



Dedicated Schools Grant 'Safety Valve' Agreement: Isle of Wight

1. This agreement is between the Department for Education and Isle of Wight 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 2026-27 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	£8.6m
2023-24	£10.7m
2024-25	£11.8m
2025-26	£12.8m
2026-27	£12.7m

3. The authority agrees to implement the DSG management plan that it has set out. This includes action to:
 - 3.1. Create greater clarity of 'Ordinarily Available Provision' (OAP) through further dissemination of recently produced Special Educational Needs (SEN) support guidance and offering training to headteachers and Special Educational Needs Co-ordinators (SENCOs) about what constitutes OAP;

- 3.2. Improve the quality of Education Health and Care Plans (EHCPs) annual reviews through training, greater Local Authority (LA) engagement and improved processing to ensure timescales are met, so that children and young people meet the outcomes in their EHCPs, which should lead to a step-down in provision over time;
 - 3.3. Ensure more robust oversight of decision making during the assessment and co-production of EHCPs, so that children are placed in most suitable provision that can meet their needs;
 - 3.4. Increase maintained/academy specialist placements available on the Isle of Wight to minimise the need for more expensive placements;
 - 3.5. Create an early intervention 'Primary Behaviour Service' to replace the primary provision at the Pupil Referral Unit (PRU) on the island, to reduce the number of permanent exclusions and meet needs earlier;
 - 3.6. Improve the Post-16 offer on the island, encouraging take up of supported internships and supported apprenticeships, improving preparation for adulthood outcomes, and reducing demand on High Needs funds;
 - 3.7. Review the governance of the High Needs Performance and Oversight Board with the intention to include a reference group which will include stakeholders, partners, and children and young people, to help inform planning in the local area.
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 **£5.08 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, Isle of Wight 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	£5.08m
2023-24	£1.52m
2024-25	£1.52m
2025-26	£1.52m
2026-27	£3.05m

6. The Department has also sent a commission relating to the authority's capital plans for the creation of new places for children and young people with Special Educational Needs and Disabilities (SEND) or those requiring Alternative Provision (AP). It is critical that the authority considers its revenue and capital plans holistically. The Department will assess and review proposals against set criteria which have been outlined in the commission. Subject to that assessment, the Department will consider making a capital contribution to these plans in 2023-24 as a top-up to the local authority's High Needs Provision Capital Allocation (HNPCA), which will be announced in Spring. 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;
 - 7.4. Whether Isle of Wight are successful in their bid for a free school.

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

On behalf of Isle of Wight Council, signed by:



Wendy Perera - LA Chief Executive


Chris Ward 09/03/23

Chris Ward - Chief Finance Officer (Section 151 Officer)



Steve Crocker - 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