



National Audit Office



REPORT

Support for children and young people with special educational needs

Department for Education

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Support for children and young people with special educational needs

Department for Education

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

16 October 2024

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Key facts

1.9mn

estimated number of children and young people aged 0 to 25 years with special educational needs (SEN) in January 2024

£10.7bn

DfE's 2024-25 budget for local authorities', schools' and colleges' spending on educational support for children with higher needs

69%

proportion of young people with SEN at key stage 4 who, in 2021/22, were in sustained education, employment or training after leaving 16 to 18 study compared to 85% for those without

140%

increase in the number of children with an education, health and care (EHC) plan, or equivalent statement of special educational needs, from 240,000 in January 2015 to 576,000 in January 2024

55%

proportion of school pupils in England with an EHC plan who were attending state mainstream schools in January 2024, compared to 48% in January 2019

50%

proportion of children waiting for an EHC plan for longer than 20 weeks (the statutory expectation) in 2023

31%

proportion of 35 local area SEND inspections that Ofsted and the Care Quality Commission found had 'widespread and/or systemic failings' between January 2023 and March 2024

£4.6 billion

DfE's central estimate, as at October 2024, of the cumulative deficit in the dedicated schools grant at the end of 2025-26

£3.4 billion

central estimate of the gap between DfE's forecast high-needs costs and the current level of high-needs funding, adjusted for forecast inflation, in 2027-28

In this report we use 'SEN' to refer to all children and young people with special educational needs, including those whose needs arise because of a disability. Use of the term 'child' includes young people. Financial years are written as, for example, '2023-24' and run from 1 April to 31 March; school and college academic years are written as '2023/24' and run from 1 September to 31 August.

Summary

1 Based on an NAO estimate, around 1.9 million children and young people aged 0 to 25 years in England (11%) were identified as having special educational needs (SEN) in January 2024, with 1.7 million at school. A child or young person has SEN if they have a learning difficulty or disability which means they need special educational provision beyond that required by most others of the same age. The definition of SEN is broad, relative not absolute, and based on an assessment. All those with SEN should receive support reflecting their individual needs, which could be within mainstream school, specialist or alternative settings.

2 There are two categories of support for children with SEN, which broadly reflect their level of need. Most will receive additional support at school, which we describe in this report as ‘SEN support’. However, if a child’s needs cannot be met, they have a legally enforceable entitlement to specific support set out in an education, health and care (EHC) plan. Between 2015 and 2024 there was a 140% increase (to 576,000) in 0-to-25-year-olds with EHC plans, with a 14% increase (to 1.14 million) in state school pupils with SEN support.

3 The Department for Education (DfE) is accountable to Parliament for the SEN system and alternative provision, alongside securing value for money from the funding it provides, through local authorities, to schools and other education settings. Local authorities, working with national and local bodies, have a statutory responsibility to ensure children receive the support they need. Health services have a responsibility to provide, when clinically required, medical assessments, routine health checks, and healthcare. DfE’s dedicated funding for those with greater needs totalled £10.7 billion in 2024-25, with other organisations also using wider funding to support SEN.

4 Through the Children and Families Act 2014, government aimed to introduce significant changes to the SEN system for: children’s needs to be identified earlier; families to be more involved; mainstream schools to be inclusive; support services to be better integrated; and appropriate support to remain up to age 25. In September 2019, our report on support for pupils with SEN found that whilst stakeholders welcomed these reforms, many pupils were not being supported effectively and the system was not financially sustainable.¹ At the same time, DfE recognised the system was not working and launched a review.

¹ Comptroller and Auditor General, *Support for pupils with special educational needs and disabilities in England*, Session 2017–2019, HC 2636, National Audit Office, September 2019.

5 DfE and the Department of Health and Social Care (DHSC) jointly published review findings in a March 2022 green paper, which found the system created “vicious cycles” of worsening performance with needs being identified late, insufficient capacity, and a lack of confidence in the system. In March 2023, DfE and DHSC published an improvement plan setting out how they would tackle the most immediate challenges and decide on future changes. DfE continues to implement initiatives set out in the plan but, as it was published by the previous government, this no longer represents official policy.

Focus of our report

6 This report assesses how well the current system is delivering for children and young people (from birth to 25 years) in England identified as having SEN. It also looks at DfE’s progress in addressing the underlying challenges to providing a sustainable system that achieves positive outcomes for children. This report:

- describes the support available, outcomes achieved for those with SEN, DfE funding, and DfE’s strategic approach (Part One); and
- examines DfE’s actions to restore confidence and create a sustainable system (Part Two).

Whilst recognising the criticality of other bodies, such as health organisations, within the SEN system the report does not assess how well these other bodies operate. It also does not assess support provided in higher education settings given the different funding and legislative frameworks.

Key findings

Performance of the system

7 **Since 2019, there has been no consistent improvement in outcomes for children and young people with SEN.** DfE’s underlying objective for the system is to improve outcomes for young people. Improvements in educational attainment have been inconsistent, albeit with some positives, although DfE is not achieving its ultimate ambition relating to what young people do after school. In 2021/22, 69% of those with SEN at key stage 4 were in sustained education, apprenticeship or employment after leaving 16 to 18 study, compared to 85% for those without. This reflects similar proportions to 2018/19 (paragraph 1.6 and Figure 1).

8 Families and children lack confidence in a SEN system that often falls short of statutory and quality expectations. Stakeholders told us that insufficient capacity, and long waiting times, contributed to low parental confidence. For example, the proportion of EHC plans issued within the statutory 20-week target was 50% in 2023, after being around 60% from 2018 to 2021. In 2023, DfE described the system as increasingly adversarial. The proportion of EHC plan decisions taken to a tribunal, the final recourse for complaints, increased from 1.6% in 2018 to 2.5% in 2023. On quality, Ofsted and Care Quality Commission joint local area SEND inspections found that between January 2023 and March 2024, 11 (31%) of 35 local areas had “widespread and/or systemic failings leading to significant concerns about the experiences and outcomes” for those with SEND. Ofsted’s parent survey covering the year to April 2024 showed that 86% of parents of children with SEN at state special schools felt their child got the support they needed, with 56% for state secondary schools and 71% at state primary schools. Research shows inconsistency between schools identifying SEN (paragraphs 2.2 to 2.7 and 2.10).

9 DfE does not know with confidence how much capacity should be planned, and where, to meet future needs. Many children will have needs that can be met in mainstream schools, while for others a state special school (or exceptionally, an independent school) is most appropriate. Between 2018/19 and 2023/24, despite a 31% increase in the number of children with EHC plans at state special schools (to 156,000), the proportion of those with plans attending this type of setting fell from 44% to 36%. Over the same period, the proportion attending state mainstream schools increased (from 48% to 55%), with a 7% to 9% increase at independent schools. These changes may be caused by shifts in underlying needs, changes in demand for certain settings, or capacity constraints. DfE has realistic estimates of pupil numbers that state special schools can support, but not mainstream schools or other settings. A better understanding of what causes these movements, spaces available and what settings work best for whom would help DfE plan future capacity (paragraphs 2.22 to 2.24, and Figure 10).

10 State special schools are over capacity which may lead to poor value for money. In 2023, DfE estimated that national demand for state special school places exceeded capacity by at least 4,000 pupils. Some special schools had spaces, but the schools that were over-capacity were supporting more than 9,500 extra pupils. This may mean children are not in the most appropriate setting, including more expensive independent schools where the number of children with EHC plans increased by 17,000 between 2018/19 and 2023/24. This cost local authorities £2.0 billion in 2022-23, a real-terms increase of 46% from 2018-19. Independent schools are generally more expensive, at an estimated £61,500 a space compared to £23,900 in state special schools. Between 2021-22 and 2024-25, DfE increased its capital funding for creating special school places. It is now seeking to better understand what settings achieve the best outcomes for children, and where spaces are needed, but because most funding has been allocated, special school capacity may not be optimal (paragraph 1.12, 2.23 and 2.25 to 2.27).

11 If unreformed, the SEN system is financially unsustainable. DfE funds local authorities so they can meet their obligations to appropriately support children with SEN. Between 2014-15 and 2024-25, DfE increased its high-needs funding allocations by 58%, to £10.7 billion. With an increase in EHC plans, real-terms funding per plan fell by 35%. In 2022-23, 101 local authorities overspent their high-needs budget which has contributed to growing cumulative deficits within their dedicated schools grant (DSG). Local authorities' budgets indicate that these deficits will total £2.9 billion at the end of 2024-25, creating a significant imminent financial pressure. Since 2020, the Ministry of Housing, Communities and Local Government (MHCLG) has allowed local authorities to exclude DSG deficits from their main revenue budgets. This accounting treatment ('the statutory override') means local authorities do not breach their statutory duty to set a balanced budget. It does not, however, address the underlying financial pressure. With no currently identified solution, DfE estimates that a significant proportion (on current estimates, some 43%) of local authorities will have deficits exceeding or close to their reserves in March 2026 when the statutory override is due to end. DfE estimates that the cumulative deficit will be between £4.3 billion and £4.9 billion at that time, with a central estimate of £4.6 billion. DfE is working with HM Treasury and MHCLG to find a solution. Looking ahead, for 2027-28 there is an estimated mismatch of between £2.9 billion and £3.9 billion when comparing current funding, maintained in real terms, against forecast costs (paragraphs 1.9, 2.17, 2.29 to 2.31 and 2.35 to 2.36).

Improving the current system

12 DfE has committed to improving the system, undertaking various initiatives, although there is no evidence these will fully address the challenges. The 2021 spending review, and 2023 improvement plan, set out plans to improve the system. This included DfE taking some steps to standardise EHC plans and define national standards. However, of the 60 stakeholders – including nine local authorities – that we engaged with as part of this work, none felt that DfE's improvement plan would sufficiently address the systemic problems they saw, with little focus on challenges such as workforce and early identification of SEN. This echoed findings from a July 2024 Local Government Association and County Councils Network commissioned report. DfE has yet to develop a comprehensive benefits management strategy that fully identifies the expected benefits and costs of initiatives beyond the 10 in its 2021 Spending Review (paragraphs 1.16 and 1.17, 1.20 to 1.23, 2.1 and 2.9).

13 DfE has set up programme management processes but has not brought together its initiatives into a clear actionable plan, making it harder to understand progress and make decisions. The 2023 improvement plan listed 42 commitments, which DfE has developed into an internal list of 136 actions. This includes some concrete and measurable steps (for example, developing national standards) and vaguer ambitions. Although DfE has put in place risk and governance structures, which the Government Internal Audit Agency (GIAA) found to be “broadly effective”, GIAA also highlighted the need for “proportionate, detailed plans”, reflecting the project’s nature and complexity. We found DfE does not have a fully developed implementation plan reflecting interdependencies between proposals, how much they cost, and how long they would take. Also, routine management information focuses on activity and does not cover the whole programme, or have metrics to consider progress and identify challenges (paragraphs 1.17 to 1.23).

14 DfE has taken steps to tackle local authorities’ immediate financial pressures, but these will not provide a sustainable system. In 2021, DfE introduced its Safety Valve programme to support local authorities with the highest deficits. In May 2024, it assessed that 22 out of 33 participating local authorities were on track to realise expected savings. However, this programme will not achieve savings quickly. Twenty-eight agreements set target dates to eliminate deficits after March 2026 when the statutory override ends. In 2022, DfE launched the Delivering Better Value programme for local authorities without a Safety Valve agreement but with substantial deficits. The programme exceeded savings targets in 2022-23. Nevertheless, local authorities participating in these programmes forecast cumulative deficits totalling £9.1 billion in 2028-29. DfE has proposed a qualitative review to assess how the Safety Valve programme will impact outcomes for children (paragraphs 2.32 to 2.34 and Figures 12 and 13).

15 Since 2014, DfE has been aiming for mainstream schools to be more inclusive, but there is limited evidence of progress. As set out in the 2014 legislation, DfE considers that supporting children in mainstream schools, wherever possible, provides them the best start in life and is more cost-effective. In spring 2024, DfE identified that 69% of primary school and 73% of secondary school leaders were confident their schools could effectively support pupils with SEN. However, DfE has not made clear what inclusivity could look like and there are limited incentives for schools to be inclusive. School performance data focus on academic attainment, Ofsted does not include a separate judgement on SEN provision within its published reports, and no specific school funding focuses on inclusivity. Stakeholders we heard from as part of this review told us that mainstream schools needed to be much more inclusive (paragraphs 1.3, 2.1 and 2.12 to 2.15).

16 The factors influencing rapid increases in SEN can be hard to quantify which inhibits DfE’s ability to focus on addressing root causes, many of which extend beyond its remit. Most of the increase in EHC plans between 2018/19 and 2023/24 related to: autistic spectrum disorders; speech, language and communication needs; and social, emotional and mental health needs. There were lesser increases across, for example, physical disabilities and visual and hearing impairments. Between 2015 and 2024, demand for EHC plans increased by 140% and SEN support within schools 14%. There are various possible reasons, including needs being better identified or changing over time, but the balance of factors is difficult to quantify. This creates a risk that DfE’s response, including increased funding, is neither targeted most effectively, nor addressing the underlying social, educational or medical causes which may extend beyond the education system. For example, DfE and stakeholders see it as critically important to identify and support needs earlier, but DfE does not have a process or funding to facilitate this (paragraphs 2.17 to 2.21, 2.28, Figure 8 and Figure 9).

17 Although organisations have clear responsibilities, misaligned priorities and incentives create challenges to a whole-system approach. As set out in legislation schools, local health service commissioners and providers, and local authorities have responsibilities across the SEN system. Although there are some cross-government arrangements, the system design creates challenges. For example, local authorities are held to account for provision but have limited levers to encourage changes within schools and health services. Health organisations undertake assessments to identify needs and provide healthcare support. Each NHS integrated care board must have a SEN executive lead, but two of 32 competing priorities relate to SEN. Schools can be incentivised to seek EHC plans to access additional high-needs funding, or exclude pupils with SEN, which conflicts with local authorities’ duties to find children school places and ensure value for money (paragraphs 1.7, 2.37 to 2.39 and Figure 2).

Conclusion

18 Following the Children and Families Act 2014, there have been significant increases in the number of children identified as having SEN, particularly those with EHC plans specifying a need for support in more expensive settings. Since 2015, demand for EHC plans has increased 140%, leading to 576,000 children with plans in 2024. There has also been a 14% increase in the number of those with SEN support, to 1.14 million pupils in school. These changes have increased the cost of the SEN system. Although DfE has increased high-needs funding, with a 58% real-terms increase between 2014-15 and 2024-25 to £10.7 billion, the system is still not delivering better outcomes for children and young people or preventing local authorities from facing significant financial risks. DfE estimates that some 43% of local authorities will have deficits exceeding or close to their reserves in March 2026. This contributes to a cumulative deficit of between £4.3 billion and £4.9 billion when accounting arrangements that stop these deficits impacting local authority reserves are due to end. As such, the current system is not achieving value for money and is unsustainable.

19 DfE has been implementing its 2023 plan for system improvement, but there remain significant doubts that current actions will resolve the challenges facing the system. None of the stakeholders we spoke to believed current plans would be effective. The government has not yet identified a solution to manage local authority deficits arising from SEN costs, and ongoing savings programmes are not designed to address these challenges. Given that the current system costs over £10 billion a year, and that demand for SEN provision is forecast to continue increasing, the government needs to think urgently about how its current investment can be better spent, including through more inclusive education, identifying and addressing needs earlier, and developing a whole-system approach to help achieve its objectives.

Recommendations

20 Given the challenges facing the SEN system, DfE and the wider government should:

- a** explicitly consider whole-system reform, to improve outcomes for children with SEN and put SEN provision on a financially sustainable footing;
- b** undertake work to understand the root causes behind increases in SEN and demand for EHC plans and special school places to ensure the whole system addresses them; and
- c** build a more integrated system by, for example, developing a shared understanding of how identifying and supporting SEN should be prioritised, including within the health system; ensure those with accountability can act, including local authorities requiring providers to accept pupils; and consider where multi-disciplinary teams can make jointly-owned support decisions.

To make better use of funding, DfE should:

- d** as a matter of urgency, work with MHCLG and HM Treasury, to share with local authorities its plans for ensuring each local authority can achieve a sustainable financial position once the statutory override ends in 2025-26, including how cumulative deficits will be treated and any wider financial impact managed;
- e** develop its use of evidence to better understand how and why pupil numbers change across different settings to assess the need for spaces across local areas and types of setting, and how this will impact, for example, home-to-school transport costs;
- f** develop a vision and long-term plan for inclusivity across mainstream education. This should consider opportunities to adapt funding and accountability arrangements to encourage inclusivity, building an evidence base for where mainstream settings can best support children with SEN; and how to improve parents' confidence;

- g** ensure that it consistently translates its ambitions into an implementation approach with actions and sufficient detail on how improvements will be achieved, how much they will cost, how they inter-relate, how long they will take and the implementation risks;
- h** undertake a specific exercise, drawing on local authority insights, to identify and share opportunities for efficiencies. This should consider routine reviews of individual EHC plans to assess if they are working, and benchmarks for local authorities to assess how much specialised provision should cost; and
- i** improve the data, incentives and processes to ensure children's needs are identified and supported as early as possible, particularly within early years.

Part One

DfE's ambitions for the SEN system

1.1 The Department for Education (DfE) is ultimately accountable for the system of support for children and young people with special educational needs (SEN) in England. This part of the report describes the support available, outcomes achieved for those with SEN, DfE funding, and its strategic approach.

Special educational needs

1.2 A child or young person has SEN if they have a learning difficulty or disability which calls for special educational provision.² The legislation defines this as meaning that they have a:

- significantly greater difficulty in learning than most others of the same age; or
- disability which prevents or hinders them from making use of facilities of a kind generally provided for others of the same age in mainstream schools or post-16 institutions.

Children will have diverse needs of differing levels of severity and may have more than one type of need, with needs potentially changing over time. The definition of SEN is a broad, relative concept based on an assessment.

Entitlement to support

1.3 Through the Children and Families Act 2014, the government implemented major reforms intending “to put children and parents at the heart of the system”. Among other things, this aimed for children’s needs to be identified earlier, families to be more involved, mainstream schools to be inclusive, support services better integrated and support to remain in place up to the age of 25 where appropriate. The legislation also introduced ways to set out the support needed. This can be done through:

- **legally enforceable entitlements to specific support, set out in education, health and care (EHC) plans.** These describe the support and care needed, including naming the specific, or type of, school or setting children should attend. As at January 2024, there were 576,000 under 25-year-olds who had an EHC plan. This included 434,000 pupils at school, 5% of all pupils. Autistic spectrum disorders were the most frequently identified primary need (33% of those with EHC plans at state school); and

² Children and Families Act 2014.

- children without EHC plans being identified **as needing SEN support**. DfE collects data on those needing SEN support at school and for some of those in early years and post-16 settings. As at January 2024, 1,239,000 school pupils had been identified as having SEN without an EHC plan, including 1,140,000 in state schools (13% of pupils). Of these, speech, language and communications needs were most frequently identified (26% of children with SEN support), followed by social, emotional and mental health needs (22%).

1.4 DfE does not collect data to show how many 0-to-25-year-olds with SEN are supported across the system.³ We estimate this as around 1.9 million, with 1.7 million at school (Figure 15, Appendix Two). The proportion of children with SEN varies across the population. For 2023/24, at state schools, a higher proportion of boys (23%) had SEN than girls (13%) and SEN were more prevalent among disadvantaged pupils, representing 29% of those eligible for free school meals, compared to 15% of other pupils. These proportions have not significantly changed since we last reported in 2019.⁴ Since then, although the degree of variation between those with SEN and without remained consistent across local authorities, the proportions of pupils with SEN have increased – in most areas for SEN support and all areas for EHC plans.

1.5 Most pupils with SEN are taught in mainstream primary and secondary schools. In January 2024, 55% of 434,000 pupils with EHC plans and 99% of the 1,140,000 receiving SEN support in state schools attended mainstream schools. Some pupils, usually those with higher identified needs, attend specialist settings. In March 2024, of the 434,000 pupils with EHC plans, 36% attended a state special school, 9% an independent school⁵ paid for by the local authority, and just under 1% other settings (termed alternative provision). Local authorities arrange alternative provision for those who, because of exclusion, illness or other reasons, would not otherwise receive suitable education.

Outcomes for young people with SEN

1.6 DfE's underpinning objective for the SEN system is to improve outcomes for children and young people. Improvements in educational attainment have been inconsistent, albeit with some positives – such as in the proportion of those with SEN attaining GCSE English and mathematics by age 19, which improved to 43% in 2022/23 from 34% in 2018/19. However, in recent years, there has been no consistent improvement in DfE's ultimate ambition for what young people do after school. In 2021/22, 69% of those with SEN at key stage 4 were in sustained education, apprenticeship or employment after leaving 16 to 18 study, compared to 85% for without. These are similar proportions to 2018/19 (**Figure 1**).

³ DfE collects data for all those with EHC plans and those with SEN support in schools and some other settings.

⁴ Comptroller and Auditor General, *Support for pupils with special educational needs and disabilities in England*, Session 2017–2019, HC 2636, National Audit Office, September 2019.

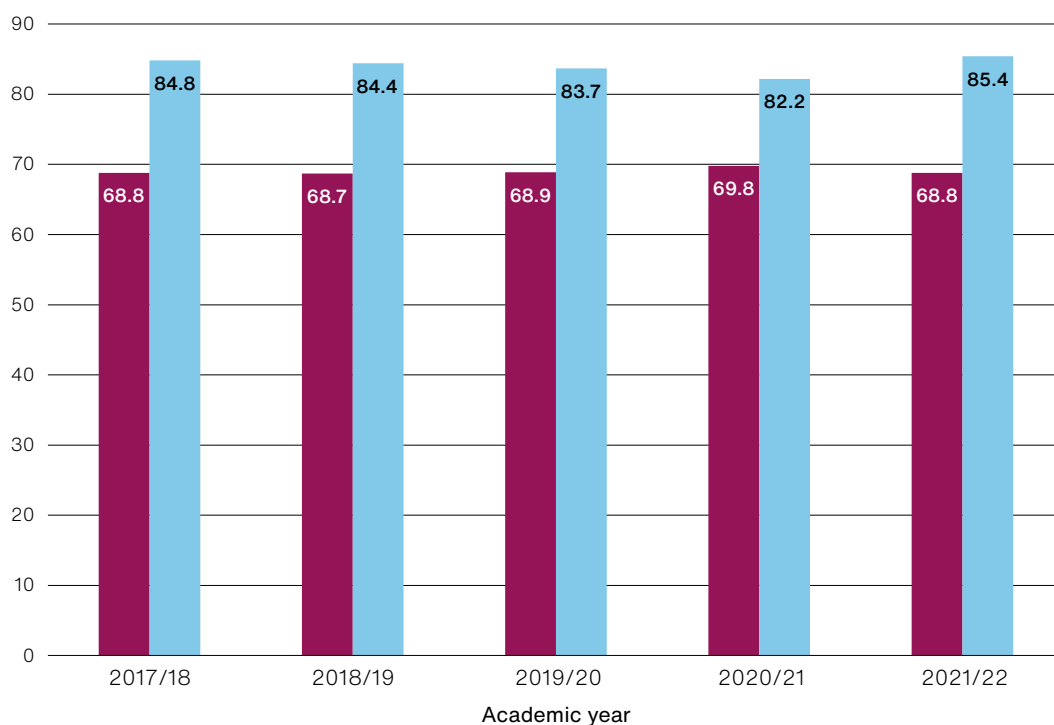
⁵ In this report, unless otherwise indicated, those with EHC plans at independent schools covers independent special, independent mainstream and non-maintained special schools. Non-maintained special schools, designated by the Secretary of State for Education, are non-profitmaking.

Figure 1

Proportion of students leaving 16 to 18 study achieving sustained destinations by special educational need (SEN) status at key stage 4, 2017/18 to 2021/22

The proportion of students with SEN at key stage 4 continuing to education, apprenticeship or employment for at least 6 months after 16 to 18 study has largely remained static since 2017/18

Proportion of students achieving sustained destinations (%)



- Students with SEN (education, health and care (EHC) plan or special educational needs (SEN) support)
- Students without SEN

Notes

- 1 The methodology changed for 2020/21 leavers counted in the 2021/22 data and DfE advise that comparisons to previous cohorts should be treated with caution.
- 2 Figures include those who attended 16 to 18 study in mainstream schools and colleges, including sixth form and other further education colleges, and exclude those who attended special schools, non-maintained special schools, alternative provision, independent schools or other government department funded colleges.
- 3 At the time of publication data were only available from 2017/18 to 2021/22.
- 4 EHC plans set out legally enforceable entitlements to specific support. SEN support means the additional support children with identified SEN, and without an EHC plan, receive at school.

Source: National Audit Office analysis of Department for Education data

Responsibilities for SEN provision

1.7 DfE is ultimately accountable to Parliament for the SEN system and ensuring value for money from its funding to support children with SEN in England. However, other government bodies have critical roles. As part of the 2014 reforms, DfE and the now Department of Health and Social Care (DHSC) jointly published a statutory code of practice setting out the duties of local authorities, health bodies, schools and colleges.⁶ Local authorities play a central role. They have a statutory duty to consider the views, wishes and feelings of the child and his or her parent; and the need to support children's development so they achieve the best possible educational and other outcomes. Relationships between these bodies can impact how effectively they work together (**Figure 2**).

Funding SEN support

1.8 It is not possible to identify all government funding for children, from birth to 25 years, with SEN. Government last estimated total funding to be just under £30 billion for 2017/18, with around a third of that relating to health services, a third to education and the remainder to other government bodies.⁷

1.9 Across early years, schools and post-16 years settings, DfE provides mainstream funding that can be used to support those with SEN alongside dedicated high-needs funding (**Figure 3** on page 18). Local authorities and the Education and Skills Funding Agency (ESFA) distribute funding to providers, such as schools, according to local characteristics and the number of children. The two funding routes comprise:

- **mainstream education budgets** to cover most provider costs, across school and college phases, based on formulae which include some factors targeting need. From these, DfE expects schools and post-16 settings to cover the first £6,000 of SEN costs per pupil each year. DfE introduced this expectation from April 2013, based on a 2009 estimate, as part of wider school funding reforms. It acknowledges that the current formula funding, combined with local decision making, is likely to mean children with similar needs receive different funding in different schools. In April 2023, DfE stated that moving towards calculating individual school, rather than local authority, allocations would lead to consistency and mean each school would receive an indicative SEN budget as a guide. During the 2010s, core education funding per young person fell, although DfE has increased this from 2019-20; and
- **specific high-needs funding** based on factors such as the number of children and how many are in poor health, with low attainment and living in deprived areas. Between 2014-15 and 2024-25, high-needs funding increased 58% in real terms, to £10.7 billion.⁸ However, as the number of EHC plans increased, per-plan funding fell 35% (**Figure 4** on page 19).

Under certain conditions, local authorities can transfer funding from mainstream education budgets for schools, early years and central services to high-needs.

⁶ Department for Education and Department of Health, *Special educational needs and disability code of practice: 0 to 25 years*, first published June 2014.

⁷ Analysis, undertaken by HM Treasury is indicative to illustrate the scale of spending across government.

⁸ This includes formula allocations within the high-needs block of the dedicated schools grant and, for special schools, teacher's pay additional grant, teachers' pension employer contribution grant and core schools budget grant. It does not include some funding that DfE allocates for high needs beyond this, or Safety Valve payments.

Figure 2

Summary of organisations' roles and responsibilities for special educational needs (SEN)

Various organisations have a role identifying and supporting children with SEN

Stage	Roles and responsibilities			
	Local authorities (including social care services)	Education providers (early years, schools and colleges)	Local health service commissioners and providers	Parents and families
Identifying children and young people with SEN	Carry out their role with a view to identifying all those who have or may have SEN.	Anyone can bring a child or young person to a local authority's attention.		
				Specific duty to notify the local authority if they identify certain children under school age with SEN or a disability.
Assessing the need for support	Must decide whether to assess the need for an EHC plan, which must be considered by parents – who can request a specific school. Legal obligation to consult parents and children to consider their views.	Right to request a local authority assess whether an education, health and care (EHC) plan is needed.		Right to request a local authority assess whether an EHC plan is needed.
Agreeing support to meet needs			Must provide a health assessment to be incorporated into EHC plan.	
	Must cooperate with health bodies to integrate education and training with health and social care services.		Must cooperate with local authorities to integrate education and training with health and social care services.	
Providing support agreed in EHC plan or SEN support	Provide children space in an appropriate setting.	Provide educational support. No obligation to take children unless specifically mentioned in an EHC plan, which the school must have been consulted on.	Provide health services, as set out in an EHC plan. These can be within educational settings when such services would not normally be provided.	
	Review the effectiveness of EHC plans at least every 12 months.	Regularly review SEN support.		
Managing transitions between settings and into adulthood	Prepare older children with EHC plans for adulthood.	Support young people in transition.	Support young people in transition.	
	Help young people transition to adult social care and health services.			
Accessible and effective redress if things go wrong	Must explain their processes for resolving disagreements, complaints procedures and means of redress.			

Notes

- 1 The Children and Families Act 2014 and the Care Act 2014 provide the main legislative framework. The *Special educational needs and disability code of practice: 0 to 25 years* first published in 2014, provides detailed statutory guidance on the primary legislation and secondary regulations.
- 2 EHC plans set out legally enforceable entitlements to specific support.
- 3 Other parts of government that may also have a role include the benefits and youth justice system. Local authorities also have wider responsibilities regarding schools and social care.

Source: National Audit Office analysis of stakeholder feedback and other data

Figure 3

Department for Education (DfE) and local authority funding to support children and young people with special educational needs (SEN), 2023-24

Local bodies use two funding types to support children with SEN

	Up to 5 years old	5 to 15 years old	16 to 25 years old
Mainstream education budget			
How it is allocated	Local authorities receive “early years block” funding to distribute using local rates.	Local authorities receive “schools block” funding to allocate to schools using local rates. They distribute funding to maintained schools and the Education and Skills Funding Agency (ESFA) distributes funding to academies.	Funding formula covers all young people aged 16 to 19 years, and 19- to 24-year-olds with an education, health and care (EHC) plan.
Size of allocation	£3.9 billion.	£42.9 billion.	£7.0 billion.
Amount for children with SEN	No specific amount. DfE does not estimate spend.	Schools should cover the first £6,000 of support costs for each child. Local authorities set notional budgets. In 2023-24, local authorities allocated £4.9 billion, with three-quarters allocating between 5% and 15% of their schools block.	Providers should cover the first £6,000 of support costs for each young person. DfE does not estimate spend.
Specific high-needs funding			
How it is allocated	Local authority budgets and ESFA allocations totalled £10.6 billion, with £10.0 billion of this through the dedicated schools grant high-needs block.		
Size of allocation	Early years: £0.2 billion.	Primary mainstream schools: £1.7 billion.	Post-16 (excluding school sixth-forms) including direct ESFA funding: £1.0 billion.
		Secondary mainstream schools, including sixth-forms: £1.2 billion.	
		Special schools (primary and secondary, including sixth forms): £5.8 billion.	
		Pupil referral units and alternative provision: £0.8 billion.	

Notes

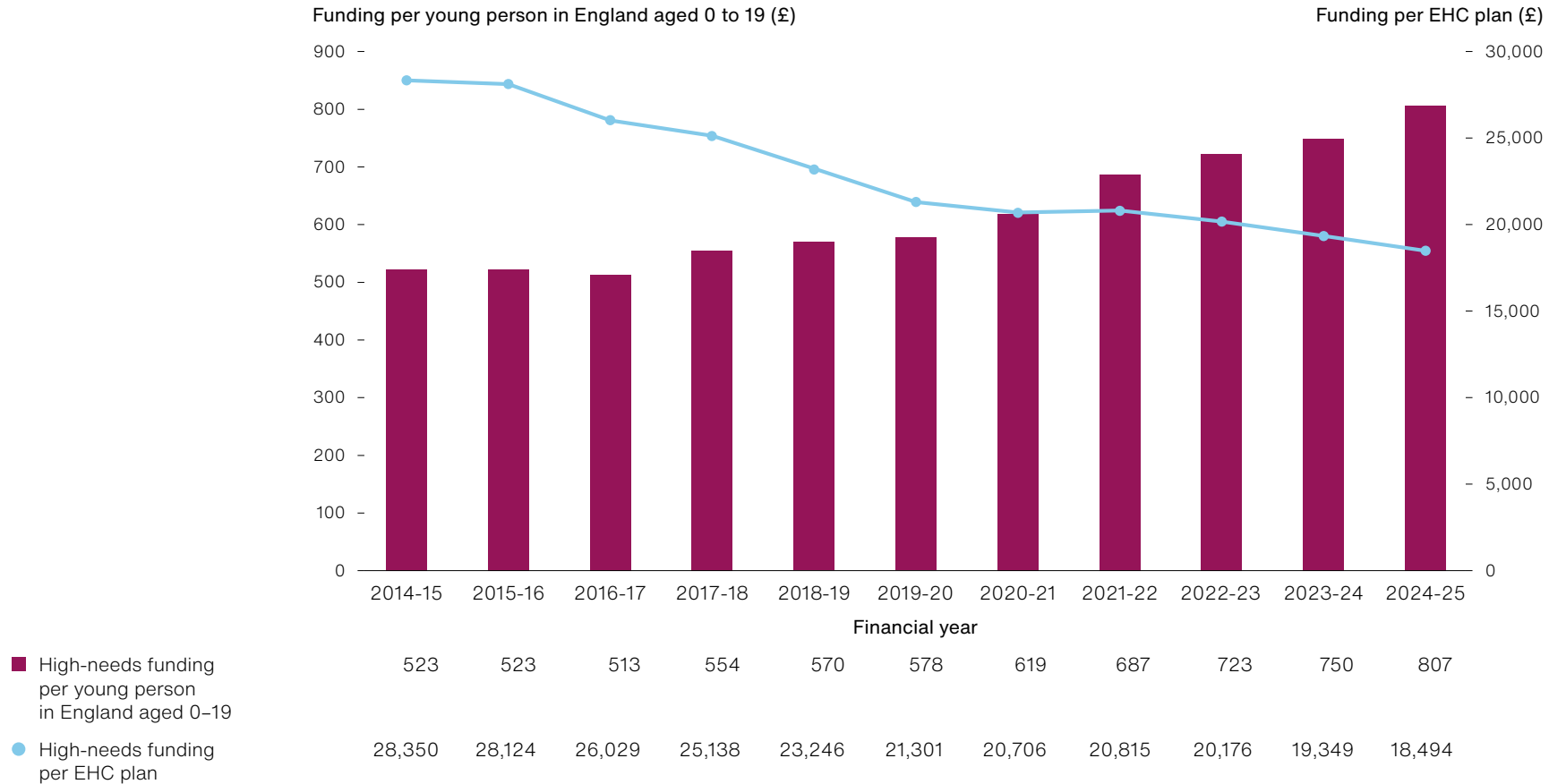
- 1 The Education and Skills Funding Agency (ESFA), an executive agency of DfE, administers funding to deliver education and skills. ESFA's functions will be brought into DfE from March 2025.
- 2 This figure uses 2023-24 budget figures as a 2024-25 breakdown is not yet available.
- 3 EHC plans set out legally enforceable entitlements to specific support.
- 4 Local authorities' budgets differ from central government allocations as they can spend other funding. DfE also provides local authorities funding to support schools, such as with admissions.
- 5 Post-16 high-needs provision includes £0.7 billion from local authorities' budgets and £0.3 billion more paid directly by the ESFA to some providers.
- 6 The £5.8 billion for special schools includes £39 million allocated by the ESFA for non-maintained special schools' place funding not included in local authorities' budgets.
- 7 Values may not sum due to rounding.

Source: National Audit Office analysis of published dedicated schools grant allocations and local authorities' high-needs budgets for 2023-24; and analysis of 16-to-19 funding allocations and high-needs places for the 2022/23 and 2023/24 academic years

Figure 4

High-needs funding 2014-15 to 2024-25, in 2023-24 terms

In real terms, high-needs funding per education, health and care (EHC) plan fell between 2014-15 and 2024-25



Notes

- 1 Figures are in 2023-24 terms, based on HM Treasury's GDP deflator published in June 2024.
- 2 EHC plans set out legally enforceable entitlements to specific support.
- 3 Population figures and EHC plan figures apply to calendar years; we have mapped these onto financial year data with, for example, 2023-24 mapped to 2023.
- 4 High-needs funding includes formula allocations within the high-needs block of the dedicated schools grant and, for special schools, teachers' pay additional grant (and separate historic teachers' pay grant), teachers' pension employer contribution grant and core schools budget grant. They do not include some funding that DfE allocates for high needs beyond this, or Safety Valve payments.

Source: National Audit Office analysis of published Department for Education data on high-needs funding allocations, Office for National Statistics population statistics, and the Department for Education's special educational needs survey

1.10 Because DfE allows providers, such as schools, to make spending decisions, it cannot fully determine how much is spent supporting pupils with SEN. However, in 2024-25, local authorities and the ESFA planned to spend high-needs funding on:

- places in state special schools and colleges, and high-needs places within mainstream schools such as SEN units or resourced provision ('place funding');
- individual pupils where costs exceeded the £6,000 a year allocated through mainstream funding or £10,000 for those in special education ('top-up funding'); and
- high-needs services delivered by the local authority, or under a separate funding agreement with a school or college.

1.11 In previous years, most local authorities' spending has been greater than their planned budgets. In 2022-23, the most recent year that spending data is available, local authorities' high-needs spending totalled £8.6 billion, in cash terms, with an additional £1.0 billion distributed by the ESFA. An increasing proportion of this has been spent on top-up funding (**Figure 5**). Stakeholders told us this could be inefficient, given payments are decided on an individual basis. Local authorities spend most of their high-needs budget on special schools. This increased 34% in real terms between 2018-19 and 2022-23, reaching £4.7 billion, with an additional £0.6 billion for state special places from the ESFA.

1.12 Between 2018-19 and 2022-23, local authority spending on independent schools increased by 46% in real terms to £2.0 billion. This reflects a 17,000 (87%) rise between 2018/19 and 2023/24 in those with EHC plans at independent schools, rather than per-pupil cost increases. DfE calculates that independent schools, estimated at £61,500 per pupil, continue to cost significantly more than other settings with an average £19,100 to support children with an EHC plan in mainstream secondary schools and £23,900 in state special schools. In 2019, we reported that the main reason local authorities had overspent their high-needs budgets was that more pupils were attending special schools, with some local authorities using relatively expensive independent provision as they did not have appropriate state school places.

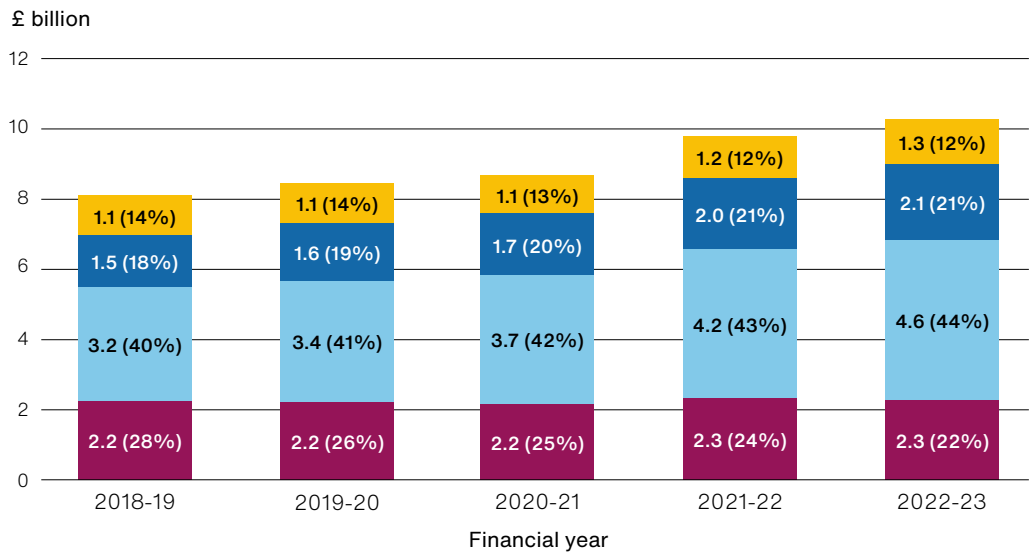
1.13 Local authorities use other funding to support those with SEN. This includes to:

- **provide home-to-school transport** – on which local authorities spent £1.4 billion in 2022-23, an 80% real terms increase from 2015-16; and
- **administer SEN support** – which rose 92% in real terms between 2015-16 and 2022-23, to £308 million. We heard from stakeholders how administrative processes associated with increasing numbers of EHC plans required considerable staff resource.

Figure 5

Local authorities' and the Education and Skills Funding Agency's (ESFA's) high-needs spending, 2018-19 to 2022-23

In real terms, place funding has stayed broadly flat, while top-up funding to state providers and spending on independent providers has increased



- Place funding
- Top-up expenditure - state
- Top-up and other expenditure - independent
- Other expenditure

Notes

- 1 Figures are in 2023-24 terms, adjusted for inflation using HM Treasury's GDP deflator published in June 2024.
- 2 ESFA spending figures are taken from dedicated schools grant allocations.
- 3 Values may not sum due to rounding.
- 4 Independent schools include non-maintained special schools.

Source: National Audit Office analysis of local authority and school expenditure data, and Education and Skills Funding Agency data on dedicated schools grant allocations, published by the Department for Education

DfE's strategic approach

Developing DfE's approach

1.14 In September 2019, five years on from the Children and Families Act 2014, the then government announced a major SEN review (**Figure 6**). It believed the 2014 legislation had led to better support for more children, but there had been difficulties. In September 2019 we reported that not all pupils with SEN were being supported effectively, and that the system was not, based on trends, financially sustainable.⁹ During 2021, with the review ongoing, government announced measures designed to address pressing financial challenges. This included financial support for local authorities and £2.6 billion for new school spaces for those with SEN.

1.15 In March 2022, DfE and DHSC jointly published a green paper summarising its review. This identified three enduring challenges which the 2014 legislation had been intended to address: failure to deliver improved outcomes for children, despite increased funding; declining parental confidence in the system; and a system that was not financially sustainable. The green paper also sought views on proposals which included national standards for identifying and meeting needs and an inclusive mainstream education. DfE's initial estimate was that around a quarter of 69 proposals would likely require legislation and around a third could be implemented under existing powers, with more work needed for the remainder. DfE concluded that primary legislation would be needed for the whole-system reform necessary to realise the green paper ambitions.

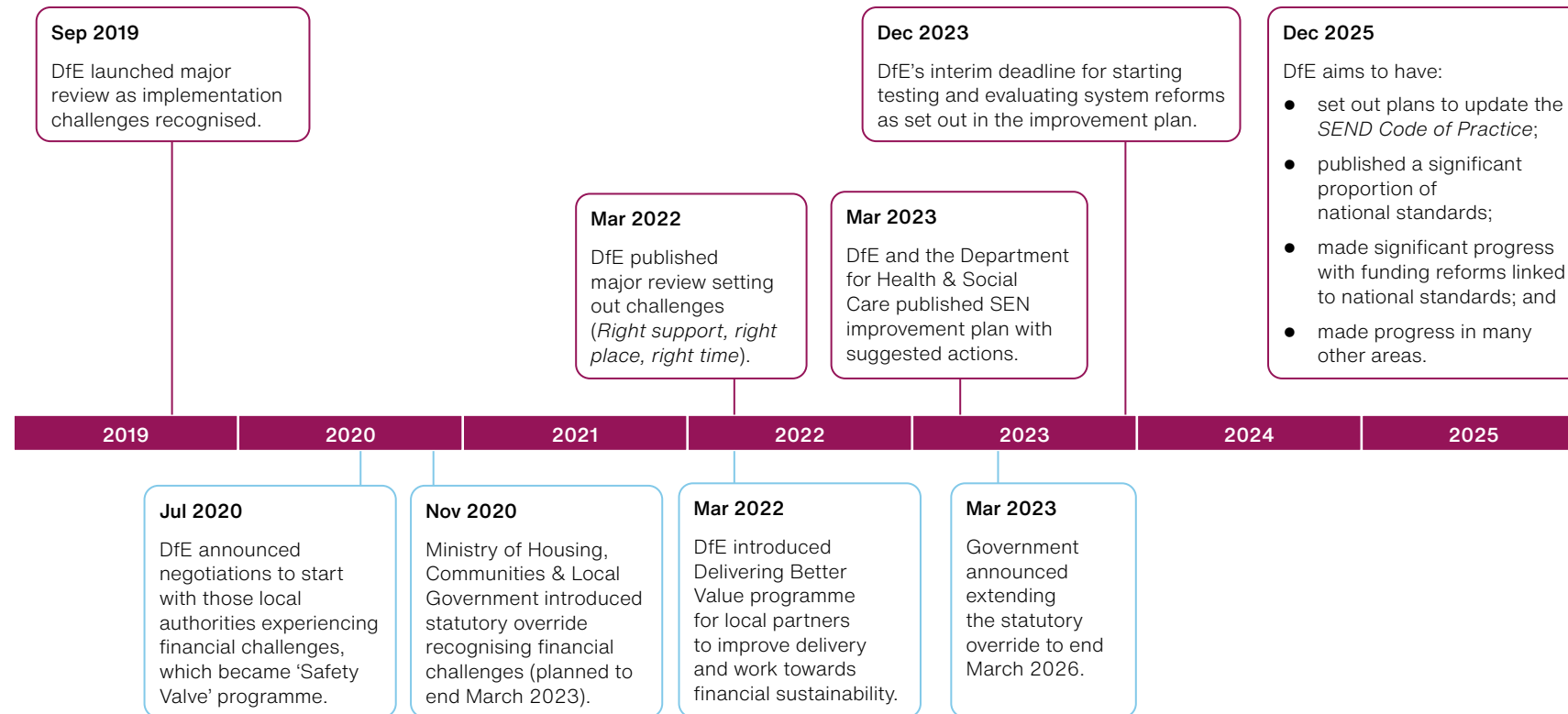
1.16 Following the consultation, in March 2023 DfE, jointly with DHSC, published a *Special Educational Needs and Disabilities (SEN) and Alternative Provision (AP) Improvement Plan*. This reiterated the challenges and concluded there was a "vicious cycle" of late intervention, low confidence, inefficient resource allocation and an increasingly adversarial system. The plan set high-level ambitions to fulfil children's potential, build parents' trust and provide financial sustainability through 42 commitments designed to provide national standards, successful transitions within the education system and on into adulthood, a skilled workforce, strengthened accountability, and financial sustainability. DfE has started a change programme to test and develop proposals and identify what would work best. It published an accompanying roadmap outlining progress expected by the end of 2023 and 2025. The plan was published by the previous government so no longer represents official policy.

⁹ Comptroller and Auditor General, *Support for pupils with special educational needs and disabilities in England*, Session 2017–2019, HC 2636, National Audit Office, September 2019.

Figure 6

Timeline of major events in the Department for Education’s (DfE’s) response to challenges across the special educational needs (SEN) system, 2019 to 2025

DfE has taken interim steps to address immediate pressures but is still developing and testing longer-term responses to challenges first recognised in 2019



- Understanding challenges and developing response
- Interim financial support

Note

1 The statutory override allows local authorities to exclude dedicated schools grant deficits from their main revenue budgets, an accounting treatment that stops the local authority going into overall deficit.

Source: National Audit Office analysis of Department for Education documents

DfE's approach

1.17 DfE is pursuing various interventions designed to improve the system's sustainability and effectiveness. For internal use, DfE has broken down its published commitments into 136 elements, including the 42 improvement plan commitments, and Spending Review 2021 interventions. Some elements are specific (such as national standards) but others are framed as broad aspirations. DfE does not have a clear plan detailing the specific actions and measurable outputs, budgets and timeframes needed to cost the proposed reforms, prioritise its resources and assess progress. In our 2019 report, we noted weaknesses with the 2014 reforms not being properly tested or costed, making it difficult to deliver on what was promised.

1.18 DfE has done some work to identify interdependencies between the 136 aspirations and actions and the responsibilities and interests of other stakeholders. However, it has no scenario planning or risk analysis to understand the potential impact or relative priority of each strand, or the extent to which they could be implemented without legislation.

1.19 To implement the improvement plan, DfE has put in place a programme board and project management office. In May 2024, the Government Internal Audit Agency (GIAA) found the governance, risk management and control framework over the implementation of the improvement plan to be "broadly effective by design and through operation" while also highlighting the need for "proportionate, detailed plans given the nature and complexity of the project". GIAA also found that reported risks and key performance measures were not mapped to the improvement plan's objectives and priorities, and there needed to be more effective challenge and scrutiny of projects.

Understanding progress

1.20 DfE is not consistently tracking progress implementing its 136 aspirations and actions. DfE told us that it sees them as collectively contributing to improving the system. It monitors progress introducing the Spending Review 2021 interventions, including change programme actions to co-produce, test and refine reforms working with nine regional partnerships, but these represent a subset of the 136 actions it has identified. As such, DfE cannot say how much progress it has made in implementing specific published commitments. Our assessment is that DfE's progress has been mixed. For example, by December 2023 DfE had aimed to:

- work with 32 local authorities to create evidence-based local inclusion plans. As at May 2024, 15 had drafted plans; and
- publish local and national inclusion dashboards to give transparency over local performance and strengthen accountability. As at September 2024, these have not been published.

1.21 DfE does not yet have clear processes to understand the potential and likely outcomes and benefits of its interventions, and determine what measures should form part of its longer-term approach. GIAA also found DfE could be clearer on how proposals would lead to benefits. For internal monitoring, DfE designed a 'benefits dashboard' that focused on proposals within the 2021 Spending Review, for which it identified 37 benefits attributed to specific interventions including Safety Valve and Delivering Better Value. At the beginning of 2024, it assessed 20 as on track, 13 not yet trackable, and four (all relating to financial challenges) at significant risk. When it updated the tracker in July 2024 (the most recent available at the time of our report) DfE assessed 12 as on track, nine at risk, nine at significant risk and seven not yet trackable.

1.22 DfE's programme board has access to regularly updated management information, but routine reports focus on activity, not progress achieving outcomes, which can give an overly positive view. In May 2024, for example, reporting suggested that financial intervention programmes (Safety Valve agreements and Delivering Better Value) were both on track, despite the wider financial challenges across the SEN system.

1.23 In Spring 2024, DfE began to develop a 'system health' report focused on measuring outcomes for young people leaving education. This was supported by four sets of output measures – such as increased parental confidence in the system – but did not consider the financial health of the system. DfE recognises it needs to better understand outcomes. It is undertaking wider analytical work, with evaluations of some interventions underway to report from early 2025.

Part Two

Securing long-term systemic improvements

2.1 In Part One, we outlined how the special educational needs (SEN) system works and the Department for Education (DfE) has organised itself given recognised challenges. However, the 60 stakeholders, including nine local authorities, that we engaged with overwhelmingly told us that DfE's steps would not be sufficient to address the root cause of problems even if fully implemented, with aspects such as workforce, inclusivity and early intervention missing. This resonated with a report commissioned by the Local Government Association (LGA) and County Council Network (CCN), published in July 2024, that concluded SEN reforms were essential. This part of the report examines DfE's actions to restore confidence and create a sustainable system.

Building confidence in the SEN system

2.2 The 2022 green paper and 2023 improvement plan both recognised that parents lacked confidence in the system. This had contributed to demand for education, health and care (EHC) plans, and specialist provision, which some saw as the only way to guarantee support. Stakeholders told us that insufficient resources and capacity within mainstream schools to identify needs and support children, alongside shortages in specialist staff, contributed to low parental confidence. DfE told us that it sees all its current interventions as contributing to improving confidence. Our analysis highlights priorities around meeting expected statutory and quality standards and making mainstream education more inclusive.

Meeting expected standards in identifying needs and providing support

How well the system identifies needs

2.3 The SEN system is not meeting expectations set in the 2014 legislation and statutory code of practice (**Figure 7**). Parents and families are waiting longer for EHC plans – in 2023 only 50% of EHC plans were issued within the statutory limit of 20 weeks, compared to around 60% from 2018 to 2021. There are wide local variations. In 2023, local authorities issued between 1% and 100% of EHC plans within 20 weeks, with 24 of 148 issuing less than 20%. Ofsted has identified that children experience particularly long waiting times (worsening since the pandemic) for speech and language therapists and educational psychologists. DfE's parent survey, alongside the local authorities we spoke to, also highlighted difficulties accessing specialists. Stakeholders highlighted concerns as some families could pay for quicker private assessments and support, leading to inequality.

Figure 7

Overview of experience across the special educational needs (SEN) system, based on stakeholder views and performance data, against statutory requirements

At all stages, the SEN system is not working as well as it should be

Key stages	What should legally happen	Problems identified across the system
Identifying SEN	Local authorities must carry out their functions with a view to identifying children and young people who have or may have SEN. Anyone can bring a child or young person to their attention. They may not need an education, health and care (EHC) plan.	Research from 2021 showed that for those of primary school age, the school they attended was most influential in determining whether they had SEN. Some local authorities and stakeholders told us that there needed to be more timely identification of needs.
Assessing whether an EHC plan is needed	Parents, young people, schools and colleges can all request a needs assessment for an EHC plan. Local authorities must decide whether to undertake such an assessment within six weeks and consult parents and children, having regard for their views.	Parents do not have confidence in the system as recognised by DfE and stakeholders.
Involving other agencies	Local authorities and local health commissioners must have joint arrangements to plan and commission SEN education, health and social care services.	Stakeholders highlighted some effective collaboration, but we also heard of difficulties in accessing health or social care which increased pressures on schools.
Agreeing support to meet needs	Local authorities must issue an EHC plan within 20 weeks, including 15 days for parents or young people to consider a draft. If a local authority decides not to issue an EHC plan it must tell families within 16 weeks and inform them of their right to appeal.	In 2023, 50% of EHC plans were issued within the statutory deadline. In 2022/23, there were 3,800 appeals against decisions not to assess for EHC plans and 1,250 appeals against decisions not to issue EHC plans – in both cases a 75% increase since 2018/19.
Securing an appropriate setting	Where a child or young person has SEN but no EHC plan there is a specific legal presumption that they will be educated in a mainstream school, only being placed in a special school in exceptional circumstances. For those with EHC plans, they must be educated in mainstream education unless against the wishes of the child's parents or the young person, or incompatible with the provision of efficient education for others.	We heard of many parents not being confident in mainstream schools meeting their children's needs, requesting EHC plans to access a particular setting.
Implementing the agreed support	EHC plans must set out detailed and specific provision for every identified need. Support should be regularly reviewed, with an EHC plan reviewed by the local authority at least every 12 months.	Data to show whether EHC plans are reviewed every 12 months are not available.
Managing transitions between phases and into adulthood	Support should include preparation for transitions between education phases. For older children with EHC plans, local authorities have a legal duty to include preparation for adulthood in the EHC plan review and, where appropriate, must help young people transition to adult social care and health services.	We heard that transitions, particularly from primary school to secondary and for school leavers, were not always well prepared for or managed.
Accessible and effective redress if things go wrong	Local authorities must explain their processes for resolving disagreements, complaints procedures and means of redress.	We heard of the SEN system often being adversarial and that local authorities' processes do not resolve complaints. The number and proportion of appeals to the tribunal continues to rise.

Notes

- 1 The Children and Families Act 2014 and the Care Act 2014 comprise the main legislation. The *Special educational needs and disability code of practice: 0 to 25 years*, first published in 2014, provides detailed statutory guidance on the primary legislation and secondary regulations.
- 2 EHC plans set out legally enforceable entitlements to specific support.

Source: National Audit Office analysis of stakeholder feedback and other data

2.4 The proportion of children identified as having SEN differs across local authorities. In 2023/24, this varied from 2.7% (Nottinghamshire) to 7.5% (London Borough of Tower Hamlets) for children aged 5 to 15 years with EHC plans, and from 9.9% (London Borough of Havering) to 17.3% (South Tyneside) for those identified as needing SEN support. Although there will be various factors, 2021 research showed that for children of primary school age, their school was the most important factor influencing whether they were identified as having SEN. Within deprived areas, the least disadvantaged children had a greater chance of being identified with SEN. Those who did not move area, or were not often absent from school, also had a greater chance of being identified with SEN.¹⁰ Other analysis, looking at children in state primaries in 2021, found more unsupported needs in more deprived areas.¹¹

2.5 Where families believe their rights are not met, they can appeal to a tribunal, the final recourse for complaints. The proportion of EHC plan decisions taken to tribunal increased from 1.6% in 2018 to 2.5% in 2023, contributing to a 159% increase in the number of decisions appealed, from 6,000 in 2018 to 15,600 in 2022/23. The proportion of appeals decided in favour of families rose from 92% in 2018/19 to 98% in 2022/23.

How well the system meets quality standards

2.6 Joint inspections of local area SEND provision, across education, health and social care, carried out by Ofsted and the Care Quality Commission (CQC) continue to find variable quality. These inspections evaluate how well local area partnerships work together and can make recommendations. In January 2023, Ofsted and the CQC launched a new inspection framework which represented a significant change in approach. This placed more emphasis on assessing how local partnerships work, established an ongoing cycle of inspections and introduced monitoring of those local area partnerships requiring improvement. Of 35 inspections completed by March 2024, 11 local areas (31%) were found to have 'widespread and/or systemic failings leading to significant concerns about the experiences and outcomes' for those with SEND, 14 (40%) 'inconsistent experiences and outcomes', and 10 (29%) 'positive experiences and outcomes'. Inspections completed before August 2023 found some good practice, especially for support in early years settings. However, local area plans were often poor quality, with better quality plans resulting from improved partnership working between families and health, social care and education professionals. A common weakness related to how local area partnerships collected and used data. Recognising room for improvement, in September 2024 Ofsted announced a review of the framework, during which it would pause monitoring inspections.

¹⁰ *Identifying pupils with special educational needs and disabilities*, Education Policy Institute, March 2021.

¹¹ *Inequalities in provision for primary children with special educational needs and/or disabilities (SEND) by local area deprivation*, Centre for Analysis of Social Exclusion at the London School of Economics and Political Science, November 2023.

2.7 Parents are more confident that their children can get the support they need at state special schools, with Ofsted assessing most as being good or outstanding. Ofsted's parent survey for the year up to April 2024 showed that 86% of parents of children with SEN at state special schools agreed their child got the support they needed, compared with 71% at mainstream primary and 56% in mainstream secondary schools. In August 2024, Ofsted had assessed 90% of 1,015 state special schools inspected as good or outstanding.¹²

2.8 Inversely, parents have less confidence in mainstream schools' ability to support their children. Separately from Ofsted's annual parent survey, in June 2023 DfE found just over half (55%) of parents of pupils with SEN had had concerns about the quality of education or SEN support their child had received.¹³ Two in five (41%) said they had never had such concerns. Ofsted considers SEN provision within mainstream school inspections, but their published reports do not include a separate judgement. Ofsted inspects ESFA-funded further education provision for learners with high needs and in 2023/24 judged 89% of 53 general further education colleges to be good or outstanding.

How DfE is responding

2.9 To improve consistency and quality, DfE, working with local authorities and wider partners, has various initiatives underway. These include projects to develop:

- a digitised EHC plan template. Stakeholders were broadly supportive of the new template, which local authorities felt would improve transparency and make it easier for children moving areas. However, some local authorities also reported they were already using digitised systems, and this was not a significant step forward; and
- national standards setting out what support local authorities, health bodies, nurseries, schools and colleges should provide, their respective responsibilities and how this should be paid for. DfE said in March 2023 it would prioritise areas such as speech and language development, autism, and social, emotional and mental health, and that it would start developing standards in spring 2023, with a significant proportion published by the end of 2025. DfE has not yet published draft standards for consultation, which may need legislation to be implemented, and it may take years to develop all standards. Stakeholders had mixed views on national standards, with some welcoming more standardisation, but others feeling this would be too inflexible given children's individual needs.

¹² This excludes non-maintained special schools.

¹³ DfE surveyed 3,294 parents with pupils in years 7 to 13 in June 2023, only asking this question of those having children with SEN.

2.10 DfE is in the early stages of introducing changes to address staff shortages across the system. For example, Ofsted reported insufficient qualified and experienced staff within many early years settings, which – combined with difficulties accessing specialist services – impacted children’s progress. Waiting lists for health services are significant, with (for example) more than 40,000 children waiting for speech and language therapy for more than 12 weeks as at June 2024. Local authorities and stakeholders also told us that mainstream schools face challenges accessing health support, with an example of teachers being asked to perform clinical tasks such as administering medication. Government has started to address shortages, making some progress, but this will take time. In particular:

- NHS England’s Long Term Workforce Plan includes, for example, increases in relevant professional training places such as speech and language therapists and occupational health therapists;
- The Department of Health and Social Care (DHSC) through the National Institute for Health and Care Research is commissioning research investigating the demand and availability of therapies for children with SEN to support workforce planning;
- DfE is investing £21 million in training educational psychologists across two cohorts, in 2024 and then 2025. However, an educational psychologist must train for six years from starting university to become qualified, and there are challenges recruiting and retaining educational psychologists in the public sector, with pay a key reason; and
- DfE, with NHS England, is trialling ways to identify and support those with speech, language and communication needs in early years and primary schools.

2.11 Mainstream schools must designate a qualified teacher or head teacher as their special educational needs co-ordinator (SENCO), ensuring they have sufficient time and resources to lead and co-ordinate SEN provision. DfE has amended regulations so that, from September 2024, all SENCOs need a leadership-level professional qualification within three years of starting the role. Across early years, DfE has focused on training SENCOs, aiming to train up to 7,000 by August 2024. However, it is behind schedule, with 3,937 settings having a qualified SENCO at the end of June 2024, although 6,772 settings had staff registered.

Making education settings more inclusive

2.12 DfE's ambition is for a presumption that children will attend mainstream schools wherever possible. Based on evidence, DfE sees providing inclusive mainstream education as the best way to ensure most children get the support they need given the available funding. To realise this ambition, DfE must ensure that settings are inclusive (such as through their staff and curriculum) and that parents have confidence these settings will support their children.

2.13 Teachers must have a clear understanding of all pupils' needs. Their confidence in being able to support children with SEN in mainstream schools has varied over time. In June 2023 just over half (56%) of teachers said they felt equipped to effectively support pupils with SEN. Since October 2021 the highest has been 63% and the lowest 52%. Also, 15 out of 21 further education colleges told DfE they believed they could effectively support pupils with SEN.

2.14 Schools are not incentivised to be inclusive, with an inclusive culture often depending on schools' leadership. In spring 2024, DfE found 69% of primary school leaders and 73% of secondary school leaders said they were confident their schools could effectively support pupils with SEN. However, DfE assessments of school performance emphasise academic attainment over broader measures of progress. Published Ofsted inspections do not cover inclusivity, although it plans to consult on this as an inspection criterion. Schools receive no additional funding to build inclusivity, although additional needs are considered as a factor within main funding allocations. Also, local authorities have no powers to require academies (48% of 22,000 state mainstream schools) to accept pupils with SEN unless specified in an EHC plan, on which the school must first be consulted. Since January 2020, there has been a 93% increase in children with SEN educated at home (to 5,770 in January 2024) with more pupils absent from school in 2022/23 compared to 2017/18.

2.15 Although there are positive examples of inclusivity in mainstream schools, DfE cannot assess progress without a clear idea of what inclusivity looks like, a longer-term strategy to get there, or benchmarks to assess performance. The Education Endowment Foundation, whose focus is socio-economic disadvantage and not SEN, has published recommendations for schools to support pupils with SEN which includes high-level principles for inclusivity. The proportion of pupils with EHC plans attending mainstream schools increased from 48% in 2018/19 to 55% in 2023/24. This could be because of capacity constraints in special schools, changes in need, parents' choices or increased inclusivity. Initiatives, such as the new national qualification for SENCOs are intended to improve inclusivity. In July 2024, DfE transferred responsibility for SEN from its Families Group – one of its six business areas – to its Schools Group to better focus on integrating SEN in mainstream schools.

Sustainability of the SEN system

2.16 In recent years, there have been significant increases in demand for SEN support and EHC plans. The system, including schools, health and care services, is not meeting current demand and, on forecast trends, is unlikely to meet future demand. This mismatch has created significant financial pressures.

Demand for EHC plans and SEN support

2.17 Since 2015, the number of children with EHC plans has increased each year (**Figure 8**). In 2024, 576,000 children aged 0 to 25 years had an EHC plan, 63% more than in January 2019 and 140% more than in January 2015. The largest proportionate rises since 2019 have been for those aged 20 to 25 years (89%), a group brought into the system by the 2014 legislation, and for children under five years (88%). This increase can be explained by more EHC plans being issued and fewer being stopped, particularly when children are in school. Since 2017 there have been at least 30,000 more new EHC plans each year than discontinued ones, and DfE data indicate that most EHC plans are discontinued after children leave school. All local authorities have increases, which ranged from 0.7% (Camden) to 3.7% (Liverpool) for those aged 5 to 15 years living in the area.

2.18 Comparable time data are not available for children with SEN support within early years settings and those having completed post-16-years education. However, within state schools, the number of pupils with SEN support rose by 14% to 1.14 million between 2015 and 2024.

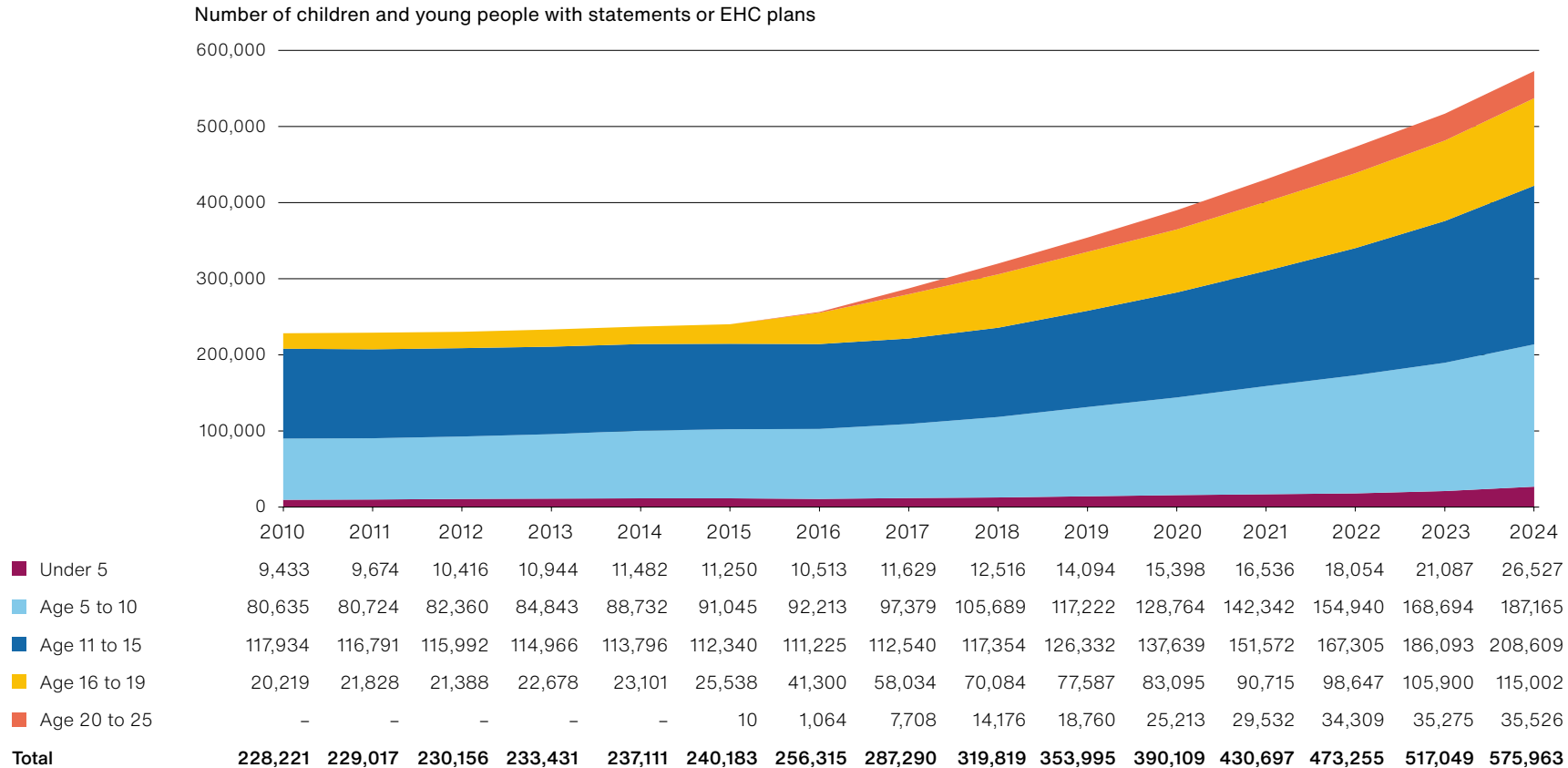
2.19 Increases across certain identified primary needs have significantly contributed to the greater demand, impacting the specialist support required. For example, for pupils at state schools with:

- EHC plans, 86% of the increase from 2018/19 to 2023/24 related to autistic spectrum disorders (40% increase), speech, language and communication needs (27%), and social, emotional and mental health needs (16%) (**Figure 9** on page 34); and
- SEN support, most of the increase related to similar conditions, with increases across social, emotional and mental health needs (40% increase to 254,000 pupils), speech, language and communication needs (28% increase to 292,000 pupils), and autistic spectrum disorders (74% increase to 104,000 pupils). Some primary needs fell in number, including moderate learning difficulties (18% decrease to 180,000).

Figure 8

Number of children and young people with education, health and care (EHC) plans and statements of special educational needs by age group 2010–2024

The number of children and young people with EHC plans has increased each year from 240,000 in 2015 to 576,000 in 2024



Notes

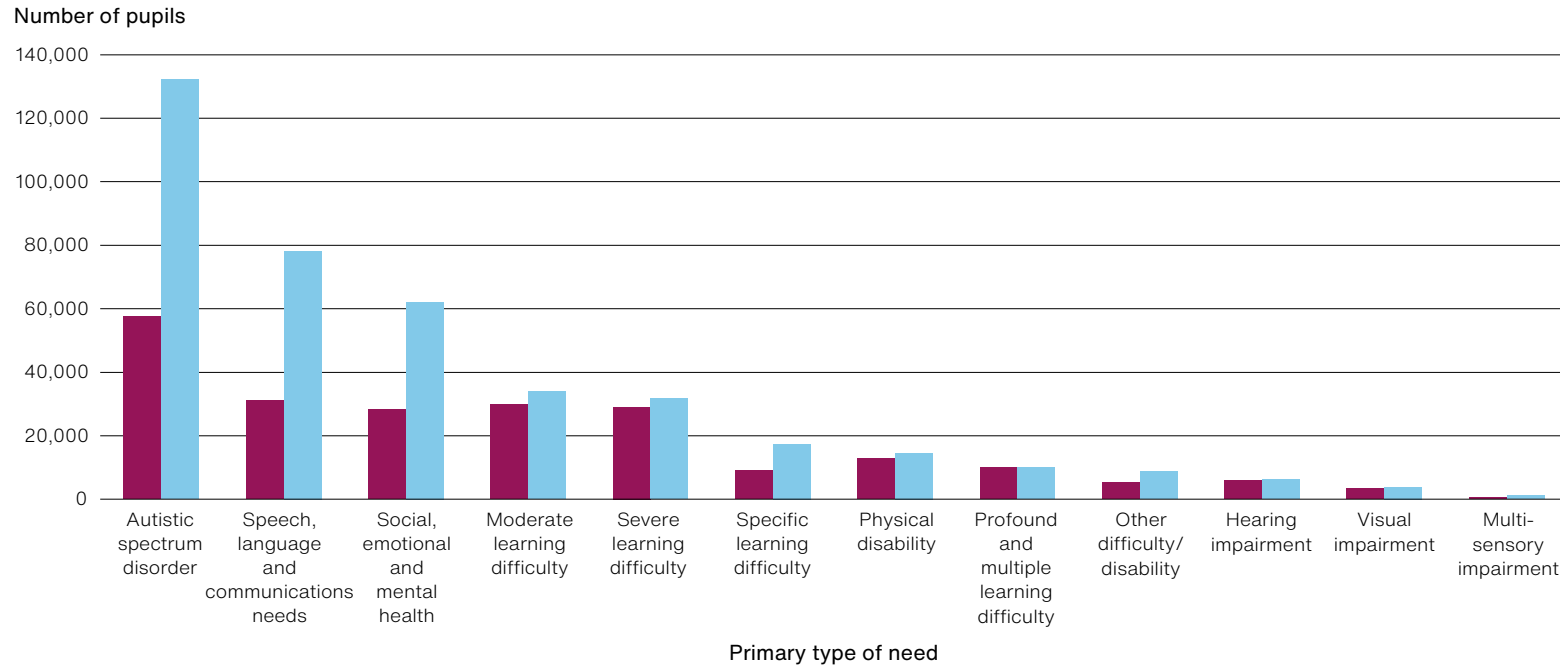
- Figures include those with statements of special educational needs, which were replaced by EHC plans in the Children and Families Act 2014. EHC plans set out legally enforceable entitlements to specific support. It does not include those with Learning Disability Assessments that preceded EHC plans in the further education sector.
- Figures include all children with EHC plans aged 0 to 25 years, regardless of the setting within which they are supported.
- The total for each age group does not match the total of all children with EHC plans for 2024 due to missing data for one local authority.

Source: National Audit Office analysis of Department for Education data on education, health and care plans

Figure 9

Number of pupils in state schools with education, health and care (EHC) plans by primary type of need, 2015/16 and 2023/24

The number of pupils with EHC plans with autistic spectrum disorder as the primary need has increased most



	Autistic spectrum disorder	Speech, language and communications needs	Social, emotional and mental health	Moderate learning difficulty	Severe learning difficulty	Specific learning difficulty	Physical disability	Profound and multiple learning difficulty	Other difficulty/disability	Hearing impairment	Visual impairment	Multi-sensory impairment
2015/16	57,474	31,045	28,344	29,741	29,036	9,009	12,914	9,984	5,277	5,956	3,343	634
2023/24	132,249	78,199	62,125	33,954	31,787	17,361	14,568	10,014	8,734	6,320	3,835	1,261

Notes

- 1 EHC plans set out legally enforceable entitlements to specific support.
- 2 Figure also includes pupils at non-maintained special schools.

Source: National Audit Office analysis of Department for Education data on special educational needs in England

2.20 To inform funding decisions, DfE has improved its modelling of future demand. As EHC plans rarely cease, DfE expects increases in early years to flow through the system as children progress. DfE's central estimate is that – without policy interventions – the number of EHC plans will nearly double from approximately 518,000 in 2022/23 to just over one million in 2032/33. It expects the largest increases to be for those with autistic spectrum disorders.

2.21 There is no comprehensive, evidence-based explanation behind these increases, but DfE and stakeholders we spoke to agreed there were various factors, some of which are also seen in other countries. There is evidence, for example, that autism diagnoses appear to be increasing across developed nations. The better increases are understood, the easier it will be to design changes to the education system and recognise where a wider cross-government response is needed. Hypotheses explaining the increases include:

- greater awareness and understanding of conditions within families, the medical profession and schools;
- cultural shift towards greater acceptance and support for those with SEN;
- conditions and needs changing, potentially accelerated by the impact of COVID-19 – although the incidence of social and communication needs had started to increase before the pandemic; and
- incentives for schools to request EHC plans for pupils to access high-needs funding, suspend pupils perceived as challenging or disruptive, or transfer pupils to special schools.

Capacity in the education system

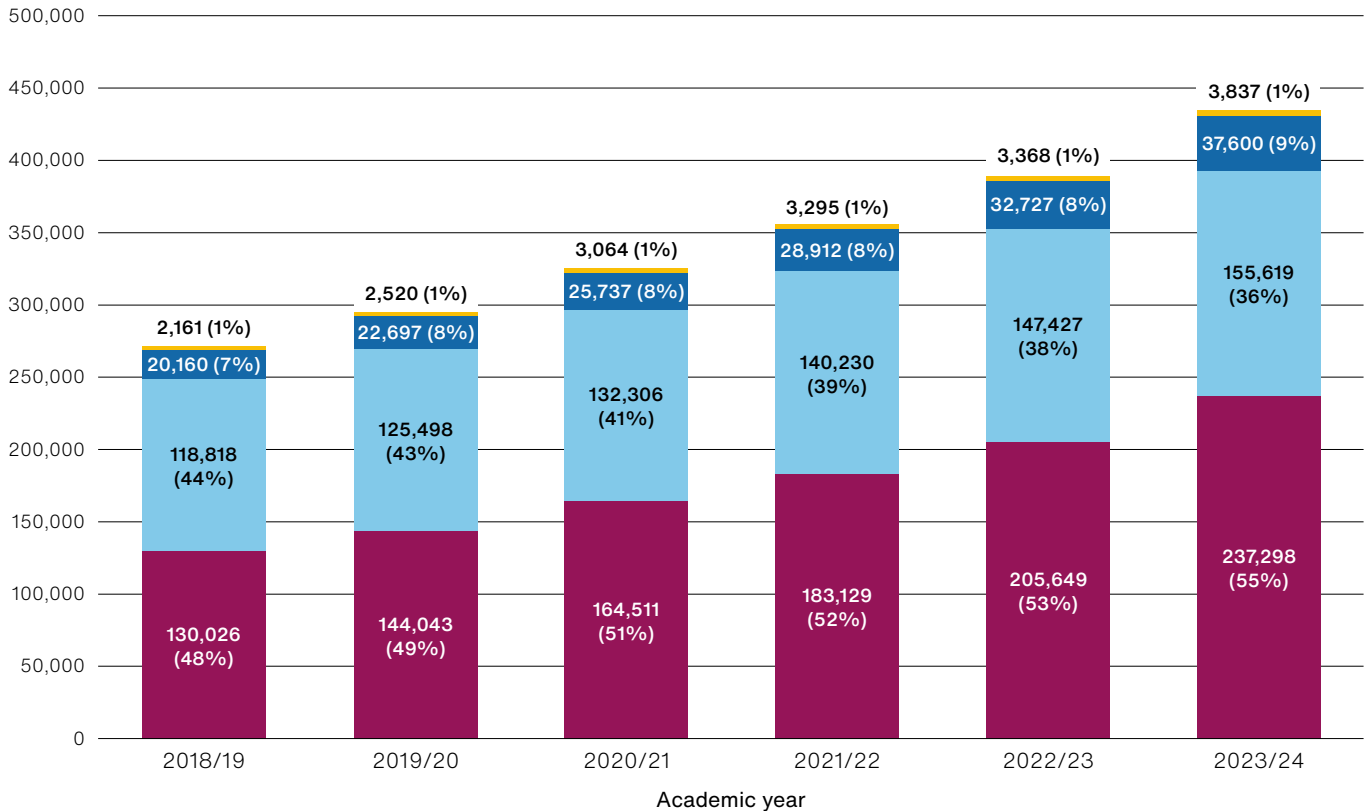
2.22 Since 2018/19, the numbers of pupils with SEN have increased across mainstream schools, state special schools and independent schools (**Figure 10** overleaf). In 2023, DfE started to collect information to better understand the capacity of mainstream and state special schools to support children with SEN, especially those with EHC plans. DfE now knows the capacity and number of pupils at each state special school, and the capacity of SEN units and specialist provision within mainstream schools. However, it does not know how many pupils mainstream provision, early years or further education settings can support to understand where provision may need to change.

Figure 10

Education settings for pupils with education, health and care (EHC) plans, 2018/19 to 2023/24

A greater proportion of pupils with EHC plans were in independent and state mainstream schools in 2023/24 compared to 2018/19

Number of pupils with EHC plans



- State mainstream schools
- State special schools
- Independent schools
- State alternative provision

Notes

- 1 State mainstream schools include state nursery, primary and secondary schools.
- 2 Independent schools include non-maintained special schools (4,000 pupils in 2023/24).
- 3 Figures may not sum due to rounding.
- 4 Alternative provision is made for pupils who, because of exclusion, illness or other reasons, would not otherwise receive suitable education.
- 5 EHC plans set out legally enforceable entitlements to specific support.

Source: National Audit Office analysis of Department for Education data on special educational needs in England

2.23 Insufficient capacity means children may not be supported in the most appropriate setting, and without complete data DfE cannot confirm that all are being well supported. DfE data show that in May 2023, national demand for state special school places exceeded capacity by around 4,000 pupils. Some special schools had spaces, but 63% of state special schools were at or over capacity, with over-capacity schools supporting over 9,500 extra children. In November 2023, Ofsted reported how it found many pupils awaiting specialist placements were supported in inappropriate settings for long periods, alongside the use of part-time timetables or alternative provision.

2.24 Between 2018/19 and 2023/24, the proportion of pupils with EHC plans in different settings has changed. The proportion at state mainstream schools increased from 48% to 55% and at independent schools from 7% to 9% alongside a fall from 44% to 36% at state special schools despite a 31% increase (to 156,000). The underlying reasons for these changes are unproven, although factors may include state special schools being over capacity.

2.25 DfE is considering the appropriate balance of capacity across different settings. In March 2024, it announced plans to create 60,000 more places for children with higher needs. DfE has not yet explained how it will evaluate the cost-effectiveness of this expansion. It has started to compare outcomes for children with similar needs in state special and mainstream schools, but acknowledges this analysis has limitations.

2.26 DfE uses two main routes to meet its commitment to increase school places, although limited data before 2023 made it harder to effectively target funding. The two routes comprise:

- **the free schools programme**, where academy trusts set-up and run schools (funded by government) according to local needs. Between 2012-13 and 2024-25, DfE expects to spend £1.1 billion capital on special free schools, with most of this spent since 2020-21. DfE had lacked data on local state special school capacity. As a result, it distributed 54% of this funding to local authorities it now assesses as having above-median state special school capacity. Since 2023 it has invited special free school applications from within those areas experiencing greater SEN financial challenges and signs of less state special school capacity; and
- **high-needs capital allocations** largely distributed to local authorities through a funding formula. Over the period 2021-22 to 2024-25, this comprised £2.56 billion, with an extra £0.2 billion given to those local authorities receiving additional financial support and successfully applying for capital funding. Since 2023-24, DfE has used its capacity data to allocate funding, providing more money to areas with less state special school capacity.

2.27 DfE estimates that the high-needs capital allocations it made between 2021-22 and 2023-24, and investment in free schools, is creating around 49,500 places, including 27,600 state special school places, 1,100 SEN unit places, and 20,700 ‘other’ places. Of these, 28,600 were planned to be in place before the start of the 2024/25 academic year. DfE has made further allocations totalling £890 million for 2023-24 to 2024-25 to fund additional places. DfE is focused on monitoring and escalating delivery risks for areas that have low state special school capacity. It now expects to open 36 state special schools by 2025/26, compared to an estimated 47, and four alternative provision free schools compared to an estimated six.

2.28 To address capacity concerns, DfE has proposed several wider measures alongside increasing the number of school places. These include encouraging mainstream schools to be more inclusive and considering how local authorities can use ‘advisory tailored lists’ so families have clearer choices and places can be managed in a more financially sustainable way. DfE and DHSC also recognise that more could be done to help identify and support children earlier, addressing their needs before they escalate. Stakeholders we spoke to, alongside educational psychologists surveyed by DfE, felt that limited attention had been given to intervening early to identify and support needs. There is currently no system, process or funding to encourage this, nor an assessment of the extent to which this would be value for money.

The system is not financially sustainable

2.29 Each financial year, local authorities must legally ensure they can balance their books and have ‘adequate’ reserves without borrowing to finance spending. If a local authority believes that it will not, it must issue a ‘section 114 notice’, triggering intervention by central government. They also have a duty to ensure their spending delivers best value.

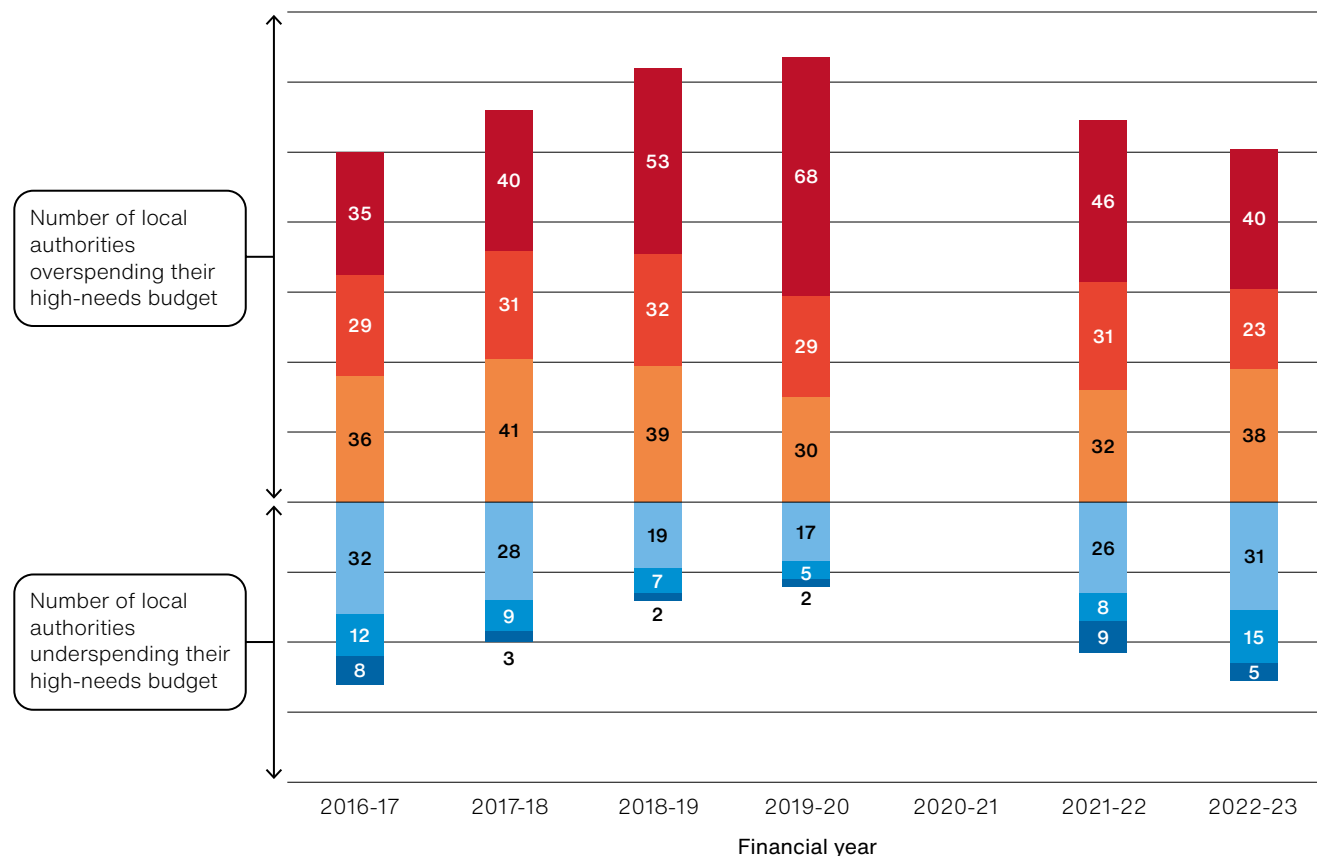
2.30 Each year, since 2016-17, most local authorities have overspent their annual high-needs budget (**Figure 11**). An LGA and CCN commissioned survey, published in July 2024, found that of the 74 local authorities responding, they had transferred between £45 and £90 million a year to high-needs budgets from their remaining dedicated schools grant (DSG).¹⁴ In 2022-23, 101 local authorities (66% of the 152 submitting returns) had over-spent against their high-needs budget, which contributed to a growing cumulative DSG deficit for many local authorities. Data for planned 2024-25 expenditure, published in September 2024, report 107 local authorities expecting a cumulative deficit at the end of the financial year, ranging from £0.2 million to £148 million, with a median of £15 million. This contributes to a total expected cumulative DSG deficit of £2.9 billion. DfE forecasts a cumulative deficit for 2024-25 slightly higher than that predicted by local authorities, with a central estimate of £3.2 billion.

¹⁴ *Towards an effective and financially sustainable approach to SEND in England*, July 2024, Isos Partnership commissioned by the Local Government Association and County Councils Network.

Figure 11

The number of local authorities overspending and underspending their high-needs budgets each year, 2016-17 to 2022-23

Most local authorities have overspent their high-needs budget each year



- Overspend of 10% or more
- Overspend of 5% or more, but less than 10%
- Overspend of more than 0%, but less than 5%
- Underspend of 0% or more, but less than 5%
- Underspend of 5% or more, but less than 10%
- Underspend of 10% or more

Notes

- 1 Data are unavailable for 2020-21 because the Department for Education reduced the amount of information it requested from local authorities during the COVID-19 pandemic.
- 2 The number of local authorities with education responsibilities has changed slightly over the period because of local government re-organisation.

Source: National Audit Office analysis of the Department for Education’s datasets on Planned local authority and school expenditure, and local authority and school expenditure, based on local authorities’ financial returns

2.31 Since 2020-21, local authorities have avoided issuing section 114 notices given a technical accounting treatment agreed with the Ministry of Housing, Communities & Local Government (MHCLG). From November 2020, local authorities should account for any DSG deficits separately, so they do not impact their revenue budget and overall position.¹⁵ MHCLG intended this arrangement (the 'statutory override') to end in March 2023, but has extended it to March 2026. In the LGA and CCN commissioned survey, a quarter of the 74 local authorities responding said they would be insolvent within a year, and a quarter within three years, of the override ending.

2.32 Since June 2020, DfE has introduced three tiers of support to help local authorities manage their SEN budgets and reduce costs (**Figure 12**). Stakeholders told us there was a risk these programmes would impact quality, given the focus on financial management. DfE is seeking to minimise quality risks by, for example, the Delivering Better Value programme including a focus on quality improvements and quality being considered in Safety Valve agreements. DfE does not yet know how these programmes will impact outcomes for children, and has proposed a qualitative evaluation on the impact of Safety Valve.

2.33 Initial indications are that the financial support programmes will achieve at least some of the expected savings, helping to reduce costs. For example, DfE's financial benefits tracking indicates that, in 2022-23, the Delivering Better Value programme exceeded savings targets. For Safety Valve, as at May 2024, DfE assessed 22 of the 33 local authorities with active agreements to be on track to deliver expected savings and, with DfE financial support, eradicate their deficits by the end of the agreement. However, agreements may have been optimistic, with DfE suspending five because local authorities did not meet payment conditions. Two local authorities with large deficits have been unable to reach agreement with DfE.

2.34 Existing financial support programmes will not eliminate deficits before the statutory override ends in March 2026. DfE designed the Safety Valve programme to balance local authority in-year funding and spending as soon as possible, with agreements lasting between four and nine years and extending up to 2031-32. Twenty-eight agreements set target dates to eliminate deficits later than March 2026. In the longer term, many local authorities within support programmes are still forecast to have deficits. Of 97 local authorities receiving support, estimated forecasts for cumulative deficits totalled £9.4 billion in 2028-29, of which £9.1 billion is forecast by local authorities participating in the Safety Valve or Delivering Better Value programmes (**Figure 13** on page 42). Nonetheless, LGA and CCN commissioned research predicts that, without interventions, local government finances would be significantly worse.

¹⁵ Changes, introduced following a consultation, set an expectation that any deficit on a local authority's dedicated schools grant would be carried forward to the next year's schools budget.

Figure 12

The Department for Education's (DfE's) interventions to support local authorities to manage financial challenges within their dedicated schools grant (DSG), 2020-21 onwards

DfE has three interventions to support local authorities to manage financial challenges

Interventions	Safety Valve	Delivering Better Value	Education and Skills Funding Agency (ESFA) support
Detail and objectives	Local authorities, with other stakeholders, introduce substantial changes so the system is on a sustainable footing. Funding provided to reduce cumulative deficits.	Local authorities, with consultancy support, identify the most impactful changes across the system to help put the SEN system on a more sustainable footing, delivering more efficient and effective services to achieve better outcomes for children.	ESFA supports local authorities to manage deficits and forecast EHC plan numbers and costs accurately.
Local authority involvement	Aimed at 40 local authorities with the highest DSG deficits. Two have not yet reached agreements and five agreements suspended.	Aimed at 55 local authorities without a Safety Valve agreement but with substantial DSG deficits.	The 60 local authorities not in Safety Valve or Delivering Better Value, focusing on those with a DSG deficit or falling surplus.
Timeframe	Local authorities joined from 2020-21, with most (20) in 2022-23. Agreements finish between 2023-24 and 2031-32.	Local authorities joined in three tranches from 2022-23 onwards.	Ongoing.
Cost to DfE	Published agreements set out up to £1,225 million in grants to local authorities between 2020-21 and 2031-32. ¹	£83 million, comprising £58 million in grants to local authorities and £25 million for local authority consultancy support.	4.4 full-time equivalent staff within ESFA.
DfE's forecast of benefits	Benefits identified on a case-by-case basis.	Between £272 million and £520 million over 10 years alongside wider qualitative benefits.	Not applicable given programme size.

Notes

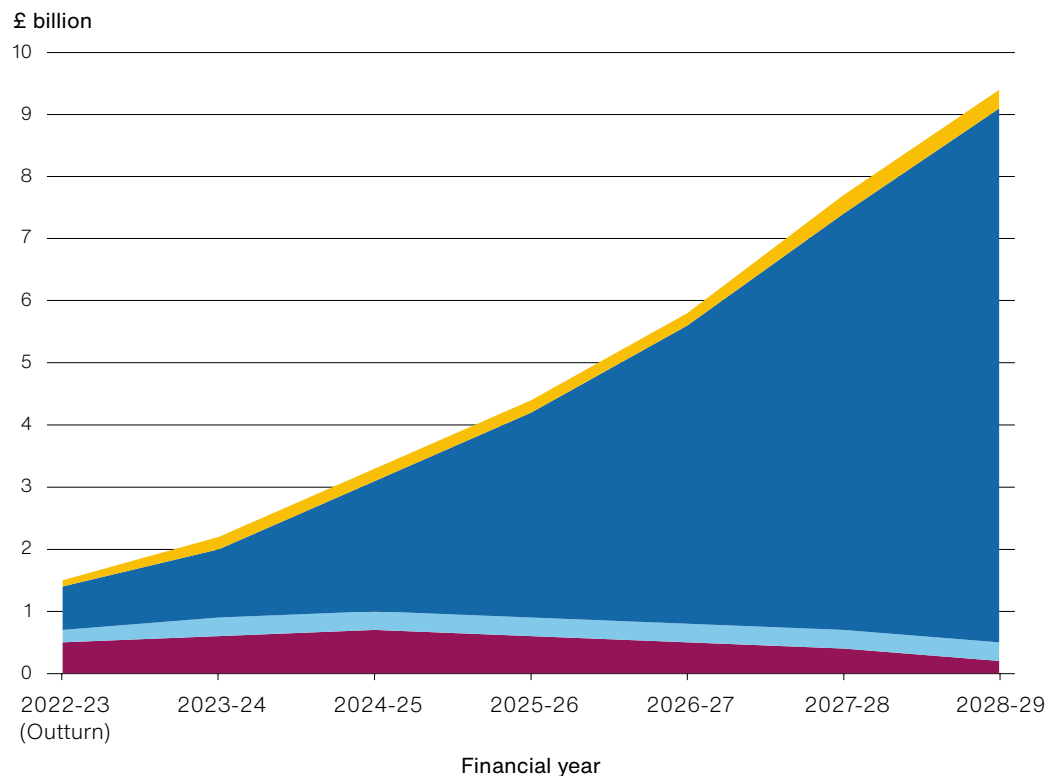
- This figure includes DfE's planned payments to local authorities with suspended Safety Valve agreements worth £210 million.
- ESFA, an executive agency of DfE, administers funding to deliver education and skills from early years through to adulthood. ESFA's functions will be brought into DfE from March 2025.

Source: National Audit Office analysis of published and unpublished Department for Education information

Figure 13

The Department for Education’s (DfE’s) aggregation of 105 local authorities’ forecast cumulative dedicated schools grant deficits between 2022-23 and 2028-29, by intervention approach, as at August 2024

Local authorities’ cumulative deficit forecasts for those in the Delivering Better Value programme are rapidly increasing



	2022-23 (Outturn)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
■ Safety Valve programme: local authorities on-track to achieve savings	0.5	0.6	0.7	0.6	0.5	0.4	0.2
■ Safety Valve programme: local authorities off-track to achieve savings	0.2	0.3	0.3	0.3	0.3	0.3	0.3
■ Local authorities in Delivering Better Value programme	0.7	1.1	2.1	3.3	4.8	6.7	8.6
■ Local authorities receiving Education and Skills Funding Agency (ESFA) support	0.1	0.2	0.2	0.2	0.2	0.3	0.3
Total	1.5	2.2	3.3	4.4	5.8	7.6	9.4

Notes

- 1 DfE’s interventions involve different approaches to supporting local authorities to reduce their forecast deficits.
- 2 DfE does not systematically collect deficit forecasts for all local authorities but told us that some currently in surplus were forecasting deficits soon. This chart collates data for 105 authorities (53 from Delivering Better Value, 38 from Safety Valve and 14 receiving ESFA support), with 97 of these providing forecasts up to 2028-29.
- 3 Data for 2022-23 reflects actual deficits.
- 4 We have not audited local authorities’ forecasts.

Source: Department for Education’s aggregation of local authorities’ forecast deficits

2.35 DfE recognises that immediate action is needed to address short-term financial challenges given the statutory override. DfE has estimated that 50 local authorities (33%) will have cumulative deficits larger than their reserves at the end of 2025-26, with a further 16 (10%) estimated as needing to spend 75% of their reserves to clear their deficits.¹⁶ Some 43% of authorities may therefore be at risk of needing to issue a section 114 notice (declaring that forecast income does not meet its forecast spending for the next year) if the statutory override ends as planned in March 2026. DfE estimates that the cumulative deficit will be between £4.3 billion and £4.9 billion at that time, with a central estimate of £4.6 billion. DfE indicated that there is currently no identified solution which can be implemented quickly and ensure children with SEN continue to have their needs met. DfE is working with HM Treasury and MHCLG to develop a longer-term solution.

2.36 In the longer term, local authorities face a worsening financial situation. DfE has estimated that by 2027-28 forecast costs would exceed the current high-needs budget, maintained in real terms, by between £2.9 billion and £3.9 billion a year, with a £3.4 billion central estimate although these figures are uncertain (**Figure 14** overleaf). This considered projected EHC plan growth, how costs will change, and expected savings from (for example) the Safety Valve programme. DfE's estimate as at October 2024 is that 2027-28 in-year savings from its interventions would total £0.9 billion, less than its £1.9 billion estimate as at October 2023.

Building a more joined-up system

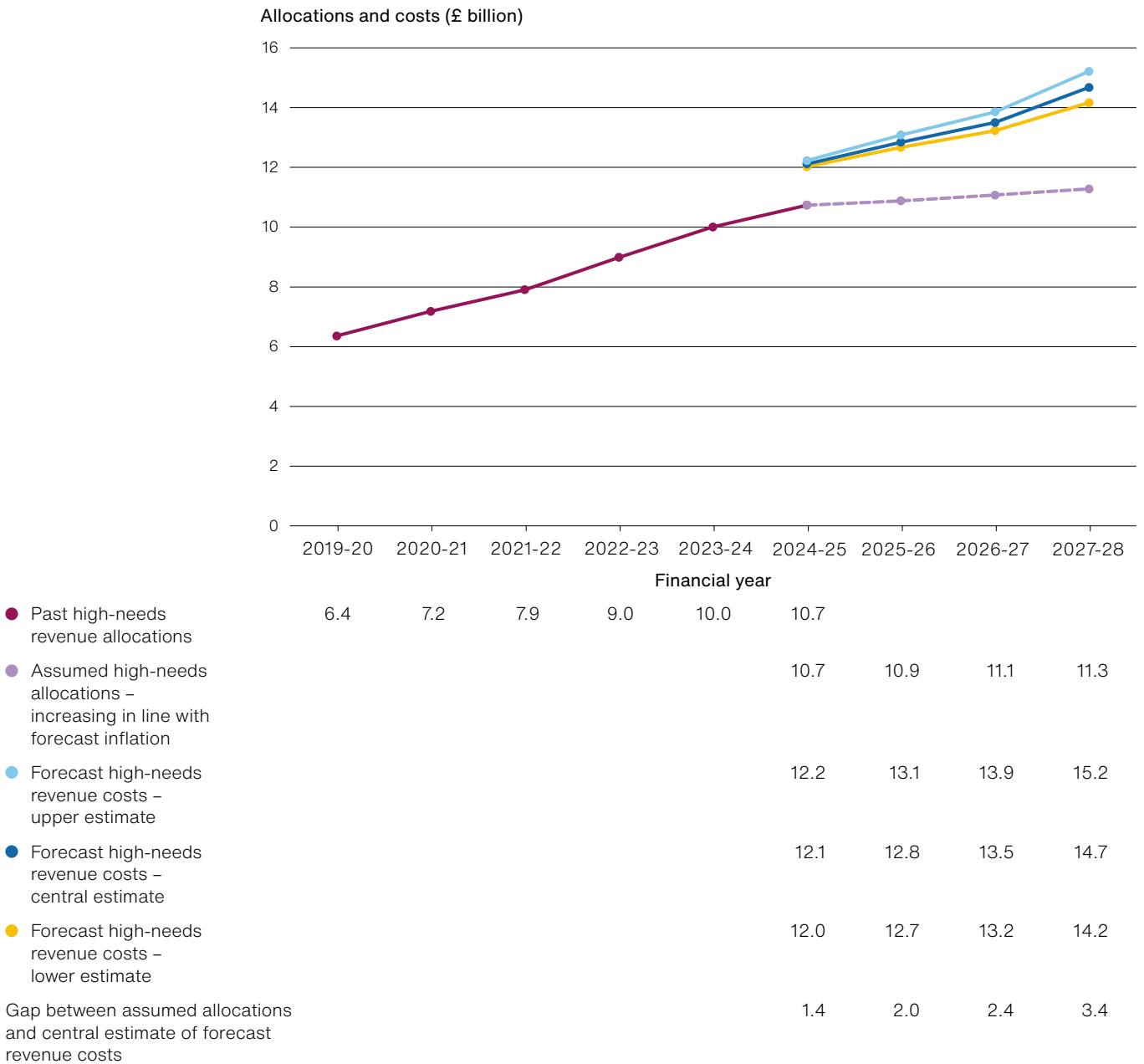
2.37 Schools, health bodies, local authorities and others must all work together to ensure the effectiveness of the SEN system. For example, the statutory Code of Practice sets out how local authorities must work with others to help identify needs and provide support, and each NHS integrated care board is required to have an executive lead for SEN. DfE and DHSC jointly published the 2023 improvement plan. There are some cross-government departmental arrangements at working level, with colleagues from DfE, DHSC and MHCLG (among others) attending discussions. There was no cross-government programme board to ensure senior ownership across these three departments for delivering responsibilities and implementing changes. A national implementation board, jointly chaired by DfE and DHSC Ministers and involving a range of external stakeholders, met quarterly to ensure users' views and needs were considered.

¹⁶ DfE's analysis is based on forecasts from 98 local authorities in deficit, assumes 2022-23 reserve levels less 30% of service spend and that high-needs funding will increase 3% between 2024-25 and 2025-26.

Figure 14

The Department for Education’s (DfE’s) forecast high-needs costs, 2024-25 to 2027-28, compared with past and assumed allocations for 2019-20 to 2027-28

For 2027-28, there is a gap of approximately £3.4 billion between DfE’s forecast of high-needs costs and allocations



Notes

- 1 All data are in nominal terms. We have used the GDP deflator to project 2024-25 allocations forward.
- 2 Allocations include formula allocations within the high-needs block of the dedicated schools grant and, for special schools, teachers’ pay additional grant (and separate historic teachers’ pay grant), teachers’ pension employer contribution grant and core schools budget grant. They do not include some funding that DfE allocates for high needs beyond this, or Safety Valve payments.

2.38 There are examples of organisations starting to work better together locally, with DfE trialling initiatives through its wider change programme. For example, DfE, NHS England and DHSC are working together on pilots involving integrated care boards so that mainstream schools can better access expert support for those with neurodiversity and speech, language and communication needs. The current pilot, using £13 million from the Shared Outcomes Fund across 2023-24 and 2024-25, aims to reach 1,680 primary schools from April 2024. DfE is also piloting 'local area improvement plans' to encourage areas to work in partnership. At April 2024, 11 of 32 local authority pilot areas had submitted plans for DfE to review. DfE recognises a risk that this provides limited evidence on the relative effectiveness of these plans to then roll them out further. More widely, local authorities we spoke to told us that DfE was listening carefully to their feedback. DfE is aware of local partners', and systems', limited capacity and capability, with significant support being needed to implement national changes.

2.39 Misaligned incentives, accountabilities and priorities across the system create challenges in building effective working and a whole-system approach. For example, although supporting those with SEN is a strategic priority for DfE, for the NHS it comprises two among 32 competing priorities for 2024-25. Stakeholders consistently highlighted obstacles to building a cohesive system. Issues cited included:

- high demand for health support, with local authorities having weak leverage over health commissioners given their need to consider wider pressures. Stakeholders told us that gaps in health provision had led to responsibilities and costs for healthcare being shifted onto schools, colleges and local authorities. DHSC told us there were challenges improving joint commissioning and coordination, and limited information or data on demand for healthcare support for children and young people with SEN;
- local area partnerships being held to account for the quality of SEN services through joint Ofsted/CQC inspections but local authorities having limited powers to hold academy schools and health services to account and promote changes;
- local authorities having no powers to require academy schools to admit children with SEN, unless specifically named in an EHC plan. Metrics and targets based on academic attainment can disincentivise schools from being more inclusive;
- financial incentives for schools to seek EHC plans to access additional high-needs funding, or to encourage movement of pupils who are expensive or challenging to teach into special schools or alternative provision. This could conflict with local authorities' duties to find school places for children and ensure value for money; and
- stakeholders feeling the system did not support young people well in their transitions to adulthood. Some local authorities cited examples of young people with severe needs remaining in the education system to age 25, regardless of whether that was the most appropriate setting for them, because adequate adult social care services were not available.

Appendix One

Our audit approach

Our scope

1 This report examines the Department for Education's (DfE's) support for children and young people (from birth to 25 years) with special educational needs (SEN) in England. It references elements of our 2019 report *Support for pupils with special educational needs and disabilities in England*, but is not a follow-up.¹⁷

2 Whilst recognising the criticality of other bodies including health commissioners and providers to the SEN system, the report does not assess how well those other bodies operate. We have not assessed the system of support in higher education, where funding and delivery frameworks differ.

3 Our independent conclusions are based on the analysis of evidence we collected between May and September 2024. In forming our conclusions, we used the study methods and evidence sources set out in the paragraphs below. In assessing value for money, we considered whether DfE is currently supporting a sustainable SEN system that delivers positive outcomes for children, young people and families; whether DfE is taking effective action now to improve provision; and whether there is evidence that DfE's interventions are likely to deliver longer-term systemic improvements.

4 Throughout the report, financial years are written as, for example, '2023-24', and run from 1 April to 31 March. School and college academic years are written as '2023/24', and run from 1 September to 31 August.

Our evidence base

Interviews

5 We met DfE officials to understand the challenges facing the SEN system, and the actions it has taken.

¹⁷ Comptroller and Auditor General, *Support for pupils with special educational needs and disabilities in England*, Session 2017-2019, HC 2636, National Audit Office, September 2019.

6 We met officials from other public bodies (Ministry of Housing, Communities & Local Government, Department of Health & Social Care, NHS England, Ofsted and the Office of the Children’s Commissioner), and with representatives from the local government sector, to inform our report and to understand their perspectives and roles regarding the SEN system.

7 We invited a selection of local authorities, selected to ensure we had a variety of geographies and local demographics, to discuss their experiences of the SEN system. We also spoke to some local authorities participating in the DfE’s Change Programme. As such, we held nine interviews with local authorities:

- Barnsley Metropolitan Borough Council
- Essex County Council
- Manchester City Council
- Northumberland County Council
- Portsmouth City Council
- Rutland County Council
- Solihull Metropolitan Borough Council
- Southwark Council
- Telford & Wrekin Council

Stakeholder engagement

8 We invited a range of stakeholders to collate written evidence to inform our work, also receiving submissions from those seeing our published work in progress notice. We used this evidence to understand the practicalities of providing SEN support and considered alongside evidence collated from government bodies. It focused on the following questions:

- whether DfE’s SEN and alternative provision improvement plan adequately addresses the root causes behind current challenges;
- what one issue DfE should prioritise action on to improve support for children with special educational needs;
- what is working well within the SEN system, and any examples of good practice;
- what the major barriers are to achieving the ambitions set out in the improvement plan and how these can be overcome;
- changes needed for DfE to achieve the ambitions set out in the plan; and
- how effectively DfE is engaging with stakeholders to deliver improvements.

9 The stakeholders submitting evidence to our study were:

- Academy 21
- Adoption UK
- Alliance for Inclusive Education
- Ambitious about Autism
- Dr Anita Devi
- Association of Education Psychologists
- Association of School and College Leaders
- British Association for Counselling and Psychotherapy
- British Association of Teachers of Deaf Children and Young People
- British Psychological Society
- Challenging Behaviour Foundation
- Children and Young People's Mental Health Coalition
- Contact
- Council for Disabled Children
- Disabled Children's Partnership
- Down's Syndrome Association
- Early Years Alliance
- Education Endowment Foundation
- Enterprise Cooperative Trust
- Family Action
- Independent Provider of Special Education Advice (IPSEA)
- Kids
- Learning in Harmony Trust
- Local Government Association
- London Councils
- National Association for Independent Schools and Non-Maintained Special Schools (NASS)
- National Association of Head Teachers
- National Autistic Society
- National Day Nurseries Association

- National Deaf Children's Society
- National Development Team for Inclusion
- National Education Union
- National Foundation for Educational Research
- National Network of Special Schools
- Natspec
- NEXUS Multi Academy Trust
- Nuffield Foundation
- Professional Association for Childcare and Early Years (PACEY)
- Royal College of Speech and Language Therapists
- Schools North East
- Sense
- SIGOMA
- Special Needs Jungle
- Speech and Language UK
- Triple P
- Youth Futures Foundation

Document review

10 We reviewed documents to draw conclusions about our study questions, and add further evidence to our interviews between June and September 2024. This included DfE's published and unpublished documents relating to the SEN system covering:

- strategic plans, including how DfE works with other government departments;
- management information such as risk reporting, progress reporting and benefits tracking relating to SEN reforms;
- research and evaluation evidence; and
- modelling of trends and forecasts. We reviewed DfE's findings but we did not audit DfE's forecasting methods or model. We examined DfE's assurance processes for their high-needs revenue spending forecast against the NAO's framework to review models, to understand what quality checks DfE had in place.

11 We reviewed published documents from other organisations, including:

- MHCLG's documentation on local government finance regulations;
- Ofsted's annual report; and
- Published reports by organisations including the Children's Commissioner's Office, the Centre for Analysis of Social Exclusion at the London School of Economics, the Education Policy Institute, the Institute for Fiscal Studies, Isos Partnership, and the Local Government and Social Care Ombudsman.

Quantitative analysis (data and financial)

12 We used published and unpublished data to inform our study. We used the following DfE datasets to understand, for example, changes in the numbers of children with SEN, their characteristics, types of need, types of setting, capacity and the proportions of EHC plans issued within statutory deadlines. The datasets covered:

- Special educational needs in England. Data on the characteristics of pupils with SEN, including age and pupil needs, is only available for state schools and non-maintained special schools, excluding independent and hospital schools. Data on provision for is available for all types of schools;
- Education, health and care plans. This includes data on children with plans by age group, numbers of new and discontinued plans, and issued within 20 weeks;
- Education provision: children under 5 years of age;
- Participation in education, training and NEET age 16 to 17; and
- School capacity.

13 More widely, we used data from the Ministry of Justice's Tribunal Statistics Quarterly to report on trends in appeals to the SEN Tribunal and outcomes and data from Ofsted's inspection statistics. This covered information on local area SEN, management information on state school and further education inspections, plus Parent View management information for information on parents' views on SEN provision.

14 From DfE's published and unpublished data, we did our own analysis in two areas to:

- **estimate the total number of children and young people with SEN** (see Figures 15 and 16, Appendix 2). The figure notes detail the methodology. In addition, as no official data is available on the number of children at independent schools aged 5 to 15 years with SEN and without an EHC, we assumed that the age profile in independent schools aligned to that of state schools to calculate this figure. In 2023/24, roughly 90% were in this age range with state schools. As such, we assumed 90% of the 99,000 pupils with SEN but without an EHC plan at independent schools were in this age range, leading to an estimate of 89,000; and
- **proportion of children aged 5 to 15 in each local authority** was calculated from the number aged 5 to 15 with EHC plans (from 2023/24 data), divided by the population of children aged 5 to 15 from Office for National Statistics population data mid-2023.

15 To quantify revenue funding for, and spending on, support for children and young people with SEN, we analysed published datasets on dedicated schools grant allocations, 16 to 19 funding relating to high-needs provision, and local authorities' high-needs budgets and spending, based on DfE's published *LA and schools expenditure* and *Planned LA and schools expenditure* datasets. Unless otherwise specified, we report all financial data series in real terms, converted to 2023-24 prices, using the GDP deflator series published by HM Treasury in June 2024. As part of our analysis, we looked at funding allocations per young person, using ONS's 2021-based national population projections for the 0 to 19 age group, published in January 2024. We also looked at funding allocations per education, health and care plan, using DfE's data on education, health and care plans.

16 To understand DfE's capital investments, we reviewed DfE's published data on SEN provision capital funding for pupils with EHC plans between 2018-19 and 2020-21; high-needs provision capital allocations between 2021-22 and 2024-25; and DfE's unpublished data on its funding for special free schools.

Appendix Two

Data on SEN prevalence

Figure 15

Breakdown of children and young people with special educational needs (SEN) by type of support, January 2024

	Population	Children and young people with education, health and care (EHC) plans	Children and young people with SEN Support (or other SEN without an EHC plan)	Total with special educational needs
Estimated total of all children and young people in all settings ⁴	17,545,000	576,000 (3%)	1,307,000 (7%)	1,883,000 (11%)
Groupings by public funding and provision:				
Receiving publicly funded support across early years, schools and post-16 settings ³	17,545,000	576,000 (3%)	1,218,000 (7%)	1,794,000 (10%)
Receiving provision within schools (including independent schools)	9,092,000	434,000 (5%)	1,239,000 (14%)	1,673,000 (18%)
Receiving provision within state schools	8,498,000	400,000 (5%)	1,140,000 (13%)	1,540,000 (18%)

Notes

- EHC plans set out legally enforceable entitlements to specific support.
- SEN support relates to additional support children receive at school.
- Our estimate of the total number with SEN includes an estimated 89,000 pupils aged 5 to 15 with SEN but without an EHC plan at independent schools.
- Publicly funded support includes all children with EHC plans, plus our estimate of those with SEN support in publicly funded provision, which is based on the following data:
 - the number of children under 5 with SEN support is sourced from the Department for Education's (DfE's) *Education provision: children under 5 years of age statistics, 2024*. This figure is likely to be an underestimate because it only includes children receiving government-funded early years provision and does not include childcare paid for privately.
 - the number of young people post-16 with SEN support is sourced from DfE's data on *Participation in education, training and NEET age 16 to 17, 2022/23*. This is based on management information data and therefore caution should be taken when using these figures. This figure is likely to be an underestimate because this data only counts 16 and 17 year olds.
 - SEN support data for other ages (5 to 15 years) is sourced from DfE's *SEN in England data, 2023/24*.
- All figures stated are rounded and figures may not add up exactly to the totals stated.

Source: National Audit Office analysis of Department for Education data on education, health and care plans and special educational needs in England, and Office for National Statistics population data mid-2023

Figure 16

Breakdown of children and young people with special educational needs (SEN) by type of support and age group, January 2024

All children and young people		NAO estimate of total receiving publicly funded support (EHC plans or SEN support) in publicly funded provision			Total within state schools			
Age range	Population	Children and young people with education, health and care (EHC) plans ⁴	Children and young people with SEN Support ⁵	Total with SEN ^{4,5}	Population	Children and young people with EHC plans	Children and young people with SEN Support	Total with SEN
Under 5	3,065,000	27,000	90,000 (estimate)	117,000	906,000	22,000	87,000	109,000
Age 5 to 10	4,045,000	187,000	583,000	770,000	3,889,000	178,000	583,000	761,000
Age 11 to 15	3,539,000	209,000	441,000	650,000	3,249,000	177,000	441,000	618,000
Age 16 to 19	2,699,000	115,000	104,000 (estimate)	219,000	455,000	24,000	29,000	53,000
Age 20 to 25	4,197,000	36,000	<500 ³	36,000	<500 ³	<500 ³	<500 ³	<500 ³
Total	17,545,000	576,000	1,218,000	1,794,000	8,498,000	400,000	1,140,000	1,540,000

Notes

- 1 EHC plans set out legally enforceable entitlements to specific support.
- 2 SEN support relates to additional support children receive at school.
- 3 DfE do not know the exact values for these figures but estimate that they are less than 500.
- 4 The age breakdown for children and young people with EHC plans does not match the total due to missing age data from one local authority.
- 5 Our estimate of total SEN support in publicly funded provision uses the following data:
 - the number of children under 5 with SEN support is sourced from the Department for Education's (DfE's) *Education provision: children under 5 years of age* statistics, 2024. This figure is likely to be an underestimate because it only includes children receiving government-funded early years provision and does not include childcare paid for privately.
 - the number of young people aged 16 to 19 with SEN support is sourced from DfE's data on *Participation in education, training and NEET age 16 to 17, 2022/23*. This is based on management information data and therefore caution should be taken when using these figures. This figure is likely to be an underestimate because this data only counts 16 and 17 year olds.
 - SEN support data for other ages (5 to 15 years) is sourced from DfE's *SEN in England* data, 2023/24.
- 6 All figures are rounded and may not add up exactly to the totals stated.

Source: National Audit Office analysis of Department for Education data on education, health and care plans, special educational needs in England, early years childcare entitlements, participation in education or training post-16, and Office for National Statistics population data, mid-2023

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