

Meeting date: 12 July 2022
Report to: Solihull School Forum
Subject/report title: Delivering Better Value (DBV) SEND
Report from: Assistant Director of Education
Report author/lead contact officer: Steve Fenton Head of Commissioning for Learning



Schools affected:

All Schools | All Primary | All Secondary | All Special | All Primary and Secondary Maintained Schools Only | Academy Schools Only | Early Years Settings | PRUs | Other (specify |

Type of Report For information
Forum Voting Not a voting matter - for information item
Public/private report: Public

1. Purpose of Report

1.1 To inform Forum of Solihull's inclusion in a DfE (Department for Education) initiative – Delivering Better Value in SEND (DBV)

2. Decision(s) recommended

- 2.1 School Forum to receive future reports as the initiative develops;
- 2.2 Agree Chair of Forum to act as initial contact for the delivery partners, as needed.

3. Matters for Consideration

- 3.1 Nationally there are growing pressures within the Dedicated Schools Grant (DSG) from one of the four blocks, the High Needs block (HNB) due to demand of Special Education Needs and Disabilities (SEND) areas and statutory responsibilities of local authorities.
- 3.2 From S251 Benchmarking 2021-22: the latest published section 251 benchmarking from the statutory local authority returns for 2020-21 reported net £800m DSG deficit balances with 100 local authorities from 151 reporting overspends within the DSG. It is estimated for 2021-22 the national DSG deficit is probably in the region of c£1.3billion.

3.3 Safety Valve Plans and DBV programmes:

- 3.4 The DfE has commenced work with local authorities with the highest DSG deficit balances in a programme called Safety Valve. Local authorities produced a DSG recovery plan working with the DfE on recovery or turnaround of the DSG deficit and support funding is paid each year upon completion of the forecast DSG outturn. A lump sum is paid in the year of the agreement. Current published local authorities' part of the Safety Valve programs is shown in Appendix B, table 2. We understand there are currently 17 local authorities in the Safety Valve programme.
- 3.5 The agreements will hold the local authorities to account for delivery of reforms to their high needs systems, so that they can function sustainably and therefore in the best interests of the children and young people they serve. These local authorities will be expected to reach an in-year balance on their DSG as quickly as possible, and over time eliminate their deficits. The agreements will be closely monitored, and if the conditions set in the agreements are not being met, the government will withhold payments.
- 3.6 Local authorities are responsible in accounting terms for their DSG deficits, and DfE regulations allow the deficits to be carried forward from year to year. The government understand that many additional local authorities, beyond those with Safety Valve agreements, would benefit from support to reach a sustainable position, and some authorities will not be able to resolve their DSG deficits without extension of more targeted intervention. From 2022-23, following investment through the Spending Review, the department will run 3 programmes aimed at helping authorities with the sustainability of high needs systems, which together will work with all authorities. The aim of all 3 programmes is to secure sustainable management of local authorities' high needs systems, with support and intervention tailored to the severity of the problems authorities are facing.
- 3.7 The Department for Levelling Up, Housing and Communities has put in place a temporary statutory override to ring-fence DSG deficits from councils' wider financial position in their statutory accounts. As it stands, this ring-fence is due to end after the accounts for the financial year 2022-23, at which point authorities will need to demonstrate their ability to cover DSG deficits from their available reserves. It is therefore crucial that authorities' high needs systems move to a more sustainable position as quickly as possible.
- 3.8 The local authorities with the highest DSG deficits have been invited to the Safety Valve programme, those with less severe but substantial deficits have been invited to the Delivering Better Value programme, and the remaining authorities will be contacted by the Education and Skills Funding Agency.
- 3.9 This work is supported by the significant increase of 40% in high needs funding since 2019-20, to a national total of £9.1 billion in 2022-23. Funding will continue to grow in 2023-24 and 2024-25, but on a scale smaller than the increases over the last 3 years.
- 3.10 Local authorities will be asked in working with the department to use an assumption of a 5% increase on their total high needs block allocation between 2022-23 and 2023-24, and 3% year on year beyond that, although these increases are not guaranteed, and exact funding for all authorities will be decided as part of the usual annual process of setting allocations.

- 3.11 The new DBV programme will provide dedicated support and funding to 55 local authorities. Solihull was notified on 23 May 2022 that we had been selected as one of those authorities and will now receive support to reform our high needs systems with the aim of improving delivery of SEND services for children and young people while ensuring services are sustainable.
- 3.12 Solihull has been selected as it is one of the 55 of the next set of authorities with the highest DSG deficits (based on 2020-21 accounts) after those selected for the 2022-23 safety valve programme.
- 3.13 The DfE have appointed Newton and CIPFA as delivery partners who will work with Solihull to develop the DBV response.
- 3.14 **The DBV approach:**
- 3.15 **Outcomes-focussed.** Newton and CIPFA have worked extensively alongside local authorities to transform how services are delivered. Their focus is on improving resident outcomes and ways of working, and consequently sustainably improving financial performance.
- 3.16 **Evidence-based**, data-driven and delivery-focussed. Newton and CIPFA take a partnership approach to working with local authorities to create robust plans which will have a measurable and sustainable difference, and as delivery partners understand the challenges associated with implementing change.
- 3.17 **Rooted in co-production:** The organisations believe any programme of work needs to be co-produced, bespoke, and based on detailed evidence of each local area – balancing visibility and assurance with local autonomy to genuinely add value to existing work.
- 3.18 The programme:
- (a) will be running over the next two years in 2 phases
 - (b) Phase 1 will initially focus on a diagnostic phase (6 months) that will involve workshops, data analysis, and key stakeholder engagement to: understand our existing processes; take stock of where we are, our ambitions, and what needs to be done; understand the strengths and weaknesses of our local partnerships; and construct options for us to consider as part of action plans that will be proposed back to the DfE.
 - (c) schools forums will be consulted as part of the Diagnostic phase. It is also expected that local Parent Carer Forums (PCFs) will be involved in the diagnostic phase of the programme.
 - (d) will require the local authority to produce a quality assured action plan
 - (e) Phase 2: 18 months - supported by SEND Advisers and regional teams. Implementation of action plans produced in phase 1, with critical elements funded through Section 14 grants.

4. DSG Management Plans:

- 4.1 The dedicated schools grant: conditions of grant require any local authority with an overall deficit on its DSG account at the end of financial year 2021 to 2022, or who's DSG surplus has substantially reduced to present a plan to the DfE for managing future DSG spend. <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2022-to-2023>
- 4.2 Further conditions relating to DSG overspends and deficits:
- 4.3 Any local authority that has an overall deficit on its DSG account at the end of the 2021 to 2022 financial year, or whose DSG surplus has substantially reduced during the year, must co-operate with the Department for Education in handling that situation. In particular, the authority must:
- (a) provide information as and when requested by the department about its plans for managing its DSG account in the 2022 to 2023 financial year and subsequently
 - (b) provide information as and when requested by the department about pressures and potential savings on its high needs budget
 - (c) meet with officials of the department as and when they request to discuss the authority's plans and financial situation
 - (d) keep the schools forum regularly updated about the authority's DSG account and plans for handling it, including high needs pressures and potential savings.
- 4.4 The Secretary of State reserves the right to impose more specific conditions of grant on individual local authorities that have an overall deficit on their DSG account, where he believes that they are not taking sufficient action to address the situation.
- 4.5 The DfE has publish a template for the DSG Mgt Plan – Solihull has not completed one as at May 2022 and chose not to complete the template in previous years as it was not mandatory and was still in development. I anticipate Solihull will complete the template as part of the DBV process.

5. List of appendices referred to

- 5.1 Appendix A: DfE FAQ to share with local stakeholders
- 5.2 Appendix B: Table of DBV and Safety Valve authorities

6. Background papers used to compile this report

- 6.1 <https://www.gov.uk/government/publications/creating-sustainable-high-needs-systems>
- 6.2 [High needs budgets: effective management in local authorities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/high-needs-budgets-effective-management-in-local-authorities)
- 6.3 [Local authority guidance on high needs sustainability \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/publications/local-authority-guidance-on-high-needs-sustainability)

7. List of other relevant documents

7.1 Letter to Solihull 23 May 2022 from DfE informing of inclusion in programme

Letter to Solihull 20 June 2022 confirming delivery partners

DfE FAQ to share with local stakeholders

What is the DBV programme?

The new DBV programme will provide dedicated support and funding to 55 local authorities. We (Solihull) have been selected as one of those authorities and will receive support to reform our high needs systems with the aim of improving delivery of SEND services for children and young people while ensuring services are sustainable.

Why have we been chosen?

We have been selected as one of the 55 of the next set of authorities with the highest DSG deficits (based on 2020-21 accounts) after those selected for the 2022-23 safety valve programme.

Who is delivering the programme?

Newton Europe, in collaboration with the Chartered Institute of Public Finance and Accountancy (CIPFA), will deliver the national DBV programme, backed by £85m funding over 3 years from 2022-23.

They will bring experience of working with local authorities to improve social care, alongside project management, change management, and analytical financial modelling capacity. With SEND financial and practice advisers, they will support us to engage with key stakeholders and conduct a comprehensive diagnostic process to identify the opportunities to reform our high needs system.

The Department will then work with us to determine which identified reforms to fund and will provide small grants directly to implement and embed these reforms.

Why have Newton:CIPFA been chosen?

The DfE's tender panel, which included local and central government colleagues and SEND experts, chose the Newton and Chartered Institute of Public Finance and Accounting (CIPFA) partnership as our preferred delivery partner to support the delivery of this crucial programme.

Newton works as a transformation and improvement partner to local authorities and CIPFA is the local government accounting standard setter in the UK. Between them, they have worked with hundreds of public sector organisations, particularly UK local authorities, have a comprehensive understanding of children's services and the SEND agenda, and set out an approach that is:

- **Outcomes-focussed.** Both organisations have worked extensively alongside local authorities to transform how services are delivered. Their focus is always on improving resident outcomes and ways of working, and consequently sustainably improving financial performance.
- **Evidence-based, data-driven and delivery-focussed.** Newton and CIPFA take a partnership approach to working with local authorities to create robust plans which will have a measurable and sustainable difference, and as delivery partners understand the challenges associated with implementing change.

- **Rooted in co-production:** The organisations believe any programme of work needs to be co-produced, bespoke, and based on detailed evidence of each local area – balancing visibility and assurance with local autonomy to genuinely add value to existing work.

What are the timescales for the programme?

The programme will be running over the next two years. By way of immediate next steps, Newton and CIPFA will be jointly reaching out to all authorities to set up initial conversations. This will be an opportunity to discuss and understand the existing position of our SEND improvement work. A named Newton and CIPFA contact will then work with us to co-create the Diagnostic offer for our system. This will be done in coordination with the local area SEND advisors.

What will the diagnostic phase involve?

We anticipate that the diagnostic phase will involve workshops, data analysis, and key stakeholder engagement to: understand our existing processes; take stock of where we are, our ambitions, and what needs to be done; understand the strengths and weaknesses of our local partnerships; and construct options for us to consider as part of action plans that will be proposed back to the DfE. The exact components of the diagnostic phase will be determined by where we are in our improvement journey and what we already have in place.

How will local stakeholders be involved in the programme?

Local stakeholder engagement will be vital to ensure everyone has fed into the plan and has bought into the outcomes the local area wants to achieve together. Newton:CIPFA will support this engagement.

The Department is engaging with schools forums as part of the development of the programme. We expect that local schools forums will be consulted as part of the Diagnostic phase. It is also expected that local Parent Carer Forums (PCFs) will be involved in the diagnostic phase of the programme.

A Sector Steering Group (SSG) will provide sector-led advice, support and steers to the Department in the delivery of the programme ensuring a channel of feedback for participating LAs and the wider sector. It will also ensure learning is shared more widely with the sector.

Delivering Better Value in SEND (DBV)

Tranche 1 Authorities	
1	Kensington and Chelsea
2	Southampton
3	Solihull
4	Dudley
5	Somerset
6	Hampshire
7	Newham
8	Stockton-On-Tees
9	Doncaster
10	Tower Hamlets
11	Oxfordshire
12	Brent
13	Bournemouth, Christchurch and Poole Council
14	Cheshire East
15	Bracknell Forest
16	South Tyneside
17	Cumbria
18	Suffolk
19	Stockport
20	North East Lincolnshire
Tranche 2 Authorities	
21	Sefton
22	East Riding of Yorkshire
23	Wiltshire
24	Bristol
25	Gloucestershire
26	Enfield
27	Redcar and Cleveland
28	Middlesbrough
29	Hackney
30	Leicestershire
31	Reading
32	West Sussex
33	Worcestershire
34	Windsor and Maidenhead
35	Oldham
36	Rochdale
37	Hull, Kingston Upon
38	Rutland
39	Havering
40	Tameside
Tranche 3 Authorities	
41	Warwickshire
42	Swindon

43	Durham
44	Thurrock
45	West Berkshire
46	Halton
47	Lewisham
48	Sunderland
49	Wirral
50	Warrington
51	St. Helens
52	North Yorkshire
53	Manchester
54	Buckinghamshire
55	Cornwall

TABLE 2 Safety Valve	Local Authority	DSG Deficit £'m	Funding paid in first year £'m	TOTAL Funding by end of agreement
2021-22	Dorset	£45.2m	£17.5m	£42.0m (by 2025-26)
2021-22	Hillingdon	£33.8m	£11.0m	£25.9m (by 2025-26)
2021-22	Kirklees	£34.0m	£13.5m	£33.5m (by 2025-26)
2021-22	Merton	£37.6m	£11.6m	£28.8m (by 2025-26)
2021-22	Rotherham	£22.0m	£8.53m	£20.53m (by 2025-26)
2021-22	Salford	£22.5m	£6.6m	£15.10m (by 2025-26)
2021-22	South Gloucestershire	£33.1m	£10.5m	£25.0m (by 2026-27)
2021-22	Surrey	£118.4m	£40.5m	£100m (by 2026-27)
2021-22	York	£13.6m	£7.6m	£17.1m (by 2025-26)
2020-21	Bury	£25.5m	£6.0m	£20.0m (by 2024-25)
2020-21	Hammersmith & Fulham	£22.9m	£6m	£20.0m (by 2024-25)
2020-21	Kingston upon Thames	£25.1m	£9.0m+£3m <i>paid 2018-19</i>	£27.0m (by 2025-26)
2020-21	Richmond on Thames	£17.6m	£6.0m	£20.0m (by 2024-25)
2020-21	Stoke on Trent	£25.5m	£3.0m	£10.0m (by 2023-24)

DfE published 22nd March 2022 data