

Appendix A - Special Education Needs (SEN) Deficit Announcement 09/02/2026

- A new High Needs Stability grant covering 90% of eligible Dedicated Schools Grant (DSG) deficits up to the end of 2025-26 will be provided as a first phase of funding reforms. This grant will be paid in Autumn 2026.
- Funding will be dependent on the LA submitting an agreed local SEN reform plan. The DfE is expecting local area partnerships to develop these plans.
- In calculating the High Needs Stability grant, Safety Valve payments committed/paid up to March 2026 from both from the DfE and Council will be excluded. This means all local authorities will be treated equally and SV authorities (such as Kent) will not be disadvantaged contributions LAs may have already made to the debt.
- Kent's total SEN accumulated debt (excluding DfE and LA contributions) is estimated to be £296.5m as at March 2026.
- The High Needs Stability grant will equate to approximately £267m (before applying any reductions arising from DfE safety valve contributions already received by March 2026). This will leave a residual historic accumulated DSG deficit of around £30m for debts up to March 2026. The exact amount will be dependent on 2025-26 DSG outturn.
- The Government have confirmed the statutory override will end in April 2028 and that LAs will need to plan to be able to meet the cost of the residual deficit from their own reserves in 2028-29 including setting aside appropriate reserves in preceding years.
- KCC funded contributions towards the safety valve were expected to total up to £82m by March 2028, of which £61.1m has been provided from budgets up to March 2026 i.e. already incurred. It is expected the Council will need to fund the residual deficit of around £30m from these £61.1m contributions, leaving a balance of around £31m. It is expected, this balance along with future MTFP provisions should be held in a specific earmarked reserve until the Government have confirmed future SEN funding arrangements up to March 2028. This reserve would be available if there are further local authority contributions required towards the deficit incurred after April 2026.
- There are no further details, on future funding arrangements for 2026-27 and 2027-28, apart from the Government have committed to take "appropriate and proportionate approach, though it will not be unlimited". At this time, 2026-27 high needs funding continues to be frozen at 2025-26 levels with no uplift for demand or inflation. It is suggested further information will be included in the White Paper expected in the coming weeks.
- The Government continues to state that from 2028-29 Central Government will meet future SEND costs and LAs should not have to plan to meet these costs from General Fund. It is unclear on the future role of LAs from this point.

Appendix Proposed government investment in the SEND white paper reforms

Funding stream	Primary funding holder	Secondary/Partner role	Implications for Local Authority SEND teams
Inclusive mainstream funding (£1.6bn)	Mainstream schools and post 16 settings	LA oversight and Inclusion strategy	Requires LA inclusion strategy alignment and monitoring of impact on EHCP demand
Experts at Hand Service (£1.8bn)	Regional/local specialist workforce arrangements	Health partners, LA SEND services	Requires commissioning coordination and integration into the graduated response
LA Transformation Funding (£200m)	LAs	DfE Oversight	Directly supports service design digital reform and workforce transition
Best Start Family Hubs SEND outreach (£200m)	Family Hubs/Early Help partnerships	Health Visitors, early years settings	Requires LA early years SEND integration and prevention strategy
Teacher SEND workforce Workforce investment (£200m)	National programme delivered to schools	LA advisory/inclusion teams	Impacts mainstream readiness: LA must align training with local inclusion standards
Specialist Places Capital (£3.7bn)	Capital programme via LAs and Trusts	Schools MATs	Requires strategic place planning and sufficiency strategy alignment
High Needs Core Funding Uplift (£3.5bn increase in 28-29)	LAs? (DSG High Needs Block?)	Schools and providers	Sustains statutory delivery and transition costs during reform