

TITLE	HNB / DSG Management Plan & Safety Valve Update
FOR CONSIDERATION BY	Schools Forum on 7 December 2022
WARD	None Specific;
LEAD OFFICER	Director, Children's Services - Helen Watson

OUTCOME / BENEFITS TO THE COMMUNITY

This report forms part of regular reporting to Schools Forum regarding areas of statutory decision making and provides transparency regarding High Needs Block and wider Dedicated Schools Grant (DSG) financial matters including an update on the current status of the bid to be included within the DfE's Safety Valve programme.

RECOMMENDATION

- Schools Forum is asked to note the contents of this report.
- Schools Forum is asked to note the work that has been undertaken in the development of the Safety Valve proposals.
- Schools Forum is asked to provide support in principle for the proposals within the report being taken forward on to next steps and to continue to support the implementation of these over the coming period.

SUMMARY OF REPORT

The report provides Schools Forum with an update on actions and proposals to reduce the High Needs Block overspend and the overall DSG deficit via participation in the DfE/ESFA Safety Valve programme; these actions are being developed to achieve a balanced High Needs Block budget by 2028/29.

The report summarises the workstreams and the strategic themes being proposed as part of the Safety Valve programme; some of these will be familiar as they are developments of work that was already underway under the SEND Innovation and Improvement Partnership; others are new initiatives that have been urgently developed or designed in direct response to the deteriorating financial position of the local SEND System.

Background

Wokingham Borough Council have been invited by the DfE to join the Safety Valve programme, which is offered to Local Authorities with significant High Needs Block deficits. WBC needs to develop and submit a transformation plan, detailing investment costs and a narrative as to how the proposed measures will deliver this balanced budget by 2028/29.

A full report was presented to Schools Forum in October 2022, which this report provides an update to.

Wokingham's Safety Valve programme proposal is made up of 21 strands of work organised under 4 strategic themes (detail set out below). This is a substantial programme of work involving significant investment in capacity, provision, systems and operating models to deliver a balanced budget in 5 years.

The cost elements of the plan, which currently propose a total spend of more than £10 million, are undergoing a stringent value-engineering process and will be managed down, but there is no question that delivering a balanced budget will require investment in key areas.

Schools Forum were asked to contribute towards specific areas of this programme through transfer of 0.5% of the schools block, which was subject to a vote across all schools as part of a wider consultation on the schools budget carried out in November 2022. In this vote overall turnout was 58%, although not all questions were answered by every school that responded. Of the schools that responded to the specific question, the vote was 74% against the transfer from the Schools Block to the High Needs Block for 2023/24. A disapplication request has therefore been submitted to the ESFA by the Council on the 18/11/2022 to request an over-ride to the School's Forum's recommendation.

Context

The Safety Valve programme builds on and develops the work of the SEND Innovation & Improvement Programme (IIP). Many of the key priorities and workstreams have previously been co-produced with partners and are known to School's Forum already.

The development of Wokingham's Safety Valve application is under development and work continues apace to finalise the detail around the wide-ranging workstream activity required to deliver a balanced high needs block budget by 2028/29; we are unable to share extensive details at this delicate stage of negotiations with the DfE. Final proposals will be submitted to the DfE and SFA on the 13/1/2023. These proposals take a whole system approach to re-balancing the local SEND system to ensure it's long term viability and cannot be successfully delivered by the Council in isolation without strong partnership with all stakeholders across the local area; this process cannot deliver the financial changes required by cutting services and the focus instead MUST be on identifying need and intervening effectively at an earlier stage as well as on ensuring we have the right mix of provision to meet the areas needs reducing over-reliance on out-of-area placements and expensive independent special provision.

Projections Regarding Demand for EHC Plans

Detailed projections regarding projected future demand were set out in the October report to Schools Forum but following sceptical feedback from the DfE concerning this predicted pace of growth during the meeting in October, an external specialist consultancy (PeopleToo) were commissioned to revisit these projections.

This resulted in a range of projections using a variety of methodologies for the ‘unmitigated’ position (i.e. assuming that no further intervention or action is taken to address the position - see Fig 1 below). PeopleToo recommended a slightly more moderate rate of growth than WBC’s initial analysis using a projection technique called Exponential Smoothing (ETS) commonly used for time-series forecasting, calculating a trend equation using the historical data provided. The new recommended model for predicted growth is shown on the last row of Figure 1 below. A full presentation setting out this analysis is provided as Appendix 1.

Whilst this process has resulted in a projection of 258 fewer EHCP’s by 2026 this still represents a significant challenge and does not reduce the need for urgent action to address the levels of spending; there are a number of unique contextual factors that are driving growth in Wokingham at a speedier pace than the national averages, which in themselves have been significant over the past 10 years. These underlying factors have been further exacerbated by the Pandemic, which has led to a spike in demand for EHC Plans across the Country since pupils returned to the classroom.

It remains the case that if left unchecked, with no mitigations or management of the demand, this spiralling increase will create capacity issues in terms of the delivery of support leading to poor outcomes, increased complaints and tribunals and a clearly unsustainable and untenable budget position.

Figure 1: Wokingham’s EHC Plan Projections using a range of methodologies

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Previous Submission	867	934	1,078	1,270	1,488	1,796	2,043	2,330	2,667
WBC Trend – Moving Ave	867	934	1,078	1,270	1,488	1,796	2,119	2,517	3,014
Stat Neighbour Trend – Moving Ave	867	934	1,078	1,270	1,488	1,796	2,043	2,330	2,667
ETS Statistical Forecast – Upper Confidence	867	934	1,078	1,270	1,488	1,796	2,173	2,412	2,642
Regional Trend – Moving Ave	867	934	1,078	1,270	1,488	1,796	2,011	2,256	2,536
National Trend – Moving Ave	867	934	1,078	1,270	1,488	1,796	1,996	2,222	2,478
ETS Statistical Forecast – Mid	867	934	1,078	1,270	1,488	1,796	1,971	2,167	2,362
Proposed	867	934	1,078	1,270	1,488	1,796	2,018	2,213	2,409

Financial Position

The above projections describe a widely variable range of financial scenarios, which without additional measures range between an unmitigated cumulative deficit of between circa £79m and £110m by 2027/28.

The activity planned in the Workstreams set out below will have a huge impact on these projections BUT it should not be underestimated how much work needs to be done between now and 2028/9 to achieve this.

There have been other positive development in that on the 23rd November the DfE wrote to Wokingham to provide notification that the LA will receive an additional £1.0m of high needs funding in 2023-24, on top on the provisional funding allocation announced in July, taking the total allocation to £28.1m. We have also been told that this funding will form part of Wokingham's baselined funding going forward and should therefore be included within the assumed 3% increases in subsequent years.

Strategic Priorities and Workstreams

The workstreams are set out below under four strategic priorities as follows:

Strategic Priority 1: **Improve Early Intervention and Prevention** and build local capacity

- Development of advisory support, guidance and challenge at SEN Support level
- Review and recommission Specialist Outreach to support the above
- Review Enhanced Needs Fund and pilot the Vulnerable Learners Panel to target access to support at an earlier stage
- Continue to build our Transitions Pathway to target need more effectively at critical stages
- Improve our SEND Local Offer to provide access to information, advice and guidance
- Continue to support our local SENDCO Network and build on this framework for peer support

Strategic Priority 2: **Address sufficiency of SEND provision** across all phases:

- Expansion of existing Special School provision
- Development of new Special Free School provision – two Special Free School bids submitted
- Re-focus and expansion of SEN Resource bases and SEND Units
- Development of an Early Years Assessment Centre
- Development of a wider range of Post-16 pathways to improve outcomes around Preparation for Adulthood for students with EHC Plans
- Improved School Place Planning with regards to meeting the needs of pupils with SEND
- Review and re-commission AP services and increased use of EOTAS packages

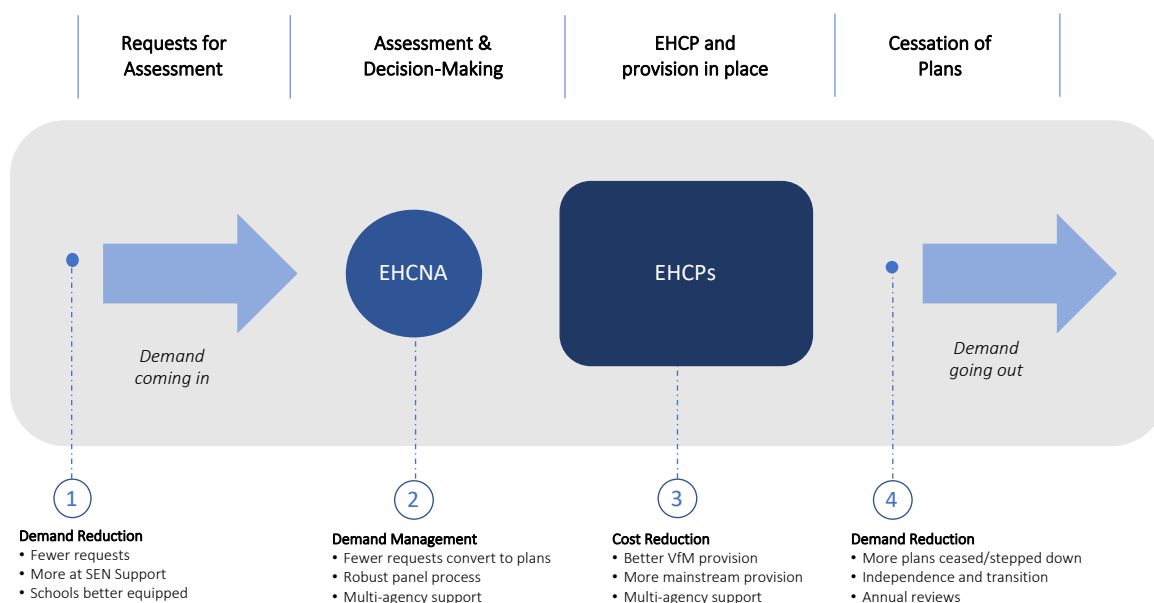
Strategic Priority 3: Improve **SEND Commissioning** with key partners

- Improve contract management and quality assurance of Independent & Non-Maintained Specialist Provision
- Review Jointly Commissioned Therapies – (OT / S<) and review funding & costs
- Review Ordinarily Available / Graduated Support across all sectors (education, health and social care) and ensure partners work together to target need at the earliest opportunity
- Improve joint working and commissioning with our regional partners

Strategic Priority 4: **Review SEND Systems and Deliver Operational Improvements**

- Review and refresh banding of high needs placement funding to ensure clarity, transparency, and consistency across all schools and sectors
- Review SEND Panel Processes & Decision Making
- Review Systems / Access to SEND Data (as a part of wider review of Education's ICT systems)
- Review SEND Transport

For the purposes of the Safety Valve application all workstreams are being assessed according to their impact on the following areas of demand reduction, demand management, and cost management:



These impacts are the drivers of the Safety Valve programme and will deliver the balanced budget that the local education system requires.

Key Workstreams Requiring School Engagement

The following workstreams particularly require a high level of school engagement in design and implementation and schools are encouraged to be involved in working groups and task-and-finish activity:

WORKSTREAM	LEAD	STATUS UPDATE
Development of advisory support, guidance and challenge at SEN Support level	Jonathan Wilding	This is recognised as a critical aspect of demand management but is at an early stage of development. Schools will be invited to be part of a Task and Finish Group to undertake options appraisal and development of new arrangements for launch by September 2023 – details to be shared at BEP meeting on 12/12/22
Review ENF and pilot the Vulnerable Learners Panel to target access to support at an earlier stage	Dan Robinson	Schools have been involved in the planning and design stages of this 'Test and Learn' initiative and the VL Panel is currently being piloted throughout December to provide time-limited access to top-up funding to reduce demand for EHC Plans where needs can be addressed at a lower level
Create high needs banding matrix to ensure clarity, transparency, and consistency across placement of pupils with EHC Plans in all sectors	Dan Robinson	Working Groups have been meeting during November to agreed needs descriptors, financial modelling to follow to ensure fair and transparent access to resources for pupils with EHC Plans. Plan is to consult during the Summer Term 2023 and launch new framework September 2023.
Development of new SEN Resource bases and SEND Units	Carey Tulloch	An Expression of Interest Letter was released w/c/ 21/11/22 inviting schools to express an interest in the development of new SEND provision, which is essential to address the current gaps in support. The target is to open new provision in either September 2023 or 2024 depending on the responses received.

Current Position

The above workstreams are currently undergoing a rapid process of stress testing in conjunction with People Too and the DfE to provide assurance as to the extent of their impact, the potential risks or issues associated with each and the financial requirements for implementation. This process is shaping workstream prioritisation and timetable for implementation over the coming years.

Next Steps

The next key meeting with the DfE Safety Valve Team is on the 5/12/22, at which stage WBC expects to have a level of scrutiny and challenge to proposals. *(This meeting had not occurred at the time of writing this report)*

This will be followed by a remaining few weeks up until the 13/1/2023 to respond to any issues or concerns raised and to finesse, stretch and if necessary extend the range and impact of workstream activities and build any such amendment into the final bid. This

submission will include a request for High Needs Capital Funding for the development of additional SEND provision.

There will be a meeting the following week where WBC will present the final High Needs Block Demand Management Plan position and where the DfE Team will reach a decision as to whether there is sufficient confidence in the Safety Valve proposals to approve Wokingham's entry to the programme.

In January 2023 WBC is also expecting to hear the outcome of the two bids for Special Free Schools, which are a key component of the Deficit Management Plan.

List of Background Papers

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