

Wiltshire Council

Children's Select Committee

12th March 2025

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) The agreement commits the DfE to contribute £67m of additional DSG towards this cumulative debt, while any residual deficit will need to be found from other funding sources. 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.

- 10) 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.
- 11) The plan has been combined with other strategic documents in SEND, and the new SEND and AP Strategy, and an Implementation Plan is being developed. This has 6 priority programme areas which are closely aligned to the new SEND and AP Strategy:
 - a) Voice of the child and their family
 - b) Improving support, skills and practice
 - c) Right support at the right time
 - d) Preparation for adulthood
 - e) Financial assurance in our SEND system
 - f) Improving communication, processes and culture
- 12) In December 2024, it was reported to the DfE, based on the Q2 budget monitoring, the plan was off-track and showing an overspend of £43m against a planned overspend of £28m. This necessitated significant revisions to the plan, which were also submitted.
- 13) This new plan contains short-term interventions, designed to be specific and measurable, which will have a significant impact by April 2026.
- 14) These interventions have been mapped onto the revised forecast and officers believe that the earliest time that the High Needs Block could be balanced is March 2031, two years later than originally planned. This would leave a £123.4m residual deficit for Wiltshire Council to manage, up from £70.3m in the original plan. This will be a challenge, especially if local government budgets continue to be pressured, as they have been in recent years.
- 15) Extending the length of the Safety Valve agreement, and adjusting the deficit limits in it, are not steps that the council can take unilaterally but, at present, the council has not heard back from the DfE.

March update

- 16) Overall, the Safety Valve programme has been RAG rated Amber/Green. This is an improved position from the last report reflecting the improved confidence that the new plan will deliver sustainability.
- 17) Project activity is mostly on track, reflecting the investment the Council has made in resourcing these projects. Six of the projects are now marked as complete, having met the objectives set, and have moved into the monitoring phase so that the Programme Board can assess whether they are delivering what is required.
- 18) There are encouraging signs in the data which, while it's still early, give cause for cautious optimism. The EHCNA request level, which is a measure of demand in the system, had been holding steady from January – August 2024, however there is now a sustained slowing of that demand, indicating that the measures already put in place are starting to have an impact.

- 19) Other local authorities have not experienced this same slowing of demand, and The Guardian reported on 3rd March 2025 that some Local Authorities have experienced 50% rises in EHCP demand in the last 12 months.
- 20) Against this backdrop, even Wiltshire Council's relatively modest fall in EHCNA requests should be celebrated while accepting that there is a lot more work to do to strengthen confidence in mainstream inclusion for children with SEN Support needs. Internal modelling suggests that a reduction of 30% will be required to move the council towards sustainability.
- 21) Despite these positive signs, the system is 126 EHCPs ahead of the plan. At the end of February 2025, this equated to 990 more plans than the previous year. This is continuing to place a significant pressure on the High Needs Block which at Q3 was forecast to overspend this year by £43.8m, leading to a cumulative deficit, once Safety Valve payments have been subtracted, of £66.8m.
- 22) Volume of EHCPs is the main driver for this overspend. There are more expensive Independent Non-Maintained Special School (INMSS) placements this year than last year, but only 20 more actual placements, which is down from November when there were 34 more than the previous year. This is benchmarked against what Statistical Neighbours achieved in 2023 and 0.21% fewer of the children with EHCPs in Wiltshire are placed in INMSS than in those other LAs.
- 23) In addition to EHCNA demand, another driver of increased EHCP numbers in Wiltshire is the reduction in the number of plans ceased. This has continued to trend downwards due to capacity challenges within the preparation for adulthood team, but there is a plan in place to improve performance in this area.
- 24) In more positive news, the percentage of young people who have their EHCP ceased to NEET has continued to fall to 24%. The work of the WEST team in supporting young people to enter employment is a key factor and now 21% of EHCPs are being ceased for this reason.
- 25) Finally, the progress against the statutory decision making timeline should be noted. The focus that the SEND service has put on this measure is being rewarded with the last 4 months showing around 50% of 20-week decisions being made on time – compared to an average of 15% in 2022.
-

Appendices:

1. Safety Valve Dashboard – March 25