

**Title:** Haringey Safety Valve Programme

**Report authorised by:** Ann Graham, Director: Children's Services, Jon Warlow, Director: Finance

**Lead Officer:** Jackie Difolco, Assistant Director: Early Help, Prevention and SEND

**Ward(s) affected:** All

## **Report for Key Decision**

### **1. Describe the issue under consideration**

**1.1** Haringey has been invited to make an application to participate in the 2022/23 'safety valve' programme whereby funding is provided to eliminate historic DSG deficits where, lasting sustainability and reaching an in-year balance can be demonstrated for its High Needs Funding budget. This paper reports on the proposals developed for consideration and approval.

### **2. Cabinet Member Introduction**

**2.1** The DfE have asked Haringey to apply to become part of the 2022/23 Safety Valve Programme which is designed to assist local authorities in reducing overspends in their High Needs Block expenditure – the funding which is provided for SEND. Currently Haringey is predicted to have a huge overspend in SEND by 2027/28, which, if left unchecked, could seriously undermine council finances. The government offer, whereby historic deficits could be eliminated, is predicated on LBH developing a series of detailed plans for systemic change, and service transformation.

**2.2** This is a challenge for the Service, and one which I believe we can meet as we are already engaged on that change process of wider strategic transformation of SEND Services in Haringey. This process, underpinned currently by our Written Statement of Action is underway, in partnership with our key stakeholders in our schools, the wider education, health and care sectors, children, young people, and their families. This work provides a springboard for more extensive and longer-term change whereby SEND resources will be prioritised for early intervention, and support; and where changes as to how and where SEND services are provided are linked to a wider education strategy.

**2.3** Key strands of this approach are set out in this report and provide the basis for a SEND service which aims to intervene early and provide support required without an EHCP; providing services locally in borough.

### **3. Recommendations**

**3.1** To approve the application based on the indicative workstreams and projects outlined in this report and further note that the indicative workstreams and projects are not yet agreed by DfE.

- 3.2** To delegate authority to the Director of Children's Services and Director of Finance, after consultation with the Cabinet Member for Children, Schools, and Families and the Cabinet Member for Finance and Local Investment, to make the initial application to the Department for Education (DfE) to enter the "Safety Valve" Intervention programme by 15 September 2022.
- 3.3** To delegate to the Director of Children's Services and Director of Finance, after-consultation with the Cabinet Member for Children, Schools, and Families and the Cabinet Member for Finance and Local Investment, to make final changes to the proposals following feedback from the DfE in advance of the final submission on the 6 October 2022.
- 3.4** To approve, that, as part of the involvement in the 'Safety Valve' intervention programme, a request for capital will be submitted to the DfE, by 10 October 2022, to develop SEND provision in the Borough to aid delivery of the programme which will be incorporated into the strategic education master sites programme.
- 3.5** To note that the Quarter 1 Corporate Monitoring Report addresses the Safety Valve project funding within the General Fund for the current year, and that the ongoing annual cost of this project will be taken into account in the preparation of the next future years' Medium Term Financial Strategy.

#### **4. Reasons for decision**

- 4.1** As part of the Department of Education (DfE) work to address long term challenges in High Needs funding within the Dedicated Schools Grant (DSG), a number of identified local authorities, including Haringey, have been invited to have a financial agreement known as a 'Safety Valve.'
- 4.2** The agreement will require Haringey to achieve an in year balanced budget, currently £4.6m in deficit, within five years. If achieved, the DfE will provide assistance with funds to address the cumulative deficit, currently £21.5m, subject to Ministerial approval. If continued growth in High Needs expenditure remains unmitigated, the cumulative deficit is currently estimated at £83m by 27/28 and is therefore a critical financial risk to the Council; entry into the Safety Valve programme is the best option to mitigate this risk.
- 4.3** The Safety Valve programme is part of the wider strategic transformation of SEND Services in Haringey with our key stakeholders within education, health, care sectors, children, young people, and their families. As part of this transformation, resources will be prioritised for children and young people with SEND which will improve overall outcomes by having a clear focus on early intervention, service improvement, reduce overall demand for EHCP's and financial pressure on the High Needs Block.
- 4.4** This item has been properly notified on the Forward Plan with the required 28-day notice period as set out in Part Four, Section D, Rule 13 of the constitution and complies with the 5-day notice period for agenda publication. However, the initial application to the DfE must be made by 15 September 2022. Cabinet is due to consider the item at its meeting on 13 September 2022 and this would not leave sufficient time for the ordinary call-in period. This report could not have been considered earlier due to the short timescales provided to complete the substantial work required to inform the proposals alongside initial consultation with key stakeholders. It is therefore proposed that the call-in procedure shall not apply to this decision in order to submit the application by the deadline of 15 September 2022. This would be subject to the Cabinet decision on 13 September 2022.

**4.5** Given the above, it is not practicable to comply with the call-in period requirement. The Chair of Overview and Scrutiny has agreed that the call-in procedure shall not apply to this urgent decision. This is because the decision is urgent and any delay in implementation caused by the call-in procedure would seriously prejudice the Council's or the public's interests due to the fact that Haringey will be unable to complete a submission to the Department for Education within their deadline. This decision will ensure that the deadline is met. Accordingly, the Chair of Overview and Scrutiny Committee has agreed that the decision is both reasonable in all circumstances and that it should be treated as a matter of urgency. This is in accordance with Part 4, Section H, and Paragraph 18 (a) and (b) of the Council Constitution.

## **5. Alternative options considered**

**5.1** The Council has previously produced a DSG Management Plan, coproduced with various stakeholders, with detailed actions in place to manage the deficit. The DSG management plan is underpinned by the High Needs Block recovery plan which is led by the Local Authority SEND service. This plan sets out a number of projects which are already in progress and subject to scrutiny at the DSG Steering Group chaired by the Director of Children's Services. Monitoring of progress is reported to the Schools Forum and SEND Executive (which has parent and carer representation) on a quarterly basis, this is also published on our SEND local offer and referenced within our SEND newsletter. Parents and carers are also represented on development sub groups delivering against a number of priorities that inform this work eg) Preparation for Adulthood, EHCP/Annual Review processes, Co-production and Health.

**5.2** This plan has been further developed since the meeting with DfE and it is this revised plan which forms the basis of our initial proposal. The plan is a live document which we will continue to share with the DfE as the proposal further develops.

**5.3** It is in the best interests of the Council to work towards a mutually agreed Safety Valve agreement as the ring fencing of the High Needs deficit may be removed, at which point the full deficit would have to be addressed in full in the Councils MTFS.

## **6. Background information**

**6.1** Haringey Council has continued to implement its improvement programme for SEND Services which was launched with its new SEND strategy (2021- 2024). The Council have invested significant funding to improve SEND Services and remains committed to working in co-production with parents, carers, and other key stakeholders to deliver improved programmes of support for children and young people with SEND and those who care for them. Key priorities are:

- a) we will support children at the earliest opportunity to access the intervention they need to achieve and thrive.
- b) wherever possible we will meet the provision needs of Haringey's children and young people locally.
- c) we will work together to prepare children and young people for their adult lives

- 6.2** The SEND improvement programme involves significant reallocation of resources, with increased investment from the General Fund and Capital Programme to support new SEND initiatives and to reduce systemic pressures on the high needs block. For example, by investing SEND provision capital funding at Riverside School, The Grove School, and The Mulberry School, resulting in increased provision within the borough, children being able to access good quality education locally and decreasing the need for out of borough education placements which are also more costly. Other improvements include revision of the Home-School transport policies and investment in the Statutory Assessment Team and Education Psychology Services.
- 6.3** Our recent performance data indicate that children and young people with SEND in Haringey continue to achieve good education outcomes. The national Safety Valve Programme offers an opportunity to utilise DfE expertise and investment to create further systemic changes in Haringey's allocation of resources to support children and young people with SEND.
- 6.4** The DfE began the safety valve intervention programme in 2020/21 and have extended this programme in 2021/22, targeting the local authorities with the highest DSG deficits. The programme requires local authorities to develop and agree to substantial plans for reform to their high needs budget and escalating demands on SEND services, with support and challenge from the DfE's expert team, to work at pace to address and create systems and processes which support the creation of an in-year balanced budget. When a local authority can demonstrate sufficiently that their DSG management plan creates lasting sustainability and delivers good outcomes for children and young people, including reaching an in-year balanced budget within 5 years then the DfE will enter into an agreement with the authority.
- 6.5** The financial plan must be based on an agreed programme to achieve a financially sustainable High Needs service over a period of up to five years, up to 2027/28. This together with annual delivery plans would form the basis of the Safety Valve agreement, which would essentially reflect a contract between the Council and DfE, the successful delivery of which would move the service into an in-year balance budget position by the end of the five years.
- 6.6** The agreed plan will be subject to quarterly monitoring reports, if there is any doubt that the proposals set out in the agreement will not be achieved, it may lead to the withholding payments, or reducing previously agreed future instalments, which contribute to decreasing the deficit.
- 6.7** Last year's (2021-2022) deficit position was £4.6m (in year), without a mitigation strategy this will increase annually, projected to be £19m in year by 2027/28. The present aggregated deficit to date is £21.5m and this will inevitably increase each year until a balanced budget is achieved. The latest forecast, using inflation and grant factors provided by the DfE, indicate that the cumulative deficit might rise, before any further mitigations put in place as part of this programme, to approximately over £80m. The negotiations will lead to the DfE proposing how much of that eventual deficit they will meet. Any remainder would fall on the Council's General Fund, and DfE have been made aware of the difficulty that would present to the Council.
- 6.8** Haringey have been asked to submit an initial proposal to DfE by the 15 September 2022 and, after feedback, a final proposal by 6 October 2022. Subject to Haringey Cabinet and Ministerial approval, Haringey would then enter the Safety Valve programme. An application for DfE capital funding to support Haringey's programme will also be submitted by 10 October 2022.

**6.9** Significant work has been completed over the past year on internal housekeeping, with a number of projects underway to mitigate against the increasing overspend, providing increased confidence in the council's DSG financial position as we continue to engage with the DfE.

## **7. Report**

### National Context

**7.1** While Haringey's position is concerning, it is not unique. The recently published National DSG Report highlighted the following key findings:

- a) high needs deficits exceeded £1.35bn for 80 respondents in March 22, forecast to be £2.6bn in March 2025. As a projection, if all LA's had responded, nationwide this could reach almost £3.6bn.
- b) on average, High Needs overspends are 7-8% per year, Haringey is 10%
- c) in general, Safety Valve arrangements are forecasted to make significant improvements, but significant deficits and uncertainty remain,
- d) significant variation exists between respondents with approximately half (£1.35bn) of March 2025 deficits being comprised from just nine respondents,
- e) whilst the aggregate deficit figures reported above are inflated by a few respondents, the general trend of ever-increasing High Needs Deficits is seen in a vast majority of cases,
- f) significant deficits are being reported by London Boroughs,

### Haringey Context

**7.2** Haringey services and schools are identifying an increasing number of children with SEN needs as evidenced by the increasing demand for statutory assessments and EHC plans. The number of children and young people with an education, health, and care plan (EHCP) was 2,637 at the beginning of August 2022 compared with 1,820 in 2018 and 2,398 at the end of 2021.

**7.3** Analysis of data indicates that Haringey has increased demand for services for children and young people with ASC (autistic spectrum condition) and SEMH (social, emotional, and mental health) as their primary need. Whilst the authority has increased its provision for children with ASC by increasing school places. Haringey has no designated provision for children and young people who require special school provision to meet their SEMH needs. This can result in the use of expensive out of borough independent provision, creating pressure on the high needs block.

**7.4** Haringey receives approximately £201m in Dedicated Schools Grant (DSG) for maintained schools. The DSG is split into 4 blocks: Schools, High Needs, Early Years and Central School Services. The DSG reserve is ringfenced and outside the council's general fund reserves. The cumulative DSG deficit is significant at £21.5m, is continuing to increase and unsustainable. This pressure is entirely due to pressures in the High Needs Block. Under present regulations, this deficit cannot currently be funded from the General Fund without ministerial approval, even if the Council could afford it, but must be dealt with from future DSG income.

**7.5** The DSG current management plan is based on estimations of 10% annual demand increase in EHCP's. Whilst for the first time since 2016/17 we are starting to see the number of requests for EHCP's reduce, the overall number of plans continue to increase (7% increase for 21-22 compared with previous year). Through the Safety Valve action plan, we need to introduce measures to alleviate that trajectory via different and more affordable care routes, reducing High Needs costs generally. This is challenging as pressures include complexity of plans, lack of in borough provision for children with social, emotional, and mental health (SEMH) and Autism, and the need for a graduated early intervention response to meet the needs of children and young people earlier.

### **Draft Safety Valve programme proposal**

#### **Key Influences on programme development**

**7.6** The DfE has issued guidance and case studies from Local Authorities already engaged in the Safety Valve programme outlining two principal goals which are critical to reach sustainable positions, which are appropriately managing demand and effective commissioning arrangements.

**7.7** DfE guidance also advised that areas of focus are interlinked, a joined-up and co-produced commitment to sustainability with local authority leaders working together to give the high needs system the priority and focus it requires. As such families should be at the heart of decision making to ensure viability of any plans, reflecting the statutory duty to co-produce SEND services with parents, carers, and providers. Officers from finance and education have been working closely together with joint responsibility for the delivery of the High Needs Recovery plan. Progress against the plan is reported to parents and carers via the SEND Executive Board, but also by involving parents and carers in the key programmes developing the SEND improvement plans.

**7.8** Changing the culture from one in which a lack of confidence or access to services drives the demand for EHCP's for children and young people with SEND to one in which there is confidence in the provision ordinarily available in schools and will be a key requirement of a successful safety valve programme. Working in collaboration with elected members, school leaders, parents & carers will be essential to developing cultural change, sustainability, and confidence in the SEND system.

**7.9** The DfE have also provided authorities entering the programme several case studies as examples of how some local authorities have approached the Safety Valve objectives. Areas of focus include early intervention, increased SEN support offer for children without an EHCP, robust assessment processes and application of thresholds, cultural change and shared ownership with partners, parents and carers and thorough provision mapping to ensure there is sufficient high-quality provision for young people.

## Demand and cost alignment of EHCP's.

**7.10** To identify and inform projects included in our proposal it is critical to understand points of significant demand in terms of the principal need for C&YP's EHCP's and the cost of the provision of the services associated with them. Table 2 below shows the demand and growth since 2018.

**Table Two: Demand by Primary Need 2018 – 2022**

EHCP numbers growth from 2018/19 with average percentage growth shown							
Type of Need	2018	2019	2020	2021	2022	Average Annual Growth	2021-22 Annual Growth
Autistic Spectrum Disorder	711	768	921	1,035	1,121	14%	8%
Hearing Impairment	45	49	59	63	72	15%	14%
Moderate Learning Difficulty	358	350	375	402	407	3%	1%
Multi- Sensory Impairment	2	1	1	1	1	-13%	0%
Physical Disability	101	96	104	108	109	2%	1%
Profound & Multiple Learning Difficulty	39	41	40	49	50	7%	2%
Social, Emotional and Mental Health	205	210	227	289	284	10%	-2%
Speech, Language and Communications needs	242	255	317	340	419	18%	23%
Severe Learning Difficulty	55	50	45	49	40	-7%	-18%
Specific Learning Difficulty	42	37	54	41	43	1%	5%
Visual Impairment	19	20	21	21	21	3%	0%
Other Difficulty/Disability	0	0	0	0	0	N/a	N/a
SEN support but no specialist assessment of type of need	1	0	0	0	0	N/a	N/a
<b>Total number of EHCPs by primary need</b>	<b>1,820</b>	<b>1,877</b>	<b>2,164</b>	<b>2,398</b>	<b>2,567</b>	<b>10%</b>	<b>7%</b>

- ASC is the area of highest need and demand has grown by 14% on average and 8% in 2021/22
- SEMH has grown by 10% on average but demand reduced slightly in 2021/22
- Speech, Language & Communications is the second largest group in absolute terms but has the highest continuous growth being 8% on average and 23% in 2021/22
- Average annual growth over 5 years is 10.3% compared with growth of 7% in 2021/22
- Haringey also has a higher growth in children with Hearing Impairment, the reasons for this are being further explored, but numbers of children remain low and could be correlated with Haringey having a specialist provision for Hearing Impaired children (Blanche Neville School) creating demand in this area.

**7.11** From our detailed analysis and costings, we have evaluated all of our interventions to ensure that they will improve outcomes for children and young people, through inclusive local provision of services, including early intervention in schools, and savings associated with these improved outcomes.

**7.12** The development of the Councils initial proposal has been shaped by the influencers discussed earlier and consists of three workstreams each of which consists of individual projects that will have their own objectives and savings targets.

**7.13** Three workstreams and projects developed are consistent with DfE recommendations for areas of focus to manage the demand for EHCP's, reduce costs by more effective commissioning and the use of capital to develop in borough provision.

**7.14 Workstream A** (Demand Management) has several projects that will increase the level of early support and interventions for children with needs associated with Autism, Speech, Language & Communication and Social Emotional and Mental Health, which will reduce the escalation to requiring an EHCP, in our primary and secondary school settings. Similarly earlier interventions and support will strengthen provision in Early Years setting with the overall objective that no child under 5 will require a EHCP to fully meet their needs. All of these projects will help reduce the demand for EHCP's and therefore reduce costs.

**7.15 Workstream B** (Commissioning) will focus on creating in borough provision for Social Emotional and Mental Health needs below and above the threshold of a EHCP and similarly develop resources in local primary and secondary schools to meet the needs of children requiring support for Autism. Projects will also ensure value for money for all other services including our Alternative Provision offer. It will also include a project to address our expenditure on top ups for C&YP with EHCP's where our expenditure of approximately £21m is seen as an outlier nationally. An additional significant area to help reduce costs will be the use of capital to enable inclusivity in mainstream schools by investing in Special Units and reducing the need for out of borough expensive provision. Our capital strategy is discussed in more detail below.

**7.16 Workstream C** (Culture, Governance and Leadership) projects will not produce savings in themselves, but they will act as enablers for other projects and provide the leadership and cultural change necessary to ensure sustainability in systems and processes. These projects will involve collaboration with school leaders, parents, parents and C&YP.

**7.17** Work is ongoing to determine if these measures will suffice or whether other avenues will also need to be pursued and this will become clearer over as the projects continue to be developed prior to submission of Haringey's proposal.

**7.18** A summary of the key projects are outlined below:

#### Proposed Safety Valve Projects

##### **Creating in- borough provision**

- We will create specialist resource units for children with ASC within existing good or outstanding mainstream schools to encourage inclusivity in mainstream and thereby reducing the demand for out of borough expensive provision. There will be 10 resource units in primary settings and 25 units in secondary.
- We will develop an in-borough provision or resource provisions in mainstream schools for children and young people who have social, emotional, and mental health needs (SEMH). There will be 10 units in primary settings and 25 units in secondary.
- Increasing provision to respond to sufficiency for children and young people with complex needs.



### **Therapies investment (jointly with the Integrated Commissioning Board)**

- We will develop a graduated response need and therapies toolkit for SENDCOs, review & expand therapeutic support for Speech & Language and Social, Emotional Health (SEMH) and develop training and outreach teams to support C&YP with Autistic and SEMH needs. Both these projects will reduce escalation to EHCP's in primary and secondary schools.

### **Investment in early years and supported internships and apprenticeships for young people with SEND**

- We will address the number of EHCP's, where Haringey is an outlier, by reforming our Early Years offer to ensure only children with the most complex needs aged under 5 will require a EHCP to secure appropriate support and ensure that all YP over the age of 16 have appropriate employment and internship opportunities where this is the most appropriate offer.

### **Investment in Early Intervention**

- We will develop an earlier response to identified needs and a timelier response through the investment in early intervention services. This will have the impact of reducing the number of EHCP's in Haringey in accordance with national averages.
- We will embed SEND support tools and core standards and expectations within schools and settings.

### **Effective commissioning and brokerage arrangements**

- We will review of our current Alternative Provision (AP) model and funding and create more cost-effective commissioning of services e.g, moving away from spot purchasing.
- We will develop a primary and secondary SEMH outreach team.
- We will rationalise our overall £21m spend on "top ups" for EHCP's by remodelling our support to mainstream schools and in- borough special schools to reduce the number of children and young people moving into Special and Independent Schools. This is an area where Haringey is an outlier in terms of spend for special schools per capita.
- Where we have young people who are placed in education, out of borough, where appropriate, we will work with them, their parents, and carers at key transition points to support them to access post 16 education within Haringey.
- We will review financial contributions from health to ensure they are appropriate and equitable.

### **Robust decision making and application of thresholds and upskilling the multi-agency workforce.**

- We will continue to improve consistency and rigour in our Statutory Assessment Team to ensure that thresholds are appropriately applied and that our annual plan review processes are reflecting improved outcomes with appropriate cessation of plans.
- We will undertake process mapping and analysis that will improve quality and efficiencies.
- Working in collaboration with Haringey Education Partnership (HEP), we will develop a comprehensive and robust workforce development programme for mainstream schools.

### **Block transfer from other parts of DSG**

To ensure a more sustainable system, whilst we review and remodel the distribution of High Needs funding, we will request approval from the Schools Forum for a block transfer of funds from other blocks within the dedicated schools grant to reduce the high needs block overspend over a number of consecutive years. This is an approach that has been used by other local authorities to reduce the overspend position as part of a longer-term approach alongside transformation work, reallocating resources to directly invest in the delivery of SEND services, impacting on improved outcomes for children and young people and meeting our statutory duty.

**7.19** In meetings with DfE Advisers on 27 July and 24 August 2022, it was noted and agreed that the approach taken to date was robust and that the projects we had identified were the type of projects they would expect to see of this scale.

**7.20** To support effective implementation of the programme, £400k per annum for three years has been allocated from the general fund, to fund a 'Programme Team' which will consist of programme management, business, data, and financial analysis.

**7.21** Any associated costs for implementation of the individual projects will be funded within the high needs block where they are eligible for spend as per the terms and conditions of the high needs block, and the Safety Valve financial proposals will take account of the estimated spend levels. It is yet to be evaluated as to whether the measures currently be explored will suffice or whether other avenues will also need to be pursued and this will become clearer over as the projects continue to be developed prior to submission of Haringey's draft and final proposals.

### Capital Funding Opportunity

**7.22** In support of the Safety Valve programme, Haringey has been invited to make an application for capital funding which will need to be submitted by 14 October. Whilst the DfE have not applied any financial restrictions, they have advised that applications agreed with other Local Authorities on the programme have averaged circa £5.0m and to consider that as part of our proposals.

**7.23** As part of the Asset Management Plan in 2020, SEND and Alternative Provision were identified as a key area of focus to explore. This has resulted in the development of the strategic education sites masterplan outlining a series of options and proposals for consideration by Cabinet. The Council's capital programme presently includes £12m to support the development of Alternative Provision.

**7.24** A further £3.5m SEND Provision Capital Funding has been allocated to Haringey for the next 2 academic years. This will be offset against the Education Sites Masterplan for SEND provision. Therefore, combined, the potential capital funding for SEND/AP provision may be in the region of £20m which would have a significant impact in delivering a successful safety valve programme. This will include the capital bid for the resource units for children in primary settings and resource units in secondary setting referred to above. Other potential capital opportunities to support the Safety Valve programme, for inclusion in the application for funds to DfE continue to be identified as plans progress.

### Next Steps

**7.25** An initial bid proposal will be submitted to the DfE on 15 September 2022. There will be continued discussion and support from the DfE throughout the process leading up to the final submission of our proposal on 6 October 2022. Approval would then be expected from the Secretary of State by December and the agreement published in March.

**7.26** A communications plan is being developed to build on existing mechanisms in place (as outlined at 5.1) to engage our stakeholders including parents and carers further in this work in more detail.

## 8. Contribution to strategic outcomes

8.1 The proposals outlined, align with the priorities within Haringey's Early Help Strategy, Haringey's SEND Strategy and the 'Borough Plan – Priority 2 (People)' specifically:

- Happy childhood: all children across the borough will be happy and healthy as they grow up feeling safe and secure in their family, networks, and communities
- Every young person, whatever their background, has a pathway to success for the future
- All adults are able to live healthy and fulfilling lives, with dignity, staying active and connected in their communities

## 9. Statutory Officers comments

### Finance

9.1 The DSG cumulative deficit currently totals £21.5m and with assumptions on demand growth, mitigation of demand growth, inflation estimates and grant income projections the DSG is forecasting a cumulative deficit of over £80m by 2027/28. This deficit is forecasted solely within the High Needs Block.

9.2 The Department for Levelling Up, Housing and Communities (DLUHC), requires DSG deficits to be held in a separate reserve in local authorities' accounts. Regulations are in force to allow this accounting treatment up to and including the accounts for 2022/23. The forecasted cumulative deficit needs to be addressed as once the regulations to show deficits separately are removed, this will impact the Council's General Fund, resulting in a profound impact on statutory services in other areas.

9.3 There has been £250K investment in 2022/23 to fund the Safety Valve programme team, with the costs factored into the 2022/23 Q1 monitoring. Ongoing costs of the programme team from 2023/24 onwards totals £400K per year which is recommended to be accommodated through the MTFS.

9.4 Additional Capital Funding will be sought from the DfE to invest in key proposals to deliver revenue savings to the DSG through the Safety Valve Programme. This additional funding and existing capital funds results in a potential £20m of capital funding for SEND/AP Provision for Haringey.

### Procurement

9.5 Strategic Procurement note the contents of the report. There are no current procurement implications associated with the report and recommendations. Strategic Procurement will work with the service area to support the delivery of any procurement activity.

### Head of Legal & Governance

The Head of Legal & Governance has been consulted on this report and makes the following comments:

9.6 The Dedicated Schools Grant [DSG] is payable to local authorities under s14 of the Education Act 2002 to support the schools budget including provision made by the council for pupils with special educational needs and disabilities. The DfE strongly encourages all authorities to have plans in place to ensure the sustainable management of their high needs systems, for the benefit of the children and young people they serve.

The Safety Valve programme requires local authorities to develop DSG management plans. The DfE will enter to an agreement with authorities whose plans demonstrate lasting sustainability. Local authorities demonstrating progress will receive incremental funding to eliminate their historical deficits, with funding being withheld if milestones are not met.

9.7 In June 2022 the DfE published guidance entitled *Sustainability in high needs systems, guidance for local authorities*, designed to assist local authorities to review their SEND and consider their strategic approach to high needs funding and develop their DSG management plans. The guidance makes clear that plans must have the support and engagement of local leaders, schools, parent and carer forums and other key stakeholders. The Education & Skills Funding Agency operational guidance 'Schools revenue funding 2022 to 2023' (Updated December 2021) provides that DSG management plans should be discussed with the schools forum on a regular basis and should set out the local authority's plans to bring the DSG spend back into balance.

9.8 The Education and Skills Schools operation guidance: 2023 to 2024 updated August 2022 provides that Local authorities require school forum approval in order to move up to 0.5% from the schools block to another blocks. Local Authorities considering a transfer of funds out of the high needs block should ensure adequate consultation with the relevant representatives on the schools forum and with any providers likely to be affected by the transfer.

### Equalities

9.9 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- advance equality of opportunity between people who share protected characteristics and people who do not
- foster good relations between people who share those characteristics and people who do not.

9.10 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. The first part of the duty applies to marriage and civil partnership status only. *Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.*

9.11 The provision of services for children and young people with SEND and their parents and carers ensuring that the Council is meeting its statutory duties in relation to increasing the participation and equality of young people with special education needs and disabilities, via their access to education, health and care services.

9.12 The proposed decision is to approve engagement in the Safety Valve Programme, whereby upon successful proposals to reduce the in-year financial overspend is achieved, funding is provided to eliminate historic DSG deficits with lasting sustainability and reaching an in-year balance. All the projects will affect:

- children and young people with SEND
- parents and carers of children and young people with SEND
- partners within education, health and care sector impacted by delivery of the proposals
- workforce capacity to respond to delivering the projects

9.13 The objective of the proposals is to alongside the SEND service improvement programme as underpinned by Haringey SEND Strategy 2022- 2025, implement a transformation programme across the SEND system, that will both create positive change and improved outcomes for children and young people with SEND and achieve a balanced in year budget for the High Needs Block within the Dedicated Schools Grant.

9.14 The duty to co-produce services with children and young people with SEND and their families is recognised and specifically addressed within the SEND Strategy 2022 - 2025.

The SEND strategy recognises that SEND affects children and young people differently according to age, gender, and socio-economic background and as such the strategy and proposals intend to ensure that the specific inequalities which affect these groups and that these actions are accountable.

9.15 The proposals represent a range of measures taken to achieve the level of savings required in the short term, however this is balanced against wider benefits and improved outcomes for children and young people with SEND and their families; advance equality of opportunity for children and young people with SEND and their families and specifically to work closely via co-production to ensure that the necessary service improvements fulfil the needs of this cohort particularly those with protected characteristics.

9.16 An equalities impact assessment is underway to understand the key groups who will be affected by the proposals, how they will be impacted by these, and any mitigations that might be needed in order to ensure that the public sector duty is met. This will be finalised and monitored with any emerging issues identified and addressed. The Council will take steps to collect demographic data on service users in order to identify any inequalities in service provision that may arise and to inform future equalities analysis.

## **10. Use of Appendices**

Department for Education case studies - Sustainable High Needs systems.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1003162/Case\\_studies\\_-\\_Sustainable\\_high\\_needs\\_systems\\_16July2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003162/Case_studies_-_Sustainable_high_needs_systems_16July2021.pdf)

## **11. Local Government (Access to Information) Act 1985**

N/A