

Notice of:	EXECUTIVE
Decision Number:	EX4/2023
Relevant Officer:	Vicki Gent, Director of Children’s Services
Relevant Cabinet Member	Councillor Gillian Campbell, Cabinet Member for Inclusion, Youth, Schools and Transience
Date of Meeting:	23 January 2023

DEPARTMENT FOR EDUCATION SAFETY VALVE PROGRAMME

1.0 Purpose of the report:

1.1 To seek support for the principles that will form the basis of the Safety Valve agreement between Blackpool Council and the Department for Education, and to gain approval for the Council to enter into such an agreement.

2.0 Recommendation(s):

2.1 To support the principles that will form the basis of the Safety Valve agreement between Blackpool Council and the Department for Education.

2.2 To approve the entering into a Safety Valve agreement between the Council and the Department for Education on the basis of these principles.

2.3 To note the amended funding streams for phase 1 of the Highfurlong expansion scheme, as set out in Appendix 5a to the Executive report.

3.0 Reasons for recommendation(s):

3.1 Blackpool Council has been invited by the Department for Education (DfE) to take part in the ‘Safety Valve’ intervention programme for those local authorities with the highest percentage deficits against allocations of Dedicated Schools Grant (DSG). The programme requires those local authorities to develop substantial plans for reform to their high needs systems and associated spending, with support and challenge from the Department for Education, to rapidly place them on a sustainable footing. The authorities are held to account for their reform and savings via regular reporting to the Department for Education. The Department for Education in turn helps the local authorities with additional funding over time to contribute to the writing off of historic deficits, contingent on delivery of the reforms. Capital funding can also be made available to support the creation of local provision

if projected revenue savings can be demonstrated.

The report to Executive on 5 December 2022 on the proposed Highfurlong expansion scheme contained a confidential appendix setting out the projected costs of the scheme, together with a schedule of the funding streams to be used towards phase 1 of the scheme. Given that local authorities have to demonstrate that all of the High Needs Provision Capital Allocations have been fully committed in their Safety Valve capital bids, an adjustment is proposed to the funding makeup of the £4.8 million budget.

3.3 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.4 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 Actions have already been taken to reduce the pressure on Dedicated Schools Grant, with a reduction to the deficit achieved in 2021/22, and a forecast in-year surplus 2022/23 resulting in a further writing off of part of the cumulative deficit. While a Safety Valve agreement would help to accelerate these plans, if agreement cannot be achieved with the Department for Education the local authority will continue to take action to bring expenditure within available resources and to address the historic deficit.

5.0 Council priority:

5.1 The relevant Council priority is: "Communities: Creating stronger communities and increasing resilience".

6.0 Background information

6.1 Funding for pupils with Special Educational Needs and Disabilities (SEND) is largely provided through the High Needs block of Dedicated Schools Grant. Like many local authorities, Blackpool's High Needs expenditure exceeded the funding allocations over a number of years, leading to a deficit against Dedicated Schools Grant. More recently, funding allocations from the Department for Education have been increased at above-inflationary rates, and this – along with the actions taken by the local authority – have led to a position where an in-year surplus was achieved in 2021/22 and is anticipated for 2022/23. The cumulative deficit from previous years, however, is forecast to be £4.6 million by March 2023.

6.2 Over recent months, the local authority has worked closely with Department for Education advisors to develop a Dedicated Schools Grant management plan, using the Department for Education's standard suite of spreadsheets. The Dedicated Schools Grant management plan allows local authorities to plot the financial impact of no action being taken, then add actions – or 'mitigations' – to the plan to demonstrate how savings can be achieved to arrive at an

in-year balanced budget. It is essential that the mitigations put forward are deliverable, as the local authority will be held to account for achieving the forecast level of savings, with the risk of funding being withheld if this is not the case. At the same time, however, it is important that the plans demonstrate a realistic possibility of sustainable change.

6.3 The mitigations incorporated into the Council's draft Dedicated Schools Grant management plan fall within four broad themes:

1) Reduce the number of pupils in independent special schools through the expansion of local specialist provision

These schools, the vast majority of which are situated outside of Blackpool, provide specialist places for pupils with the most complex needs, and costs are typically much higher than in maintained special schools or special academies. Furthermore, children usually have to spend long periods of time each day being transported to and from school, which can lead to a lack of connection with the local community. The number of pupils in independent special schools, and consequently real-terms costs, have reduced in recent years as a result of the opening of Lotus special school, demonstrating the impact of creating local provision.

The proposals planned for this theme include:

- a. Expansion of Highfurlong special school: this was the subject of a separate report to Executive Committee on 5 December 2022. The expansion, part-funded by Blackpool Council capital funding, will cater for the increased number of pupils already in the school, as well as providing increased capacity for future pupils.
- b. Creation of an Intensive Support Centre at Park Community Academy: this purpose-built facility would provide education for a small number of pupils, whose complex needs currently cannot be met within Blackpool.
- c. Creation of SEND resourced provision at a mainstream secondary school: these types of bases ensure that limited places at Blackpool's special schools are prioritised for pupils with more complex needs, thereby reducing the need for placements in independent special schools.

A bid for capital funding will be made as part of the Safety Valve process for part of the Highfurlong scheme, and for the Intensive Support Centre. Funding has been set aside within the education section of the Council's Capital Programme for phase one of the Highfurlong scheme, and for the SEND resourced provision.

2) Continue to increase the proportion of pupils with Education Health and Care Plans in mainstream schools

Nationally, around 40% of all children and young people with Education Health and Care Plans are educated in mainstream schools. In Blackpool, rates have been much lower, with only 18.8% in mainstream schools in 2018. Through concerted efforts, this rate

increased to 27.6% in January 2022, but further work remains to be done to continue to close the gap on the national position. This will be achieved by a combination of:

- Consistency of advice and guidance
- Realigning roles in Inclusion Team to provide right support at the right time
- Introduction of inclusion initiatives

3) Tighten management of demand and funding for Education Health and Care Plans

Over recent years, Blackpool moved from a position of a relatively low proportion of the school-age population having Education Health and Care Plans, to levels that are in line with statistical neighbours. Processes have now been reviewed, and tighter controls put in place to ensure the appropriate application of criteria for agreeing plans. These changes are happening in parallel with development of the SEND workforce so that consistent practice becomes embedded across the service.

Separately, the criteria for the allocation of some targeted High Needs funding have been tightened up: the previous methodology was allocating funding to over half of mainstream schools, which was deemed to be no longer “exceptional”, and many schools did not expect the funding or understand why it had been allocated.

4) Rationalise Pupil Referral Unit estate and reduce budget in line with lower numbers

Blackpool’s Pupil Referral Unit used to accommodate a high number of pupils, with a large proportion that were single-registered and remaining in the provision until the end of year 11. Tighter control has been exerted by the local authority over admissions over recent years, leading to a significant reduction in pupil numbers, with most of these now dual registered with schools contributing to costs, and reintegrations into mainstream becoming more common.

Given the relatively rapid reduction in pupil numbers at the Pupil Referral Unit, the school’s budget has been protected over the last three years, with a fixed allocation given rather than top-up based on pupil numbers. Now that numbers are more stable, the local authority is working with the school to determine the level of budget required on an ongoing basis. Plans have been drawn up which could rationalise the building estate, as it is currently operating over three distinct sites, which is likely to deliver efficiency savings and operational benefits. Capital funding is required to deliver the scheme, and this will be included in the Safety Valve capital bid.

6.4 Blackpool Council is required to submit its Safety Valve proposals by 13 January 2023, and its capital bid by 23 January 2023. A meeting with the Department for Education’s Safety Valve team is scheduled to take place on 26 January 2023, with final plans to be submitted by 3 February 2023. It is anticipated that a formal Safety Valve agreement would be entered into by March 2023. Once an agreement has been reached, the Council would be subject to

regular monitoring by the Department for Education, with the risk that funding could be withheld if progress against the Dedicated Schools Grant management plan cannot be demonstrated.

6.5 Does the information submitted include any exempt information? No

7.0 List of Appendices:

Appendix 5a: Revised financial considerations for the Highfurlong expansion scheme (confidential).

8.0 Financial considerations:

8.1 Blackpool's Dedicated Schools Grant deficit stood at £5 million at March 2022, but is forecast to reduce to £4.6 million by March 2023 through the realisation of an in-year surplus. The draft Dedicated Schools Grant management plan estimates that the proposed actions could help to further reduce the deficit to around £2.8 million.

8.2 If a Safety Valve agreement is reached, the Department for Education is likely to contribute to the writing off of the historic deficit, leaving the Council better placed to manage budgets within allocated funding levels each year. Blackpool's proposals will also include a request to use some of the High Needs budget in 2023/24 to clear a backlog of statutory assessment work in order to have up-to-date data on which to base commissioning decisions.

9.0 Legal considerations:

9.1 In 2020, the government introduced a statutory override for a period of three years (up to end of March 2023) that meant that local authority's Dedicated Schools Grant deficits could be separated from their wider accounts. In response to a call for evidence over summer 2022, the government has agreed to the extension of the Dedicated Schools Grant statutory override for a further three years (up to March 2026), affording the short-term financial flexibility needed for authorities as they implement sustainable change.

10.0 Risk management considerations:

10.1 Capital funding available through the Safety Valve programme is limited, and there are around 20 other local authorities in this year's programme. Should all of the requested capital funding not be granted, other opportunities to seek alternative funding would be pursued, and plans modified where possible, without compromising delivery of the Dedicated Schools Grant management plan targets.

10.2 The Dedicated Schools Grant management plan relies on the ability of mainstream schools to meet the needs of more pupils with Education Health and Care Plans. Work is underway to ensure that training and support for schools is in place in order to further embed an inclusive

culture in all schools. This will increase the confidence of the school workforce, and in time the confidence of parents, that outcomes for certain children can be better met within mainstream settings.

10.3 Should the future financial position fall short of the Dedicated Schools Grant management plan projections, alternative savings will need to be identified. There is the risk that some of the early intervention initiatives currently funded by the High Needs budget would be impacted, leading to a reversal of the successes that have been achieved recently with respect to inclusion.

11.0 Equalities considerations:

11.1 The High Needs budget funds education provision and support for children with special education needs and disabilities. Any actions proposed under the Safety Valve agreement will need to ensure that there is no detrimental impact on the quality of provision or support for children or their families.

12.0 Sustainability, climate change and environmental considerations:

12.1 Any capital schemes delivered through the Safety Valve programme will be developed in line with Blackpool Council's climate change declaration, for example, the provision of air source heat pumps in lieu of conventional gas boilers, installation of photovoltaic panels, and the achievement of a BREEAM rating of very good.

13.0 Internal/external consultation undertaken:

13.1 Updates are discussed at each meeting of the SEND Partnership Board, whose membership includes the local authority, Health partners, schools, and the Parent and Carer Forum. Updates are also reported to Schools Forum at each meeting, with a High Needs sub-group convened specifically to consider the Dedicated Schools Grant Management Plan between formal meetings. A Scrutiny Panel has also ensured that elected Members have had the opportunity to challenge and influence the Plan during its development. Plans are in place to meet with advisory groups of parents/carers and young people early in 2023 to share plans and discuss how they can help to shape how the proposals are implemented.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? Yes

- 15.2 If so, Forward Plan reference number: 10/2022
- 15.3 If a key decision, is the decision required in less than five days? No
- 15.4 If **yes**, please describe the reason for urgency:

16.0 Call-in information:

- 16.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No
- 16.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 13 January 2023 Date approved:

18.0 Declarations of interest (if applicable):

18.1 None.

19.0 Summary of Discussion:

19.1 Councillor Gillian Campbell, Cabinet Member for Inclusion, Youth, Schools and Transience presented the report to the Executive. Councillor Campbell highlighted the links with previously approved Executive decisions on Special Educational Needs including Decision EX29/2022 on the SEND Written Statement of Action and EX47/2022 on the SEND Strategy. The approval of the Schools Forum at its meeting on the 11 January 2023 to the proposed course of action was noted.

20.0 Executive decision:

20.1 The Executive resolved as follows:

1. To agree that Appendix 5a to the Executive report, the Financial Considerations is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it includes detailed costings that enable the scheme to be viable. The publication of such information could prejudice continuing and future

negotiations.

2. To support the principles that will form the basis of the Safety Valve agreement between Blackpool Council and the Department for Education.

3. To approve the entering into a Safety Valve agreement between the Council and the Department for Education on the basis of these principles.

4. To note the amended funding streams for phase 1 of the Highfurlong expansion scheme, as set out in Appendix 5a to the Executive report.

21.0 Date of Decision:

21.1 23 January 2023

22.0 Reason(s) for decision:

22.1 Blackpool Council has been invited by the Department for Education (DfE) to take part in the 'Safety Valve' intervention programme for those local authorities with the highest percentage deficits against allocations of Dedicated Schools Grant (DSG). The programme requires those local authorities to develop substantial plans for reform to their high needs systems and associated spending, with support and challenge from the Department for Education, to rapidly place them on a sustainable footing. The authorities are held to account for their reform and savings via regular reporting to the Department for Education. The Department for Education in turn helps the local authorities with additional funding over time to contribute to the writing off of historic deficits, contingent on delivery of the reforms. Capital funding can also be made available to support the creation of local provision if projected revenue savings can be demonstrated.

The report to Executive on 5 December 2022 on the proposed Highfurlong expansion scheme contained a confidential appendix setting out the projected costs of the scheme, together with a schedule of the funding streams to be used towards phase 1 of the scheme. Given that local authorities have to demonstrate that all of the High Needs Provision Capital Allocations have been fully committed in their Safety Valve capital bids, an adjustment is proposed to the funding makeup of the £4.8 million budget.

23.0 Date Decision published:

23.1 24 January 2023

24.0 Alternative Options Considered and Rejected:

24.1 The Executive noted that actions had already been taken to reduce the pressure on Dedicated Schools Grant, with a reduction to the deficit achieved in 2021/22, and a forecast in-year surplus 2022/23 resulting in a further writing off of part of the cumulative deficit. The Executive noted that while a Safety Valve agreement would help to accelerate these plans, if agreement cannot be achieved with the Department for Education the local authority would continue to take action to bring expenditure within available resources and to address the historic deficit.

25.0 Executive Members in attendance:

25.1 Councillor Taylor, in the Chair

Councillors Brookes, Campbell, Farrell, Hobson, Hugo and Smith

Apologies were received from Councillor L Williams, who was elsewhere on official Council business.

26.0 Call-in:

26.1

27.0 Notes:

27.1 The following non-Executive member was in attendance: Councillor Hunter.