

Wiltshire Council

Children's Select Committee

5th September 2024

Safety Valve Update

Background

1. The Dedicated Schools Grant (DSG) is funding which local authorities in England receive to support schools. The DSG is split into four blocks which support different parts of the schools system.
2. One of these blocks is the High Needs Block which is used to support children and young people with Special Educational Needs and Disabilities (SEND). Since 2018/19 the High Needs Block has been under increasing pressure. This growth in expenditure has been seen in every council in England, and Wiltshire is no exception.
3. In Wiltshire from 2018/19 to 2022/23, this equated to a 51% growth in the number of children supported by an EHCP, and a 46% growth in the amount of money being spent from the High Needs Block. Over the same period, the money received into the High Needs Block from government only grew by 36%.
4. While High Needs Block income has not kept pace with the growth in demand, there are also changes that councils can make to respond to the changing strategic context.
5. The government introduced a statutory override which allows councils to hold their DSG deficit as a negative reserve on their balance sheet, separate from the rest of the council's finances. This statutory override, however, is due to expire 31st March 2026 and at that point the cumulative unmitigated deficit could be £117.0m while the current forecast total general fund and earmarked reserves are £90m.
6. Safety Valve is a DfE programme to support councils that have a financial challenge with their High Needs Block. The invitation to join Safety Valve was received in August 2023.
7. The High Needs Block Sustainability Plan for Wiltshire has been developed with stakeholders to identify improvements in our SEND system that will create better support for children and young people and their families, while addressing the financial challenges.
8. That plan was submitted to DfE in January with endorsement from Children's Select Committee, Wiltshire Schools Forum, and a cross-sector board including membership from Wiltshire Parent Carers Council (WPCC) and the Integrated Care Board (ICB). This was then turned into an agreement which was signed in March 2024.
9. At the end of the plan period, the cumulative mitigated deficit is forecast to be £137.2m. The agreement commits the DfE to contribute £67m of additional DSG towards this figure, while £70.3m will need to be found from other funding sources to completely remove the deficit.

10. If the council successfully meets the deal criteria faster than expected, then this figure could reduce however, if the council fails to meet the deal criteria then this figure will go up, and could lead to the DfE withholding future Safety Valve funding.
11. The plan that the council submitted sets out how the savings can be met through a series of “invest to save” projects that will improve support for children and young people with SEND, and their families.
12. The plan has been combined with other strategic documents in SEND, and the new SEND and AP Strategy, and turned into a Transformation Programme. This programme has 6 priority programme areas which are closely aligned to the emerging SEND and AP Strategy:
 - Voice of the child and their family
 - Improving support, skills and practice
 - Right support at the right time
 - Preparation for adulthood
 - Financial assurance in our SEND system
 - Improving communication, processes and culture

September update

13. Work is ongoing to revamp the Programme Dashboard to ensure the Children’s Select have an accurate and transparent view of the programme and its progress. This is attached as Appendix 1. There are still some gaps where the programme team will insert relevant measures as they arise.
14. Overall, the programme has been RAG rated Amber/Green. This is because, while the project activity is proceeding as planned, the data indicators are not moving yet.
15. Financial indicators are currently RAG rated Green because the latest reported forecast has all financial indicators on track. However, it should be noted that the financial indicators lag behind the SEND data, and so this is likely to change as the data catches up.
16. Efforts remain focussed on improving support in schools, ensuring the capital build programme is delivered, and developing the post 16 offer. These areas are most likely to deliver meaningful impact in the short to medium term.
17. Two programme areas within SEND Transformation are RAG rated Red/Amber “At Risk”:
 - Improving support, skills and practice – amber due to the adverse movement of the EHCP numbers indicating that more is required to support children without a plan.
 - Right support at the right time – amber due to concerns about the delivery of new special school places, especially as related to the Safety Valve capital request.
 - Preparation for adulthood – amber due to delivery plans still being in draft, however there has been positive progress on this and it is expected to be green in September.

18. The Preparation for Adulthood Programme has moved from Red/Amber to Green/Amber and is now rated “Off Track”. This improvement is due to the stronger position around the ceasing of EHCPs, and the programme plan which is being developed by the new Project Manager.
19. As was reported in June, and July, the council is still waiting to hear about the capital request of £5.7m that was submitted to bring forward the provision of special school places in the south of the county. The DfE requested more information about the bid in May, which was supplied. However, given this is a ministerial decision, the current expectation is that the authority is unlikely to hear back until after the UK General Election on 4th July, and probably not until October 2024 at the earliest.
20. However, due to the reprofiling of the capital programme in Wiltshire, the council has managed to ensure that the money is available to deliver his programme. However, this has put future developments, like the much-needed secondary resource bases, at risk unless government finance comes forward.
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Appendices:

1. Childrens Select Committee Transformation Dashboard