



Dedicated Schools Grant ‘Safety Valve’ Agreement: Rotherham

1. This agreement is between the Department for Education and Rotherham Local Authority, and covers the financial years from 2021-22 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, with a minor dip into deficit in 2024-25 only. 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 |
|----------------|--|
| 2021-22 | £22.0m |
| 2022-23 | £21.1m |
| 2023-24 | £18.6m |
| 2024-25 | £19.3m |
| 2025-26 | £18.9m |

3. The authority agrees to implement the DSG management plan that it has set out. This includes action to:
 - 3.1. Reduce use of independent specialist provision outside of the LA by creating appropriate capacity within Rotherham’s high needs system, with a focus on ensuring provision is high quality and value for money;
 - 3.2. Improve Rotherham’s early intervention strategy, including through investment in outreach work;

- 3.3. Ensure appropriate use of provision and avoid escalation of children and young people's needs by, among other things, improving the governance around placement decisions;
 - 3.4. Review support services in Rotherham to ensure value for money is achieved;
 - 3.5. Increase the outreach offer for Social Emotional and Mental Health needs at primary and secondary;
 - 3.6. Increase the outreach offer for specialist SEND;
 - 3.7. Develop local sufficiency arrangements, including for Rotherham's Looked After Children;
 - 3.8. Drive mainstream schools to adopt inclusive practice to enable more children and young people to remain in mainstream settings where appropriate;
 - 3.9. Maintain engagement with stakeholders through strong and collaborative governance arrangements, such as ISOS partnership work, Schools Forum High Needs subgroup, primary and secondary head teachers.
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. 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 **£8.53 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 below. This funding will be provided in instalments and subject to continued satisfactory progress. Subject to full compliance, Rotherham should therefore eliminate their cumulative deficit no later than 2025-26.

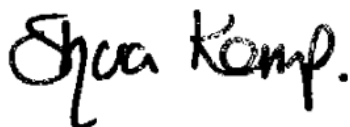
| Year | The Department agrees to pay to the authority an additional £m of DSG by year end |
|----------------|--|
| 2021-22 | £8.53m |
| 2022-23 | £6.00m |
| 2023-24 | £2.00m |
| 2024-25 | £2.00m |
| 2025-26 | £2.00m |

6. The Department has also sent a commission relating to your 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 you are considering your revenue and capital plans holistically – in developing capital proposals, we fully expect 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 your quarterly reporting to the department as part of the monitoring of your 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 Rotherham is awarded additional capital funding support following the capital application process. This will include any impact of the capital funding on Rotherham's ability to carry out its DSG management plan.

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

On behalf of Rotherham Local Authority, Signed by:



Sharon Kemp - LA Chief Executive



Judith Badger – Strategic Director Finance & Customer Services (Section 151 Officer)



Nicola Curley - Director of Children and Young People's Services

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 horizontal line that ends in a small upward curve.

Tom Goldman – Deputy Director, Funding Policy Unit