



Dedicated Schools Grant 'Safety Valve' Agreement: Medway

1. This agreement is between the Department for Education and Medway Council, and covers the financial years from 2022-23 to 2026-27.
2. The authority undertakes to reach a positive in-year balance on its Dedicated Schools Grant (DSG) account by the end of 2023-24 and in each subsequent year. The authority undertakes to control and reduce the cumulative deficit as follows, not including any contribution made by the department through this agreement:

Year	Forecast DSG Deficit Profile at year end £m
2022-23	£24.7m
2023-24	£22.6m
2024-25	£18.9m
2025-26	£14.3m
2026-27	£8.0m

3. The authority agrees to implement the DSG management plan that it has set out. This includes action to:
 - 3.1. Deliver a graduated approach for children and young people with Special Educational Needs and Disabilities (SEND) to supports needs at the earliest opportunity;
 - 3.2. Provide a core offer of training and support to embed whole school approaches to support inclusion;

- 3.3. Deliver training to Early Years providers in supporting de-escalation and transition planning so that only the most complex needs are referred for an Education Health and Care Plan (EHCP) at this age;
 - 3.4. Introduce Family Liaison Officers (FLOs) to be the direct link with families and schools, to support parents and carers with their applications and SEND enquiries;
 - 3.5. Improve the annual review and forward planning approaches that work with families to plan progression routes;
 - 3.6. Deliver the independence and preparation for adulthood offer, for all children and young people with SEND, to reduce demand for specialist provision Post-16;
 - 3.7. Implement a transparent banded EHCP funding system which brings costs for all providers more in line with national averages;
 - 3.8. Increase the capacity of Alternative Provision (AP) to support pre-emptive and reintegration activity, including revolving door and outreach;
 - 3.9. Deliver the Beeches Free School and expand maintained special schools (Abbeycourt and Bradfield) to minimise the need for out of borough provision;
 - 3.10. Ensure more children and young people can have their needs met in mainstream schools through investment in transition work, and move high functioning pupils into Resourced Provision where appropriate;
 - 3.11. Incentivise inclusion by providing more funding into the system through top ups to the Special Educational Need (SEN) notional budget and review the funding policy so that schools with a higher proportion of children and young people with EHCPs receive additional funding.
4. The authority also agrees to ongoing monitoring of its performance in fulfilling this agreement. The authority will:
 - 4.1. Report tri-annually (as a minimum) in writing to the Department (Funding

Policy Unit) on its progress towards implementing the plan as per the conditions set out in paragraphs 2 and 3;

- 4.2. The monitoring reports should include progress against the conditions of grant and a financial dashboard detailing various metrics relating to demand and cost. DfE will provide a template for this;
 - 4.3. Inform the Department (Funding Policy Unit) of any unforeseen difficulties or impacts of carrying out the agreement, or any significant risks to reaching the agreed financial position as soon as they arise;
 - 4.4. Meet with the Department at any time when the Department deems it necessary to discuss progress towards the agreement.
5. The Department agrees to pay to the authority an additional **£5.72 million** of DSG before the end of the financial year 2022-23. In subsequent financial years, subject to compliance with the conditions set out in paragraph 3, the Department will pay DSG sums as follows. This funding will be provided in instalments and subject to continued satisfactory progress. Subject to full compliance, Medway should therefore eliminate their cumulative deficit no later than 2026-27.

Year	The Department agrees to pay to the authority an additional £m of DSG by year end
2022-23	£5.72m
2023-24	£2.15m
2024-25	£2.15m
2025-26	£4.29m

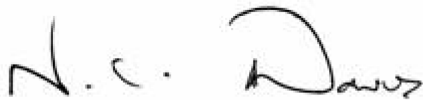
6. The Department has also agreed to provide Medway with additional capital funding to support the delivery of this agreement. Progress against delivery of those capital plans should then be integrated into the tri-annual reporting to the Department as part of the monitoring of this agreement.
7. This agreement is subject to review at any time, for example as a result of the

following events:

- 7.1. Higher or lower DSG formula funding levels for the authority in future financial years than those the authority has assumed;
- 7.2. Significant changes to national SEND policy which impact on elements of the plan;
- 7.3. Insufficient progress being made towards the authority reaching and sustaining an in-year balance on its DSG account as set out in the plan.

The review process will include an assessment of the impact of the change in circumstances.

On behalf of Medway Council, signed by:



Neil Davies - LA Chief Executive



Phil Watts - Chief Operating Officer (Section 151 Officer)



Lee Anne Farach - Director of Children's Services

On behalf of the Department for Education, signed by:

A handwritten signature in black ink, appearing to be 'TG', written in a cursive style.

Tom Goldman – Deputy Director, Funding Policy Unit