



Department
for Education

Date: 17 February 2022

By email: susan.parsonage@wokingham.gov.uk

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Dear Susan Parsonage,

'SAFETY VALVE' INTERVENTION PROGRAMME 2022-23 FOR LOCAL AUTHORITIES WITH LAR

GE DSG DEFICITS

I am writing to notify your authority that you will shortly be invited to take part in the 'safety valve' intervention programme with the DfE in 2022-23 financial year. The aim of the programme is to agree a package of reform to your high needs system that will bring your dedicated schools grant (DSG) deficit under control.

Context

We are aware that, over recent years, pressures on high needs budgets have contributed to many local authorities accruing deficits on their DSG. The right response to tackling this is a multi-faceted approach which looks to the heart of the issues, taking in the significant increases in high needs funding that have been provided nationally; reform from the upcoming cross government SEND review; and targeted intervention for the local authorities who have struggled the most.

As a result of the 2021 Spending Review, nationally the core schools' budget will be increasing by £7 billion by 2024-25, compared to 2021-22, including a total £4 billion increase for schools and high needs next year. As a result, we announced on 16 December that high needs funding for children and young people with complex needs is increasing in the next financial year by £1 billion, to over £9.1 billion in total.

This unprecedented increase of 13% comes on top of the £1.5 billion increase over the last two years. Nonetheless, we know that in some areas the additional high needs funding will not, on its own, be enough to eliminate DSG deficits and enable authorities to manage themselves sustainably.

We began the safety valve intervention programme in 2020-21 and have continued with further authorities in 2021-22, targeting the local authorities with the highest DSG deficits. The programme requires local authorities to

develop substantial plans for reform to their high needs systems, with support and challenge from the department's expert team, to rapidly place them on a sustainable footing. If a local authority can demonstrate sufficiently that their DSG management plan creates lasting sustainability, including reaching an in-year balance as quickly as possible, then the department will enter into an agreement with the authority (subject to Ministerial approval).

Through that agreement, the local authority is held to account for the delivery of their reforms and savings targets via regular reporting to the department. Contingent on delivery of the reforms set out in the agreement, the department will help the local authority with additional funding over time to contribute to eliminating the historic deficit.

Participation

We are expanding the programme in 2022-23 to work with a larger cohort of local authorities. Wokingham has been selected as one of the local authorities to take part in the programme in 2022-23, as it has one of the highest percentage DSG deficits in the country.

We will run two rounds of the intervention programme in 2022-23. Your authority has been selected to take part in the second round of the intervention programme, which will begin in September. We will write to you with a formal invitation and further detail about the programme and timelines in the spring. In the meantime, we expect you to prioritise the development of your DSG management plan. The Education Skills Funding Agency (ESFA) will be in touch to request your latest DSG management plan for review in the coming months. This review will support and prepare your authority for the subsequent safety valve intervention programme, and we request that you prioritise working with the ESFA on your plan.

Alongside this expansion to the safety valve programme, the department will also be introducing a new support programme called Delivering Better Value (DBV) in SEND. This will provide £85m over 3 years to support a wider cohort of local authorities. It will provide dedicated support and funding to help these local authorities reform their high needs systems, addressing the underlying issues that lead to increased pressure and putting them on a more sustainable footing. The safety valve programme will target the local authorities with the highest DSG deficits, including your local authority, whilst the DBV programme will target LAs with substantial but less severe deficit issues. You will therefore not receive an invitation to the DBV programme.

We will be in touch with further detail about the safety valve programme and timelines in due course. In the meantime, please do get in touch if you have any questions at Safetyvalve.PROGRAMME@education.gov.uk.