



Dedicated Schools Grant 'Safety Valve' Agreement: North Somerset

1. This agreement is between the Department for Education and North Somerset Council, and covers the financial years from 2022-23 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 2025-26 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	£20.9m
2023-24	£24.0m
2024-25	£24.6m
2025-26	£23.7m
2026-27	£22.5m
2027-28	£21.1m

3. The authority agrees to implement the DSG management plan that it has set out. This includes action to:
 - 3.1. Reform Top Up Funding (TUF) model to align more closely with standard practice;
 - 3.2. Increase Special Educational Needs and Disabilities (SEND) capacity in mainstream schools via a phased introduction of Nurture Groups to

manage and reduce Social Emotional and Mental Health (SEMH) demand, and Resource Base places to respond to the highest incidence of need after SEMH;

- 3.3. Standardise the support available for children and young people to reduce costly bespoke packages and ensure all children and young people receive support through the local outreach response or from the regionally pre-qualified framework of Alternative Provision (AP) providers;
 - 3.4. Increase capacity in specialist provision to offer appropriate education locally and minimise the need for costly out of area placements;
 - 3.5. Replicate the Pre-16 TUF process for Post-16 placements, reduce double funding arrangements, and create parity with the Pre-16 system;
 - 3.6. Ensure Education Health and Care Plans (EHCPs) are reviewed at appropriate intervals;
 - 3.7. Promote the Graduated Response approach within the SEND system, enabling earlier identification of need and ensuring consistency of assessment, planning, and review;
 - 3.8. Increase the availability and timeliness of Education Psychologists (EPs) involvement and use of the Additional Analysis of Needs Tool (AANTS);
 - 3.9. Invest in training within schools to increase emotional schools-based avoidance resources;
 - 3.10. Develop an Emerging Needs plan for 0–5-year-olds to help identify need and tailor support for very young children.
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 **£8.44 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, North Somerset 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	£8.44m
2023-24	£2.11m
2024-25	£2.11m
2025-26	£2.11m
2026-27	£2.11m
2027-28	£4.22m

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 SEND or those requiring 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 North Somerset is awarded additional capital funding support following the capital application process.

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

On behalf of North Somerset Council, signed by:

A handwritten signature in black ink, appearing to read 'Jo Walker', written in a cursive style.

Jo Walker - LA Chief Executive

Handwritten signature of Amy Webb in black ink, underlined.

Amy Webb - Chief Finance Officer (Section 151 Officer)

Handwritten signature of Sheila Smith in blue ink, underlined.

Sheila Smith - Director of Children's Services

On behalf of the Department for Education, signed by:

Handwritten signature of Tom Goldman in black ink.

Tom Goldman – Deputy Director, Funding Policy Unit