

## **Wiltshire Council**

### **Children's Select Committee**

**6<sup>th</sup> June 2024**

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#### **Safety Valve Update**

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##### **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 31<sup>st</sup> 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.

##### **June update**

9. Since the last Children's Select Committee meeting, the agreement has been signed and the programme team have begun to implement the workstreams which will deliver the change required.
10. Recruitment to the programme team has been successful. A project manager and programme support officer have already started and are delivering significant pieces of work. The final two project managers are starting on the 29<sup>th</sup> July, so that they are fully inducted and ready to fully support the programme in the new academic year.
11. The programme is currently in the process of realigning 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. This new dashboard will be easier to read, contain more meaningful data, and will be ready for the next Children's Select Committee meeting.
12. In lieu of this dashboard, Appendix 1 contains the Q1 update report which was submitted to the Department for Education (DfE) on the 29<sup>th</sup> May. This report contains updates on programme activity, and key headline measures which should give Children's Select Committee a clear understanding of progress.
13. Overall, the programme is RAG rated Green, and the financial projections are RAG rated Green.
14. This status is a reflection of the work that has begun to address all the pressure points in Wiltshire SEND system. Efforts have primarily been 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.
15. As was reported in March, the Safety Valve agreement, the new SEND and AP Strategy, and the Sustainability Plan are being brought together into a single SEND Transformation plan. This is broken down into 6 priority programme areas:
  - 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
16. Two programme areas within SEND Transformation are RAG rated amber:
  - Right support at the right time – amber due to concerns about the delivery of new special school places.
  - Preparation for adulthood – amber due to delivery plans still being in draft.

It is notable that the two new project managers who are joining the council in July have SEND project experience in school delivery and in post-16. These programmes are expected to turn green once those project managers start and apply their skills and experience.

17. One area for further investigation is around the EHCP numbers. The number of EHCPs in the system currently is growing faster than was anticipated. Work has been undertaken to rule out a number of potential causes for this growth, including a statistical error. It does appear that the growth is real, and a reflection of stronger demand than expected in the forecast.
18. At this time, this is not a cause for concern as the interventions in the sustainability plan are not yet having an impact. This was anticipated in the modelling, however, steps are being taken to ensure that senior officers are sighted on the monitoring data on a weekly basis, and further analysis is being undertaken to ensure that there is a full understanding of where system pressure is coming from.
19. 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 4<sup>th</sup> 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 of September 2024. Work is underway to understand what the impact might be of a delay, and whether there are other projects in the capital portfolio which would be delayed to accommodate this project.
21. As reported in March, at the end of the plan period, the cumulative mitigated deficit is forecast to be £137.2m. In March, it was reported that Wiltshire Council would likely have to contribute £70-90m, and now the agreement has been signed it has been confirmed that the expectation is that £70.3m will need to be found from other funding sources to completely remove the deficit.
22. 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.
23. The council approved the creation of an earmarked reserve as part of the budget and will be taking an approach of maximising all opportunities to set money aside to fund the contribution required.

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Appendices:

1. Department for Education Safety valve monitoring report