The 2025 UK Budget and the Future of SEND

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Risk, Reform — and a £20 Billion "Timebomb"

The 2025 Autumn Budget — and the accompanying declaration that the central government will take over funding for special educational needs and disabilities (SEND) from 2028–29 — marks the most significant overhaul of SEND funding in years. On paper, the move promises relief for cash-strapped local authorities. In practice, it opens the door to serious long-term risk, unless the government not only honours its commitment but also injects new, sustainable funding. For children with SEND, parents, schools and specialist providers, the coming years may well determine whether this becomes a genuine reset — or a reshuffling of cracks.

What changed: centralisation amid growing pressure

The headline from the Budget is clear: from April 2028, the government will assume full responsibility for SEND spending, shifting the burden away from local authorities.

This move comes after years of escalating costs. According to recent estimates, spending on SEND pupils has increased by roughly two-thirds since 2012/13 — reaching around £11–12 billion a year.

The rationale is pragmatic: local councils across England have struggled under rising demand for Education, Health and Care Plans (EHCPs), SEN support, specialist placements and transport costs. Many already run deficits — some large enough to jeopardise their overall financial viability. The central government's intervention appears to aim at preventing local-authority insolvency and preserving essential services.

The response from local-government leaders has been cautiously optimistic. As one senior council representative put it: while absorbing future costs is welcome, the plan "does not address existing deficits, which are pushing many councils to the financial brink."

But here's the catch — mounting risk, few guarantees

The biggest concern is straightforward: the government has not yet committed to writing off accumulated deficits. Those debts — built up over recent years as councils scrambled to meet growing SEND demand — remain on local-authority balance sheets. Unless the government injects additional funds now, many councils may continue running deficits until 2028 and beyond.

Moreover, the projected additional cost burden is significant. The government's own watchdog — the Office for Budget Responsibility (OBR) — estimates SEND costs could reach around £6 billion per year by 2028-29.

If that cost is simply absorbed within the existing school budget — rather than matched with fresh funding — the effect could be devastating. One analysis suggests this could mean a 4.9% real-terms fall in per-pupil funding for mainstream schools.

As a result, mainstream school budgets may be squeezed, potentially leading to cuts to core learning resources, fewer support staff, larger class sizes, and reduced capacity to include children with less severe needs. That raises the spectre of widening inequality, reduced inclusion, and long delays for children with complex needs.

Add to this a backdrop of broader fiscal constraint: the 2025 Budget increased taxes significantly — raising the overall tax take to historic highs, with the burden

rising to over 38% of GDP by 2029–30. (Office for Budget Responsibility) Given the pressure on public finances, there is a real risk that the SEND commitment becomes one among many competing demands — and gets diluted or underfunded in implementation.

What this could mean for SEND outcomes, schools and families by 2030

If the transition to central SEND funding is not backed by new resources, the likely impacts are bleak:

- Mainstream inclusion under threat: Schools may struggle to meet EHCP requirements or provide adequate support for low- to mid-level SEND needs. With budgets squeezed, some children may be excluded from full-time education or receive reduced support.
- Long waits for specialist provision: Specialist and independent schools — already under strain — may become even harder to access. Demand will outstrip supply, waiting lists may lengthen, and parents might be forced to explore costly private options or home-based alternatives.
- Growing inequality: Families with means may purchase private therapies, tutors or specialist placements, while less affluent families face limited support — widening the educational and social divide.
- Stress on local services and support networks: As councils continue to carry historic deficits, investment in early intervention, home-to-school transport, and support services may remain constrained — pushing more demand onto overburdened health, social care, and community services.

In short: what looks like a structural shift could, in effect, become a “cost-shunt” — moving the burden around without solving the underlying pressures.

Why it matters: systemic risk for the future of SEND in England

At stake is more than budgets and bureaucracy. The SEND system in England has long struggled with inequality, postcode lotteries, funding shortfalls and demand overload. The 2025 Budget offered a chance to reset — but only if it is backed by serious, sustained funding and a meaningful reform strategy.

If the central government does not provide the additional £6 billion (or more)

needed annually — over and above existing budgets — the result could be worse than the pre-2028 status quo. Instead of stable, equitable SEND provision, the system could unravel under the weight of unmet demand.

This isn't just a problem for schools, councils, or policymakers. It matters for millions of children and young people whose educational and life chances depend on reliable, high-quality support — children whose needs are often complex, not visible at first glance, and critical for their social, emotional and educational development.

What must happen next: five critical moves for policymakers

For the SEND shift to avoid becoming a regression, decision-makers should consider:

1. Write off historical council SEND deficits — or at least guarantee transitional funding to relieve immediate financial stress. Without this, many councils risk insolvency and may cut other essential services.
2. Ring-fence additional funding — ensure that the new SEND burden is funded with new money, not at the expense of mainstream school budgets or other education spending.
3. Develop and publish a clear reform strategy via the promised upcoming Schools White Paper — including early intervention, capacity expansion (specialist schools, independent provision), workforce planning, and backlogged EHCP review.
4. Protect mainstream education funding per pupil — so that inclusion, broad curriculum, and support for mild-to-moderate SEND do not suffer a stealth cut.
5. Monitoring and transparency — publish regular, detailed data on SEND demand, costs, waiting times, and outcomes. Without transparency, parents, professionals, and policymakers cannot hold the system to account.

Conclusion: Reset — But Only If Funded and

Managed with Integrity

The 2025 Budget's decision to transfer SEND funding to central government marks a turning point. It has the potential to relieve chronic pressure on councils, reduce the postcode lottery and create a more coherent, national approach to SEND. But the risk now is that, under financial strain and squeezed budgets, the promise becomes a hollow shift — disguising underfunding behind structural reform.

For children with SEND, families, schools, and providers, the coming years may bring hope — or further hardship. The difference will depend on details: whether the government backs its commitment with funds, whether reform is carried out transparently and equitably, and whether the needs of the most vulnerable are prioritised. If not, 2028 may mark not a reset — but a deterioration.

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