

Wiltshire Council

Children's Select Committee

18th July 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.

July update

12. Following feedback at the last Children’s Select Committee, the programme team is currently in the process of rebuilding all the reporting templates and dashboards to ensure that the ‘programme activity’ is reported alongside the ‘outcome measures’ so that it is easier to see the impact of the work, and parse whether additional effort is required in a particular area.
13. This dashboard, Appendix 1, is still a work in progress, but hopefully Children’s Select Committee will appreciate the work that has gone into producing a product that gives elected members the visibility of this important programme.
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. Indeed, it would appear that demand for ECHPs is just as strong as last year, and so the system has over 200 more plans than were forecast for this point in the plan.
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 may change as the data catches up.
16. Efforts remain focussed on developing the support offer for Schools in the new academic year and reviewing internal decision-making processes. These areas are most likely to deliver meaningful impact in the short to medium term.
17. The 6 priority programme areas remain the same and are closely aligned to the emerging SEND and AP Strategy, due to be launched in September.
 - 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
18. Three programme areas within SEND Transformation are RAG rated amber:
 - 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.

19. As was reported in June, 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 September 2024 at the earliest.

20. Clearly, this delay places the opening of expanded special school provision in Salisbury at risk in the planned timeframe. Work is underway to understand what the impact might be of a delay, and whether there are other projects in the capital portfolio which could be delayed to accommodate this project.

Appendices:

1. Childrens Select Committee Transformation Dashboard