



# The SEND system needs £4.6bn extra funding and bold action now

Without swift and definitive action, and £4.6bn extra High Needs funding each year, the system that supports our most vulnerable children will only spiral further out of control.

At a time when we are so focused on levelling up and in recovery from a global pandemic, it seems counter-intuitive that SEND support is so badly resourced. It is also a false economy.

The cumulative local authority High Needs budget deficit is estimated to be around £2.3bn and is increasing daily. The latest estimates conclude that the cumulative local authority High Needs budget deficit across England will be around £3.6bn by March 2025.

This is reinforced by the number of local authorities that are working with the DfE through its intervention and support programmes – The Safety Valve Programme (34 LAs) and the Delivering Better Value in SEND programme (55 LAs). These programmes have been introduced to assist those local authorities with the greatest deficits.

So far, the programmes have shown that while local authorities are, in the main, doing all the right things, meeting the cost of future growth and inflation is likely to negate any savings that the programmes bring. If anything, due to ongoing increases in demand, deficits will only get worse.

To continue to significantly under-resource SEND services is counter-productive. It puts huge pressure on local authorities to make savings by reducing early intervention, which puts more pressure on the higher, more costly types of support. It also pits local authorities against families, further reducing confidence in the system, and is more costly long-term.

## SEND requires:

1. **£4.6bn extra baseline funding**
2. **Substantial additional capital funding provided to local authorities to provide additional SEND places**
3. **The removal of inequalities in the High Needs funding formula to make SEND budgets fairer**

While the Government's SEND and Alternative Provision Improvement Plan makes some good suggestions – such as making mainstream schools more inclusive and the introduction of benchmarks – there is no mention of the additional funding and resources to make them happen.

We believe it will take some years for the recommendations to be implemented in full – by which time the crisis in SEND will have deepened even further. As it stands, the demand and expectation for SEND provision far outweigh the funding and capacity in the system, so we need bold action now.

## £4.6bn extra funding is required

f40, backed by other organisations involved in education, such as the NEU, ASCL, NAHT, EYA and NGA, believes the High Needs Block requires an additional £4.6bn a year just to prevent the crisis from getting any worse. This has been estimated through the growth of Education, Health and Care Plans (EHCP) and inflationary pressures since 2015.

This additional £4.6bn is only 0.2% of national income. England is way behind our competitor nations when it comes to how much we invest in education. We spend only 4.2% of our national income compared to 5% among members of the Organisation for Economic Co-operation and Development (OECD).

All schools, both specialist provision and mainstream, need more funding, support, and training to meet the needs of SEND pupils, and the system needs major policy changes to reduce the reliance on EHCPs and to ensure mainstream schools become more inclusive.

## Fairness of funding

For those schools and local authorities that receive the least High Needs funding, the problems are exacerbated. We urge Government to remove existing protections and level up funding, so that all children are given the same opportunities before additional funding is added on for specific needs and area living costs. SEND funding is currently based on historical need, which bears no resemblance to the needs of today and means local authorities with similar SEND responsibilities can receive wildly different funding.

## Increased need

The crisis in SEND has been on a rising trajectory since 2010. Demand for SEND support increased with changes to the Code of Practice in 2014, and in December 2018 the ISOS partnership published research into the pressures and laid out the path we were on. Since then, the COVID pandemic has further exacerbated the challenges.

To put this into a local context, one f40 local authority member was supporting 3,290 Education, Health and Care Plans (EHCPs) in January 2018 and by the close of 2022 was supporting 5,323, with a further 923 in the process.

Of course, this phenomenal rise in need is not only creating a pressure on High Needs budgets, but also on schools. Our mainstream schools are having to meet an unprecedented level of SEND need and our special schools are full to overflowing.

As mainstream school funding slips into real term reductions again in 2023/24, the resources and staffing to support children with SEND will again reduce. Special school base funding has been at £10,000 a place for around 11 years, and during that time, the number of children with SEND has continued to rise.

So, what do we need to do?

A key facet of the SEND and Alternative Provision Improvement Plan is supporting mainstream inclusion. If we want to achieve that we have to continue increasing mainstream school budgets, and we must invest in mainstream SEND. That means a National Funding Formula that ensures funding is reaching the schools with most need, along with targeted, ringfenced budgets for SEND that reflect the context and cohort of the school.

## Extra capital funding

We must also invest in our specialist provision. We need more specialist SEND places now, not in five years.

The recent announcement of £2.6bn of capital funding to support specialist provision was welcome but was nowhere near enough, especially with rising school-build costs and an historic lack of investment. In the recent rounds of bidding for capital funding, many LAs were unsuccessful.

We believe significantly more capital funding is required to help reverse the historic 80% cut in schools devolved formula capital funding in 2011-12, which is limiting schools' abilities to make local improvements to help inclusion.

New funding should be fairly distributed to allow all local authorities to decide how best to provide additional provision and capacity.

Government needs to find a way to fund many more capital projects, or else we risk more children going into expensive independent special schools, which broadly cost twice as much and contribute to the growing deficit budgets we now see.

Finally, we need to ensure that local High Need systems can meet children's needs earlier. Too often, support is only available at the point of crisis and not at the point of need. Primary and infant schools are really feeling this pressure. Whilst many children are identified as requiring additional intervention from the Early Years and infant stages, they are not assessed or given extra funding until well into Key Stage 2, which is too late.

With greater early intervention and extra funding, children may be better equipped to meet their milestones and the long-term reliance on SEND support may be reduced.

**Our approach to SEND must change. Children deserve the right support, in the right place, at the right time.**

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