

Agenda Item

Report Status

For information/note

For decision

Report to Haringey Schools Forum – 13 October 2022

Report Title: Haringey Safety Valve Programme

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1. Purpose:

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 endorsement.

2. Recommendations:

2.1 That members of Schools Forum note the contents of the paper and direct any comments and observations to the Assistant Director for Early Help, Prevention and SEND.

2.2 That members of Schools Forum note the proposals outlined for Haringey's Safety Valve Programme.

2.3 That members of School Forum agree a Schools Block transfer of 0.5% to the High Needs Block, each year from 2023/24 to 2027/28

Report

3. Background Information

3.1 As part of the Department of Education (DfE) work 'Delivering Better Value' in SEND, designed to address long term challenges in High Needs funding within the Dedicated Schools Grant (DSG), a number of identified local authorities have been invited to have a financial agreement known as a 'Safety Valve.' These agreements are targeted at Local Authorities who have the highest DSG budget overspends in the country, which includes Haringey.

3.2 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 £21.6m, subject to Ministerial approval.

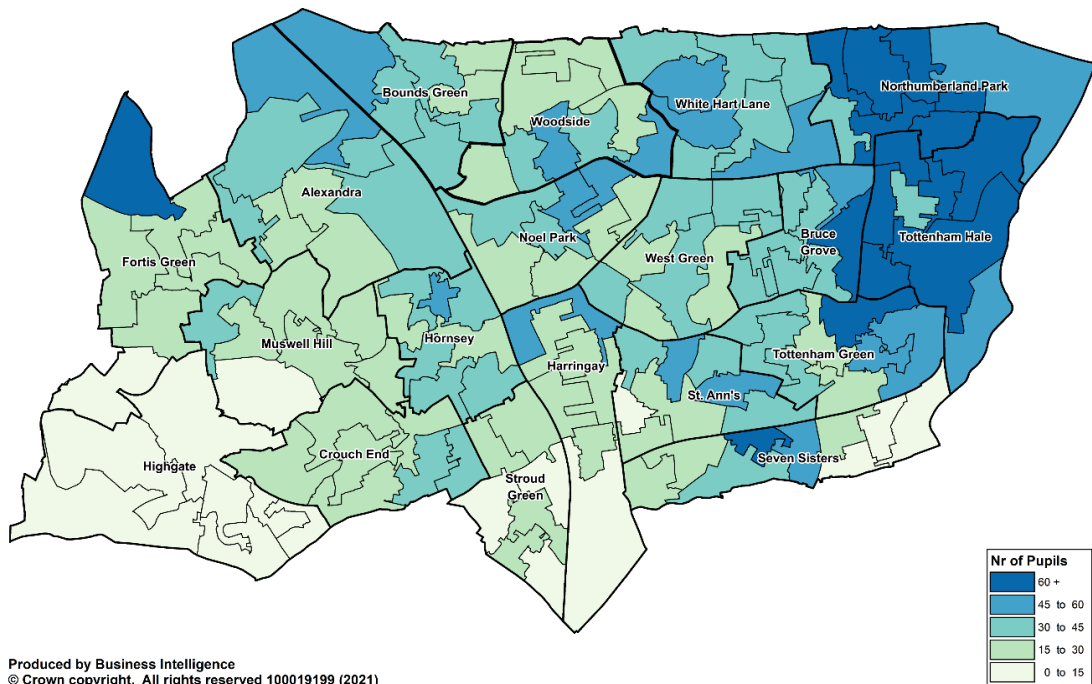
3.3 If continued growth in High Needs expenditure remains unmitigated, with demand for EHCP's estimated to continue to increase by 7% each year, the annual deficit is estimated to increase by £3-4 million per year, with the cumulative deficit currently estimated at £78.4m by 27/28. Therefore, this is a critical financial risk to the Council with entry into the Safety Valve programme, the best option to mitigate this risk.

3.4 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 for children, by developing a programmatic approach which will have a clear focus on early intervention, service improvement, reduce overall demand for EHCP's and thereby reducing financial pressure on the High Needs Block.

4. Haringey SEND Context

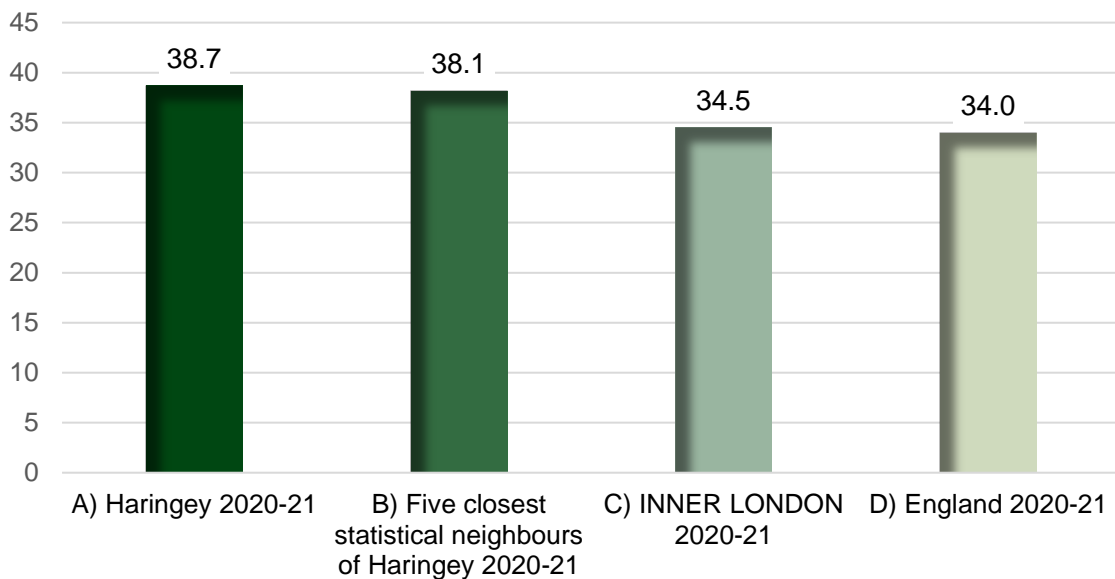
4.1 Building on our SEND Strategy, Written Statement of Action and engagement with parents, carers and partners, draft proposals for the Safety Valve programme have been informed by robust data and financial analysis which is summarised in the charts and tables below:

4.1.1 Correlation between areas of deprivation and SEND



- a) The correlation between areas of deprivation and SEND are best illustrated on this heat map.
- b) Haringey is a borough of extremes encompassing some of the most affluent and most deprived wards in London.
- c) It is the 4th most deprived borough in London, with over 180 languages spoken. Approximately 32% of low-income households are households with children who are in poverty, this figure does not account for the cost of living increases being experienced nationally.

4.1.2 Comparison of EHCP's between statistical neighbours, London and England



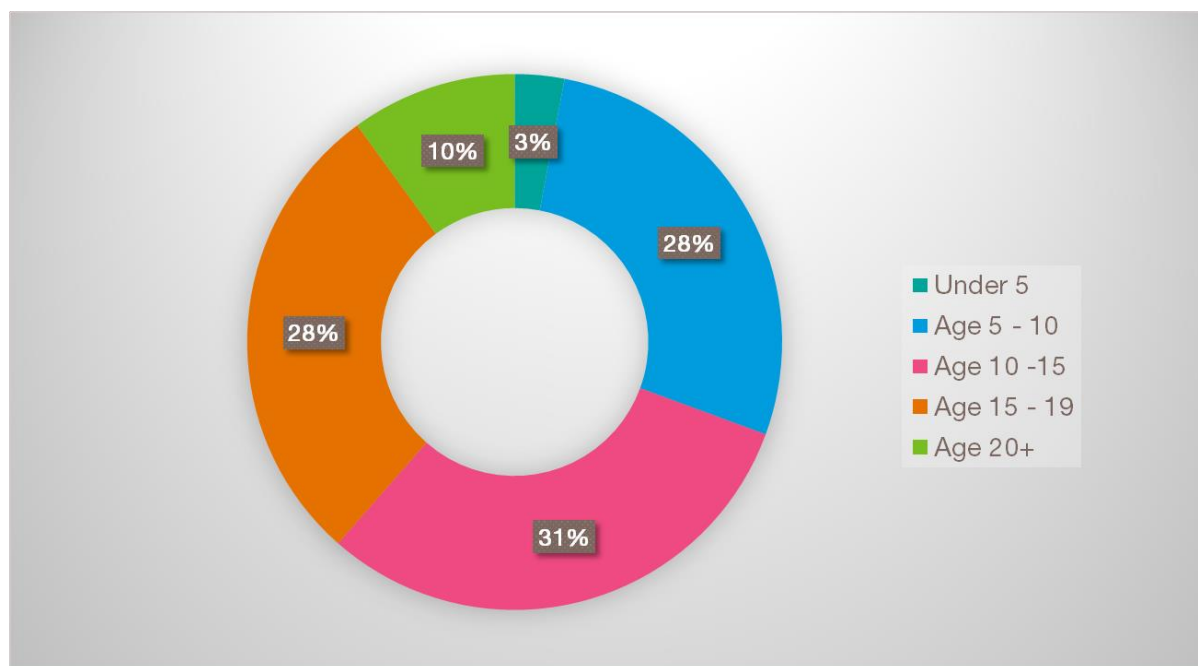
- a) There are approx. 60,000 children living in Haringey and of these, 9,000 children have SEND which equates to 15% of the youth population.
- b) Benchmarking data shows that Haringey is an outlier in having higher numbers of children and young people with EHCPs.

4.1.3 Breakdown of placements



- a) Our data demonstrates that Haringey has fewer resource provision than other authorities and considerably higher demands for post-16 placements.

4.1.4 Age breakdown of children and young people with EHCP's



- As of September 2022, there are 2,637 children and young people who have an education, health and care plan.
- We have a disproportionate number of children aged 0 – 5 and young people aged 20 – 25 who have an ECHP compared with similar authorities.

4.1.5 EHCP 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
Total number of EHCPs by primary need	1,820	1,877	2,164	2,398	2,567	10%	7%

- 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

- c) 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
- d) Average annual growth over 5 years is 10.3% compared with growth of 7% in 2021/22
- e) Haringey also has a higher growth in children with deafness, however numbers of children remain low and could be correlated with Haringey having a specialist provision for deaf children (Blanche Neville School) creating demand in this area.

4.2 Haringey Council has embarked on an ambitious improvement journey which is described in its [SEND Strategy 2022-25](#) and [SEND Written Statement of Action 2022](#). We have invested significant funding to improve SEND Services and remain 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.

4.3 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.

4.4 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.

5. Safety Valve Proposals

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 Local Authority officers from SEND, Finance and Commissioning and have been working on draft proposals underpinned by the SEND strategy and Written Statement of Action with robust financial remodelling and programme support. Haringey were asked to submit an initial proposal to DfE by the 15th September 2022 and, after feedback, a final proposal by 6th October 2022. Prior to Schools Forum, draft proposals have been endorsed by Cabinet and shared with key stakeholders including representatives of the High Needs Sub Group reporting to the Schools Forum. Subject to approval, Haringey would then enter the Safety Valve programme. An application for DfE capital funding to support Haringey's programme will have been submitted by the 10th October 2022.

5.3 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 with future arrangements pending the outcome of recent consultation completed. 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 and non-

statutory services in other areas. It is in the best interests of the Council to develop a mutually agreed Safety Valve agreement with full government support. Ultimately, a programme of this scale cannot be successful without significant programme transformation and redistribution of funding to support this work to truly achieve better outcomes for children and systemic change.

5.4 Further information about the national programme can be found within the public Cabinet report published here: [Haringey Cabinet 13 September 2022, item 10](#)

5.5 Haringey has designed an ambitious, robust and systemic approach will act as an enabler to reduce the overall deficit and support the overall SEND system improvements which Haringey Council is working to achieve. Our areas of focus will be to appropriately managing demand for Education, Health and Care Plans and ensure the effective use of appropriate and cost-effective provision whilst maintaining high standards for all children and young people, not compromising on quality. There are a total of 18 projects across three workstreams as follows:

Workstream A – Demand management

This workstream will address demand management within the SEND system, to reduce the number of EHCPs to London and National averages. These projects include investments in early intervention in Speech and Language Therapy; review of SEMH pathways and support and investment in the Autism Team to provide pro-active support. Within this suite of projects there will also be a focus on effective use of Annual Reviews to cease plans as appropriate and to identify where children might require health and social care funding and support, other projects include ensuring that preparation for adulthood is prioritised with an ambitious programme of creating increased supported internships.

Workstream B – Commissioning

This workstream will concentrate on reducing the overall budget pressure created by banding and funding costs, particularly those in relation to independent and non-maintained special school (INNMS) placements. These include a whole-scale review of SEND bandings and top-ups; increased capital investment in SEND placement sufficiency and several commissioning projects to address the prolonged use of spot purchase and lack of co-ordination between Annual review processes and individual child arrangements.

Workstream C – Culture, Governance and Leadership

This workstream will enable the strategic changes necessary to create culture change in SEND services, these include working more closely with parents and carers, lean process mapping of SEND services and wider workforce development and coherent application of the SEND core standards and communication of the ordinarily available offer of education.

5.6 A summary of the key proposals include:

- a) we have taken an early Intervention approach, supporting schools and developing a graduated response to meet demand and reduce the need for specialist support
- b) we will address demand management within the SEND system which will result in a **reduction of 611 EHCPs** with the objective of reducing the number of EHCPs to at least London averages by 2027-2028.
- c) we have developed capital proposals that will reduce unit costs within the SEND system through the **development of in borough provision for an additional 116 children** and young people within mainstream education settings
- d) we will complete a review of bandings, top ups and ensure we have effective commissioning arrangements.
- e) through our strong partnership arrangements, we will continue to work with our key school leaders, parents and carers, children and young people and partners to create shared ownership and change the culture of the SEND system in Haringey.

5.7 The vast majority of projects will start in 2023-2024 with the exception of the capital projects which will start in September 2024.

Workstream and projects with indicative timescales for implementation and completion

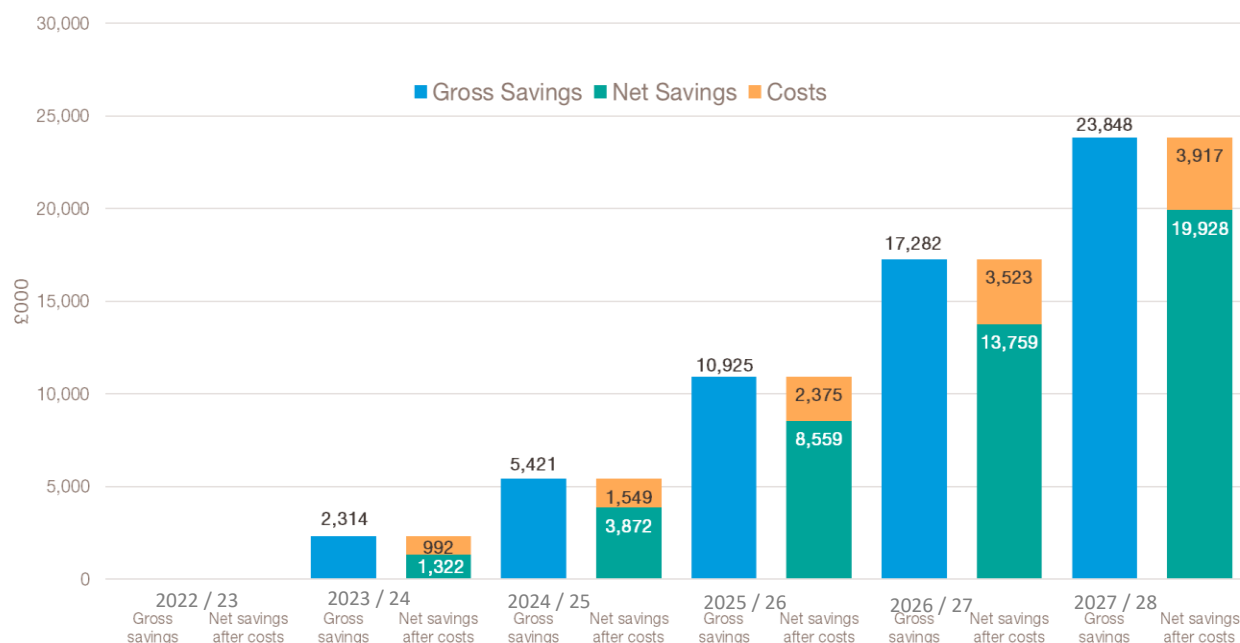
Workstream A: Demand Management	Reduce demand by increasing the no of CYP supported by SEND support plans and reduce the of new EHCPs in line with national averages
A1. Review Therapeutic Support for Speech & Language (March 23 – March 24)	Develop a graduated response through a SLCN pathway which prioritises early intervention (universal, targeted, specialist) supported by training and outreach teams.
A2. Increase capacity of mainstream schools to meet the needs of children with autism (December 23 – July 2024)	Expand the Autism team to provide intensive support to 24 CYP to prevent placement breakdown in mainstream alongside embedding the graduated support pathway.
A3. Increase capacity of mainstream schools to meet the needs of children with SEMH (Sept 22 – Sept 23)	<p>Implement a coordinated SEMH pathway, create agreed standards within schools and upskill workforce, utilising services in support;</p> <p>Review joint commissioning pathway with CAMHS as part of a wider joint Commissioning Strategy.</p>
A4: Threshold and Annual Reviews of EHCPs (Sept 2022 – July 2023)	Strengthen decision making process through staff training, targeted performance on compliance and quality of AR's, identifying appropriate health contributions and managed cessations.
A5. Review post-16 offer (including employment initiatives) (Jan 2023 – March 2026)	Create 65 new supported internship opportunities alongside the development of a targeted pathway to both increase the number of supported internships on offer and to encourage young people to access these.
A6. Early Years' Funding Review (December 22 – Sept 23)	Re-configure the Early Years system to better focus on early intervention that supports need without the requirement of an EHCP, resulting in the vast majority of children aged under 5 not requiring an EHCP.

Workstream B: Commissioning	Cost effective commissioning, sufficiency and provision
B1.1 and B1.2 Develop primary and secondary ASC resource units in mainstream schools (Sept 24 – Sept 27)	Create specialist resource units within existing good or outstanding mainstream schools (15 x primary, 25 x secondary, 9 x post 16) reducing independent and out of borough placements. Target new placements but also as part of transition to bring back CYP at key transition points through the annual review process.
B2: Ensure cost-effective commissioning & brokerage of services (Sept 22 - April 24)	Review and change current spot purchasing/ commissioning arrangements to longer term strategic commissioning arrangements and/or block contracts with suppliers resulting in reduction of placements costs by 20% by 2027/28.
B3. Complex needs sufficiency (Sept 24 - Sept 26)	Increase capacity to expand by 25 places: 10 primary and 15 secondary places to reduce reliance on high cost INMSS places for children with complex needs.
B4. Remodel Alternative Provision offer and funding model (March 23 – Sept 23)	Review of our current Alternative Provision (AP) model and funding, improving outcomes and creating more cost-effective commissioning, reducing annual costs by at least 10%.
B5. Commissioning post-16 learners (March 23 – April 25)	Same process as B2, to achieve an overall reduction of 20% in costs of post-16 education placements. Develop joint strategic commissioning strategy for post 16 with 5 neighbouring LA's.
B.6 Remodel financial support/top ups to mainstream and special schools (2022-23 – 2024-2025)	Rationalise spend on “top ups” for EHCP’s by remodelling our support to mainstream schools and in-borough special schools to reduce the number of C&YP moving into Special and Independent Schools. Review of bandings and top-up funding; facilitated by the ISOS partnership and led by a group of key stakeholders from across schools in Haringey to create a sustainable future model. This may increase, reduce banding rates and/or expand the number of bandings. Haringey will apply a price freeze for Special Schools for 2023/24 and 2023/24 after which the redistribution of Top Ups will come into effect. Inflation for top ups will be passed to mainstream schools.
B.7.1 and B.7.2 Develop primary and secondary resource SEMH Resource Units in mainstream schools (Sept 24 – Sept 26)	Develop an in-borough provision for SEMH needs, 5 x primary, 25 x secondary, 9 post 16 Develop a primary and secondary SEMH outreach team.
B.8. School Block Transfer to High Needs Block (2023- 2024 – 2027-2028)	Whilst we review and remodel the distribution of HNB funding, looking to ensure a more sustainable system, the proposal is to seek endorsement from Schools Forum to continue to transfer funding from the School Block increased from 0.25% to 0.5% to invest in the delivery of SEND services, meeting the demands of the High Needs Block, each year from 2023/24 – 2027/28.

Workstream C: Culture Governance and Leadership	Enablers to other workstreams, culture change and sustainability
<p>C1. Embed core standards & implementation of SEND support tools (September 22 – Jul 23)</p>	<p>Review and update core standards launched in Jan 22, introduce regular training programme to embed and achieve core standards.</p> <p>Develop a new core standard on working in partnership with parents and carers</p>
<p>C2. Culture change by working with school leaders and parents (September 22 – Jul 2023)</p>	<p>EPS will undertake several projects to create better relationships between parents and schools, these will include: a pathway for young people who are becoming anxious about school attendance; offering supervision and support to SENDCos and staff in the SAT and developing access to EPS via drop-ins at The Markfield Project.</p>
<p>C3.Process mapping and analysis that will identify and produce efficiencies (November 2022 – September 2024)</p>	<p>Use 'Lean' process analysis of current SEND operations to ensure effective use of systems and capacity within SEND services to improve timeliness of statutory assessment and annual review processes. Thereby increasing confidence in the quality of statutory processes and driving the Safety Valve projects which depend on high quality statutory processes to deliver strategic change and financial savings.</p>
<p>C4. Workforce Development in Send in mainstream schools (in partnership with HEP) (October 2022 – September 2023)</p>	<p>Develop a school improvement programme in partnership with Haringey Education Partnership which increases capacity and confidence within mainstream schools to support children with SEND.</p> <p>Priority areas will include embedding core standards, developing high standards of quality first teaching and effective leadership, management and governance of SEND within schools.</p> <p>Establish a cluster model working to support best practice and develop Secondary SENDCo capacity and support.</p>

5.8 As a result of these proposals, if delivered, this will achieve significant service transformation, improved outcomes, a balanced budget and a cumulative reduced deficit of £29.9m. The portfolio of deliverable projects will have reduced costs by £47.8M over 5 years. Refer to the table below which shows the gross savings to be achieved each year (in millions) followed by the net savings after costs to deliver the projects have been deducted. Where there are costs, these are associated with investment required eg) training for professionals to implement a universal speech and language pathway or supported internships.

Table One: Savings achieved across all workstreams



5.9 Projects B.6 and B.8 will have short term financial implications for schools as follows:

Project B.6: Remodel financial support/top ups to mainstream and special schools 2022/23 to 2024/25

5.10 Haringey’s Safety Valve Programme includes plans, some of which will impact funding to Special Schools from 2023/24 such as freezing band rates for 2023/24 and 2024/25. Project B.6 is already underway, working with key stakeholders and ISOS to review existing banding rates to ensure are equitable and fit for purpose within the same financial envelope. This may increase, reduce banding rates and/or expand the number of bandings. Haringey will integrate the SEND contingency funding for mainstream schools into its banding and top-up model reducing the need for contingency monies.

5.11 A price freeze will be in place for special schools, keeping prices at 2022/23 levels, generating a savings in 2023/24 and 2024/25. The outcome of the review of the banding thresholds may result in changes to current rates paid with benefits realised from 2025/26 and the removal of the SEND contingency fund in 2027/28. There will not be a price freeze for mainstream schools from 2023/24 onwards for the following key reasons:

- Evidence shows that mainstream Top Ups are not an outlier compared to neighbouring LA’s and funding to mainstream schools needs to be addressed.

- Further funding pressures in addition to the 0.5% Schools Block transfer to the High Needs Block and the removal of Send Contingency increase funding risks to Haringey and Schools.

5.12 The proposals aim to ensure there is sustainable funding for mainstream and special schools. Haringey will apply for DfE disapplication, where required, to reduce the overall budgets for special schools. The High Needs Funding operational Guidance, [High needs funding: 2023 to 2024 operational guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/high_needs_funding_2023_to_2024_operational_guide.pdf) sets a minimum funding guarantee based on recent prior years, therefore in accordance to this guidance Haringey will be required to submit a disapplication from this guarantee to the DfE.

Project B.8: School Block Transfer to High Needs Block (2023/24 to 2027/28)

5.13 For 2022/23, schools agreed to a 0.25% schools-block transfer to increase the amount available in the SEN contingency fund. This was approximately £525k for the financial year 2022/23. Through the Safety Valve Programme, DfE has considered 1% block transfers for other authorities. Whilst we review and remodel the distribution of HNB funding, looking to ensure a more sustainable system, the proposal is to request for schools to continue to transfer funding from the School Block to invest in the delivery of SEND services, meeting the demands of the High Needs Block. Haringey will be seeking for School Forum’s endorsement of a 0.5% block transfer, each year from 2023/24 to 2027/28. This represents £1.051m block transfer each year. Secretary of State approval will need to be sought for multi-year schools block transfer.

5.14 The Minimum Funding Guarantee (MFG) is a protection for schools against significant year-on-year changes in pupil-led funding per child. This means that schools are guaranteed a certain amount of per-pupil funding each year. The DfE advises that MFG is set locally between 0.5% and 2%. The 0.5% block transfer results in a MFG of 1.05%, a reduction from this year’s MFG of 1.46%. With the move to the Direct National Funding Formula in future years, exact impact on Schools through the course of the Safety Valve programme is unknown. However, analysis of the 0.5% Schools block transfer (based on the 2022/23 current Authority Performance Tool), estimates a reduction in 2023/24 in average per pupil funding of £6.50 for Primary Schools and £30.63 for Secondary Schools. The table below summaries estimated impact by type of school:

Table Two: Summary of indicative impact on Schools of the Schools Block Transfer to HNB

Minimum Funding Guarantee (MFG) %	1.46%		1.05%	
Block Transfer amount - (£)	525,526		1,051,052	
Type of School	Schools Block allocation by phase/status with 0.25% transfer	Amount by phase/status with 0.25% transfer	Schools Block allocation by phase/status with 0.5% transfer	Amount by phase/status with 0.5% transfer
Primary	90,776,220	86,116	90,699,379	162,957
Secondary	42,868,117	164,108	42,696,033	336,192
Primary Academy	17,816,151	45,745	17,780,265	81,631
Secondary Academy	50,916,739	197,377	50,709,767	404,349
All-through Academy	8,254,579	32,180	8,220,835	65,924
Total	210,631,806	525,526	210,106,279	1,051,052

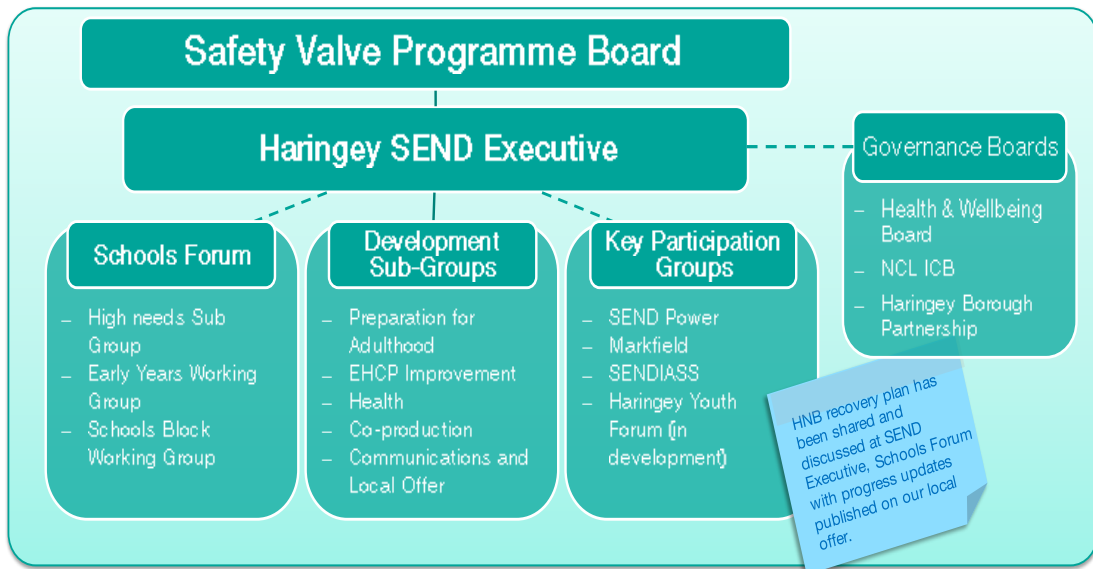
5.15 Whilst recognising the short term financial impact this will have for schools, this should be viewed within the wider context of the overall programme which will improve outcomes for children and young people with SEND.

6. Resources, Governance and Next Steps

6.1 The Assistant Director for Early Help, Prevention and SEND is the overall Project Sponsor with the Head of Service for SEND as the overall operational lead for implementation working alongside officers from Commissioning and Finance. To support implementation of this programme, the council has committed resources from the general fund for the next five years for a Programme Management Team which will include financial and data analysis expertise.

6.2 Governance of the Safety Programme will be through the development of the Safety Valve Programme Board which will be jointly chaired by the Director of Childrens Services and the Director of Finance. Membership of the group is to be finalised but will include representation from the education sector and parent/carer representation. In order to have effective tranformation and sysyetic change, there is an expectation that there is shared ownership and leadership with robust engagement from leaders across the SEND system, in particular within the education, health and care sector.

Governance Arrangements



SEND

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6.3 Progress reports will be provided to the SEND Executive which has representation from parents and carers via SEND Power (Parent and Carer Forum) and Schools. A number of other governance and sub groups have a close interface with this work and will influence its development.

6.4 The Council will be notified by the end of December if the proposals are approved, and a 'deal' is agreed. In the interim, preparation for implementation will continue, with some of the projects already underway as they started as part of the High Needs Block Recovery Plan.