



## Dedicated Schools Grant ‘Safety Valve’ Agreement: Hillingdon

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 the London Borough of Hillingdon, 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 2024-25 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	£33.8m
2022-23	£34.7m
2023-24	£33.0m
2024-25	£28.3m
2025-26	£22.6m

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

3.1 Standardise good practice and inclusivity across the mainstream sector by promoting the use of SEND self-reviews;

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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 the use of 'Early Support Funding', to promote early intervention and reduce the escalation of children's needs;
  - 3.3 Further progress integrating a process of reviewing existing EHCPs;
  - 3.4 Further develop and implement a new Early Health Notification Process, to improve the identification of SEND from birth to ensure appropriate services and support are provided in a timely manner;
  - 3.5 Continue developing temporary and permanent provisions for SEND through Hillingdon capital, in conjunction with effective use of capital grants;
  - 3.6 Continue reviewing all placements in independent and non-maintained schools to optimise the use of mainstream settings;
  - 3.7 Explore different models for alternative provision and continue to review existing commissioned places;
  - 3.8 Conduct a review of banding arrangements;
  - 3.9 Further increase the educational psychology service, to increase systematic, pre-statutory support to settings;
  - 3.10 Regularly meet with the school forum and the DSG delivery group as part of the revised school engagement approach.
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 **£11 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, Hillingdon should therefore eliminate their cumulative deficit no later than 2025-26.

Year	Maximum Forecast DSG Deficit Profile at Year End <sup>2</sup> £m
2021-22	£11.00m
2022-23	£11.04m
2023-24	£2.5m
2024-25	£2.5m
2025-26	£2.5m

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 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.

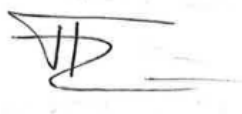
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<sup>2</sup> This profile includes contributions that the council will make from its own resources to reduce the DSG deficit.

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 Hillingdon 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 the London Borough of Hillingdon, Signed by:



Tony Zaman – Interim Chief Executive and Director of Children’s Services



Andy Evans – Chief Finance Officer (Section 151 Officer)

On behalf of the Department for Education, Signed by:



Tom Goldman – Deputy Director, Funding Policy Unit