



Dedicated Schools Grant ‘Safety Valve’ Agreement: The London Borough of Richmond upon Thames

1. This agreement is between the Department for Education and The London Borough of Richmond upon Thames Local Authority (‘Richmond’) and covers the financial years from 2020-21 to 2024-25.
2. The authority undertakes to reach a positive in-year balance on its Dedicated Schools Grant (DSG) account by the end of 2025-26 and in each subsequent year. The authority undertakes to control the cumulative deficit as follows:

Year	Maximum Forecast DSG Deficit Profile at year end £m
2020-21	17.6
2021-22	18.6
2022-23	19.4
2023-24	19.9
2024-25	20

3. The authority agrees to implement the action plan that it has set out. This includes action to:
 - 3.1. Improve support available in schools to manage demand more effectively and reduce escalation of need.
 - 3.2. Expand specialist provision to avoid placements in more expensive Non-Maintained Special Schools and independent special schools.
 - 3.3. Manage demand for Education Health and Care Plans (EHCP) by scrutinising provision at each annual review and continuing to work with consultants Mastodon C to forecast and manage EHCP growth during 2021-22.
 - 3.4. Improve efficiency of commissioning services to drive down cost.
 - 3.5. Increase contributions from health and social care.

- 3.6. If recommendations arise from the Local Government Association (LGA) peer review in Kingston which are also relevant to Achieving for Children's activities in Richmond, Richmond will also implement them.
- 3.7. Reforming of the authority's post-16 offer, including but not limited to development of new provision.
- 3.8. Contribute to the reduction of the cumulative deficit via alternative council funding sources in each financial year covered by this agreement.
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 in paragraphs 2 and 3.
 - 4.2. 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.
 - 4.3. Meet with the Department in the last quarter of each financial year covered by this agreement to discuss progress, and update on detailed plans for the subsequent financial year.
 - 4.4. Meet with the Department at any other time when the Department deems it necessary to discuss progress towards the agreement.
 - 4.5. Provide the Department with relevant Schools Forum papers as soon as they are issued.
5. The Department agrees to pay to the authority an additional £6 million of DSG before the end of the financial year 2020-21. In subsequent financial years, subject to compliance and satisfactory progress with the conditions set out in paragraphs 2 and 3, the Department will pay DSG sums as follows in addition to the authority's formulaic allocation: £4 million in 2021-22, £4 million in 2022-23, £3 million in 2023-24 and £3 million in 2024-25. This funding will be provided in instalments and subject to continued satisfactory progress. Subject to full compliance, Richmond should therefore eliminate their cumulative deficit no later than 2024-25.
6. The Department will send a commission relating to capital plans to Richmond in 2021-22. This commission will seek to understand the authority's future plans for capital investment in new school places for pupils with special educational needs (SEND) and for those requiring alternative provision (AP), focusing on projects which support wider deficit reduction aims. The Department will assess and review plans against set criteria which will be outlined in the commission. Subject to that assessment, the

Department will consider making a capital contribution to these plans in 2021-22 as an adjustment to the local authority's High Needs Provision Allocation (HNPCA).

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, for example as a result of the government SEND Review, 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 Richmond is awarded additional capital funding support following the capital plan commissioning process.

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

On behalf of Richmond upon Thames Local Authority, signed by:



Mark Maidment – LA Chief Executive

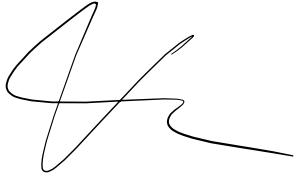


Ian Dodds - Director of Children's Services



Fenella Merry – Section 151 Officer

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 tail.

Tom Goldman – Deputy Director, Funding Policy Unit