

London Borough of Hillingdon
Safety Valve Monitoring Report - Executive Summary
End of Year 2022/23 and Quarter 1 Projection 2023/24

Executive Summary

This report provides an update on the London Borough of Hillingdon's (LBH) progress to date for the DSG Safety Valve (SV) agreement. As the Q4 report was not required for submission, this report provides the end of year status for 2022/23 and forecast for Q1 2023/24. This report has been shared with elected Members. The Executive Summary will be shared with the Chair of the DSG sub-group of Schools Forum and will be added to the LBH website for wider circulation and transparency.

Overall, good progress has been made in this period, however LBH recognises that there are some areas requiring greater pace, in part, to address higher levels of new demand, related to the Covid pandemic. To achieve this, LBH have invested in a new dedicated Project Manager and put in place a rigorous programme of reviews and oversight, which includes the CEO continuing to chair the programme board. LBH has also strengthened governance arrangements by reintegrating SEND and Education within Children's Services, under the leadership of Julie Kelly, Executive Director of Children's Services. Two new appointments have also been made with a Director of Education & SEND, who started in May, and an Assistant Director for Virtual Schools and Vulnerable Cohorts is already in place. This approach allows the SV programme to be integrated under one Directorate and provides a single view of a child, family and education. The governance across the programme continues with a strong Corporate Management Team approach to deliver the programme with support from elected Members.

This quarter, and in keeping with both regional and national challenges, LBH has been impacted by difficulty in recruitment, causing delays in some areas of operational delivery. Hillingdon is particularly impacted due to its geographical location, where we are competing with neighbouring boroughs that are easier to access, by those coming from within and across London or living in bordering councils outside London. These staffing issues are being addressed locally through a recruitment and retention strategy, including key financial incentives to attract new staff. The aim is to have full capacity by September 2023 and once the new permanent staff are onboarded, faster progress is expected.

To underpin the transformation of SEND services, and in line with LBH's wider transformation and digital strategy, a priority workstream is focusing on systems and data, to ensure a single, integrated electronic case record is in place to support effective and timely case work decisions and drive robust performance management.

As highlighted above, an analysis of the new plans coming through the system has shown a direct link to the latent Covid pandemic demand. One key factor is attributed to the fact that many children did not have an opportunity to attend nursery. This Covid cohort has been assessed with greater needs, compared with their peers who had attended nursery and received professional intervention in their early years. The financial impact of Covid and inflation between Q3 and Q4 has resulted in an increase in recent EHCPs costs.

Higher bands are being agreed for the growing number of more complex needs' Covid bulge children requiring EHCPs, predominantly due to the lack of mainstream special school places available. This has therefore impacted on the number of children being placed in the independent sector to meet this unprecedented demand gap and in turn the costs and deficit forecasts.

This increase in independent placements is particularly significant given they have a much higher unit cost in comparison to mainstream placements. Although there has been some progress on repatriation over the year, the data highlights the higher cost of some recent placements and increases in costs of existing placements across the cohort.

The collective impact of market pressures and inflation is disrupting the pipeline of new school places and in turn impacting sufficiency targets. A significant risk to the SV work, which was noted in the previous monitoring submission, is the delay in DfE led capital projects. Delays to opening will have a serious negative financial impact on the achievement of SV milestones.

Capital projects led by LBH are also seeing a significant cost increases due to inflationary pressures and continued supply chain issues, where additional funding needs to be identified. A funding request was submitted to the DfE, which is still pending. The deficit projection is being driven by market pressures and inflation which are particularly acute in the construction sector.

Healthcare contributions continue to present funding challenges. LBH will continue to work with neighbouring LAs to challenge the thresholds for children continuing care. Currently, the interim pathways that have been put in place, supported by the Designated Clinical Officer, are assisting in the mitigation of risk of new children being identified as not accessing appropriate funding pathways. The Chief Executive is also raising this point amongst North-West London peers, before a formal exchange with the NWL ICS.

Engagement with education settings to further improve the current working relationship with LBH and help develop their understanding their roles and responsibilities to meet the borough-wide needs is underway.

Despite the challenges, LBH's core EHCP numbers are in line with the SV conditions reflecting positive progress on a number of SV conditions such as Early Support Funding. The adverse position on the 2022/23 deficit projection is being driven by the cost pressures resulting from the collective impact of inflation and growing needs evidenced throughout 2022/23, which has resulted in material movement from the original SV baselines. This presents a considerable strategic and financial challenge in terms of delivering a number of the original SV conditions. LBH remains committed to delivering planned local provision in the context of significant inflationary cost pressures but would welcome discussion on funding for this substantial new burden.

By managing all of the challenges outlined, LBH is confident that there are plans and resources in place to make a step change in the performance against the agreement conditions.

The strategy will continue to focus on accelerating activity in a number of key areas to release cashable benefits more quickly, and importantly, deliver local school places and support services to children and their families. Specific examples include - putting in place more resources to undertake reviews to allow for the appropriate stepping down of packages; improved approach to commissioning and contract management and the acceleration of replacing higher cost places with lower cost options planned in over the next 3 years.