



Briefing note: Post-pandemic funding for SEND pupils: is it enough?

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Summary

- The Covid-19 pandemic has had a profoundly disruptive impact on education. Pupils with Special Educational Needs and Disabilities (SEND), whose inclusion was already a challenge before the pandemic, are at risk from being disproportionately affected.
- £867m per year have been added to the capital investment component of SEND funding over the next three years, in an effort to reduce the chronic funding shortfall faced by local authorities. It is a substantial acceleration of an upward trend in SEND funding and represents a 13% increase over the 2021-2023 period.
- Despite the significance of this additional funding, it remains unclear whether it would be enough to keep pace with the rise in the number of pupils with SEND and/or in special schools.
- If the rate of increase in the number of SEND pupils remains constant, then the additional funding in 2022-2023 will be barely enough to maintain high needs funding per SEND pupil.

Recommendations

- Policymakers should consider increasing further SEND funding to help SEND pupils cope with the consequences of the pandemic disruptions on their education.

The Covid-19 pandemic has had a profoundly disruptive impact on education. Pupils with Special Educational Needs and Disabilities (SEND), whose inclusion was already a challenge before the pandemic, are at risk from being disproportionately affected. The Chancellor announced as part of the 2021 spending review that he was “more than tripling the amount” invested in special education needs. The Autumn Budget and Spending Review 2021 details “£2.6 billion of new funding across the next three years for new school places for children with special educational needs and disabilities” (HM Treasury, 2021, p.166). This amounts to a yearly increase in high-need funding by around £867m per year for the next three years.

How does SEND funding work?

In January 2019, 1.3 million pupils in England (14.9% of all pupils) were recorded as having SEND. 20.6% of all pupils with SEND had legally enforceable entitlements to specific packages of support, set out in education, health, and care plans (EHC plans). Around 90 % of SEND pupils attend mainstream schools and 10 % attend special schools (NAO, 2019).

Funding for SEND in England is not allocated as a separate amount per pupil. SEND funding is part of the overall Dedicated Schools Grant (DSG) allocated to each local authority to fund their schools’ budget.

DSG is a ring-fenced specific grant that supports local authorities’ schools budget. Funding is allocated through four funding

blocks, and each comprises different proportions of total DSG: the Schools Block (78 % of total DSG in 2020/21), the High Needs Block (13 %), the Early Years Block (8 %) and the Central Schools Services Block (1 %).

The High Needs Block funding pays for places in special schools and alternative provision, and top-up funding for mainstream schools above the £6,000 per-pupil threshold.

SEND funding in mainstream schools is allocated per annum as follows:

School block funding:

- an average of approximately £4,000 per pupil; and,
- up to £6,000 per pupil with SEND who required extra support.

High-need funding

If schools need to spend more than this £6,000 threshold, they may apply to their local authority for top-up funding.

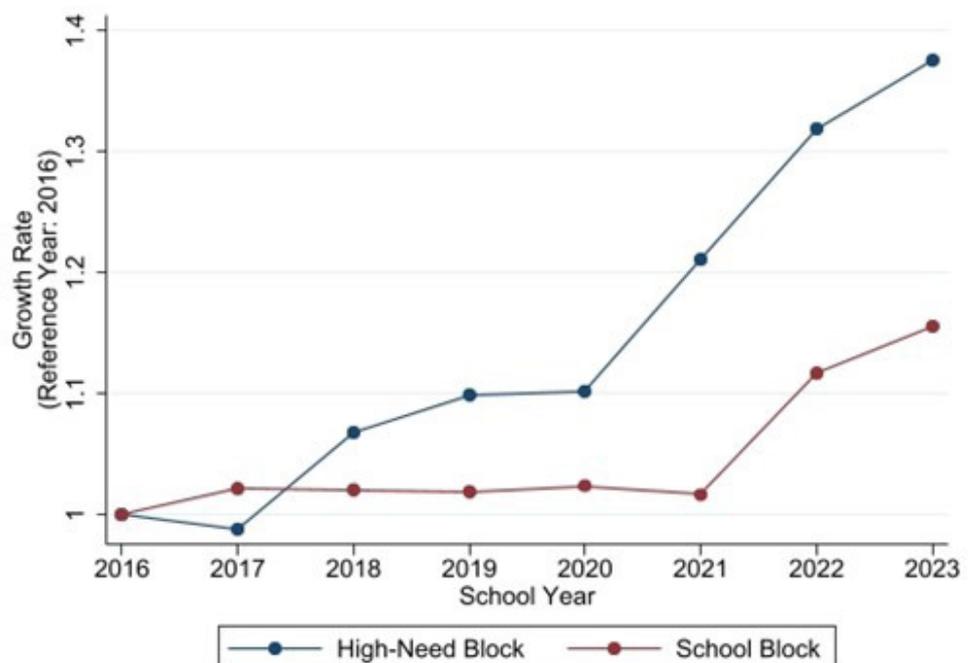
For example, Pupil A has an EHC plan and attends a mainstream school. The total cost of meeting Pupil A needs is £15,000. This is funded by:

School block funding:

- £4,000 allocation for mainstream education
- £6,000 of additional SEND costs.

Figure 1 - Growth Rate of High-Need Block and School Block (2015-2023)

Source: Author’s computations using DSG budget sheets.



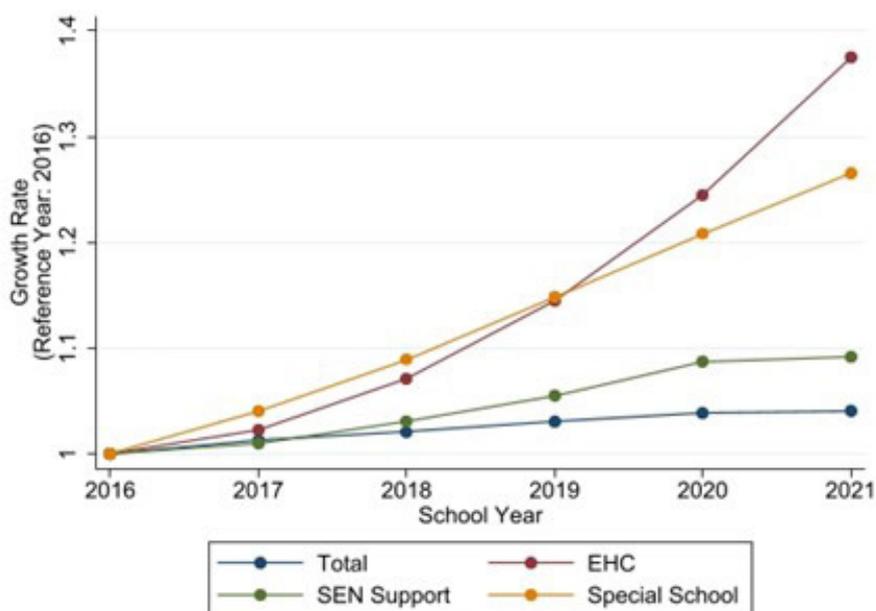


Figure 2 – Growth Rate of Pupil with SEND and Pupils in Special Schools

Source: Author’s computations using DfE statistics on pupils.

High-need funding:

- £5,000 of top-up funding

For special schools (entirely funded by the High Needs Block), either maintained schools or academies, a similar system is in place, but they are funded at the higher level of £10,000 per SEN pupil, with any extra ‘top-up’ funding then provided by the local authority.

For example, pupil B has an EHC plan and attends a special school. The total cost of meeting Pupil B’s needs is £21,000. This is funded entirely via the High Needs Block.

Is the post-pandemic SEND budget enough?

Local authorities have been experiencing a chronic funding shortfall. Research commissioned by the Local Government Association has found that councils are facing a shortfall in high needs funding of at least £889 million in 2020-2021 (Local Government Association, 2018).

The additional funding announced in the 2021 Budget represents a substantial increase in funding and accelerates an upward trend. As shown in Figure 1, there is an upward trend in High Needs Block funding with 40 % growth between 2016 and 2023 compared to only 20

% growth for the Schools Block. The 2021 Budget announcement is a substantial acceleration of this upward trend as it represents a 13 % increase over the 2021-2023 period.

Despite the significance of this additional funding, it remains unclear whether it would be enough to keep pace with the rise in the number of pupils with SEND and/or in special schools (See Figure 2 below). Because the Schools Block has no element ring-fenced for SEND provision and the Department does not ask schools how they use the funding, it is difficult to estimate how much schools spend on SEND support (NAO, 2019).

We observe that, over the 2016-2021 period, the number of pupils with an EHC plan has increased by almost 40 % and the number of pupils in special schools has increased by almost 30 % due to increased parental demand for SEND funding (Figure 2).

Over the same period, the high-need funding has only increased by 20 %. Because each SEND pupil has different needs with different costs, it is not possible to precisely estimate a shortfall in SEND funding per pupil without data on each of these needs and their costs. To get a broad idea of the shortfall, we compute the funding per pupil with an EHC plan by dividing the yearly High Needs Block

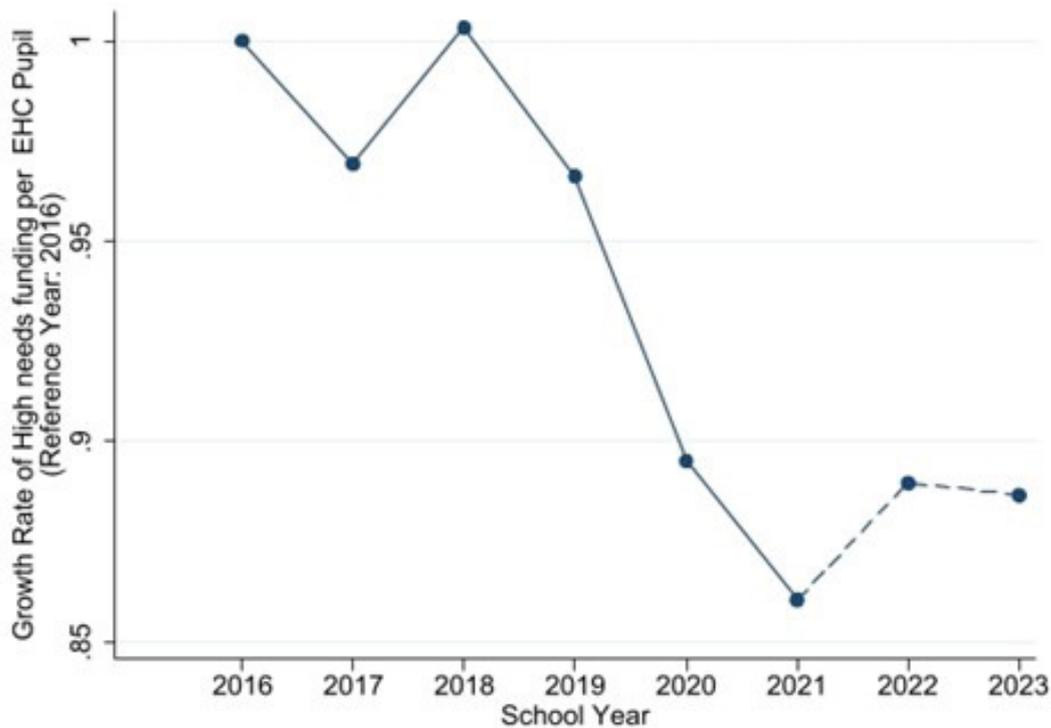


Figure 3 - Growth Rate of High Needs Funding per Pupil with an EHC Plan

Source: Author's computations using DfE statistics on pupils.

funding by the yearly number of pupils with an EHC plan. For the years 2022 and 2023, we assume that the number of pupils with an EHC plan continues to follow the same 10 % yearly increase rate. Between 2016 and 2021, high needs funding per EHCP pupil decreased by almost 15 %. If the rate of increase in the number of EHCP pupil remains the same, then the additional funding in 2022 and 2023 will be barely enough to maintain high needs funding per EHCP pupil.

Overall, this suggests that the recent increase in funding might be barely enough to keep up with the current increase in SEND pupil numbers. The Covid-19 pandemic has worsened the financial situation for many schools and is likely to have made the issue of SEND funding even more urgent to address.

An issue that needs to be further explored is the government's choice to increase capital funding rather than revenue funding (which covers staff costs). For example, it would be interesting to explore further whether there is enough SEND staff to cover for the new school places for SEND pupils, especially in the context of staff shortages.

References

Local Government Association (2018). Have we reached a 'tipping point'? Trends in spending for children and young people with SEND in England.

HM Treasury (2021). Autumn Budget and Spending Review

NAO (2019). Support for pupils with special needs and disabilities in England, National Audit Office.