

Question to Children, Families, Lifelong Learning and Culture Select Committee – 7 April 2021

1. I understand that the recently announced additional £100m for special educational needs and disabilities (SEND) allocated by the Department for Education to Surrey County Council is to address the existing and projected SEND (High Needs Block) deficit. How and when will this money be made available to Surrey? What – if any - conditions are associated with this additional funding?
2. How will Surrey County Council fund any remaining existing and projected deficit over and above this £100m? At what level are the remaining projected deficits per year, over the period of the £100m funding?
3. How will Surrey County Council's safety valve agreement impact (a) the council, (b) the wider education and SEND systems and (c) service users?
4. Are Surrey County Council's safety valve agreement and SEND Transformation Programme consistent with the content of the recently published special educational needs and disabilities and alternative provision green paper?

Fiona Davidson

Response

Question 1 Response:

The Department for Education has agreed to make a financial contribution of £100m to address Surrey's existing and projected High Needs Block (HNB) deficit as follows:

Year	The Department agrees to pay to the authority an additional £m of Designated Schools Grant (DSG) by year end
2021-22	£40.5m
2022-23	£12.0m
2023-24	£12.0m
2024-25	£12.0m
2025-26	£12.0m
2026-27	£11.5m

The first payment of £40.5m was received on 31/03/2022 and the condition of this and future Safety Valve payments are that this funding must be put towards reducing the authority's cumulative HNB deficit.

Further Safety Valve payments will be made in installments and subject to continued satisfactory progress along the financial trajectory set out in the Safety

Valve agreement (a combination of estimated growth and cost containment). This financial trajectory will result in the authority reaching a positive in-year balance on its HNB by the end of 2026-27 and in each subsequent year. If SCC does not achieve the financial trajectory then payments will be paused until it is back on track.

The full details including the financial trajectories are included within the [Surrey Safety Valve agreement](#).

Question 2 Response:

There will be a cumulative deficit of £143m at the end of 2026/27, after the £100m DfE funding is received. This will be funded from the council's existing High Needs Block reserve.

The deficits per year are shown in the following table:

	HNB Deficit brought forward £m	In Year Deficit £m	DfE Contribution £m	HNB Deficit c/f £m
2021/22	83.3	35.1	-40.5	77.9
2022/23	77.9	33.2	-12.0	99.2
2023/24	99.2	34.3	-12.0	121.5
2024/25	121.5	31.4	-12.0	140.8
2025/26	140.8	25.5	-12.0	154.4
2026/27	154.4	0.0	-11.5	142.9
Total	83.3	159.5	-100.0	142.9

Question 3 Response:

The expected impact of the safety valve agreement are as follows:

- a) Impact on Surrey County Council: To ensure its accounts are sustainable the council already contributes to a separate reserve (the High Needs Block Reserve outlined in question 2 above) from its general fund equal to the High Needs Dedicated Schools Grant (DSG) deficit each year. The agreement ensures that there will be no High Needs deficit after 2026/27. This means that the council will not have to contribute to a reserve after 2022/23 (when the reserve will be £143m) which will free up funding for other council services from 2023/24.
- b) Impact on the wider education and SEND systems: To balance in year by 2026/27, transfers from the Schools Block of c£8m (1% of schools annual DSG) are required for five years from 2023/24 and a one-off transfer of

surpluses on other blocks (schools and Early Years) of £15m will take place. The one-off transfer of surplus balances will come from the existing c£19m of balances available and is profiled to take place in 26/27. This will mean that schools as well as the council are invested in reaching a balanced position. This should further improve inclusivity in Surrey's maintained schools.

- c) Impact on service users: Service users will not be directly impacted by the safety valve agreement as decisions will continue to be made on a case by case basis depending on what is most appropriate for the individual child or young person. Service users should continue to be positively impacted by the improvements to provision for children and young people with additional needs that are already underway as part of the Surrey 'SEND' Partnership Strategy – these same strategies and plans also form the basis of the safety valve agreement.

Question 4 Response:

Based on initial reviews of the recently published Green Paper for special educational needs and disabilities and alternative provision, the assessment is that this is largely consistent with the strategies and plans already in place in Surrey. Further review is ongoing, and briefings and consultation responses will be developed across the partnership within the 13 week consultation period.

Response prepared by Liz Mills, Director for Education and Lifelong Learning

Liz Bowes, Chairman – Children, Families, Lifelong Learning and Culture Select Committee

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