

## **Wiltshire Council**

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

**15<sup>th</sup> January 2025**

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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.
- 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) 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.
- 13) In November, it was reported to Children’s Select that, based on the Q1 budget monitoring, the plan was off-track and showing an overspend of £38m against a planned overspend of £28m.
- 14) Officers 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.
- 15) However, this does not mean that the council can afford to assume this will happen and so a re-baselining of the plan has been undertaken and officers have worked to understand whether the mitigations in the plan are sufficient to balance the High Needs Block.

### **January update**

- 16) Overall, the Safety Valve programme has been RAG rated Amber/Red. This is because, while the project activity is mostly on track, the impact has not been felt yet. The system is now 650 EHCPs ahead of the forecast, and this is showing as a £43.2m overspend against a £28m budgeted overspend.
- 17) This is described in further detail in the November submission to the DfE (Appendices 2 and 3), which illustrate these concerns and articulate the changes that are proposed to bring the high needs block back into balance.
- 18) To develop this revised plan, officers undertook a re-baselining exercise to understand the sustainability challenge and reviewed the current plan to identify the gaps. Service leads from across Education and Skills and Families and Children’s directorates contributed to see what could be accelerated or re-scoped within the plan to bring the impact forward. New interventions were also developed, with a clear emphasis on measurable and deliverable impacts.

- 19) There is greater detail in the appendices about why the original plan is off-track and the data insights that have been gathered since the original plan was submitted. In summary, firstly the predictions around how quickly impact would be felt were optimistic. Secondly, the original forecast was based on a 5-year average, which included years where demand was artificially suppressed by COVID-19 and the assumptions about what happens to that demand were also optimistic.
- 20) There has also been an impact because the council has made significant progress with clearing the EHCNA backlog, ensuring that where children and young people have a level of need which would warrant an EHCP, this is available to them. The result of this is that the backlog is now at its lowest level since 2020, but this has brought more plans forward.
- 21) As this work was completed, it became clear that, without risking the quality of support that is available to children and young people with SEND, getting to balance in five years would not be possible.
- 22) Given the commitment that the council rightly shows to maintaining that quality, as highlighted in the recent Ofsted/CQC inspection, officers worked up plans that would reflect the values-based approach which underpins the original SEND Sustainability Plan.
- 23) To achieve this, an evidence-led approach has been taken to understanding what could be achieved in the short term to urgently address the growth in the overspend.
- 24) Given that Wiltshire already has more EHCPs per head of population than many of its statistical neighbours, it is not unreasonable to have an ambition that is based on achieving similar data milestones to statistical neighbours for metrics like EHCNA requests, robust decision making, and ceased plans.
- 25) Eight short-term interventions have been developed to move Wiltshire towards that target system by April 2026. The language around these interventions has begun to evolve as they are developed but, detailed in Appendix 3, these are:
1. Addressing poor practice in schools
  2. Faster support before the statutory process
  3. Early Years Early Support Plan
  4. Additional post-16 ceasing
  5. Celebrating success through pre-16 ceasing
  6. Improved decision-making
  7. Mid-phase step down out of Independent Sector Placements
  8. Growing capacity through Assistant Education Officers

Without this April 2026 milestone being met, balancing the SEND budget in Wiltshire becomes impossible.

- 26) While targets and measurable outcomes are key, all eight interventions place the needs of children and young people at the centre and are grounded in an invest-to-save approach.

- 27) 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 make the SEND sustainability programme a seven-year process, rather than the five years originally set out in the Safety Valve Plan.
- 28) 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.
- 29) The resulting changes, and revised plan, were submitted to the DfE in early December, subject to Cabinet approval. The revised plan is going to Cabinet next week (21<sup>st</sup> January 2025), and while there was not sufficient time to fully consult Children's Select Committee before submission to the DfE, there is still an opportunity for the committee to express views which can be conveyed to Cabinet and will be considered during delivery.
- 30) Extending the length of the Safety Valve agreement, and adjusting the deficit limits in it, are not steps that the council can take unilaterally and if Cabinet agrees then there will need to be further discussion with the DfE. The council should not expect the DfE to increase the contribution they are making as part of the Safety Valve agreement.
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Appendices:

1. SV Dashboard – Jan 25
2. DfE Monitoring Update – Nov 24
3. Changes to the plan – submitted to the DfE