

Safety Valve – *Wiltshire Approach*

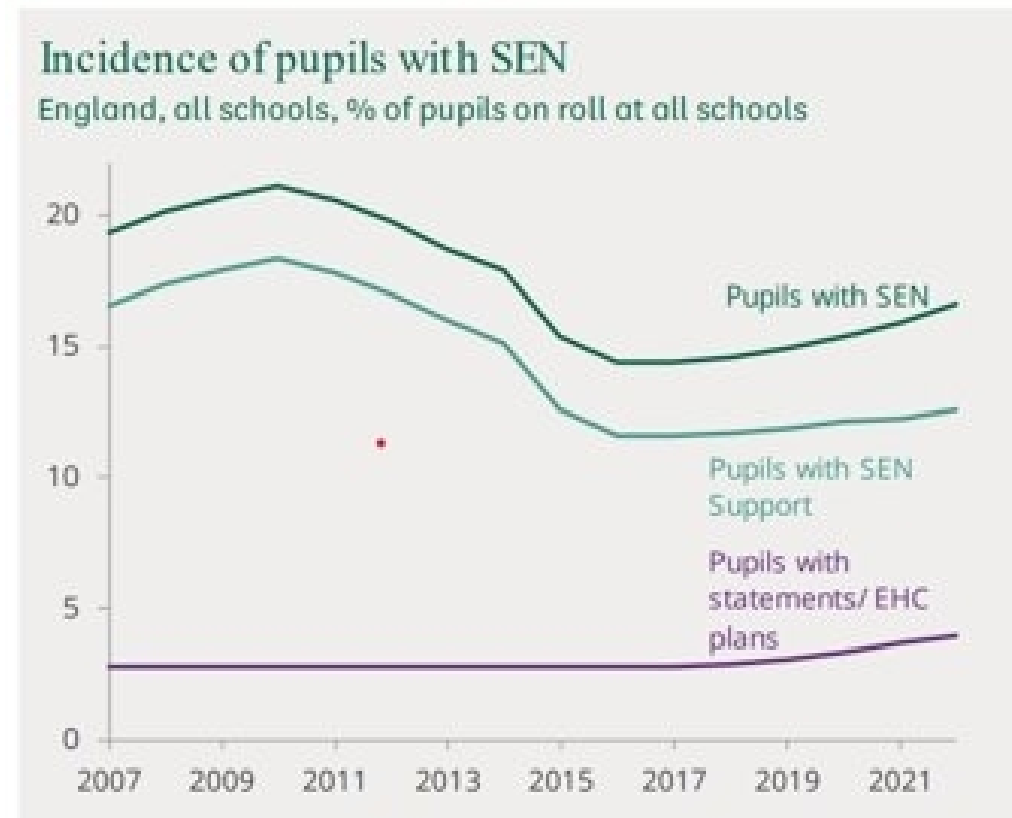
Schools Forum
5 October 2023

Wiltshire Council

The logo for Wiltshire Council, featuring the text "Wiltshire Council" in a bold, white, sans-serif font. Below the text is a white, stylized wave or swoosh graphic that underlines the text.

Background and Context

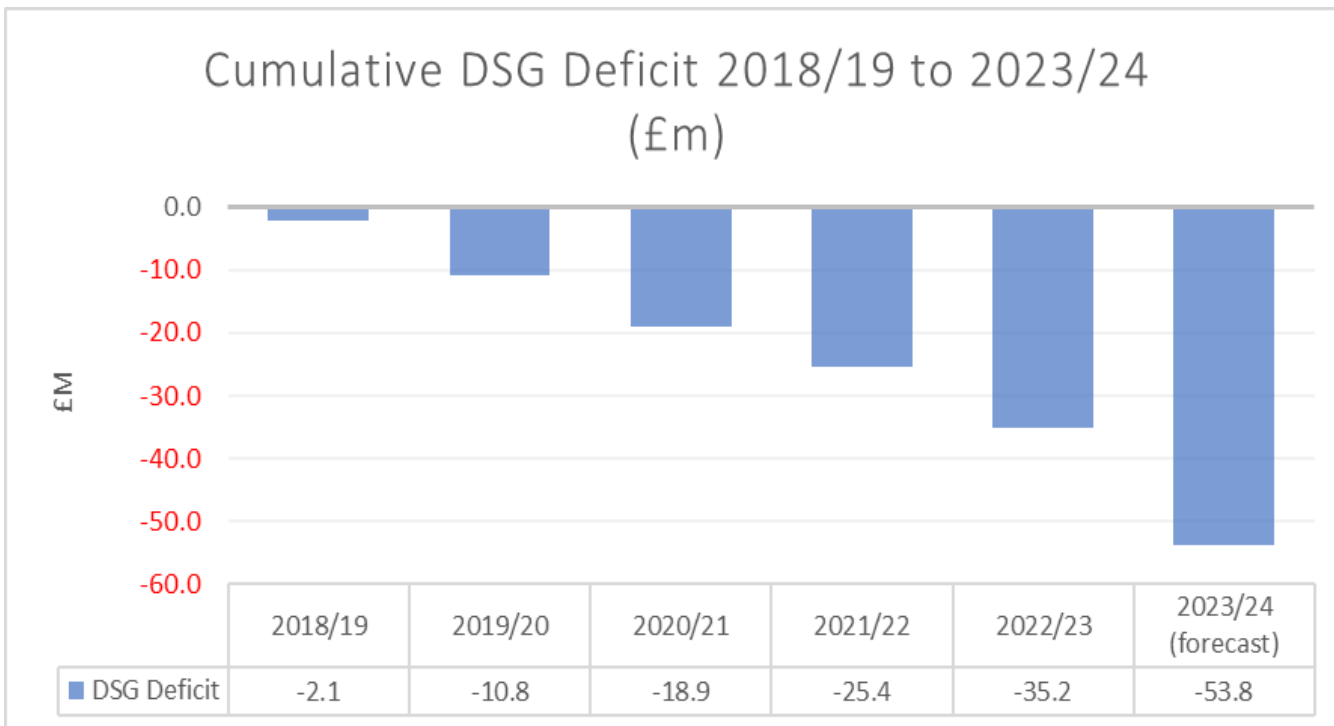
- The High Needs Block, which is specifically to help children and young people who have Special Educational Needs (SEN), is part of the Dedicated Schools Grant (DSG) allocated to the Council.
- Over two thirds of councils in England are overspending against their High Needs Block as demand increases.
- In 2022, ADCS estimated the total deficit across all councils was £2.6bn.
- This growth is down to multiple factors, including a change in assessment criteria and a growth in the number of Educational Health and Care Plans (EHCPs)



Note: As of January in each year.

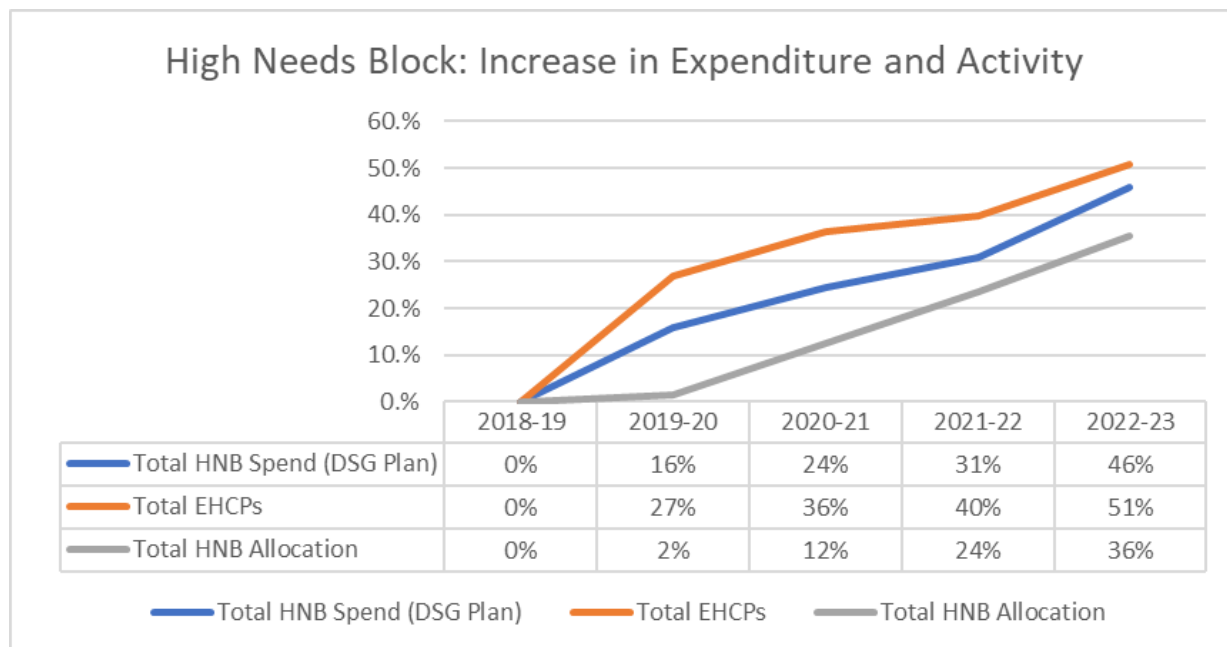
Source: DfE, [Special Educational Needs in England: 2022, June 2022](#); DfE, [Special Educational Needs in England: 2019, July 2019](#) (for all data prior to 2020, Table 1)

Wiltshire DSG Deficit



- At the end of the 2022/23 financial year the Council had a cumulative DSG deficit of £35.2m. This deficit is held on the council’s balance sheet as a negative reserve.
- The updated forecast for the current financial year projects that the deficit will increase to £53.8m by April 2024.
- In recent years, the deficit has been mitigated by an underspend against the Early Years Block meaning that the annual High Needs overspend is higher
- A “statutory override” is currently in place meaning the deficit does not impact on the council’s general fund. This is due to cease at the end of 2025/26, at which point the council will be expected to have set aside sufficient reserves to offset the deficit

Reasons for Deficit: Analysis of Expenditure and Activity



- Total expenditure against the high needs block increased by 46% from 2018-19 to 2022-23
- The number of EHCPs increased by 51% over the same time period.
- Income from the High Needs Block increased by 36% over that period
- This supports the data from the DBV High Impact Analysis that it is caseloads rather than unit cost driving the spend

Data source:
 Expenditure – section 251 outturn returns 2018/19 to 2022/23
 Activity – SEN2 Returns

DSG Management Plan

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Planned DSG position (surplus)/deficit	£10,812	£18,907	£25,409	£35,214	£53,832	£66,011	£79,585	£96,206	£118,501	£145,959	£178,912

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
In year net position deficit / (surplus)											
Schools block	-£218,085	-£2,837,284	-£945,068	-£1,220,601	-£89,668	£0	£0	£0	£0	£0	£0
Central schools services block	-£262,973	-£67,651	£169,731	-£292,731	£6,085	£0	£0	£0	£0	£0	£0
Early years block	£542,741	-£505,787	-£2,445,638	-£2,180,601	-£2,406,555	-£123,892	£0	£0	£0	£0	£0
High needs block	£8,470,047	£11,505,753	£9,722,968	£13,499,064	£21,108,718	£12,302,108	£13,573,967	£16,621,750	£22,294,453	£27,457,919	£32,953,580
Total net	£8,531,730	£8,095,031	£6,501,993	£9,805,131	£18,618,580	£12,178,216	£13,573,967	£16,621,750	£22,294,453	£27,457,919	£32,953,580

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Other											
Council contribution (negative)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Add brought forward deficit / (surplus) (net)	£2,279,880	£10,811,610	£18,906,641	£25,408,634	£35,213,765	£53,832,345	£66,010,562	£79,584,529	£96,206,279	£118,500,732	£145,958,651
Planned year end position	£10,811,610	£18,906,641	£25,408,634	£35,213,765	£53,832,345	£66,010,562	£79,584,529	£96,206,279	£118,500,732	£145,958,651	£178,912,231

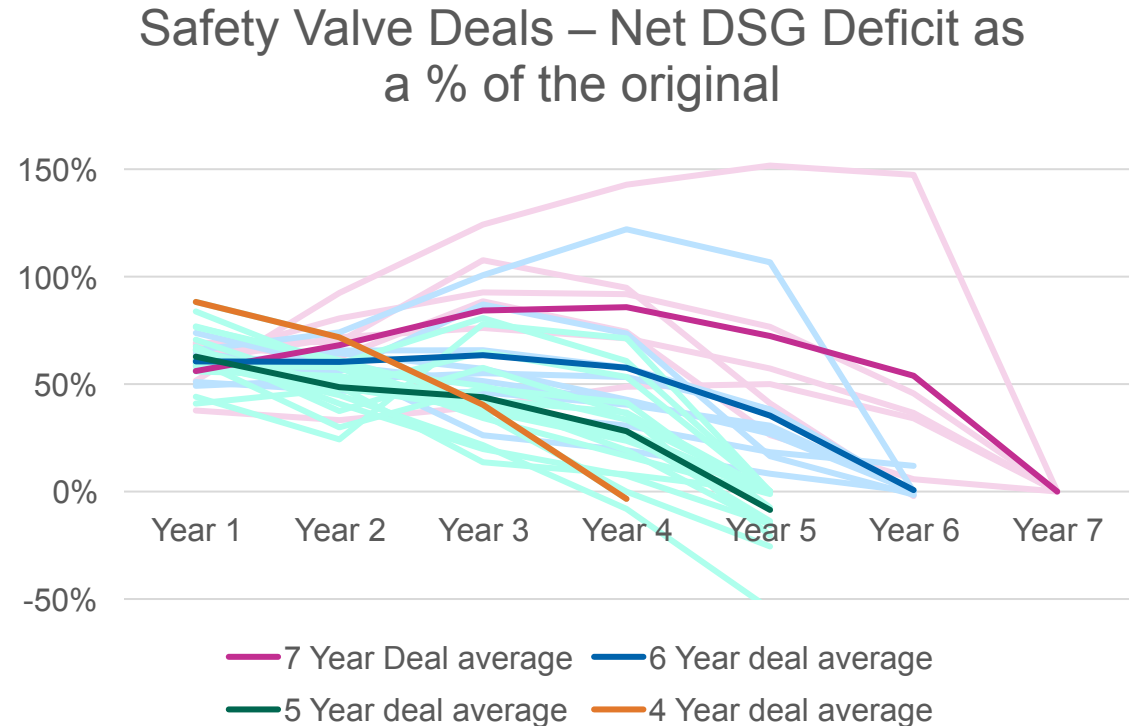
- The updated draft plan shows that by April 2030 the mitigated deficit could reach **£178.9m**
- Forecast activity has been revised during August and is based on the current growth trends and mitigations. Expenditure reflects the planned mitigations and latest forecast for this year.
- The mitigations currently included in the plan are based on planned increases in places across Wiltshire's special school and resource base provision
- There are less well-defined mitigations in the plan relating to demand management and support for mainstream inclusion
- The DfE has 2 main programmes in place to support councils to achieve sustainable high needs systems and reduce DSG deficits

DfE Intervention Programmes to Support Councils in Deficit

Delivering Better Value in SEND	Safety Valve
<p>Support from Newton (Europe) Ltd consultants to analyse data and produce initial forecasts (Module 1) – August 2023</p>	<p>Initial challenge from CIPFA and DfE to review current forecasts and planned mitigations - Existing plan to be submitted by end of August for review</p>
<p>Module 2 – Root cause diagnostic to identify and quantify highest impact actions - September 2023</p>	<p>Work to develop revised DSG Management Plan to achieve in year financial balance over 5-7 year period</p>
<p>Module 3 – implementation planning – Oct to December 2023. Submit plan December</p>	<p>New draft plan to be submitted by 15th December, new final plan by 12th January, to be signed by SoS and Wiltshire in Feb/March</p>
<p>Outcome – application for £1m grant to support implementation of the plan</p>	<p>Outcome – 5-7 year agreement signed off with the DfE for council to achieve in year financial balance and DfE to provide additional DSG to “write off” legacy deficit</p>
<p>Focus on improved outcomes and financial sustainability</p>	<p>Focus on deficit reduction and improved outcomes</p>

Safety Valve Deals – Department of Education

- Deals will provide additional DSG as extra revenue to pay down the DSG deficit and support implementation. (a review of other SV deals suggests contributions average (median) around 10% of total DSG)
- Capital investment can be made available as part of these deals if the DfE is satisfied it is integral to the plan
- Average payment in year 1 is 40-45% of the DSG deficit
- Realistic profiling of deficit allows time before impact of the interventions is felt



Safety Valve Deals – Wiltshire Council

- Wiltshire Council will commit to delivering a plan that will bring us back to a balanced position in year over the period of the deal.
- We will agree to the intense scrutiny and monitoring that will follow the deal.
- No expectation that we commit our own money if balance can be achieved and DfE maximum contribution not exceeded



Our approach in Wiltshire



Safety Valve is about embracing transformation



Wiltshire Council and our values won't change.



Co-design is key to our approach



Priority Workstreams for High Needs Sustainability

- 1 Improving support pre-EHCP to increase parental confidence and mainstream inclusion
- 2 Preventing the need for escalation of support by ensuring the right support, first time
- 3 Ensuring value for money and the right contributions from partners
- 4 Enhance transition pathways to provide a range of opportunities to prepare for adulthood
- 5 Developing better communication and processes to change the culture in our SEND system

3 asks for Schools Forum...

- Our Programme Board meets every 4 weeks on a Thursday morning – we would like to include two nominees from Schools Forum to provide that school voice. We would also welcome a Task and Finish Group to focus on this more regularly and provide assurance to the wider group
- We are planning a half-day co-design workshop in November for School's Forum Members – we would welcome suggestions and support in making that successful.
- There is a survey currently live that will help us collect views on how the system is working from education and health professionals. We would encourage you to fill the survey in, and to share it with colleagues. The survey can be accessed through <https://surveys.wiltshire.gov.uk/s/g498uz> or through this QR code:

