



Scrutiny Committee Report

Committee	POLICY AND SCRUTINY COMMITTEE FOR CHILDREN'S SERVICES, EDUCATION AND SKILLS
Date	7 MARCH 2024
Title	SAFETY VALVE AGREEMENT, UPDATE ON PROGRESS
Report of	STRATEGIC DIRECTOR OF CHILDREN'S SERVICES

Executive Summary

1. In March 2023 the Isle of Wight Council entered a Safety Valve Agreement with the Department for Education covering financial years 2022/23 to 2026/27. This agreement offers the potential for the Council to receive additional funding to meet the costs of meeting its statutory duties relating to special educational needs and disabilities (SEND). A key element of the agreement is that the Isle of Wight Council undertakes to reach a positive in-year balance in its Dedicated Schools Grant by the end of 2026-27 and in each subsequent year. The implementation of the agreement is overseen by the Transforming SEND Board.
2. It was reported to the Transforming SEND Board in February 2024 that the Dedicated Schools Grant cumulative position at that time was £2.93 million worse than assumed in the Safety Valve Agreement.
3. It was reported to Schools Forum in January 2024 that for financial year 2024/25, the High Needs Block of the Dedicated Schools Grant is forecast to have an in-year shortfall of £2.7 million when compared to forecast expenditure for that financial year.
4. It was reported to the Transforming SEND Board in February 2024 that the Dedicated Schools Grant balance at the end of the Safety Valve agreement in financial year 2026/27 is forecast to be £6.15 million worse than that stipulated in the Safety Valve Agreement. This forecast is currently being reconsidered and may change.
5. The main determinant of this forecast is the differential between the costs arising from the delivery of the Council's statutory duties relating to SEND and the amount of money provided within the High Needs Block of the Dedicated Schools Grant for this purpose. Expenditure is being impacted by the high number of children and young people requiring placements at independent and non-maintained special schools for their needs to be met, or who are educated otherwise than at school (EOTAS), or who are receiving bespoke packages of support funded through discretionary funding.

6. The Council continues to work with partners to implement the actions specified within the Safety Valve agreement, and to bring expenditure closer to the level of allocated funding.
7. A 'statutory override' means that deficits in the Dedicated Schools Grant do not currently need to be included in a council's main revenue budgets and can be kept separate from their wider accounts. This statutory override is due to expire in 2025/26.

Recommendation(s)

That the Committee notes:

8. the significant amount of work being delivered across the local area partnership to improve the long-term financial sustainability of the special educational needs and disabilities system on the Island;
9. the differential between the terms of the Safety Valve Agreement and the actual and forecast Dedicated Schools Grant deficits;
10. the importance of reducing this differential as quickly as possible, and the potential impact on the Council's wider financial position if this is not achieved.

Background

11. During 2020/21 financial year, the Department for Education (DfE) introduced the 'Safety Valve' intervention programme working with those authorities with the very highest relative Dedicated School Grant deficits.
12. If a local authority with a Safety Valve Agreement continues to demonstrate that it can reach an in year balanced budget by the final year of the agreement, the department will assist the local authority to eliminate the historic cumulative deficit, by providing additional funding in stages across the length of the agreement.
13. In February 2023, the Isle of Wight Council reached an agreement with the DfE covering the financial years from 2022-23 to 2026-27. This agreement provided the opportunity to receive up to £12.69 million of addition funding, subject to the adherence to certain performance criteria. This funding is paid in instalments over the five-year period. All funding available so far, totalling £6.6 million, has been received or the DfE has confirmed that it will be paid. Payment of the remaining amounts, totalling £6.09 million, are subject to future agreement with the DfE.
14. As part of the agreement, the Council agreed to implement the Dedicated Schools Grant management plan submitted to the DfE through the Safety Valve process. These commitments include to:
 - 14.1 clarify ordinarily available provision through dissemination of SEN support guidance and training to headteachers and SENCOs;
 - 14.2 improve quality of education health care plan annual reviews through training, greater engagement and improved processing;
 - 14.3 ensure more robust oversight of decision making during the assessment and co-production of education health and care plans;

- 14.4 increase maintained/academy specialist placements on the Isle of Wight, minimising the need for more expensive placements;
 - 14.5 create an early intervention 'Primary Behaviour Service' to replace the primary provision at the Pupil Referral Unit, to reduce the number of permanent exclusions and meet needs earlier;
 - 14.6 improve the post-16 offer, encouraging take up of supported internships and supported apprenticeships, improving preparation for adulthood outcomes, and reducing demand for High Needs Block funds;
 - 14.7 review the governance of the programme board set up to deliver the agreement, with the intention to include a reference group which will include stakeholders, partners, and children and young people, to help inform planning in the local area.
15. Expanded in February 2023 to deliver the Safety Valve Agreement, the Transforming SEND programme is organised via three sub-programmes:
- 15.1 Right Support. Right Time. The right support at the right time to meet need effectively;
 - 15.2 Improve Outcomes, Control Costs. Maximising strengths based, person centred approaches to achieve improved outcomes for children and young people with an education health and care plan and control high needs costs;
 - 15.3 Continuous Improvement. Improve local authority performance against SEND statutory obligations and quality of education health and care plans and annual reviews and track the delivery of other transformation activity.
16. The Transforming SEND programme has facilitated delivery of:
- 16.1 a restructure of the statutory assessment and review service in summer 2023, ensuring the service can meet incoming demand, operate efficiently and effectively within its available budget, while meeting its statutory duties;
 - 16.2 a process improvement review of the education health and care plan and annual reviews processes in late 2023, ensuring that applications for an education health care plan are processed within statutory timescales and phase transfers and annual reviews are carried out in a timely manner;
 - 16.3 a successful pilot of 'Valuing SEND' in Summer 2023, a tool designed to provide a mechanism for school leaders, SENCOs and staff to support their understanding of the threshold for an education health and care plan, providing support without the need to escalate to an education health and care plan, where possible. Following the success of the pilot, the tool is now being made available to all mainstream schools on the Island by April 2024;
 - 16.4 school-Wide Advocate for Neurodiversity (SWAN) training in late 2023, designed to increase confidence in school staff to support neuro-divergent children and young people, promoting increased education inclusivity;
 - 16.5 launch of a Primary Behaviour Service for the Island in September 2023, enabling a wider range of strategies to meet the needs of children exhibiting behaviours that challenge. It is anticipated that this will lead to fewer permanent exclusions and improved inclusion in mainstream schools.
17. The Transforming SEND programme was formally launched to schools on 24 November 2023 with an in-person event. The conference provided detail on the various

workstreams within the programme, setting a clear and shared vision for our priorities focussed on children and young people with SEND on the Island.

18. The new Children's Services, Education, Inclusion & Access leadership team are working to develop a new holistic education strategy for the Island. This will include a range of strategies that will be co-produced with local area partners, describing our vision for delivering sustained improvement in the provision available to children and young people including those with special educational needs and disabilities.
19. One of the areas that is not progressing as originally planned is the work to improve the post-16 offer, encouraging the take up of supported internships and supported apprenticeships, improving preparation for adulthood outcomes, and reducing demand on High Needs Block funds. This work specifically relates to the establishment of a Preparing for Adulthood Employability hub and spoke model, which was the subject of a capital bid to the Department for Education for investment. Following the unsuccessful capital bid, the Council has scaled down its ambitions for this workstream, removing the 'spokes' element of the Employability Hubs and relying on the Isle of Wight College as the central hub.
20. Another area of work that has not progressed as planned is the work to increase maintained/academy specialist placements on the Isle of Wight, developing appropriate provision whilst supporting the efficient use of local authority resource. This work specifically relates to the new free school build, which has been subjected to an at least 12-month delay due to the lack of an academy sponsor being identified through the DfE process. The local authority is exploring alternative options.

Background Papers

21. [Safety Valve Agreement between the DfE and the Isle of Wight](#)

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