



Dedicated Schools Grant 'Safety Valve' Agreement: Hounslow

1. This agreement is between the Department for Education and Hounslow Council, and covers the financial years from 2022-23 to 2027-2028.
2. The authority undertakes to reach a positive in-year balance on its Dedicated Schools Grant (DSG) account by the end of 2027-28 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 end¹ £m
2022-23	£21.1m
2023-24	£24.4m
2024-25	£27.7m
2025-26	£30.0m
2026-27	£29.5m
2027-28	£26.8m

3. The authority agrees to implement the DSG management plan that it has set out. This includes action to:

¹ This profile includes contributions that the council will make from its own resources to reduce the DSG deficit.

- 3.1. Develop a quality assurance process to effectively monitor provision to ensure consistency, good value for money and that children and young people's needs are being effectively met;
 - 3.2. Establish an early intervention pathway so that children and young people have their needs identified and interventions can be implemented earlier. This pathway will include embedding a graduated response to provide guidance and support for schools to implement their 'Ordinarily Available Provision' (OAP) offer;
 - 3.3. Develop Post-16 pathways. Improved commissioning arrangements with Post-16 providers, to address gaps in provision and reduce reliance on out of borough providers. The development of these new pathways will also seek to address the high numbers of young people aged 16-25 who are currently in 'Education Other Than at School' (EOTAS);
 - 3.4. Review of the current offer in Hounslow's mainstream and specialist settings to ensure that special schools in borough meet the needs of those children and young people who require such provision;
 - 3.5. Review of Alternative Provision (AP) services to understand the issues, costs, and challenges locally to inform a comprehensive plan for commissioning AP in the next few years;
 - 3.6. Support effective Post-16 progression by close working and planning with Hounslow's Connexion Services and other services such as Adult Social Care. This will improve the information and guidance on the local offer, young people with Special Educational Needs and Disabilities (SEND) will access an increased number of education, work, and training opportunities within the borough;
 - 3.7. Implement new inclusive Education Health and Care Plan (EHCP) funding arrangements by setting up a SEND funding working group which includes Schools Forum members which will help to re-balance the system and establish fair and transparent funding arrangements across all settings.
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 **£10.72 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, Hounslow should therefore eliminate their cumulative deficit no later than 2027-28.

Year	The Department agrees to pay to the authority an additional £m of DSG by year end
2022-23	£10.72m
2023-24	£2.68m
2024-25	£2.68m
2025-26	£2.68m
2026-27	£2.68m
2027-28	£5.36m

6. This agreement is subject to review at any time, for example as a result of the following events:
- 6.1. Higher or lower DSG formula funding levels for the authority in future financial years than those the authority has assumed;
 - 6.2. Significant changes to national SEND policy, which impact on elements of the plan;
 - 6.3. 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 Hounslow Council, signed by:



Niall Bolger - LA Chief Executive



Clive Palfreyman - Chief Finance Officer (Section 151 Officer)



Steven Forbes - Director of Children's Services

On behalf of the Department for Education, signed by:

A handwritten signature in black ink, consisting of a large, stylized initial 'T' followed by a series of loops and a long horizontal stroke extending to the right.

Tom Goldman – Deputy Director, Funding Policy Unit