

Bury Schools' Forum

Project Safety Valve - Update January 2022

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What is Project Safety Valve?

Bury Council is involved in the **National Safety Valve Project Group (SVPG) (DfE)** which comprises of:

- a review of **how local authorities manage and reduce SEND high needs demand**
- their **plans to achieve a reduction in costs and recover their deficits**

Bury Council have been required to provide the SVPG with a transformation plan, detailing investment costs which will provide assurance to the DfE as to how Bury will meet the desired outcomes for children and young people with SEND.

Additional Funding - DfE Revenue

Provided the objectives of Project Safety Valve are achieved, Bury will receive an additional £20m in High Needs Dedicated Schools Grant over the next 5 years.

Year	£ Amount
2020/21	£6m
2021/22	£4m
2022/23	£4m
2023/24	£3m
2024/25	£3m

Safety Valve Deficit Recovery Profile - Revenue

The formal Safety Valve agreement, developed in January 2021, included a deficit recovery profile from 2020/21 through to 2024/25, which factored in £4m additional costs recognition for increased capacity relating to SEND, Finance, Data, and Programme Management requirements over this period.

Including the additional £20m Safety Valve funding agreed the recovery profile demonstrated:

Year	2020/21	2021/22	2022/23	2023/24	2024/25
DSG Deficit £m	19.543	16.732	13.241	8.016	0.055

By the end of the 2020/21 financial year further costs pressures that were not factored into the recovery profile resulted in circa £1.86m drift from the 2020/21 initial forecast. The DfE have therefore delayed the additional DSG Safety Valve payments until we can provide them with assurance that the recovery will get back on track.

The cost pressures have been explained to the DfE and reported to Council, including:

- increased high-cost out of borough placements
- increased in-year volumes of Education Health and Care Plans (EHCPs) and associated top-up funding
- increased in-year special school placements and associated high-cost banded funding

Safety Valve Deficit Recovery Profile - Revenue

December 2021 Revised Recovery profile – Excluding Additional Safety Valve DSG:

Taking into account the final outturn as at the end of 2020/21 and to demonstrate the potential financial risk to Bury, the following table indicates the level of deficit that could be seen on the DSG if the additional Safety Valve DSG had not been provided.

The forecast still assumes however that Bury continues to address the deficit through SEND transformation priorities as outlined in the Safety Valve agreement.

Year	2020/21	2021/22	2022/23	2023/24	2024/25
DSG Deficit £m	27.407	26.172	25.644	23.233	18.671

The forecast above does not include any additional High Needs DSG that is expected from 2022/23 as part of the Comprehensive Spending Review 2021 (CSR-21) announcements.

Safety Valve Deficit Recovery Profile - Revenue

December 2021 Revised Recovery profile:

Given the severity of the accumulated deficit and delays in recovery during 2021/22 the DfE have requested a revised recovery profile that provides a more realistic up to date forecast factoring in the impact of delays to the current recovery profile and linking to more realistic timelines for savings, SEND transformation, and developments of local capacity and sufficiency of provision.

An extensive priority review of all aspects relating to Safety Valve and the deficit recovery has been undertaken with a view to ensure all data and forecasts are up to date and accurately reflect more realistic delivery timelines. There are numerous savings that are factored into the recovery profile, where some require the recommendation of Schools' Forum, in consultation with schools, and sanction by Council and the Secretary of State if necessary.

Noting the in-depth review is in progress, with several areas for potential savings still to be fully explored, the revised recovery profile forecast currently shows:

Year	2020/21	2021/22	2022/23	2023/24	2024/25
DSG Deficit £m	21.407	22.172	16.141	9.108	-0.207 Surplus

The above profile assumes the remaining balance of the £20m additional High Needs Safety Valve DSG continues to be provided by the DfE, and also includes the additional High Needs DSG provided as part of CSR-21 announcements and indicative allocations announced in December 2021.

Safety Valve Deficit Recovery Profile - Revenue

December 2021 Revised Recovery profile:

One of the key priorities for Bury to achieve is ensuring that the High Needs Block is sustainable in-year with effect from 2022/23 onwards.

The revised recovery profile and SEND transformation savings within it have demonstrated that Bury continues to plan to ensure the in-year positive position is achievable.

The following table summarises the year on year expenditure compared to High Needs Block allocations

Year	2020/21	2021/22	2022/23	2023/24	2024/25
High Needs Block £m	33.209	35.246	39.711	42.888	46.309
Estimated Spend £m	40.549	39.171	37.255	38.674	40.236
In-Year Variance £m	7.340	3.924	-2.546	-4.214	-6.073

The ongoing in-year savings from 2022/23 are required to ensure Bury is able to fully recover the deficit by the end of 2024/25.

Safety Valve Deficit Recovery Profile - Revenue

The savings being considered as part of the recovery profile include:

Savings Scheme	Cumulative Savings Proposed					
	Total Saving	Timeline	2021/22	2022/23	2023/24	2024/25
School Surplus Balances	TBC					
Review to consider maximum allowable transfer from Schools Block to High Needs of 0.5%	0.742	Apr-22	0.255	0.700	0.721	0.742
Mainstream EHCP Banded Top-ups	0.989	Apr-22	0.000	0.645	0.689	0.989
Moderation - review D+	0.700	Apr-22	0.000	0.700	0.700	0.700
Revised Special School Banded Funded Model	0.500	Apr-22		0.500	0.500	0.500
Out of Borough Placements	0.558		0.000	-0.230	0.366	0.558
Alternative Provision Placements	0.361		0.000	0.282	0.359	0.361
Non Statutory Service	0.400	Sep-22	0.000	0.233	0.400	0.400
Primary Inclusion	0.103	Mar-22	0.051	0.103	0.103	0.103
Secondary Inclusion	0.245	Mar-22	0.123	0.245	0.245	0.245
Non Statutory Service	0.694	Sep-22	0.694	0.694	0.694	0.694
	5.292		1.123	3.872	4.777	5.292
IN YEAR SAVING			1.123	2.749	0.905	0.515

Additional Funding - DfE Capital

In addition, we were invited to bid to the DfE for a capital contribution to investment plans in 2021-22 which will contribute to the reduction of the High Needs Funding deficit.

We submitted a bid for additional capital to support developments required to increase capacity and sufficiency of SEND provision within Bury, and DfE have allocated Bury a total of £3.74m for this purpose.

The use of this Capital is also subject to the reporting requirements outlined in the DfE Safety Valve agreement

Bury Council has also been successfully approved for a Special Free School to provide additional capacity for children and young people with Social Emotional Mental Health (SEMH) needs. This is in addition to the Shaw Education Trust Special Free school for Autistic Spectrum Disorder (ASD) to be opened in September 2023.