous year's reporting. The majority of Post 16 costs were incorrectly reported as IN-M expenditure. This error has now been corrected and costs transparently reported, in line with ESFA definitions for Section 251 expenditure.

	Historic Information			Current	Unmitigated Forecasted Expenditure			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure	£2,110,594	£4,105,455	£5,959,416	£3,008,308	£3,093,548	£3,184,297	£3,280,892	£3,383,699
Year on year change		£1,994,861	£1,853,961	£-2,951,108	£85,240	£90,749	£96,595	£102,806
Total % change year on year		95%	45%	-50%	3%	3%	3%	3%

5.40 The above table shows the summary forecasted expenditure, and the % yearly change. It has been assumed that the use of the IN-M sector will continue to grow in line with the growth trend in EHCPs maintained.

5.41 It should be noted that although Slough's placement figures within the IN-M sector have increased over recent years, Slough's proportional use of this sector is in line with national and regional averages.

Hospital Schools and Alternative Provision Expenditure

5.42 It should be noted, that in line with the ESFA's definition of expenditure reported within an LA's Section 251 outturn return, Hospital Schools expenditure in the MP does not include placement funding. The MP does however capture any top-up funding that relates to pupils placed in hospital education, as well as relating to pupils who are defined and certified as medically unfit to attend education.

	Historic Information			Current	Unmitigated Forecasted Expenditure			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure	£1,395,080	£738,028	£996,193	£1,245,501	£1,277,959	£1,312,514	£1,349,295	£1,388,442
Year on year change		£-657,052	£258,165	£249,308	£32,458	£34,555	£36,781	£39,147
Total % change year on year		-47%	35%	25%	3%	3%	3%	3%

5.43 The above table shows the summary expenditure for both Hospital education and Alternative Provision. 2020-21 expenditure has increased by 25% from the previous

year, due to a rise in the number of pupils who have been deemed either medically unfit to attend education, as well as a rise in the number of pupils with EHCPs who have not been able to attend an education setting during the Covid pandemic. The SEN team have therefore been required to secure alternative arrangements for this cohort of pupils, to meet legal obligations. As it is unknown precisely how long the effects of Covid will have on the nation, it has been considered prudent to continue to reflect an increased level of expenditure in this area. This financial pressure area will be reviewed and strategies and new approaches considered, in order to see reductions in financial pressures, which will be reported as mitigated financial expenditure.

Post 16 Total Expenditure

5.44 As stated above, historic financial reporting errors have been identified during the creation of the MP, in relation to reported Post 16 expenditure.

	Historic Information			Current	Unmitigated Forecasted Expenditure			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure	£0	£126,800	£267,000	£1,219,830	£1,254,231	£1,290,857	£1,329,843	£1,371,337
Year on year change		£126,800	£140,200	£952,830	£34,401	£36,626	£38,986	£41,494
Total % change year on year			111%	357%	3%	3%	3%	3%

5.45 The above table shows the summary forecasted unmitigated expenditure and the % yearly change. The significant 357% change in 2020-21 relates to the financial error correction commented on above. Based on the data currently available, overall costs are considered to increase by 3% per year in future years. This figure will be monitored and updated in future MP versions, as data collation and analysis work is undertaken for the Post 16 sector. Any changes in strategies and approaches to support this sector shall have their financial impact assessed and reported as mitigated forecast.

Health, Social Care and Therapy Total Expenditure

5.46 The MP has a financial tab that captures financial information for Health, Social Care and Therapy expenditure, although does not allow the LA to report on these costs individually.

5.47 Following detailed financial analysis of Slough's historic Section 251 outturn returns during the creation of the MP, it has been identified that errors were made when reporting expenditure relating to Therapy services. These errors are not able to be historically corrected as the S251 returns are already published and have been pre-populated into the initial DSG Deficit Management Plan by the ESFA.

	Historic Information			Current	Unmitigated Forecasted Expenditure			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure	£0	£0	£0	£770,000	£770,000	£770,000	£770,000	£770,000
Year on year change		£0	£0	£770,000	£0	£0	£0	£0
Total % change year on year					0%	0%	0%	0%

5.48 The above table therefore reflects how Slough historically did not report expenditure towards therapies. This has now been corrected for 2020-21, and will continue to be reported transparently in future Section 251 returns. £0.770m therapy costs relate to a culmination of Speech and Language services, as well as Sensory Consortium Services

that are commissioned centrally by the LA. Any future changes in therapy service commissioning will be reflected in mitigated financial forecast figures.

- 5.49 It should be noted that no health or Social Care expenditure is reported within this section of the MP. Any changes in financial arrangements with Health and/or Social Care shall be reflected in mitigated financial forecast figures.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal provisions are contained within the main body of this report, and DSG guidance for 2020-21 previously shared with Schools Forum.

Section 151 Officer – Strategic Director of Resources

- 6.2 The financial implications of the report are outlined in the supporting information.

Access Implications

- 6.3 There are no access implications.

7 CONSULTATION

Principal Groups Consulted

- 7.1 High Needs Working Group – sub group to the Schools Forum

Method of Consultation

- 7.2 Monthly meetings held, whereby the development of the DSG Management Plan was discussed.

Representations Received

- 7.3 Not applicable.

8 Background Papers

- 8.1 [DSG Conditions of Grant 2020 to 2021 Publication](#)

- 8.2 DSG Deficit Management Plan Version 1.3 -

Contact for further information

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Appendix - Financial Summary Tab extract

Overall DSG position income/surplus should be shown as negative	2018-19 actual	2019-20 budget	2019-20 actual	2020-21 Outturn	2020-21 Mitigated budget	2020-21 Unmitigated forecast	2021-22 Mitigated forecast	2021-22 Unmitigated forecast	2022-23 Mitigated forecast	2022-23 Unmitigated forecast	2023-24 Mitigated forecast	2023-24 Unmitigated forecast	2024-25 Mitigated forecast	2024-25 Unmitigated forecast
1. Expenditure (Positive figures)														
Schools block	£35,248,090	£35,701,284	£36,201,304	£37,198,000	£37,198,000	£37,198,000	£149,702,689	£149,702,689	£151,199,716	£151,199,716	£152,711,713	£152,711,713	£154,238,830	£154,238,830
Central school services block	£919,122	£909,100	£899,988	£915,000	£915,000	£915,000	£707,798	£707,798	£710,972	£710,972	£716,406	£716,406	£723,705	£723,705
Early years block	£14,161,000	£14,166,100	£14,161,000	£13,617,970	£13,617,970	£13,617,970	£14,298,868	£14,298,868	£15,299,789	£15,299,789	£16,214,916	£16,214,916	£17,025,662	£17,025,662
High needs block	£19,681,289	£16,498,000	£21,595,370	£22,618,565	£22,618,565	£22,618,565	£0	£23,769,143	£0	£25,120,710	£0	£26,649,832	£0	£28,231,570
Planned spend from DSG reserves														
Total expenditure	£70,009,501	£67,274,484	£72,857,662	£74,349,535	£74,349,535	£74,349,535	£164,709,355	£188,478,498	£167,210,477	£192,331,187	£169,643,035	£196,292,867	£171,988,197	£200,219,767
2. DSG income (Negative figures)														
Schools block	-£34,835,384	-£35,701,284	-£35,701,284	-£37,198,000	-£37,198,000	-£37,198,000	-£149,702,689	-£149,702,689	-£151,199,716	-£151,199,716	-£152,711,713	-£152,711,713	-£154,238,830	-£154,238,830
Central schools services block	-£624,998	-£653,650	-£653,650	-£664,800	-£664,800	-£664,800	-£707,798	-£707,798	-£710,972	-£710,972	-£716,406	-£716,406	-£723,705	-£723,705
Early years block	-£14,603,885	-£14,166,100	-£14,166,100	-£14,349,400	-£14,349,400	-£14,349,400	-£15,229,885	-£15,229,885	-£15,991,379	-£15,991,379	-£16,790,949	-£16,790,949	-£17,630,496	-£17,630,496
High needs block	-£17,845,000	-£16,498,221	-£16,498,221	-£18,649,030	-£18,649,030	-£18,649,030	-£20,702,986	-£20,702,986	-£22,359,224	-£22,359,224	-£24,147,961	-£24,147,961	-£26,079,797	-£26,079,797
Total income	-£67,909,267	-£67,019,255	-£67,019,255	-£70,861,230	-£70,861,230	-£70,861,230	-£186,343,358	-£186,343,358	-£190,261,291	-£190,261,291	-£194,367,029	-£194,367,029	-£198,672,828	-£198,672,828
3. High needs block - other income (Negative figures)														
CCG contributions	£0	£0	£0	-£130,000	-£130,000	-£130,000	-£180,000	-£180,000	-£230,000	-£230,000	-£280,000	-£280,000	-£330,000	-£330,000
Other (Please specify)	£0	£0	£0	-£22,300	-£22,300	-£22,300								
Total other income	£0	£0	£0	-£152,300	-£152,300	-£152,300	-£180,000	-£180,000	-£230,000	-£230,000	-£280,000	-£280,000	-£330,000	-£330,000
4. Block transfers (Income/Block moved to as negative, Outgoing/block moved from as positive. Should net to 0)														
Schools block	-£548,000		-£500,000	£0										
Central schools services block	-£276,000	-£255,000	-£255,000	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200
Early years block				£0										
High needs block	£824,000	£255,000	£755,000	£250,200	£250,200	£250,200	£250,200	£250,200	£250,200	£250,200	£250,200	£250,200	£250,200	£250,200
Total Block Transfers (should net to 0)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
5. In year net position deficit / (surplus)														
Schools block	-£135,294	£0	£20	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Central schools services block	£18,124	£450	£0	£0	£0	£0	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200	-£250,200
Early years block	-£442,885	£0	-£5,100	-£731,430	-£731,430	-£731,430	-£931,017	-£931,017	-£691,590	-£691,590	-£576,033	-£576,033	-£604,834	-£604,834
High needs block	£2,660,289	£254,779	£5,852,149	£4,067,435	£4,067,435	£4,067,435	£20,632,786	£3,136,357	£22,339,024	£2,781,686	£24,177,761	£2,472,071	£26,159,597	£2,071,973
Total net	£2,100,234	£255,229	£5,847,069	£3,336,005	£3,336,005	£3,336,005	-£21,814,003	£1,955,140	-£23,280,814	£1,839,896	-£25,003,994	£1,645,838	-£27,014,631	£1,216,939
6. Other														
Add brought forward deficit / (surplus) (net)	£5,104,000	£7,204,234	£7,204,234	£13,051,303	£13,051,303	£13,051,303	£16,387,308	£16,387,308	-£5,426,695	£18,342,448	-£28,707,509	£20,182,344	-£53,711,503	£21,828,182
Planned year end position	£7,204,234	£7,459,463	£13,051,303	£16,387,308	£16,387,308	£16,387,308	-£5,426,695	£18,342,448	-£28,707,509	£20,182,344	-£53,711,503	£21,828,182	-£80,726,134	£23,045,121