



## Dedicated Schools Grant 'Safety Valve' Agreement: Dorset

This agreement is currently subject to review. Payments of grant have been suspended but will be made up if a revised agreement is reached. No funding was paid under this agreement in 2023-24.

1. This agreement is between the Department for Education and Dorset Council, 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 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:

Year	Maximum Forecast DSG Deficit Profile at Year End <sup>1</sup> £m
2021-22	£45.2m
2022-23	£50.6m
2023-24	£49.0m
2024-25	£46.2m
2025-26	£42.1m

3. The authority agrees to implement the DSG management plan that it has set out. This includes action to:

3.1 Continue implementing and developing the new graduated approach, supporting early identification and intervention strategies to improve outcomes for children and young people and reduce the likelihood that a child or young person will require a specialist placement as they grow older;

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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.

- 3.2 Continue to deliver the Dorset Education Advice Line to offer early support to parents;
  - 3.3 Increase the SENCO forum network to share good practice, promote support for children and young people within the mainstream schools and timely identification of need;
  - 3.4 Continue to deliver the statutory and early intervention Education Psychology and Specialist Teaching service free at the point of delivery, to build the skill and capacity of schools and academies, to promote inclusive practice in schools and bring a reduction in exclusions of children and young people with SEN;
  - 3.5 Continue to deliver the SEND Outreach and Inclusion offer through the Partnership Agreement with the Special Schools to work alongside the Specialist Teachers and Education Psychology services;
  - 3.6 Continue to embed multi-agency decision-making, jointly with Health and Care, to improve joint funding for placements for children and young people;
  - 3.7 Launch a new strategic commissioning framework for Alternative Provision in September 2022;
  - 3.8 Maintain engagement with stakeholders through strong and collaborative governance arrangements, such as with School Leaders and Schools Forum;
  - 3.9 Direct an increase in sufficiency through Dorset SEND Capital Strategy 2020 – 2025, to expand specialist provision for children and young people.
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 £17.5 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, Dorset 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>
2021-22	£17.50m
2022-23	£6.25m
2023-24	£6.25m
2024-25	£6.25m
2025-26	£5.75m

6. The Department will also send 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 Dorset 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 Dorset Council, Signed by:



Matt Prosser - LA Chief Executive



Aidan Dunn – Chief Finance Officer (Section 151 Officer)



Theresa Leavy – Director of Children's Services

On behalf of the Department for Education, Signed by:



Tom Goldman – Deputy Director, Funding Policy Unit