

Department for Education
**Upfront funding for mainstream schools: creating a 'local SEND
inclusion formula'**
18 September 2026

1. NASUWT welcomes the opportunity to respond to the Department for Education (DfE) consultation, *Upfront funding for mainstream schools: creating a 'local SEND inclusion formula'*.
2. NASUWT is The Teachers' Union and is the voice of the teaching profession.
3. Our aim is to improve and protect the status, morale and working conditions of the teaching profession so that teachers and headteachers can provide the best education and support to children and young people.
4. We are committed to ensuring that teachers and headteachers are recognised and rewarded as highly skilled professionals with working conditions that enable them to focus on their core role of leading teaching and learning.

GENERAL COMMENTS

5. While the consultation document describes the consultation proposals as 'test and learn', the document also makes it clear that the long-term intention is to rebalance funding towards mainstream school budgets. This means that participating local authorities are being asked to construct the machinery for a policy direction before the Government has responded to the consultation, *SEND reform: putting children and young people first*. This raises very significant questions about the nature of policy decision-making and suggests that this is not a genuine consultation.

6. It is crucial that policy reforms both recognise and respond to the context in which schools operate. This includes recognising and responding to the wider arrangements for school funding. The comments below set the context for our response to this consultation.

Falling rolls

7. There are questions about the management of funding pressures in schools with falling rolls or surplus places. We note that the number of primary pupils peaked in 2019 and that secondary pupil numbers peaked in 2024/25. Falling rolls have implications for schools and their ability to be 'more inclusive'.
8. There has been a significant increase in the number of primary schools moving to mixed-age classes and teaching posts being lost. This increases the demand on class teachers to meet the needs of a wider age group of children and their associated developmental milestones and progress. Meeting SEND and additional needs further adds to these demands.
9. Schools will use funding that is not ring-fenced to plug budget shortfalls.
10. DfE projections of pupil numbers show that the pupil population in primary schools in 2031 will be 3,950,811, a drop of 473,000 from 2026, and that the pupil population in secondary schools will be 2,967,150, a drop of 249,000 from 2026.¹
11. In 2023, the DfE modelled different pupil projections for schools up to 2030.² The modelling assumed that schools would face significant financial risks with pupil numbers below 77.5% of their published admission number (PAN). The modelling placed between 33% and 50% of all primary schools in significant financial risk by 2030. While subsequent modelling identified no single tipping point, the risk increases as pupil numbers fall.³
12. The National Audit Office (NAO) report notes that around 90% of primary school funding is allocated on a per-pupil basis, meaning that a fall in pupil numbers will

¹¹ [Release home - National pupil projections - Explore education statistics - GOV.UK](#)

² National Audit Office (NAO) (April 2026) [Responding to changing demand for school places](#)

³ NAO (April 2026) Ibid.

reduce a school's income and increase financial risks.⁴ The NAO report also finds that, on average, lower performing schools have a higher proportion of unfilled places. In 2024/25, schools rated as 'inadequate' had 26% of places unfilled and those rated as 'requires improvement' had 22% of places unfilled, compared with 13% and 6% in 'good' and 'outstanding' schools.⁵ Significantly, the NAO report says that this could have a disproportionate impact on disadvantaged children, as lower performing schools tend to have a higher proportion of disadvantaged children and more unfilled places.⁶

13. The NAO estimates that with 56,300 primary school pupils in 2027, primary schools would receive £288 million less funding, and this will increase to £1,032 billion less funding by 2029 as pupil numbers continue to fall.⁷
14. Where pupil numbers are falling and there are unfilled places, requiring schools to self-fund the first £6,000 of a SEND child's provision creates a huge additional burden on their budgets. The relationship between falling rolls, unfilled places and disadvantage compounds the issue as these schools are likely to have more pupils with SEND.
15. Schools have had to fund 1% of the 2024/25 pay award from their budget, an annual recurring cost. Schools are expected to find a further 1% for the 2026/27 pay award. NASUWT estimates that in 2026/27, one in four schools will not be able to fund this from existing budgets.

Supply and demand of SEND places

16. Demand for SEND support and specialist SEND places is increasing. In January 2026, School Census Data identified 1.86 million pupils as having SEND.⁸ A total of 1.32 million (71%) were on SEN support and 538,000 had an Education Health and Care Plan (EHCP). This represents 14.8% and 6% of the total pupil

⁴ NAO report, paragraph 1.14.

⁵ NAO (April 2026) Ibid.

⁶ NAO (April 2026) Ibid.

⁷ NAO (April 2026) Ibid.

⁸ Special Educational Needs in England (June 2026) [Release home - Special educational needs in England - Explore education statistics - GOV.UK](#)

population respectively, and increases of 0.6% and 0.7% on the 2025 figures of 14.2% and 5.3%.⁹

17. As of May 2025, there were around 160,000 places in 1,100 special schools. Special schools were over capacity by 11,000, with 170,000 pupils on roll.¹⁰

18. There is an increasing reliance on independent special schools. In 2026, 16.8% of children and young people (CYP) with an EHCP who attended a special school attended an independent special school, compared to 10.1% in 2019.¹¹

19. We are concerned that there seems to be a simplistic assumption that increasing demand for SEND will be resolved through surplus places arising from falling rolls in mainstream schools. Teachers in mainstream schools report to us that they have more pupils with SEND in their classes, and teachers in mainstream and special schools report that the needs of pupils they teach are more complex.¹² The cost of meeting the needs of CYP who require an EHCP is significantly more than those for CYP identified as needing SEN Support. Any expectation that mainstream schools should take more CYP who would have an EHCP under the current system must be accompanied by additional funding.

Education funding

20. Inclusion in Mainstream Fund (IMF) funding provides mainstream schools with some additional funds, but the grant conditions mean that it cannot be used to subsidise existing provision. Therefore, it cannot be treated as replacement funding for existing top-ups or a means of addressing current SEND funding shortfalls.

21. Moving money from the high needs block into school budgets does not create additional funding; it simply changes where the financial risk sits. While schools

⁹ Special Educational Needs in England (June 2026), Ibid.

¹⁰ DfE Statistical Release, School Capacity March 2026) [Release home - School capacity - Explore education statistics - GOV.UK](#)

¹¹ DfE Statistical Release (June 2026) Education Health and Care Plans [Release home - Education, health and care plans - Explore education statistics - GOV.UK](#)

¹² NASUWT (April 2025) Class Teachers: Special and additional learning needs and inclusion. Survey report. Available at: [NASUWT | Special and Additional Educational Needs](#)

will receive a larger amount of funding in advance, the local authority will have less money with which to meet high needs. The issue of insufficient funding remains. How will the DfE ensure that sufficient funding remains available for EHCP provision, specialist services and other high needs discretionary expenditure?

22. Funding education is a political choice. In 2009/10, the previous Labour Government was spending 5.4% of GDP on education. In 2024/25, this figure had dropped to 4.1%.¹³

SPECIFIC COMMENTS

Q.1. Do you agree that the DfE should allow local authorities to increase the share of funding mainstream schools receive upfront to support their pupils' special educational needs (SEND)? (This would involve local authorities funding a change to the amount that schools are expected to fund from their core budget before accessing high needs top-up' funding).

23. Yes/**No** – please explain your answer.

24. We draw a distinction between a proposal that is genuinely about testing whether an approach works, before making a decision and a proposal that sets the intention for future policy.

25. We would support a proposal that is simply about testing whether the approach of giving more funding up front could work and clarifying the factors that need to be addressed and in place if that was to happen. There are important questions that need answering if the proposal is a genuine test. These include: what criteria will be used to determine success? What outcomes will result in the policy being abandoned or altered substantially? How will the DfE separate the effects of this funding change from other SEND reforms being introduced at the same time?

¹³ Institute for Fiscal Studies (January 2026) Annual Report on Education Spending in England: 2025-26 [Annual report on education spending in England: 2025–26 | Institute for Fiscal Studies](#)

26. NASUWT has significant concerns that the Government intends to adopt the policy to increase the share of funding from the high needs budget upfront to mainstream schools. While we support the ambition that more learners with SEND should have their needs met in mainstream schools, we are also clear that mainstream schools must have the funding, resources and support they need to deliver this. The funding must be in place before the proposal to increase funding to mainstream schools is tested.
27. While the Government has committed additional funding to implementing the SEND proposals, this does not cover the costs of delivering more inclusion in mainstream schools, which has implications for class size, work responsibilities, including time to plan and collaborate, and staffing. Further, the proposal is set within the context of more than 15 years of cuts to school budgets and wider services that support schools. Expecting schools to do more with less is not sustainable.
28. We are also concerned that the 'test and learn' approach will be narrow in scope, focusing on the mechanisms for distributing available funding rather than clarifying what funding schools and local authorities actually need and then examining and evaluating the wider impacts of a change in the way that funding is distributed on delivery of SEND and across the system. Further, the 'test and learn' programme appears to focus on how the existing funding pot should be distributed, rather than on establishing the actual cost of providing inclusive education. The evaluation of the 'test and learn' programme will need to examine whether schools and local authorities have enough resources to meet their SEND needs, and not simply on whether one funding mechanism is preferable to another.

Q.2. If this policy is introduced, how should local authorities decide the new amount schools are expected to fund from their core budgets before accessing top-up' funding? Please give your views

29. We have very significant concerns about the transfer of risk to schools. Schools will receive funding under a formula that uses proxies for SEND need, rather than the actual cost of supporting the cohort of learners who have SEND. This means

that an individual school can receive more funding, but it will still lose out relative to the support that it would have received under existing arrangements. Schools that are ‘magnet schools’ for learners with SEND, that have very high SEND costs, or that have changing cohorts, could be at particular risk.

30. A key principle for NASUWT is that schools need sufficient money to enable them to deliver what they are expected to do. Local authorities also need sufficient funding to fund the specialist support and provision for children and young people whose needs cannot be met from mainstream school budgets. If schools were adequately funded and resourced generally, then it might be possible to establish an actual amount that reflects the balance between what schools are responsible for and what local authorities should retain to ensure that support for those learners who need additional specialist support.

31. The reality is that schools and local authorities have experienced years of underfunding and have had to make repeated cuts to staffing and services. A recent [survey of school leaders](#) commissioned by the Sutton Trust found that 71% had cut teaching and assistant posts in the past year, 49% had cut support staff posts, and four out of five senior leaders expected to make staffing cuts in the next year.¹⁴ NASUWT’s survey of SENCOs and school leaders in England found that almost half (49%) of respondents reported cuts to specialist support staff posts in the previous five years, half (50%) reported that teaching assistant posts had been cut over the same period, and well over a third (41%) reported cuts to specialist teacher posts.¹⁵ There is a significant risk that increasing the amount of money that schools receive in their core budget will simply enable schools to stand still and local authorities to deliver less.

32. If the DfE is adopting a genuine ‘test and learn’ approach, then it may be appropriate to test the impact of local authorities allocating different proportions of funding to school budgets with a view to establishing the consequences of these differing levels, including establishing the need for greater investment in education. However, it would not be acceptable for learners, schools or school

¹⁴ [New poll reveals schools facing further painful spending cuts - The Sutton Trust](#) (23 April 2026)

¹⁵ NASUWT (April 2025) [Special Educational Needs Survey Report 2025 - Schools](#)

staff to bear the adverse consequences of an experiment. Participating authorities should have contingency funding and a mechanism for correcting allocations during the year of funding where the formula proves inadequate. Also, the DfE should guarantee that statutory provision and existing specialist services will not be reduced in order to finance the trial.

Q.3. Should there be a maximum amount that local authorities can ask schools to fund from their core budget in 2027/28 before accessing 'top-up' funding? If so, what should it be? (This is currently set at £6000 per pupil).

33. **Yes**/No – please explain your answer.

34. During the test period, existing legal duties remain in force. The DfE must clarify how it will guarantee that local authorities retain enough high needs funding to meet existing statutory commitments and expected growth in demand after part of the high needs budget has been transferred to schools. Simply saying that local authorities can provide top-up funding does not establish that sufficient funding will remain available.

35. How will schools be expected to use the additional funding? This will help to determine the appropriate level of funding that they need. Will they be expected to use the additional funding to address funding shortfalls arising from the depreciation of the notional budget for SEND over the last 17 years? Will they be expected to use it to provide additional early intervention support? Is the funding going to meet higher levels of learner need? Who will decide what the money should be used for? Failure to clarify these points means that schools will continue to carry the burden of a funding shortfall and that the burdens may intensify.

36. The DfE has not yet provided the methodology or cost evidence needed to identify an appropriate threshold. A threshold needs to be established – and this should follow from a proper assessment of responsibilities and costs.

Q.4. What is important for the DfE to consider when reviewing proposals from local authorities to make sure proposed funding distribution takes into account variation in levels of need and the costs of supporting those needs? Please give your views

37. The DfE must ensure that the local SEND inclusion formula does not penalise schools that have disproportionately large populations of learners who have SEND. These schools often act as magnet schools – attracting parents of prospective pupils who are looking at factors such as ethos and commitment to inclusion. Such schools also attract pupils with SEND because of the behaviours and actions of other schools to tailor their intakes by discouraging the parents of children who have more challenging needs to apply to their school and to opt for the inclusive school. Schools may also develop particular expertise. As a result, SEND costs may be well above those predicted using formula factors. The funding model must recognise actual cost pressures on schools, rather than assuming that proxy characteristics will distribute funding fairly and evenly. The DfE should consider how local authority proposals address the issue, as well as the steps that will be taken to monitor and evaluate the impact of the local SEND funding formula on learners who have SEND and on different groups of schools, including the staff working in those schools.
38. While learners who have SEND are proportionately more likely to fall into the low prior attainment and deprivation categories, these categories have significant limitations as proxies for SEND and levels of need. Significantly, while there may be a reasonable relationship with SEND across a large population, it may be a poor predictor of need in an individual school. In particular, it may fail to recognise high-achieving learners with SEND, low-incidence needs, physical or sensory needs, and schools with one or two exceptionally high-cost cases. As a result, some needs-responsive funding mechanisms remain necessary.
39. It will be important to clarify that the allocation of additional funding does not mean that mainstream schools are expected to meet greater levels of need. The DfE will need to consider what schools are being expected to do and deliver as a result of having more funding, as well as what the local authority will deliver, including continuing to fulfil its statutory responsibilities. It will be important for the DfE to assess whether the funding expectations made of schools are realistic and sustainable. The DfE should require participating local authorities to identify what additional staffing and staff time the new threshold assumes, and to establish

whether that capacity can be recruited. Local authorities should also be required to clarify the implications for SENCO and teacher workload.

Q.5. Would you prefer that the funding formula to distribute this funding from the high needs budget directly to school budgets is (1) set in line with nationally consistent factors or (2) set at the discretion of each participating local authority?

For example, under a nationally consistent approach, local authorities could:

- **Choose from existing NFF factors (for example deprivation, local prior attainment, EAL or mobility)**
- **Decide how much weight to give to each factor**
- **Only be able to use factors already allowed in the local school funding formula**

For example, if each local authority's funding formula were set at their own discretion, the formula:

- **Would be explained in the application process to the DfE**
- **Would ideally be limited to factors used in local schools funding formula – with exceptions considered on a case-by-case basis**

A) Nationally consistent funding formula/B) At the discretion of the local authority – please explain your answer.

40. The DfE needs to explain more precisely what would be determined under a nationally consistent approach, and the difference between this and an approach based on local discretion. This should clarify the meaningful difference it expects the two approaches to produce.

41. Our response to this question depends on whether the funding formula is being tested as part of a genuine 'test and learn' approach, or whether it is intended to simply test how much more funding should be allocated to schools as part of a strategy to shift money from the high needs budget to the schools budget.

42. If this is a genuine 'test and learn' exercise, then it may be appropriate to allow local authorities to set a funding formula at their own discretion, using factors in the local schools funding formula and exceptions on a case-by-case basis. This might allow the DfE to identify potential factors outside of the local schools funding formula that may be appropriate to include in a national funding formula in the future. However, extensive local variation may make the test harder to

interpret. For example, it may be difficult to know whether differences in outcomes arise from the principle of upfront funding or from the particular local model.

Therefore, it will be crucial that the DfE has a clear evaluation framework before the test begins.

43. If the exercise is about testing an approach that the Government intends to introduce, then it would be more appropriate to adopt a nationally consistent funding formula. However, NASUWT has very serious concerns about the risks of this approach, including unintended consequences, and stresses the need to monitor closely the impact of the model on learners, staff, schools and local authorities. This needs to include examining the impact on schools' ability to meet the needs of learners who have SEND, the impact on learners more generally, and the impact on staff, including on SENCO and teacher workload.

Q.6. What safeguards do you think we should put in place within this policy to ensure that all children in mainstream schools, irrespective of their geographical location, have adequately funded SEND support? Please explain your answer

44. We assume that this question refers to challenges such as those that mainstream schools in rural areas, particularly rural primary schools, might face. However, it will also be important to look beyond geographical location and ensure that safeguards apply to schools with unusually high SEND incidence, schools that have particular specialist expertise, and schools that have highly mobile or changing cohorts.

45. Schools in rural areas are more likely to be small – meaning that the impact of meeting the needs of individual children who have SEND is greater. Such schools may also be attractive to parents of children with SEND because they are small – meaning that a school may have disproportionate numbers of children who have SEND relative to their size. The impact of having some learners with relatively high levels of need may be particularly challenging. Further, schools in rural areas may struggle to access wider systems of support that may be available to schools in urban areas. We believe it may be appropriate to use a small school factor in the additional funding formula to mitigate the additional funding pressures that

they face. However, it will be very important to monitor and evaluate the impact on small schools of both the policy of allocating more funding to schools for SEND and the impact of factors in the funding formula that are targeted at small schools.

Q.7. Do you have any other comments on this proposal? Please give your views

46. We support the ambition that funding should enable schools to anticipate and put in place interventions to meet learners' needs promptly. We also support the ambition that more learners who have SEND should have their needs met in mainstream schools. However, mainstream schools need to be funded and resourced sufficiently to deliver this ambition. Our answers to other questions in this consultation highlight our concern that the SEND proposals fail to provide the funding and resources needed to deliver the ambition. The reforms appear to be about cutting costs and delivering SEND on the cheap. There is a significant risk that the proposals will result in more learners with SEND struggling to access the support that they need. Teachers and staff in schools are already under huge pressure – and the proposals will further increase the pressures on them. This is likely to increase the number of learners with SEND who don't attend school, and it is also likely to exacerbate the teacher recruitment and retention crisis.

47. We are extremely concerned that the DfE's policy appears to change the incentives for schools before statutory reforms take place. If schools are expected to meet a higher level of need from their core budgets, then there is a risk that local systems will begin changing expectations around top-up applications, needs assessments and access to specialist support, even though the existing statutory framework remains unchanged. The DfE should give an explicit assurance that participation in the 'test and learn' programme will not be used to impose additional barriers to statutory assessment or to prevent lawful access to high needs funding.

48. The timescale for implementing the proposals is unrealistic. The consultation closes on 18 September and formal applications from local authorities to participate in the 'test and learn' programme must be submitted by the end of October. Local authorities and school forums are being asked to make decisions

that have very significant consequences for the high needs budget before the DfE has evaluated and responded to the consultation. This does not allow sufficient time for meaningful modelling, scrutiny and consultation.

49. The proposals mean that funding arrangements will be developed before decisions about policies arising from the SEND consultation, *SEND Reform: putting children and young people first*, have been determined. They also mean that local authorities are developing inclusion plans based on assumptions and interpretations about the outcome of the SEND consultation. This includes interpreting what they think high needs provision will look like even though, for instance, the number of specialist provision packages (SPPs) has not been determined and the evidence-based SPPs have not been developed. Given the increased responsibility placed on schools in the SEND consultation proposals, this poses huge risks to teachers and leaders, as well as the learners they teach.
50. We have significant concerns that the views and experiences of teachers and leaders will be overlooked when developing the local SEND inclusion formula and evaluating whether the inclusion formula is effective or problematic. Both SENCOs' and teachers' experiences are critical to understanding the implications and impacts of funding decisions. Teachers and SENCOs should be involved before an authority decides to participate in the 'test and learn' programme. They should also be involved when local threshold formula and safeguards are being designed. Where proposals affect staffing, workload and working practices, recognised trade unions should be consulted.
51. Nationally, it will be crucial to put in place mechanisms to obtain SENCOs', teachers' and school leaders' experiences and views of the system and the impacts on teaching and learning, for staffing and working conditions, including workload.
52. We reiterate our concern that allocating money from the high needs budget to mainstream schools through a local SEND inclusion formula increases the risk of 'winners and losers' with schools that have large SEND populations, have specialist expertise or a reputation of being inclusive at particular risk of losing out. This arises because formula funding shifts more financial risk onto schools. It

will be crucial, therefore, that the evaluation of the 'test and learn' programme includes comparing what each school actually receives under the new model with the funding and support that the school would have received for its cohort under existing arrangements. Average increases in school funding would not demonstrate that the funding model is fair. Further, the evaluation needs to consider the challenges that schools currently face as the result of insufficient funding and support.

53. We are concerned that policy proposals, including proposals to allocate more funding from the high needs budget to mainstream school budgets, means that assumptions are being made that schools should be doing more to meet needs. The law hasn't changed, but SENCOs report that some local authorities are adopting unlawful practices. For instance, a local authority has informed SENCOs that they are not accepting requests for needs assessments at present. There is a risk that the 'test and learn' programme will result in more local authorities adopting such practices.
54. We believe that it will be extremely important for the DfE to ensure that strategies adopted by some local authorities to manage their budgets do not creep into the 'test and learn' programme. We are aware of examples where local authorities have provided SENCOs with figures to use when setting out how they have spent the notional budget of £6,000 that fall short of the actual cost to the school of employing, for example, a specialist teacher or learning support worker. This also includes examples of local authority costings that have not changed for many years.
55. We are aware of examples of local authorities setting bands for levels of need and attaching funding, where the actual cost of meeting the needs to be set out in the band is much higher than the funding attached to the band. SENCOs have also provided examples of local authorities agreeing to provision in an EHCP and then not providing the school with the additional funding to deliver that provision. The DfE should make participation in the trial conditional on local authorities maintaining lawful access to EHC needs assessments, EHCPs and top-up funding. The DfE should also monitor whether local authorities seek to establish new thresholds, adopt or continue to operate informal rationing of access to

support and provision, or place pressure on SENCOs to understate the actual costs of provision. Failure to identify and address these practices could mean that high needs demand appears to have been reduced – when the reality is that needs are not being met and/or schools are left trying to support learners as best they can.

56. It will be crucial that the DfE clarifies that additional funding allocated through a local SEND inclusion formula does not mean that mainstream schools are expected to meet higher levels of need or that the local authority will withdraw some of its services and support that it currently provides to schools.

57. There is a need to recognise that there are additional costs involved in transitioning to a new system. There will be a period where two systems are running and there will be costs associated with transitioning to a new system. Existing statutory funding and EHCP arrangements will continue while the ‘test and learn’ programme takes place. Participating authorities might, therefore, be financing and administering overlapping systems. The DfE should identify these transition and administration costs separately, rather than assume that they can be absorbed within existing resources.

58. We have concerns about the long-term risks associated with including more funding in mainstream school budgets and requiring schools to be more inclusive, particularly if the funding is not ring-fenced and there isn’t clarity about the actual costs of delivering ‘more inclusion’. If funding is incorporated into core budgets while schools face wider financial pressures, it cannot be assumed that a nominal SEND allocation will translate permanently into additional staffing or provision. The Government must establish the actual cost of the additional responsibilities it expects mainstream schools to undertake; it must fund these additional costs and ensure that the funding is sustained over time.

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