



## Dedicated Schools Grant ‘Safety Valve’ Agreement: Surrey

1. This agreement is between the Department for Education and Surrey County Council and covers the financial years from 2021-22 to 2027-28.
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:

<b>Year</b>	<b>Forecast DSG High Needs Block Deficit Profile at year end<sup>1</sup></b> <b>£m</b>
<b>2021-22</b>	£118.4m
<b>2022-23</b>	£151.7m
<b>2023-24</b>	£186.0m
<b>2024-25</b>	£217.3m
<b>2025-26</b>	£100.0m

3. The authority agrees to implement the DSG management plan that it has set out. This includes action to:
  - 3.1. Develop and embed local initiatives that provide information, advice and support early and appropriately, promoting inclusion, improving outcomes and avoiding the escalation of needs. This will include delivering and building on

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

the Learners Single Point of Access, promoting Ordinarily Available provision and embedding the Graduated Response approach. These initiatives will help to ensure that children and families benefit from the full set of services available to them and reduce the number of children requiring EHCP.

- 3.2. Review and strengthen all EHC assessment and decision-making processes to ensure all decisions are made transparently, in a timely manner with Children, Young People and families at the centre;
- 3.3. Develop and implement strategies to further develop skills, expertise, and capacity of school-based staff to support children with SEND in mainstream schools, reducing the escalation of need and push to move from mainstream to specialist provision.
- 3.4. Deliver the Team Around the School pilot and learn from the evaluation before embedding or rolling out across the county (as appropriate). This pilot aims to identify Children and Young People with additional needs and intervene early as appropriate, providing higher levels of support immediately and aim to support placements to be successfully maintained;
- 3.5. Develop and embed appropriate bandings for specialist school placements and a joint commissioning panel, which will see an enhanced process to agree joint health, social care, and education costs;
- 3.6. Develop a Joint Commissioning Strategy with partners to ensure that Children, Young People and families have the best possible experience of services and resources are used as effectively as possible;
- 3.7. Deliver an ambitious Capital programme that will improve the sufficiency of specialist educational provision that meets the needs of communities in Surrey, enabling more Children and Young People with additional needs to attend a school or setting closer to their home;
- 3.8. Develop enhanced pathways that support Children and Young People to become more independent as they prepare for adulthood, providing enhanced range of opportunities including internships, vocational pathways and apprenticeships. This will also include activity to step down through annual reviews and key stage transfer;

- 3.9. Continually strengthen the impact of partnership working and accountability through the Surrey SEND Partnership Board, an active Schools Forum, Inclusion Roundtable, local area self-evaluation and improvement, and co-producing a refresh of Surrey’s SEND partnership strategy with families and partners.
4. The authority also agrees to ongoing monitoring of its performance in fulfilling this agreement. The authority will:
- 4.1. Report quarterly (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 **£40.5 million** of DSG before the end of the financial year 2021-22. 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, Surrey should therefore eliminate their cumulative deficit no later than 2026-27.

<b>Year</b>	<b>The Department agrees to pay to the authority an additional £m of DSG by year end</b>
<b>2021-22</b>	£40.5m
<b>2022-23</b>	£23.5m
<b>2023-24</b>	£9.0m

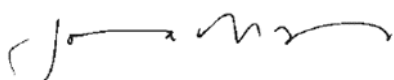
<b>2024-25</b>	£9.0m
<b>2025-26</b>	£9.0m
<b>2026-27</b>	£9.0m

6. The Department has also sent a commission relating to the local 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 – in developing capital proposals, the Department expects local authorities to have a keen eye on the efficiencies that need to be made and how they can invest wisely to secure financially sustainable high needs systems.
  
7. As such, capital proposals will need to demonstrate how investment is aligned to, or further develops, the reform plans and savings outlined in this agreement. Proposals will need to focus on projects that can be delivered quickly to improve the local provision offer and meet identified gaps in local provision. 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 2022-23 as a top-up to the local authority’s High Needs Provision Allocation (HNPCA), which will be announced in Spring. Progress against delivery of those capital plans should then be integrated into the quarterly reporting to the department as part of the monitoring of this agreement.
  
8. This agreement is subject to review at any time, for example as a result of the following events:
  - 8.1. Higher or lower DSG formula funding levels for the authority in future financial years than those the authority has assumed;
  - 8.2. Significant changes to national SEND policy, for example as a result of the government SEND Review, which impact on elements of the plan;
  - 8.3. Insufficient progress being made towards the authority reaching and sustaining an in-year balance on its DSG account as set out in the plan;

- 8.4. Whether Surrey is awarded additional capital funding support following the capital plan commissioning process. This will include any impact of the capital funding on Surrey's ability to carry out its DSG management plan.
- 8.5. Any change in projections arising from the outcome of Surrey's disapplication requests.

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

On behalf of Surrey County Council, Signed by:



Joanna Killian - LA Chief Executive



Leigh Whitehouse – Chief Finance Officer (Section 151 Officer)



Rachael Wardell – Director of Children, Families and Lifelong Learning

On behalf of the Department for Education, Signed by:



Tom Goldman – Deputy Director, Funding Policy Unit