



Dedicated Schools Grant ‘Safety Valve’ Agreement: York

1. This agreement is between the Department for Education and City of York 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 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
2021-22	£13.6m
2022-23	£15.4m
2023-24	£16.6m
2024-25	£17.2m
2025-26	£17.1m

3. The authority agrees to implement the DSG management plan that it has set out. This includes action to:
 - 3.1. Manage demand appropriately by supporting more children and young people in mainstream settings and appropriate and timely ceasing of Education, Health and Care plans;
 - 3.2. Reduce the costs of SEND transport and support independence by improving strategic and individual commissioning and contract management. This will include reductions in the costs of out of city placements, a review of banding and SEND transport;

- 3.3. Support the inclusion of children and young people with SEND in mainstream settings to improve outcomes and reduce requests for specialist provision, including the development of pre-and post-diagnosis support pathways;
 - 3.4. Create more enhanced resource provision in mainstream schools to support the transition of children with a primary need of autism and associated social, emotional and mental health needs to reduce out of city placements;
 - 3.5. Increase the number of young people with SEND in employment in the 19-25 age range by preparing post 16 and post 19 for adulthood, with a focus on routes to employment post 19;
 - 3.6. Build on successful pathways out of education and into employment and training that have been implemented. A network of inclusive employers has been established in York and is working well;
 - 3.7. Access relevant capital bid opportunities to enhance support in schools;
 - 3.8. Implement additional training and support for mainstream settings and schools.
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 **£7.6 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, York 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	£7.6m
2022-23	£2.5m
2023-24	£2.5m
2024-25	£2.5m
2025-26	£2.0m

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.
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;

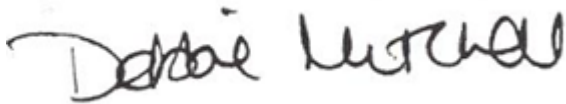
- 8.2. Significant changes to national SEND policy, for example as a result of the government SEND Review, which impact on elements of the plan;
- 8.3. Insufficient progress being made towards the authority reaching and sustaining an in-year balance on its DSG account as set out in the plan;
- 8.4. Whether York 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.

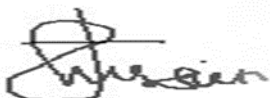
On behalf of City of York Council, Signed by:



Ian Floyd - LA Chief Executive



Debbie Mitchell - Chief Finance Officer (Section 151 Officer)



Jamaila Hussain - Director of Prevention Commissioning and Education

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 series of loops and a long horizontal tail.

Tom Goldman – Deputy Director, Funding Policy Unit