



Department  
for Education

# **Upfront funding for mainstream schools: creating a ‘local SEND inclusion formula’**

**Government consultation**

**Launch date 10 July 2026**

**Respond by 18 September 2026**

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## Introduction

This consultation explores how best to rebalance the high needs and schools budgets in local authorities to increase the share of funding mainstream schools receive upfront to support their pupils' special educational needs (SEND).

In our consultation, [SEND reform: putting children and young people first](#), we said that from 2027 we would consider temporary funding arrangements. These would allow local authorities to increase the funding that mainstream schools receive directly to support pupils with SEND, ahead of statutory changes.

This document sets out:

- the wider context of SEND Reform proposals that are subject to consultation
- our objectives and proposed approach for local authorities to take the first step towards rebalancing their high needs and schools budgets to increase the share of funding mainstream schools and academies receive upfront
- ongoing duties for Special Educational Needs and potential changes to finance regulations
- questions to gather your views and refine proposed arrangements for the 2027-2028 financial year.

Subject to the findings of the SEND reform consultation, we aim to re-balance funding by moving a portion of funding currently distributed through local authorities from high needs budgets directly into mainstream core budgets, to support earlier intervention and a more proactive approach to meeting needs.

We propose that an increased share of funding for SEND in core school budgets would empower schools to support children and young people with SEND in a responsive and adaptive way.

Separately, we are providing guidance intended to support local authorities to understand the application process to be part of the first phase of this approach in the 2027 to 2028 financial year, as we move towards a system that increases the share of funding mainstream schools receive upfront. This first phase would provide an opportunity to test and learn from different local approaches, helping build the evidence base on how funding can best be rebalanced to support inclusive mainstream practice in future. Any part of this guidance may change following the outcome of this consultation. Owing to timescales leading to the 2027 to 2028 financial year, this guidance has been published in advance of the consultation response, as parts of the process involve early discussion, which starts before the consultation response is published. No decision has been made to implement the policy. We are sharing this information early to give local authorities time to consider the opportunity. More information is available here: [Apply to provide upfront SEND funding to mainstream schools](#).

Local authorities interested in being part of the first phase would need to:

- let DfE know through an informal, non-binding expression of interest
- consult their schools forum
- submit an application to the Department for Education (DfE) in the autumn
- record funding transfers in the [Authority Proforma Tool \(APT\)](#) by mid-January

These indicative steps are included in our documents to help understanding and responses to the consultation. We invite non-binding expressions of interest by the closing date of this consultation 18 September 2026 so we can begin discussions on early proposals.

## Who this is for

- Local authorities
- Mainstream schools, both maintained and academy trusts
- Representatives of school funding and finance arrangements
- Parents

## Issue date

The consultation was issued on 10 July 2026.

## Enquiries

If your enquiry is related to the policy content of the consultation you can contact DfE at: [MainstreamSEnDFunding.consultation@education.gov.uk](mailto:MainstreamSEnDFunding.consultation@education.gov.uk)

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: [coordinator.consultations@education.gov.uk](mailto:coordinator.consultations@education.gov.uk), telephone: 0370 000 2288 or via the [DfE Contact us page](#).

## Additional copies

Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

## The response

The results of the consultation and the department's response will be [published on GOV.UK](#) in autumn 2026.

## About this consultation

This consultation document proposes that DfE provides a way for local authorities to take the first step towards rebalancing their high needs and schools budgets to increase the share of funding that mainstream schools and academies receive upfront to support the needs of children with SEND, ahead of any statutory changes.

- At this stage, this will not be a requirement. It is an opportunity to understand more about how local authorities, in partnership with schools, would take this forward.
- Participating local authorities would consult their schools forum on whether to increase the current £6,000 threshold for additional SEND support costs. At present, local formulae must be set so that schools are funded to meet SEND support costs up to £6,000 per pupil per year from their core budgets, a figure which has not changed in cash terms since 2013.
- These local authorities, working in partnership with their schools forum and subject to application approval by DfE, would decide how much funding to move from their high needs budget to the schools budget to fund that change, and how that funding is distributed amongst schools.
- The funding transfer would be clearly shown in school budgets through a new local SEND inclusion factor, separate to the local schools funding formula. DfE would check the funding transfer has been made in participating local authorities through the Authority Proforma Tool (APT).

At this stage, there is no requirement to make changes in financial year 2027 to 2028. However, we are asking local authorities, in partnership with their schools forum, to consider whether to apply to the DfE to develop this.

In the long term, as proposed in [SEND reform: putting children and young people first](#), we aim to re-balance funding by moving a portion of funding currently distributed through local authorities from high needs budgets directly into mainstream core budgets, to support earlier intervention and a more proactive approach to meeting needs. We propose that an increased share of funding for SEN in core school budgets would empower schools to support children and young people with SEND in a responsive and adaptive way.

The proposal set out in this consultation is the first step towards this future, subject to the findings of the SEND Reform consultation. It is important that we build understanding of how best to do this to mitigate risks and maximise benefits before implementing this at a national level. This is why we want to encourage proposals and take-up for 2027 to 2028 – a good level of take-up across a number of regions will provide us and the wider sector with a deeper understanding through practical experience. These arrangements will provide an opportunity to test and learn, helping DfE and the sector gather practical

evidence about what works and how this can be delivered effectively before any wider implementation.

However, this being the first step, we have built in careful safeguards to manage risks. This includes DfE's approval before any local authority would make a change to the level of SEND support schools pay for from their core budget. Most importantly, this would allow us to ensure the responsibilities of schools under new arrangements are deliverable and appropriately funded. It is why we ask a consultation question on the risks and opportunities, so as we work with local authorities and schools on these proposals, we can ensure risks have been properly considered and managed but, above all, we maximise the benefits for pupils.

## Respond online

To help us analyse the responses, use the online system wherever possible. Visit [DfE consultations on GOV.UK](#) to submit your response.

## Other ways to respond

If for exceptional reasons, you are unable to use the online system, for example, because you use specialist accessibility software that is not compatible with the system, you may request an alternative format of the form by contacting:

[MainstreamSEnDFunding.consultation@education.gov.uk](mailto:MainstreamSEnDFunding.consultation@education.gov.uk)

## Deadline

The consultation closes on 18 September 2026.

## Background

As set out in [SEND reform: putting children and young people first](#), our principles for reform include supporting children's needs earlier and more flexibly as they evolve over time. This will start to break the cycle of needs going unmet and getting worse. Instead, we propose equipping mainstream schools to intervene swiftly and proactively, focusing on providing support earlier in children's lives when this can have the greatest impact.

To ensure this, our long-term proposal is to rebalance funding into mainstream schools' core budgets so they can better support children with SEND.

Subject to the outcome of the SEND Reform consultation, this would help schools plan and provide support earlier as needs emerge and more flexibly as needs evolve – removing barriers to learning, enabling more children to achieve and thrive in inclusive mainstream settings.

## Current funding approach

Mainstream settings already receive funding for SEND in their core budgets. Since the 2018 to 2019 financial year, the [national funding formula](#) (NFF) has been used to allocate funding for high needs, using factors such as low prior attainment and disadvantage. Currently, the schools NFF allocates £2.9 billion – 5.8% through the low prior attainment and £5.6 billion – through the deprivation formula factors, which are used as a proxy for SEND need in mainstream settings. Funding from these factors as well as the basic amounts for all pupils are combined into an identifiable ‘notional SEND’ funding allocation – over £5 billion in 2026 to 2027.

Mainstream schools’ core budgets include funding for pupils with SEND whose support costs are below £6,000 per year. Schools are expected to meet these costs from their own budgets, up to this threshold.

However, the £6,000 threshold has not changed since 2013, a figure itself based on 2009 costs, resulting in a more than 50% decrease in real terms.

As a result, the current system has led to greater reliance on high needs ‘top-up’ funding to meet costs above £6,000. Increasingly, schools are applying for this funding to support pupils with more commonly occurring needs, which previously would have been met flexibly, by schools. This ‘top-up’ funding has grown much faster than core school funding. This means that:

- some pupils who were previously supported from school budgets are now partly funded by local authorities. This is resulting in more funding tied to formal assessments
- those pupils’ support is being delayed through needing to apply for support
- staff spend more time on processes, which means an additional workload burden and less time spent supporting pupils

## Our objectives for providing this funding mechanism

### 1. A more efficient route of resourcing for schools

We want to provide a funding route that better equips schools to meet a wider range of commonly occurring needs. We want to enable more proactive planning of the support schools provide for their pupils and allow schools to invest in support for the whole cohort of children with similar needs. The SEND Reform consultation proposes this funding is more effective through the schools’ core allocations rather than tying schools up in assessments.

### 2. A more effective use of funding to meet children’s needs

We want schools to have greater certainty about levels and sources of funding.

Through these proposals, school leaders can be empowered to decide on the best way to meet needs from within their core offer, including staffing certainty first and foremost, and incentivising earlier action that reduces escalation of need.

## Existing investment in inclusive mainstream schools

In the SEND reform: putting children and young people first consultation, we announced the [Inclusive Mainstream Fund](#) – over £500 million each financial year, for each year of the spending period – to give schools, colleges, and early years settings funding to prepare and deliver improved inclusive practice.

This investment is about making the changes that put inclusion at the heart of every mainstream setting, so that every child and young person can thrive. Settings will use this new investment alongside their existing budget to ensure they deliver inclusive provision and we will hold schools to account on their activity through their publication of an annual [inclusion strategy](#).

Our investment in, and local authority implementation of, a local [Experts at Hand](#) offer will bring specialists such as speech and language therapists, occupational therapists, educational psychologists, and specialist teachers into mainstream schools. These specialists will also work with teachers and support staff, helping them understand children's needs and use strategies that can make a difference in everyday lessons.

We are also backing our workforce with more than £200 million of investment over three years in a new national SEND training programme. Together, teachers and specialists will support children earlier and more effectively.

## Our proposal

From the 2027–28 financial year, we propose introducing an opportunity to understand how local authorities can best rebalance funding to increase the share mainstream schools receive upfront.

Implementing such a change would allow individual local authorities and the wider the sector to see what works and understand how to manage risks and maximise the benefits of rebalancing funding to equip mainstream schools to provide inclusive practice. Our proposals here are potentially the first step of this journey, ahead of wider funding reform.

Participating local authorities would apply to fund an increase to the amount of SEND support costs that mainstream schools are expected to meet before applying for additional ('top-up') funding (an amount above the existing £6,000 threshold, set in regulations). To do this, local authorities would identify an amount of funding to allocate to the whole school without it being linked to individual Education, Health and Care Plans (EHCPs).

The total amount of funding for schools across the local authority would be used to compensate schools for the change in threshold value. Most of it would be transferred from the local authority's high needs budget to the schools budget, and then distributed to schools through a locally determined funding formula, but some may be redistributed to schools using the high needs budget to ensure a smooth transition.

We set out how local authorities can make this a smooth transition for all schools in the [Technical detail section](#) and how the funding transfer would be tested in the [Financial checks section](#).

Local authorities approved to participate will continue to have a duty to secure special education provision set out in EHCPs and ensure schools have adequate funding to secure this support. More information is in the [Consistency with existing regulations section](#).

### **Benefits and the associated risks requiring management**

We suggest that mainstream schools receiving an increased share of funding upfront will address the frustration we've heard from schools, teachers and families that the existing funding system is tying a large share of funding to statutory assessments, delaying support and diverting staff time into bureaucracy.

By developing our evidence base about how local authorities can provide a smooth transition towards long-term rebalancing of funding, we seek to make smoother progress towards a system that mitigates the frustrations of the existing funding system

If the policy was implemented in a local area, schools and their pupils would benefit from:

- money for SEND support being provided upfront rather than it being tied to statutory processes – releasing education specialists from bureaucracy and reducing delay for children and their families before support is in place
- schools being in a better position to meet a wider range of commonly occurring needs, enabled by a funding route that allows for more proactive planning of child-level and cohort-level support
- a boost to the funding that underpins inclusive practice, to be reported annually in each school's inclusion strategy (starting in December 2026)

Aside from this interim arrangement, participating local authorities would retain the ability to provide 'top-up' funding where it is required. We ask a consultation question on how local systems could operate where there is a new cost threshold in place – how local authority proposals could take into account variability in levels of need supported by schools and variability in the costs of supporting those needs.

We also acknowledge this current system results in delay and many children's and young people's needs escalating over time, leading to worse outcomes. We want to facilitate the move towards a funding system which empowers schools to provide inclusive practice. We propose, when local areas distribute funding, that they continue using proxies that correlate with SEND in the national funding formula (NFF), rather than funding identified SEND need directly given disparities in assessment of needs.

We recognise, however, that formulaic allocations will not always fully reflect the actual level of need that schools support and that in many cases it may not be effective for a school to meet the needs of its pupils solely from its own budget. We want to understand, through this consultation, the approaches that can be taken to ensure transparent funding that allows for fair and agile distribution and ensures schools are supported and empowered to provide high quality support for pupils with SEND.

We will be mindful in this context of our approach causing unnecessary increases to local variation ahead of statutory changes that will be designed to bring greater standardisation. This will be one of the factors we will consider in the round when we review local authority proposals.

## Technical detail of our proposal

We propose putting arrangements in place for DfE to work with local authorities, and their local schools, to rebalance the local authority's high needs and school budgets to increase the share of funding mainstream schools receive upfront for SEN support. Local authorities would need permission to vary the figure in the regulations that states the amount of SEN support costs mainstream schools are funded to meet from their own budget, before turning to the local authority for additional funding.

If this policy is implemented, local authorities would need to take the following steps:

- 1. Submit an expression of interest**

A simple, non-binding expression of interest would link local authorities to DfE's Funding Policy Unit and to others considering participation in 2027 to 2028.

- 2. Consult and seek the views of the schools forum**

In their application, local authorities would be required to provide evidence that they have consulted the schools forum. This evidence must include the schools forum's view, including any concerns raised, regarding:

- a. the proposed new threshold
- b. the total funding to transfer from the high needs block to the schools block
- c. how it will be distributed to schools, including any additional discretionary funding provided on top of the pure funding formula.

In this context, we would not expect the local authority to also propose to the schools forum a transfer of money from its schools block to its high needs block.

Applications would be submitted each financial year and therefore the views of the schools forum would also be sought on an annual basis ahead of application, until new legislation is in place, which is expected from September 2029.

### **3. Decide how much funding to transfer**

Local authorities would carry out analysis to propose an overall funding transfer, proportionate to the increased responsibilities of schools to meet additional SEND support costs, under a proposed new threshold. This overall funding transfer would be made from the local authority's high needs budget to the schools budget.

The existing threshold is set at £6,000 and we ask a consultation question on how local authorities should decide an increased amount and whether there should be a limit on this.

When considering each local authority's formal application, which would be submitted in autumn 2026, DfE will review whether the amount the local authority proposes to transfer is broadly consistent with that they have previously put forward to schools and if it is adequate to cover the additional SEND support costs schools must meet from their core budget allocation, given a higher cost threshold. This review will include any part of the funding that the local authority intends to redistribute to schools within the high needs budget to ensure a smooth transition (see next step). DfE will consider the schools forum response to each of these proposals.

### **4. Create a clear and transparent way of distributing this funding to schools**

Local authorities must develop a way to allocate funding through a new, separate local SEND inclusion factor. This would be on top of the local school funding formula. As with other funding, DfE would pay the equivalent funding directly to academy trusts.

We ask a consultation question on whether there should be a nationally consistent approach to setting this funding formula, or whether this should be at the discretion of each local authority – provided it uses only those factors permitted in the local school formula.

*Discretionary funding to schools with a high proportion of EHCPs, relative to their pupil characteristics*

It may be necessary to provide discretionary, targeted funding to some schools on top of the funding formula, from within the high needs budget. This may be necessary to provide consistent SEND funding to schools currently in receipt of

'top-up' funding that is far above what a pure funding formula would predict they require, based only on their pupil characteristics.

A pure formulaic approach to distribution comes with the risk that schools whose pupil characteristics indicate a relatively low likelihood of additional need would not feel fully resourced to be more inclusive. Applicants should ensure that proposals manage these risks and would not act against the proposals in the SEND Reform consultation document where every mainstream school has a proactive approach towards creating environments where all children can access learning, feel valued and safe, and succeed.

Discretionary funding from the high needs budget to schools with disproportionately high proportions of SEND or complex SEND in their pupil cohort is already permitted (see section 9.2.1 of [High needs funding: 2026 to 2027 operational guide - GOV.UK](#)). Funding provided to schools through this route must also have a transparent means of allocation.

## 5. **Apply to DfE**

Subject to this consultation, DfE will welcome formal applications before the end of October. This would set out the local authority's supporting analysis of, and evidence that the schools forum has been consulted on, (a) the proposed threshold, (b) the total funding to transfer and (c) how it will be distributed to schools.

When DfE considers applications, we will consider whether the proposals will be effective in managing risk, including the risk of schools receiving an increased share of funding upfront but not changing their practices of applying for additional funding in response. We suggest this step is an important safeguard to ensure the system moves in the direction of the guiding principles of the SEND Reform consultation.

If the policy is implemented, this 'disapplication' process would be supported by changes to the funding regulations.

## 6. **Report and publish the changes**

If the application is approved, local authorities would report the new threshold, funding transfer and distribution method through the Authority Proforma Tool (APT). This report will be checked by DfE to make sure the overall funding transfer and approach to distribution is in line with that approved.

The funding schools receive would appear as a separate line called the local SEND inclusion factor. This funding is in addition to the local funding formula and so it is separate to the notional SEN budget.

In future, subject to this and future consultations, we intend to bring together different SEND funding streams (notional SEN budget, the Inclusive Mainstream Fund and the upfront funding proposed here) into one funding stream.

#### **7. Participate in building evidence and understanding of what works**

DfE would hold regular meetings to bring together local authority participants. This will be an opportunity to share findings from implementation, discuss how their chosen approach compares with the funding system previously in place and whether local schools report this change empowers them to meet needs earlier / more effectively. This information will inform advice to the next cohort of local authorities coming forward with applications for the 2028 to 2029 financial year.

### **More information on proposed implementation**

#### **Setting the new amount up to which schools are funded to meet additional SEND support costs (now set at £6,000)**

Local authorities will need to consider this in partnership with their schools forum. This new amount should balance:

- supporting inclusion in all schools
- recognising differences in levels of need between schools and the ongoing duties to secure special educational provision in accordance with EHCPs.

Local authorities should also take into account expected growth in EHCP numbers, budgeting proportionately for that growth.

### **Financial checks**

DfE will check that the overall funding has been correctly transferred and reported in line with the funding and distribution arrangements approved by DfE. Participating local authorities will provide details of the threshold, funding transfer and distribution in the Authority Proforma Tool (APT) in mid-January.

### **Consistency with existing legislation**

Participating local authorities will continue to have a duty, under [Section 42 of the Children and Families Act 2014](#), to secure special educational provision in accordance with an EHC plan for a child or young person, and will need to ensure the school has adequate funding to secure this provision accordingly.

Mainstream schools will continue to have a duty, under [Section 66 of the Children and Families Act 2014](#) to use best endeavours to secure that the special educational provision

called for by a pupil or student's special educational needs is made. This applies whether or not the child or young person has an EHCP.

When considering these funding changes, participating local authorities should look at the overall impact on each school's total funding. This includes both core funding and any 'top-up' funding that schools will continue to receive. Schools should experience a smooth transition, in relation to their funding, throughout these arrangements.

Local authorities should also be aware of timing differences. Funding delivered through the local SEND inclusion factor is paid to maintained schools in April, but to academies in September. Local authorities are permitted to use discretionary funding from the high needs budget to manage this difference.

## Consultation questions

**Q1.** Do you agree that 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 schools are expected to fund from their core budget before accessing high needs 'top-up' funding.)

**Yes/No**

**Please explain your answer**

**Q2.** If this policy is introduced, how should local authorities decide the new amount schools are expected to fund from their core budget before accessing 'top-up' funding?

**Please give your views**

**Q3.** 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 set currently at £6,000 per pupil)

**Yes/No**

**Please explain your answer**

**Q4.** What is important for DfE to consider, when reviewing proposals from local authorities, to make sure proposed local funding distribution takes into account variation in levels of need and the costs of supporting those needs?

**Please give your views**

**Q5.** Would you prefer that the funding formula to distribute this funding from the high needs budget directly to school budgets is (i) set in line with nationally consistent factors or (ii) 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, low prior attainment, EAL or mobility)
- decide how much weight to give 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 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**

**Q6.** 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**

**Q7.** Do you have any other comments on this proposal?

**Please give your views**



Department  
for Education

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