



Date: 9 February 2026

Dear Anne-Marie Bond,

### Closure of the Safety Valve Programme

Today the Local Government Finance Settlement sets out the support local authorities (LAs) will receive from central government to deal with historic and accruing Dedicated Schools Grant (DSG) deficits, through the High Needs Stability Grant, along with conditions for accessing this support [page 3 of [Government response to the 2026-27 provisional Local Government Finance Settlement & Explanatory note on the government's approach Dedicated Schools Grant deficits](#)].

The High Needs Stability Grant will be paid in Autumn 2026, subject to your local authority submitting, and securing the Department for Education's approval of, a local SEND reform plan. For all the LAs in the Safety Valve programme, the new deficit grant will provide at least as much financial support as you would have received through the remainder of your Safety Valve agreement. Given this wider and universal approach to DSG deficits, we have therefore decided to close the Safety Valve programme with effect from the 1 April 2026. Safety Valve agreements will be replaced by this wider approach to DSG deficits and local area SEND reform plans.

In the calculation of the new grant, LAs with a Safety Valve agreement will be treated equitably with other LAs and will not be disadvantaged by their participation in the Safety Valve programme. We will take into account local contributions that some LAs have already made as part of their Safety Valve agreement, counting them as part of LAs' 10% contribution under the new scheme. We will also ensure that all LAs receive at least the same amount of grant through this new arrangement as they would have through Safety Valve.

This letter sets out arrangements for LAs in the Safety Valve programme in more detail.

### How the grant will be calculated for LAs with a Safety Valve agreement

To ensure an equitable calculation of the grant, we will apply a specific calculation for local authorities who participated in the Safety Valve programme:

$$\begin{aligned} & \textit{High Needs Stability Grant} \\ & = (0.9 * (25 - 26 \textit{ Deficit} + \textit{ Safety Valve Payments} + \textit{ Local Contributions})) \\ & \quad - \textit{ Safety Valve Payments} \end{aligned}$$

Where:

<i>25-26 Deficit</i>	Is the total DSG deficit recognised in the unusable reserve that is eligible for relief, i.e. excluding any ineligible spend or charges, net of Safety Valve Payments, Local Contributions and any other surplus DSG balance recognised as at 31 March 2026.
<i>Safety Valve Payments</i>	Is the total of all Safety Valve payments that have been made to the local authority since the start of their agreement until the end of 2025-26, as per published agreements.
<i>Local Contributions</i>	Is the total of Local Contributions made by the local authority as agreed within the Safety Valve Programme as at 31 March 2026.

We will be in touch in due course to confirm the total amount of local contributions that you have made to reduce the DSG deficit as part of your Safety Valve agreement as well as the total Safety Valve payments you have received.

### **Safety Valve monitoring reports and payments**

All monitoring reports for 2025-26 have been collected and reviewed and all Safety Valve payments for 2025-26 have been made. There will be no requirement to submit any further Safety Valve monitoring reports and no further Safety Valve payments will be made. Instead, through the approach set out above, we will ensure that you receive at least the same amount through the High Needs Stability grant as you would have received through any remaining Safety Valve funding.

### **Your Safety Valve plan**

We would like to thank you for the work and engagement you have shown throughout your participation in the Safety Valve programme. Although the programme is now coming to an end, the progress made and commitment to your plans are recognised and appreciated. As you develop your local SEND reform plan, we hope the foundations established through this work will support your next steps. We expect you will be able to make use of your Safety Valve plan and integrate those elements that will support continued progress and help you to realise the vision set out in the upcoming schools white paper.

### **Support from expert advisers**

You will continue to receive support from your expert SEND adviser and financial adviser as you develop and implement your local SEND reform plan.

### **Disapplications linked to Safety Valve agreements**

Disapplications for 2026-27 have been dealt with, and will not be affected by the end of the Safety Valve programme. Disapplications for future years will be handled in line with arrangements for other LAs.

Thank you for your team's hard work and commitment throughout your Safety Valve agreement. We wish you every success as you begin the development and implementation of your local SEND reform plan.

Kind regards,



Tom Goldman

Deputy Director, Funding Policy Unit