

## **Update on Devon's Special Educational Needs & Disabilities (SEND) Transformation and Deficit Management Plans**

Report of the Director of Finance and Public Value and Director of Children & Young People's Futures

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Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

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### **1. Recommendation**

- 1.1. That the Committee note the authority's ongoing work, through the SEND Transformation Programme, to improve the experience of children and young people with SEND and reach a financially sustainable High Needs Budget position.

### **2. Background / Introduction**

- 1.1. Devon was inspected by Ofsted and the Care Quality Commission (CQC) in December 2018 and were required to produce a Written Statement of Action (WSOA) to address four areas of significant weakness. In May 2022, the local area was revisited by Ofsted/CQC and were found to have made no progress. The Department for Education (DfE) issued an improvement notice in September 2022 and the local area produced an Accelerated Progress Plan (APP).
- 1.2. Across the country many local authorities have faced financial challenges in meeting the demand for SEND within the High Needs Block of the Dedicated Schools Grant (DSG). In response, the Government introduced a statutory override in 2020 which separates local authorities' DSG deficits from their wider financial position.
- 1.3. In parallel, the DfE launched the Safety Valve Intervention programme in 2021, which targets support to the authorities with the highest DSG deficits and requires them to develop plans to reform their high needs systems and place them on a sustainable footing.
- 1.4. Devon has been experiencing significant pressures on its High Needs Block since 2019/20. The Dedicated Schools Grant (DSG) Deficit Reserve is expected to reach in excess of £160 million by the end of 2023/24. In December 2023, the authority submitted its DSG management action plans to DfE seeking a financial agreement under the Safety Valve programme. It is likely that confirmation of whether plans have been accepted will be communicated in March 2024.
- 1.5. This report provides an update on Devon's SEND Transformation Programme, which includes DSG management plans (commonly referred to as Safety Valve).

### 3. Update on SEND Transformation Programme

#### 3.1. Improving the SEND system

- 3.2. Whilst there is a commitment to delivering the SEND improvements, as a response to Ofsted/CQC findings in 2018 and 2022, that alone is not going to drive the significant change required to improve the experiences and outcomes for children and young people with SEND in Devon. This is supported by feedback from parents, young people and professionals, and from analysis of partnership data and intelligence.
- 3.3. The Children and Families Act 2014 places a strong emphasis on schools, local authorities, health, care and any commissioned service providers working closely together to meet children and young people's needs, rather than as separate entities. To improve the support for children and young people with SEND in Devon, partnership working is crucial, but it is not yet effective.
- 3.4. In September 2023, the Council and its partners agreed a new approach to delivering improvements through the SEND Transformation Programme which takes a system wide approach to delivering positive change and is broadly set out under seven key strands (Annex A), bringing Ofsted/CQC improvement work and Safety Valve activity together in one place.
- 3.5. Partnership governance arrangements (Annex B) have been refreshed to ensure appropriate oversight of the SEND Transformation Programme.

#### Reaching a financially sustainable High Needs position

- 3.6. In Summer 2023, the DfE invited Devon to apply to tranche 4 of the Safety Valve Intervention Programme. The authority revisited its DSG management and sustainability plans with the aim of providing robust details about how to manage high needs costs, reach an in-year balance, and improve service provision.
- 3.7. A fundamental part of the work has been testing and refreshing our modelling assumptions based on detailed demographic analysis and forecasting, and our understanding of the current performance context. This has included analysis of options to reach sustainability as soon as possible, using trajectory management approaches.
- 3.8. The authority has redeployed some of its project management resources to help build the local area's SEND Transformation Programme and ensure oversight of the delivery of the DSG deficit management plans.
- 3.9. The intended impact of the DSG deficit management plans can be summarised as;
  - An annual slowing down and flattening of the net increase in Education Health and Care Plans, based on meeting needs earlier, to bring us in line with statistical neighbours and England averages.

- A sustained reduction in the use of costly independent specialist provision, with a total reduction in the number of learners accessing this provision of 30% from 2024 to 2030, due to developing our own specialist provision.
- A proportional year on year increase in the number of appropriate learners accessing their education in mainstream schools/resource base provision.

#### **4. Options/Alternatives**

- 4.1. The impact of the current performance of the SEND system in Devon means that doing nothing will see a continued worsening financial position with significant financial sustainability challenges for the Local Authority. The SEND Transformation Programme will support the financial sustainability of the authority. Plans will need to be constantly reviewed and other initiatives may be brought forward through continued review of performance and risk management.

#### **5. Consultations / Representations / Technical Data**

- 5.1. The Local Area SEND Partnership, which includes NHS Devon, and the Devon Education (Schools) Forum (DEF) have been kept up to date with the ongoing challenges being faced by the High Needs Block budget and with the solutions being developed as part of our DSG management plans.

#### **6. Strategic Plan**

- 3.1. One of the key focuses of Devon County Council's Strategic Plan 2021-2025 is to create a 'Child Friendly Devon', where Devon is the best place to grow up. Specifically, one element of the Strategic Plan is to "ensure children and young people with special educational needs and disabilities achieve the best possible outcomes" (Devon County Council, 2021). The SEND Transformation Programme contributes to the realisation of this element of the strategic plan by ensuring that local area partnership arrangements lead to an improved lived experiences and improved outcomes for children and young people with SEND, and their families.

#### **7. Financial Considerations**

- 3.2. The key to achieving a positive outcome from the negotiations with the DfE and vital to the financial sustainability of the authority is developing a plan that results in services being delivered within the funding available and deliverable in a reasonable timeframe. If the DfE are assured that the plans the authority submitted in December 2023 are deliverable within the timescales proposed and will achieve the intended outcomes, then financial support towards the accumulated deficit is expected.
- 3.3. Each agreement reached between a local authority and the DfE has different dynamics and results in varying levels of support being made available. Discussions with the DfE have also indicated that any agreement reached in terms of participation in the Safety Valve programme will require a local contribution from the authority to fund part of the accumulated deficit. This formed the rationale behind the recommendation within the Month 4 Budget monitoring report in September

2023 where Cabinet agreed that a Safety Valve Support reserve was created and a contribution to it of £10 million is made in year representing the first element of the local contribution.

- 3.4. The full extent of the contribution required by the authority will not be known until negotiations are concluded and will be reported in due course but is expected to be significant and span many years.
- 3.5. For the six years 2020/21 to 2025/26 the DSG Deficit is transferred from the Authority's Usable Reserves to a ring fenced "unusable" adjustment account. The Local Authorities (Capital Finance and Accounting) (England)(Amendment No 2) Regulations 2022 do not set out what will happen after March 2026.

## **8. Legal Considerations**

- 3.6. There are no specific legal considerations related to this update. The Council must adhere to the relevant legislation such as the Children and Families Act 2014 and the Special Education Needs and Disability Regulations 2014.
- 3.7. The SEND Transformation Programme is set in the context of the current legislation, policy guidance, funding arrangements and national system challenges. Plans may be affected in future years by national policy changes, particularly the delivery of the national SEND Improvement Plan.

## **9. Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)**

- 3.8. There are no specific environmental impact considerations related to this update.

## **10. Equality Considerations**

- 3.9. Children and young people with SEND have the protected characteristic of disability under the Equality Act 2010 and duties to make reasonable adjustments and meet the Public Sector Equality Duty apply to this area of work. In addition, children with SEND will have intersecting characteristics such as gender, LGBTQ+, and ethnicity that may need to be taken into account.

## **11. Risk Management Considerations**

- 3.10. A risk register is maintained for the SEND Transformation Programme which is regularly updated and monitored and feeds into the Corporate Risk Register.

## **12. Summary/Conclusion**

- 1.6. The authority, and its partners, have revisited the approach to transforming SEND services and to reaching a financially sustainable High Needs Block position. DSG management plans have been submitted to the DfE as part of the Safety Valve Programme. If the DfE is assured that the plans proposed are deliverable within the timescales proposed, will result in intended outcomes and have the appropriate level of project management, governance and resource support then financial support towards the accumulated deficit is expected to be agreed.

**Director of Finance & Public Value – Angie Sinclair**  
**Director of Children & Young People’s Future - Stuart Collins**

Electoral Divisions: All

Cabinet Member for Finance – Councillor Phil Twiss

Cabinet Member for Special Educational Needs & Disabilities - Councillor Lois Samuel

## **Local Government Act 1972: List of background papers**

Background Paper

Date

File Reference

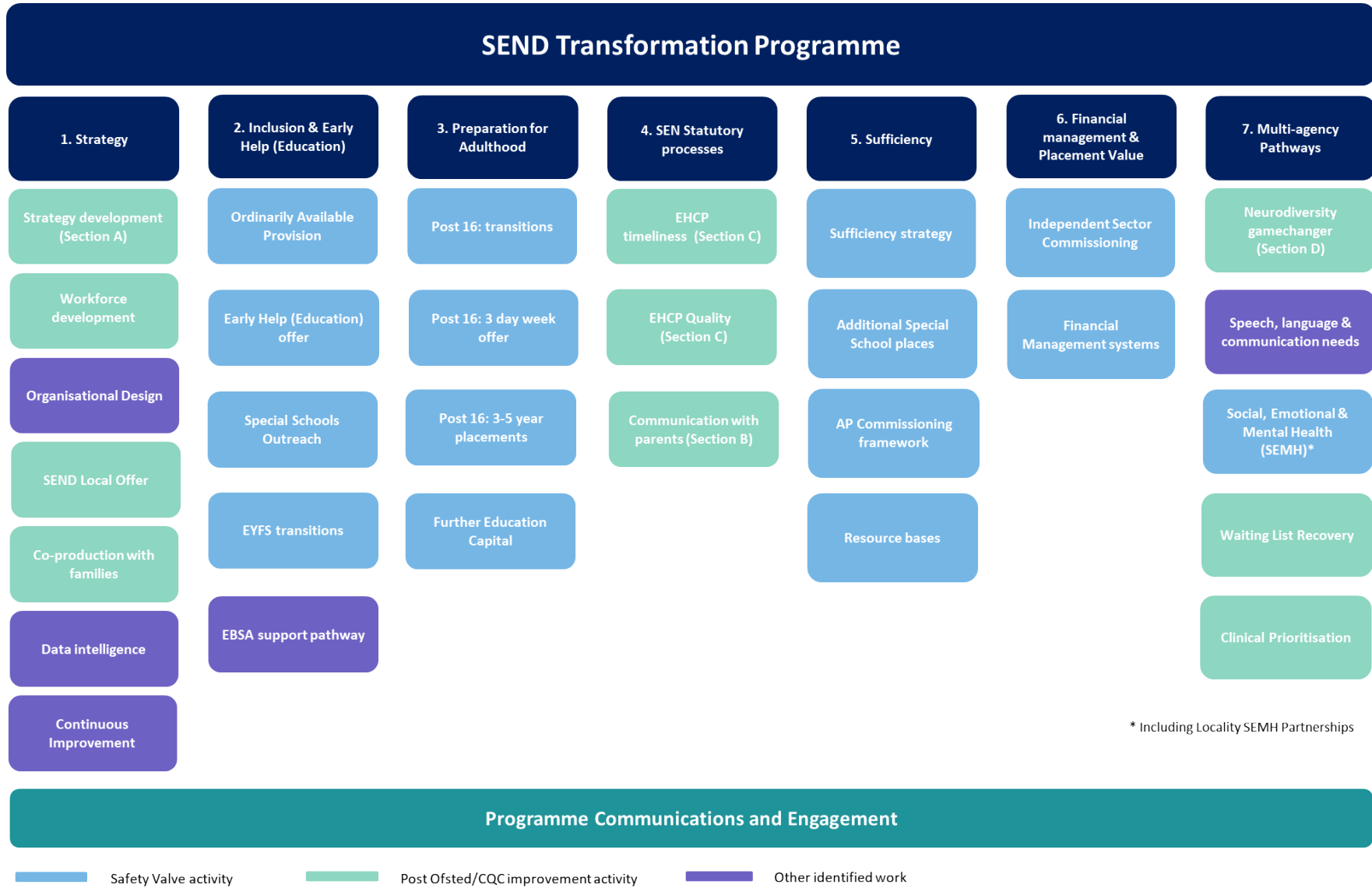
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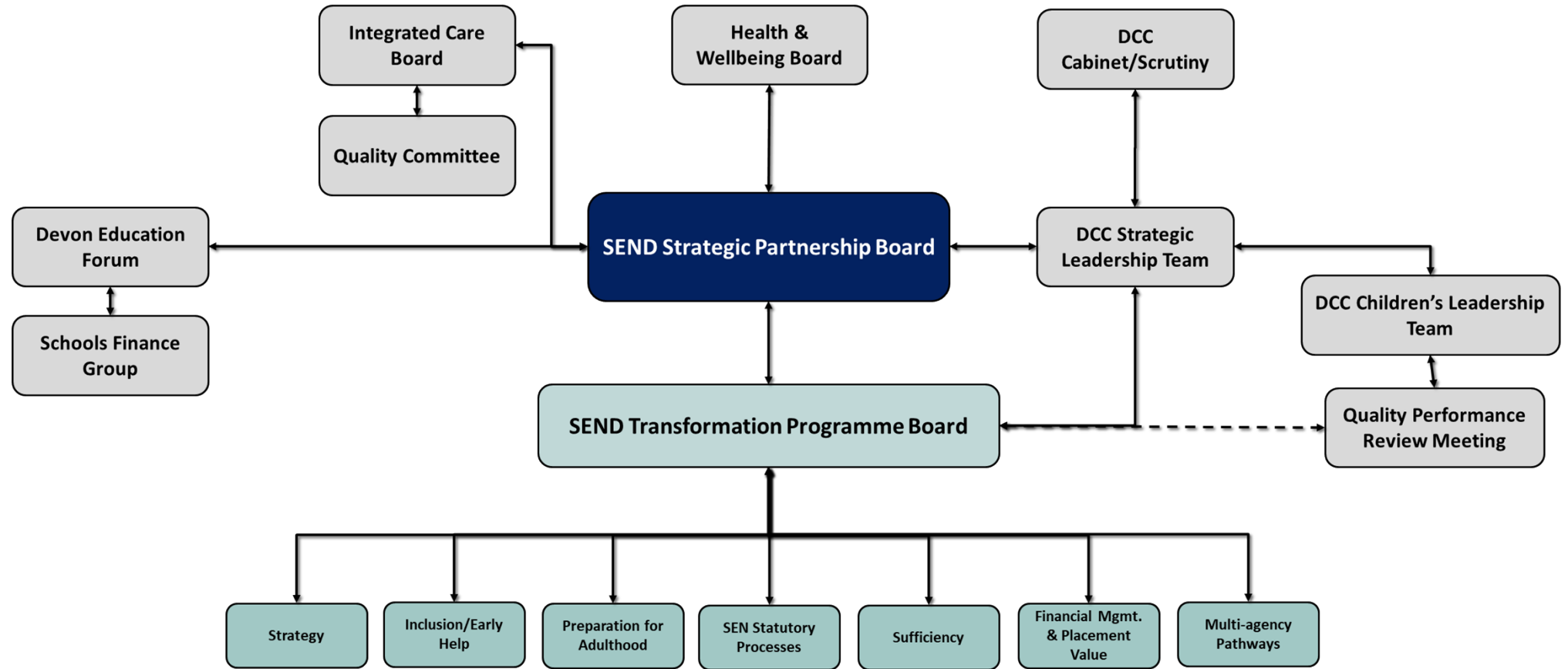
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# ANNEX A – SEND TRANSFORMATION PROGRAMME OVERVIEW



## ANNEX B – SEND PARTNERSHIP GOVERNANCE ARRANGEMENTS



Board/Meeting	Purpose	Membership	Frequency
<b>SEND Strategic Partnership Board</b>	The multi-agency strategic board that holds the partnership accountable for delivery of the accelerated progress plan (Ofsted/CQC), the partnership delivery of the safety valve agreement and the readiness for the new Ofsted/CQC framework inspection. To include monitoring programme activity, KPIs, risks/issues and finances.	Independent Chair; Parent Carer Forum; Council Chief Executive; ICB Chief Executive; Cabinet Portfolio holder(s); DCC Director of Children's Services; DCC Director of Finance; School representatives; SEND Improvement Director; SEND Programme Manager	Monthly
<b>SEND Transformation Programme Board</b>	Responsible for overseeing programme delivery against milestones/plans, managing risks/issues, progress against KPIs. Reporting/escalating to SEND Strategic Partnership Board.	Chair; Parent Carer Forum; 7 x Project Leads; Schools representative; Education Head Accountant; SEND Improvement Director; SEND Programme Manager. Other partnership representatives as required.	Monthly
<b>Projects</b>	Project meetings that deliver the 7 identified transformation projects (slide 4) which support system-wide improvement, inc. the Accelerated Progress Plan and Safety Valve Agreement. Supported by project management capacity.	As required by each project.	As required.
<b>SEND Quality Performance Review Meeting (QPRM)</b>	To bring together DCC services who support children and young people with SEND to improve how they work together for a common purpose and tackle the issues arising from the project delivery work.	DCC Service Managers	6-weekly