

Safety Valve Programme Update

To: Children and Young People

Meeting Date: 26 November 2024

From: Martin Purbrick, Executive Director, Children Education and Families

Electoral division(s): All

Key decision: No

Forward Plan ref: N/A

Executive Summary: This paper provides an update on key activity and progress with the Safety Valve programme.

Recommendation: The Children and Young People Committee is recommended to note the updates provided on the Safety Valve Programme.

The Committee is asked to note that the Dedicated Schools Grant (DSG) and High Needs Block funding issues facing the Council are a national issue affecting the majority of Local Authorities. The council's position is that Special Educational Needs (SEND) remains an area of Education policy in urgent need of reform.

The Committee is asked to note the scope of work underway to meet the terms of the Safety Valve agreement by reshaping our offer of support to children and young people with additional needs by identifying and meeting need earlier so that more children and young people can thrive in mainstream schools, where appropriate.

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1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1 The report proposal has been evaluated in regards to alignment with the following seven ambitions [Strategic Framework 2023-2028 \(refreshed\) \(sharepoint.com\)](#)
- 1.2 This report relates to Ambition 7 – Children and Young People have opportunities to thrive.

2. Background

- 2.1 The purpose of this report is to provide the committee with an overview of the current position with the Safety Valve Programme and Agreement Conditions, which was entered into with the Department for Education (DfE) in 2023.
- 2.2 This report sets out what the terms of the Safety Valve agreement were, what we have done since this agreement to drive down spend in the High Needs Block in the Dedicated Schools Grant (DSG) and also includes some illustrative examples of practice that has changed and is improving the experience for children and young people with Special Educational Needs and Disabilities (SEND) in Cambridgeshire.

Context

- 2.3 In Cambridgeshire, we are committed to ensuring all children and young people are enabled to thrive, whatever their starting point and this is set out within our corporate plan and SEND Strategy.
- 2.4 The Local Government Association and the County Council Network commissioned an independent review of the SEND system 'Towards an effective and sustainable approach to SEND' [LINK](#) published in July 2024. This independent report states educational outcomes for SEND pupils have failed to improve over the last decade. The report identified the need for a fundamental reform of the SEND system in England.
- 2.5 Cambridgeshire is one of 113 Local Authorities nationally who are either identified as 'Safety Valve' or 'Delivering Best Value'. This illustrates that the financial pressures we are experiencing driven by growing demand is not unique.
- 2.6 The Safety Valve agreement needs to be achieved through a change in practice that drives down spend by supporting inclusive practice across all our schools and settings so that children with SEND are supported to remain in mainstream provision, where appropriate, and receive the right support at the right time from the right service.
- 2.7 Implementing cultural change through the Inclusion for All Framework is the way we will meet the terms of the Safety Valve whilst also improving the experiences of children and young people with SEND. The 'Inclusion for All' framework is expanded upon in section 3.10 of this report.
- 2.8 Cambridgeshire have made some changes to improve practice, but demand is outstripping the impact of those changes. This means that the number of requests for Education, Health and Care Plans (EHCPs) is rising significantly, over 46% in the last 5 years, and so the focus of work is on meeting that demand, rather than making the cultural changes we need

to make so that need is identified and supported earlier.

- 2.9 The approach adopted in Cambridgeshire is one that is driving inclusion for all and as such, is a cultural shift in practice that requires time to embed. It is important that we address the urgent practice issues that are impacting on children and young people alongside implementing our 'Inclusion for All' framework and this takes time. It is recognised that delivering cultural change cannot happen overnight and we are not operating in a static environment. The approach we are adopting is not a 'sticking plaster', this is about a shift in culture in an environment where we do not control all variables that contribute to success.
- 2.10 Our 'Inclusion for All' framework will deliver change through a countywide commitment to a needs-led approach with a trauma informed workforce that puts children and young people first.

3. Main Issues

- 3.1 The Safety Valve Programme provides additional resources to Local Authorities to deliver a sustainable position for our children and young people with Special Educational Needs and Disabilities (SEND), without impairing their education. These agreements, 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 Dedicated Schools Grant (DSG) as quickly as possible, and over time eliminate their deficits.
- 3.2 The Cambridgeshire Safety Valve agreement conditions are:
- Improve decision making on awarding Education Health and Care Plans (EHCPs) through developing a more consistent and transparent multi-agency decision making process;
 - Develop a special schools outreach model to facilitate supporting children and young people with Special Educational Needs (SEN) in mainstream provision;
 - Review current tuition packages to ensure appropriate and successful reintegration to mainstream school settings;
 - Develop a model of investment in ordinarily available provision to support schools in meeting need without an EHCP. This will include developing a system for funding which will provide consistent resources and support across a graduated approach to need including those pupils without an EHCP;
 - Review the Needs Assessment and Post-Assessment process to ensure appropriate and consistent provision is put into place;
 - Strengthen processes around mediation and dispute resolution in order to reduce the requirement for tribunals;
 - Increase independence of children and young people by targeting reviews to ensure provision is appropriate, meets needs and promotes independence;
 - Continue offering free access to the SEND District Team support to identify training needs, emerging themes and focus less on individualised support and more on upskilling staff knowledge and skills in all areas of SEND.
- 3.3 The Cambridgeshire Safety Valve agreement is based on the following funding arrangements:

- Revenue contribution of £49m from the DfE to support the repayment of the deficit, supported by a contribution of £9m from the Council's reserves.
- A further £11.3m for capital funding to support new SEND provision on mainstream school sites.
- Two new special free schools for Cambridgeshire to be established in March (opening September 2026) and Gamlingay (opening September 2025) being delivered directly by the Department of Education.

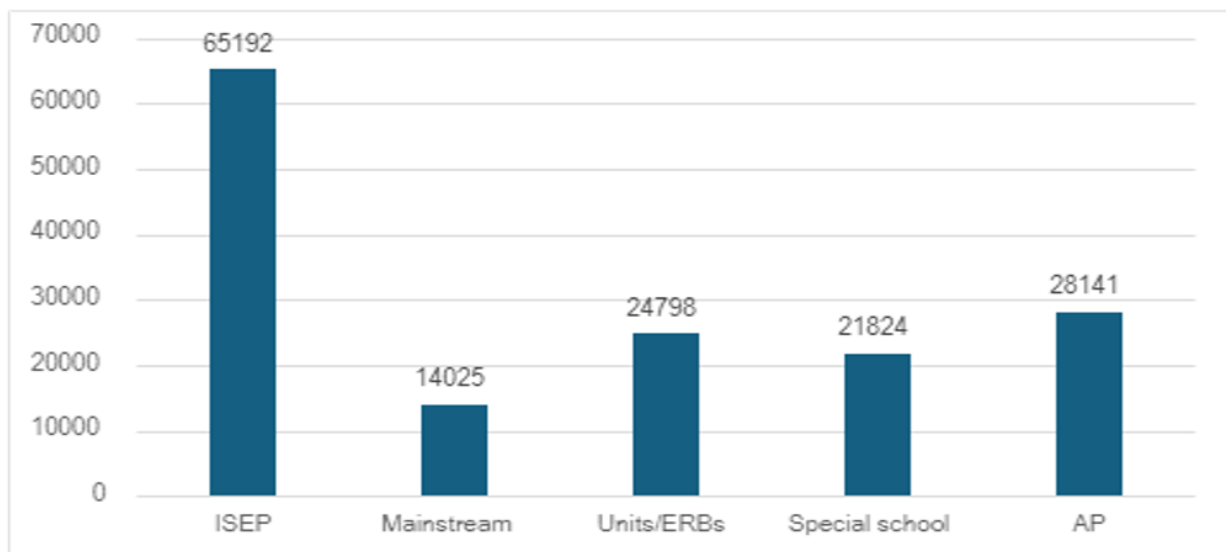
Funding Position

- 3.4 The Safety Valve Programme is a Department for Education intervention for Local Authorities with significant Dedicated Schools Grant (DSG) deficits because of pressures on the High Needs Block budget. The Local Authorities participating in the programme receives additional funding as part of their agreed plan, provided in increments and is subject to the authority making satisfactory progress towards achieving targets set out in their original plan. The funding received as part of this programme is to support the reduction in the overall DSG deficit held by local authorities and does therefore not increase the funding available to passport onto individual schools.
- 3.5 The plan, or conditions set within the programme are related to use of appropriate and cost-effective provision. This includes ensuring mainstream schools are equipped and encouraged to meet needs where appropriate. It also focusses on appropriate management of the assessment process. By participating in Safety Valve, local authorities have agreed to undertake transformation activity to ensure their high needs budget is sustainable.
- 3.6 In Cambridgeshire, the levels of children and young people requiring an EHCP has become greater than was initially forecast. This has meant that the terms of plan, as agreed, with the DfE have not been met as intended. Therefore, the programme has been paused whilst the new data informs a refreshed forecast modelling of demand for SEND provision to ensure the plan is achievable. There are many Safety Valve Local Authorities undertaking this renegotiation activity given the national rise in numbers of children and young people with SEND.
- 3.7 Officers have been working with the DfE financial and SEN advisors to develop the renegotiated agreement with the intention of submitting an updated plan by the end of October 2024. Once the new plan is agreed, the DfE should continue to make the payments originally agreed, as set out in section 3.3 of this report.
- 3.8 To date Cambridgeshire have received Safety Valve payments of circa £21.5m from the DfE, with the remaining £27.5m to be released in instalments subject to the approval and delivery of a renegotiated agreement.
- 3.9 The funding to support children and young people with special educational needs comes from the High Needs Block in the Dedicated Schools Grant (DSG). The Local Authority is the commissioner of high needs places. The cost of places varies dependent on the complexity of need. With higher cost placements typically supporting greater complexity of need. Illustrative cost of placements can be seen at Table 1.
- 3.10 All local authorities have a statutory duty to meet the needs set out within an EHC Plan and these needs cannot be compromised. On that basis, our objective to drive down demand

and reduce spend must be driven by the needs of children and young people. This is the objective of the Inclusion For all Framework where one of the key objectives is to create inclusive settings where all children and young people can thrive.

3.11 To support the objectives of our commitment to 'inclusion for all' the aim is to identify and meet need early so that children and young people can thrive in mainstream settings. In this way, children and young people can develop their life skills to support independence whilst also driving costs down.

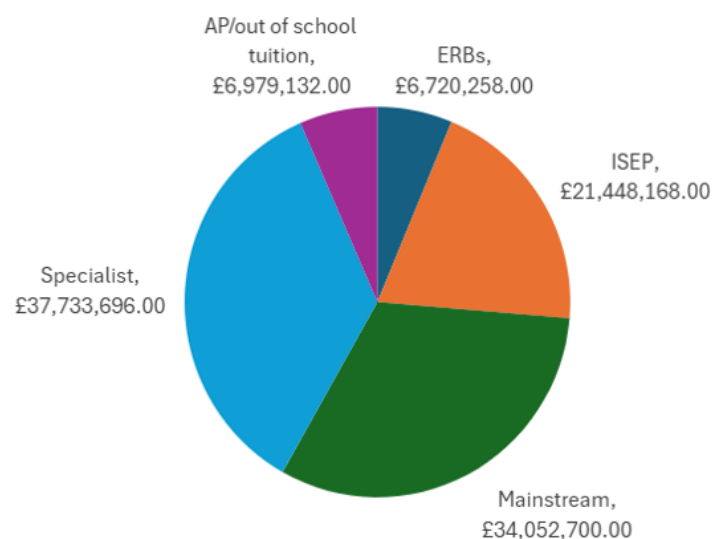
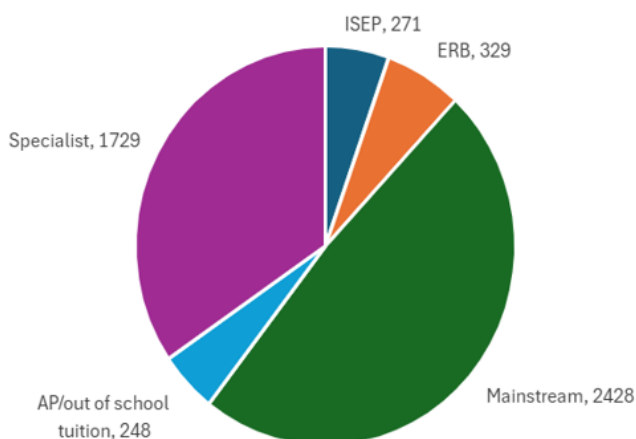
Table 1- Average costs of placements



3.12 The numbers of children and young people by placement and illustrative costs are set out below.

Number of children in each type of settings

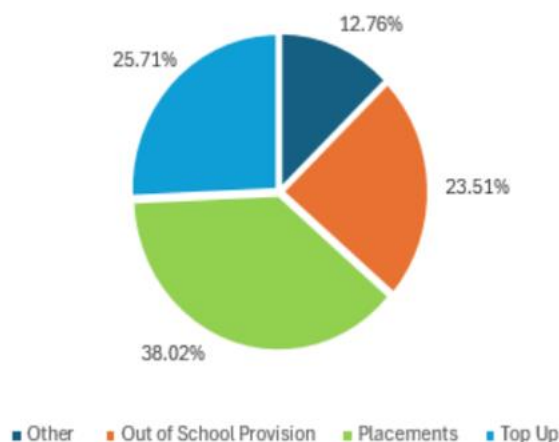
Spend per type of placement



3.13 The pie chart below illustrates where the financial pressures in the High Needs Block (HNB) are most impacted. The highest percentage of overspend is within the budget to support placements and out of school provision. Recognising these financial pressures there is a

need to support children and young people with additional needs to remain in mainstream provision, where appropriate, whilst also ensuring access to specialist support when needed.

HNB Overspend 23/24 - % Breakdown



Disapplication requests for local authorities in Safety Valve Programmes

- 3.14 The DfE wrote to those local authorities in Safety Valve programmes in early October 2024 with information on how to submit any disapplication requests, which will need support of the schools forum before submission. These include:
- Any schools block transfers above 0.5%, or any amount without schools forum approval. The Secretary of State will however expect that any schools block transfers required for Safety Valve will have the support of your schools forum.
 - Any disapplication's to the special schools Minimum Funding Guarantee (MFG), or to the schools MFG where these are required for implementing Safety Valve agreement.
 - Any disapplications to minimum per pupil levels (MPPLs) for schools which are required for implementing your Safety Valve agreement.
- 3.15 The only disapplication request linked to Cambridgeshire's Safety Valve is in respect of the block transfer from the Schools Block to the High Needs Block. As detailed above, anything over 0.5% requires the Secretary of State's approval. Part of Cambridgeshire's original Safety Valve agreement was contingent on a 1% transfer which requires annual approval and support from Schools Forum. This is in the process of being populated in preparation for review by Schools Forum.
- 3.16 The 1% block transfers in 23/24 (£4.5m) and 24/25 (£4.8m) have just effectively reduced the in-year and cumulative deficits which means Cambridgeshire would be £9.3m worse off at the bottom line if the transfers hadn't been agreed. In respect of impact, some of the funding has been used to fund new Enhanced Resource Bases (ERBs) and Special School places which have resulted in cost avoidance of higher cost out of county provision.
- 3.17 Since last reported to Committee in 2023, the programme's core workstreams have

progressed as follows:

- SEND Support & Ordinarily Available Provision (OAP): The development and launch of the OAP toolkit have been key milestones of the programme. This toolkit, which has seen a threefold increase in uptake, offering guidance to schools to support children and young people without the need for EHCPs.

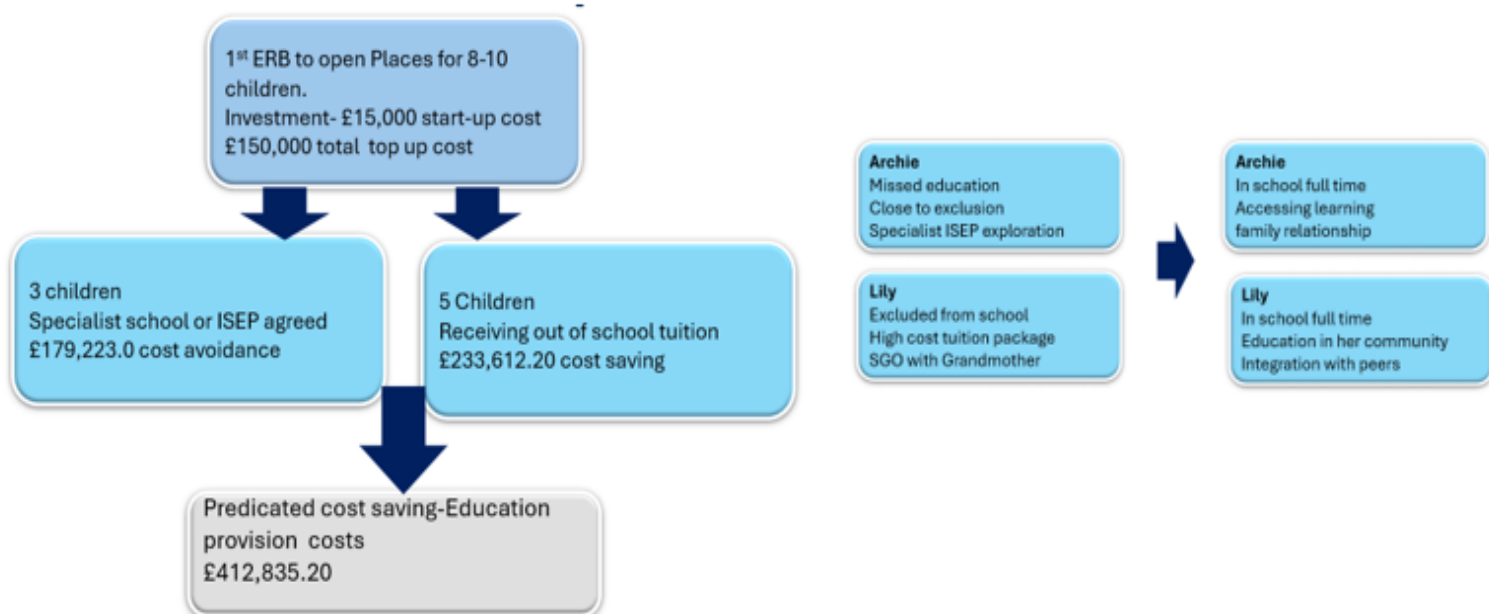
Since 1st March 2023 there's been:

- 25,423 visitors to the online toolkit
 - 223,915 page views
 - 31,846 visits to the page
- EHCP Improvement: Despite challenges, progress has been made in improving EHCP processes. A new post-assessment panel and placement decision mechanisms were introduced but continuing increases in demand and staffing shortages have limited overall progress.
 - Preparing for Adulthood (PfA): The PfA programme is well underway, focusing on post-16 transitions to education, employment, and independent living. The programme has been successful in reducing costs and has developed a strong support structure through the 14-25 Additional Needs Team.
 - Developing Capacity - new school places already delivered:
 - Special School = 120
 - Enhanced Resource Base (ERB) = 8

New school places planned by 2027/28:

- Special School = 530
- ERB = 198

Evidence of impact of ERBs:



3.18 Despite the nationally recognised challenges in SEND, we know we are getting it right in Cambridgeshire due to:

- **The needs of children and young people are identified early** - 66% of children and young people referred were discussed at a multi-agency Early Support meeting within 4 weeks. 60% of children and young people received a multi-agency response.
- **Schools and settings understand SEND Needs** - schools have access to advice and training, a SEND Ordinarily Available Provision (OAP) toolkit. An Increasing number of schools following Trauma informed and Therapeutic Thinking approaches.
- **Schools and settings Work in Partnership with Health Education and Early Help** - for example Speech and Language Therapy (SALT), Virtual School Education Advisors, Specialist Teachers, Education Inclusion Officers and Education Psychologists.
- **Improved Information for families** - through the 'SEND Information Hub', a new Local Offer designed and populated across the partnership.
- **Prioritised Preparing for adulthood (PFA)** - by appointing a PFA lead to steer the strategic response, listening to the voices of children and young people.
- **Listening to children, young people and their families** - embedded parent and carer voice via Pinpoint Parent Carer Forum, who are an equal partner on key strategic and operational boards. Collaborations with diverse Voluntary and Community Sector Organisations - Fullscope, Eddies, VoiceAbility and Speak Out Council.

Strategic Ambition and Priorities

3.19 The council's strategic ambition 7 is to support all children and young people thrive - to deliver this we need to identify those children and young people we are not supporting and target our resources more effectively and ensure our schools are fully inclusive, including academies, using a status neutral approach.

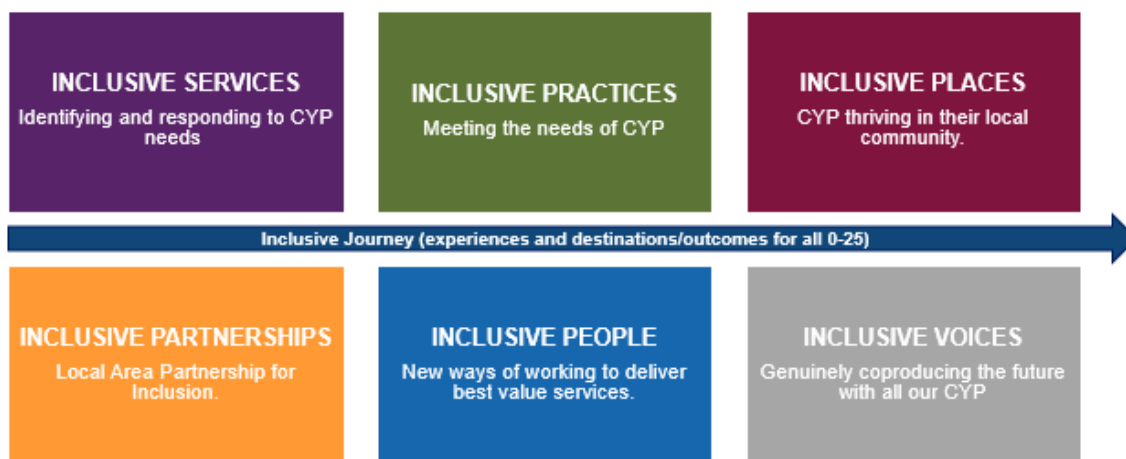
'Inclusion for All' Framework

3.20 Over the last five years children and young people identified with special educational needs has grown by 46% and they require additional resources which is creating a financial pressure on the Local Authority and on schools. Our ambition is to identify need early on so that the right support can be provided at the right time by the right service. Doing this will help us to support better outcomes for children and young people whilst also driving down spend. To enable needs to be responded to at the earliest point, one of the aspirations of framework is ensuring that all of our schools and settings have a sense of belonging where children and young people with additional needs feel celebrated and supported to learn.

Circular diagram depicting Inclusive for All 0-25 framework and key stakeholders



3.21 There are the six areas of focus within our 'Inclusion for All' framework:



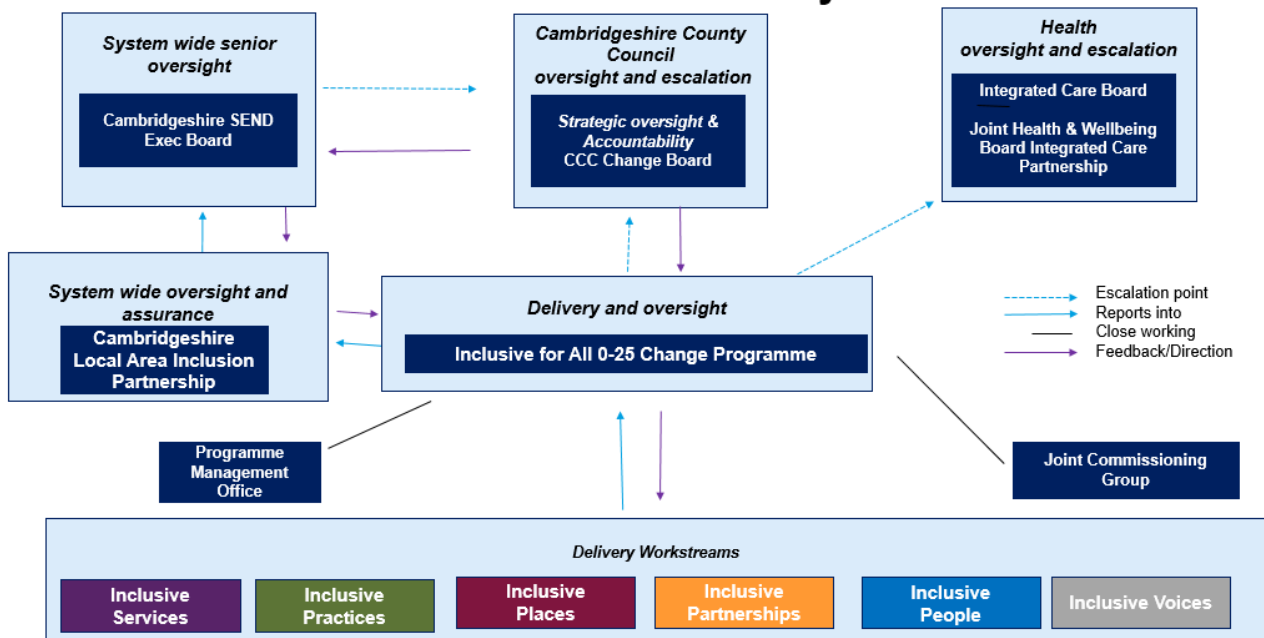
3.22 To drive improvement making a shift towards an inclusive programme is required. It is essential that a financial narrative underpins each inclusion workstream, driving down demand, meeting the terms of the Safety Valve programme and making Cambridgeshire financially stable. In the following table, financial impact is detailed for each of the inclusion workstreams:

Workstream	Cultural/Systemic Impact	Financial impact
Inclusive Services Identifying and responding to CYP needs	Delivering better services, improving experiences of CYP and their families for SEND and AP.	Improving statutory timescales across the system Increased number of providers who are assessed as delivering a high-quality service. Reduction in complaints

Workstream	Cultural/Systemic Impact	Financial impact
		Increase in reintegration into mainstream for those in alternative provision (AP) Efficient use of resources, fewer mediation/ tribunal requests
Inclusive Practices Meeting the needs of CYP	Universal / ordinarily available inclusive practices and provisions. Inclusive schools and settings with graduated responses and increased capacity. Smooth transitions and inclusive journey.	Confidence in SEND support and OAP leads to more children being supported at SEND support/fewer requests for EHCP Confidence in Inclusive schools allows children with EHCPs having their needs met in mainstream Proportion of children needing AP reduces Proportion of children reintegrating back into mainstream from AP increases
Inclusive Places CYP thriving in their local community.	Sufficiency of inclusive, specialist, ERB and other appropriate education provision. Smooth transitions and inclusive journey	Reduction in escalation to high cost/ independent/out of county specialist placement Return from children on AP to appropriate mainstream or specialist provision
Inclusive Partnerships Local Area Partnership for Inclusion.	Leadership and governance of Inclusion Eco-system. Smooth transitions and inclusive journey Shared data sets cross service impacts and measures	Less reliance on EHCP to support transition. Fewer EHCNA requests in Y5/Y6 Appropriate distribution of EHCP funding to services
Inclusive People New ways of working to deliver best value services.	putting the decisions and information in the hands of the service user Stronger relationship with partners. Changing culture and practices Consistent, inclusive messaging from partners. Smooth transitions- inclusive journey	Professionals' competence and confidence as a result of CPD undertaken. Positive outcomes and improved experience for CYP and their families. Improved system wide confidence at SEND support and supporting EHCP in mainstream Reduction in EHCNA requests/ tribunal
Inclusive Voices coproducing the future with all our CYP	Positive outcomes and improved experience for CYP and their families Understanding and improving Children and young people's journeys, inclusion and achievements.	Hearing young people's voices from AP and Mainstream school. Ensuring CYP views are consistently clear in their SEND support and EHCPs Supporting independence, less reliance on expensive private EHCP resources packages and shift towards locally available resource.

3.23 The 'Inclusion for All' framework will be supported by a robust governance structure, as detailed in the diagram below. For each of the delivery workstreams, there will be a designated responsible service lead and project officer with a responsibility to report progress into the 'Inclusion for All' Change Programme Board. This Programme Board will be chaired by the Executive Director of Children, Education and Families (CEF) and membership will include representation from Customer and Digital Services, Finance, Change and Performance. The Board will be the driving force before the programme to ensure we deliver the Safety Valve Agreement moving forwards.

Inclusion Governance and accountability structure



3.24 For the first phase of this programme, we will be focussing on Inclusive Practices. This strand of work will align with the Safety Valve Programme by delivering the following key pieces of work:

- Growing the Enhanced Resource Base (ERB) model from 1 Social, Emotional and Mental Health Base to 3 SEMH and 1 Autism Spectrum Disorder (ASD).
- Redistribution of alternative and independent specialist educational provision.
- Support mainstream schools to reduce the need for special school places, including further work to embed our trauma informed training and practices throughout the network of Cambridgeshire schools and settings.

Risks and challenges

3.25 High level programme risks are reported to the CYP Committee via the corporate risk

register and the Corporate Change Board on a frequent basis to keep leaders and members informed.

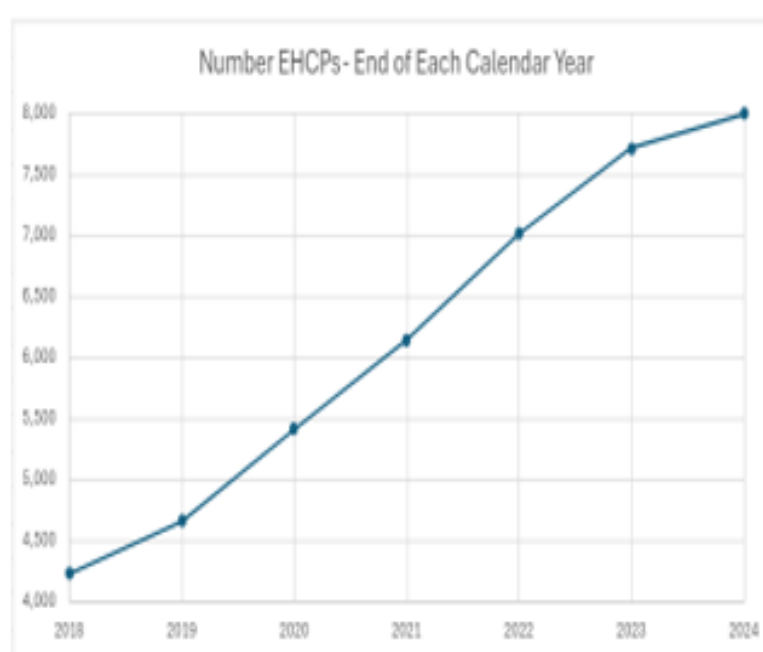
3.26 The Department for Education (DfE) closely monitors the council's compliance with the Safety Valve agreement and should the Enhanced Monitoring Support (EMS) be stepped down, it is expected the local authority will return to quarterly finance and performance monitoring submissions.

3.27 Current high-level risks:

- Continued increase in demand. The key risk to the programme is the growth of SEND cohorts within the county grow outside the trajectories set against the renegotiated agreement.

The following chart highlights the following:

- Between 2018 and 2023 number of EHCP's increased from 4222 to 7707, a 45% increase in 5 years
- On average, number of EHCP's have been growing 12.8% a year within that time frame
- By contrast, the High Needs Block has grown on average by 7.12% in the last two years, with growth expected to slow (only 3.4% growth this year)



- Workforce Capacity: High sickness rates and turnover of staff in the SEND team including educational psychologists have impacted progress. Projects like the Increasing Independence initiative have been re-scoped multiple times due to staffing shortages.
- Data Quality Issues: Problems with data accuracy, particularly following the transition to the CACI Impulse Nexus case management system from Capita ONE, continue to affect reporting. The Service Director for Education has holds weekly oversight meetings which are attended by the Assistant Director for Inclusion and colleagues from the corporate ICT project team and the Policy, Information and Change team to monitor progress of responding to and resolving data quality issues.

Programme next steps

- 3.28 As mentioned above, senior leaders presented a revised financial and delivery model to the DfE at the end of October 2024 centred around the objectives, supported by a number of key projects.
- 3.29 If the DfE feel reassured by the revised model, we will come out of the Enhanced Monitoring and Support (EMS) programme and Safety Valve payments will be re-established.
- 3.30 **Prioritisation and Focus:** The programme will concentrate on improving EHCP processing times and expanding local provision. As part of the Inclusive Practices work strand, a full SEND end to end review will be undertaken that will look at the whole SEND system and service improvements, as well as how best to use the resources available.
- 3.31 **Stakeholder Engagement:** A priority will be to enhance communication with parents, schools, and other stakeholders to ensure transparency, build trust and get the buy in from stakeholders to any proposed changes.
- 3.32 How will we measure success?



Address data quality



Build data reports using Metabase /CACI



Develop Inclusion Dashboard for Local Area Partnership



Agree KPIs and metrics for each delivery workstream



Financial tracking



Trajectory monitoring and management

4. Alternative Options Considered

- 4.1 Not continuing with the Safety Valve Programme would place the Local Authority in an even more challenging financial position.

5. Conclusion and reasons for recommendations

- 5.1 The main risk against this budget remains the rising number of children and young people with Education, Health and Care Plans (EHCPs). There also remains the risk of rising inflation prices for SEND provision and settings where provisions are also seeking over inflationary prices to deal with pressures. However, this can be partly mitigated by strengthening effective commissioning arrangements.

- 5.2 It is recommended that the Committee notes the current position of the delivery of the Safety Valve Programme including key risks and financial position and feel reassured the 'Inclusion for All' framework and reset governance arrangements will ensure robust financial and performance monitoring against the Safety Valve agreement conditions moving forwards, once renegotiated.

6. Significant Implications

6.1 Finance Implications

A cumulative DSG deficit of £40.015m has been brought forward into 2024-25. To the end of September, the reported net DSG forecast is £11.730m. Work is underway to remodel demand and develop new approaches to manage costs whilst meeting the increase level of need. Escalating Deficit: If the council does not adhere to the commitments outlined in the Safety Valve agreement, the SEND budget deficit may continue to grow. This could result in the withdrawal of future financial support from the DfE, leaving the council to cover the deficit from its own budget, which could strain other essential services.

6.2 Legal Implications

If is unable to meet its statutory requirements for supporting children and young people with SEND, the council could face legal challenges from parents and carers.

6.3 Risk Implications

Community and Stakeholder Trust: The council's reputation may suffer if the Safety Valve agreement is not successful.

Operational Risk - Service Delivery: Inability to manage the agreement could lead to unmet needs and poorer outcomes for these children and young people. Delays in interventions or reduced access to specialist provisions could further exacerbate these risks.

6.4 Equality and Diversity Implications

The Safety Valve Programme is intended to improve early support, more timely assessments and increase access to specialist local education placements wherever possible, and as such should improve equality for all children and young people with SEND.

6.5 Climate Change and Environment Implications (Key decisions only)

7. Source Documents

It is a legal requirement for the following to be completed by the report author.

- 7.1 None