



## Dedicated Schools Grant ‘Safety Valve’ Agreement: The London Borough of Hammersmith and Fulham

1. This agreement is between the Department for Education and The London Borough of Hammersmith and Fulham Local Authority (‘Hammersmith and Fulham’), and covers the financial years from 2020-21 to 2025-26.
2. The authority undertakes to reach a positive in-year balance on its Dedicated Schools Grant (DSG) account by the end of 2022-23 and in each subsequent year. The authority undertakes to control and reduce the cumulative deficit as follows:

<b>Year</b>	<b>Maximum Forecast DSG Deficit Profile at year end £m</b>
2020-21	£22.9m
2021-22	£23.3m
2022-23	£23.0m
2023-24	£22.9m
2024-25	£21.9m
2025-26	£20.0m

3. The authority agrees to implement the action plan that it has set out. This includes action to:
  - (1) Increase early intervention activity, including but not limited to the creation by September 2021 of a speech, language and communication needs offer for children and young people on SEND support, to reduce escalation of need to Education Health and Care Plan (EHCP) level.
  - (2) Development of a more robust local offer.
  - (3) Review and reform of the Alternative Provision (AP) model and

funding to create efficiencies from 2021-22.

- (4) Support and drive schools in Hammersmith and Fulham to meet a higher level of need in a more cost effective way within mainstream settings, while maintaining the quality of provision.
  - (5) Review and reform of outreach services to create savings from 2021-22.
  - (6) Implementation of a case management system to facilitate predictive modelling.
4. The authority also agrees to ongoing monitoring of its performance in fulfilling this agreement. The authority will:
- (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.
  - (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.
  - (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) Meet with the Department at any other time when the Department deems it necessary to discuss progress towards the agreement.
  - (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.

<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>	£4.0m
<b>2022-23</b>	£7.0m
<b>2023-24</b>	£1.5m
<b>2024-25</b>	£1.5m

6. In subsequent financial years, subject to compliance and satisfactory progress

This funding will be provided in instalments and subject to continued satisfactory progress. Subject to full compliance, Hammersmith and Fulham should therefore eliminate their cumulative deficit no later than 2025-26.

7. The Department will send a commission relating to capital plans to Hammersmith and Fulham in 2021-22. This commission will seek to understand the authority's future plans for capital investment in new school places for pupils with SEND and for those requiring 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).
8. This agreement is subject to review at any time, for example as a result of the following events:
  - (1) Higher or lower DSG formula funding levels for the authority in future financial years than those the authority has assumed.
  - (2) Significant changes to national SEND policy, for example as a result of the government SEND Review, which impact on elements of the plan.
  - (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.
  - (4) Whether Hammersmith and Fulham 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 Hammersmith and Fulham Local Authority, signed by:



Sharon Lea – LA Interim Chief Executive (28/04/2023)



Jacqui McShannon – Strategic Director of Children's Services



Sukvinder Kalsi – Director of Finance and S151 Officer

On behalf of the Department for Education, signed by:

A handwritten signature in black ink, appearing to be 'Tom Goldman', written in a cursive style.

Tom Goldman – Deputy Director, Funding Policy Unit