

Wiltshire Council

Children's Select Committee

26th November 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 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
- 13) The Implementation Plan will be underpinned by an Outcomes Framework that sets out the ambition of the SEND Local Area Partnership and how they will measure the impact of the plan.

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- 14) Overall, the Safety Valve programme has been RAG rated Amber/Red. This is because, while the project activity is mostly proceeding as planned, the data indicators are still moving in the wrong direction.
- 15) Financial indicators are currently RAG rated Amber/Red, because the overspend is now forecast to be £38m against a £28m overspend forecast at the start of the plan.
- 16) This is described in further detail in the August submission to the DfE (appendix 1), which illustrates these concerns and articulates the steps that are being taken to address it.
- 17) Officers have met with the Department for Education and Wiltshire Council's Safety valve advisors to discuss the plan being forecast as off-track. While the advisors are disappointed in the lack of progress, they are not surprised. Most councils, even those which are eventually successful, go off-track in year one.
- 18) One such council, Hammersmith and Fulham, have provided advice to Wiltshire about how they managed to recover the position. They are now nearing the end of their plan, and are on track.
- 19) The August submission is now outdated, and a November submission is being prepared. This submission sets out a revised plan to get back on track, and identifies the data insights which have been identified since January and are feeding into this revised plan.
- 20) The key insights are:

- a) EHCP demand is higher than expected, and the new forecast is significantly above the old one. This is due to a flawed assumption about suppressed COVID demand in the original analysis, taking a five-year average when demand has followed a two-year average line instead.
- b) Demand is strongest in Early Years – which was understood before, but the new analysis has revealed that a quarter of assessment requests were made for three year olds last year.
- c) There appear to be opportunities to cease plans pre-16 when children and young people meet outcomes. According to the data, since 2020 fewer than 15 children and young people with SEND have ‘met all outcomes’ and been able to have their plan ceased.
- d) While they are improving, significantly, this year, the No to Assess and No to Issue rates in Wiltshire are lower than our statistical neighbours. This implies that there are opportunities to further improve the robustness of decision making in this area, alongside effective help at SEND support level.
- e) There have been consistent and sustained shifts ‘up’ in placement, with more children going into Special School or Independent Special schools, and with more children on a Band 3 or 4 plan instead of a Band 0 or 1 plan. The EHCP Top-Up Funding review is targeted at this change in practice.
- f) The biggest growth areas are in Social Emotional and Mental Health (SEMH) and Speech Language and Communication (SLCN) which have grown as a proportion of EHCPs.

21) To respond to this, the plan has been reviewed and further interventions have been proposed, as well as understanding where there are opportunities to accelerate delivery.

22) Additionally, to urgently stop the deterioration of the plan position, there are some interventions being developed to have an impact in the short term (first 2 years of the plan), so that the growth in EHCP numbers and Independent Special School Places can be slowed. This will prepare the system for the medium-long term interventions around culture change which may not impact until later years in the plan.

23) Officers would welcome the chance to brief Children’s Select Committee on these new interventions, and the wider revised plan, at the next committee or at an arranged briefing at the appropriate time.

24) Since the last report to Children’s Select Committee, the £5.7m Safety Valve capital grant, submitted to bring forward the provision of special school places in the south of the county, has been confirmed. This project is now being taken forward, at pace, to ensure these vital places can be delivered as soon as possible.

25) As was reported in September, a decision was taken to reprofile capital projects to prioritise the delivery of special school places in lieu of the £5.7m grant. These projects, related to the roll out of secondary school resource bases, have not been compromised, and are back on track.

Appendices:

1. August 24 – DfE monitoring update