



Department
for Education

Date: 18/07/2023

By email: stephen.peacock@bristol.gov.uk

Cc: abi.gbago@bristol.gov.uk, John.Smith2@bristol.gov.uk

Dear Stephen Peacock,

‘SAFETY VALVE’ INTERVENTION PROGRAMME 2023-24 FOR LOCAL AUTHORITIES WITH HIGH DSG DEFICITS

I am writing to invite your authority to take part in the Safety Valve intervention programme with the DfE this year. The aim of the programme is to agree a package of reform to improve the performance of your high needs system and ensuring it is delivered in a sustainable way, for the benefit of children and young people, whilst bringing your dedicated schools grant (DSG) deficit under control. This will build on the work already completed through the Delivering Better Value in SEND (DBV) programme.

Context

We are aware that, over recent years, pressures on high needs budgets have contributed to many local authorities accruing deficits on their Dedicated Schools Grant (DSG). The right response to tackling this is a multi-faceted approach which looks to the heart of the issues, building on the significant increases in high needs revenue and capital funding that have been provided nationally; targeted intervention for the local authorities who have struggled the most; and future change arising from the special educational needs and disabilities (SEND) and Alternative Provision (AP) Improvement Plan.

We began the Safety Valve intervention programme in 2020-21 and continued with further authorities in 2021-22 and 2022-23, targeting the local authorities with the highest DSG deficits. We have now signed 34 agreements in total, which can be viewed [here](#). We are expanding the programme to 5 further local authorities in 2023-24.

The programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the department, to rapidly place them on an effective and sustainable footing. If the authorities can demonstrate sufficiently that their DSG management plans create lasting sustainability, including reaching an in-year balance as quickly as possible, and will provide improved support for children and young people, then the department will enter into an agreement with the authority, subject to Ministerial approval.

If an agreement is reached, local authorities are held to account for the delivery of their plans via quarterly reporting to the Department. So long as we

are confident that adequate progress is being made, authorities will receive incremental funding to eliminate their historic deficits, spread out over the lifetime of the agreement (generally five financial years).

Participation

We are expanding the programme in 2023-24 to work with 5 additional local authorities. Bristol has been selected as one of the local authorities to take part in the programme in 2023-24 on account of the size of your 2022-23 DSG deficit, so I am writing to invite your participation and set out the next steps.

We are aware that your authority has taken part in the DBV programme. Your transition into the Safety Valve programme will mean that your engagement with DBV ceases, although your authority will continue to have your check in meeting if scheduled in July. The work your authority has completed through DBV will form the basis of your Safety Valve engagement, and advisers will work with you on further developing a DSG management plan. We strongly encourage you to continue to develop your DSG management plan over the summer, in preparation for your participation in the Safety Valve programme.

Timelines and Process

During this process, your authority should be working towards submitting a proposal to the department setting out:

1. How you will control your deficit and reach an in-year balance (as a minimum) on your DSG, and how quickly. We request that this be set out in the DfE DSG management plan template, which can be viewed [here](#). Your DSG management plan should also indicate any planned block transfer requests, which will be handled through the Safety Valve programme where required.
2. How Bristol will contribute to the reduction of the historic deficit through use of DSG surpluses, in addition to reaching an in-year balance.
3. How Bristol will ensure that the plan is deliverable, how it will be managed as it is implemented, and how this plan will improve support for children and young people with SEND. This includes agreeing who will be responsible for the ongoing monitoring of progress towards the agreement, which is discussed below.
4. A clear explanation of the financial support Bristol needs from the DfE to eliminate the historic deficit over the period of the agreement. This could include, if necessary, a request for some funding to help implement the proposal, as well as funding to eliminate the deficit directly, although we would not expect this to constitute a significant element of the total financial support requested.

The process will run as follows. We will invite you to an initial meeting by early October to discuss your current situation and plans with our Chief adviser

Tony McArdle, SEND adviser, financial advisers and DfE colleagues. We will ask you to give a short presentation on your existing DSG management plan and areas of focus, which we encourage you to develop as far as possible in advance of this meeting. This will enable the advisers to support you most effectively. This meeting should be attended by your Chief Executive, Director of Children's Services and Chief Finance Officer (section 151 officer) as a minimum.

Thereafter, we will ask you to work on your DSG management plan and proposals for reform over a period of 3 months, which we will discuss and challenge in regular meetings. This process will require significant time commitment from your officials.

- You will be required to submit an initial proposal consisting of a DSG management plan and accompanying narrative by **15 December** for review. This must clearly meet the four criteria listed above. The team will review this and provide feedback to you by early January.
- You will have an opportunity to make any final amendments before submitting your final proposal on **12 January**. The team will hold a final meeting with you and confirm whether your final proposal is sufficient for a recommendation to be made to the Secretary of State advising an agreement.
- If the proposal is approved by Secretary of State, we will enter into an agreement.

We will publish all agreements made in 2023-24 in **March 2024**. You will need to factor into the above timetable political clearance of the proposal within your authority, which we will be happy to discuss further with you.

Discussions regarding any potential DSG block transfers also form part of the Safety Valve process, rather than separate submission of a block movement request to the ESFA. The same applies to other disapplication requests that are directly relevant to the agreement. The Safety Valve team will explain this process clearly in the introductory meeting with your authority.

There will be an opportunity to request additional capital funding through the Safety Valve programme, in cases where investment in local infrastructure will result in the availability of more appropriate provision and therefore significant revenue savings. Further information and a detailed commission will be sent to your authority in the autumn.

Next steps

On receipt of this invitation, we are requesting, **no later than 7th August 2023**, that you confirm your authority's intention to participate in the Safety Valve intervention programme to the above timetable. As you do so, please provide times and dates that your leadership team can accommodate a 1.5hr meeting in the last week of September or first two weeks of October. Please prioritise this meeting as far as possible, given the tight timescales.

Subsequently, by 31st August, we request that you:

1. Submit your **latest** DSG management plan.
2. Submit your SEND strategy and any other relevant data. This should include any relevant work generated through the DBV programme.

If you have any queries, please do get in touch with the Safety Valve team at Safetyvalve.programme@education.gov.uk.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'TG', written in a cursive style.

Tom Goldman - Deputy Director, Funding Policy Unit